



NOTICE FOR EXTRA-ORDINARY GENERAL MEETING

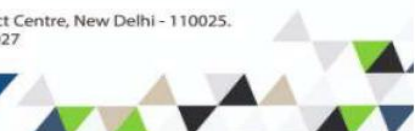
Name of Company		Shivalik Small Finance Bank Limited
Registered office address		501, Salcon Aurum, Jasola District Centre, New Delhi – 110025
Corporate Identity Number		U65900DL2020PLC366027
Telephone number		0120-4060000
e-mail address		info@shivalikbank.com

SHIVALIK SMALL FINANCE BANK LTD.

HEAD OFFICE:
2nd Floor, Add India Tower, Plot No.A-6A,
Sector-125, Noida-201303

Ph: 0120-4060000
info@shivalik.bank.in
www.shivalik.bank.in

REGD. OFFICE:
501, Salcon Aurum, Jasola District Centre, New Delhi - 110025.
CIN NO: U65900DL2020PLC366027



Form No. CAA 2

[Pursuant to Section 233 of the Companies Act, 2013 and Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

Before the Regional Director, Northern Region, New Delhi

In the matter of the Companies Act, 2013

And

In the matter of Section 233 read with other relevant provisions of the Companies Act, 2013

And

In the matter of Scheme of Amalgamation amongst Shivalik Small Finance Bank Limited ("Transferee Company") and ManiBhavnam Home Finance India Private Limited ("Transferor Company")

Shivalik Small Finance Bank Limited

CIN: U65900DL2020PLC366027

PAN: ABDCS9427Q

a company incorporated under the provisions of the Companies Act, 2013 and having its registered office at 501, Salcon Aurum, Jasola District Centre, South Delhi, New Delhi-110025.

....Transferee Company

**NOTICE CONVENING MEETING OF EQUITY SHAREHOLDERS OF
SHIVALIK SMALL FINANCE BANK LIMITED**

[Pursuant to Section 233 read with 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014]

Date of Meeting	Place of Meeting	Time of Meeting
11 th April 2026	2 nd Floor, Plot No.6A, ADD India Tower, Sector-125, Noida	10:00 AM

To,

The Equity Shareholders of
Shivalik Small Finance Bank Limited

NOTICE

NOTICE is hereby given that the 1st Extra-Ordinary General Meeting (EGM) of Financial Year 2026-27 of the members of **Shivalik Small Finance Bank Limited ('Bank' or 'Company')** will be held on Saturday, the 11th day of April 2026 at 10:00 a.m. (IST) at head office of the Bank situated at 2nd Floor, Plot No A-6A, Add India Tower, Sector 125, Noida, Uttar Pradesh - 201303, to transact the following business(es):

SPECIAL BUSINESS:

ITEM NO.1:

TO CONSIDER AND APPROVE THE SCHEME OF AMALGAMATION

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To consider and if thought fit, to pass, the following resolution by the requisite majority as provided under Sections 230 to 233 and other relevant provisions of the Companies Act, 2013, and Reserve Bank of India (Small Finance Banks - Voluntary Amalgamation) Directions, 2025 (“**RBI Directions**”).

“**RESOLVED THAT** pursuant to the provisions of the Reserve Bank of India (Small Finance Banks - Voluntary Amalgamation) Directions, 2025 (“**RBI Directions**”) as updated from time to time, Sections 230 to 233 and other relevant provisions of the Companies Act, 2013, as may be applicable, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, together with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961, and other applicable provisions, if any, and subject to the approvals of the Reserve Bank of India, Registrar of Companies, Official Liquidator, National Housing Bank, Small Industries Development Bank of India, lenders, and creditors of Shivalik Small Finance Bank Limited (“**Bank**”), to the extent required, accorded either by way of a resolution passed in duly convened meeting(s) or through written consent/no objection (NOC) or otherwise; Central Government, Regional Director, the Hon'ble National Company Law Tribunal and subject to the provisions of the Memorandum of Association and Articles of Association of the Bank, such other approvals, permissions and sanctions of regulatory or governmental and other authorities and subject to such conditions and modifications as may be prescribed or imposed by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Bank (“**Board**”), and subject to such approvals, consents, permissions and sanctions, as may be applicable and required for the Scheme of Amalgamation, consent of the members of the Bank be and is hereby accorded for the approval of Amalgamation of ManiBhavnam Home Finance India Private Limited, (“**Transferor Company**”) with Shivalik Small Finance Bank Limited (“**Transferee Company**”).

RESOLVED FURTHER THAT pursuant to the provisions of the Companies Act 2013, and the RBI Directions, and in accordance with the matters stated in the aforesaid resolution:

- (i) The draft of the scheme of amalgamation of ManiBhavnam Home Finance India Private Limited into and with Shivalik Small Finance Bank Limited, (hereinafter referred as “**Scheme of Amalgamation**” or “**Scheme**”), which was circulated along with this notice, be and is hereby approved.
- (ii) The Board be and is hereby authorized, on behalf of the Transferee Company, to create, issue and allot, such number of equity shares of the Transferee Company to the members of the Transferor Company in accordance with the Scheme, as sanctioned by the Reserve Bank of India or other relevant authorities.
- (iii) The Board (the term shall include any of its Committee or any person, duly authorized by the Board), be and is hereby empowered and authorised to make modifications and alterations to the Scheme including those as may be required or suggested by the relevant authority/authorities and to do all such acts, deeds, matters and things, and to take all steps and give such directions as may be necessary, expedient, incidental, ancillary or desirable as it may, in its absolute discretion deems fit, requisite, desirable, appropriate or necessary to give effect to the above resolution and to effectively implement the amalgamation embodied in the Scheme including any required regulatory applications and negotiation, finalization and execution of any agreements or documents incidental or ancillary to the Scheme and modifications/alterations thereto including to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the RBI or Regional Director or such other appropriate authority, while sanctioning the amalgamation embodied in the Scheme as may be required for the purpose of settling or resolving any questions or doubts or difficulties that may arise, including the meaning or interpretation of

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the Scheme or implementation thereof, or in any matter whatsoever connected therewith, including passing of such accounting entries and /or making such adjustments in the books of accounts as considered necessary for giving effect to the Scheme, in such manner as the Board in its absolute discretion may deem fit and to take all steps which are incidental and ancillary thereto in this connection.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) or Officer(s) or Company Secretary of the Bank and to generally do all such acts, deeds, matters and things as may be required in connection with the aforesaid resolution, including making necessary filings with the RBI, Regional Director, Registrar of Companies, or any other authority, execution of any deeds and documents for and on behalf of the Bank and to represent the Bank before any authority(ies), to give effect to the aforesaid resolution.”

By order of the Board of Directors

For Shivalik Small Finance Bank Limited

Sd/-

(Shruti Pandey)

Company Secretary

Membership No.: A34796

Place: Noida

Date: 18th March 2026

Registered Office:

501, Salcon Aurum, Jasola District Centre,
New Delhi – 110025

Website: <https://shivalik.bank.in/>

Tel no.:0120-4060000

E-mail: investorrelations@shivalikbank.com

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (the “Act”) read with the rules made thereunder, setting out all the material facts relating to the Special Business as set out in item no. 1 of this Notice is annexed herewith.
2. In terms of Reserve Bank of India (Small Finance Banks - Voluntary Amalgamation) Directions, 2025 (“**RBI Directions**”), Sections 230 to 233 and other relevant provisions of the Companies Act, 2013, as may be applicable, and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, this Extraordinary General Meeting of the Members of Shivalik Small Finance Bank Limited is being convened for the purpose of considering and, if thought fit, approving, the proposed scheme of amalgamation, as annexed hereto, for amalgamation of ManiBhavnam Home Finance India Private Limited (hereinafter referred to as “Transferor Company”) into and with Shivalik Small Finance Bank Limited (hereinafter referred to as “Transferee Company”) (hereinafter referred to as “Scheme”).

A resolution is required to be passed by the members holding 90% of the total number of shares, of each of the Transferor Company and the Transferee Company, respectively, present either in person or by proxy at the respective general meetings of the Members of the Transferor Company and the Transferee Company.

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3. The EGM Notice has been uploaded on the website of the Bank <https://shivalik.bank.in/> and on the website of National Securities Depository Limited (“NSDL”) (agency for providing the facility of Remote e-Voting) i.e. www.evoting.nsdl.com.
4. Any person, who acquires shares of the Bank and becomes member of the Bank after dispatch of the notice and is holding shares as on the cut-off date i.e. 4th April 2026 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or contact Bank’s RTA to cast the votes through e-voting and/or shall be entitled to attend and vote at EGM, who have not cast their vote on the resolution through remote e-voting.
5. The facility for voting through ballot paper shall be made available at the EGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
6. Entry to the place of meeting will be regulated by an attendance slip which is annexed to this notice. Members/ Proxies are requested to bring the Attendance Slip duly filled in.
7. Members are requested to register their e-mail address, including changes therein from time to time, with the Bank to enable the Bank to service various notice, reports, documents etc. to the Members in electronic mode.
8. Pursuant to the provisions of the Companies Act 2013, a member entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Bank. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent, of the total share capital of the Bank carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
9. The instrument appointing the proxy, duly completed in all respect, must be deposited at the Bank’s Registered Office not less than 48 hours before commencement of the meeting. A proxy form for the EGM is enclosed.
10. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) intending to attend the Extraordinary General Meeting through their authorised representatives are requested to send a Certified True Copy of the Board Resolution and Power of Attorney, (PDF/JPG Format), authorizing its representative to attend and vote on their behalf at the Extraordinary General Meeting. The said Resolution/ Authorisation shall be sent to the Bank by e-mail through its registered e-mail address at investorrelations@shivalikbank.com or to Scrutiniser by e-mail to cspragati.sharma@hotmail.com with a copy marked to evoting@nsdl.co.in.
11. In the case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Bank will be entitled to vote at the Extraordinary General Meeting.
12. Notice and the Statement setting out the material facts along with all the relevant documents referred in respect of item no. 1 will be made available at the Bank’s registered office for inspection during the normal business hours between 10:00 AM (IST) to 5:00 PM (IST) on working days up to the date of the EGM.
13. The Notice convening the Meeting will be published through advertisement in newspapers in

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compliance of applicable regulatory requirements.

14. Members who would like to express their views/have any queries in relation to agenda of the meeting, may please write to Company Secretary at investorrelations@shivalikbank.com mentioning their name, Demat account number/Folio no. and mobile number at least 7 (Seven) days before the date of meeting to enable us to respond to the queries suitably.
15. A person who is not a member as on the cut-off date should treat this notice for information purpose only.
16. Non-Resident Indian Members are requested to contact their respective Depository Participants/RTA (in case of physical shares) for any change in their residential status on return to India for permanent settlement, particulars of their bank account maintained in India with complete name, branch account type, account number and address of Bank with pin code number, if not furnished earlier.
17. The route map for the venue of the general meeting, Attendance slip, and Proxy Form are enclosed with this notice.
18. The copies of the following documents as prescribed under Rule 25(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 are being circulated along with this notice and the same forms an integral part of this notice:
 - (i) The explanatory statement pursuant to the provisions of Sections 102 and 230(3) of the Companies Act, 2013 read with Rules 6(3) and 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 setting out the material facts concerning the item to be transacted in the Meeting (**Annexure 1**);
 - (ii) Draft Scheme of Amalgamation (**Annexure 2**);
 - (iii) Declaration of Solvency in Form CAA 10 and annexures thereto (**Annexure 3**);
 - (iv) Certificate issued by statutory auditor of the Transferee Company w.r.t accounting treatment proposed in the Scheme (**Annexure 4**).
 - (v) Latest audited financial statements of Transferor Company and Transferee Company for the year ended 31.03.2025 (**Annexure 5**).

19. Details of E-Voting and joining EGM through VC:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and the MCA Circulars, the Bank is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM.

For this purpose, the Bank has entered into an agreement with National Securities Depository Limited (“NSDL”) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system will be provided by NSDL.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

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The remote e-voting period begins on 8th April 2026 at 09:00 A.M. and ends on 10th April 2026 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date 4th April 2026 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 4th April 2026.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	- For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period - Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository

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	site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  
Individual Shareholders holding securities in demat mode with CDSL	- Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. - After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. - If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. - Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company

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		For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***
5. Password details for shareholders other than Individual shareholders are given below: a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote. b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password. c) How to retrieve your 'initial password'? (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'. (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered. 6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password: a) Click on "<u>Forgot User Details/Password?</u>"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com. b) <u>Physical User Reset Password?</u>" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com. c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc. d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL. 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box. 8. Now, you will have to click on "Login" button. 9. After you click on the "Login" button, Home page of e-Voting will open.		

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

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5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cspragati.sharma@hotmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on : 022 - 4886 7000 or send a request to Mr. Narendra Dev at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investorrelations@shivalikbank.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investorrelations@shivalikbank.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

**By order of the Board of Directors
For Shivalik Small Finance Bank Limited**

Sd/-

(Shruti Pandey)

SHIVALIK SMALL FINANCE BANK LTD.

HEAD OFFICE:
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Sector-125, Noida-201303

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info@shivalik.bank.in
www.shivalik.bank.in

REGD. OFFICE:
501, Salcon Aurum, Jasola District Centre, New Delhi - 110025.
CIN NO: U65900DL2020PLC366027

Company Secretary
Membership No.: A34796

Place: Noida
Date: 18th March 2026

Registered Office:
501, Salcon Aurum, Jasola District Centre,
New Delhi – 110025
Website: <https://shivalik.bank.in/>
Tel no.:0120-4060000
E-mail: investorrelations@shivalikbank.com

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Form No. CAA 2

[Pursuant to Section 233 of the Companies Act, 2013 and Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

Before the Regional Director, Northern Region, New Delhi

In the matter of the Companies Act, 2013

And

In the matter of Section 233 read with other relevant provisions of the Companies Act, 2013

And

In the matter of Scheme of amalgamation amongst Shivalik Small Finance Bank Limited (“Transferee Company”) and ManiBhavnam Home Finance India Private Limited (“Transferor Company”)

Shivalik Small Finance Bank Limited

CIN: U65900DL2020PLC366027

PAN: ABDCS9427Q

a company incorporated under the provisions of the Companies Act, 2013 and having its registered office at 501, Salcon Aurum, Jasola District Centre, South Delhi, New Delhi-110025.

....Transferee Company

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) AND 230(3) OF THE COMPANIES ACT, 2013 (“THE ACT”) READ WITH RULE 20 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014 AND RULE 6(3) AND 25 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATION) RULES, 2016 (“RULES”)

The following Statement sets out all material facts relating to the Special Business as set out in Item no. 1 mentioned in the above notice:

ITEM NO. 1

The proposed Scheme of Amalgamation, annexed herewith, seeks the approval of the shareholders for the merger of ManiBhavnam Home Finance India Private Limited (“**Transferor Company**”) with Shivalik Small Finance Bank Limited (“**Transferee Company**”). The proposed amalgamation is a strategic consolidation aimed at combining the financial strength, managerial capabilities, technical resources, and operational expertise of both entities to create a more robust and competitive institution. By leveraging complementary branch networks, diverse product portfolios, and distinct customer segments, the merged entity is expected to unlock significant revenue synergies and operational efficiencies. The integration of housing finance operations within a unified banking framework will also ensure stronger regulatory oversight, improved governance standards, and enhanced financial stability. This transition supports long-term sustainability through better asset-liability management, access to a stable and low-cost deposit base, and scale-driven productivity improvements—all contributing to accelerated growth and maximized stakeholder value. The Scheme has been duly approved by the Board of Directors of the Transferor Company and the Transferee Company at their respective meetings held on 6 March 2026 and 5 March 2026.

Beyond commercial benefits, the amalgamation aligns with broader public-interest objectives by expanding financial inclusion, strengthening risk management, and establishing a harmonized supervisory structure. The combined institution will gain wider nationwide reach, including deeper penetration in rural and priority-sector geographies, enabling greater distribution capabilities and portfolio diversification. Customers of both entities will benefit from an expanded suite of products and

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services, while employees of the Transferor Company will continue without any disadvantage, ensuring business continuity. Overall, the amalgamation is envisioned as a growth-oriented, synergy-driven initiative that enhances operational resilience, broadens market presence, and positions the amalgamated entity for superior long-term performance.

In terms of Reserve Bank of India (Small Finance Banks - Voluntary Amalgamation) Directions, 2025 (“RBI Directions”), and provisions of the Companies Act, 2013, a resolution is required to be passed by a majority in number representing two-thirds in value of the Members of each of the Transferor Company and the Transferee Company, present either in person or by proxy at the respective general meetings of the Members of the Transferor Company and the Transferee Company.

Section 233 of the Companies Act, 2013 (“**fast-track merger**” process) further provides that the scheme of amalgamation must be approved by the Members holding at least **90% of the total number of shares**, in addition to the approval of creditors holding nine-tenths in value of the debt.

The proposed amalgamation would also require the sanction of the Scheme by the **Reserve Bank of India (“RBI”)**. Upon receipt of the RBI’s no-objection certificate, an application will be made to the **Regional Director (RD) / National Company Law Tribunal (NCLT)**, as applicable.

A. Description of the Companies:

Transferor Company i.e., ManiBhavnam Home Finance India Private Limited (CIN: U65990DL2016PTC298946; PAN: AAKCM3104C), is a closely held, unlisted private limited company incorporated on May 2, 2016, under the Companies Act, 2013, with its registered office at Farm No. 10, Tropical Drive, Ghitorni, M.G. Road, New Delhi-110030. It holds a Housing Finance Company (HFC) license issued by the National Housing Bank (NHB) vide License No. 12.0148.16 dated December 28, 2016, and is primarily engaged in providing affordable housing finance solutions to underserved and unserved customers in rural and semi-urban regions of India. Its product suite includes home loans for purchase, construction, extension, and improvement, along with non-housing offerings such as Loan Against Property (LAP) and MSME loans. Promoted by a woman entrepreneur, the company places strong emphasis on gender inclusion by encouraging joint property ownership with female family members, thereby advancing women’s empowerment and promoting broader financial and social inclusion. Email address of the Transferor Company is customercare@manibhavnam.com. The main objects of the Transferor Company as per the Memorandum of Association are as follows:

1. To carry on the business of providing finance to any person or persons or co-operative society, association of persons, company or corporation, jointly or individually, for short term or long term, either at interest or without and / or with or without any security for construction, purchase, enlarge, erect, repair, any houses, flats, building(s) or any part or portion thereof, row houses, bungalows, rooms, dwelling units or any portion thereof, used for the residential purpose upon such terms and conditions as the Company may deem fit.
2. To finance or assist in financing the sale of houses, buildings, flats, either furnished or otherwise, by way of hire purchase or deferred payment or similar transactions and to institute, enter into, carry on, subsidise finance or assist in subsidising or financing the sale and maintenance of any such houses, buildings, flats, furnished or otherwise as aforesaid upon any term whatsoever.
3. To assist, advice, market, design, prepare, make, undertake plan, research, tailored made integrated solution for home buyers.
4. To foreclose any loan if the company deems fit considering the use of loan otherwise than for which it was given.
5. To buy all kinds of plant, equipment, machinery, apparatus, tools, utensils, Commodities, substances, articles and things necessary or useful for carrying on the main business of the

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Company.

6. To enter into agreement with any company or persons for obtaining by grant of licence or on such other terms of all types, formulae and such other rights and benefits, technical information, know-how and expert guidance and equipment and machinery and things mentioned herein above and to arrange facilities for training of technical personnel by them.

The Transferor Company has not changed its Objects, Name or Registered office since incorporation.

Transferee Company i.e., Shivalik Small Finance Bank Limited (CIN: U65900DL2020PLC366027; PAN:ABDCS9427Q), is a closely held, unlisted public limited company incorporated on July 12, 2020, under the Companies Act, 2013, with its registered office at 501, Salcon Aurum, Jasola District Centre, South Delhi, New Delhi-110025. The Bank holds a Small Finance Bank license issued by the Reserve Bank of India (RBI), following its conversion from Shivalik Urban Co-operative Bank to a Small Finance Bank vide License No. MUM:148 dated January 1, 2021. Operating under the RBI's Small Finance Bank framework, the Transferee Company provides a wide range of retail banking products and services. It leverages the Infosys Finacle Core Banking and Digital Banking Suite, including internet and mobile banking capabilities, supported by a cloud-based architecture that enhances agility, cost efficiency, and scalability to drive sustainable growth. Email address of the Transferee Company is investorrelations@shivalikbank.com. The main objects of the Transferee Company as per the Memorandum of Association are as follows:

1. To carry on the business of Banking i.e. that is to say to carry on the business of accepting for the purposes of lending or investment of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise.
2. To engage in any one or more of the following businesses:
 - a) Borrowing, raising or taking up money.
 - b) lending or advancing of money by way of a loan, overdraft or on cash credit or other accounts or in any other manner whether without or on the security or movable or immovable properties, bills of exchange, hundies, promissory notes, bills of lading, railway receipts, debentures, share warrants and other instruments whether transferable or not
 - c) Drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hundies, promissory notes, coupons, drafts, bills of lading, Railway-receipts, warrants, debentures, certificates, scrips and other instruments and securities whether transferable or negotiable or not.
 - d) Granting and issuing of letters of credit, traveler's cheques and circular notes.
 - e) Buying and selling of and dealing in bullion and specie.
 - f) Buying and selling of and dealing in foreign exchange including foreign bank notes and to provide all kinds of services related thereto.
 - g) Acquiring, holding, issuing on commission, underwriting and dealing in stock, bonds, obligations, securities and investments of all kinds.
 - h) Purchasing and selling of bonds, scrips or other forms of securities on behalf of constituents or others.
 - i) Negotiating of loans and advances.
 - j) Receiving of all kinds of bonds scrips or valuables on deposit or for safe custody or otherwise.
 - k) Providing of safe deposit vaults.
 - l) Collecting and transmitting of money and all kinds of securities.
 - m) Issue debit or credit cards, meal vouchers, charge cards or smart cards or co-branded

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- cards and extend any other credits to customer or any other persons for any purpose permissible for the Company to carry on under law.
- n) Carrying on any other business specified in section 6(1)(a) to (n) of the Banking Regulation Act, 1949, as amended from time to time ("**1949 Act**"), and such other forms of business which the Central Government has pursuant to Section 6(1)(o) of 1949 Act specified or may from time to time specify by notification in the Official Gazette or as may be permitted by Reserve Bank of India ("**RBI**") from time to time as a form of business in which it would be lawful for a banking company to engage.
 - o) Acting as aggregators, as may be permitted by the Pension Fund Regulatory and Development Authority ("**PFRDA**"), in connection with the National Pension System of the PFRDA.
3. To carry on and transact the business of giving guarantees and counter guarantees and indemnities whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property or assets of the Company, both present and future wherever situate or in any other manner and in particular to guarantee the payment of any principal moneys, interest or other moneys secured by or payable under debentures, bonds, debenture-stock, mortgages, charges, contracts, obligations and securities, and the repayment of the capital moneys and the payment of dividends in respect of stocks and shares or the performance of any such other obligations.
 4. Acting as agent for any government or local authority or any other person or persons, the carrying on of agency business of any description including the clearing and forwarding of goods giving of receipts and discharges and otherwise acting as an attorney on behalf of customers but excluding the business of (Managing agent or secretary and treasurer) of a Company.
 5. Contracting for public and private loans and negotiating and issuing the same.
 6. Effecting, insuring, guaranteeing, underwriting, participating in managing and carrying out of any issue, public or private of State, Municipal or other loans or of shares, stock debentures or debentures stock of any company, corporation or association and the lending of money for the purpose of any such issue.
 7. Carrying on and transacting every kind of guarantee and indemnity business.
 8. Managing, selling and realizing any property that may come into the possession of the Company in satisfaction or part satisfaction of any of its claims.
 9. Acquiring and holding and generally dealing with any property or any right, title or interest in any such property which may form the security or part of the security for any loans or advances or which may be connected with any such security.
 10. Undertaking, settling and executing trusts for any purpose including Mutual Fund.
 11. Undertaking and administration of estates as executor, trustee or otherwise.
 12. Establishing and supporting or aiding in the establishment and support of association, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company, or the dependants or connections of such persons granting pensions and allowances and making payments towards insurance subscribing to or guaranteeing moneys for charitable or benevolent objects for any exhibition or for any public general or useful objects.

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13. The acquisition, construction, maintenance and alteration of any building or works necessary or convenient for the purpose of the Company.
14. Selling, improving, managing, developing, exchanging, leasing, mortgaging disposing of or turning into account or otherwise dealing with all or any part of the property and rights of the Company.
15. Acquiring and undertaking the whole or any part of the business of any person, when such business is a nature enumerated or described above.
16. Doing all such other things as are incidental or conducive to the promotion or advancement of the business of the Company.
17. To take or concur in taking all such steps calculated to uphold and support the credit of the Company and to obtain and justify public confidence and to avert or minimise financial disturbance which may affect the Company.
18. Taking or otherwise acquiring and holding shares in any other company having objects similar to those of the Company.
19. To acquire by purchase or lease or otherwise any premises for the construction and/or establishment of safe-deposit vault or vaults and to maintain therein fire-proof and burglar-proof strong rooms, safes and other receptacles for deeds, securities, documents, money, jewellery and valuables of all kinds.
20. Acting as Debenture Trustee or other Trustees, Custodian, Depository for Shares, Stocks, Bonds, Obligations, securities or investments of all kinds or to do business of Merchant Banking, factoring in such securities.
21. To carry on business of Merchant Banking, leasing, factoring, hire-purchase, financial services of all kinds, consultancy or such other business as may be permitted by the Reserve Bank of India to carry on.
22. Any other form of business which the Central Government or Reserve Bank of India may specify as a form of business in which it is lawful for the Company to engage.
23. To setup or participate as payment gateway for effective payment against services and trade transactions carried out by internet sites and portals, to act as enablers for settlement of e-commerce or any other type of transactions for corporate, individuals or any other entities and to act as digital signature verification authority under the Information Technology Act, 2000.
24. To establish, maintain and operate automated teller machines, or any other electronic and telecommunication devices for carrying on any of the banking businesses including, but not limited to internet banking, telephone banking, utility bills payment for electricity, telephone, mobile phones, and any other activity that would require the Company's banking expertise.
25. To act as corporate agents for insurance products for life and general insurance including but not limited to health, pension and employees benefit, fire, marine, cargo, marine hull, aviation, oil and energy, engineering, accident, liability, motor vehicles, transit and other

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products to carry on the business of insurance, re-insurance and risk management as an insurance agent or otherwise as may be permitted under law.

26. To carry out any type of Corporate Social Responsibility activities permitted under the law.
27. To establish or support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences for the benefit of past or present employees or directors of the Company or the dependents of such persons and to grant pensions, gratuities and allowances and superannuation and other benefits or insure payment of any of them by taking insurance or any other promises and occurrences as the company may undertake and subscribing to or guaranteeing monies for charitable or benevolent objects or for any exhibition or for any public, general or useful object.
28. To carry on the business of mutual fund management and distribution, equipment leasing and hire purchase, manage investment pools, syndicate in shares and other securities and act as Share and Stockbrokers
29. To carry on the business of factoring by purchasing and selling debts receivables and claims including invoice discounting and rendering bill collection, debt collection and other factoring services.

This Scheme is presented, inter alia for the amalgamation of the Transferor Company into and with the Transferee Company, with effect from the Appointed Date (as defined in the Scheme), and the consequent dissolution of the Transferor Company without being wound up, and the payment of cash consideration/ the issuance of the new shares of Transferee Company (as defined in Scheme) to the equity shareholders of the Transferor Company in accordance with the Share Exchange Ratio (as defined in the Scheme).

Key points of Scheme for the consideration of Shareholders are as follows:

B. RATIONALE OF THE SCHEME

The respective Board of Director of the Companies believe that the financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of each of the Companies pooled in the merged entity, will lead to increased competitive strength, cost reduction and efficiencies, productivity gains and logistic advantages, thereby significantly contributing to future growth and maximizing shareholder value.

- (i) The respective Board of Directors of the companies believe the consolidation proposed through this Scheme is founded on leveraging of the significant complementarities that exist between both the Companies, particularly relating to branch network, product offerings and customer segments. This revenue synergy-led and growth-oriented amalgamation, adopting best practices of banking, technology, governance and prudence from both banks, is expected to result in a superior platform benefitting from efficiencies of size and scope over time for all stakeholders such as customers, employees, and shareholders;
- (ii) The amalgamation is not merely a commercial transaction but a strategic consolidation aligned with public interest. The integration of housing finance activity into the banking framework enhances regulatory oversight, strengthens depositor protection and promotes financial stability. The merged entity (i.e. the Transferee Company) shall operate under a single, harmonised regulatory and supervisory framework, thereby reducing structural complexity and ensuring higher standards of governance, transparency and risk management.

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- (iii) The amalgamation of the Companies shall accelerate build out of pan India distribution franchise;
- (iv) The amalgamation of the Companies shall lead to diversification of portfolio with access to rural geography and micro finance business leading to greater financial inclusion, the segment which is of national priority;
- (v) While the Transferee Company has pan-India presence in 11 (Eleven) States and Union Territories with a strong presence in western, northern and central part of India, the proposed Amalgamation will enhance reach and distribution, and help expand geographic coverage thereby leading to accelerated expansion of both deposit and asset franchise across complementary markets;
- (vi) Post amalgamation, the loan assets of the Transferor Company shall gain access to the low-cost and stable deposit base of the Transferee Company, resulting in improved cost of funds, enhanced pricing flexibility and superior asset-liability matching. This structural integration is expected to strengthen the sustainability of the housing loan portfolio and improve long-term profitability without compromising prudential norms.
- (vii) The amalgamation of the Companies shall assist in realisation of synergies arising from the combination including revenue synergies from cross sell to the Transferor Company's deposit base, reduction in funding cost and realisation of scale driven productivity and cost efficiencies over time; and
- (viii) The amalgamation of the Companies shall provide customers of both Companies with access to wider suite of products and services.
- (ix) Both the Companies are engaged primarily in fully secured lending operations and follow a conservative credit risk framework, resulting in low-risk weights and efficient utilization of capital.
- (x) The amalgamation is proposed as a going concern and shall not result in disruption to the business operations of the Companies. Employees of the Transferor Company shall continue in service on terms no less favourable than those existing prior to the amalgamation, thereby ensuring continuity and stability.

C. DATE OF TAKING EFFECT OF THIS SCHEME

The Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date.

Appointed Date: means 1st January 2026 or such other date as may be mutually decided by the Boards of Directors of the Transferor Company and the Transferee Company with the approval of Reserve Bank of India or Regional Director/NCLT or any other Appropriate Authority may approve from which date the amalgamation of the Transferor Company with and into the Transferee Company shall be deemed to have taken effect for accounting and tax purposes in accordance with this Scheme.

Effective Date: means last of the dates on which copies of the Order(s) passed by the Regional Director/NCLT, sanctioning this Scheme, are filed with the concerned Registrar of Companies, Ministry of Corporate Affairs. Any references in this Scheme to "upon this Scheme becoming

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effective”, “Scheme becomes effective” or “effectiveness of this Scheme” or likewise, means and refers to the Effective Date.

D. CAPITAL STRUCTURE (PRE AND POST AMALGAMATION)

The Pre & Post Amalgamation Share Capital Structure of the Transferee Company is as under:

PRE AMALGAMATION:

Particulars	Amount in Rs.
Authorized Capital 20,00,00,000 equity shares of Rs.10/- each	200,00,00,000
Issued Subscribed and Paid-up Capital 16,70,46,055 equity Shares of Rs. 10/- each	167,04,60,550

POST AMALGAMATION:

Particulars	Amount in Rs.
Authorized Capital 25,50,00,000 equity shares of Rs.10/- each	255,00,00,000
Issued Subscribed and Paid-up Capital 17,52,51,735 equity Shares of Rs. 10/- each	175,25,17,350

E. PRE AND POST SHAREHOLDING PATTERN

Transferor Company (Pre Shareholding Pattern)

Sr. No	Names of Shareholder	No of shares	Shareholding %
1	Meghha Gupta	1,82,85,334	38.84%
2	ManiBhavnam Marketing Solutions Private Limited	50,47,000	10.72%
3	Madhu Mehta	11,00,000	2.34%
4	Sunil Gupta	2,00,000	0.42%
5	Jayant Davar	60,75,000	12.90%
6	UTPL Corporate Trustees Private Limited (Trustees of Grand Anicut Angel Fund)	60,75,000	12.90%
7	Vishesh Chandiok	9,15,000	1.94%
8	Shivalik Small Finance Bank	93,77,499	19.92%
	Total	4,70,74,833	100.00%

Transferee Company (Pre & Post Amalgamation Shareholding Pattern)

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PRE AND POST SHAREHOLDING POST AMALGAMATION				
Shareholder	Shareholding Pre Amalgamation	Proportion (in %age)	Post Amalgamation Shareholding	Post Amalgamation Shareholding %age
Promoter and Promoter Group	6,24,62,575	37.39%	6,24,62,575	35.64%
Investors	6,43,70,258	38.53%	6,43,70,258	36.73%
Non-Promoter	4,02,13,222	24.07%	4,02,13,222	22.95%
Shares issued to Transferor's shareholders in SWAP	-	-	82,05,680	4.68%
Total	16,70,46,055	100.00%	17,52,51,735	100.00%

FRACTIONAL ENTITLEMENT

Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to the nearest whole number.

F. DETAILS PURSUANT TO SECTION 233 OF THE COMPANIES ACT, 2013 READ WITH RULES MADE THEREUNDER.

- i. Transferor Companies is a subsidiary of the Transferee Company by virtue of Section 2(87)(i). Accordingly, the Transferee Company exercises “control” over the Transferor Companies. Such control includes, among other rights, the authority of the Transferee Company to appoint the majority of the directors on the boards of the Transferor Companies, entirely at its discretion.
- ii. Under the proposed Scheme, the entire assets and liabilities of the Transferor Companies is proposed to be transferred to and vested in the Transferee Company. The said scheme will be effective from the Appointed Date.
- iii. OBJECTS OF THIS SCHEME

The amalgamation is proposed to consolidate the housing finance business within the banking structure of the Transferee Company, achieve operational and regulatory efficiencies, simplify the group structure, eliminate duplication of compliance and governance frameworks, strengthen capital and liquidity management, and enable integrated offering of financial products to customers. The Scheme is intended to be implemented as a going concern without disruption to customers, employees or creditors. The proposed amalgamation would be in the best interest of the Companies and their respective shareholders, employees, creditors and other stakeholders as the proposed amalgamation will yield advantages as set out inter alia below:

- a. The Transferee Company and the Transferor Company have developed exceptional skills in banking business and housing finance business respectively. The Transferor Company has a wide range of home loans and non-home loans as its product. Within the home loans, it offers loans for home purchase, construction, extension and improvement and within the non-housing loans it offers loan against property (LAP) and MSME Loans. With a retail network of 21 (Twenty-one) branches, it has a presence in 5 States and Union Territory in India with majority of the existing loan assets advanced in rural areas.

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- b. The Transferee Company received a banking license in 2021 from the RBI to conduct business as a small finance bank. Its focus has been to meet the financial needs of people who are overlooked by the formal banking system. The Transferor Company and the Transferee Company therefore have significant complementarities and the consolidation of the two businesses carried on by them is strategic in nature and will generate significant business synergies. The amalgamation will result in enhancement of shareholders' value accruing from synergy of operations, new product development, integration of technology and information technology platforms, and also enable the Companies to further their socio-economic objectives. Thus, a combination of the Transferor Company and the Transferee Company will enhance the value propositions of the combined entity which would be able to leverage the complementarities of the Companies;
- c. The amalgamation of the Transferor Company with the Transferee Company will enable the Transferee Company to build and strengthen its housing loan portfolio and establish a strong customer base of affordable housing customers. The Transferee Company would benefit from the loan assets of the Transferor Company as the strong loan book of the Transferor Company will stand merged into the Transferee Company pursuant to the amalgamation. In addition, the amalgamation will not dilute the focus of the Transferee Company on predominantly Priority Sector Lending ("PSL") loans as majority portfolio of the Transferor Company is PSL eligible; a significant portion of the loan portfolio of the Transferor Company qualifies as Priority Sector Lending. The amalgamation will strengthen the Transferee Company's ability to meet priority sector obligations organically and align its lending activities with national policy objectives relating to affordable housing and financial inclusion.
- d. The amalgamation will result in consolidation of the housing finance business within the banking structure of the Transferee Company, enabling improved access to stable funding, enhanced asset-liability management, better capital efficiency and unified governance and risk management. The proposed amalgamation is expected to create a stronger, well-capitalised and prudently regulated financial institution, capable of delivering sustained value to customers, shareholders and other stakeholders, while supporting national priorities including financial inclusion and affordable housing.
- e. The amalgamation of the Companies shall enable pooling of resources, creating better synergies, optimal utilisation of resources and greater economies of scale;
- f. The amalgamation of the Companies shall result in better administration and cost reduction (including reduction in administrative and other common costs);
- g. While the Transferee Company has pan India presence in 11 States and Union Territories with a strong presence in North India, the proposed amalgamation will enhance reach and distribution and help expand the geographic coverage for the combined entities;
- h. The amalgamation of the Companies shall enable greater efficiency in cash management and unfettered access to cash flow generated by the combined business, which can be deployed more efficiently, to maximize shareholder value;
- i. The amalgamation of the Companies shall create value for stakeholders including respective shareholders, customers, lenders and employees as the combined business would benefit from increased scale, product diversification and expanded reach with increased ability to growth opportunities, higher cross-selling opportunities to a larger base of customers, improvement in productivity and operational efficiencies amongst others;

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- j. The amalgamation of the Companies will enhance shareholder value over the medium to long term through improved returns on equity, greater balance sheet strength and reduced earnings volatility. The transaction is strategic in nature and not driven by short-term considerations.
- k. The amalgamation of the Companies shall provide material realizable cost and revenue synergies for the benefit of the Amalgamating Companies; and
- l. The amalgamation of the Companies shall enable optimal utilization of resources and economies of scale resulting in improved efficiencies; it will help the Transferee Company to establish a strong customer base of affordable housing and scale up rural lending.
- m. As a result, the Board of Directors of the Companies are proposing this Scheme under Sections 230-233 of the Act.

iv. SHARE EXCHANGE RATIO

Upon the Scheme becoming effective, the Transferee Company shall issue and allot 100 (one hundred) fully paid-up equity shares of the Transferee Company in exchange for every 446 (Four Hundred Forty-Six) equity shares of face value Rs. 10/- each, fully paid-up, held by the members of the Transferor Company.

The equity share exchange ratio has been arrived at by independent valuers and has been approved separately and independently by the Boards of Directors of both the Transferor Company and Transferee Company. The same has been approved as being a fair exchange ratio after considering the independent valuation made by Mr. Gaurang Agarwal, Chartered Accountant who was appointed as the independent valuer by the Transferor Company for this purpose, jointly with Sundae Capital Advisors Private Limited, who was appointed as the independent valuer by the Transferee Company for this purpose.

- v. Details of the order of the Tribunal directing the calling, convening and conduct of the meeting

Date of the order: Not applicable, since the proposed merger is in terms of Section 233 of the Companies Act, 2013.

- vi. Date, time and venue of the meeting: Refer the notice calling Extra-ordinary General Meeting.

- vii. The Directors and KMP of the Transferee Company does not have any vested interest in the above scheme.
- viii. There is no investigation or proceedings pending against the Transferee Company under Sections 206 to 229 of the Companies Act, 2013.

Upon coming into effect of the Scheme, all suits, actions and legal proceedings by or against the Transferor Company on the Appointed Date shall be transferred in the name of the Transferee Company and the same shall be continued and enforced by or against the Transferee Company.

- ix. Names of the directors and promoters of the Transferee Company along with their addresses:

LIST OF DIRECTORS:

Sr.	Name	DIN	Designation	Address
1.	Mr. Shankar	02116442	Non-	Sports Villa No. 26, Jaypee Green,

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	Aggarwal		Executive Independent Director and Chairperson	Greater Noida, Uttar Pradesh - 201310
2.	Ms. Veena Hingarh	00885567	Non-Executive Independent Director	34, Ballygunge Circular Road, Flat 1E, Kolkata, - 700019
3.	Dr. Shalini Lal	08128182	Non-Executive Independent Director	A 51/3, SFS Flats, Saket, New Delhi - 110017
4.	Ms. Arundhati Mech	09177619	Non-Executive Independent Director	Gr-B, Glenmore Apartment, Sriram Nagar, North Street, Alwarpet, Chennai - 600 018
5.	Mr. Om Prakash Singh	06526171	Non-Executive Independent Director	Flat No. M-6, 1 st Floor Green Park Extension, South Delhi – 110 016
6.	Mr. Malay Mukherjee	02272425	Non-Executive Independent Director	H-1560, 2nd Floor, Chittaranjan Park, New Delhi- 110019
7.	Mr. Dinesh Kumar Mittal	00040000	Non-Executive Director	B-71, Sector 44, Gautam Buddha Nagar, Noida, Uttar Pradesh – 201 301,
8.	Mr. Dinesh Singhal	00178786	Non-Executive Independent Director	211-A, Saket, Meerut, Uttar Pradesh - 250003
9.	Mr. Anshul Swami	09446950	Managing Director	1201 Barberry Building Nahar Amrit Shakti Chandivali Farm Road Powal, Mumbai - 400072
10.	Mr. Gaurav Seth	06724718	Wholetime Director	H 501, Suncity Heights, Golf Course Road, Near Suncity school, Sector 54, Gurgaon, Haryana-122011

LIST OF PROMOTERS:

S. No.	Name	Address
1.	Mr. Dinesh Kumar Mittal	B-71, Sector 44, Gautam Buddha Nagar, Noida, Uttar Pradesh – 201 301,
2.	Mr. Sanjeev Kumar Mittal	Sanjeev Kumar Mittal Hospital, Near Petrol Pump, Dehradun Road, Saharanpur, UP-247001
3.	Mr. Yashveer Kumar Gupta	13/1207, Ansari Road, Saharanpur, Uttar Pradesh- 247001

x. Disclosure about the effect of the compromise or amalgamation on:

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(a) key managerial personnel;	No Impact
(b) directors;	No Impact
(c) promoters;	No Material Impact
(d) non-promoter members;	No Impact
(e) depositors;	No Impact
(f) creditors;	Refer clause 16 of the Scheme
(g) debenture holders;	No Impact
(h) deposit trustee and debenture trustee;	NA
(i) employee of the company:	No Impact

- xi. The Company has filed Form CAA-9 as per Rule 25(1) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 with Registrar of Companies and Official Liquidator. The Company has further filed Form CAA-10 (Declaration of Solvency) with the Registrar of Companies.
- xii. There is no effect of compromise or arrangement on material interests of Directors and Key Managerial Personnel (KMP). The Company does not have any Debenture Trustees.
- xiii. List of Documents available for inspection at the Registered office of the Company during the business hours on all days, except Saturdays, Sundays and National Holidays from the date hereof up to the date of Meeting.
- (a) Latest audited financial statements of the Company;
 - (b) Copy of Scheme of Amalgamation;
 - (c) Contracts or agreements material to the Scheme – N.A.
 - (d) Certificates issued by statutory auditor of the Transferee Company w.r.t accounting treatment proposed in the Scheme
 - (e) Details of approvals, sanctions, or no-objection(s), if any, from regulatory or any other government authorities required, received or pending for the purpose of the Scheme.
 - (f) Declaration of solvency in Form CAA.10;
 - (g) Such other information or documents as the Board or management believes necessary and relevant for making decision for or against the Scheme.

G. STAFF AND EMPLOYEES

With effect from the Effective Date, all the staff and employees of the Transferor Company who are in such employment shall become, and be deemed to have become, the staff and employees of the Transferee Company, without any break or interruption in their services and on the same terms and conditions (and which are not less favourable than those) on which they are engaged by the Transferor Company as on the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retirement benefit/compensation, such immediate uninterrupted past services with the Transferor Company, shall also be taken into account. With regard to provident fund, gratuity, superannuation, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant

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authorities, such as the regional provident fund commissioner or to such other funds maintained by the Transferor Company, in accordance with the provisions of Applicable Laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose shall be treated as having been continuous.

H. ACCOUNTING TREATMENT

Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall account for the amalgamation of the Transferor Company in accordance with Accounting Standard 14 – “Accounting for Amalgamations” (AS 14)-Purchase Method, as notified under Section 133 of the Companies Act, 2013 read with the applicable Companies (Accounting Standards) Rules and other generally accepted accounting principles in India.

I. GENERAL PROVISIONS

The Scheme is specifically conditional upon and subject to, inter alia:

- (i) consent by a holding at least 90% of the total number of shares, in addition to the approval of creditors holding nine-tenths in value of the debt members of the Transferor Company and members of the Transferee Company, in their respective meetings, present in person or by proxy, at a meeting called for the purpose.
- (ii) Sanction of the RBI to this Scheme by a No-Objection Certificate (“NOC”) in writing passed in this behalf pursuant to Reserve Bank of India (Small Finance Banks - Voluntary Amalgamation) Directions, 2025 (“**RBI Directions**”).
- (iii) Post Obtaining No-Objection Certificate (“**NOC**”) from RBI, scheme shall be filled with Regional Director for approval.

J. WITHDRAWAL OF SCHEME

The Transferor and Transferee Company shall be at liberty to withdraw this Scheme at any time as may be mutually agreed by the respective Board of Directors of the Companies prior to the Effective Date.

K. BOARD APPROVALS:

The Board of Directors of the Transferee Company, at its meeting held on 5 March 2026, and the Board of Directors of the Transferor Company, at its meeting held on 6 March 2026, unanimously approved the Scheme of Amalgamation.

L. AMOUNT DUE TO CREDITORS BY THE RESPECTIVE COMPANIES AS ON 31.12.2025, ARE AS FOLLOWS:

Amount due by:	Amount due to (in INR):	
	Secured creditors	Unsecured creditors
Transferor Company	29,42,096	1,80,63,00,941
Transferee Company	5,87,37,45,000	46,95,00,000

M. DETAILS OF APPROVALS, SANCTIONS, OR NO-OBJECTION(S), IF ANY, FORM REGULATORY OR ANY OTHER GOVERNMENT AUTHORITIES:

The Company has served notice of the scheme in Form CAA.9 to various authorities in the following manner:

Name of Authority	Date of e-filing	Date of hand delivery	Date of e-mail
Reserve Bank of India, New Delhi	NA	10 th March 2026	7 th March 2026
Registrar of Companies, NCT of Delhi-I	10 th March 2026	10 th March 2026	7 th March 2026
Official Liquidator, New Delhi	NA	10 th March 2026	7 th March 2026

The Company has submitted Declaration of Solvency in Form CAA.10 to the Registrar of Companies pursuant to Section 233 (1) (c) of the Companies Act, 2013, through Form GNL-1.

The prescribed time limit of thirty days of submission of Form CAA. 9 to various authorities will elapse on 9th April 2026, and the objections and / or suggestions, if any, received from any of the authorities shall be placed before the Shareholders for their consideration.

The Board accordingly recommends the passing of the said resolution as contained in this Notice for approval by the Shareholders.

None of the Directors and Key Managerial Personnel of respective Companies and their relatives is concerned or interested, financially or otherwise, in the proposed resolution except as their shareholding.

N. GENERAL:

1. Scheme of Amalgamation between ManiBhavnam Home Finance India Private Limited (Transferor Company) and Shivalik Small Finance Bank Limited (Transferee Company) and their respective shareholders and creditors under Sections 233 of the Companies Act, 2013, is annexed as **Annexure 2**.
2. Declaration of Solvency in Form CAA-10 in pursuance of clause (c) of sub-section (1) of section 233 was filed with Registrar of Companies and the same is annexed as **Annexure 3**.
3. Certificates issued by statutory auditor of the Transferee Company w.r.t. accounting treatment proposed in the Scheme and the same is annexed as **Annexure 4**.
4. Latest audited financial statements of Transferor Companies and Transferee Company for the year ended 31.03.2025 and the same is annexed as **Annexure 5**.
5. This statement may be treated as an Explanatory Statement under 102 of the Companies Act, 2013.

O. APPROVAL OF THE NOTICE:

The Board of Directors of the Company has approved this notice at the Board meeting held on 17th March 2026 after noting and considering the information set forth in this statement.

In such a case, each of the Companies shall respectively bear their own cost or as may be mutually agreed.

For Shivalik Small Finance Bank Limited

Sd/-

(Shruti Pandey)
Company Secretary
Membership No.: A34796

Place: Noida
Date: 18th March 2026

Registered Office:
501, Salcon Aurum, Jasola District Centre,
New Delhi – 110025

Website: <https://shivalik.bank.in/>
Tel no.:0120-4060000
E-mail: investorrelations@shivalikbank.com

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ATTENDANCE SLIP

I hereby record my presence at the 1st Extra Ordinary General Meeting of the Bank for the Financial Year 2026-2027 held on Saturday, the 11th day of April 2026 at 10:00 am at the Head Office of the Bank situated at 2nd Floor, Add India Tower, Plot no A-6A, Sector 125, Noida, Uttar Pradesh - 201303. The following are my details mentioned below:

Name of Member	
Address	
Regd. Folio No/ ISIN No.	
No. of Shares held	
Name of the Proxy (If any)	
Name of the Authorized Representative (If any)	

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the **1st Extra Ordinary General Meeting of the Bank.**

Signature of Member / Proxy/ Authorized Representative

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting place.

Form No. MGT-11**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U65900DL2020PLC366027**Name of the Company:** SHIVALIK SMALL FINANCE BANK LIMITED**Registered Office:** 501, Salcon Aurum Jasola District Centre New Delhi - 110025

Name of the member(s):

Registered Address:

Email-id:

Folio No/ISIN No.:

DP ID:

I/We, being the member (s) of shares of the above-named company, hereby appoint

1. Name:
Address:
E-mail Id:
Signature:....., or failing him
2. Name:
Address:
E-mail Id:
Signature:....., or failing him
3. Name:
Address:
E-mail Id:
Signature:....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at **the 1st Extra Ordinary General Meeting** of Financial Year 2026-27 **of the member of the Bank scheduled to be held on** Saturday the 11th day of April 2026 at 10:00 a.m. at the Head Office of the Bank situated at 2nd Floor, Plot No A-6A, Add India Tower, Sector 125, Noida, Uttar Pradesh – 201303 and at any adjournment thereof in respect of such resolutions mentioned in Notice.

Signed this..... day of..... 2026.

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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ROUTE MAP OF THE VENUE FOR THE 1st EXTRA ORDINARY GENERAL MEETING FOR FINANCIAL YEAR 2026-2027 OF THE MEMBERS OF SHIVALIK SMALL FINANCE BANK LIMITED TO BE HELD ON SATURDAY, THE 11TH DAY OF APRIL 2026 AT 10:00 A.M. (IST) AT HEAD OFFICE OF THE BANK SITUATED AT 2ND FLOOR, PLOT No A-6A, ADD INDIA TOWER, SECTOR 125, NOIDA, UTTAR PRADESH – 201303

Prominent Landmark:



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CERTIFIED TRUE COPY OF EXPLANATORY STATEMENT OF NOTICE OF 1ST EXTRA-ORDINARY GENERAL MEETING OF THE MEMBERS OF SHIVALIK SMALL FINANCE BANK LIMITED ("COMPANY" OR "BANK") HELD ON SATURDAY, THE 11TH DAY OF APRIL 2026 AT 10.00 A.M. AT HEAD OFFICE OF THE BANK SITUATED AT 2ND FLOOR, PLOT NO 6A, ADD INDIA TOWER, SECTOR 125, NOIDA-201303

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) AND 230(3) OF THE COMPANIES ACT, 2013 ("THE ACT") READ WITH RULE 20 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014 AND RULE 6(3) AND 25 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATION) RULES, 2016 ("RULES")

The following Statement sets out all material facts relating to the Special Business as set out in Item no. 1 mentioned in the above notice:

ITEM NO. 1

The proposed Scheme of Amalgamation, annexed herewith, seeks the approval of the shareholders for the merger of ManiBhavnam Home Finance India Private Limited ("**Transferor Company**") with Shivalik Small Finance Bank Limited ("**Transferee Company**"). The proposed amalgamation is a strategic consolidation aimed at combining the financial strength, managerial capabilities, technical resources, and operational expertise of both entities to create a more robust and competitive institution. By leveraging complementary branch networks, diverse product portfolios, and distinct customer segments, the merged entity is expected to unlock significant revenue synergies and operational efficiencies. The integration of housing finance operations within a unified banking framework will also ensure stronger regulatory oversight, improved governance standards, and enhanced financial stability. This transition supports long-term sustainability through better asset-liability management, access to a stable and low-cost deposit base, and scale-driven productivity improvements—all contributing to accelerated growth and maximized stakeholder value. The Scheme has been duly approved by the Board of Directors of the Transferor Company and the Transferee Company at their respective meetings held on 6 March 2026 and 5 March 2026.

Beyond commercial benefits, the amalgamation aligns with broader public-interest objectives by expanding financial inclusion, strengthening risk management, and establishing a harmonized supervisory structure. The combined institution will gain wider nationwide reach, including deeper penetration in rural and priority-sector geographies, enabling greater distribution capabilities and portfolio diversification. Customers of both entities will benefit from an expanded suite of products and services, while employees of the Transferor Company will continue without any disadvantage, ensuring business continuity. Overall, the amalgamation is envisioned as a growth-oriented, synergy-driven initiative that enhances operational resilience, broadens market presence, and positions the amalgamated entity for superior long-term performance.





In terms of Reserve Bank of India (Small Finance Banks - Voluntary Amalgamation) Directions, 2025 ("RBI Directions"), and provisions of the Companies Act, 2013, a resolution is required to be passed by a majority in number representing two-thirds in value of the Members of each of the Transferor Company and the Transferee Company, present either in person or by proxy at the respective general meetings of the Members of the Transferor Company and the Transferee Company.

Section 233 of the Companies Act, 2013 ("**fast-track merger**" process) further provides that the scheme of amalgamation must be approved by the Members holding at least **90% of the total number of shares**, in addition to the approval of creditors holding nine-tenths in value of the debt.

The proposed amalgamation would also require the sanction of the Scheme by the **Reserve Bank of India ("RBI")**. Upon receipt of the RBI's no-objection certificate, an application will be made to the **Regional Director (RD) / National Company Law Tribunal (NCLT)**, as applicable.

A. Description of the Companies:

Transferor Company i.e., ManiBhavnam Home Finance India Private Limited (CIN: U65990DL2016PTC298946; PAN: AAKCM3104C), is a closely held, unlisted private limited company incorporated on May 2, 2016, under the Companies Act, 2013, with its registered office at Farm No. 10, Tropical Drive, Ghitorni, M.G. Road, New Delhi-110030. It holds a Housing Finance Company (HFC) license issued by the National Housing Bank (NHB) vide License No. 12.0148.16 dated December 28, 2016, and is primarily engaged in providing affordable housing finance solutions to underserved and unserved customers in rural and semi-urban regions of India. Its product suite includes home loans for purchase, construction, extension, and improvement, along with non-housing offerings such as Loan Against Property (LAP) and MSME loans. Promoted by a woman entrepreneur, the company places strong emphasis on gender inclusion by encouraging joint property ownership with female family members, thereby advancing women's empowerment and promoting broader financial and social inclusion. Email address of the Transferor Company is customercare@manibhavnam.com. The main objects of the Transferor Company as per the Memorandum of Association are as follows:

1. To carry on the business of providing finance to any person or persons or co-operative society, association of persons, company or corporation, jointly or individually, for short term or long term, either at interest or without and / or with or without any security for construction, purchase, enlarge, erect, repair, any houses, flats, building(s) or any part or portion thereof, row houses, bungalows, rooms, dwelling units or any portion thereof, used for the residential purpose upon such terms and conditions as the Company may deem fit.
2. To finance or assist in financing the sale of houses, buildings, flats, either furnished or otherwise, by way of hire purchase or deferred payment or similar transactions and to institute, enter into, carry on, subsidise finance or assist in subsidising or financing the sale and maintenance of any such houses, buildings, flats, furnished or otherwise as aforesaid upon any term whatsoever.





3. To assist, advice, market, design, prepare, make, undertake plan, research, tailored made integrated solution for home buyers.
4. To foreclose any loan if the company deems fit considering the use of loan otherwise than for which it was given.
5. To buy all kinds of plant, equipment, machinery, apparatus, tools, utensils, Commodities, substances, articles and things necessary or useful for carrying on the main business of the Company.
6. To enter into agreement with any company or persons for obtaining by grant of licence or on such other terms of all types, formulae and such other rights and benefits, technical information, know-how and expert guidance and equipment and machinery and things mentioned herein above and to arrange facilities for training of technical personnel by them.

The Transferor Company has not changed its Objects, Name or Registered office since incorporation.

Transferee Company i.e., Shivalik Small Finance Bank Limited (CIN: U65900DL2020PLC366027; PAN:ABDCS9427Q), is a closely held, unlisted public limited company incorporated on July 12, 2020, under the Companies Act, 2013, with its registered office at 501, Salcon Aurum, Jasola District Centre, South Delhi, New Delhi-110025. The Bank holds a Small Finance Bank license issued by the Reserve Bank of India (RBI), following its conversion from Shivalik Urban Co-operative Bank to a Small Finance Bank vide License No. MUM:148 dated January 1, 2021. Operating under the RBI's Small Finance Bank framework, the Transferee Company provides a wide range of retail banking products and services. It leverages the Infosys Finacle Core Banking and Digital Banking Suite, including internet and mobile banking capabilities, supported by a cloud-based architecture that enhances agility, cost efficiency, and scalability to drive sustainable growth. Email address of the Transferee Company is investorrelations@shivalikbank.com. The main objects of the Transferee Company as per the Memorandum of Association are as follows:

1. To carry on the business of Banking i.e. that is to say to carry on the business of accepting for the purposes of lending or investment of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise.
2. To engage in any one or more of the following businesses:
 - a) Borrowing, raising or taking up money.
 - b) lending or advancing of money by way of a loan, overdraft or on cash credit or other accounts or in any other manner whether without or on the security of movable or immovable properties, bills of exchange, hundies, promissory notes, bills of lading, railway receipts, debentures, share warrants and other instruments whether transferable or not
 - c) Drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hundies, promissory notes, coupons, drafts, bills of lading, Railway-receipts, warrants, debentures, certificates, scrips and other instruments and securities whether transferable or negotiable or not.
 - d) Granting and issuing of letters of credit, traveler's cheques and circular notes.

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- e) Buying and selling of and dealing in bullion and specie.
 - f) Buying and selling of and dealing in foreign exchange including foreign bank notes and to provide all kinds of services related thereto.
 - g) Acquiring, holding, issuing on commission, underwriting and dealing in stock, bonds, obligations, securities and investments of all kinds.
 - h) Purchasing and selling of bonds, scrips or other forms of securities on behalf of constituents or others.
 - i) Negotiating of loans and advances.
 - j) Receiving of all kinds of bonds scrips or valuables on deposit or for safe custody or otherwise.
 - k) Providing of safe deposit vaults.
 - l) Collecting and transmitting of money and all kinds of securities.
 - m) Issue debit or credit cards, meal vouchers, charge cards or smart cards or co-branded cards and extend any other credits to customer or any other persons for any purpose permissible for the Company to carry on under law.
 - n) Carrying on any other business specified in section 6(1)(a) to (n) of the Banking Regulation Act, 1949, as amended from time to time ("**1949 Act**"), and such other forms of business which the Central Government has pursuant to Section 6(1)(o) of 1949 Act specified or may from time to time specify by notification in the Official Gazette or as may be permitted by Reserve Bank of India ("**RBI**") from time to time as a form of business in which it would be lawful for a banking company to engage.
 - o) Acting as aggregators, as may be permitted by the Pension Fund Regulatory and Development Authority ("**PFRDA**"), in connection with the National Pension System of the PFRDA.
3. To carry on and transact the business of giving guarantees and counter guarantees and indemnities whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property or assets of the Company, both present and future wherever situate or in any other manner and in particular to guarantee the payment of any principal moneys, interest or other moneys secured by or payable under debentures, bonds, debenture-stock, mortgages, charges, contracts, obligations and securities, and the repayment of the capital moneys and the payment of dividends in respect of stocks and shares or the performance of any such other obligations.
 4. Acting as agent for any government or local authority or any other person or persons, the carrying on of agency business of any description including the clearing and forwarding of goods giving of receipts and discharges and otherwise acting as an attorney on behalf of customers but excluding the business of (Managing agent or secretary and treasurer) of a Company.
 5. Contracting for public and private loans and negotiating and issuing the same.
 6. Effecting, insuring, guaranteeing, underwriting, participating in managing and carrying out of any issue, public or private of State, Municipal or other loans or of shares, stock debentures or debentures stock of any company, corporation or association and the lending of money



for the purpose of any such issue.

7. Carrying on and transacting every kind of guarantee and indemnity business.
8. Managing, selling and realizing any property that may come into the possession of the Company in satisfaction or part satisfaction of any of its claims.
9. Acquiring and holding and generally dealing with any property or any right, title or interest in any such property which may form the security or part of the security for any loans or advances or which may be connected with any such security.
10. Undertaking, settling and executing trusts for any purpose including Mutual Fund.
11. Undertaking and administration of estates as executor, trustee or otherwise.
12. Establishing and supporting or aiding in the establishment and support of association, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company, or the dependants or connections of such persons granting pensions and allowances and making payments towards insurance subscribing to or guaranteeing moneys for charitable or benevolent objects for any exhibition or for any public general or useful objects.
13. The acquisition, construction, maintenance and alteration of any building or works necessary or convenient for the purpose of the Company.
14. Selling, improving, managing, developing, exchanging, leasing, mortgaging disposing of or turning into account or otherwise dealing with all or any part of the property and rights of the Company.
15. Acquiring and undertaking the whole or any part of the business of any person, when such business is a nature enumerated or described above.
16. Doing all such other things as are incidental or conducive to the promotion or advancement of the business of the Company.
17. To take or concur in taking all such steps calculated to uphold and support the credit of the Company and to obtain and justify public confidence and to avert or minimise financial disturbance which may affect the Company.
18. Taking or otherwise acquiring and holding shares in any other company having objects similar to those of the Company.
19. To acquire by purchase or lease or otherwise any premises for the construction and/or establishment of safe-deposit vault or vaults and to maintain therein fire-proof and burglar-proof strong rooms, safes and other receptacles for deeds, securities, documents, money,





jewellery and valuables of all kinds.

20. Acting as Debenture Trustee or other Trustees, Custodian, Depository for Shares, Stocks, Bonds, Obligations, securities or investments of all kinds or to do business of Merchant Banking, factoring in such securities.
21. To carry on business of Merchant Banking, leasing, factoring, hire-purchase, financial services of all kinds, consultancy or such other business as may be permitted by the Reserve Bank of India to carry on.
22. Any other form of business which the Central Government or Reserve Bank of India may specify as a form of business in which it is lawful for the Company to engage.
23. To setup or participate as payment gateway for effective payment against services and trade transactions carried out by internet sites and portals, to act as enablers for settlement of e-commerce or any other type of transactions for corporate, individuals or any other entities and to act as digital signature verification authority under the Information Technology Act, 2000.
24. To establish, maintain and operate automated teller machines, or any other electronic and telecommunication devices for carrying on any of the banking businesses including, but not limited to internet banking, telephone banking, utility bills payment for electricity, telephone, mobile phones, and any other activity that would require the Company's banking expertise.
25. To act as corporate agents for insurance products for life and general insurance including but not limited to health, pension and employees benefit, fire, marine, cargo, marine hull, aviation, oil and energy, engineering, accident, liability, motor vehicles, transit and other products to carry on the business of insurance, re-insurance and risk management as an insurance agent or otherwise as may be permitted under law.
26. To carry out any type of Corporate Social Responsibility activities permitted under the law.
27. To establish or support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences for the benefit of past or present employees or directors of the Company or the dependents of such persons and to grant pensions, gratuities and allowances and superannuation and other benefits or insure payment of any of them by taking insurance or any other promises and occurrences as the company may undertake and subscribing to or guaranteeing monies for charitable or benevolent objects or for any exhibition or for any public, general or useful object.
28. To carry on the business of mutual fund management and distribution, equipment leasing and hire purchase, manage investment pools, syndicate in shares and other securities and act as Share and Stockbrokers





29. To carry on the business of factoring by purchasing and selling debts receivables and claims including invoice discounting and rendering bill collection, debt collection and other factoring services.

This Scheme is presented, inter alia for the amalgamation of the Transferor Company into and with the Transferee Company, with effect from the Appointed Date (as defined in the Scheme), and the consequent dissolution of the Transferor Company without being wound up, and the payment of cash consideration/ the issuance of the new shares of Transferee Company (as defined in Scheme) to the equity shareholders of the Transferor Company in accordance with the Share Exchange Ratio (as defined in the Scheme).

Key points of Scheme for the consideration of Shareholders are as follows:

B. RATIONALE OF THE SCHEME

The respective Board of Director of the Companies believe that the financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of each of the Companies pooled in the merged entity, will lead to increased competitive strength, cost reduction and efficiencies, productivity gains and logistic advantages, thereby significantly contributing to future growth and maximizing shareholder value.

- (i) The respective Board of Directors of the companies believe the consolidation proposed through this Scheme is founded on leveraging of the significant complementarities that exist between both the Companies, particularly relating to branch network, product offerings and customer segments. This revenue synergy-led and growth-oriented amalgamation, adopting best practices of banking, technology, governance and prudence from both banks, is expected to result in a superior platform benefitting from efficiencies of size and scope over time for all stakeholders such as customers, employees, and shareholders;
- (ii) The amalgamation is not merely a commercial transaction but a strategic consolidation aligned with public interest. The integration of housing finance activity into the banking framework enhances regulatory oversight, strengthens depositor protection and promotes financial stability. The merged entity (i.e. the Transferee Company) shall operate under a single, harmonised regulatory and supervisory framework, thereby reducing structural complexity and ensuring higher standards of governance, transparency and risk management.
- (iii) The amalgamation of the Companies shall accelerate build out of pan India distribution franchise;
- (iv) The amalgamation of the Companies shall lead to diversification of portfolio with access to rural geography and micro finance business leading to greater financial inclusion, the segment which is of national priority;





- (v) While the Transferee Company has pan-India presence in 11 (Eleven) States and Union Territories with a strong presence in western, northern and central part of India, the proposed Amalgamation will enhance reach and distribution, and help expand geographic coverage thereby leading to accelerated expansion of both deposit and asset franchise across complementary markets;
- (vi) Post amalgamation, the loan assets of the Transferor Company shall gain access to the low-cost and stable deposit base of the Transferee Company, resulting in improved cost of funds, enhanced pricing flexibility and superior asset-liability matching. This structural integration is expected to strengthen the sustainability of the housing loan portfolio and improve long-term profitability without compromising prudential norms.
- (vii) The amalgamation of the Companies shall assist in realisation of synergies arising from the combination including revenue synergies from cross sell to the Transferor Company's deposit base, reduction in funding cost and realisation of scale driven productivity and cost efficiencies over time; and
- (viii) The amalgamation of the Companies shall provide customers of both Companies with access to wider suite of products and services.
- (ix) Both the Companies are engaged primarily in **fully secured lending operations** and follow a conservative credit risk framework, resulting in **low-risk weights** and efficient utilization of capital.
- (x) The amalgamation is proposed as a going concern and shall not result in disruption to the business operations of the Companies. Employees of the Transferor Company shall continue in service on terms no less favourable than those existing prior to the amalgamation, thereby ensuring continuity and stability.

C. DATE OF TAKING EFFECT OF THIS SCHEME

The Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date.

Appointed Date: means 1st April 2026 or such other date as may be mutually decided by the Boards of Directors of the Transferor Company and the Transferee Company with the approval of Reserve Bank of India or Regional Director/NCLT or any other Appropriate Authority may approve from which date the amalgamation of the Transferor Company with and into the Transferee Company shall be deemed to have taken effect for accounting and tax purposes in accordance with this Scheme.

Effective Date: means last of the dates on which copies of the Order(s) passed by the Regional Director/NCLT, sanctioning this Scheme, are filed with the concerned Registrar of Companies, Ministry of Corporate Affairs. Any references in this Scheme to "upon this Scheme becoming



effective”, “Scheme becomes effective” or “effectiveness of this Scheme” or likewise, means and refers to the Effective Date.

D. CAPITAL STRUCTURE (PRE AND POST AMALGAMATION)

The Pre & Post Amalgamation Share Capital Structure of the Transferee Company is as under:

PRE AMALGAMATION:

Particulars	Amount in Rs.
Authorized Capital 20,00,00,000 equity shares of Rs.10/- each	200,00,00,000
Issued Subscribed and Paid-up Capital 16,70,46,055 equity Shares of Rs. 10/- each	167,04,60,550

POST AMALGAMATION:

Particulars	Amount in Rs.
Authorized Capital 25,50,00,000 equity shares of Rs.10/- each	255,00,00,000
Issued Subscribed and Paid-up Capital 17,52,51,735 equity Shares of Rs. 10/- each	175,25,17,350

E. PRE AND POST SHAREHOLDING PATTERN

Transferor Company (Pre Shareholding Pattern)

Sr. No	Names of Shareholder	No of shares	Shareholding %
1	Meghha Gupta	1,82,85,334	38.84%
2	ManiBhavnam Marketing Solutions Private Limited	50,47,000	10.72%
3	Madhu Mehta	11,00,000	2.34%
4	Sunil Gupta	2,00,000	0.42%
5	Jayant Davar	60,75,000	12.90%

6	UTPL Corporate Trustees Private Limited (Trustees of Grand Anicut Angel Fund)	60,75,000	12.90%
7	Vishesh Chandiok	9,15,000	1.94%
8	Shivalik Small Finance Bank	93,77,499	19.92%
	Total	4,70,74,833	100.00%

Transferee Company (Pre & Post Amalgamation Shareholding Pattern)

PRE AND POST SHAREHOLDING POST AMALGAMATION				
Shareholder	Shareholding Pre Amalgamation	Proportion (in %age)	Post Amalgamation Shareholding	Post Amalgamation Shareholding %age
Promoter and Promoter Group	6,24,62,575	37.39%	6,24,62,575	35.64%
Investors	6,43,70,258	38.53%	6,43,70,258	36.73%
Non-Promoter	4,02,13,222	24.07%	4,02,13,222	22.95%
Shares issued to Transferor's shareholders in SWAP	-	-	82,05,680	4.68%
Total	16,70,46,055	100.00%	17,52,51,735	100.00%

FRACTIONAL ENTITLEMENT

Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to the nearest whole number.

F. DETAILS PURSUANT TO SECTION 233 OF THE COMPANIES ACT, 2013 READ WITH RULES MADE THEREUNDER.

- Transferor Companies is a subsidiary of the Transferee Company by virtue of Section 2(87)(i). Accordingly, the Transferee Company exercises "control" over the Transferor Companies. Such



control includes, among other rights, the authority of the Transferee Company to appoint the majority of the directors on the boards of the Transferor Companies, entirely at its discretion.

- ii. Under the proposed Scheme, the entire assets and liabilities of the Transferor Companies is proposed to be transferred to and vested in the Transferee Company. The said scheme will be effective from the Appointed Date.
- iii. **OBJECTS OF THIS SCHEME**

The amalgamation is proposed to consolidate the housing finance business within the banking structure of the Transferee Company, achieve operational and regulatory efficiencies, simplify the group structure, eliminate duplication of compliance and governance frameworks, strengthen capital and liquidity management, and enable integrated offering of financial products to customers. The Scheme is intended to be implemented as a going concern without disruption to customers, employees or creditors. The proposed amalgamation would be in the best interest of the Companies and their respective shareholders, employees, creditors and other stakeholders as the proposed amalgamation will yield advantages as set out inter alia below:

- a. The Transferee Company and the Transferor Company have developed exceptional skills in banking business and housing finance business respectively. The Transferor Company has a wide range of home loans and non-home loans as its product. Within the home loans, it offers loans for home purchase, construction, extension and improvement and within the non-housing loans it offers loan against property (LAP) and MSME Loans. With a retail network of 21 (Twenty-one) branches, it has a presence in 5 States and Union Territory in India with majority of the existing loan assets advanced in rural areas.
- b. The Transferee Company received a banking license in 2021 from the RBI to conduct business as a small finance bank. Its focus has been to meet the financial needs of people who are overlooked by the formal banking system. The Transferor Company and the Transferee Company therefore have significant complementarities and the consolidation of the two businesses carried on by them is strategic in nature and will generate significant business synergies. The amalgamation will result in enhancement of shareholders' value accruing from synergy of operations, new product development, integration of technology and information technology platforms, and also enable the Companies to further their socio-economic objectives. Thus, a combination of the Transferor Company and the Transferee Company will enhance the value propositions of the combined entity which would be able to leverage the complementarities of the Companies;
- c. The amalgamation of the Transferor Company with the Transferee Company will enable the Transferee Company to build and strengthen its housing loan portfolio and establish a strong customer base of affordable housing customers. The Transferee Company would benefit from





the loan assets of the Transferor Company as the strong loan book of the Transferor Company will stand merged into the Transferee Company pursuant to the amalgamation. In addition, the amalgamation will not dilute the focus of the Transferee Company on predominantly Priority Sector Lending ("PSL") loans as majority portfolio of the Transferor Company is PSL eligible; a significant portion of the loan portfolio of the Transferor Company qualifies as Priority Sector Lending. The amalgamation will strengthen the Transferee Company's ability to meet priority sector obligations organically and align its lending activities with national policy objectives relating to affordable housing and financial inclusion.

- d. The amalgamation will result in consolidation of the housing finance business within the banking structure of the Transferee Company, enabling improved access to stable funding, enhanced asset–liability management, better capital efficiency and unified governance and risk management. The proposed amalgamation is expected to create a stronger, well-capitalised and prudently regulated financial institution, capable of delivering sustained value to customers, shareholders and other stakeholders, while supporting national priorities including financial inclusion and affordable housing.
- e. The amalgamation of the Companies shall enable pooling of resources, creating better synergies, optimal utilisation of resources and greater economies of scale;
- f. The amalgamation of the Companies shall result in better administration and cost reduction (including reduction in administrative and other common costs);
- g. While the Transferee Company has pan India presence in 11 States and Union Territories with a strong presence in North India, the proposed amalgamation will enhance reach and distribution and help expand the geographic coverage for the combined entities;
- h. The amalgamation of the Companies shall enable greater efficiency in cash management and unfettered access to cash flow generated by the combined business, which can be deployed more efficiently, to maximize shareholder value;
- i. The amalgamation of the Companies shall create value for stakeholders including respective shareholders, customers, lenders and employees as the combined business would benefit from increased scale, product diversification and expanded reach with increased ability to growth opportunities, higher cross-selling opportunities to a larger base of customers, improvement in productivity and operational efficiencies amongst others;
- j. The amalgamation of the Companies will enhance shareholder value over the medium to long term through improved returns on equity, greater balance sheet strength and reduced earnings volatility. The transaction is strategic in nature and not driven by short-term considerations.
- k. The amalgamation of the Companies shall provide material realizable cost and revenue synergies for the benefit of the Amalgamating Companies; and



l. The amalgamation of the Companies shall enable optimal utilization of resources and economies of scale resulting in improved efficiencies; it will help the Transferee Company to establish a strong customer base of affordable housing and scale up rural lending.

m. As a result, the Board of Directors of the Companies are proposing this Scheme under Sections 230-233 of the Act.

iv. **SHARE EXCHANGE RATIO**

Upon the Scheme becoming effective, the Transferee Company shall issue and allot 100 (one hundred) fully paid-up equity shares of the Transferee Company in exchange for every 446 (Four Hundred Forty-Six) equity shares of face value Rs. 10/- each, fully paid-up, held by the members of the Transferor Company.

The equity share exchange ratio has been arrived at by independent valuers and has been approved separately and independently by the Boards of Directors of both the Transferor Company and Transferee Company. The same has been approved as being a fair exchange ratio after considering the independent valuation made by Mr. Gaurang Agarwal, Chartered Accountant who was appointed as the independent valuer by the Transferor Company for this purpose, jointly with Sundae Capital Advisors Private Limited, who was appointed as the independent valuer by the Transferee Company for this purpose.

v. Details of the order of the Tribunal directing the calling, convening and conduct of the meeting
Date of the order: Not applicable, since the proposed merger is in terms of Section 233 of the Companies Act, 2013.

vi. Date, time and venue of the meeting: Refer the notice calling Extra-ordinary General Meeting.

vii. The Directors and KMP of the Transferee Company does not have any vested interest in the above scheme.

viii. There is no investigation or proceedings pending against the Transferee Company under Sections 206 to 229 of the Companies Act, 2013.

Upon coming into effect of the Scheme, all suits, actions and legal proceedings by or against the Transferor Company on the Appointed Date shall be transferred in the name of the Transferee Company and the same shall be continued and enforced by or against the Transferee Company.

ix. Names of the directors and promoters of the Transferee Company along with their addresses:

LIST OF DIRECTORS:

Sr.	Name	DIN	Designation	Address
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1.	Mr. Shankar Aggarwal	02116442	Non-Executive Independent Director and Chairperson	Sports Villa No. 26, Jaypee Green, Greater Noida, Uttar Pradesh - 201310
2.	Ms. Veena Hingarh	00885567	Non-Executive Independent Director	34, Ballygunge Circular Road, Flat 1E, Kolkata, - 700019
3.	Dr. Shalini Lal	08128182	Non-Executive Independent Director	A 51/3, SFS Flats, Saket, New Delhi - 110017
4.	Ms. Arundhati Mech	09177619	Non-Executive Independent Director	Gr-B, Glenmore Apartment, Sriram Nagar, North Street, Alwarpet, Chennai - 600 018
5.	Mr. Om Prakash Singh	06526171	Non-Executive Independent Director	Flat No. M-6, 1 st Floor Green Park Extension, South Delhi – 110 016
6.	Mr. Malay Mukherjee	02272425	Non-Executive Independent Director	H-1560, 2nd Floor, Chittaranjan Park, New Delhi- 110019
7.	Mr. Dinesh Kumar Mittal	00040000	Non-Executive Independent Director	B-71, Sector 44, Gautam Buddha Nagar, Noida, Uttar Pradesh – 201 301,
8.	Mr. Dinesh Singhal	00178786	Non-Executive Independent Director	211-A, Saket, Meerut, Uttar Pradesh - 250003

SHIVALIK SMALL FINANCE BANK LTD.

HEAD OFFICE:
2nd Floor, Add India Tower, Plot No.A-6A,
Sector-125, Noida-201303

Ph: 0120-4060000
info@shivalik.bank.in
www.shivalik.bank.in

REGD. OFFICE:
501, Salcon Aurum, Jasola District Centre, New Delhi - 110025.
CIN NO: U65900DL2020PLC366027



9.	Mr. Anshul Swami	09446950	Managing Director	1201 Barberry Building Nahar Amrit Shakti Chandivali Farm Road Powal, Mumbai - 400072
10.	Mr. Gaurav Seth	06724718	Wholesale Director	H 501, Suncity Heights, Golf Course Road, Near Suncity school, Sector 54, Gurgaon, Haryana-122011

LIST OF PROMOTERS:

S. No.	Name	Address
1.	Mr. Dinesh Kumar Mittal	B-71, Sector 44, Gautam Buddha Nagar, Noida, Uttar Pradesh – 201 301,
2.	Mr. Sanjeev Kumar Mittal	Sanjeev Kumar Mittal Hospital, Near Petrol Pump, Dehradun Road, Saharanpur, UP-247001
3.	Mr. Yashveer Kumar Gupta	13/1207, Ansari Road, Saharanpur, Uttar Pradesh- 247001

x. Disclosure about the effect of the compromise or amalgamation on:

(a) key managerial personnel;	No Impact
(b) directors;	No Impact
(c) promoters;	No Material Impact
(d) non-promoter members;	No Impact
(e) depositors;	No Impact
(f) creditors;	Refer clause 16 of the Scheme
(g) debenture holders;	No Impact
(h) deposit trustee and debenture trustee;	NA
(i) employee of the company:	No Impact

xi. The Company has filed Form CAA-9 as per Rule 25(1) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 with Registrar of Companies and Official



Liquidator. The Company has further filed Form CAA-10 (Declaration of Solvency) with the Registrar of Companies.

- xii. There is no effect of compromise or arrangement on material interests of Directors and Key Managerial Personnel (KMP). The Company does not have any Debenture Trustees.
- xiii. List of Documents available for inspection at the Registered office of the Company during the business hours on all days, except Saturdays, Sundays and National Holidays from the date hereof up to the date of Meeting.
 - (a) Latest audited financial statements of the Company;
 - (b) Copy of Scheme of Amalgamation;
 - (c) Contracts or agreements material to the Scheme – N.A.
 - (d) Certificates issued by statutory auditor of the Transferee Company w.r.t accounting treatment proposed in the Scheme
 - (e) Details of approvals, sanctions, or no-objection(s), if any, from regulatory or any other government authorities required, received or pending for the purpose of the Scheme.
 - (f) Declaration of solvency in Form CAA.10;
 - (g) Such other information or documents as the Board or management believes necessary and relevant for making decision for or against the Scheme.

G. STAFF AND EMPLOYEES

With effect from the Effective Date, all the staff and employees of the Transferor Company who are in such employment shall become, and be deemed to have become, the staff and employees of the Transferee Company, without any break or interruption in their services and on the same terms and conditions (and which are not less favourable than those) on which they are engaged by the Transferor Company as on the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retirement benefit/compensation, such immediate uninterrupted past services with the Transferor Company, shall also be taken into account. With regard to provident fund, gratuity, superannuation, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the regional provident fund commissioner or to such other funds maintained by the Transferor Company, in accordance with the provisions of Applicable Laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the



transferred employees and the services of all the transferred employees of the Transferor Company for such purpose shall be treated as having been continuous.

H. ACCOUNTING TREATMENT

Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall account for the amalgamation of the Transferor Company in accordance with Accounting Standard 14 – “Accounting for Amalgamations” (AS 14)-Purchase Method, as notified under Section 133 of the Companies Act, 2013 read with the applicable Companies (Accounting Standards) Rules and other generally accepted accounting principles in India.

I. GENERAL PROVISIONS

The Scheme is specifically conditional upon and subject to, inter alia:

- (i) consent by a holding at least 90% of the total number of shares, in addition to the approval of creditors holding nine-tenths in value of the debt members of the Transferor Company and members of the Transferee Company, in their respective meetings, present in person or by proxy, at a meeting called for the purpose.
- (ii) Sanction of the RBI to this Scheme by a No-Objection Certificate (“NOC”) in writing passed in this behalf pursuant to Reserve Bank of India (Small Finance Banks - Voluntary Amalgamation) Directions, 2025 (“**RBI Directions**”).
- (iii) Post Obtaining No-Objection Certificate (“**NOC**”) from RBI, scheme shall be filled with Regional Director for approval.

J. WITHDRAWAL OF SCHEME

The Transferor and Transferee Company shall be at liberty to withdraw this Scheme at any time as may be mutually agreed by the respective Board of Directors of the Companies prior to the Effective Date.

K. BOARD APPROVALS:

The Board of Directors of the Transferee Company, at its meeting held on 5 March 2026, and the Board of Directors of the Transferor Company, at its meeting held on 6 March 2026, unanimously approved the Scheme of Amalgamation.

L. AMOUNT DUE TO CREDITORS BY THE RESPECTIVE COMPANIES AS ON 31.12.2025, ARE AS FOLLOWS:

Amount due by:	Amount due to (in INR):	
	Secured creditors	Unsecured creditors

Transferor Company	29,42,096	1,80,63,00,941
Transferee Company	5,87,37,45,000	46,95,00,000

M. DETAILS OF APPROVALS, SANCTIONS, OR NO-OBJECTION(S), IF ANY, FORM REGULATORY OR ANY OTHER GOVERNMENT AUTHORITIES:

The Company has served notice of the scheme in Form CAA.9 to various authorities in the following manner:

Name of Authority	Date of e-filing	Date of hand delivery	Date of e-mail
Reserve Bank of India, New Delhi	NA	10 th March 2026	7 th March 2026
Registrar of Companies, NCT of Delhi-I	10 th March 2026	10 th March 2026	7 th March 2026
Official Liquidator, New Delhi	NA	10 th March 2026	7 th March 2026

The Company has submitted Declaration of Solvency in Form CAA.10 to the Registrar of Companies pursuant to Section 233 (1) (c) of the Companies Act, 2013, through Form GNL-1.

The prescribed time limit of thirty days of submission of Form CAA. 9 to various authorities will elapse on 9th April 2026, and the objections and / or suggestions, if any, received from any of the authorities shall be placed before the Shareholders for their consideration.

The Board accordingly recommends the passing of the said resolution as contained in this Notice for approval by the Shareholders.

None of the Directors and Key Managerial Personnel of respective Companies and their relatives is concerned or interested, financially or otherwise, in the proposed resolution except as their shareholding.

N. GENERAL:

1. Scheme of Amalgamation between ManiBhavnam Home Finance India Private Limited (Transferor Company) and Shivalik Small Finance Bank Limited (Transferee Company and their respective shareholders and creditors under Sections 233 of the Companies Act, 2013, is annexed as **Annexure 2**.



2. Declaration of Solvency in Form CAA-10 in pursuance of clause (c) of sub-section (1) of section 233 was filed with Registrar of Companies and the same is annexed as **Annexure 3**.
3. Certificates issued by statutory auditor of the Transferee Company w.r.t. accounting treatment proposed in the Scheme and the same is annexed as **Annexure 4**.
4. Latest audited financial statements of Transferor Companies and Transferee Company for the year ended 31.03.2025 and the same is annexed as **Annexure 5**.
5. This statement may be treated as an Explanatory Statement under 102 of the Companies Act, 2013.

O. APPROVAL OF THE NOTICE:

The Board of Directors of the Company has approved this notice at the Board meeting held on 17th March 2026 after noting and considering the information set forth in this statement.

In such a case, each of the Companies shall respectively bear their own cost or as may be mutually agreed.

By order of the Board of Directors

For Shivalik Small Finance Bank Limited

**TUSHAR
GOEL**

Digitally signed by
TUSHAR GOEL
Date: 2026.04.22
11:07:47 +05'30'

(Tushar Goel)

Company Secretary

Membership No.: A29374

Place: Noida

Date: 22nd April 2026



DRAFT SCHEME OF AMALGAMATION

OF

**MANIBHAVNAM HOME FINANCE
INDIA PRIVATE LIMITED**

TRANSFEROR COMPANY

CIN U65990DL2016PTC298946

WITH

**SHIVALIK SMALL FINANCE BANK
LIMITED
CIN U65900DL2020PLC366027**

TRANSFeree COMPANY

**UNDER RESERVE BANK OF INDIA (SMALL FINANCE BANKS - VOLUNTARY
AMALGAMATION) DIRECTIONS, 2025 READ WITH SECTIONS 230-233 AND
OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULE 25
OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND
AMALGAMATIONS) RULES, 2016**

PREAMBLE

This Scheme of Amalgamation (“**Scheme**”) is presented pursuant to **Reserve Bank of India (Small Finance Banks - Voluntary Amalgamation) Directions, 2025** read with the provisions of Section 230-233 of the Companies Act, 2013 (“**Act**”) and Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, as amended from time to time (“**CAA Rules**”), for the amalgamation of **ManiBhavnam Home Finance India Private Limited** into **Shivalik Small Finance Bank Limited**.

The Scheme is subject to approval of the members and creditors of the respective companies, confirmation by the Reserve Bank of India (RBI), Central Government (CG) acting through the Regional Director (RD), and/ or National Company Law Tribunal (NCLT), and such other approvals as may be required under applicable law.

PARTS OF THE SCHEME

This Scheme is divided into the following parts:

- a) **PART I** deals with the general description of the Companies (as defined hereinafter), a brief overview of the Scheme and the rationale and benefits of this Scheme;
- b) **PART II** deals with the definitions and interpretation, date of taking effect of this Scheme and the share capital of the respective Companies;
- c) **PART III** deals with the amalgamation of the Transferor Company (as defined hereinafter) with the Transferee Company (as defined hereinafter); and
- d) **PART IV** deals with the general terms and conditions applicable to this Scheme.

PART I

1. DESCRIPTION OF THE TRANSFEROR COMPANY

MANIBHAVNAM HOME FINANCE INDIA PRIVATE LIMITED

- (i) ManiBhavnam Home Finance India Private Limited, having CIN U65990DL2016PTC298946, was incorporated on May 2, 2016, under the Companies Act, 2013 having its registered office at Farm No. 10, Tropical Drive, Ghitorni, M.G Road, New Delhi, Delhi, India, 110030 (hereinafter referred to as the “**Transferor Company**”).
- (ii) The Transferor Company holds a license as Housing Finance Company (HFC) issued by the National Housing Bank (NHB) vide License no. 12.0148.16 dated December 28, 2016. The Transferor Company caters to the needs of affordable housing to un-served & underserved customers in rural & semi urban markets of India. The Transferor Company offers home loans and non-home loans as its products. Within the home loans, it offers loans for home purchase, construction, extension and improvement and within the non-housing loans it offers Loan Against Property (LAP) and MSME Loans. Promoted by a woman entrepreneur, the Transferor Company emphasizes gender inclusion by encouraging joint property ownership with female family members, aiming to empower women and promote financial and social inclusion.
- (iii) The Transferor Company is a closely held unlisted private limited company.

2. DESCRIPTION OF THE TRANSFEE COMPANY

SHIVALIK SMALL FINANCE BANK LIMITED

- (i) Shivalik Small Finance Bank Limited, having CIN U65900DL2020PLC366027, was incorporated on July 12, 2020, under the Companies Act, 2013 having its registered office at 501, Salcon Aurum Jasola District Centre, South Delhi, New Delhi, Delhi, India, 110025 (hereinafter referred to as the “**Transferee Company**”).
- (ii) The Transferee Company holds a small finance bank license issued by the RBI. The Transferee company was converted from Shivalik Urban Cooperative Bank to a Small Finance Bank vide License No. MUM:148 dated January 1, 2021. The Transferee Company is primarily engaged in banking services under the Small Finance Bank Scheme of the Reserve Bank of India (RBI) delivering retail banking products and services. It leverages Infosys Finacle Core Banking and

Digital Banking Suite, encompassing internet and mobile banking solutions. The cloud-based architecture enables the Transferee Company to achieve superior agility, cost efficiency, and scalability to support growth.

(iii) The Transferee Company is a closely held unlisted public limited company.

3. OVERVIEW OF THE SCHEME

3.1. This Scheme (as defined hereinafter) is presented, *inter alia* to effect amalgamation of MANIBHAVNAM HOME FINANCE INDIA PRIVATE LIMITED ("**Transferor Company**") into and with SHIVALIK SMALL FINANCE BANK LIMITED ("**Transferee Company**"), with effect from the Appointed Date (as defined hereinafter), in accordance with RBI Amalgamation Directions (as defined hereinafter), provisions of Sections 230-233 of the Act (as defined hereinafter) and other Applicable Law (*as defined hereinafter*).

3.2. Relationship

- i. Both the Transferor Company and the Transferee Company are closely held, unlisted companies incorporated under the Companies Act, 2013.
- ii. Pursuant to the amendments introduced to Section 233 of the Companies Act, 2013, the fast-track merger mechanism has been consciously expanded by the legislature to facilitate simplified, time-efficient amalgamations, particularly in cases where the transferor company is a subsidiary of the transferee company within the meaning of Section 2(87) of the Companies Act, 2013, with a view to promoting consolidation, operational efficiency and growth
- iii. The Transferee Company has also acquired 19.92% of the equity share capital of the Transferor Company, free from all encumbrances, liens, pledges, charges, or third-party interests, pursuant to the Share Purchase Agreement dated February 27, 2026 executed between the Parties. As per clause 3.5 of the said SPA Transferee Company have "control" over the Transferor Company and same can be exercised after obtaining regulatory approvals if any. Such control shall include, inter alia, the right of the Transferee Company to appoint the majority of the directors on the board of directors of the Transferor Company, at the sole discretion of the Transferee Company.

3.3. The Boards of Directors (*as defined hereinafter*) of the Companies (*as defined hereinafter*) have resolved that the Amalgamation (*as defined hereinafter*) of Transferor Company into and with the Transferee Company would be in the best interests of the Companies and their respective shareholders, creditors, employees and other stakeholders.

3.4. Upon the amalgamation of the Transferor Company into the Transferee Company pursuant to this Scheme becoming effective on the Effective Date (*as defined hereinafter*), the Transferee Company will issue New Equity Shares (*as defined hereinafter*) or cash consideration in lieu of the shares held by the persons as mentioned in **Schedule I**, in the Transferor Company on the Record Date (*as defined hereinafter*), in accordance with the Share Exchange Ratio (*as defined hereinafter*) approved by the Boards of Directors of each of the Companies and other relevant provisions of the Act (*as defined hereinafter*) in the manner provided for in this Scheme and in compliance with the provisions of the IT Act, 1961.

3.5. The amalgamation of the Transferor Company with the Transferee Company will be implemented with effect from the Appointed Date.

4. RATIONALE OF SCHEME

The respective Board of Director of the Companies believe that the financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of each of the Companies pooled in the merged entity, will lead to increased competitive strength, cost reduction and efficiencies, productivity gains and logistic advantages, thereby significantly contributing to future growth and maximizing shareholder value.

- (i) The respective Board of Directors of the Companies believe the consolidation proposed through this Scheme is founded on leveraging of the significant complementarities that exist between both the Companies, particularly relating to branch network, product offerings and customer segments. This revenue synergy-led and growth-oriented amalgamation, adopting best practices of banking, technology, governance and prudence from both banks, is expected to result in a superior platform benefitting from efficiencies of size and scope over time for all stakeholders such as customers, employees, and shareholders;
- (ii) The Amalgamation is not merely a commercial transaction but a strategic consolidation aligned with public interest. The integration of housing finance activity into the banking framework enhances regulatory oversight, strengthens depositor protection and promotes financial stability. The merged entity (i.e. the Transferee Company) shall operate under a single, harmonised regulatory and supervisory framework, thereby reducing structural complexity and ensuring higher standards of governance, transparency and risk management.
- (iii) The Amalgamation of the Companies shall accelerate build out of pan India distribution franchise;
- (iv) The Amalgamation of the Companies shall lead to diversification of portfolio with access to rural geography and micro finance business leading to greater financial inclusion, the segment which is of national priority;
- (v) While the Transferee Company has pan-India presence in 11 (Eleven) States and Union Territories with a strong presence in western, northern and central part of India, the proposed Amalgamation will enhance reach and distribution, and help expand geographic coverage thereby leading to accelerated expansion of both deposit and asset franchise across complementary markets;
- (vi) Post-Amalgamation, the loan assets of the Transferor Company shall gain access to the low-cost and stable deposit base of the Transferee Company, resulting in improved cost of funds, enhanced pricing flexibility and superior asset–liability matching. This structural integration is expected to strengthen the sustainability of the housing loan portfolio and improve long-term profitability without compromising prudential norms.
- (vii) The Amalgamation of the Companies shall assist in realisation of synergies arising from the combination including revenue synergies from cross sell to the Transferor Company's deposit base, reduction in funding cost and realisation of scale driven productivity and cost efficiencies over time; and
- (viii) The Amalgamation of the Companies shall provide customers of both Companies with access to wider suite of products and services.
- (ix) Both the Companies are engaged primarily in fully secured lending operations and follow a conservative credit risk framework, resulting in low-risk weights and efficient utilization of capital.
- (x) The Amalgamation is proposed as a going concern and shall not result in disruption to the business operations of the Companies. Employees of the Transferor Company shall continue in service on terms no less favourable than those existing prior to the amalgamation, thereby ensuring continuity and stability.

5. OBJECTS OF THIS SCHEME

- 5.1.** The Amalgamation is proposed to consolidate the housing finance business within the banking structure of the Transferee Company, achieve operational and regulatory efficiencies, simplify the group structure, eliminate duplication of compliance and governance frameworks, strengthen capital and liquidity management, and enable integrated offering of financial products to customers. The Scheme is intended to be implemented as a going concern without disruption to customers, employees or creditors. The proposed Amalgamation would be in the best interest of

the Companies and their respective shareholders, employees, creditors and other stakeholders as the proposed Amalgamation will yield advantages as set out inter alia below:

- i. The Transferee Company and the Transferor Company have developed exceptional skills in banking business and housing finance business respectively. The Transferor Company has a wide range of home loans and non-home loans as its product. Within the home loans, it offers loans for home purchase, construction, extension and improvement and within the non-housing loans it offers loan against property (LAP) and MSME Loans. With a retail network of 21 (Twenty-one) branches, it has a presence in 5 States and Union Territory in India with majority of the existing loan assets advanced in rural areas.
- ii. The Transferee Company received a banking license in 2021 from the RBI to conduct business as a small finance bank. Its focus has been to meet the financial needs of people who are overlooked by the formal banking system. The Transferor Company and the Transferee Company therefore have significant complementarities and the consolidation of the two businesses carried on by them is strategic in nature and will generate significant business synergies. The amalgamation will result in enhancement of shareholders' value accruing from synergy of operations, new product development, integration of technology and information technology platforms, and also enable the Companies to further their socio-economic objectives. Thus, a combination of the Transferor Company and the Transferee Company will enhance the value propositions of the combined entity which would be able to leverage the complementarities of the Companies;
- iii. The amalgamation of the Transferor Company with the Transferee Company will enable the Transferee Company to build and strengthen its housing loan portfolio and establish a strong customer base of affordable housing customers. The Transferee Company would benefit from the loan assets of the Transferor Company as the strong loan book of the Transferor Company will stand merged into the Transferee Company pursuant to the Amalgamation. In addition, the Amalgamation will not dilute the focus of the Transferee Company on predominantly Priority Sector Lending ("PSL") loans as majority portfolio of the Transferor Company is PSL eligible; a significant portion of the loan portfolio of the Transferor Company qualifies as Priority Sector Lending. The Amalgamation will strengthen the Transferee Company's ability to meet priority sector obligations organically and align its lending activities with national policy objectives relating to affordable housing and financial inclusion.
- iv. The Amalgamation will result in consolidation of the housing finance business within the banking structure of the Transferee Company, enabling improved access to stable funding, enhanced asset-liability management, better capital efficiency and unified governance and risk management. The proposed Amalgamation is expected to create a stronger, well-capitalised and prudently regulated financial institution, capable of delivering sustained value to customers, shareholders and other stakeholders, while supporting national priorities including financial inclusion and affordable housing.
- v. The Amalgamation of the Companies shall enable pooling of resources, creating better synergies, optimal utilisation of resources and greater economies of scale;
- vi. The Amalgamation of the Companies shall result in better administration and cost reduction (including reduction in administrative and other common costs);
- vii. While the Transferee Company has pan India presence in 11 States and Union Territories with a strong presence in north India, the proposed Amalgamation will enhance reach and distribution and help expand the geographic coverage for the combined entities;
- viii. The Amalgamation of the Companies shall enable greater efficiency in cash management and unfettered access to cash flow generated by the combined business, which can be deployed more efficiently, to maximize shareholder value;
- ix. The Amalgamation of the Companies shall create value for stakeholders including respective shareholders, customers, lenders and employees as the combined business would benefit from increased scale, product diversification and expanded reach with increased ability to growth opportunities, higher cross-selling opportunities to a larger base of customers, improvement in

productivity and operational efficiencies amongst others;

- x. The Amalgamation of the Companies will enhance shareholder value over the medium to long term through improved returns on equity, greater balance sheet strength and reduced earnings volatility. The transaction is strategic in nature and not driven by short-term considerations.
- xi. The Amalgamation of the Companies shall provide material realizable cost and revenue synergies for the benefit of the Amalgamating Companies; and
- xii. The Amalgamation of the Companies shall enable optimal utilization of resources and economies of scale resulting in improved efficiencies; it will help the Transferee Company to establish a strong customer base of affordable housing and scale up rural lending.
- xiii. As a result, the Board of Directors of the Companies are proposing this Scheme under Sections 230-233 of the Act.

Part II

DEFINITIONS AND INTERPRETATION, DATE OF TAKING EFFECT OF THIS SCHEME AND THE SHARE CAPITAL OF THE RESPECTIVE COMPANIES;

6. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions have the meanings as set out herein below:

- 6.1. **“Accounting Standards”** means the Indian Accounting Standards as notified under Section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules, 2021 to the extent applicable and Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), other accounting principles generally accepted in India and principles which are recommended by the Institute of Chartered Accountants of India and required to be used or adopted by such company in the preparation of its financial statements from time to time and consistently applied, and read with the regulatory guidance on such accounting standards framed by RBI, as applicable to such company.
- 6.2. **“Act”** means the Companies Act, 2013, as notified, clarified, amended, supplemented, modified and/or replaced from time to time and shall include any statutory replacement or re-enactment thereof, including any rules made thereunder or notifications, circulars or orders made/issued thereunder from time to time and shall include the provisions of the Companies Act, 1956, to the extent the corresponding provisions in the Companies Act, 2013 has not been notified;
- 6.3. **“Amalgamation”** means the amalgamation of the Transferor Company into and with the Transferee Company pursuant to this Scheme in accordance with the provisions of the Act and Applicable Laws.
- 6.4. **“Applicable Law”** means all applicable (i) statutes, enactments, acts of legislature or parliament, laws, ordinances, code, directives, rules, regulations, bye-laws, notifications, guidelines or policies of any applicable jurisdiction; and (ii) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or approvals required from Governmental Authorities or Income Tax Authorities of, or agreements with, any Governmental Authority or Income Tax Authorities or a recognized stock exchange;
- 6.5. **“Appointed Date”** means April 1st, 2026, or such other date as may be mutually decided by the Boards of Directors of the Transferor Company and the Transferee Company with the approval of Reserve Bank of India or Regional Director/NCLT or any other Appropriate Authority may approve from which date the amalgamation of the Transferor Company with and into the Transferee Company shall be deemed to have taken effect for accounting and tax purposes in accordance with this Scheme.
- 6.6. **“Appropriate Authority”** means and includes any applicable governmental, statutory, departmental or public body or authority, including any Tax Authority, RBI and CCI.

- 6.7. **“Board of Directors” or “Board”** in relation to the Companies means their respective board of directors, and unless it is repugnant to the context or otherwise, includes any committee of directors or any person authorised by the board of directors or by such committee of directors and authorised for the matters pertaining to this Scheme or any other matter relating thereto;
- 6.8. **“BR Act”** means the Banking Regulation Act, 1949, and includes all rules, regulations, guidelines and circulars issued by the RBI thereunder for the time being in force.
- 6.9. **“Business Day”** shall mean a day, other than a Saturday, Sunday or a public holiday in Noida (India), and New Delhi (India), on which banks are open in Noida (India), and New Delhi (India) for general commercial business.
- 6.10. **“CCI”** means the Competition Commission of India;
- 6.11. **“Competent Authority”** means the concerned Regional Director (Northern Region) in the Ministry of Corporate Affairs and/or the National Company Law Tribunal, New Delhi Bench, which has the jurisdiction in relation to the Transferor Company and the Transferee Company;
- 6.12. **“Companies”** means collectively the Transferor Company and the Transferee Company.
- 6.13. **“Effective Date”** means last of the dates on which copies of the Order(s) passed by the Regional Director/NCLT, sanctioning this Scheme, are filed with the concerned Registrar of Companies, Ministry of Corporate Affairs. Any references in this Scheme to “upon this Scheme becoming effective”, “Scheme becomes effective” or “effectiveness of this Scheme” or likewise, means and refers to the Effective Date.

It is, however, clarified that though this Scheme will become operative from the Effective Date, the provisions of this Scheme will be implemented from the Appointed Date. In other words, the Effective Date is only a trigger point for implementation of the Scheme. As soon as the Effective Date is achieved, provisions of this Scheme will come into operation; and will be effective and applicable with effect from the Appointed Date in terms of the provisions of Section 230-233 of the Companies Act, 2013, and other applicable provisions, if any.

- 6.14. **“Encumbrance”** means (a) any encumbrance including, without limitation, any claim, mortgage, negative lien, pledge, equitable interest, charge (whether fixed or floating), hypothecation, lien, deposit by way of security, security interest, trust, guarantee, commitment, assignment by way of security, or other encumbrances or security interest of any kind securing or conferring any priority of payment in respect of any obligation of any person and includes without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security in each case under any law, contract or otherwise, including any option or right of pre-emption, public right, common right, easement rights, any attachment, restriction on use, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off and/ or any other interest held by a third party; (b) any voting agreement, conditional sale contracts, interest, option, right of first offer or transfer restriction; (c) any adverse claim as to title, possession or use; and/ or (d) any agreement, conditional or otherwise, to create any of the foregoing, and the term ‘encumber’ shall be construed accordingly.
- 6.15. **“Governmental Authority”** means any governmental or statutory or regulatory or administrative authority, government department, agency, commission, board, tribunal or court or other entity authorised to make laws, rules or regulations or pass directions, having or purporting to have jurisdiction over any state or other sub-division thereof or any municipality, district or other sub-division thereof pursuant to Applicable Law;
- 6.16. **“Group A”** means the Shareholders of Transferor as classified in Schedule I entitled to acquire New Equity Shares
- 6.17. **“Group B”** means the Shareholders of Transferor as classified in Schedule I entitled to receive Cash Consideration in lieu of New Equity Shares.
- 6.18. **“Group C”** means cross shareholding of Transferee in the Transferor Entity, which shall be cancelled as classified in Schedule I.
- 6.19. **“IT Act, 1961”** means the Income-tax Act, 1961 including any statutory modifications, re-

enactments or amendments thereof for the time being in force and shall include any new statute brought in force to replace the said act.

- 6.20. “NCLT”** shall mean the National Company Law Tribunal having Jurisdiction over the Transferor Company and Transferee Company
- 6.21. “New Equity Shares”** means the fully paid-up equity shares of the Transferee Company issued in accordance with this Scheme, each having a face value of INR 10 (Indian Rupees ten).
- 6.22. “Person”** shall mean any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, Appropriate Authority or trust or any other entity or organization (whether registered or not and whether or not having separate legal personality).
- 6.23. “Proceedings”** shall mean any legal, taxation, or other matter—civil or criminal—of any nature, including but not limited to suits, summary suits, indigent petitions, assessments, appeals, arbitrations, and similar actions.
- 6.24. “RBI”** means the Reserve Bank of India.
- 6.25. “RBI Amalgamation Directions”** means Reserve Bank of India (Small Finance Banks - Voluntary Amalgamation) Directions, 2025 issued by Reserve Bank of India dated November 28, 2025 as updated to date.
- 6.26. “Record Date”** means the date to be fixed by the Board of Directors of the Transferee Company after mutual agreement on the same between the Transferee Company and the Transferor Company, for the purpose of determining the shareholders whose name appears in the records of the depository of the Transferor Company or his/her heirs, executors, administrators or successors-in-title, as the case may be, who shall be entitled to receive the equity shares or cash consideration of/by the Transferee Company in accordance with this Scheme.
- 6.27. “Regional Director” or “RD”** means the Regional Director (Northern Region), Ministry of Corporate Affairs, New Delhi, having jurisdiction over the Companies.
- 6.28. “Registrar of Companies” or “ROC”** means the Registrar of Companies, New Delhi, having jurisdiction over the Transferor Company and the Transferee Company respectively;
- 6.29. “Relevant Date”** means the date immediately preceding the Effective Date, as on which all representations, confirmations, compliances, disclosures and determinations under this Scheme, including those relating to employees, employee stock options, litigation, regulatory compliance, liabilities and obligations of the Transferor Company, shall be deemed to have been made;
- 6.30. “Scheme” or “the Scheme” or “this Scheme”** means this scheme of amalgamation pursuant to Sections 230-233 and other relevant provisions of the Act, with such modifications and amendments as may be made from time to time, with the appropriate approvals and sanctions of the Competent Authority and other relevant Governmental Authorities, as may be required under the Act and under all other Applicable Laws;
- 6.31. “Share Exchange Ratio”** has the meaning assigned to it in Clause 13.2 of the Scheme;
- 6.32. “Subsidiary”** has the meaning assigned to it u/s 2(87) of the Act;
- 6.33. “Transferee Company”** means Shivalik Small Finance Bank Limited, having CIN U65900DL2020PLC366027, incorporated under the Companies Act, 2013 and having its registered office at 501, Salcon Aurum Jasola District Centre, South Delhi, New Delhi, Delhi, India, 110025;
- 6.34. Transferor Company”** means ManiBhavnam Home Finance India Private Limited, having CIN U65990DL2016PTC298946, incorporated under the Companies Act, 2013 having its registered office at Farm No. 10 Tropical Drive Ghitorni M.G Road, New Delhi, Delhi, India, 110030 and, notwithstanding anything to the contrary in this Scheme, shall include:
- (a) any and all of its assets, whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, in possession or reversion, present, future, or contingent, including

but not limited to registrations and memberships, electrical fittings, installations, tools, accessories, power lines, stocks, computers, equipment, accessories, communication facilities, vehicles, furniture, fixtures and office equipment, all rights, title, interests, covenants, undertakings, and society memberships and rights appurtenant to the immovable property, including continuing rights, covenants, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold or leave and licensed or right of way and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto, plant, machinery, trading platform, appliances, equipment, whether leased or otherwise, together with all present and future liabilities including contingent liabilities and debts appertaining thereto;

- (b) any and all of its investments (including shares whether in dematerialised or physical form, scrips, stocks, bonds, debentures, debenture stock, units or pass through certificates and other securities), including actionable claims, earnest monies, loans and advances, recoverable in cash or in kind or for value to be received, provisions, all cash and bank balances and deposits, money at call and short notice, contingent rights or benefits, receivables, including dividends declared or interest accrued thereon, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates;
- (c) any and all of its licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions (including but not limited to permissions granted in relation to launch futures and options contracts), allotments, approvals, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, applications made for obtaining all or any of the aforesaid, pre- qualifications, bid acceptances, tenders, certificates, tenancies, trade names, trademarks, service marks, copyrights, logos, corporate names, brand names, domain names, sales tax credits, income-tax credits, goods and service tax credits, privileges and benefits of/ arising out of all contracts, agreements, applications and arrangements and all other rights including lease rights, powers and facilities of every kind and description whatsoever, equipment, installations and utilities such as electricity, water and other service connections, all benefits including subsidies, grants, incentives, tax credits (including but not limited to credits in respect of goods and services tax, income tax, minimum alternate tax, value added tax, etc., tax refunds) and all other rights, claims and powers, of whatsoever nature; any and all of its debts, borrowings and liabilities (whether denominated in Indian rupees or foreign currency), present or future, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability);
- (d) all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, bids, letters of intent, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders, operation and maintenance compliance, equipment purchase agreements or other instruments of whatsoever nature to which the Transferor Company is a party, and other assurances in favour of the Transferor Company or powers or authorisations granted by or to it;
- (e) all insurance policies;
- (f) any and all of its staff and employees, who are on its payrolls, including those employed at its offices and branches, employees/personnel engaged on contract basis and contract labourers and interns/trainees, as are primarily engaged in or in relation to the business, activities and operations carried on by the Transferor Company, including liabilities of the Transferor Company, with regard to their staff and employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise, in terms of its license, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Transferor Company as on the Effective Date;

- (g) rights of any claim not made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any law, act or rule or scheme made by the Governmental Authority, and in respect of carry forward of un-absorbed losses and unabsorbed tax depreciation, deferred revenue expenditure, rebate, incentives, benefits etc., under the IT Act, 1961, sales tax, value added tax, custom duties and good and service tax or any other or like benefits under Applicable Law;
- (h) any and all of the advance monies, earnest monies, margin money and/or security deposits, payment against warrants or other entitlements, as may be lying with them, including but not limited to the deposits from members, investor's service fund and investor protection fund;
- (i) all deposits and balances with government, quasi-government, local and other authorities and bodies, customers and other persons, earnest monies and/or security deposits paid or received by the Transferor Company, directly or indirectly;
- (j) all books, records, files, papers, engineering and process information, application software, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, lists of present and former borrowers, lenders and suppliers including service providers, other borrower information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form;
- (k) amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess, or of any excess payment;
- (l) all registrations, trademarks, trade names, computer programmes, websites, manuals, data, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the Transferor Company in the business, activities and operations carried on by the Transferor Company; and
- (m) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor Company and all other rights and interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company;

7. INTERPRETATION

7.1. Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, BR Act, the Income-tax Act, 1961, the Depositories Act, 1996 and other Applicable Laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time. In particular, wherever reference is made to the Competent Authority in this Scheme, the reference would include, if appropriate, reference to the Competent Authority or such other forum or authority, as may be vested with any of the powers of the Competent Authority under the Act and/or rules made thereunder.

7.2. In this Scheme, unless the context otherwise requires:

- (i) references to "persons" shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
- (ii) the headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are inserted for ease of reference only and shall not form part of the operative provisions of this Scheme and shall not affect the construction or interpretation of this Scheme;

- (iii) references to one gender includes all genders;
- (iv) words in the singular shall include the plural and *vice versa*, pronouns importing a gender include each of the masculine, feminine and neutral genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings;
- (v) Unless otherwise specified, time periods within or following which any act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the following Business Day if the last day of such period is not a Business Day;
- (vi) any references in this Scheme to “upon this Scheme becoming effective” or “upon coming into effect of this Scheme” or “upon the Scheme coming into effect” or “effectiveness of the Scheme” or likewise shall be construed to be a reference to the Effective Date;
- (vii) words “include” and “including”, and “in particular” shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words.
- (viii) terms “hereof”, “herein”, “hereby”, “hereto” and derivative or similar words shall refer to this entire Scheme or specified Clauses of this Scheme, as the case may be;
- (ix) A reference to “writing” or “written” includes printing, typing, lithography and other means of reproducing words in a visible form including e-mail;
- (x) Any reference in this Scheme, to this Scheme or any other agreement, contract, document or arrangement, or to any provision thereof, shall be construed, without limitation, as a reference to this Scheme or, as the case may be, such other agreement, contract, document, or arrangement, or to any provision thereof, in each case as the same may have been, or may from time to time be, amended, varied, assigned, novated, acceded to or supplemented.
- (xi) reference to the Recital or Clause shall be a reference to the Recital or Clause of this Scheme; and
- (xii) references to any provision of law or legislation or regulation shall include: (a) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the transaction entered into under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced, (b) all subordinate legislations (including circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation) made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment.
- (xiii) Unless otherwise specified, a reference to a Person being liable to another Person, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).
- (xiv) Any approval and / or consent to be granted by a Person under this Scheme shall be deemed to mean an approval and / or consent in writing, and unless expressly provided for otherwise, shall be deemed to mean the prior approval or consent of the relevant Person.
- (xv) An obligation to “ensure” or “cause” any act or forbearance, shall be deemed to include an obligation to exercise all rights and powers (including voting rights) available to such Person undertaking such obligation to ensure or cause, as the case may be, such act or forbearance.
- (xvi) A reference to a Person includes a reference to that Person’s legal personality, personal representatives, heirs, executors, administrators, successors and permitted assigns.

8. CAPITAL STRUCTURE AND DATE OF TAKING EFFECT

8.1. SHARE CAPITAL OF THE TRANSFEROR COMPANY

The authorized, issued, subscribed and paid-up share capital of the Transferor Company as on **February 28, 2026** is set out in **Schedule II**.

The Board of Directors of the Transferor Company, by a resolution passed on **February 25, 2026**, approved the cancellation of all employee stock options that remained unexercised as on the said date, and confirmed that **individual consents of the eligible employees** in respect of such cancellation have been duly obtained.

8.2. SHARE CAPITAL OF THE TRANSFeree COMPANY

The authorized, issued, subscribed and paid-up share capital of the Transferee Company as on **February 28, 2026** is set out in **Schedule II**.

Certain employee stock options granted to the employees of the Transferee Company may get exercised before the Effective Date, which may result in an increase in the issued and paid- up share capital of the Transferee Company. The details of the unexercised employee stock options by the employees of the Transferee Company as on **February 28, 2026** are set out in **Schedule II**.

9. THE DATE OF TAKING EFFECT

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Competent Authority or any other Governmental Authority shall be effective from the Effective Date but shall be implemented from the Appointed Date.

PART III

AMALGAMATION OF THE TRANSFEROR COMPANY INTO AND WITH THE TRANSFeree COMPANY

10. TRANSFER AND VESTING OF THE TRANSFEROR COMPANY INTO AND WITH THE TRANSFeree COMPANY

- 10.1.** Upon the coming into effect of this Scheme and with effect from the Appointed Date, and subject to the provisions of this Scheme, the Transferor Company shall stand amalgamated with the Transferee Company, and the Transferor Company shall, pursuant to RBI Amalgamation Directions, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concern, without any further act, instrument, deed, matter or thing so as to become, the undertaking of the Transferee Company by virtue of, and in the manner provided in this Scheme.
- 10.2.** Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, with effect from the Appointed Date and upon this Scheme becoming effective and subject to the provisions of this Scheme, the Transferor Company along with all its assets, liabilities, contracts, employees, licenses, records, approvals etc. being integral parts of the Transferor Company shall, subject to this Clause 10 in relation to the mode of vesting, and without any further, act, deed, matter or thing, be and stand transferred to and vested in or shall be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estates, assets, properties, rights, claims, title, interest and authorities of the Transferee Company, subject to the provisions of this Scheme.
- 10.3.** Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:
- i. all assets of the Transferor Company, that are movable in nature, or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, including machinery, equipment, pursuant to this Scheme shall stand transferred to and vested in and/or be deemed to be

transferred to and vested in the Transferee Company, wherever located and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly;

- ii. all other movable properties of the Transferor Company, including investments in shares and any other securities, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits (including deposits from members), if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Transferee Company, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. It is hereby clarified that investments, if any, made by Transferor Company and all the rights, title and interest of the Transferor Company in any leasehold properties shall, pursuant to Section 230-233 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company;
- iii. all Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secure or relate to any liability, shall, after the Effective Date, without any further act, instrument or deed, continue to be related and attached to such assets or any part thereof to which they related or were attached prior to the Effective Date and as are transferred to the Transferee Company. Provided that if any assets of the Transferor Company have not been Encumbered in respect of the liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The secured creditors of the Transferee Company and/or other holders of security over the properties of the Transferee Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interests of the Transferor Company and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or any third party shall not affect the operation of the foregoing provisions of this Scheme;
- iv. all estate, assets, rights, title, claims, interest, investments and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets, rights, title, interest, investments and properties, of whatsoever nature and wherever situate, which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company;
- v. all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, bids, letters of intent, arrangements, undertakings, whether written or otherwise, deeds, bonds, agreements, schemes, arrangements and other instruments to which the Transferor Company is a party, or to the benefit of which, the Transferor Company may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall, without any further act, instrument or deed continue in full force and effect on, against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto. If the Transferee Company enters into and/or issues and/or executes deeds, writings or confirmations or enters into any tripartite arrangements, confirmations or novation, the Transferor Company will, if necessary, also be party to such documents in order to give formal effect to the provisions of this Scheme, if so required. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it is the duly constituted attorney of the Transferor Company;
- vi. any pending suits/appeals, all legal, taxation or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature relating to the

Transferor Company, whether by or against the Transferor Company, whether pending on the Appointed Date or which may be instituted any time in the future, shall not abate, be discontinued or in any way prejudicially affected by reason of the amalgamation of the Transferor Company or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Transferor Company, as if this Scheme had not been implemented;

- vii. all the security interest over any moveable and/or immoveable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/executed by any person in favour of the Transferor Company or any other person acting on behalf of or for the benefit of the Transferor Company for securing the obligations of the persons to whom the Transferor Company has advanced loans and granted other funded and non-funded financial assistance, by way of letter of comfort or through other similar instruments shall without any further act, instrument or deed stand vested in and be deemed to be in favour of the Transferee Company and the benefit of such security shall be available to the Transferee Company as if such security was ab initio created in favour of the Transferee Company. The mutation or substitution of the charge in relation to the movable and immovable properties of the Transferor Company shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities and third parties (including any depository participants) pursuant to the sanction of this Scheme by the Competent Authority and upon the Scheme becoming effective in accordance with the terms hereof;
- viii. all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured (including rupee, foreign currency loans, time and demand liabilities, undertakings and obligations of the Transferor Company), of every kind, nature and description whatsoever and howsoever arising, whether provided for or not in the books of account or disclosed in the balance sheets of the Transferor Company shall be deemed to be the debts, liabilities, contingent liabilities, duties, and obligations of the Transferee Company, and the Transferee Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. All loans raised and used and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Company after the Appointed Date and prior to the Effective Date, shall also be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Sections 230 to 233 of the Act, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the debt, duties, undertakings, liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same;
- ix. all debentures, bonds, notes or other securities of the Transferor Company whether convertible into equity or otherwise, shall, without any further act, instrument or deed become the securities of the Transferee Company and all rights, powers, duties and obligations in relation thereto shall be and shall stand transferred to and vested in or deemed to be transferred to and vested in and shall be exercised by or against the Transferee Company as if it were the Transferor Company. If the securities issued by the Transferor Company, including but not limited to debentures and bonds, are listed on any stock exchange, the same shall upon issuance/endorsement by the Transferee Company in terms of this Scheme, subject to applicable regulations and prior approval requirements, if any, be listed and/or admitted to trading on the relevant stock exchange(s) whether in India or abroad, where the securities were listed and/or admitted to trading on the same terms and conditions unless otherwise modified in accordance with the provisions hereof. In addition, the Board of Directors of the Transferee Company, shall be authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to list the various debentures, bonds and infrastructure bonds on the relevant exchanges. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause;
- x. the Transferee Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Transferor

Company to the extent necessary until the transfer of the rights and obligations of the Transferor Company to the Transferee Company under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Transferor Company after the Effective Date, shall be accepted by the bankers of the Transferee Company and credited to the accounts of the Transferee Company, if presented by the Transferee Company. Similarly, the banker of the Transferee Company shall honour all cheques issued by the Transferor Company for payment after the Effective Date;

- xi. all letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders, and other instruments of whatsoever nature to which the Transferor Company is a party to or to the benefit of which the Transferor Company may be eligible, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. Upon coming into effect of this Scheme, the past track record of the Transferor Company shall be deemed to be the track record of the Transferee Company for all commercial and regulatory purposes;
- xii. all the staff and employees of the Transferor Company who are in such employment as on the Effective Date shall become, and be deemed to have become, the staff and employees of the Transferee Company, without any break or interruption in their services and on the same terms and conditions (and which are not less favourable than those) on which they are engaged by the Transferor Company as on the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retirement benefit/compensation, such immediate uninterrupted past services with the Transferor Company, shall also be taken into account. With regard to provident fund, gratuity, superannuation, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the regional provident fund commissioner or to such other funds maintained by the Transferor Company, in accordance with the provisions of Applicable Laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose shall be treated as having been continuous;
- xiii. with regard to any provident fund, gratuity fund, pension, superannuation fund or other special fund created or existing for the benefit of such employees of the Transferor Company, it is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company. Upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. Any existing provident fund, gratuity fund and superannuation fund trusts created by the Transferor Company for its employees shall be continued for the benefit of such employees on the same terms and conditions until such time that they are transferred to the relevant funds of the Transferee Company. It is clarified that the services of all employees of the Transferor Company transferred to the Transferee Company will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes or funds. Without prejudice to the aforesaid, the Board of the Transferee Company, if it deems fit and subject to Applicable Laws, shall be entitled to: (i) retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company; or (ii) merge the pre-existing fund of the Transferor Company with other similar funds of the Transferee Company;
- xiv. the Transferee Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of the employees with the Transferor Company, if any, as the case may be, shall also be taken into account, and agrees and undertakes to pay the same as and when payable;
- xv. all trademarks, trade names, service marks, copyrights, logos, corporate names, brand names,

domain names and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information shall stand transferred to and vested in the Transferee Company;

- xvi. all registrations, goodwill and licenses, appertaining to the Transferor Company, if any, shall be transferred to and vested in the Transferee Company;
- xvii. all taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax, withholding tax, banking cash transaction tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, goods and services tax, customs, duties, etc.), including any interest, penalty, surcharge and cess, if any, payable by or refundable to the Transferor Company, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions etc., as would have been available to the Transferor Company, shall pursuant to this Scheme becoming effective, be available to the Transferee Company;
- xviii. all approvals, allotments, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, pre-qualifications, bid acceptances, tenders, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions (including but not limited to permissions granted in relation to launch futures and options contracts) and certificates of every kind and description whatsoever in relation to the Transferor Company, or to the benefit of which the Transferor Company may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes;
- xix. benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, including without limitation approvals under Sections 42, 62(1)(a), 180, 185, 186, 188 etc., of the Act, read with the rules and regulations made thereunder, shall stand transferred to the Transferee Company and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Transferee Company; it being clarified that if any such resolutions have any monetary limits approved subject to the provisions of the Act and of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of the Transferee Company, shall be added to the limits, if any, under the like resolutions passed by the Transferee Company;
- xx. all bank accounts operated or entitled to be operated by the Transferor Company shall be deemed to have transferred and shall stand transferred to the Transferee Company and names of the Transferor Company shall be substituted by the name of the Transferee Company in the bank's records;
- xxi. all the property, assets and liabilities of the Transferor Company shall be transferred to the Transferee Company at the values appearing in the books of account of the Transferor Company at the close of business of the day immediately preceding the Appointed Date;
- xxii. all borrowings including, debentures or bonds of the Transferor Company shall be distinctly identified in the records of the Transferee Company for all intents and purposes including taxation and accounting and shall not be combined with any existing outstanding deposit scheme or series of debentures or bonds of the Transferee Company;

- xxiii. all the benefits under the various incentive schemes and policies that the Transferor Company is entitled to, including tax credits, tax deferral, exemptions and benefits (including sales tax and service tax), subsidies, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed by the Transferor Company and all rights or benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, shall upon this Scheme becoming effective and with effect from the Appointed Date be transferred to and vest in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever, shall be claimed by the Transferee Company and these shall relate back to the Appointed Date as if the Transferee Company was originally entitled to all benefits under such incentive schemes and or policies;
 - xxiv. where any of the debts, liabilities, duties and obligations incurred before the Appointed Date by the Transferor Company, deemed to have been transferred to the Transferee Company by virtue of this Scheme, have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company;
 - xxv. without prejudice to the generality of the foregoing, all lease agreements and leave and license agreements, as the case may be, to which the Transferor Company is a party, and having effect immediately before the Effective Date, shall remain in full force and effect on the terms and conditions contained therein in favour of or against the Transferee Company and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder; and the respective lessees and the licensees, as the case may be, shall continue to be in possession of the premises subject to the terms and conditions contained in the relevant lease agreements or leave and license agreements, as the case may be. Further, all the rights, title, interest and claims of the Transferor Company in any properties including leasehold/ licensed properties of the Transferor Company including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company automatically without requirement of any further act or deed. The Transferee Company shall continue to pay rent or lease or license fee as provided for under such agreements, and the Transferee Company shall continue to comply with the terms, conditions and covenants thereunder;
 - xxvi. any liabilities, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company; and
 - xxvii. for the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall stand transferred to the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.
- 10.4.** The Transferor Company and/or the Transferee Company as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company. It is hereby clarified that if the consent of any third party or Governmental Authority, if any, is required to give effect to the provisions of this Clause, the said third party or Governmental Authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.

10.5. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

10.6. Without prejudice to the other provisions of the Scheme and notwithstanding the vesting of the Transferor Company into the Transferee Company by virtue of Part III of the Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the regulatory authorities in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company. The Transferee Company will, if necessary, also be a party to the above.

11. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE AND UPON SCHEME BECOMING EFFECTIVE

11.1. The Transferor Company and the Transferee Company have agreed that during the period between the approval of the Scheme by the respective Boards of the Transferor Company and the Transferee Company and up to the Effective Date, the business of the Transferor Company and the Transferee Company shall be carried out with reasonable diligence and business prudence in the ordinary course consistent with past practice, in good faith and in accordance with Applicable Law.

11.2. With effect from the Appointed Date and up to and including the Effective Date:

- i. the Transferor Company undertakes to carry on and shall be deemed to have carried on its business activities and stand possessed and shall be deemed to have held and stood possessed of the properties and assets pertaining to the Transferor Company, for and on account of and in trust for the Transferee Company;
- ii. the Transferor Company hereby undertakes to hold its said assets with utmost prudence in the ordinary course of business until the Effective Date;
- iii. all profits and income accruing to the Transferor Company, and losses and expenditure incurred by it (including taxes, if any, accruing or paid in relation to any profits or income), for the period from the Appointed Date based on the accounts of the Transferor Company shall, subject to the Scheme being effective, for all purposes, be treated as the profits, income, losses or expenditure, as the case may be, of the Transferee Company;
- iv. all debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations as on the close of business on the date preceding the Appointed Date, whether or not provided in the books of the Transferor Company which arise or accrue to the Transferor Company on or after the Appointed Date, shall, subject to the Scheme being effective, be deemed to be of the Transferee Company;
- v. all assets and properties comprised in the Transferor Company as on the date immediately preceding the Appointed Date, whether or not included in the books of the Transferor Company and all assets and properties relating thereto, which are acquired by the Transferor Company, on or after the Appointed Date, shall be deemed to be the assets and properties of the Transferee Company; and
- vi. any of the rights, powers, authorities, privileges exercised by the Transferor Company shall be deemed to have been exercised by such Transferor Company for and on behalf of, and in trust for the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by Transferor Company shall be deemed to have been undertaken for and on behalf of the Transferee Company.

11.3. With effect from the Effective Date, the Transferee Company shall carry on and shall be authorised to carry on the businesses of Transferor Company.

11.4. For the purpose of giving effect to the order passed under Sections 230-233 and other applicable

provisions of the Act in respect of this Scheme by the Competent Authority, the Transferee Company shall, at any time, pursuant to the order on this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the transfer of the Transferor Company, in accordance with the provisions of Sections 230-233 of the Act. The Transferee Company is and shall always be deemed to have been authorised to execute any pleadings, applications, forms etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the Competent Authority.

- 11.5.** The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Governmental Authorities and all other agencies, departments and authorities concerned as are necessary under Applicable Law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.
- 11.6.** Upon this Scheme becoming effective, the Transferee Company, unconditionally and irrevocably, agrees and undertakes to pay, discharge and satisfy all liabilities and obligations of the Transferor Company with effect from the Appointed Date, in order to give effect to the foregoing provisions.
- 11.7.** The transfer and vesting of the assets, liabilities and obligations of the Transferor Company and the continuance of the proceedings by or against the Transferee Company shall not affect any transaction or proceedings already completed by the Transferor Company on or before the Appointed Date or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by and / or on behalf of the Transferor Company as acts, deeds and things made, done and executed by and on behalf of the Transferee Company.
- 11.8.** Upon the Scheme becoming effective, entire Issued Share Capital and share certificates of the Transferor Company, if any, will automatically stand cancelled. Shareholders of the Transferor Company will not be required to surrender the Share Certificates held in the Transferor Company.
- 11.9.** Upon this Scheme becoming effective, Certificate of Registration (“COR”) issued by the National Housing Bank (NHB) to the Transferor Company to carry on business of Housing Finance Company shall stand cancelled. The original COR issued by the NHB to the Transferor Company will be surrendered to the RBI along with the requisite covering letter/application for formal cancellation of the COR by the NHB. The Transferee Company will submit all such documents and take all such steps, as may be required by the RBI for this purpose.
- 11.10.** Upon this Scheme becoming effective, the Transferee Company and/or the Transferor Company will take necessary steps for the smooth and uninterrupted transition/transfer of undertaking and business of the Transferor Company following the Amalgamation. Without prejudice to the generality of the aforesaid, following are the salient features/chronology to be followed in this regard:
 - i. Upon the Scheme becoming effective, the Transferee Company will inform approval of this Scheme by the Hon’ble Regional Director/NCLT to the customers of the Transferor Company, concerned Appropriate Authority, and other relevant third parties which will promptly give effect to the Amalgamation in their records and will do the needful to give effect to this Scheme.
 - ii. All the customers of the Transferor Company, all concerned Appropriate Authority and relevant third parties will take note of the same and will take all necessary steps to give effect to the Scheme including but not limited to changing the name of the Transferor Company with the Transferee Company, details of the bank account(s) of the Transferor Company will be replaced with that of the Transferee Company.
 - iii. It is clarified that no adverse action will be taken against the Transferee Company for any delay in action taken by the customers, concerned Appropriate Authority and relevant third parties in giving effect of the sanction of this Scheme.

12. CHANGES IN SHARE CAPITAL

- 12.1.** As an integral part of the Scheme and upon this Scheme becoming effective, the authorized share capital of the Transferor Company shall stand transferred to and be amalgamated/combined with

the authorized share capital of the Transferee Company. The fees or stamp duty, if any, paid by the Transferor Company on its authorized share capital shall be deemed to have been so paid by the Transferee Company on the combined authorized share capital, and the Transferee Company shall not be required to pay any fee/ stamp duty for the increase of the authorized share capital. The authorised share capital of the Transferee Company will automatically stand increased to that effect by simply filing the requisite forms with the relevant Registrar of Companies and no separate procedure or instrument or deed shall be required to be followed under the Act.

12.2. Clause V of the memorandum of association of the Transferee Company shall, upon this Scheme becoming effective, and without any further act, instrument or deed, be replaced by the revised Authorised Share Capital clause as set out in **Schedule III**.

12.3. The approval of this Scheme by shareholders of the Transferee Company under sections 230-233 of the Act, whether at a meeting or otherwise, shall be deemed to have been an approval under section 13, section 61 and section 64 or any other applicable provisions under the Act and no further resolution(s) would be required to be separately passed in this regard.

12.4. In accordance with Clause 8.1 above, there are no outstanding or unexercised employee stock options of the Transferor Company as on the Relevant Date.

13. PAYMENT OF CONSIDERATION AND ISSUE OF SHARES

13.1 Upon the Scheme becoming effective and in consideration of the amalgamation of the Transferor Company with and into the Transferee Company, the consideration for the Amalgamation shall comprise a combination of:

- i. issue and allotment of equity shares of the Transferee Company to the **Group A Shareholders** of the Transferor Company; and
- ii. payment of cash consideration to the **Group B Shareholders** of the Transferor Company, in each case in the manner, proportions and subject to the terms specified in this Clause 13 and **Schedule I** hereto.
- iii. cancellation of cross shareholding of Transferee in the Transferor Entity as per the details set out under Group C of **Schedule I**.

13.2 Subject to the provisions of this Scheme and Applicable Law, the Transferee Company shall, without any further act, application or deed, issue and allot to each shareholder of the Transferor Company whose name appears in the register of members of the Transferor Company as on the Record Date (or to such person(s) as may be entitled thereto as legal heirs, executors, administrators or other successors in title, as recognised by the Board of Directors of the Transferee Company), such number of equity shares of the Transferee Company, credited as fully paid-up, in exchange for the equity shares of the Transferor Company held by such shareholder, in accordance with the share exchange ratio specified in **Schedule IV** hereto ("**Share Exchange Ratio**").

13.3 The Share Exchange Ratio specified in this Scheme is final and binding and conditional release of a portion of the consideration in accordance with Schedule IV. The equity shares of the Transferee Company issued and allotted pursuant to this Clause 13 shall hereinafter be referred to as the "**New Equity Shares**", and shall rank *pari passu* in all respects with the existing equity shares of the Transferee Company.

13.4 The **Group B Shareholders** of the Transferor Company shall be entitled to receive **cash consideration** in the amount and manner specified in **Schedule 1**, subject to compliance with the Applicable Laws and regulatory approvals.

13.5 Cross-holding

Any cross-holding of shares, if existing as on the Record Date, between the Transferor Company and the Transferee Company shall stand cancelled upon the Scheme becoming effective. Approval of this Scheme by the shareholders and/or creditors of the Transferor Company and the Transferee Company, as applicable, and sanction of the Scheme by the competent authority under Sections 230

to 233 of the Companies Act, 2013, shall constitute sufficient compliance with applicable provisions of law relating to such cancellation.

For the avoidance of doubt, such cancellation shall not involve any diminution of liability in respect of unpaid share capital nor any payment to any shareholder of paid-up share capital.

14. ISSUANCE MECHANICS

- 14.1.** In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, as the case may be, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Transferor Company and in relation to the shares issued by the Transferee Company, after the effectiveness of the Scheme. The Board of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Transferee Company on account of difficulties faced in the transition period.
- 14.2.** Where New Equity Shares of the Transferee Company are to be allotted to heirs, executors or administrators, as the case may be, to successors of deceased equity shareholders or legal representatives of the equity shareholders of the Transferor Company, the concerned heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of the Transferee Company.
- 14.3.** The New Equity Shares of the Transferee Company shall be allotted and issued to the shareholders of the Transferor Company subject to the provisions of the memorandum and articles of association of the Transferee Company and shall rank *pari passu* in all respects with the then existing equity shares of the Transferee Company after the Effective Date including in respect of dividend, if any, that may be declared by the Transferee Company on or after the Effective Date.
- 14.4.** The Transferee Company shall complete all formalities, as may be required, for allotment of the New Equity Shares to the shareholders of the Transferor Company as provided in this Scheme within thirty (30) days from the Effective Date. It is clarified that the issue and allotment of New Equity Shares by the Transferee Company to the shareholders of the Transferor Company as provided in the Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Transferee Company or its shareholders and as if the procedure laid down under Section 62 or any other applicable provisions of the Act, as may be applicable, and such other statutes and regulations as may be applicable were duly complied with.
- 14.5.** Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to the nearest whole number.
- 14.6.** In the event that the Companies restructure their equity share capital by way of share split/consolidation/issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio and the stock options, shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 14.7.** The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities for the issue and allotment by the Transferee Company of the New Equity Shares to the members of the Transferor Company pursuant to the Scheme.

The New Equity Shares issued to the members of the Transferor Company by the Transferee Company shall be issued in dematerialised form by the Transferee Company, provided that the details of the depository accounts of the members of the Transferor Company are made available to the Transferee Company by the Transferor Company at least ten (10) working days prior to the Effective Date, in the event that such details are not available with the Transferee Company.

- 14.8.** Upon this Scheme becoming effective and upon the New Equity Shares of the Transferee Company being allotted and issued by it to the shareholders of Transferor Company whose names appear on the register of members as a member of the Transferor Company on the Record Date or whose names appear as the beneficial owners of the equity shares of the Transferor Company in the records of the depositories/register of members, as the case may be, as on the Record Date, the equity shares of Transferor Company, both in electronic form and in the physical form if any, shall

be deemed to have been automatically cancelled and be of no effect on and from the Record Date.

- 14.9.** Any equity shares of the Transferor Company which are held in abeyance pursuant to Applicable Law, the corresponding New Equity Shares which would have been issued by the Transferee Company in respect of such equity shares shall, pending allotment or the settlement of any dispute by order of the appropriate court or otherwise, also be kept in abeyance by the Transferee Company, and shall be dealt with in accordance with Applicable Law.

15. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEE COMPANY

- 15.1** Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall account for the amalgamation of the Transferor Company in accordance with Accounting Standard 14 – “Accounting for Amalgamations” (AS 14), as notified under Section 133 of the Companies Act, 2013 read with the applicable Companies (Accounting Standards) Rules and other generally accepted accounting principles in India.

- 15.2** The Amalgamation contemplated under this Scheme shall be accounted for as an “Amalgamation in the nature of purchase” in terms of Accounting Standard 14.

- 15.3** Without prejudice to the generality of the foregoing, the accounting treatment to be followed by the Transferee Company shall, inter alia, be as under:

- i. All the assets and liabilities of the Transferor Company, as appearing in the books of account of the Transferor Company as at the close of business on the day immediately preceding the Appointed Date, will be recorded by the Transferee Company either by incorporating the assets and liabilities at their existing carrying amounts or by allocating the consideration to individual identifiable assets of the Transferor Company on the basis of their fair values at the date of Amalgamation. Such assets may also include acquired identifiable intangible assets, whether previously recorded in the books of accounts of the Transferor Company or not. Upon the Scheme coming into effect, the above recognition shall result in the Transferee Company recording all the assets of the Transferor Company transferred to and vested in it pursuant to this Scheme.
- ii. Any amount in excess of the consideration over the value of the net assets of the Transferor Company acquired by the Transferee Company will be recognized in the Transferee Company’s financial statements as goodwill arising out of the Amalgamation. If the amount of consideration is lower than the value of the net assets acquired, the difference would be treated as Capital Reserve.
- iii. The consideration payable by the Transferee Company to the shareholders of the Transferor Company pursuant to the Scheme shall be recorded at its aggregate value including any deferred consideration. The equity shares issued by the Transferee Company shall be credited to the share capital account at their face value.
- iv. The reserves (other than statutory reserves, if any) appearing in the books of accounts of the Transferor Company shall not be carried forward in the books of the Transferee Company.
- v. Statutory reserves of the Transferor Company, if any, which are required to be continued to comply with the provisions of Applicable Law, shall be recorded in the books of the Transferee Company by crediting such statutory reserves and debiting an equal amount to an appropriate account i.e., Amalgamation Adjustment Account or any other appropriate head in the Balance Sheet, which is presented as a separate line item, in accordance with Accounting Standard 14. When the identity of the statutory reserves is no longer required to be maintained, both the reserves and the aforesaid account should be reversed.
- vi. The balance standing to the credit or debit of the Profit and Loss Account of the Transferor Company as at the close of business on the day immediately preceding the Appointed Date shall not be carried forward to the books of account of the Transferee Company.
- vii. To the extent there are any inter-company balances, including inter-corporate deposits, loans, advances, payables or receivables, between the Transferor Company and the Transferee

Company, the same shall stand cancelled and appropriate effect shall be given in the books of account of the Transferee Company.

- viii. The accounting policies of the Transferor Company shall be aligned with those of the Transferee Company to ensure uniformity of accounting policies after the Amalgamation.

15.4 With effect from the Appointed Date and up to and including the Effective Date:

- i. The Transferor company shall carry on and be deemed to have been carrying on and shall carry on all business and activities relating to the undertaking and stand possessed of the properties so to be transferred, for and on account of and in trust for Transferee Company, including but without limitation to payment of advance income tax and subsequent installments of income tax, goods and services tax and other statutory levies, etc;
- ii. All incomes, profits, benefits and incentives accruing to the Transferor company and the expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by them relating to the undertaking shall, for all purposes, be treated as the incomes, profits, benefits and incentives or losses, as the case may be, of Transferee Company

Accounting treatment of Transferor Company:

15.5 As the Transferor Company shall stand dissolved without being wound up upon the Scheme becoming effective, no accounting treatment is prescribed in the books of accounts of the Transferor Company.

16. NO COMPROMISE WITH CREDITORS

The present Scheme, in no way, is a scheme of compromise with the creditors and is not, in any way, adversely affecting the rights of the creditors. Further, the present Scheme is not a scheme of corporate debt restructuring as envisaged under Section 230(2)(c) of the Act. Aggregate assets of the Transferor Company and the Transferee Company are more than sufficient to meet the liabilities of the respective creditors in full.

PART IV

17. GENERAL TERMS AND CONDITIONS

17.1. PROVISIONS APPLICABLE TO PART III

Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:

- (a) amalgamation of the Transferor Company into the Transferee Company in accordance with Part III of the Scheme;
- (b) transfer of the authorised share capital of the Transferor Company to the Transferee Company as provided in Part III of this Scheme, and consequential increase in the authorised share capital of the Transferee Company as provided in Part III of this Scheme;
- (c) issuance and allotment of New Equity Shares to the shareholders of the Transferor Company as on the Record Date, without any further act, instrument or deed, in accordance with Part III of this Scheme; and
- (d) dissolution of the Transferor Company without winding up.

17.2. COMPLIANCE WITH LAWS

- i. This Scheme is presented and drawn up to comply with the provisions/requirements of Sections 230-233 of the Act, for the purpose of the amalgamation of the Transferor Company with the Transferee Company.

- ii. The amalgamation of the Transferor Company with the Transferee Company in accordance with this Scheme will be in compliance with the provisions of Section 2(1B) of the Income-Tax Act, 1961, such that:
 - (a) all the properties of the Transferor Company, immediately before the amalgamation, shall become the property of the Transferee Company, by virtue of this amalgamation;
 - (b) all the liabilities of the Transferor Company, immediately before the amalgamation, shall become the liabilities of the Transferee Company, by virtue of this amalgamation; and
 - (c) shareholders holding not less than three-fourths in value of the shares in the Transferor Company (other than shares already held therein immediately before the amalgamation by, or by a nominee for, the Transferee Company or its subsidiary) will become shareholders of the Transferee Company by virtue of the amalgamation.
- iii. This Scheme has been drawn up to comply with the conditions relating to “amalgamation” as specified under the tax laws, including Section 2 (1B) and other relevant sections of the IT Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the IT Act, 1961 shall prevail. The Scheme shall then stand modified to the extent deemed necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such modification to the Scheme shall vest with the Board of Directors of the Companies, which shall be exercised reasonably in the best interests of the Companies concerned and their stakeholders.
- iv. Upon this Scheme becoming effective, the Transferee Company is expressly permitted to prepare and/or revise their financial statements and returns along with prescribed forms, filings and annexures under the IT Act, 1961 (including for minimum alternate tax purposes and tax benefits), service tax law and other tax laws, and to claim refunds and/or credits for taxes paid (including minimum alternate tax), and to claim tax benefits under the IT Act, 1961, etc., and for matters incidental thereto, if required to give effect to the provisions of this Scheme. The order of the jurisdictional Regional Director, Dehi sanctioning the Scheme shall be deemed to be an order of the Competent Authority permitting the Transferee Company to prepare and/or revise its financial statements and books of accounts and no further act shall be required to be undertaken by the Transferee Company.
- v. The Parties confirm that the proposed Amalgamation does not constitute a ‘combination’ requiring prior approval of the Competition Commission of India under Sections 5 and 6 of the Competition Act, 2002, in view of the applicable statutory exemptions.

18. CONSEQUENTIAL MATTERS RELATING TO TAX

- 18.1 Any tax liabilities under the Income-tax Act, 1961, Excise Duty Laws, Service Tax Laws, applicable State Value Added Tax Laws, the Integrated Goods and Services Tax Act, 2017, the Central Goods and Services Tax Act, 2017, any other state Goods and Services Tax Act, 2017, the Goods and Services Tax (Compensation to States) Act, 2017, Stamp Laws, or other applicable laws/regulations (hereinafter in this clause referred to as "Tax Laws") dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the Accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company.
- 18.2 On and from the Appointed Date, all the profits or income taxes (including advance tax, self-assessment tax, tax deducted at source, tax collected at source, foreign tax credits, dividend distribution tax, minimum alternate tax credit, tax losses, unabsorbed depreciation) all input credit balances (including but not limited to CENVAT/MODVAT, sales tax, VAT, applicable excise and customs duties, SGST, IGST and CGST credits under the goods and service tax laws) or any costs, charges, expenditure accruing to the Transferor Company in India and abroad or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits or income, Taxes (namely advance tax, tax deducted at source, tax collected at source, dividend distribution tax & foreign

tax credits), tax losses, minimum alternate tax credit, unabsorbed depreciation, dividend distribution tax credit, income costs, charges, expenditure or losses of the Transferee Company, as the case may be.

- 18.3 Upon the Scheme becoming effective and with effect from the Appointed Date, obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company or for collection of tax at source on any supplies made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company. Further, any TDS / TCS deducted / collected by the respective Transferor Company and the Transferee Company on transactions with each other, if any, from the Appointed Date until Effective Date and deposited with the Governmental Authorities shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings be dealt with accordingly.
- 18.4 Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall be entitled to prepare and / or revise, as the case may be, the financial statements and the relevant statutory / tax returns along with prescribed forms, filings and annexures under the IT Act, GST law and other tax laws, and to claim refunds and / or credits for taxes paid and to claim tax benefits under the IT Act, GST law and other tax laws, and for matters incidental thereto, if so necessitated to give effect to this Scheme, notwithstanding that the time prescribed for such revision may have elapsed. For avoidance of doubt, the Transferee Company shall have the right to claim refunds, credits, etc., relating to the Transferor Company for the period on and after the Appointed Date.
- 18.5 Upon the Scheme becoming effective and with effect from the Appointed Date, in so far as the various incentives, benefits, subsidies, grants, special status and other benefits or privileges (including but not limited to those under the IT Act and GST laws) enjoyed and/or granted by any Government body, local authority or by any other person, or availed by the Transferor Company, are concerned, the same shall, without any further act or deed, vest with and be available to the Transferee Company on the same terms and conditions.
- 18.6 Upon the Scheme becoming effective and with effect from the Appointed Date, all Tax compliances under any tax laws by the Transferor Company on or after the Appointed Date shall be deemed to be made by the Transferee Company.
- 18.7 All the expenses incurred by the Transferor Company and the Transferee Company in relation to the amalgamation in accordance with this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Transferee Company in accordance with section 35DD of the IT Act over a period of five years beginning with the financial year in which this Scheme becomes effective.
- 18.8 It is hereby clarified that, upon the Scheme becoming effective and with effect from the Appointed Date, all tax assessment proceedings and appeals of whatsoever nature by or against the Transferor Company, pending or arising as at the Effective Date, shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued or enforced by or against the Transferor Company. Further, the abovementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by the reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in this Scheme.
- 18.9 The benefit of any tax credits whether central, state or local, availed by the Transferor Company and carry forward and set-off of accumulated tax losses and unabsorbed depreciation, MAT credits, book losses and the obligations, if any, for payment of the tax on any assets of the Transferor Company shall be deemed to have been availed by the Transferee Company or as the case may be, deemed to be the obligations of the Transferee Company.
- 18.10 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable/receivable by the Transferor Company, including all or any refunds/tax credit/claims relating thereto shall be treated as asset/liability or refunds/credit/claims, as the case may be, of the Transferee Company.
- 18.11 All expenses incurred by the Transferor Company under Section 43B of the IT Act, 1961, shall be

claimed as a deduction by the Transferee Company and the transfer of the Transferor Company shall be considered as a succession of the business by the Transferee Company. Accordingly, it is further clarified that the Transferee Company shall be entitled to claim deduction under section 43B of the IT Act, 1961 in respect of the unpaid liabilities transferred to the extent not claimed by the Transferor Company, as and when the same are paid subsequent to the Appointed Date.

18.12 Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company and the Transferor Company are expressly permitted to revise their tax returns including tax deducted at source certificates/returns and to claim refunds, advance tax credits, excise and service tax credits, unutilized input tax credit of CGST, IGST, SGST, GST Compensation Cess, set off, etc. on the basis of the accounts of the Transferor Company, as vested with the Transferee Company upon coming into effect of this scheme and its right to make such revisions in the related tax returns and related certificates, as applicable, and the rights to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

18.13 Any refund under the Tax Laws due to the Transferor Company consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall belong to and be received by the Transferee Company.

19. SAVING OF CONCLUDED TRANSACTIONS

19.1. The transfer of assets, properties and liabilities and the continuance of proceedings by or against the Transferor Company under Clause 10 of Part III of the Scheme above shall not affect any transaction or proceedings already concluded by the Transferor Company on and after the Appointed Date until the Effective Date, to the end and intent that the Transferee Company accept and adopt all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of the Transferee Company.

20. DIVIDENDS

20.1. The Companies shall be entitled to declare and pay dividends, whether interim and/or final, to their respective shareholders prior to the Effective Date, but only in the ordinary course of business.

It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Companies to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Companies, and if applicable in accordance with the provisions of the Act, be subject to the approval of the shareholders of the respective Companies.

21. INTERPRETATION

If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any provisions of Applicable Law at a later date, whether as a result of any amendment of Applicable Law or any judicial or executive interpretation or for any other reason whatsoever, the provisions of the Applicable Law shall prevail. Subject to obtaining the sanction of the Competent Authority, if necessary, this Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will, however, not affect other parts of this Scheme. Notwithstanding the other provisions of this Scheme, the power to make such amendments/modifications as may become necessary, whether before or after the Effective Date, subject to obtaining the sanction of the relevant authority (if necessary) shall vest with the Board of Directors of the Companies, which shall be exercised reasonably in the best interests of the Companies and their respective shareholders.

22. APPLICATION TO THE COMPETENT AUTHORITY

22.1. The Companies shall make applications and/or petitions under Sections 230-233 of the Act and other applicable provisions of the Act to the Competent Authorities for approval of the Scheme and all matters ancillary or incidental thereto, as may be necessary to give effect to the terms of the Scheme.

- 22.2.** Upon this Scheme becoming effective, the shareholders of the Transferee Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

23. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 23.1.** The Companies, acting through their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise including any committee or sub-committee thereof, may, jointly and as mutually agreed in writing, assent to/make and/or consent to any modifications/amendments to the Scheme, or to any conditions or limitations that the Competent Authority under Applicable Law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e., the Board of Directors), or modify, vary or withdraw this Scheme prior to the Effective Date in any manner at any time. The Companies, acting through their respective Boards of Directors or such other person or persons, as the respective Board of Directors may authorise including any committee or sub-committee thereof, be and are hereby authorised to take such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any orders of the Competent Authority or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.
- 23.2.** In case, after approval of the Scheme, there arises any confusion in interpreting any clause of this Scheme, the Board of Directors of the Companies or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, shall have complete power to take the most sensible interpretation so as to render the Scheme operational.
- 23.3.** In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Companies and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.
- 23.4.** If any part of this Scheme is invalid, ruled illegal or rejected by the Competent Authority or any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Companies that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to either the Transferor Company or Transferee Company, in which case the Companies, acting through their respective Boards of Directors, shall attempt to bring about a modification in this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part, which is invalid, ruled illegal or rejected by the Competent Authority or any court of competent jurisdiction, or unenforceable under present or future Applicable Laws.

24. CONDITIONALITY TO EFFECTIVENESS OF THE SCHEME

- 24.1.** The Scheme is conditional and subject to provisions of section 230-233 of the Companies Act, 2013, which may pursuant to the provisions of the Act may include:
- (a) approval of the Scheme by the requisite majority of members of the Companies in accordance with the 'Act'
 - (b) approval or consent by the requisite majority of creditors of the Companies in accordance with the 'Act'
 - (c) receipt of approval by the Transferee Company from the RBI in relation to the Scheme, which shall be in form and substance acceptable to the Companies, each acting reasonably and in good faith.
 - (d) satisfaction of the conditions, if any, as set out in the approval provided by the RBI and which need to be satisfied on or prior to the Effective Date in accordance with the terms thereunder
 - (e) Approval of National Housing Bank (NHB) by the Companies, as may be required
 - (f) Approval of Central Government acting through the RD
 - (g) Approval of Tax Departments as applicable.
 - (h) Approval of Lenders of each Company where applicable

- (i) filing of declaration of solvency by each company in Form CAA-10 (as attachment to Form GNL-1) prior to convening meetings, in accordance with Rule 25(2);
- (j) filing by the Transferee Company, within fifteen days of conclusion of meetings, of Form CAA-11 (as attachment to Form RD-1) along with meeting results and valuation report, as required under Rule 25(4);
- (k) issuance of confirmation order by the Central Government in Form CAA-12 or reference to and approval by the Tribunal, as contemplated under Rule 25(5) and Rule 25(6);
- (l) filing of the confirmation order with the Registrar of Companies in Form INC-28 within thirty days; and
- (m) receipt of such other sanctions and approvals including sanction of any other Governmental Authority as may be required by Applicable Law in respect of the Scheme

24.2. The Scheme shall not come into effect unless the aforementioned conditions mentioned in Clause 24.1 of Part IV above are satisfied and in such an event, unless each of the conditions are satisfied, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Companies or their respective shareholders or creditors or employees or any other person.

25. DISSOLUTION OF THE TRANSFEROR COMPANY

Upon the Scheme becoming effective, the Transferor Company shall stand dissolved without winding up and the Board and any committees thereof shall without any further act, instrument or deed be and stand discharged. On and from the Effective Date, the name of the Transferor Company shall be deemed to be struck off from the records of the ROC.

26. COSTS, CHARGES & EXPENSES

26.1. All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto on or prior to the Effective Date shall be borne by the Transferor Company subject to the closure of this Transaction.

26.2. All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto after the Effective Date shall be borne by the Transferee Company.

27. RESIDUAL PROVISIONS

27.1. Upon this Scheme becoming effective, the Transferee Company shall be entitled to operate and utilize all bank accounts, cash and deposits relating to the Transferor Company, realise all monies and complete and enforce all pending contracts and transactions in respect of the Transferor Company in the name of the Transferor Company to the extent necessary.

27.2. Upon this Scheme becoming effective, the Transferee Company shall be entitled to occupy and use all premises, whether owned, leased or licensed, relating to the Transferor Company until the transfer of the rights and obligations of the Transferor Company to the Transferee Company under this Scheme is formally accepted by the parties concerned.

27.3. The Companies shall be at liberty to withdraw this Scheme at any time as may be mutually agreed by the respective Board of Directors of the Companies prior to the Effective Date. In such a case, each of the Companies shall respectively bear their own cost or as may be mutually agreed. It is hereby clarified that notwithstanding anything to the contrary contained in this Scheme except as provided in Clause 23.1, any one of the Companies shall not be entitled to withdraw the Scheme unilaterally: (a) without the prior written consent of the other Companies; or (b) unless such

withdrawal is in accordance with any written agreement entered into between the amalgamating Companies.

SCHEDULES

- **Schedule I –Classification of Shareholders [Group A, Group B and Group C]**
- **Schedule II – Share Capital of Transferor and Transferee Company**
- **Schedule III – Revised Authorized Capital Clause**
- **Schedule IV – Share Exchange ratio**
- **Schedule V – Pre- and Post-Amalgamation Structure**

SCHEDULE I

Group A (Shareholders to receive New Equity Share)

S.NO.	Name of shareholder	No. of shares	Equity
		held	Stake %age
1.	Meghha Gupta	1,82,85,334	38.84%
2.	Manibhavnam Marketing Solutions Pvt Ltd.	50,47,000	10.72%
3.	Sunil Gupta	2,00,000	0.42%
4.	Jayant Davar	60,75,000	12.90%
5.	UTPL Corporate Trustees Pvt Ltd. (Trustees of Grand Anicut Angel Fund)	60,75,000	12.90%
6.	Vishesh Chandok	9,15,000	1.94%
Total		3,65,97,334	77.74%

Group B (Shareholders to receive consideration in Cash)

S.NO.	Name of the Shareholder	No. of Shares for Cash Consideration	% age of Total equity	Price per Share (Rs.)	Total Consideration (Rs.)
1	Madhu Mehta	11,00,000	2.34%	23.15	2,54,65,000/-

Group C (Cross shareholding of Transferee in the Transferor Entity)

S.NO.	Name of the Shareholder	No. of Shares	% age of Total equity
1	Shivalik Small Finance Bank	93,77,499	19.92%

SCHEDULE II

Share Capital of the Transferor Company as on 28th February 2026

Particulars	Amount in Rs.
Authorized Capital 5,50,00,000 equity shares of Rs.10/- each	55,00,00,000
Issued Subscribed and Paid up Capital 4,66,01,669 equity Shares of Rs. 10/- each	46,60,16,690

Share Capital of the Transferee Company as on 28th February 2026

Particulars	Amount in Rs.
Authorized Capital 20,00,00,000 equity shares of Rs.10/- each	200,00,00,000
Issued Subscribed and Paid up Capital 16,70,46,055 equity Shares of Rs. 10/- each	1,67,04,60,550

“Certain employee stock options granted to the employees of the Transferee Company may be exercised prior to the Effective Date, which could result in an increase in the issued, subscribed and paid-up share capital of the Transferee Company. The particulars of the employee stock options remaining unexercised by the employees of the Transferee Company as on **28th February 2026** are set out below.”

Particulars	Amount in Rs.
Unexercised Employee Stock Options	
4,45,952 options of Rs. 24 each	1,07,02,848
1,01,186 options of Rs. 25 each	25,29,650
3,06,822 options of Rs. 26 each	79,77,372
17,250 options of Rs. 44 each	7,59,000
1,16,610 options of Rs. 51 each	59,47,110
6,125 options of Rs. 53 each	3,24,625

Schedule III

“The Authorized Share Capital of the Company is Rs. 2,55,00,00,000 /- (Rs. Two Hundred and fifty-five Crores only) divided into 25,50,00,000 (Twenty-Five Crore Fifty lakh only) equity shares of Rs. 10/- (Rs. Ten) each”

SCHEDULE IV
SHARE EXCHANGE RATIO

“In accordance with **Clause 13.2** of the Scheme, upon the Scheme becoming effective, the Transferee Company shall issue and allot 100 (one hundred) ***fully paid-up equity shares of the Transferee Company in exchange for every 446 (Four Hundred Forty-Six)*** equity shares of face value ₹10/- each, fully paid-up, held by the members of the Transferor Company.”

SCHEDULE V
PRE AND POST AMALGAMATION STRUCTURE

PRE AND POST SHAREHOLDING POST AMALGAMATION				
Shareholder	Shareholding Pre Amalgamation	Proportion (in %age)	Post Amalgamation Shareholding	Post Amalgamation Shareholding %age
Promoter and Promoter Group	6,24,62,575	37.39%	6,24,62,575	35.64%
Investors	6,43,70,258	38.53%	6,43,70,258	36.73%
Non-Promoter	4,02,13,222	24.07%	4,02,13,222	22.95%
Shares issued to Transferor's shareholders in SWAP	-	0.00%	82,05,680	4.68%
Total	16,70,46,055	100.00%	17,52,51,735	100.00%



INDIA NON JUDICIAL

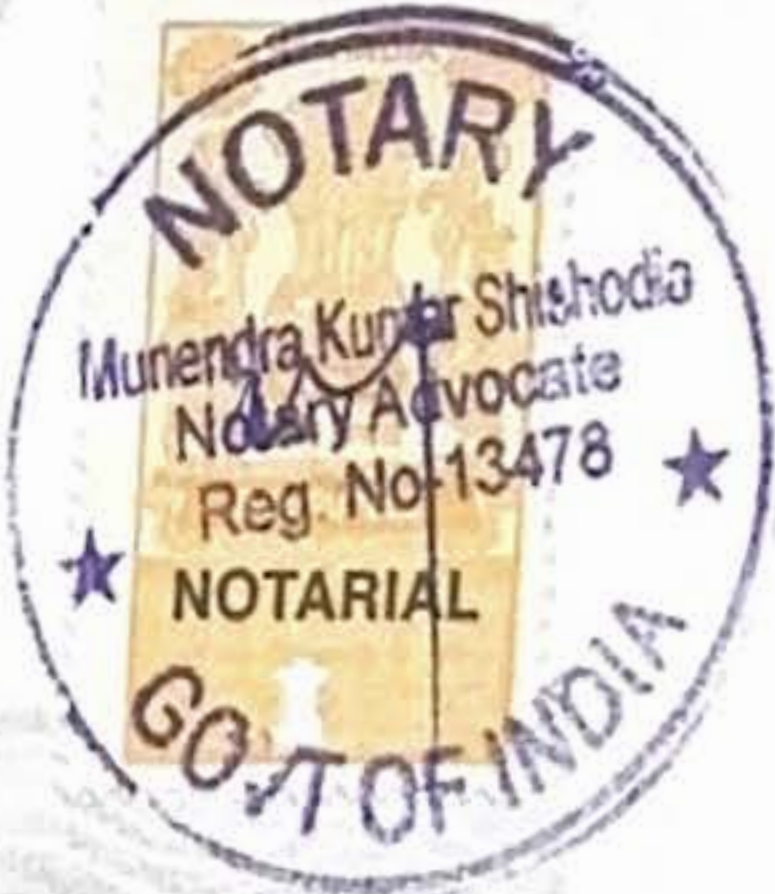
Government of Uttar Pradesh



IN-UP54118539782261Y

e-Stamp

Certificate No. : IN-UP54118539782261Y
Certificate Issued Date : 13-Mar-2026 05:04 PM
Account Reference : NONACC (BK)/ upssfbk02/ HO NOIDA SEC-126/ UP-GBN
Unique Doc. Reference : SUBIN-UPUPSSFBK0203540418277826Y
Purchased by : SHIVALIK SMALL FINANCE BANK LIMITED
Description of Document : Article 19 Certificate or other Document
Property Description : NA
Consideration Price (Rs.) :
First Party : SHIVALIK SMALL FINANCE BANK LIMITED
Second Party : OTHERS
Stamp Duty Paid By : SHIVALIK SMALL FINANCE BANK LIMITED
Stamp Duty Amount(Rs.) : 100
(One Hundred only)



Please write or type below this line

FORM NO. CAA.10
[Pursuant to Section 233(1)(c) and Rule 25(2)]
Declaration of Solvency

1(a)	Corporate Identity Number (CIN) of company	U65900DL2020PLC366027
(b)	Global Location Number (GLN) of Company	N.A.
2(a)	Name of the Company	Shivalik Small Finance Bank Limited
(b)	Address of the registered office of the company	501, District Centre, South Delhi, New Delhi.
(c)	E-mail ID of the Company	info@shivalikbank.in
3(a)	Whether the company is listed: Yes/No	No

Statutory Alert:

- The authenticity of this Stamp certificate should be verified at 'www.shivalikbank.com' or using e-Stamp Mobile App of Stock Holding. Any discrepancy in the details on this Certificate and as available on the website or Mobile App renders it invalid.
- The onus of checking the legitimacy is on the users of the certificate.
- In case of any discrepancy please inform the Competent Authority.

(b)	If listed, please specify the name(s) of the stock exchange(s) where listed:	N.A.
4	Date of Board of Directors' resolution approving the scheme:	March 05, 2026

Declaration of Solvency:

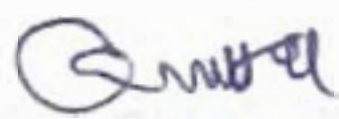
We, the directors of Shivalik Small Finance Bank Limited do solemnly affirm and declare that we have made a full enquiry into the affairs of the company and have formed the opinion that the company is capable of meeting its liabilities as and when they fall due and that the company will not be rendered insolvent within a period of one year from the date of making this declaration.

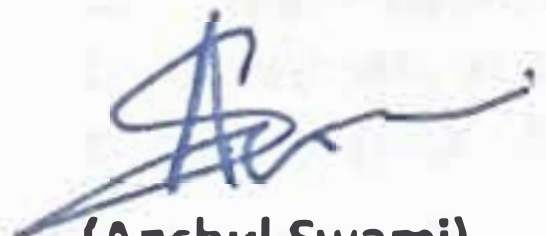
We, append an unaudited statement of companies' assets and liabilities as on December 31, 2025, being the latest date of making this declaration herewith marked as Annexure 1.

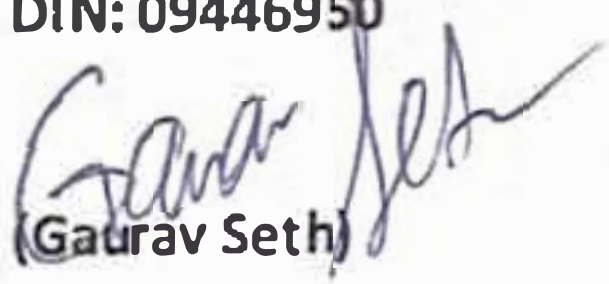
We further declare that the Company's audited annual accounts for the financial year ended 31 March 2025, including the balance sheet thereto have been duly filed up to date with the Registrar of Companies. We further declare that the Company's audited annual accounts for the financial year ended 31 March 2025 has been approved/adopted by the shareholders of the Company at the Annual General Meeting of the Company held on July 26, 2025. We further declare that the Company's audited annual accounts, including the balance sheet, have been duly filed up to date with the Registrar of Companies as on March 31, 2025. The filing has been submitted in Form AOC-4 under SRN-1-19450144373 dated August 23, 2025.

Signed for and on behalf of the Board of Directors of Shivalik Small Finance Bank Limited

For Shivalik Small Finance Bank Limited


(Dinesh Kumar Mittal)
Non-Executive Director
DIN: 00040000


(Anshul Swami)
MD & CEO
DIN: 09446950


(Gaurav Seth)
WTD & CFO
DIN: 06724718



Date: 14th March 2026

Place: Noida

VERIFICATION

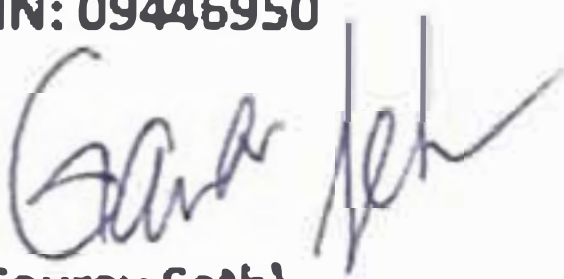
We solemnly declare that we have made a full enquiry into the affairs of the company including the assets and liabilities of this company and that having done so and having noted that the scheme of amalgamation between ManiBhavnam Home Finance India Private Limited and Shivalik Small Finance Bank Limited is proposed to be placed before the shareholders and creditors of the company for approval as per the provisions of subsection (1) of section 233 of the Companies Act 2013, we make this solemn declaration believing the same to be true.

Verified this day the Fourteenth Day of March 2026.


(Dinesh Kumar Mittal)
Non-Executive Director
DIN: 00040000


(Anshul Swami)
MD & CEO
DIN: 09446950




(Gaurav Seth)
WTD & CFO
DIN: 06729710

Solemnly affirmed and declared at the Fourteenth day of March 2026 before me.

Commissioner of Oaths and Notary Public

Attachments:

- a) Copy of board resolution
- b) Statement of assets and liabilities
- c) Independent Auditor's report on the statements of assets and liabilities.



ATTESTED

Munendra Kumar Shishodia
Notary Advocate
Reg. No-13478

14 MAR 2026

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS ("BOARD") OF SHIVALIK SMALL FINANCE BANK LIMITED ("COMPANY" OR "BANK") THROUGH CIRCULATION ON 14TH MARCH 2026

Approval for Declaration of Solvency (Form CAA-10) under Section 233 of the Companies Act, 2013, read with Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

"RESOLVED THAT pursuant to Section 233 of the Companies Act, 2013 and Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, as amended by the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2025, the Board hereby considers and approves the Declaration of Solvency in Form CAA-10, together with the Statement of Assets and Liabilities as of 31st December 2025 and Statutory Auditors Certificate thereon, prepared and certified in connection with the proposed merger of ManiBhavnam Home Finance India Private Limited ("the Transferor Company") with Shivalik Small Finance Bank Limited.

RESOLVED FURTHER THAT the Board affirms that, based on the documents circulated, the Bank is solvent and capable of meeting its liabilities and is not being wound up.

RESOLVED FURTHER THAT the any Director of the Bank, Managing Director & Chief Executive Officer, and Whole-Time Director & Chief Financial Officer Bank, be and are hereby authorized to sign and execute Form CAA-10 and all accompanying documents, declarations, and annexures as may be required under applicable law.

RESOLVED FURTHER THAT any Director (excluding Independent Directors) or the Company Secretary of the Bank be and are hereby severally authorized, on behalf of the Bank, to provide a certified true copy of this resolution to anyone concerned or interested in this matter and to do all such acts, deeds, matters and things as may be required in this regard."

Certified True Copy

For Shivalik Small Finance Bank Limited

SHRUTI
PANDEY

Digitally signed by
SHRUTI PANDEY
Date: 2026.03.17
17:40:50 +05'30'

(Shruti Pandey)
Company Secretary
Membership No.: 34796

**Address: 2nd Floor, Add India Tower,
Plot No. 6A, Sector 125, Noida - 201303**

Date: 16th March 2026
Place: Noida

SHIVALIK SMALL FINANCE BANK LTD.

HEAD OFFICE:
2nd & 3rd Floor, Add India Tower,
Plot No.A-6A, Sector-125, Noida-201303

Ph: 0120-4060000
info@shivalikbank.com
www.shivalikbank.com

REGD. OFFICE:
501, Salcon Aurum, Jasola District Centre, New Delhi - 110025.
CIN NO: U65900DL2020PLC366027

Independent Auditor's Report on the Statement of Assets and Liabilities of Shivalik Small Finance Bank Limited as at 31st December, 2025

To,
The Board of Directors
Shivalik Small Finance Bank Limited
501, Salcon Aurum Jasola District Centre
New-Delhi, South Delhi, 110025

16th March, 2026

Dear Sirs

1. This report is issued in accordance with the terms of our engagement letter entered with Shivalik Small Finance Bank Limited (hereinafter 'the Company')
2. The accompanying Statement of Assets and Liabilities of the Company as on 31st December, 2025 ('the Statement' enclosed with the certificate as **Annexure-1**) is prepared by the Management for the purpose of filing the declaration of solvency in Form CAA-10 with the Registrar in accordance with the provision of Section 233(1)(c) of the Companies Act, 2013 ('the Act') read with Rule 25(2) of the Companies (Compromises, Arrangements and Amalgamations) Rule, 2016 (herein referred as 'regulations') which we have initiated for identification purposes only.

Management's Responsibility

3. The preparation of the Statement is the responsibility of the Company's management including the creation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
4. The management is responsible for ensuring that the Company complies with the requirement of the provision of Section 233(1)(c) of the Companies Act 2013 ('the Act') read with Rule 25(2) of the Companies (Compromises, Arrangements and Amalgamations) Rule 2016 and provide all relevant information for the purpose of filing the declaration of solvency in Form No. CAA 10 with the Registrar.
5. The details of realisable value of assets and liabilities, as provided in Annexure-1, is as estimated by the management and we have relied upon the same.

Auditor's Responsibility

6. Pursuant to the requirement of the Act, it is our responsibility to obtain limited assurance based on the examination of the books and records maintained by the Company and report whether the statement is prepared as per the requirements of Section 233(1)(c) of the Companies Act 2013 ('the Act') read with Rule 25(2) of the Companies (Compromises, Arrangements and Amalgamations) Rule 2016 and in agreement with the books and records as on 31st December, 2025.
7. Pursuant to the requirements of the certificate, we have performed mentioned below procedures: -
 - a) making inquiries of management and others within the entity, as appropriate,
 - b) applying analytical procedures,
 - c) evaluating the evidences obtained on sample basis



8. We conducted our examination, on test check basis in accordance with the Guidance Note on Reports or Certificates issued for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). The Guidance Note requires that we comply with the independence and ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

10. Based on our examination and according to the information and explanation given to us, nothing has come to our attention which makes us believe that the statement of assets and liabilities "enclosed as **Annexure-1** to the certificate" are not in agreement with the books of accounts as on 31st December, 2025.

Restriction of Use

11. This report is addressed to Board of Directors of the Company solely for the purpose of onward submission to the relevant Registrar in accordance with the regulations. This report should not be used by any other person or any other purpose without or prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this is shown or into whose hands it may come without our prior consent in writing.

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


Tanuj Chugh

Partner

Membership No.: 529619

Place: New Delhi

Date: 16th March, 2026



UDIN – 26529619TNYDFM1663

Annexure-1

Statement of Assets and Liabilities of Shivalik Small Finance Bank Limited as at 31st December 2025

Assets

(INR in "Million")

S.no.	Particulars	Book Value	Realisable Value*
1.	Balance at Bank	1,803.98	1,803.98
2.	Cash in hand	105.89	105.89
3.	Marketable Securities	9,791.58	9,791.58
4.	Bills receivables	-	-
5.	Trade Debtors	-	-
6.	Loans & Advances	36,292.26	36,292.26
7.	Unpaid Calls	-	-
8.	Stock-in-trade	-	-
9.	Work in progress	692.79	692.79
10.	Fixed Assets	982.48	982.48
11.	Investments other than marketable securities	-	-
12.	Other Assets (including assets held for sale)	887.00	887.00
	Total	50,555.98	50,555.98

*For computing realisable value of financial assets, the Company has complied with the provisions of Income Recognition and Asset Classification norms, as provided by Reserve Bank of India. For other assets, book value has been considered as the best estimate of realisable value.

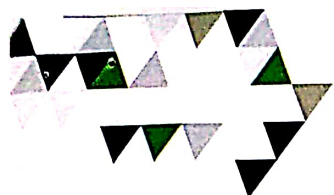
SHIVALIK SMALL FINANCE BANK LTD.

HEAD OFFICE:
2nd Floor, Add India Tower, Plot No.A-6A,
Sector-125, Noida-201303

Ph: 0120-4060000
info@shivalikbank.com
www.shivalikbank.com

REGD. OFFICE:
501, Salcon Aurum, Jasola District Centre, New Delhi - 110025.
CIN NO: U65900DL2020PLC366027





Liabilities

Estimated to rank for payment

(INR in "Million")

S.no.	Particulars	Book Value	Realisable Value*
1.	Secured on specific assets	5,067.29	5,067.29
2.	Deposits	38,449.51	38,449.51
3.	Unsecured Borrowing (loan from related parties)	-	-
4.	Secured by floating charge (s)	-	-
5.	Estimated cost of liquidation and other expense including interest accruing until payment of debts in full	-	-
6.	Unsecured creditors (amounts estimated to rank for payment)		
	(a) Trade accounts	-	-
	(b) Bills payable	616.05	616.05
	(c) Debentures	469.50	469.50
	(d) Accrued expense	-	-
	(e) Other liabilities	1,378.22	1,378.22
	(f) Contingent liabilities (Provision for compounding fee)	-	-
	Total	45,980.57	45,980.57
	Total estimated value of assets	50,555.98	50,555.98
	Total liabilities	45,980.57	45,980.57
	Estimated surplus after paying debts in full	4,575.41	4,575.41

*For computing realisable value of liabilities, book value has been considered as the best estimate of realisable value.


Gaurav Seth
Whole Time Director & CFO



For
Identification
purpose
only



SHIVALIK SMALL FINANCE BANK LTD.

HEAD OFFICE:
2nd Floor, Add India Tower, Plot No.A-6A,
Sector-125, Noida-201303

Ph: 0120-4060000
Info@shivalikbank.com
www.shivalikbank.com

REGD. OFFICE:
501, Salcon Aurum, Jasola District Centre, New Delhi - 110025.
CIN NO: U65900DL2020PLC366027



Independent Auditor's Certificate on the proposed accounting treatment in the books of Shivalik Small Finance Bank Limited included in the scheme of amalgamation pursuant to section 233 and other applicable provisions of the Companies Act, 2013, and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

To,
The Board of Directors
Shivalik Small Finance Bank Limited
501, Salcon Aurum Jasola District Centre
New-Delhi, South Delhi ,110025

13th March, 2026

Dear Sirs

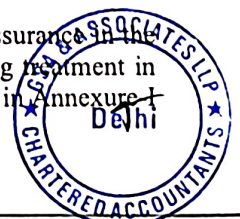
1. This report is issued in accordance with the terms of our engagement letter entered with Shivalik Small Finance Bank Limited (hereinafter 'the Company')
2. We, the statutory auditors of Shivalik Small Finance Bank Limited, have examined the proposed accounting treatment specified in Clause 15 of the scheme of amalgamation between ManiBhavnam Home Finance India Private Limited ("Transferor Company ") and Shivalik Small Finance Bank Limited ("Transferee Company" or "the Company"), and their respective shareholders and creditors, as approved by the Board of Directors of the Company in their meeting held on 05th March, 2026 in terms of the provisions of Section 233 and other applicable provisions of the Companies Act, 2013 (the "Act") read with sub rule (3) of rule 25 and sub rule (3) of rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("the rules"), with reference to its compliance with the applicable accounting standards, prescribed under Section 133 of the Act read with Companies (Accounts) Rules , 2021 and relevant rules issued thereunder (the "applicable accounting standards") and other generally accepted accounting principles in India. A certified true copy of the scheme with the proposed accounting treatment specified in Clause 15 of the scheme, as attached herewith in Annexure-I have been initialed by us for identification purposes only.

Management's Responsibility

3. The responsibility for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable accounting standards and other generally accepted accounting principles in India, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The management is also responsible for ensuring that the Company complies with the requirements of the Act and the rules, and the applicable accounting standards and other generally accepted accounting principles, in relation to scheme, and for providing all relevant information to the Central Government ('Regional Director') Power delegated to the Regional Director, Ministry of Corporate Affairs, having territorial jurisdiction for the purpose of section 233 of the Act.

Auditor's Responsibility

5. We have not performed an audit, the objective of which would be expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this Report. Accordingly, we do not express such an opinion.
6. Pursuant to the requirement of the Act, it is our responsibility to express reasonable assurance in the form of opinion based on the examination of the scheme as to whether the accounting treatment in the books of Transferee Company specified in Clause 15 of the Scheme as reproduced in Annexure-I



to the Certificate complies with the applicable accounting standards and other generally accepted accounting principles. Nothing contained in this certificate, nor anything said or done in the course of, or in connection with the services that are subject to this certificate, will extend any duty of care that we may have in our capacity of the statutory auditor of any financial statements of the Company.

7. We conducted our examination of the accounting treatment specified in Clause 15 of the scheme as reproduced in Annexure-I to the Certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('the Guidance Note'), issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

9. Based on our examination and according to the information and explanations given to us, we are of the opinion that the accounting treatment in the books of Transferee Company specified in Clause 15 of the Scheme as reproduced in Annexure-I to the Certificate is in compliance with the applicable accounting standards and other Generally Accepted Accounting Principles.

Restriction of Use

10. This Certificate is addressed to and provided to the Board of Directors of the Transferee Company solely for the purpose of onward submission along with Scheme to the relevant Regional Director. This certificate should not be used by any other person or any other purpose without or prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Certificate is shown or into whose hands it may come without our prior consent in writing.

For GSA & Associates LLP
Chartered Accountants
Firm Registration No.: 300025/AN/500339

Tanuj Chugh
Partner

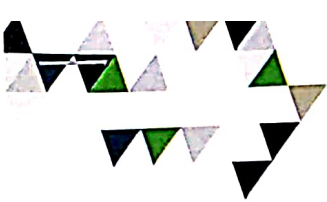
Membership No.: 529619

Place: New Delhi

Date: 13th March, 2026



UDIN - 26529619 VR TWVD 4163



ANNEXURE- I

EXTRACT OF PARA 15 OF THE SCHEME OF AMALGAMATION (OF MANIBHAVNAM HOME FINANCE INDIA PRIVATE LIMITED WITH SHIVALIK SMALL FINANCE BANK LIMITED) APPROVED BY THE BOARD OF DIRECTORS ON 05th MARCH 2026 UNDER RESERVE BANK OF INDIA (SMALL FINANCE BANKS - VOLUNTARY AMALGAMATION) DIRECTIONS, 2025 READ WITH SECTIONS 230-233 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013.

ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFeree COMPANY

- 15.1** Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall account for the amalgamation of the Transferor Company in accordance with Accounting Standard 14 – “Accounting for Amalgamations” (AS 14), as notified under Section 133 of the Companies Act, 2013 read with the applicable Companies (Accounting Standards) Rules and other generally accepted accounting principles in India.
- 15.2** The amalgamation contemplated under this Scheme shall be accounted for as an “Amalgamation in the nature of purchase” in terms of Accounting Standard 14.
- 15.3** Without prejudice to the generality of the foregoing, the accounting treatment to be followed by the Transferee Company shall, inter alia, be as under:
- 15.3.1** All the assets and liabilities of the Transferor Company, as appearing in the books of account of the Transferor Company as at the close of business on the day immediately preceding the Appointed Date, will be recorded by the Transferee Company either by incorporating the assets and liabilities at their existing carrying amounts or by allocating the consideration to individual identifiable assets of the Transferor Company on the basis of their fair values at the date of amalgamation. Such assets may also include acquired identifiable intangible assets, whether previously recorded in the books of accounts of the Transferor Company or not. Upon the Scheme coming into effect, the above recognition shall result in the Transferee Company recording all the assets of the Transferor Company transferred to and vested in it pursuant to this Scheme.
- 15.3.2** Any excess of the amount of consideration over the value of the net assets of the transferor company acquired by the transferee company will be recognized in the transferee company’s financial statements as goodwill arising on amalgamation. If the amount of consideration is lower than the value of the net assets acquired, the difference should be treated as Capital Reserve.
- 15.3.3** The consideration payable by the Transferee Company to the shareholders of the Transferor Company pursuant to the Scheme shall be recorded at its aggregate value including any deferred consideration. The equity shares issued by the Transferee Company shall be credited to the share capital account at their face value.

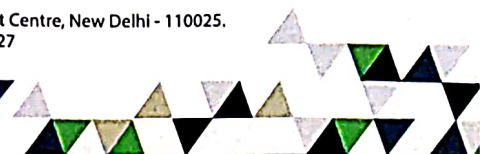
SHIVALIK SMALL FINANCE BANK LTD.

HEAD OFFICE:
2nd Floor, Add India Tower, Plot No.A-6A,
Sector-125, Noida-201303

Ph: 0120-4060000
info@shivalikbank.com
www.shivalikbank.com

REGD. OFFICE:
501, Salcon Aurum, Jasola District Centre, New Delhi - 110025.
CIN NO: U65900DL2020PLC366027

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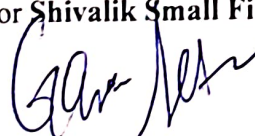


- 15.3.4 The reserves (other than statutory reserves, if any) appearing in the books of accounts of the Transferor Company shall not be carried forward in the books of the Transferee Company.
- 15.3.5 Statutory reserves of the Transferor Company, if any, which are required to be continued to comply with the provisions of applicable law, shall be recorded in the books of the Transferee Company by crediting such statutory reserves and debiting an equal amount to an appropriate account i.e., Amalgamation Adjustment Account or any other appropriate head in the Balance Sheet, which is presented as a separate line item, in accordance with Accounting Standard 14. When the identity of the statutory reserves is no longer required to be maintained, both the reserves and the aforesaid account should be reversed.
- 15.3.6 The balance standing to the credit or debit of the Profit and Loss Account of the Transferor Company as at the close of business on the day immediately preceding the Appointed Date shall not be carried forward to the books of account of the Transferee Company.
- 15.3.7 To the extent there are any inter-company balances, including inter-corporate deposits, loans, advances, payables or receivables, between the Transferor Company and the Transferee Company, the same shall stand cancelled and appropriate effect shall be given in the books of account of the Transferee Company.
- 15.3.8 The accounting policies of the Transferor Company shall be aligned with those of the Transferee Company to ensure uniformity of accounting policies after the amalgamation.

15.4 With effect from the Appointed Date and up to and including the Effective Date:

- The Transferor company shall carry on and be deemed to have been carrying on and shall carry on all business and activities relating to the undertaking and stand possessed of the properties so to be transferred, for and on account of and in trust for Transferee Company, including but without limitation to payment of advance income tax and subsequent instalments of income tax, goods and services tax and other statutory levies, etc;
- All incomes, profits, benefits and incentives accruing to the Transferor company and the expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by them relating to the Undertaking shall, for all purposes, be treated as the incomes, profits, benefits and incentives or losses, as the case may be, of Transferee Company

For Shivalik Small Finance Bank Limited


Authorized Signatory
Gaurav Seth
Chief Financial Officer



For Identification purpose only

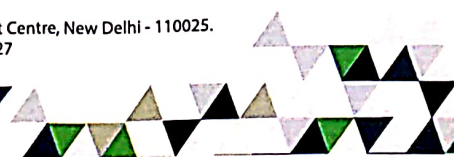


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REGD. OFFICE:
501, Salcon Aurum, Jasola District Centre, New Delhi - 110025.
CIN NO: U65900DL2020PLC366027



J. C. BHALLA & CO.

CHARTERED ACCOUNTANTS

BRANCH OFFICE : B-5, SECTOR-6, NOIDA – 201 301 (U.P.)

TEL: +91-120-4241000, FAX: +91-120-4241007

E-MAIL : taxaid@jcbhalla.com

Independent Auditor's Report

To the Members of Manibhavnam Home Finance India Private Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Manibhavnam Home Finance India Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss, the Cash Flow Statement for the year then 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 Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

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



HEAD OFFICE: B-17, Maharani Bagh, New Delhi-110065

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, 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 Company'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, cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under Section 133 of the Act, read with Companies (Accounts) Rules, 2014 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgement 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) of the Act, we are also responsible for expressing our opinion on whether the Company 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in:

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.



2) 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 Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss including Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Companies (Accounting Standards) Rules 2006, as amended, specified under Section 133 of the Act, read with Companies (Accounts) Rules, 2014, as amended;
- e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) In respect of the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended;

We report that, provisions of Section 197 to the Act are not applicable to the Company since the Company is not a public company as defined under Section 2(71) of the Act;

- 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 Company did not have any pending litigations which would impact its financial position;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) No amount is required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv)(a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other



persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company, shall, whether, directly or indirectly, lend or invest, in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The Company has not declared or paid dividend during the current financial year and in the previous financial year. Hence, the compliance of Section 123 of the Act is not applicable.
- vi) Based on our examination, which included test checks, the Company has used 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 and based on the review of available logs, we did not come across any instance of the audit trail feature being tampered with. The audit trail has been preserved by the Company as per the statutory requirements for the record retention.

For J. C. Bhalla & Co.
Chartered Accountants
Firm Regn No. 001111N

**Rajesh
Sethi** Digitally signed
by Rajesh Sethi
Date: 2025.06.27
12:44:21 +05'30'



(Rajesh Sethi)
Partner
Membership No. 085669
UDIN: 25085669BMODPM1310

Place: New Delhi
Date: June 27, 2025

Annexure 1 referred to in paragraph 1 under the heading of “Report on Other Legal and Regulatory Requirements” of our Report to the Members of Manibhavnam Home Finance India Private Limited (“the Company”) for the year ended 31 March, 2025.

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and the situation of property, plant, and equipment;

B. The Company has maintained proper records showing full particulars of intangible assets;
- (b) All the property, plant, and equipment were physically verified by the management during the year ended March 31, 2025, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us by the management and audit procedures performed by us, there are no immovable properties, included in the property, plant & equipment of the Company. Further, the properties where the Company is the lessee, the lease agreements are duly executed in favour of the lessee.
- (d) The Company has not revalued its property, plant and equipment, intangible assets, or both during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations are given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable to the Company and hence not commented upon.
- (b) According to the information and explanations given to us by the management and audit procedures performed by us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year. Therefore, in our opinion, the provisions of clause 3(ii)(b) of the Order are not applicable to the Company.
- (iii) During the year, the Company has granted loans or advances in the nature of secured loans, in respect of which,
 - (a) According to the information and explanations given to us by the management, the principal business of the Company is to give loans. Therefore, in our opinion, the provisions of clause 3(iii)(a) of the Order are not applicable to the Company.



- (b) According to the information and explanations given to us by the management and audit procedures performed by us, the Company has not made any investments or provided any guarantee or given any security during the year. However, the Company has granted loans or advances in the nature of loans and, in our opinion, the terms and conditions of the loans granted are not prejudicial to the Company's interest.
- (c) According to the information and explanations given to us by the management and audit procedures performed by us, in respect of loans or advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated. The principal business of the Company is to give loans and the irregular repayments of loans or advances in the nature of loans overdue by more than 90 days as at March 31, 2025 are as below:

Number of Cases	Total Overdue for more than 90 days (Rs. in Lakhs)	Remarks
94	94.46	—

- (d) According to the information and explanations given to us by the management and audit procedures performed by us, the total amount overdue for more than 90 days is Rs. 94.46 lakhs as at March 31, 2025, and reasonable steps have been taken by the Company for recovery of the principal and interest.

No. of Cases	Principal Overdue (Rs. in Lakhs)	Interest Overdue (Rs. in Lakhs)	Total Overdue (Rs. in Lakhs)	Remarks
94	19.89	74.57	94.46	—

- (e) According to the information and explanations given to us by the management, the principal business of the Company is to give loans. Therefore, in our opinion, the provisions of clause 3(iii)(e) of the Order are not applicable to the Company.
- (f) According to the information and explanations given to us by the management and audit procedures performed by us, the Company has not granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Therefore, in our opinion, the provisions of clause 3(iii)(f) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act are applicable. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.



(vi) According to the information and explanations given to us by the management and audit procedures performed by us, the Company is not in the business of sale of any goods. Therefore, the provisions of clause 3(vi) of the Order are not applicable to the Company.

(vii) (a) The Company is generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, cess, and any other statutory dues to the appropriate authorities. The provisions relating to sales tax, service tax, duty of customs, duty of excise, value-added tax are not applicable to the Company.

According to the information and explanations given to us and audit procedures performed by us, no undisputed statutory dues in respect of goods and service tax, provident fund, employees' state insurance, income tax, cess, sales tax, service tax, duty of customs, duty of excise, value-added tax and other statutory dues were outstanding as at March 31, 2025, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and audit procedures performed by us, there are no dues of goods and service tax, provident fund, employees' state insurance, income tax, cess, sales tax, service tax, duty of customs, duty of excise, value added tax which has not been deposited on account of any dispute.

(viii) According to the information and explanations given to us and audit procedures performed by us, the Company has not surrendered or disclosed any transaction as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Therefore, the provisions of clause 3(viii) of the Order are not applicable to the Company.

(ix) (a) In our opinion and according to the information and explanations given to us by the management and audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations are given to us, the Company has not been declared a wilful defaulter by any bank or financial institution, or other lenders.

(c) According to the information and explanations given to us by the management and audit procedures performed by us, the Company has applied the term loans for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us by the management and on an overall examination of the balance sheet of the Company, no funds raised on a short-term basis have been utilized for long-term purposes during the year.



- (e) According to the information and explanations given to us and audit procedures performed by us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.
- (f) According to the information and explanations given to us, the Company does not have any subsidiary, joint venture, or associate company. Therefore, the provisions of clause 3(viii) of the Order are not applicable to the Company.
- (x) (a) According to the information and explanations given to us by the management and audit procedures performed by us, the Company has not raised any money by way of an initial public offer or further public offer during the year.
- (b) According to the information and explanations given to us and based on our examination of records, during the year, the Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Hence, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) According to the information and explanation given to us by the management and audit procedures performed by us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.
- (c) According to the information and explanations given to us, no whistle-blower complaints have been received during the year. Therefore, the provisions of clause 3(xi)(c) of the Order are not applicable to the Company.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us by the management and audit procedures performed by us, the Company is in compliance with section 177 and 188 of the Act with reference to the applicable transactions with the related parties and the details of related party transactions have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditors for the year under audit were considered by us.
- (xv) According to the information and explanations given to us by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with its directors; hence provisions of section 192 of the Act are not applicable to the Company.



- (xvi) (a) According to the information and explanations given by the management, pursuant to "Master Direction - Exemptions from the provisions of RBI Act, 1934" dated August 25, 2016, as amended, issued by the Reserve Bank of India, the Company is not required to obtain the registration under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) as it has obtained Certificate of Registration as per Section 29A of the National Housing Bank Act, 1987.
- (b) According to the information and explanations given by the management, pursuant to "Master Direction - Exemptions from the provisions of RBI Act, 1934" dated August 25, 2016, as amended, issued by the Reserve Bank of India, the Company is not required to obtain the registration under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) as it has obtained Certificate of Registration as per Section 29A of the National Housing Bank Act, 1987.
- (c) The Company is not a Core Investment Company as defined in the Core Investment Companies (Reserve Bank) Directions, 2016. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations given to us by the management, the Group does not have any Core Investment Company as part of the Group.
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Therefore, the provisions of clause 3(xviii) of the Order are not applicable to the Company.
- (xix) According to the information and explanations are given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, and other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the Company's future viability. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the information and explanations given by the management and audit procedures performed by us, the provisions of Section 135 of the Act are not applicable to the Company during the year. Therefore, the provisions of clause 3(xx) of the Order are not applicable to the Company.



- (xxi) The Companies (Auditor's Report) Order (CARO) is reported on the Company's standalone financial statements. Therefore, the provisions of clause 3(xxi) of the Order are not applicable to the Company.

For J. C. Bhalla & Co.
Chartered Accountants
Firm Regn No. 001111N

Rajesh
Sethi

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by Rajesh Sethi
Date: 2025.06.27
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(Rajesh Sethi)
Partner
Membership No. 085669
UDIN: 25085669BMODPM1310

Place: New Delhi
Date : June 27, 2025

Annexure 2 referred to in paragraph 2 (f) under the heading “Report on Other Legal and Regulatory Requirements” to the Independent Auditor’s Report of even date on the Financial Statements of Manibhavnam Home Finance India Private Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to these financial statements of Manibhavnam Home Finance India Private Limited (“the Company”) as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). 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 Company’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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to these 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 Company’s internal financial controls with reference to these financial statements.



Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

A Company's internal financial controls over financial reporting with reference to these 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 Company's internal financial controls with reference to these 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 Company; (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 Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to These Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 these financial statements to future periods are subject to the risk that the internal financial control with reference to these 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 Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For J. C. Bhalla & Co.

Chartered Accountants

Firm Regn No. 001111N

**Rajesh
Sethi**

Digitally signed
by Rajesh Sethi
Date: 2025.06.27
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(Rajesh Sethi)

Partner

Membership No. 085669

UDIN: 25085669BMODPM1310

Place: New Delhi

Date : June 27, 2025

Manibhavnam Home Finance India Private Limited
10 Tropical Drive, MG Road, Ghitorni, New Delhi-110030
CIN: U65990DL2016PTC298946
Balance Sheet as at March 31, 2025
(All amounts are in Rupees lakhs, unless otherwise stated)

	Note	As at 31-Mar-25	As at 31-Mar-24
EQUITY AND LIABILITIES:			
Shareholders' Funds			
Share Capital	3	4,660.17	4,660.17
Reserves and Surplus	4	1,057.35	445.17
		5,717.52	5,105.34
Non-current liabilities			
Long-term borrowings	5	11,857.17	10,409.93
Deferred tax liabilities (Net)	13	24.16	-
Other Long term liabilities	6	40.81	67.75
Long-term provisions	7	251.73	167.95
		12,173.87	10,645.63
Current liabilities			
Short Term Borrowings	8	5,440.25	4,249.46
Trade payables	9		
i) Total outstanding dues of Micro and Small enterprises		6.82	4.08
ii) Total outstanding dues of creditors other than Micro and Small enterprises		49.30	29.29
Other current liabilities	10	684.79	383.51
Short-term provisions	11	86.23	109.37
		6,267.39	4,775.71
Total		24,158.78	20,526.68
ASSETS:			
Non-current assets			
Property, Plant & Equipment and Intangible Assets	12		
-Property , Plant and Equipment		21.00	18.08
- Intangible assets		-	-
Deferred tax asset (Net)	13	-	77.00
Long-term loans and advances			
-Loans	14	16,118.18	14,018.44
-Others	15	1,374.35	1,025.30
Other Non-Current Assets	16	10.86	8.02
		17,524.39	15,146.84
Current assets			
Cash and bank balances	17	865.54	1,317.43
Asset held for sale		530.90	212.96
Short-term loans and advances			
-Loans	18	4,854.29	3,528.03
-Others	19	88.91	85.52
Other current assets	20	294.75	235.90
		6,634.39	5,379.84
Total		24,158.78	20,526.68
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements	1-26		
As per our report of even date			

For JC Bhalla & Co.
Chartered Accountants
Firm's registration no. 001111N

Rajesh Sethi
Digitally signed by Rajesh Sethi
Date: 2025.06.27 12:39:37 +05'30'

Rajesh Sethi
Partner
Membership no. 085669
Place: New Delhi
Date: 27.06.2025

For and on Behalf of Board of Directors
Manibhavnam Home Finance India Private Limited

MEGHHA A GUPTA
Digitally signed by MEGHHA A GUPTA
DN: cn=M, o=Personal, postalCode=201301, st=Uttar Pradesh, serialNumber=0584402017381C013
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Date: 2025.06.27 12:21:46 +05'30'

Meghha Gupta
Managing Director
DIN-05346188
Place: New Delhi
Date: 27.06.2025

SUNIL GUPTA
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Date: 2025.06.27 12:28:07 +05'30'

Sunil Gupta
Chief Executive Officer
PAN-ACSPG1630L
Place: New Delhi
Date: 27.06.2025

DEEPA K JOSHI
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Date: 2025.06.27 12:24:41 +05'30'

Deepak Joshi
Whole-Time Director
DIN-07585244
Place: New Delhi
Date: 27.06.2025

MUSKAN BHATIA
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Date: 2025.06.27 12:11:16 +05'30'

Muskan Bhatia
Company Secretary
M.No. A70996
Place: New Delhi
Date: 27.06.2025

Manibhavnam Home Finance India Private Limited
10 Tropical Drive, MG Road, Ghitorni, New Delhi-110030
CIN: U65990DL2016PTC298946
Statement of Profit and Loss for the year ended March 31, 2025
(All amounts are in Rupees lakhs, unless otherwise stated)

	Note	For the year ended 31-Mar-25	For the year ended 31-Mar-24
INCOME:			
Revenue from operations	21	4,509.59	3,561.53
Other income		-	-
Total Income		4,509.59	3,561.53
EXPENSES:			
Employee benefit expenses	22	1,036.99	865.83
Finance Cost	23	1,931.48	1,648.04
Depreciation and amortization	12	10.83	24.25
Other Expenses	24	647.20	636.87
Provisions and Write offs	25	94.98	61.30
Total expenses		3,721.48	3,236.29
Profit/ (loss) before tax		788.11	325.24
Tax expense/ (benefit)			
Current tax		114.60	98.83
Adjustment of Tax relating to earlier year		(23.16)	-
Deferred tax expense/ (credit)		101.17	(17.91)
Total tax expense/ (benefit)		192.61	80.92
Profit/ (loss) after tax		595.50	244.32
Earnings per equity share:			
Basic earning per equity share (in Rs.)	26 (Y)	1.28	0.57
Diluted earning per equity share (in Rs.)	26 (Y)	1.28	0.57
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			
As per our report of even date			

For JC Bhalla & Co.
Chartered Accountants
Firm's registration no. 001111N

Rajesh Sethi
Digitally signed by Rajesh Sethi
Date: 2025.06.27 12:41:04 +05'30'

Rajesh Sethi
Partner
Membership no. 085669
Place: New Delhi
Date: 27.06.2025

For and on Behalf of Board of Directors
Manibhavnam Home Finance India Private Limited

MEGHHA A GUPTA
Digitally signed by MEGHHA GUPTA
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Date: 2025.06.27 12:22:12 +05'30'

Meghha Gupta
Managing Director
DIN-05346188
Place: New Delhi
Date: 27.06.2025

DEEPA K JOSHI
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Date: 2025.06.27 12:25:19 +05'30'

Deepak Joshi
Whole-Time Director
DIN-07585244
Place: New Delhi
Date: 27.06.2025

SUNIL GUPTA
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Date: 2025.06.27 12:28:39 +05'30'

Sunil Gupta
Chief Executive Officer
PAN-ACSPG1630L
Place: New Delhi
Date: 27.06.2025

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Date: 2025.06.27 12:31:47 +05'30'

Muskan Bhatia
Company Secretary
M.No. A70996
Place: New Delhi
Date: 27.06.2025

Manibhavnam Home Finance India Private Limited
10 Tropical Drive, MG Road, Ghitorni, New Delhi-110030
CIN: U65990DL2016PTC298946
Cash Flow Statement for the year ended March 31, 2025
(All amounts are in Rupees lakhs, unless otherwise stated)

	For the year ended 31-Mar-25	For the year ended 31-Mar-24
A. Cash flow from operating activities		
Profit/ (loss) before tax	788.11	325.24
Adjustements for		
Depreciation and amortization	10.83	24.25
Provisions for loan portfolio	92.79	32.57
Provision for employee benefits	19.46	14.41
Provision for Bonus	49.45	27.56
Employee Stock Option Scheme (ESOP)	16.68	6.04
Bad debts written off	4.15	28.73
Loss on sale of repossessed assets	5.68	23.80
Net (profit)/ loss on sale of Property , Plant and Equipment	0.13	0.07
	987.28	482.67
Working capital changes		
Increase/(Decrease) in trade and other payables	22.75	(16.01)
Increase/(Decrease) in long- term provisions	64.32	12.65
Increase/(Decrease) in other current liabilities	176.46	3.05
Increase/(Decrease) in short- term provisions	(23.14)	75.59
Increase/(Decrease) in Other Long term liabilities	(26.94)	(7.17)
Decrease/(Increase) in Long-term loans and advances	(2,551.40)	(3,872.81)
Proceeds from long -term borrowings(net)	2,713.40	3,958.83
Decrease/(Increase) in short-term receivables under financial activities	(1,578.37)	(1,310.98)
Sale/(Purchase) of Fixed Deposits	111.28	(567.93)
Decrease/(Increase) in other current assets	(128.07)	163.64
Decrease/(Increase) in other non current assets	(2.84)	(0.98)
	(1,222.55)	(1,562.12)
Income tax paid (net of refunds)	(91.44)	(98.83)
Net cash used in operating activities	(326.71)	(1,178.28)
B. Cash flow from investing activities		
Purchase of Property , Plant and Equipment	(13.90)	(4.73)
Net cash used in investing activities	(13.90)	(4.73)

Manibhavnam Home Finance India Private Limited
10 Tropical Drive, MG Road, Ghitorni, New Delhi-110030
CIN: U65990DL2016PTC298946
Cash Flow Statement for the year ended March 31, 2025
(All amounts are in Rupees lakhs, unless otherwise stated)

	For the year ended 31-Mar-25	For the year ended 31-Mar-24
C. Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)	-	915.25
Net cash generated from financing activities	-	915.25
Net increase in cash and cash equivalents (A+B+C)	(340.61)	(267.76)
Cash and cash equivalents at the beginning of the year	734.00	1,001.76
Cash and cash equivalents at the end of the year	393.39	734.00
Notes		
1 Components of cash and cash equivalents (refer note 17)		
Cash on hand	26.68	8.17
Cheque in hand	3.10	4.70
Bank balances		
In current accounts	363.61	721.13
Total	393.39	734.00

2 The above Cash Flow Statement has been prepared under the "Indirect Method" as specified in Accounting Standard 3 "Cash Flow Statement"

Summary of significant accounting policies
As per our report of even date

2

For JC Bhalla & Co.
Chartered Accountants
Firm's registration no. 001111N

Rajesh Sethi
Digitally signed
by Rajesh Sethi
Date: 2025.06.27
12:42:07 +05'30'

Rajesh Sethi
Partner
Membership no. 085669
Place: New Delhi
Date: 27.06.2025

For and on Behalf of Board of Directors
Manibhavnam Home Finance India Private Limited

MEGHHA A GUPTA
Digitally signed by MEGHHA GUPTA
DN: c=IN, o=Manibhavnam Home Finance India Private Limited, postalCode=110030, st=Delhi, email=joshi@manibhavnam.com, serialNumber=6F444D829128A1C053FC8222077CC7A638501F9406F838A1D93E5AAAE8733ED, cn=SUNIL GUPTA
Date: 2025.06.27 12:29:04 +05'30'

Meghha Gupta
Managing Director
DIN-05346188
Place: New Delhi
Date: 27.06.2025

SUNIL GUPTA
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Date: 2025.06.27 12:29:04 +05'30'

Sunil Gupta
Chief Executive Officer
PAN-ACSPG1630L
Place: New Delhi
Date: 27.06.2025

DEEPA K JOSHI
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Date: 2025.06.27 12:25:42 +05'30'

Deepak Joshi
Whole-Time Director
DIN-07585244
Place: New Delhi
Date: 27.06.2025

MUSKAN BHATIA
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Date: 2025.06.27 12:32:13 +05'30'

Muskan Bhatia
Company Secretary
M.No. A70996
Place: New Delhi
Date: 27.06.2025

Manibhavnam Home Finance India Private Limited
10 Tropical Drive, MG Road, Ghitorni, New Delhi-110030
CIN: U65990DL2016PTC298946
Notes forming part of financial statements for the year ended March 31, 2025

1 Background

Manibhavnam Home Finance India Private Limited ("the Company") was incorporated on 02.05.2016 as a Housing Finance Company. It is registered under Section 29A of the National Housing Bank Act, 1987 vide Registration No. 12.0148.16 with effect from 28.12.2016. The Company is engaged in providing secured home loans(HL) and loans against properties(LAP).

2 Significant Accounting Policies

a. Accounting Convention

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles ('GAAP') in India to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 and relevant provisions of the Companies Act, 2013 and the guidelines issued by National Housing Bank to the extent applicable. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. The financial statements have been prepared on accrual basis under the historical cost convention.

b. Use of estimates

The preparation of the financial statements in conformity with India GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the years in which the results are known/ materialize.

c. Operating cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

The Company is engaged in financing business and amount which is recoverable after one year as per terms of financing/ leasing arrangement has been classified as non-current assets.

d. Revenue Recognition

i) Repayment of housing and other loans is generally by way of Equated Monthly Installments (EMIs) comprising principal and interest. EMIs commence once the entire loan/ tranche is disbursed. Pending commencement of EMIs, pre EMI interest is recoverable every month. Interest on loans is computed on monthly rest basis.

ii) Income from Processing Fee is recognized on receipt basis. In respect of other charges viz. Penal interest on Overdue / Additional Interest on defaults, pre- payment charges, etc. revenue is recognized , when realization is certain.

iii) Interest income on investments is recognized on the accrual basis and dividend income is accounted for on receipt basis.

iv) Interest income on Fixed Deposit with banks, is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

v) In other cases, Income is recognized when there is no significant uncertainty as to determination and realization. Interest on tax refunds and other incomes are accounted for on receipt basis.

Manibhavnam Home Finance India Private Limited
10 Tropical Drive, MG Road, Ghitorni, New Delhi-110030
CIN: U65990DL2016PTC298946

Notes forming part of financial statements for the year ended March 31, 2025

Significant Accounting Policies contd.

e. Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

f. Cash flow statement

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

g. Property Plant & Equipment and Intangible Assets

Property plant & equipment and intangible assets are stated at cost less accumulated depreciation, amortization and impairment losses. The cost of property plant & equipment and intangible assets comprise purchase price net of any trade discount and rebates and all other attributable costs of bringing the assets to working condition or its intended use.

h. Depreciation

Depreciation on property, plant and equipment is provided on the written down value method over the useful life of the assets estimated by the management. The useful life estimated by the management is as under:

Depreciation on additions/ deletions is calculated on prorata basis.

Asset class	Useful life
Office Equipment	5 Years
Computer Hardware	3 Years
Furniture & Fixtures	10 Years

Intangible assets are stated at original cost net of tax/ duty credits availed, if any, less accumulated amortisation and cumulative impairment. Intangible assets are amortised over their useful life. In case of specialised software their estimated life is assumed to be six years and depreciation has been provided on straight line method.

i. Investments

Long - term investments , are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

j. Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognized as an expense in the statement of Profit and loss.

k. Share issue and Preliminary expenses

Share issue and Preliminary expense incurred during the year is expensed in the Statement of Profit and Loss.

l. Employee benefits

Employee benefits include Provident Fund, Employee State Insurance and Gratuity.

i) Defined Contribution Plans

The company's contribution to Provident Fund and Employees State Insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made. The provident Fund plan is being operated by the Regional Provident Fund Commissioner.

ii) Defined benefit Plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in the statement of Profit and Loss in the year in which they occur.

Manibhavnam Home Finance India Private Limited
10 Tropical Drive, MG Road, Ghitorni, New Delhi-110030
CIN: U65990DL2016PTC298946
Notes forming part of financial statements for the year ended March 31, 2025

Significant Accounting Policies contd.

iii) Short-term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive which are expected to occur within twelve months after the end of the year in which the employee renders the related service.

m. Earnings per Share

Basic earnings per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extraordinary items, if any) adjusted for dividend, interest and other charges related to the dilutive potential equity shares by weighted average number of equity shares outstanding during the year.

n. Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax(MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the company.

Deferred tax is recognized in timing differences, being the differences between the taxable income and the accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax is measured using tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realize the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

o. Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognized in the financial statements.

p. GST input credit

GST input credit is accounted for in the books in the year in which the underlying service received is accounted and when there is no uncertainty in availing/ utilizing the credits.

Manibhavnam Home Finance India Private Limited
10 Tropical Drive, MG Road, Ghitorni, New Delhi-110030
CIN: U65990DL2016PTC298946
Notes forming part of financial statements for the year ended March 31, 2025

Significant Accounting Policies contd.

q. Loans to Borrowers and Provisions

Loans are classified into performing and non -performing assets in terms of policy adopted by the Company, subject to minimum classification and provisioning norms required under ' The Housing Finance Companies (NHB) Directions' issued by National Housing Bank (NHB) from time to time.

All loan exposures to borrowers with installment structure are stated at disbursed value after netting off:-

- i) unearned income
- ii) installments appropriated up to the year end

The company policy is to carry adequate amounts in ' Provision for Loans' to cover the principal amount outstanding in respect for all non performing assets and standard assets. All loans where the installments are overdue for 90 days and more are classified as Non- Performing assets in accordance with the prudential norms prescribed by NHB guidelines.

Additional provision (over and above the NHB guidelines), on performing assets , is made as per the Guidelines approved by the board of directors from time to time.

The policy of provisioning against non - performing loans and advances has been decided by the management considering norms prescribed by the NHB. As per the policy adopted by company, the provision against non-performing loans and advances are created on a conservative basis, taking into account management's perception of the higher risk associated with the business.

r. Borrowing Cost

Borrowing cost consists of interest and other charges that the company incurs in connection with the borrowing of funds. Borrowing costs are expensed in the year they occur.

s. Employee Stock Options Reserve

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

The amount represents reserve created to the extent of granted options based on the Employees Stock Option Schemes. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

Fair value of the options granted is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service.

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	As at 31-Mar-25	As at 31-Mar-24
3 Share capital		
<u>Authorized shares</u>		
5,50,00,000 (March 31, 2024: 5,50,00,000) Equity Shares of Rs. 10 each with voting rights.	5,500.00	5,500.00
	5,500.00	5,500.00
<u>Issued, Subscribed and paid-up shares</u>		
4,66,01,669 (March 31, 2024: 4,66,01,669) Equity Shares of Rs. 10 each fully paid up with	4,660.17	4,660.17
	4,660.17	4,660.17

	31-Mar-25		31-Mar-24	
a) <u>Reconciliation of the shares outstanding</u>				
<u>Equity Shares</u>	<u>No. of shares</u>	<u>Amount</u>	<u>No. of shares</u>	<u>Amount</u>
Shares at the beginning of the year	4,66,01,669	4,660.17	4,05,00,000	4,050.00
Issued during the year	-	-	61,01,669	610.17
Outstanding at the end of the year	4,66,01,669	4,660.17	4,66,01,669	4,660.17

- b) Terms/Rights attached to equity shares**
The company has only one class of equity shares having a face value of Rs. 10/- per share. Each shareholder is entitled to one vote per share. The company will pay dividend as and when declared. The dividend as and when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Details of Share in the Company held by each shareholders holding more than 5 percent shares:

<u>Name of the Shareholder</u>	31-Mar-25		31-Mar-24	
	<u>No of shares</u>	<u>% held</u>	<u>No of shares</u>	<u>% held</u>
a.) Ms. Megha Gupta	1,82,85,334	39.24%	1,82,52,000	39.17%
b.) Manibhavnam Marketing Solutions Pvt. Ltd.	50,47,000	10.83%	50,47,000	10.83%
c.) Mr. Jayant Davar	60,75,000	13.04%	60,75,000	13.04%
d.) UTPL Corporate Trustees Private Limited (Trustees of Grand Anicut Angel Fund)	60,75,000	13.04%	60,75,000	13.04%
e.) Mrs. Madhu Mehta	36,50,000	7.83%	36,50,000	7.83%

d) The Details of promotor's Shareholding:

<u>Promoter's Name</u>	31-Mar-25		31-Mar-24		<u>% Change during the year</u>
	<u>No. of Shares</u>	<u>% total shares</u>	<u>No. of Shares</u>	<u>% total shares</u>	
a.) Ms. Megha Gupta	1,82,85,334	39.24%	1,82,52,000	39.17%	0.18%
b.) Manibhavnam Marketing Solutions Pvt. Ltd.	50,47,000	10.83%	50,47,000	10.83%	-

The Details of promotor's Shareholding:

<u>Promoter's Name</u>	31-Mar-24		31-Mar-23		<u>% Change during the year</u>
	<u>No. of Shares</u>	<u>% total shares</u>	<u>No. of Shares</u>	<u>% total shares</u>	
a.) Ms. Megha Gupta	1,82,52,000	39.17%	1,81,52,000	44.82%	0.55%
b.) Manibhavnam Marketing Solutions Pvt. Ltd.	50,47,000	10.83%	50,47,000	12.46%	0.00%

	As at 31-Mar-25	As at 31-Mar-24
4 Reserve and Surplus		
<u>Surplus/ (deficit) in the Statement of Profit and Loss</u>		
Balance as per last financial statements	22.75	(172.57)
Add:- Profit/(Loss) for the year	595.50	244.32
Less: Transfer to Statutory reserves	(119.00)	(49.00)
Closing Balance	499.25	22.75
<u>Securities Premium Reserve:</u>		
Balances at the beginning of the year	305.08	-
Add: Addition during the year	-	305.08
Less: Utilisation during the year for share increase/issue expenses.	-	-
Closing Balance	305.08	305.08
<u>Share Options Outstanding Account</u>		
Balances at the beginning of the year	6.04	-
Add: Addition during the year	16.68	6.04
Less: Utilisation during the year for share increase/issue expenses.	-	-
Closing Balance	22.72	6.04
<u>Statutory reserves (Under Section 29C of the National Housing Bank Act, 1987)</u>		
Balance as per last financial statements	111.30	62.30
Add: Transferred during the year	119.00	49.00
Closing Balance	230.30	111.30
Total	1,057.35	445.17

4.1 Section 29C(I) of the national housing bank act,1987 defines that every housing finance institution which is company shall create a reserve fund and the transfer therein a sum not less than 20% of its net profit every year as disclosed in the statement of profit & loss before any dividend is declared. During the year the company has transferred an amount of Rs. 119.00/- (Previous year Rs. 49.00/-) to Statutory reserve.

4.2 Security premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

4.3 Share Options Outstanding Account relates to stock reserve related to stock options granted by the company to employees under various ESOP schemes. The reserve is transferred to securities premium account on exercise of vested options.

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	As at 31-Mar-25	As at 31-Mar-24
5 Long Term Borrowings		
Term Loans (Secured)		
-From Banks	6,754.61	4,093.98
-From others	<u>10,542.81</u>	<u>10,565.41</u>
	17,297.42	14,659.39
Less: Current Maturities of Long Term Borrowing classified under "Short-term borrowings" (Refer: note 8)	5,440.25	4,249.46
	<u>11,857.17</u>	<u>10,409.93</u>

5.1 Secured loans from banks carry interest ranging from 8.70% to 13.00% The loans are having tenure of 2 year to 10 years from the date of disbursement and are repayable in quarterly/monthly instalment. These loans are secured by hypothecation (exclusive charge) of the loan given by the company and pledge of fixed deposits of Rs. 208.31/- (Previous Year - Rs. 208.31/-). NHB Loan to the extent of Rs 1817.10/-(Previous Year - Rs 400.00/-) have been secured by Bank Guarantee of Rs. Nil (Previous Year - Rs. Nil).

5.2 Secured loans from Financial Institutions carry interest ranging from 8.95% to 13.60% The loans are having tenure of 2 year to 10 years from the date of disbursement and are repayable in quarterly/monthly instalment. These loans are secured by hypothecation (exclusive charge) of the loan given by the company and pledge of fixed deposits of Rs. 50.00/- (Previous Year - Rs 75.00/-).

5.3 Terms of repayment of long term borrowings as at March 31, 2025

	Interest Rate	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	Due 3 to 4 years	Due 4 to 5 years	Due 5 to 10 years	Total
Original Maturity of Loan		Amount	Amount	Amount	Amount	Amount	Amount	Amount
Monthly Repayment Schedule	11.40% to 13.60%	4,528.98	3,374.27	2,282.71	973.95	95.09	-	11,255.00
Quarterly Repayment Schedule	8.55% to 12.25%	911.27	962.61	676.91	676.91	676.91	2,137.81	6,042.42
		5,440.25	4,336.88	2,959.62	1,650.86	772.00	2,137.81	17,297.42

5.4 Terms of repayment of long term borrowings as at March 31, 2024

	Interest Rate	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	Due 3 to 4 years	Due 4 to 5 years	Due 5 to 10 years	Total
Original Maturity of Loan		Amount	Amount	Amount	Amount	Amount	Amount	Amount
Monthly Repayment Schedule	11.15% to 13.85%	3,309.63	2,877.43	1,627.13	755.21	417.76	138.06	9,125.22
Quarterly Repayment Schedule	8.55% to 12.50%	939.83	798.23	798.21	512.51	512.51	1,972.88	5,534.17
		4,249.46	3,675.66	2,425.34	1,267.72	930.27	2,110.94	14,659.39

6 Other Long term liabilities

First Loss Default Guarantee (FLDG)	40.81	67.75
	<u>40.81</u>	<u>67.75</u>

7 Long Term Provisions

Provision for employee benefits

Provision for Gratuity	40.42	25.16
	<u>40.42</u>	<u>25.16</u>

Provision for Housing loans to Individuals (HL)

Provision for Loans - Standard assets	41.90	38.66
Provision for Loans - NPA - Substandard Assets	43.37	14.89
Provision for Loans - NPA - Doubtful Assets	6.95	5.40
	<u>92.22</u>	<u>58.95</u>

Provision for Other loans to Individuals (LAP)

Provision for Loans - Standard assets	17.79	15.93
Provision for Loans - NPA - Substandard Assets	37.52	12.96
Provision for Loans - NPA - Doubtful Assets	1.96	0.10
	<u>57.27</u>	<u>28.99</u>

Provision for Other loans to Individuals (Insurance premium & Others)

Provision for Loans - Standard assets	3.35	0.89
Provision for Loans - NPA - Substandard Assets	4.39	0.67
Provision for Loans - NPA - Doubtful Assets	0.44	0.14
	<u>8.18</u>	<u>1.70</u>

Provision- Others

Provision on Loan Restructured assets	53.64	53.15
	<u>53.64</u>	<u>53.15</u>
	<u>251.73</u>	<u>167.95</u>

8 Short Term Borrowings

Secured		
Current Maturities of Long Term Borrowing (refere Note 5 above)		
-From Banks	1,994.18	1,353.50
-From others	<u>3,446.07</u>	<u>2,895.96</u>
	5,440.25	4,249.46

9 Trade Payables-Other than acceptances

Total outstanding due of micro and small enterprises	6.82	4.08
Total outstanding due to creditors other than micro and small enterprises	49.30	29.29
Due to Related parties	-	-
	<u>56.12</u>	<u>33.37</u>

Trade Payables ageing schedule as at March 31, 2025:

Particulars	Outstanding for periods from due date of payment				As at
	Less than 1 year	1-2 years	2-3 Years	>3 years	31-Mar-2025
a) Micro and Small enterprises	6.82	-	-	-	6.82
b) Others	49.30	-	-	-	49.30
c) Disputed dues-MSME	-	-	-	-	-
d) Disputed dues-Others	-	-	-	-	-
Total	56.12	-	-	-	56.12

Trade Payables ageing schedule as at March 31, 2024:

Particulars	Outstanding for periods from due date of payment				As at
	Less than 1 year	1-2 years	2-3 Years	>3 years	31-Mar-2024
a) Micro and Small enterprises	4.08	-	-	-	4.08
b) Others	28.70	0.59	-	-	29.29
c) Disputed dues-MSME	-	-	-	-	-
d) Disputed dues-Others	-	-	-	-	-
Total	32.78	0.59	-	-	33.37

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	As at 31-Mar-25	As at 31-Mar-24
10 Other current liabilities		
Statutory liabilities	46.03	35.51
Employee benefit payables	57.36	33.01
Advance from customers	423.59	185.56
Interest accrued but not due on borrowings	75.37	67.03
Other liabilities	82.44	62.40
	<u>684.79</u>	<u>383.51</u>
11 Short Term Provisions		
<u>Provision for employee benefits</u>		
Provision for Gratuity	18.78	15.05
	<u>18.78</u>	<u>15.05</u>
<u>Provision for Housing loans to Individuals (HL)</u>		
Provision for Loans - Standard assets	12.33	9.54
Provision for Loans - NPA - Substandard Assets	12.76	3.68
Provision for Loans - NPA - Doubtful Assets	2.04	1.33
	<u>27.13</u>	<u>14.55</u>
<u>Provision for Other loans to Individuals (LAP)</u>		
Provision for Loans - Standard assets	5.23	3.93
Provision for Loans - NPA - Substandard Assets	11.04	3.20
Provision for Loans - NPA - Doubtful Assets	0.58	0.03
	<u>16.85</u>	<u>7.16</u>
<u>Provision for Other loans to Individuals (Insurance premium & Others)</u>		
Provision for Loans - Standard assets	0.99	0.22
Provision for Loans - NPA - Substandard Assets	1.29	0.17
Provision for Loans - NPA - Doubtful Assets	0.13	0.03
	<u>2.41</u>	<u>0.42</u>
<u>Provision- Others</u>		
Provision on Income Tax	20.13	69.31
Provision for Covid 19	0.93	2.88
	<u>21.06</u>	<u>72.19</u>
	<u>86.23</u>	<u>109.37</u>

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Notes-12

Property Plant & Equipment and Intangible Assets

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Assets	As at 01-Apr-24	Additions	Deletions	As at 31-Mar-25	Upto 01-Apr-24	For the year	Adjustment on Sales	As at 31-Mar-25	As at 31-Mar-25	As at 31-Mar-24
A.Property, Plant and Equipment										
Office Equipment	17.17	2.17	0.20	19.14	14.45	1.57	0.19	15.83	3.31	2.72
Sub Total	17.17	2.17	0.20	19.14	14.45	1.57	0.19	15.83	3.31	2.72
Computer Hardware	34.73	10.93	1.34	44.32	28.65	6.74	1.28	34.11	10.21	6.08
Sub Total	34.73	10.93	1.34	44.32	28.65	6.74	1.28	34.11	10.21	6.08
Furniture & Fixtures	54.86	0.80	0.61	55.05	45.58	2.52	0.53	47.57	7.48	9.28
Sub Total	54.86	0.80	0.61	55.05	45.58	2.52	0.53	47.57	7.48	9.28
Total -A	106.76	13.90	2.15	118.51	88.68	10.83	2.00	97.51	21.00	18.08
B.Intangible Assets										
Computer Software	4.58	-	-	4.58	4.58	-	-	4.58	-	-
Computer Software-Special	66.13	-	-	66.13	66.13	-	-	66.13	-	-
Total -B	70.71	-	-	70.71	70.71	-	-	70.71	-	-
Total -A+B	177.47	13.90	2.15	189.22	159.39	10.83	2.00	168.22	21.00	18.08
Previous Year	174.66	4.73	1.92	177.47	136.95	24.25	1.81	159.39	18.08	37.71

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	As at 31-Mar-25	As at 31-Mar-24
13. Deferred Tax Liabilities/Assets		
Difference between tax depreciation and depreciation/amortization	7.26	-
Share issue Expenses	0.27	-
Profit on Direct assignment	104.30	-
Amount of Special Reserve as per Sec 36(1)(viii)	17.44	-
Deferred Tax Liabilities	129.27	-
Deferred Tax Assets		
Difference between tax depreciation and depreciation/amortization	-	8.00
Provisions for Standard and NPA	65.09	47.00
Provision for Gratuity	14.90	11.00
Provision for Bonus	12.45	8.00
Employee Stock Option Scheme (ESOP)	5.72	2.00
Share issue expenses	-	1.00
Provision for bad and doubtful debts	6.95	-
Deferred Tax Assets	105.11	77.00
Net Deferred Tax Assets/(Liabilities)	(24.16)	77.00
14. Long Term Loan and Advances		
<u>Loans to borrowers</u>		
<u>Secured</u>		
Standard Assets		
Housing loans to Individuals (HL)	10,439.13	9,636.62
Loans Against Property(LAP)	4,412.73	3,961.00
Other Loans - Insurance premium & others	830.60	218.08
	15,682.46	13,815.70
Sub Standard Assets		
Housing loans to Individuals (HL)	213.43	97.98
Loans Against Property(LAP)	179.80	83.58
Other Loans - Insurance premium & others	21.36	4.38
	414.59	185.94
Doubtful Assets		
Housing loans to Individuals (HL)	15.38	16.26
Loans Against Property(LAP)	4.70	0.23
Other Loans - Insurance premium & others	1.05	0.31
	21.13	16.80
	16,118.18	14,018.44
14.1 Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and/or undertaking to create a security and/or personal guarantees and/or hypothecation of assets.		
14.2 The process of security creation was in progress for loans to the extent of Rs. 1567.74/- at March 31, 2025 (Previous Year- Rs.711.65/-). The Company has compiled the data for the purpose of disclosure from its internal MIS System/Report which have been furnished by management and has been relied upon by the auditors.		
14.3 Loans sanctioned but un-disbursed amount is Rs. 959.90/- as on March 31, 2025 (Previous year - Rs. 1,000.29/-).		
14.4 Out of total portfolio to borrowers Rs. 20,290.21/- (Previous Year -Rs. 17,034.01/-) have been hypothecated to banks and financial institutions against the loans received from them.		
15 Other Long-term loans and advances		
(Unsecured, considered good)		
Margin money accounts having maturity greater than one year	208.31	258.31
Prepaid expense	2.80	18.18
Interest only strip	1,163.24	748.81
	1,374.35	1,025.30
16 Other Non-Current Assets		
Security deposits	10.86	8.02
	10.86	8.02

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	As at 31-Mar-25	As at 31-Mar-24
17 Cash and bank balances		
(A) Cash and cash equivalent		
- Cash on hand	26.68	8.17
- Cheque on hand	3.10	4.70
- Balances with banks		
(i) In current accounts	363.61	721.13
(ii) In deposit with original maturity upto 3 months	-	-
	393.39	734.00
(B) Other Bank Balances		
(i) In Fixed deposit accounts		
-Deposit with original maturity of more than 3 months but upto 12 months	252.26	402.12
-Deposit with original maturity of more than 12 months	428.20	439.62
	680.46	841.74
Less:- Amount disclosed under Other Long-term loans and advances	208.31	258.31
	472.15	583.43
	865.54	1,317.43

17.1 Fixed Deposits include Fixed Deposit of Rs. 571.43/- (Previous Year Rs. 733.31/-) which are under lien to Banks and Financial institutions.

17.2 Fixed Deposit of Rs. 109.03/- (Previous Year - 108.43/-) pledged with banks for OD limit having outstanding balance Rs. Nil (Previous Year - Nil).

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	As at 31-Mar-25	As at 31-Mar-24
18 Short Term Loan and Advances		
<u>Loans to borrowers</u>		
<u>Secured</u>		
<u>Standard Assets</u>		
Housing loans to Individuals (HL)	3,071.02	2,378.81
Other Loans - LAP (Loan Against Property)	1,298.15	977.78
Other Loans - Insurance premium recoverable	244.35	53.83
	4,613.52	3,410.42
<u>Sub Standard Assets</u>		
Housing loans to Individuals (HL)	62.79	24.19
Other Loans - LAP (Loan Against Property)	52.89	20.63
Other Loans - Insurance premium recoverable	6.28	1.08
	121.96	45.90
<u>Doubtful Assets</u>		
Housing loans to Individuals (HL)	4.53	4.01
Loans Against Property(LAP)	1.38	0.06
Other Loans - Insurance premium recoverable	0.31	0.08
	6.22	4.15
<i>Instalments overdue from borrowers</i> <i>(Secured)</i>		
<u>Standard Assets</u>		
Housing loans to Individuals (HL)	45.07	32.93
Other Loans - LAP (Loan Against Property)	43.12	25.70
Other Loans - Insurance premium recoverable	4.32	0.94
<u>Sub Standard Assets</u>		
Housing loans to Individuals (HL)	4.44	1.64
Other Loans - LAP (Loan Against Property)	10.10	3.51
Other Loans - Insurance premium recoverable	0.80	0.11
<u>Doubtful Assets</u>		
Housing loans to Individuals (HL)	2.50	2.42
Loans Against Property(LAP)	2.04	0.23
Other Loans - Insurance premium recoverable	0.20	0.08
	112.59	67.56
	4,854.29	3,528.03

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	As at 31-Mar-25	As at 31-Mar-24
19 Other Short-term loans and advances		
(Unsecured, considered good)		
Balance with government authorities	19.29	16.06
Prepaid expenses	24.98	35.65
Advance to Creditors	0.86	6.39
Staff Advances	4.78	1.82
Income tax Refund Due	1.92	1.92
Others Receivables	37.08	23.68
	88.91	85.52
20 Other current assets		
Interest accrued and not due on loans to borrowers	248.72	205.73
Interest accrued and not due on fixed deposits	46.03	30.17
	294.75	235.90

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	For the year ended 31-Mar-25	For the year ended 31-Mar-24
21 Revenue from operations		
Interest income	3,782.80	2,913.71
Processing fee	345.61	329.09
Other Charges	195.54	132.41
Interest Income on Fixed Deposits	185.64	186.32
	4,509.59	3,561.53
22 Employee Benefit Expenses		
Salaries, wages and bonus	925.86	786.11
Contribution to provident fund and other funds	58.91	49.79
Employee Stock Option Scheme (ESOP)	16.68	6.04
Staff Welfare Expenses	35.54	23.89
	1,036.99	865.83
23 Finance cost		
Interest expenses on borrowings	1,874.86	1,599.08
Other borrowings charges	56.62	48.96
	1,931.48	1,648.04

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	For the year ended 31-Mar-25	For the year ended 31-Mar-24
24 Other Expenses		
Legal & Professional Expenses	439.76	431.20
Rent	59.76	46.57
Information & Technology Expenses	39.22	34.97
Auditors' Remuneration (Refer note 24.1)	3.86	3.78
Repairs & Maintenance Expenses	12.45	9.20
Conveyance and Travelling Expenses	26.49	26.63
Printing & Stationery Expenses	6.12	5.14
Electricity and Water Expenses	9.87	8.25
Postage, Telephone and other communication Expenses	15.34	9.61
Training Expenses	0.10	-
Loss on sale of Property , Plant and Equipment	0.13	0.07
Loss on Sale of Assets Repossessed	5.68	23.80
Donation	0.20	0.67
Expenditure towards Girl Child Sponsorship	3.61	1.95
Miscellaneous Expenses	24.61	35.03
	647.20	636.87
24.1 Auditors' remuneration		
Statutory audit fees	3.50	3.00
Other services including Certification	0.36	0.78
	3.86	3.78
25 Provisions and Write offs		
Provision on standard assets	12.42	32.43
Provision on sub-standard & doubtful assets	79.88	12.53
Provision on Restructured assets	0.49	(12.39)
Provision for Covid 19	(1.96)	-
Write offs	4.15	28.73
	94.98	61.30

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26 Notes

A Related Party Transactions

a. Related parties and their relationship

i. Key management personnel

Ms. Megha Gupta-Chairperson and Managing Director
Mr. Ayyushman Mehta-Director
Mr. Deepak Joshi - Whole-Time Director
Ms. Aanchal Singh-Director
Mr. Sunil Gupta - Chief Executive Officer
Ms. Suruchi Bamrara-Company Secretary (till November 30,2023)
Ms. Muskan Bhatia-Company Secretary (from December 1, 2023)

ii. Entities having significant influence

Manibhavnam Marketing Solutions Private Limited, New Delhi-Holder of 10.83% equity shares

iii. Relatives of key Management Personnel-where there are transactions

Mr. Anil Gupta (Proprietor of Sanjana Enterprises)
Relative of Managing Director of the Company
R. G. Exports Private Limited (Mr. Dhruv Gupta, Share holder)

b. Disclosure of transactions between the company and related parties and outstanding balances as at the year end:

	For the year ended 31-Mar-25	For the year ended 31-Mar-24
i. Key management personnel		
Remuneration paid		
Megha Gupta	30.00	30.00
Sunil Gupta	126.15	113.72
Muskan Bhatia	6.05	1.59
Suruchi Bamrara	-	2.40
Reimbursement of expenses		
Megha Gupta	0.88	0.82
Sunil Gupta	14.36	13.25
Issue of equity shares(including Share Premium)		
Aanchal Singh	-	7.65
Megha Gupta	-	15.00
Professional Charges		
Deepak Joshi	74.96	69.78
Sanjana Enterprises	-	0.33
ii. Relatives of key Management Personnel-where there are transactions		
Rent Paid		
RG Exports Private Limited	11.71	11.71
Closing Balances		
(i) Key Management persons	As at 31-Mar-25	As at 31-Mar-24
Against Remuneration		
Suruchi Bamrara	-	0.30
Against Reimbursement of expenses		
Sunil Gupta	-	0.47

B Leases

The company has entered into operating lease arrangements for certain office premises . The leases are cancellable or may be renewed for a further periods based on mutual agreement of the parties. Operating charges are recognized as an expense in the statement of profit and loss .

Description	For the year ended 31-Mar-25	For the year ended 31-Mar-24
Lease payments recognised in the Statement of Profit and Loss	58.43	46.57

The future minimum lease payments are given below:-

Description	For the year ended 31-Mar-25	For the year ended 31-Mar-24
Within one year	40.01	21.85

C Segment Reporting

The Company is engaged in the providing secured retail home loans/ loans against property(LAP) to borrowers. All other activities of the company revolve around the main business. As the Company's business activity falls within a single primary business segment and the company does not have any separate geographical segments other than India, the disclosures requirements of Accounting Standard (AS-17)"Segment Reporting" under the Companies (Accounting Standards) Rules, 2006 are not applicable to the Company.

D In accordance terms of the revised accounting standard 15" Employees Benefits", the required disclosures are as follows

i) Defined Contribution Plan

The Company makes contributions towards Provident Fund to a defined contribution retirement benefit plan for qualifying employees. The Provident Fund plan is operated by the Regional Provident Fund Commissioner. The Company has recognized Rs. 34.73/- (Previous year Rs.30.50/-) for provident fund contribution in the Statement of Profit and Loss.

ii) Description of the Defined benefit plans

Gratuity

The liability for gratuity arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of fifteen days salary (i.e. last drawn salary plus dearness allowance) for each completed year of service subject to completion of five years service.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuation being carried out at each balance sheet date.

The following tables set out the status of the gratuity plan and amounts recognized in the Company's financial statements as at 31st March, 2025:

	As at 31-Mar-25	As at 31-Mar-24
I. Changes in defined benefit obligation during the year		
A. Present value of obligations at the beginning of the year	40.21	28.66
B. Interest cost	2.85	2.15
C. Current service cost	10.48	7.77
D. Benefits paid	(0.48)	(2.86)
E. Actuarial (gains) / losses on obligation	6.13	4.49
F. Present value of obligations as at the year end (F=A+B+C+D+E)	59.19	40.21

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II. Expenses recognized in the Statement of Profit and Loss during the year

	For the year ended 31-Mar-25	For the year ended 31-Mar-24
A. Current service cost	10.48	7.77
B. Interest cost	2.85	2.15
C. Expected return on plan assets	-	-
D. Actuarial (gain) / loss recognized during the year	6.13	4.49
E. Net charge/ (credit) (E-A+B+C+D)	19.46	14.41

III Sensitivity Analysis

Projected benefit obligation on current assumptions		
Delta effect of +1.00% change in rate of discounting	58.29	39.36
Delta effect of -1.00% change in rate of discounting	60.14	41.09
Delta effect of +1.00% change in rate of salary Increase	60.12	41.10
Delta effect of -1.00% change in rate of salary Increase	58.29	39.34
Delta effect of +1.00% change in rate of Withdrawal rate	58.86	40.07
Delta effect of -1.00% change in rate of Withdrawal rate	59.54	40.36

IV Experience on actuarial gain/(loss) for benefits obligations and plan assets

On present value	3.12	4.21
On plan assets	NA	NA

V Principal actuarial assumptions (For Gratuity):

i. Discount rate (p.a)	6.75%	7.10%
ii. Salary escalation rate (p.a)	8.00%	5.00%
iii. Withdrawal Rate (p.a)	40.00%	40.00%

Notes:

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.
The estimates of future salary increase has been considered, taking into account the inflation, seniority, promotion, increments and other relevant factors.
The gratuity plan is unfunded.

VI Demographic assumptions (For Gratuity):

1. Retirement age	58 Years	58 Years
2. Mortality rate	Published Rate under IALM (2012-14) mortality Tables	Published Rate under IALM (2012-14) mortality Tables

E Provisions for Loans as per NHB Directions

(i) Provision on Loans and Advances

Particulars	Principal 01-April-24	provision 01-April-24	Additional Provision During the Period / Year	Utilization / Reversal	Principal 31-Mar-25	Provision 31-Mar-25
a. <u>Standard Assets</u>						
Home Loan	12,048.36 (8,443.28)	48.20 (21.12)	6.03 (27.09)	- -	13,555.21 (12,048.36)	54.23 (48.20)
Loans Against Property	4,964.48 (3,677.43)	19.86 (14.72)	3.16 (5.14)	- -	5,754.00 (4,964.48)	23.02 (19.86)
Other Loans - Insurance premium & others	272.85 (225.29)	1.11 (0.91)	3.23 (0.19)	- -	1,079.29 (272.85)	4.33 (1.11)
b. <u>Sub Standard Assets</u>	237.10 (161.98)	35.57 (24.30)	74.81 (11.27)	- -	551.87 (237.10)	110.38 (35.57)
c. <u>Doubtful Assets</u>	23.68 (18.64)	7.03 (5.77)	5.07 (1.26)	- -	32.10 (23.68)	12.10 (7.03)
d. <u>Loss Assets</u>	-	-	-	-	-	-
Total	17,546.47 (12,526.62)	111.77 (66.82)	92.30 (44.95)	- -	20,972.47 (17,546.47)	204.06 (111.77)

*Previous year figures have been given in bracket.

**As at
31-Mar-25** **As at
31-Mar-24**

(ii) Provision for Diminution in value of investments

- -

(iii) Provision for Loans as per NHB Directions

- The Company adopts an approach to provisioning which is based on the past experience, realization of security and other related factors. In view of prevailing industry scenario it has been considered prudent to make a provision of Rs 12.42/- for the year FY 2024-25 (Previous Year Rs. 32.43/-) equivalent to 0.40% on home loans and other loans of standard assets in terms of NHB Directions' 2010.
- As per the Housing Finance Companies (NHB) Directions, 2021, non-performing assets are recognized on the basis of ninety days overdue. Provision made for Sub Standard Assets is Rs. 74.81/- for the year FY 2024-25 (Previous Year Rs. 11.27/-) equivalent to 15% on outstanding principal and Provision made for Doubtful Assets is Rs. 5.07/- for the year FY 2024-25 (Previous Year Rs. 1.26/-) 25% and 40% on outstanding principal.

F Contingent liabilities and commitments

There is no contingent liability/obligation against the Company and other commitments by the Company as at March 31, 2025 of Rs. 959.90/- (Previous Year- Rs. 1,000.29/-) which pertains to loans sanctioned as at balance sheet but are still to be disbursed .

G Litigation

The Company's pending litigations comprise of claims against the Company primarily by the customers. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial statements as at March 31, 2025.

H Foreign exchange earnings and expenses

	For the year ended 31-Mar-25	For the year ended 31-Mar-24
(i) Foreign exchange earnings	-	-
(ii) Foreign exchange expenses	155.86	140.20

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I Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Payment against the supplies from the undertakings covered under the Micro, Small & Medium Enterprises Development Act, 2006 are generally made in accordance with the agreed credit terms.
On the basis of information and record available with the management, the details of the outstanding balances of such suppliers on such accounts as on March 31, 2025 is Rs. 6.82/- (Previous Year Rs. 4.08/-). The Company has neither paid any interest nor any amount is overdue to buyer covered under the MSMED Act, 2006.

The company has compiled the data for the purpose of disclosure from its internal MIS System/Report which have been furnished by management and has been relied upon by the auditors.

J Disclosures required by National Housing Bank

Additional disclosures required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21, 17 February 2021 have been prepared on the basis of the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules 2014 (as amended) pursuant to the RBI circular DOR (NBFC).CC.PD.No.116 /22.10.106/2020-21 July 24, 2020 is given below, which have been presented solely based on the information compiled by the management.

	As at 31-Mar-25	As at 31-Mar-24
i) <u>Capital to Risk Assets Ratio (CRAR)</u>		
CRAR %	33.53%	37.82%
CRAR - Tier I Capital %	32.93%	37.21%
CRAR - Tier II Capital %	0.59%	0.61%
Amount of subordinated debt raised as Tier- II Capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-
ii) <u>Reserve Fund u/s 29C of NHB Act 1987</u>	230.30	111.30
iii) <u>Investments</u>		
Investments in India	-	-
Depreciation in Investments	-	-
Net Investments	-	-
Investments in Gold and Jewellery	-	-
iv) <u>Securitization</u>	-	-
v) <u>Assignments</u>		

Assigned assets are derecognized in the books of the Company based on the principle of transfer of ownership interest over the Assets.
During the year ended March 31, 2025, the Company has assigned portion of its loan portfolio amounting to Rs. 2,704.39/- at par in DA 14, 15, 16, 17 and DA 18 transaction. Pursuant to the said assignment arrangements, the Company has derecognized such loan assets from its books of account. Also, in accordance with the terms and conditions of the assignment agreements, the Company has retained loan assets amounting to Rs. 332.84/- as minimum retention requirement ('MRR'). Further, the Company will continue to act on a non-recourse basis to collect and service the monthly EMI collection on the said assigned portfolio.

Nature of transaction	Date of transaction	Minimum Retention requirement (MRR) As at 31-Mar-25	Pool Outstanding As at 31-Mar-25	Pool Outstanding As at 31-Mar-24
Direct assignment (DA 1)	28-Nov-19	18.87	97.73	121.53
Direct assignment (DA 2)	23-Jan-20	30.43	163.83	212.87
Direct assignment (DA 3)	20-May-20	24.72	163.50	171.97
Direct assignment (DA 4)	29-Oct-20	25.27	169.66	215.68
Direct assignment (DA 5)	28-Apr-21	33.57	231.63	262.78
Direct assignment (DA 6)	27-Oct-21	21.96	152.90	201.48
Direct assignment (DA 7)	27-Oct-21	41.96	280.20	352.87
Direct assignment (DA 8)	09-Jun-22	62.96	351.03	420.97
Direct assignment (DA 9)	29-Sep-22	33.60	303.43	355.97
Direct assignment (DA 10)	28-Dec-22	29.97	270.38	333.30
Direct assignment (DA 11)	28-Mar-23	53.11	476.70	645.51
Direct assignment (DA 12)	30-Dec-23	63.81	574.30	743.03
Direct assignment (DA 13)	28-Mar-24	56.51	508.58	654.25
Direct assignment (DA 14)	28-Jun-24	39.75	357.73	-
Direct assignment (DA 15)	14-Oct-24	79.98	719.81	-
Direct assignment (DA 16)	27-Jan-25	45.79	412.12	-
Direct assignment (DA 17)	17-Mar-25	62.07	558.62	-
Direct assignment (DA 18)	22-Mar-25	86.02	487.43	-

S.N.	Particulars	For the year ended 31-Mar-25	For the year ended 31-Mar-24
i	No. of accounts	351	225
ii	Aggregate value (net of provision) of accounts assigned	2,704.39	1,436.74
iii	Aggregate consideration	2,704.39	1,436.74
iv	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v	Aggregate gain / loss over net book value	-	-

vi) Non Performing Assets purchased /sold NIL NIL

vii) Asset Liability Management

Particulars	Borrowings	Market from Bank	Foreign Currency Lib	Loan to Borrowers	Investments	Foreign currency assets
1 to 7 days	99.38 (69.34)			101.80 (144.52)		
8 to 14 days	64.63 (65.27)			112.53 (151.90)		
15 to 30/31 days	176.17 (118.51)	-	-	307.69 (67.55)	-	-
Over 1 month to 2 months	509.38 (460.36)	-	-	417.15 (302.03)	-	-
Over 2 months to 3 months	462.90 (381.89)	-	-	401.47 (290.60)	-	-
Over 3 months to 6 months	1,427.47 (1,105.33)	-	-	1,196.48 (869.80)	-	-
6 Months to 1 year	2,700.31 (2,048.76)	-	-	2,317.17 (1,701.63)	-	-
Over 1 year to 3 Years	7,296.50 (6,101.00)	-	-	6,630.60 (6,429.51)	-	-
Over 3 years to 5 years	2,422.86 (2,198.00)	-	-	3,541.70 (2,765.89)	-	-
Over 5 years	2,137.82 (2,110.93)	-	-	5,945.89 (4,823.05)	-	-
Total	17,297.42 (14,659.39)	-	-	20,972.47 (17,546.47)	-	-

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	As at 31-Mar-25	As at 31-Mar-24
viii) Exposure to Real Estate Sector, both direct and indirect		
A. <u>Direct Exposure</u>		
(i) Residential Mortgage : Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	20,972.47	17,546.47
(ii) Commercial Real Estate : Lending fully secured by mortgages on commercial real estates.	-	-
(iii) Investments in Mortgage Backed Securities and other securitized exposures:	-	-
a. Residential	-	-
b. Commercial Real estate	-	-
B. Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
ix) Exposure to Capital market	-	-
x) <u>Details of financing of parent company products.</u>	-	-
xi) <u>Details of Single Borrower Limit / Group Borrower Limit exceeded the prudential exposure limit for single borrower or group borrower.</u>	-	-
xii) <u>Unsecured Advances for which intangible securities has been taken</u>	-	-
xiii) <u>Regulator Registrations</u> NHB MCA(CIN) The company has not obtained registration from any other financial sector regulator.	12.0148.16 U65990DL2016PTC298946	
xiv) <u>Penalties imposed by any regulator</u>	-	-
xv) <u>Related party transactions</u>	See Note 26A	See Note 26A
xvi) Ratings assigned by Credit Rating agencies	[ICRA]BBB- Stable	[ICRA]BBB- Stable
xvii) <u>Remuneration and professional fee of Directors</u>	104.96	99.78
xviii) <u>Prior Period Expenses</u>	NIL	NIL
xix) <u>No of items of revenue recognition postponed except as disclosed in accounting policy</u>	-	-
xx) <u>Company does not have any parent company or subsidiary, hence provisions of AS-21 not applicable to the company</u>		
xxi) <u>Break-up of Loan and Advances and Provisions thereon</u>		
	<u>Housing Loan</u>	<u>Non Housing Loan</u>
	As at 31-Mar-25	As at 31-Mar-24
1 <u>Standard Assets</u>		
a) Total Outstanding Amount	13,555.21	12,048.36
b) Provisions made	54.23	48.20
2 <u>Sub Standard Assets</u>		
a) Total Outstanding Amount	280.65	123.80
b) Provisions made	56.13	18.57
3 <u>Doubtful Assets-Category I</u>		
a) Total Outstanding Amount	7.29	15.68
b) Provisions made	2.19	3.92
4 <u>Doubtful Assets-Category II</u>		
a) Total Outstanding Amount	15.12	7.02
b) Provisions made	6.81	2.81
5 <u>Doubtful Assets-Category III</u>		
a) Total Outstanding Amount	-	-
b) Provisions made	-	-
6 <u>Loss Assets</u>		
a) Total Outstanding Amount	-	-
b) Provisions made	-	-
Total		
a) Total Outstanding Amount	13,858.27	12,194.86
b) Provisions made	119.35	73.50
		84.71
<u>Break-up of 'Provisions and Contingencies' shown under the head expenditure in Profit and Loss Account</u>		
1 Provisions for depreciation on investment		-
2 Provision made towards Income tax		114.60
3 Provision towards NPA		79.88
4 Provisions for Standard Assets (With details like teaser loan, CRE, CRE-RH etc.)		12.42
5 Other provision and contingencies (Provision for Gratuity and compensated absences)		19.46
6 Covid 19 provision		(1.96)
7 Provision on Restructured assets		0.49
xxii) <u>During the year, no draw down from reserves was done.</u>		
xxiii) <u>Off Balance Sheet Exposures</u>	959.90	1,000.29
	As at 31-Mar-25	As at 31-Mar-24
xxiv) <u>Concentration of Public Deposits (for Public Deposit taking/holding HFCs)</u>		
1 Total Deposits of twenty largest Depositors	-	-
2 % of deposits of 20 largest depositors to total depositors of HFC	-	-
xxv) <u>Concentration of Loans & Advances</u>		
1 Total Loans & Advances to twenty largest borrowers	756.49	761.15
2 % of loans & advances of 20 largest borrowers to total advances of HFC	3.61%	4.34%
xxvi) <u>Concentration of all Exposure (including off-balance sheet exposure)</u>		
1 Total Loans & Advances to twenty largest borrowers	899.36	761.15
2 % of loans & advances of 20 largest borrowers to total advances of HFC	4.10%	4.34%
xxvii) <u>Concentration of NPAs</u>		
1 Total Exposure to top ten NPA accounts	193.36	125.43
<u>Sector-wise NPAs</u>		
1 <u>Housing Loans</u>		
a. Individuals	303.07	146.50
b. Builders/Project Loans	-	-
c. Corporates	-	-
d. Others (Specify)	-	-
2 <u>Non - Housing Loans</u>		
a. Individuals	280.91	114.28
b. Builders/Project Loans	-	-
c. Corporates	-	-
d. Others (Specify)	-	-

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Movement of NPAs

	For the year ended 31-Mar-25	For the year ended 31-Mar-24
1 Net NPAs to Net Advances (%)	2.21%	1.25%
2 Movement of NPAs (Gross)		
a. Opening Balances	260.78	180.62
b. Additions during the year	1,517.98	766.00
c. Reductions during the year	(1,194.78)	(685.84)
d. Closing Balance	583.98	260.78
3 Movement of Net NPAs		
a. Opening Balances	218.18	150.56
b. Additions during the year	1,308.16	651.10
c. Reductions during the year	(1,064.84)	(583.48)
d. Closing Balance	461.50	218.18
4 Movement of provisions for NPAs (excluding provisions on standard assets)		
a. Opening Balances	42.60	30.06
b. Additions during the year	209.83	114.90
c. Write-off/write-back of excess provisions	(129.95)	(102.36)
d. Closing Balance	122.48	42.60

xxviii) The Company does not have any Overseas Assets.

xxix) The Company does not have any Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms).

xxx) **Customer Complaints**

1 No. of complaints pending at the beginning of the year	NIL	NIL
2 No. of complaints received during the year	9.00	4.00
3 No. of complaints redressed during the year	9.00	4.00
4 No. of complaints pending at the end of the year	NIL	NIL

Grounds of complaints	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
Recovery Action	-	2	NA	-	NIL
Loan Related	-	2	NA	-	NIL
Rate Of Interest	-	1	NA	-	NIL
Repayment/ Tenure Extension/ Prepayment	-	2	NA	-	NIL
Loan Foreclosure Related	-	1	NA	-	NIL
Others	-	1	NA	-	NIL

xxxi) **Area and Country of Operation**

India India

xxxii) **Joint Venture partners and overseas subsidiaries**

Nil Nil

xxxiii) Disclosure on compliance with Principal business criteria in accordance with the RBI Master Direction DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021

Particulars

	As at 31-Mar-25		As at 31-Mar-24
Individual Housing Loans	13,858.27	60.34%	12,194.86 62.07%

xxxiv) The company has not granted any loans or advances against collateral of gold jewellery.

K Assets held for sale

The company has obtained possession of any properties mortgaged by customers under Securitisation and Reconstrucion of Financial Assets and Enforcement of Security Interest Act, 2002 (The SARFESI Act, 2002) and the total assets held for sale value as on March 31 2025 is Rs. 475.52 (Previous Year Rs. 181.38).
The company has also obtained possession of certain properties surrendered by the customers and the value outstanding as on March 31 2025 stands at Rs 55.38 (Previous Year -Rs 31.58/-)which are to be sold to realise the loan and other amounts receivable by the Company. The Company has sold the properties repossessed during the previous year and are in the process of selling of properties repossessed during the current financial year and has classified these as assets held for sale.

L Title deeds of Immovable Property not held in name of the Company

As on 31-Mar-25

Relevant line item in the Balance sheet	Description of item of property	Gross Carrying value	Designation of title deed holder	Property held since which date	Reason for not being held in the name of the company
PPE	Land				
	Building				
Investment property	Land				
	Building				
PPE retired from active use and held for disposal	Land				
	Building				
Others	Property				

As on 31-Mar-24

Relevant line item in the Balance sheet	Description of item of property	Gross Carrying value	Designation of title deed holder	Property held since which date	Reason for not being held in the name of the company
PPE	Land				
	Buildine				
Investment property	Land				
	Building				
PPE retired from active use and held for disposal	Land				
	Building				
Others	Property				

M

Loans or Advances granted to Promoters, Directors, KMPs and the Related Parties

Type of Borrower	Amount of loan or advance in the nature of loan outstanding FY 2024-25	Amount of loan or advance in the nature of loan outstanding FY 2023-24	Percentage to the total Loans and Advances in the nature of loans FY 2024-25	Percentage to the total Loans and Advances in the nature of loans FY 2023-24
i) Repayable on demand or				
ii) Without specifying any terms or period of repayment				
a) Promoter	Nil	Nil	Nil	Nil
b) Directors	--do--	--do--	--do--	--do--
c) KMPs	--do--	--do--	--do--	--do--
d) Related Parties	--do--	--do--	--do--	--do--

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(All amounts are in Rupees lakhs, unless otherwise stated)

N Details of Benami Property held

Details where any proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988

Particulars	31-Mar-25	31-Mar-24
a) Details of Benami Property held b) Year of Acquisition c) Amount d) Name of Beneficiaries e) If included in books, reference f) Reasons, if not included in books g) Details of proceedings against the Company, if any h) Nature of proceedings i) Current Status j) Companies View on the same	Not Applicable	Not Applicable

O Wilful Defaulter

Details of declared wilful defaulter by any bank or financial Institution or other lender.

Name of Bank, FI, Other lender declared wilful defaulter	Date of declaration as wilful defaulter	Amount of Defaults	Nature of Defaults
Nil	Nil	Nil	Nil

P Relationship with Struck off Companies

Name of struck off Company	Nature of transactions with struck-off Company	Balance Outstanding	Relationship with the Struck off company, if any, to be disclosed
Not Applicable	Investments in securities	NA	NA
	Receivables		
	Payables		
	Shares held by struck off company		
	Other outstanding balances (to be specified)		

Manibhavnam Home Finance India Private Limited
10 Tropical Drive, MG Road, Ghitorni, New Delhi-110030
CIN: U65990DL2016PTC298946
Notes forming part of financial statements for the year ended March 31, 2025
(All amounts are in Rupees lakhs, unless otherwise stated)

Q Public disclosure on liquidity risk

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr No.	Number of Significant Counterparties	Amount (Rs. crore)	% of Total deposits	% of Total Liabilities
1	3	93.74	NA	50.83%

Note:

1. Included only Principal amount.

2. Significant Counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs

3. Total Liabilities has been computed as Total Asset less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines

(ii) Top 20 large deposits (amount in Rs. crore and % of total deposits)-

The company is registered with NHB as Non Deposit taking Housing Finance Company and therefore deposits are Rs. NIL as on March 31, 2025

(iii) Top 10 borrowings (amount in Rs. crore and % of total borrowings)

Amount (Rs. Crore)	% of Total Borrowing
153.70	88.86%

Note: Included only principal amount and considered basis outstanding amount.

(iv) Funding Concentration based on significant instrument/product:

Sr. No.	Name of the instrument/product	Amount (Rs. crore)	% of Total Liabilities
1	Term Loans	172.97	93.80%
	Total	172.97	93.80%

(v) Stock Ratios

Commercial Papers as a % of total public funds	N.A.
Commercial Papers as a % of total liabilities	N.A.
Commercial Papers as a % of total assets	N.A.
Non-convertible debentures (original maturity of less than one year) as a % of total public funds	N.A.
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	N.A.
Non- convertible debentures (original maturity of less than one year) as a % of total Assets	N.A.
Other Short- term liabilities as a % of total public funds	N.A.
Other Short- term liabilities as a % of total liabilities	33.99%
Other short-term liabilities as a % of total assets	25.94%

(vi) Institutional set-up for liquidity risk management:

The Company has well defined ALM policy, which covers various aspects of liquidity risk management. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds.

The Asset Liability Management Committee, inter alia, reviews the asset liability profile, risk monitoring system, liquidity risk management, funding and capital planning, and contingency planning

Manibhavnam Home Finance India Private Limited
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Notes forming part of financial statements for the year ended March 31, 2025
(All amounts are in Rupees lakhs, unless otherwise stated)

R Stock options

a. The Company has formulated share-based payment schemes for its employees. Details of all grants in operation during the year ended March 31, 2025 are as given below:

Particulars	ESOP 2018 (Series 1)	ESOP 2018 (Series 2)	ESOP 2018 (Series 3)	ESOP 2018 (Series 4)
Date of Board approval	06.06.2018	06.06.2018	06.06.2018	26.12.2023
No of options approved	5,91,800	1,12,800	1,32,800	4,54,300
Date of grant	21.7.2018	06.12.2021	06.12.2022	26.12.2023
No of options granted	5,91,800	1,12,800	1,32,800	4,54,300
Exercise price per option (in Rs.)	10	10	10	10
Method of Settlement	Equity	Equity	Equity	Equity
Graded vesting period:				
1st vesting "12 months from date of grant"	10%	10%	10%	100%
2nd vesting "On expiry of one year from 1st vesting date"	20%	20%	20%	0%
3rd vesting "On expiry of two year from 1st vesting date"	30%	30%	30%	0%
4th vesting "On expiry of three year from 1st vesting date"	40%	40%	40%	0%
Exercise period	As per Employee Stock Option Plan 2018	As per Employee Stock Option Plan 2018	As per Employee Stock Option Plan 2018	As per Employee Stock Option Plan 2018
Vesting conditions	Mix of (Time 40% & Performance 60%)	Mix of (Time 40% & Performance 60%)	Mix of (Time 40% & Performance 60%)	100% time basis

b. Reconciliation of options

Year ended March 31, 2025

Particulars	ESOP 2018 (Series 1)	ESOP 2018 (Series 2)	ESOP 2018 (Series 3)	ESOP 2018 (Series 4)
Outstanding at the beginning of the year	3,18,500.00	94,400.00	1,14,584.00	4,54,300.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	1,891.00	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	3,18,500.00	94,400.00	1,12,693.00	4,54,300.00
Exercisable at the end of the year	3,18,500.00	56,640.00	32,333.00	4,54,300.00

Year ended March 31, 2024

Particulars	ESOP 2018 (Series 1)	ESOP 2018 (Series 2)	ESOP 2018 (Series 3)	ESOP 2018 (Series 4)
Outstanding at the beginning of the year	3,18,500.00	94,400.00	1,32,800.00	-
Granted during the year	-	-	-	4,54,300.00
Forfeited during the year	-	-	18,216.00	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	3,18,500.00	94,400.00	1,14,584.00	4,54,300.00
Exercisable at the end of the year	3,18,500.00	28,320.00	11,480.00	-

c. Computation of fair value of options granted during the year

The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	ESOP 2018 (Series 1,2,3)	ESOP 2018 (Series 4)
Weighted Average Share Price (Rs.)	10.00	15.00
Exercise Price (Rs.)	10.00	10.00
Expected Market Return	16.62%	15.09%
Cost of Equity	16.62%	15.09%
Life of the Options granted (vesting and exercise period) in years	As per Employee Stock Option Plan 2018	As per Employee Stock Option Plan 2018
Average Risk-Free Interest rate	6.22%	7.11%
Expected Dividend Yield	-	-
Fair Value of the option (Rs.)	0.00	5.00

The Company measures the cost of ESOP using the intrinsic value method. If the Company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts as indicated below:

Particulars	Year ended 31-Mar-25	Year ended 31-Mar-24
Profit after tax as reported	595.50	244.32
Add: ESOP cost using intrinsic value method (net of tax)	16.68	6.04
Less: ESOP cost using fair value method (net of tax)	16.68	6.04
Profit after tax (adjusted)	595.50	244.32
Earnings Per Share		
Basic		
As reported (In Rs.)	1.28	0.57
Adjusted for ESOP cost using fair value method (In Rs.)	1.28	0.57
Diluted		
As reported (In Rs.)	1.28	0.57
Adjusted for ESOP cost using fair value method (In Rs.)	1.28	0.57

Particulars	Year ended 31-Mar-25	Year ended 31-Mar-24
Expense charged for the year	16.68	6.04
Employee stock options outstanding balance	22.72	6.04

Manibhavnam Home Finance India Private Limited
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CIN: U65990DL2016PTC298946

Notes forming part of financial statements for the year ended March 31, 2025
(All amounts are in Rupees lakhs, unless otherwise stated)

S Disclosure as required by Annex III of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021

Particulars			As at 31-Mar-25	
Liabilities side			Amount outstanding	Amount overdue
(1)	Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:			
	(a)	Debentures : Secured	-	-
		: Unsecured	-	-
		(other than falling within the meaning of public deposits)		
	(b)	Deferred Credits	-	-
	(c)	Term Loans	17,372.80	-
	(d)	Inter-corporate loans and borrowing	-	-
	(e)	Commercial Paper	-	-
	(f)	Public Deposits	-	-
	(g)	Other Loans (Cash Credit)	-	-
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):			
	(a)	In the form of Unsecured debentures	-	-
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value	-	-
	(c)	Other public deposits	-	-
Assets side			Amount outstanding	
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:			
	(a)	Secured	20,972.48	
	(b)	Unsecured	-	
(4)	Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities			
	(i)	Lease assets including lease rentals under sundry debtors		
		(a) Financial lease	-	
		(b) Operating lease	-	
	(ii)	Stock on hire including hire charges under sundry debtors		
		(a) Assets on hire	-	
		(b) Repossessed Assets	-	
	(iii)	Other loans counting towards asset financing activities		
		(a) Loans where assets have been repossessed	-	
		(b) Loans other than (a) above	-	
(5)	Break-up of Investments			
	Current Investments			
	1.	<u>Quoted</u>		
		(i) Shares		
		(a) Equity	-	
		(b) Preference	-	
		(ii) Debentures and Bonds	-	
		(iii) Units of mutual funds	-	
		(iv) Government Securities	-	
		(v) Others	-	
	2.	<u>Unquoted</u>		
		(i) Shares		
		(a) Equity	-	
		(b) Preference	-	
		(ii) Debentures and Bonds	-	
		(iii) Units of mutual funds	-	
		(iv) Government Securities	-	
		(v) Others	-	

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Notes forming part of financial statements for the year ended March 31, 2025
(All amounts are in Rupees lakhs, unless otherwise stated)

Long Term investments						
1.	Quoted					
	(i)	Shares				
		(a) Equity				-
		(b) Preference				-
	(ii)	Debentures and Bonds			-	
	(iii)	Units of mutual funds			-	
	(iv)	Government Securities			-	
(v)	Others				-	
2.	Unquoted					
	(i)	Shares				
		(a) Equity				-
		(b) Preference				-
	(ii)	Debentures and Bonds			-	
	(iii)	Units of mutual funds			-	
	(iv)	Government Securities			-	
(v)	Others				-	
(6) Borrower group-wise classification of assets financed as in (3) and (4) above:						
	Category		Amount net of provisions			
			Secured	Unsecured	Total	
1.	Related Parties					
	(a)	Subsidiaries			-	
	(b)	Companies in the same group			-	
	(c)	Other related parties			-	
2.	Other than related parties		20,972.48	-	20,972.48	
	Total		20,972.48	-	20,972.48	
(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :						
	Category				Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1.	Related Parties					
	(a)	Subsidiaries			-	-
	(b)	Companies in the same group			-	-
	(c)	Other related parties			-	-
2.	Other than related parties				-	-
	Total				-	-
(8) Other information						
	Particulars				Amount	
(i)	Gross Non-Performing Assets					
	(a)	Related parties				-
	(b)	Other than related parties				583.98
(ii)	Net Non-Performing Assets					
	(a)	Related parties				-
	(b)	Other than related parties				461.50
(iii)	Assets acquired in satisfaction of debt					530.90

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Notes forming part of financial statements for the year ended March 31, 2025
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T Disclosure of Analytical Ratios

Ratios	Numerator	Denominator	Numerator 31-Mar-25	Denominator 31-Mar-25	Numerator 31-Mar-24	Denominator 31-Mar-24	For the year ended 31-Mar-25	For the year ended 31-Mar-23	% Variance	Reason for variance
(a) Current Ratio	Current Assets	Current Liabilities	6,634.39	6,267.39	5,379.84	4,775.71	1.06x	1.13x	-6%	-
(b) Debt-Equity Ratio	Total Long Term Debts	Shareholder's Equity	11,857.17	5,717.52	10,409.93	5,105.34	2.07x	2.04x	2%	-
(c) Debt Service Coverage Ratio	Earning available for debt service	Debt service	2,673.80	1,874.86	1,948.57	1,599.08	1.43x	1.22x	17%	-
(d) Return on Equity Ratio	Net Profit after Taxes	Shareholder's Equity	595.50	5,717.52	244.32	5,105.34	10.42%	4.79%	118%	Return on Equity has increased due to increase in scale of operations and improvement in profitability
(e) Inventory turnover ratio	Cost Of Goods Sold	Average Inventory	NA	NA	NA	NA	NA	NA	NA	-
(f) Trade Receivables turnover ratio	Total Credit Sales	Average Accounts Receivable	NA	NA	NA	NA	NA	NA	NA	-
(g) Trade payables turnover ratio	Net Credit Purchases	Average trade payables	56.12	44.75	33.37	41.38	125%	81%	55%	Trade payables days have improved due to timely payment to all creditors.
(h) Net capital turnover ratio	Net sales	Average working capital	4,509.59	485.57	3,561.53	399.80	9.29	8.91	4%	-
(i) Net profit ratio	Net Profit after Taxes	Turnover	595.50	4,509.59	244.32	3,561.53	13.21%	6.86%	92%	Turnover & Net profits have increased due to increase in scale of operations and improvement in profitability
(j) Return on Capital employed	Net profit Before Interest & Taxes	Gross Capital Employed	2,662.97	17,574.69	1,924.32	15,515.27	15.15%	12.40%	22%	-
(k) Return on investment	Net Profit after Interest and Taxes	Investments	NA	NA	NA	NA	NA	NA	NA	-

Manibhavnam Home Finance India Private Limited
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U Derivative Instruments Exposures

Particulars	As at 31-Mar-25	As at 31-Mar-24
Forward Rate Agreement(FRA)/ Interests Rate Swap(IRS)		
(i) The notional principal of forward rate agreements/ Interests Rate Swap	3,653.90	4,125.17
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the HFC upon entering into swaps	300.00	450.00
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of swap book	-	-

* The Company does not have any Exchange Traded Interest rate (IR) Derivative.

Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The exposure of the Company to Derivatives contracts is in the nature of Interest Rate Swaps and Currency Swaps to manage risk associated with interest rate movement and fluctuation in the currency exchange rate.

The Asset Liability Management Committee (ALCO) of the Company oversees efficient management of risk associated with derivative transactions. Company identifies, measures, monitors the exposure associated with derivative transaction. For effective mitigation of risk it has an internal mechanism to conduct regular review of the outstanding contracts which is reported to the ALCO & Risk Management Committee of the Board which in turn reports to the Audit Committee and to the Board of Directors.

B. Quantitative Disclosure

Particulars	As at 31-Mar-25	As at 31-Mar-24
(i) Derivatives (Notional Principal Amount)	3,653.90	4,125.17
(ii) Marked to Market Positions	-	-
(a) Assets (+)	-	-
(b) Liability (-)	176.26	326.91
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

Date: 27.06.2025

SHIVALIK SMALL FINANCE BANK LIMITED

CIN NO. U65900DL2020PLC366027

Balance Sheet as at 31st March, 2025

(Amounts in INR thousands, unless otherwise stated)

Particulars	Schedule	As at March 31, 2025	As at March 31, 2024
<u>Capital and Liabilities</u>			
(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
Total		4,11,97,598	3,02,85,229
<u>Assets</u>			
(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
Total		4,11,97,598	3,02,85,229
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

**For and on behalf of the Board of Directors of
Shivalik Small Finance Bank Limited**

SD/-
Kriti Kant Chadha
Partner
Membership No.: 515629

SD/-
Shankar Aggarwal
Director
DIN:02116442

SD/-
Anshul Swami
Managing Director and CEO
DIN:09446950

SD/-
Gaurav Seth
Whole-Time Director &
CFO
DIN: 06724718

SD/-
Shruti Pandey
Company Secretary
Membership No. : 34796

Place: Noida
Date: 10th June 2025

Place: Noida
Date: 10th June 2025

SHIVALIK SMALL FINANCE BANK LIMITED**CIN NO. U65900DL2020PLC366027****Profit and Loss Account for the year ended on 31st March, 2025**

(Amounts in INR thousands, unless otherwise stated)

Particulars	Schedule No.	Year ended on 31 March, 2025	Year ended on 31 March, 2024
I. <u>Income</u>			
Interest earned	13	37,48,097	28,06,710
Other income	14	4,80,743	2,87,050
Total		42,28,840	30,93,760
II. <u>Expenditure</u>			
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
Total		42,19,412	30,69,806
III. <u>Profit/Loss</u>			
Net profit/(loss) for the year		9,428	23,954
Profit/(loss) brought forward		10,135	(6,610)
Total		19,563	17,344
IV. <u>Appropriations</u>			
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
Total		19,563	17,344
Earning Per Share (Rs.) (Basic) (Nominal Value Rs. 10 per share)		0.07	0.22
Earning Per Share (Rs.) (Diluted) (Nominal Value Rs. 10 per share)		0.07	0.21
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 attached

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

**For and on behalf of the Board of Directors of
Shivalik Small Finance Bank Limited**

SD/-
Kriti Kant Chadha
Partner
Membership No.: 515629

SD/-
Shankar Aggarwal
Director
DIN:02116442

SD/-
Anshul Swami
Managing Director and CEO
DIN:09446950

SD/-
Gaurav Seth
Whole-Time Director & CFO
DIN: 06724718

SD/-
Shruti Pandey
Company Secretary
Membership No. : 34796

Place: Noida
Date: 10th June 2025

Place: Noida
Date: 10th June 2025

SHIVALIK SMALL FINANCE BANK LIMITED

CIN NO. U65900DL2020PLC366027

Cash Flow Statement

(Amounts in INR thousands, unless otherwise stated)

Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
A CASH FLOWS FROM OPERATING ACTIVITIES		
(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 CASH FLOWS FROM INVESTING ACTIVITIES		
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)
C CASH FLOWS FROM FINANCING ACTIVITIES		
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.

For GSA & Associates LLP

Chartered Accountants

Firm Registration No.: 000257N/N500339

**For and on behalf of the Board of Directors of
Shivalik Small Finance Bank Limited**

SD/-

Kriti Kant Chadha

Partner

Membership No.: 515629

SD/-

Shankar Aggarwal

Director

DIN:02116442

SD/-

Anshul Swami

Managing Director and CEO

DIN:09446950

SD/-

Gaurav Seth

Whole-Time Director & CFO

DIN: 06724718

SD/-

Shruti Pandey

Company Secretary

Membership No. : 34796

Place: Noida

Date: 10th June 2025

Place: Noida

Date: 10th June 2025

SHIVALIK SMALL FINANCE BANK LIMITED**CIN NO. U65900DL2020PLC366027****Notes to the financial statements**

(Amounts in INR thousands, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
Schedule 1A: Capital		
I Authorised Capital		
Equity Shares 18,00,00,000 shares of Rs. 10 each (previous year 14,00,00,000 shares of Rs. 10 each)	18,00,000	14,00,000
Preference Shares 2,00,00,000 Shares of Rs. 10 each (previous year 2,00,00,000 shares of Rs. 10 each)	2,00,000	2,00,000
	20,00,000	16,00,000
II Issued Capital		
Equity Shares 14,87,16,797 shares of Rs. 10 each (previous year 12,62,15,158 shares of Rs. 10 each)	14,87,168	12,62,152
Preference Shares Nil (previous year 1,00,00,000 shares of Rs. 10 each)	-	1,00,000
	14,87,168	13,62,152
III Subscribed Capital		
Equity Shares 14,87,16,797 shares of Rs. 10 each (previous year 12,14,15,999 shares of Rs. 10 each)	14,87,168	12,14,160
Preference Shares Nil (previous year 1,00,00,000 shares of Rs. 10 each)	-	1,00,000
	14,87,168	13,14,160
IV Subscribed and Fully Paid-up Share Capital		
Equity Shares 14,87,16,797 shares of Rs. 10 each (previous year 12,14,15,999 shares of Rs. 10 each)	14,87,168	12,14,160
	14,87,168	12,14,160
V Subscribed but not Fully Paid-up Share Capital		
Preference Shares Nil Shares (previous year 1,00,00,000 shares of Rs. 0.5 paid up)	-	5,000
	-	5,000
Total Equity (IV+V)	14,87,168	12,19,160

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

Schedule 1B: Share warrants

I Share warrants authorised for issue		
60,00,000 warrants of Rs. 10 each (previous year: 60,00,000 warrants of Rs. 10 each)	60,000	60,000
	60,000	60,000
II Share warrants issued and paid-up		
60,00,000 warrants of Rs. 10 each, Rs 1.20 partly paid-up (previous year: 60,00,000 warrants Rs 1.20 partly paid-up)	7,200	7,200
	7,200	7,200

	As at March 31, 2025	As at March 31, 2024
Schedule-2: Reserves and surplus		
I. Statutory reserves		
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	-	-
Sub-Total	1,59,065	1,56,708
II. Capital Reserves		
Opening Balance	-	-
Additions during the year	5,792	-
Deductions during the year	-	-
Sub-Total	5,792	-
III. Share premium		
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
Sub-Total	17,97,774	8,89,755
IV. Revenue and Other Reserves		
A. Investment fluctuation reserve		
Opening Balance	19,733	19,733
Additions during the year	-	-
Deductions during the year	-	-
Sub-Total	19,733	19,733
B. Employee stock option plan reserve		
Opening Balance	17,794	7,382
Additions during the year	3,846	10,412
Deductions during the year	-	-
Sub-Total	21,640	17,794
C. Special reserve u/s 36(1)(viii) of Income Tax Act, 1961		
Opening Balance	1,221	-
Additions during the year	1,279	1,221
Deductions during the year	-	-
Sub-Total	2,500	1,221
D. AFS Reserve		
Opening Balance	-	-
Additions during the year	2,358	-
Deductions during the year	-	-
Sub-Total	2,358	-
V. Balance in Profit and Loss Account		
Total (I, II and III)	10,135	10,135
	20,18,997	10,95,346

Description of the nature and purpose Reserves and Surplus

Statutory Reserves

The Bank has made an appropriation of Rs. 2,357 thousand out of profits for the year ended March 31, 2025 (previous year : Rs 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 Rs. 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.

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 :-

- Net Profit on the Sale of the investment during the year
- Net Profit for the year less mandatory appropriation

During the year the Bank has earned a profit of Rs 9,428 thousand (previous year : Rs 23,954 thousand). Since investment fluctuation 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.

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Notes to the financial statements

(Amounts in INR thousands, unless otherwise stated)

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

Schedule-4 : Borrowings**I. Borrowings in India****(i) Secured**

(a) Reserve Bank of India*

(b) Other banks**

Total secured borrowings**(ii) Unsecured**

(a) Other institutions and agencies***

Total Unsecured Borrowings**Sub-Total (secured and unsecured)****II. Borrowings outside India****Total (I and II)**

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

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

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

	As at March 31, 2025	As at March 31, 2024
Schedule-5 : Other liabilities and provisions		
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
TOTAL	9,22,961	5,08,596

*.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 Rs. 92,201 thousand (previous year : Rs. 69,962 thousand).

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Notes to the financial statements

(Amounts in INR thousands, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
Schedule 6 : Cash and balances with Reserve Bank of India		
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
Total (I and II)	32,27,858	18,67,522

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

I. In India		
(i) Balances with banks		
(a) In current accounts	66,146	53,922
(b) In other deposit accounts	1,52,600	9,22,200
Total Balances with banks	2,18,746	9,76,122
(ii) Money at call and short notice		
(a) with banks	-	-
(b) with other institutions	-	-
Money at call and short notice	-	-
Sub-Total	2,18,746	9,76,122
II. Outside India		
(i) Balances with banks		
(a) In current accounts	-	-
(b) In other deposit accounts	-	-
Total Balances with banks	-	-
(ii) Money at call and short notice	-	-
Total Money at call and short notice	-	-
Sub-Total	-	-
Grand Total (I and II)	2,18,746	9,76,122

Schedule 8 :Investments

I. Investments in India (net of provision)		
(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	-	1,72,268
(Purchase of agriculture loan portfolio through securitization)		
Sub-Total	63,45,290	49,56,309
II. Investments outside India (net of provision)		
(i) Government securities (including local authorities)	-	-
(ii) Subsidiaries and/or joint ventures abroad	-	-
(iii) Others investments (to be specified)	-	-
Sub-Total	-	-
Grand Total (I and II)	63,45,290	49,56,309

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Notes to the financial statements

(Amounts in INR thousands, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
Schedule 9:Advances		
A. (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
Total	2,93,45,595	2,09,53,790
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
Total	2,93,45,595	2,09,53,790
C. (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
Total	2,93,45,595	2,09,53,790
C. (II). Advances outside India		
(i) Due from banks	-	-
(ii) Due from others	-	-
(a) Bills purchased and discounted	-	-
(b) Syndicated loans	-	-
(c') Others	-	-
Total	-	-
Grand Total (C.I and II)	2,93,45,595	2,09,53,790

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

** Covered under the CGFMU scheme.

SHIVALIK SMALL FINANCE BANK LIMITED

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Notes to the financial statements

(Amounts in INR thousands, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
Schedule 10 : Fixed assets		
A. Tangible assets		
I. Premises		
At cost as on 31st March of the preceding year	-	-
Additions during the year	-	-
Deductions during the year	-	-
Total	-	-
Depreciation		
As at 31st March of the preceeding year	-	-
Add: charge during the year	-	-
Deductions during the year	-	-
Total	-	-
Net block	-	-
II. Other fixed assets (including furniture and fixtures)		
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
	14,53,728	10,81,139
* Depreciation		
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
Total	6,30,349	4,20,551
Net block	8,23,379	6,60,588
III. Capital work-in progress		
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
Total	5,96,148	3,64,308
Total (I,II and III)	14,19,527	10,24,896
Schedule-11 : Other assets		
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
Total	6,40,582	5,06,590
Schedule-12 : Contingent liabilities		
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
Total	47,948	49,981

* Refer note 18.9

SHIVALIK SMALL FINANCE BANK LIMITED**CIN NO. U65900DL2020PLC366027****Notes to the financial statements**

(Amounts in INR thousands, unless otherwise stated)

	Year ended March 31, 2025	Year ended March 31, 2024
Schedule 13 : Interest earned		
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
Total	37,48,097	28,06,710

* Includes interest earned on income tax refund.

Schedule 14 : Other income

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
Total	4,80,743	2,87,050

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

Schedule 15 : Interest expended

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
Total	20,76,918	14,46,586

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

Schedule 16 : Operating expenses

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
Total	19,42,795	14,61,641

*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

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:

- (a) Government Securities
- (b) Other Approved Securities
- (c) Shares
- (d) Debentures and Bonds
- (e) Subsidiaries / Joint Ventures
- (f) Others

(iii) Valuation

1 Held to Maturity:

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

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Notes to the financial statements

(Amounts in INR thousands, unless otherwise stated)

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 Reserve while 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 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.

SHIVALIK SMALL FINANCE BANK LIMITED**CIN NO. U65900DL2020PLC366027****Notes to the financial statements**

(Amounts in INR thousands, unless otherwise stated)

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.
- (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.
- (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.
- (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.

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.

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Notes to the financial statements

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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:

	Year ended 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
Total Capital	39,45,508	27,36,148
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%
Total	20.95%	20.19%
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 :**1 Common Equity Tier 1 (CET 1)/ Tier 1 capital**

Equity Shares of 14,87,16,797 Rs. 10 each (previous year 12,14,15,999 shares of Rs. 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
Total Common Equity Tier 1 (CET 1)	34,59,934	22,70,758

2 Tier 2 capital

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
Total Tier 2 capital	4,85,575	4,65,390

¹ 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.

CIN NO. U65900DL2020PLC366027

(Amounts in INR thousands, unless otherwise stated)

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

[illegible]

As at March 31, 2024

[illegible]

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Notes to the financial statements

(Amounts in INR thousands, unless otherwise stated)

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

CIN NO. U65900DL2020PLC366027

Notes to the financial statements

(Amounts in INR crores, unless otherwise stated)

18.3.1 Liquidity Coverage Ratio¹

[illegible]

SHIVALIK SMALL FINANCE BANK LIMITED

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Notes to the financial statements

(Amounts in INR crores, unless otherwise stated)

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 Weighted Value (average)	Total Weighted (average)	Total Un- Weighted Value (average)	Total Weighted Value (average)	Total Weighted (average)	Total Un- Weighted Value (average)	Total Weighted Value (average)	Total Weighted (average)	Total Un- Weighted Value (average)	Total Weighted Value (average)	Total Weighted Value (average)
(iii) Credit and liquidity facilities	352	44	45	358	45	258	34	289	31			
6 Other Contractual funding obligation	53	53	49	49	49	60	60	56	56			
7 Other Contingent funding obligation	3.02	0.09	0	3	0	3	0	3	0			
8 Total Cash Outflows	2,950	497	528	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	76	105	76	155	126	103	76			
11 Other Cash inflows	-	-	-	-	-	-	-	-	-			
12 Total Cash inflows	386	103	76	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%				

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Notes to the financial statements

(Amounts in INR crores, unless otherwise stated)

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 Weighted (average)	Total Un- Weighted Value (average)	Total Weighted Value (average)	Total Weighted (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)
(iii) Credit and liquidity facilities												
6 Other Contractual funding obligation	18	18	1	69	105	4	9	224	13	114	6	7
7 Other Contingent funding obligation	239	12	0	3	3	0	3	3	0	3	0	0
8 Total Cash Outflows	2,435	489	462	2,099	1,998	361	1,998	1,758	307	1,758	307	307
9 Secured Lending (e.g. reverse repo)	130	-	-	17	30	-	30	24	-	24	-	-
10 Inflows from fully performing exposures	94	77	59	79	82	57	82	37	20	37	20	20
11 Other Cash inflows	7	7	10	10	76	41	76	80	43	80	43	43
12 Total Cash inflows	231	83	69	106	188	98	188	141	63	141	63	63
13 Total HQLA	532	-	-	458	-	-	443	360	-	360	-	-
14 Total Net Cash Outflows	406	-	-	393	263	-	263	244	-	244	-	-
15 Liquidity Coverage Ratio (%)	131.08%			116.52%	168.34%		168.34%	147.61%		147.61%		

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. BP.BC.80/21.06.201/2014-15 dated 31st March 2015, average weighted and unweighted amounts have been calculated taking simple daily average.

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Notes to the financial statements

(Amounts in INR crores, unless otherwise stated)

18.3.2 Net Stable Funding Ratio¹

(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					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 to 1 year	6 Months to 1 year	More Than 1 year	Weighted Value
ASF Item										
1 Capital (2+3)	-	-	-	-	399	-	-	-	-	369
2 Regulatory Capital	-	-	-	-	399	-	-	-	-	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

(Amounts in INR crores, unless otherwise stated)

Particulars		Quarter ended March 31, 2025			Quarter ended December 31, 2024			Weighted Value		Unweighted Value by residual maturity		Unweighted Value by residual maturity		Weighted Value	
		Unweighted Value by residual maturity			Unweighted Value by residual maturity			Value		Unweighted Value by residual maturity		Unweighted Value by residual maturity		Weighted Value	
		No Maturity	less than 6 Months	6 Months to 1 year	More Than 1 year	No Maturity	less than 6 Months to 1 year	6 Months to 1 year	More Than 1 year	No Maturity	less than 6 Months to 1 year	6 Months to 1 year	More Than 1 year	No Maturity	less than 6 Months to 1 year
RSF Items															
14	Total NSFR high quality liquid assets (HQLA)	115	336	-	507	30	218	141	-	501	-	501	-	501	27
15	Deposits held at other financial institutions for operational purposes	7	-	-	-	3	14	-	-	-	-	-	-	-	7
16	Performing loans and securities:	8	390	1175	1293	1907	10	437	644	861	644	861	644	861	1,270
17	Performing loans to financial institutions (17+18+19+21+23)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Performing loans to financial institutions secured by Level 1 HQLA	-	43	56	165	200	-	56	56	23	56	23	56	23	59
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Performing loans to nonfinancial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which: With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	343	1,115	914	1,548	-	365	571	638	571	638	571	638	1,010
21	Performing residential mortgages, of which:	-	14	2	19	20	-	-	-	-	-	-	-	-	-
21	Performing residential mortgages, of which:	-	5	5	213	151	-	17	17	199	17	199	17	199	192

(Amounts in INR crores, unless otherwise stated)

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

(Amounts in INR crores, unless otherwise stated)

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 to 1 year	6 Months to 1 year	More Than 1 year	No Maturity	less than 6 Months to 1 year	6 Months to 1 year	More Than 1 year		
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

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Notes to the financial statements

(Amounts in INR crores, unless otherwise stated)

Particulars	Quarter ended September 30, 2024			Quarter ended June 30, 2024						
	Unweighted Value by residual maturity			Weighted Value	Unweighted Value by residual maturity			Weighted Value		
	No Maturity	less than 6 Months to 1 year	More Than 1 year		No Maturity	less than 6 Months to 1 year	More Than 1 year			
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:	0	451	702	1,358	1,666	0	266	911	1,173	1,559
(17+18+19+21+23)										
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
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

(Amounts in INR crores, unless otherwise stated)

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

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

Particulars	Quarter ended March 31, 2024						Quarter ended December 31, 2023					
	Unweighted Value by residual maturity			Weighted Value			Unweighted Value by residual maturity			Weighted Value		
	No Maturity	less than 6 Months to 1 year	More Than 1 year				No Maturity	less than 6 Months to 1 year	More Than 1 year			
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

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[illegible]

(Amounts in INR crores, unless otherwise stated)

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

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(Amounts in INR crores, unless otherwise stated)

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 to 1 year	More Than 1 year	No Maturity	less than 6 Months to 1 year	More Than 1 year					
RSF Items											
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:	-	409	358	1,200	1,122	-	510	302	945	1,144
17	(17+18+19+21+23) 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
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	-

(Amounts in INR crores, unless otherwise stated)

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	More Than 6 Months	1 year	1 year		No Maturity	less than 6 Months	More Than 6 Months	1 year	1 year	
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	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%

18.4 Investments

a) Composition of Investment Portfolio

As at 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	Total Investments outside India
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 Rs. 59,11,959 thousand pertaining to Government securities and Rs. 4,33,331 thousand pertaining to reverse REPO

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As at March 31, 2024

	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
Held to Maturity										
Gross *	47,81,569	-	-	-	-	-	47,81,569	-	-	-
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-
Net	47,81,569	-	-	-	-	-	47,81,569	-	-	-
Available for Sale										
Gross	-	-	-	2,472	-	1,72,268	1,74,740	-	-	-
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	2,472	-	1,72,268	1,74,740	-	-	-
Held for Trading										
Gross	-	-	-	-	-	-	-	-	-	-
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-
Total Investments	47,81,569	-	-	2,472	-	1,72,268	49,56,309	-	-	-
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-
Net	47,81,569	-	-	2,472	-	1,72,268	49,56,309	-	-	-

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

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b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

	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 Rs. 86,66,15 thousand (Book Value: Rs. 85,54,35 thousand) which falls under exempt category. Therefore, no additional disclosure is required for the same.

(d) Non-SLR Investment Portfolio

	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	-	-
Total Provisions held	-	-

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(ii) Issuer composition of non-SLR investments

[illegible]

(e) Repo Transactions

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

	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								

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

	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

	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
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/						49,840
Add: Technical/ Prudential write-offs during the year						1,01,746
Less: Recoveries made						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%

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For the year ended March 31, 2024

	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					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/						54,539
Add: Technical/ Prudential write-offs						-
Less: Recoveries made						4,699
Closing Balance						49,840
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%

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b) Sector-wise Advances and Gross NPAs

Sr No. Sector	As at 31st March 2025			As at 31st March 2024		
	Outstanding Total Advances	Gross NPA's	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPA's	Percentage of Gross NPAs to Total Advances in that sector
(I) Priority Sector						
(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%
Subtotal (i)	1,82,56,433	6,26,405		1,32,04,557	2,50,797	
(II) Non-Priority Sector						
(a) Agriculture and allied activities	-	-	0.0%	-	-	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%
Subtotal (ii)	1,14,47,971	1,74,860		79,99,986	1,76,292	
Grand Total	2,97,04,404	8,01,265		2,12,04,543	4,27,089	

c) Overseas assets, NPAs and revenue

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

(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).

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(g) Fraud Accounts

	As at March 31, 2025	As at 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:

- 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 Rs 39,835 is made for the same.

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

Category	As at March 31, 2025	As at March 31, 2024
(i) Direct Exposure		
(a) Residential Mortgages- Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	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.). Exposure would also include non-fund based (NFB) limits;	1,56,285	1,97,270
(c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures: On fund based limits:	-	-
(i) Residential	-	-
(ii) Commercial real Estate	-	-
(ii) Indirect Exposure		
Total exposure to real estate	-	-
(a) Exposure to Capital markets		
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	-	-

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Category	As at March 31, 2025	As at March 31, 2024
(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;	-	-
(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

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)

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18.7 Concentration of deposits, advances, exposures and NPAs		As at March 31, 2025	As at March 31, 2024
(a) Concentration of deposits			
Particulars			
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) Concentration of Advances			
Particulars			
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%
(c) Concentration of Exposures			
Particulars			
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%
(d) Concentration of NPAs			
Particulars			
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.

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Notes to the financial statements

(Amounts in INR thousands, unless otherwise stated)

18.10 Disclosures of Complaints

	As at		As at
	March 31, 2025	March 31, 2024	March 31, 2024
(a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman			
Complaints received by the bank from its customers			
1 Number of complaints pending at beginning of the year	-	1986	-
2 Number of complaints received during the year	1986	1956	341
3 Number of complaints disposed during the year	849	849	159
3 Of which, number of complaints rejected by the Bank	30	30	-
4 Number of complaints pending at the end of the year	42	42	24
Maintainable complaints received by the bank from Office of Ombudsman			
5 Number of maintainable complaints received by the bank from Office of Ombudsman	34	34	-
5.1 Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	2	2	24
5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman			-
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	
Total		1,986	482%	30	

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(Amounts in INR thousands, unless otherwise stated)

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%		
Total		341	177%		

(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 redressal mechanism with the escalation matrix of the bank is displayed on the Bank website as well as branches for customer information

SHIVALIK SMALL FINANCE BANK LIMITED**CIN NO. U65900DL2020PLC366027****Notes to the financial statements**(Amounts in INR thousands, unless otherwise stated)

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 Rs. 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)

(a) The Bank has constituted Nomination and Remuneration Committee (NRC) for overseeing and governing the compensation policies 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 Officer, 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 Personnel 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.

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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
- 3 To have mechanisms in place for effective supervisory oversight and Board engagement in
- 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.
- 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

- (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.
 - (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 INR 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.

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 INR 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 INR 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 INR 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.

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			As at	As at
			March 31, 2025	March 31, 2024
(ii) Quantitative Disclosures				
(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	Rs./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.	Rs./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	Rs./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.	Rs./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

Sr No	Name	Designation	As at	Year ended
			March 31, 2025	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
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 Rs. 800 thousand paid, an amount of Rs. 50 thousand was paid to an Independent Director towards consultancy services rendered in a professional capacity.

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Notes to the financial statements

(Amounts in INR thousands, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
18.13		
(a) Business ratios		
Interest Income as a percentage to Working Funds ¹	10.96%	11.10%
Non-interest income as a percentage to Working Funds ²	1.41%	1.13%
Cost of Deposits ³	6.91%	6.24%
Net Interest Margin ⁴	5.46%	5.95%
Operating Profit as a percentage to Working Funds ⁵	0.61%	0.73%
Return on Assets ⁶	0.03%	0.09%
Business per employee ⁷	68,199	59,721
Profit per employee ⁸	11	34

Notes :

- 1 Working funds is reckoned as average of total assets as reported to Reserve Bank of India in ALE monthly.
- 2 Non interest income consists of income earned via commission brokerage charges and exchange transactions.
- 3 Cost of Deposits is the ratio of interest expense on deposits to daily average of total deposits.
- 4 Net Interest Income/ Average Earning Assets. Where net interest income= interest Income – interest expense and Average assets = average of earning assets.
- 5 Operating profit is profit for the year before provisions and contingencies and profit / (loss) on sale of building and other fixed assets (net).
- 6 Return on assets is calculated using the formula : Net income/Working Funds
- 7 Business is reckoned as average of deposits(net of interbank) and net advances for the year.
- 8 Profit per employee is calculated using average number of employees during the period.

	As at March 31, 2025	As at March 31, 2024
(b) Bancassurance business		
Fees/Remuneration Received		
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
Total	76,145	60,442
(c) Marketing and distribution		
Fees/Remuneration Received	4,480	2,000
	4,480	2,000

(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

	Year ended March 31, 2025	Year ended March 31, 2024
Provision debited to profit and loss account		
(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
Total	1,99,699	1,61,579

*Includes bad debts written of amounting to Rs. 5,220 thousand (previous year: Rs. 35,050 thousand)

(f) Implementation of IFRS converged Indian Accounting Standards (Ind AS)

"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.BP.BC.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."

(g) Payment of DICGC Insurance Premium

	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

SHIVALIK SMALL FINANCE BANK LIMITED**CIN NO. U65900DL2020PLC366027****Notes to the financial statements***(Amounts in INR thousands, unless otherwise stated)***(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)

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	-	-
Total	1,03,131	96,070

	As at March 31, 2025	As at March 31, 2024
(iii) Amount of lease payment recognized in P & L Account for operating lease is as under.		
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

(d) Accounting Standard 20 - Earnings per Share

	As at March 31, 2025	As at March 31, 2024
(A) EPS - Basic	Rs. 0.07	0.22
(B) EPS - Diluted*	Rs. 0.07	0.21
(C) Amount used as numerator Profit/ (Loss) after tax :Bas Rs./'000'	9,428	23,954
i Add: Effect of dilution- Stock option granted to employee	Rs./'000' -	-
ii Add: Effect of dilution- Share Warrants	Rs./'000' -	-
iii Add: Effect of dilution- Compulsory Convertible debentu	Rs./'000' -	-
iv Add: Effect of dilution-Compulsory Convertible	Rs./'000' -	-
Preference shares		
(D) Amount used as numerator Profit/ (Loss) after tax :Dilu Rs./'000'	9,428	23,954
(E) Nominal value of share	Rs. 10	10
(F) Weighted average number of equity shares used as the denominator - Basic	1,35,995	1,09,304
i Add: Effect of dilution- Stock option granted to employee	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 debentu	No.s/'000' -	-
iv Add: Effect of dilution-Compulsory Convertible	No.s/'000' -	265
Preference shares		
(G) Weighted average number of equity shares used as the denominator-Diluted	1,38,069	1,11,833

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Notes to the financial statements

(Amounts in INR thousands, unless otherwise stated)

(e) Accounting Standard 22- Accounting for taxes on Income		As at March 31, 2025	As at March 31, 2024
(a) Deferred Tax Asset			
(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	-
Total		75,650	48,622
(b) Deferred Tax Liabilities			
(i) Depreciation on Fixed Assets		-	5,034
(ii) Special Reserve u/s 36(1)(viii) of Income Tax Act 1961		598	307
(iii) Others		-	-
Total		598	5,341
Deferred tax (liabilities) / assets (net)		75,052	43,281
(c) Tax paid in advance/ tax deducted at source (net of provision for tax)		18,988	9,216

Note: Movement of Deferred tax assets

	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	
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
	4,87,237	3,00,387	-	7,87,624
Accumulated depreciation				
Computer Software	1,57,003	1,43,256	-	3,00,259
Trademark	90	20	-	110
Total	1,57,093	1,43,276	-	3,00,369
Net block				
Computer Software	3,30,038	1,57,131	-	4,87,169
Trademark	106	-20	-	86
Total	3,30,144	1,57,111	-	4,87,255

SHIVALIK SMALL FINANCE BANK LIMITED**CIN NO. U65900DL2020PLC366027****Notes to the financial statements***(Amounts in INR thousands, unless otherwise stated)***For the financial year 2023-24**

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
	2,74,989	2,11,168	-	4,86,157
Accumulated depreciation				
Computer Software	85,318	71,425	-	1,56,743
Trademark	70	21	-	91
Total	85,388	71,446	-	1,56,834
Net block				
Computer Software	1,89,475	1,39,743	-	3,29,218
Trademark	126	-21	-	105
Total	1,89,601	1,39,722	-	3,29,323

(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).

SHIVALIK SMALL FINANCE BANK LIMITED

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Notes to the financial statements

(Amounts in INR thousands, unless otherwise stated)

(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 Rs.8,792 thousands (previous year : Rs 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

Particulars	As at	As at
	March 31, 2025	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)
Present Value of obligations	33,090	28,086

Particulars	As at	As at
	March 31, 2025	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
Net Liability/ (Assets)	3,658	4,346

Particulars	As at	As at
	March 31, 2025	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
Expenses to be recognised in Profit and Loss account	8,104	8,034

Particulars	As at	As at
	March 31, 2025	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
Fair Value of Plan Assets at the end of year	29,432	23,740

Principal actuarial assumptions used in determining gratuity and post-employment benefits.	As at	As at
	March 31, 2025	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

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Notes to the financial statements

(Amounts in INR thousands, unless otherwise stated)

(I) Accounting Standard 18 - Disclosure of Related Parties**(I) 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*

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(Amounts in INR thousands, unless otherwise stated)

(i) Deposits

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
Total	26,220	1,83,740	20,576	65,891

(ii) Advances

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
Total	4,334	4,820	4,740	4,886

(iii) Interest paid

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
Total	1,204	1,006

(iv) Interest received

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	-	-
Total	321	103

SHIVALIK SMALL FINANCE BANK LIMITED**CIN NO. U65900DL2020PLC366027****Notes to the financial statements**

(Amounts in INR thousands, unless otherwise stated)

(v) Leasing / HP arrangements/ Other arrangements availed

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
Total	2,672	2,578

(vi) Remuneration

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
Total	29,667	27,445

SHIVALIK SMALL FINANCE BANK LIMITED

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Notes to the financial statements

(Amounts in INR thousands, unless otherwise stated)

(n) Accounting Standard 17 – Segment Reporting

PART A- BUSINESS SEGMENTS

Business Segments	Particulars	Treasury		Corporate/ Wholesale banking				Retail Banking				Other Banking Operations				Total	
		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	Digital banking	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	
	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	23,977		
	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		
	Total Assets													4,11,97,598	3,02,85,229		
	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																
	Total Liabilities													3,76,86,591	2,79,63,523		

PART B- GEOGRAPHIC SEGMENTS

The Bank has single geographic segment

Notes

- 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.
- 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.
- Indirect expenses like salaries and infrastructure cost is apportioned on the basis of average time spent and average area occupied by each segment.
- Unallocated assets consist of Advance Tax / TDS (Net of provision for taxes) of Rs. 18,988 thousand (previous year : Rs 9,216 thousand).
- The bank does not have any digital banking unit

SHIVALIK SMALL FINANCE BANK LIMITED**CIN NO. U65900DL2020PLC366027****Notes to the financial statements**

(Amounts in INR thousands, unless otherwise stated)

(o) Accounting Standard 29 - Provisions, Contingent Liabilities and Contingent Assets**Details of provisions**

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
	Total provisions	3,58,878	2,76,033	(1,46,340)	4,88,571
(e)	Deferred tax assets (credit)	43,280	31,772	-	75,052
		43,280	31,772	-	75,052
	Total	3,15,598	2,44,261	(1,46,340)	4,13,519

Note: Amount utilized consist of write offs made during year.

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
	Total provisions	2,24,069	1,57,161	(22,352)	3,58,878
(e)	Deferred tax assets (credit)	12,648	30,632	-	43,280
		12,648	30,632	-	43,280
	Total	2,11,421	1,26,529	(22,352)	3,15,598

Note: Amount utilized consist of write offs made during year.

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 Rs. 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.

Particulars	As at March 31, 2025		As at March 31, 2024	
	No's ('000')	Amount	No's ('000')	Amount
(i) Equity shares with voting rights (Fully Paid up)				
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				
Balance as at end of year	1,48,717	14,87,168	1,21,415	12,14,160
(ii) Equity shares with voting rights (Partly Paid up)				
Balance as at beginning of year	-	-		
Add: Amount called and paid (Rs.9 per share)	-	-		
	-	-	-	-
Less: Classified to fully paid up shares				
Balance as at end of year (partly paid-up)			-	-
Total Equity Shares (i)+(ii)	1,48,717	14,87,168	1,21,415	12,14,160
(iii) Preference Shares (Rs.0.5 paid-up)				
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		
Balance as at end of year	-	-	10,000	5,000
(iv) Share warrants (Rs. 1.2 paid up)				
Balance as at beginning of year	6,000	7,200	6,000	7,200
Add: Issued and amount called during the year				
Balance as at end of year	6,000	7,200	6,000	7,200

(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)

(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 Rs.76,145 thousand (previous year : Rs 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)

	As at March 31, 2025	As at March 31, 2024
(f) Other liabilities and provisions		
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
Total	9,62,881	5,46,506

(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:

- attracting and retaining Employees by issuing instruments which enable them to participate in the success of the business
- motivating Employees by means of performance related incentives to achieve performance goals of the Bank
- recognizing contributions of the Employees which are crucial for the success of the Bank in the long run; and
- 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(INR 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
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

SHIVALIK SMALL FINANCE BANK LIMITED

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Notes to the financial statements

(Amounts in INR thousands, unless otherwise stated)

Particulars	Date of Grant	Number of Options Granted	Vesting Period	Exercise Price(INR per option)
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
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

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(Amounts in INR thousands, unless otherwise stated)

Particulars	Date of Grant	Number of Options Granted	Vesting Period	Exercise Price(INR per option)
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

- (h) The following table represents the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

Employee Stock Option Plan

Particulars	Date of Grant	Weighted Average exercise price (WAEP)	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

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(Amounts in INR thousands, unless otherwise stated)

Particulars	Date of Grant	Weighted Average exercise price (WAEP)	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 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

(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.

Plan Type	ESOP	
Particulars	March 31, 2025	March 31, 2024
Weighted average fair value of options granted during the year (INR)	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

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(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

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

	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

(n) Disclosures with respect to other expenses exceeding 1% of the total income

Particulars	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:

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	-	-

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Particulars	As at	As at
	March 31, 2025	March 31, 2024
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*

(q) Comparative Figures

Previous year figures have been regrouped/rearranged to make them comparable with the current year/period classification.

G S A & Associates LLP
Chartered Accountants
Firm's Reg. No.000257N / N500339

For and on behalf of the Board of Directors of
Shivalik Small Finance Bank Limited

SD/-
Kriti Kant Chadha
Partner
Membership No.: 515629

SD/-
Shankar Aggarwal
Director
DIN:02116442

SD/-
Anshul Swami
Managing Director and CEO
DIN:09446950

SD/-
Gaurav Seth
Whole-Time Director and CFO
DIN: 06724718

SD/-
Shruti Pandey
Company Secretary
Membership No. : 34796

Place: Noida
Date: 10th June 2025

Place: Noida
Date: 10th June 2025