

This Key Information Document is neither a prospectus nor a statement in lieu of a prospectus

slice SMALL FINANCE BANK LIMITED  
(formerly known as North East Small Finance Bank Limited)  
A Public limited company having meaning under the Companies Act, 2013



No.: [ ]

Date: March 11, 2026

Addressed to: \_\_\_\_\_

KEY INFORMATION DOCUMENT (FOR PRIVATE PLACEMENT)

<p><b>Corporate Identification Number (CIN):</b> U65100AS2016PLC017505 <b>Permanent Account Number (PAN):</b> AAFCN3466R <b>Date of Incorporation:</b> July 25, 2016 <b>Place of Incorporation:</b> Guwahati, Assam <b>Registration number issued by the relevant regulator:</b> 017505 <b>Website:</b> <a href="http://www.slicebank.in">www.slicebank.in</a></p>	<p><b>Registered Office:</b> G.S. Point, G.S. Road, Vill- Sarumataria, Opp. Dispur Fire Station, Sachivalaya, Dispur, Guwahati, 781006, Assam. <b>Corporate Office:</b> Indiqube Ashford Park View Municipal No 9 80 Feet Rd Industrial Layout Koramangala, 3rd block, Ward No. 68, Bengaluru – 560034, Karnataka. <b>Telephone No.:</b> +91 804832999 <b>Email:</b> <a href="mailto:comsec@slicebank.com">comsec@slicebank.com</a></p>
<p>Key Information document for issue of Debentures in conformity with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, the Master Circular issued by Securities Exchange Board of India vide circular number SEBI/HO/DDHS/DDHS-PoD/P/CIR/2025/0000000137 dated October 15, 2025, as amended from time to time, Securities and Exchange Board of India ( Debenture Trustee Regulations, 1993) as amended time to time , and the Debenture Trustee Master Circular SEBI/HO/DDHS-PoD-1/P/CIR/2025/117 dated August 13, 2025 as amended time to time and the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended from time to time.</p> <p>ISSUE OF UPTO 7,500 (SEVEN THOUSAND FIVE HUNDRED) LISTED, RATED, TAXABLE, UNSECURED, TRANSFERABLE, REDEEMABLE, FULLY PAID UP, BASEL II COMPLIANT, LOWER TIER II SUBORDINATED BONDS IN THE NATURE OF NON-CONVERTIBLE DEBENTURES HAVING A FACE VALUE OF RS. 1,00,000/- (RUPEES ONE LAKH ONLY) EACH, UP TO AN AGGREGATE VALUE OF RS. 75,00,00,000/- (RUPEES ONE SEVENTY FIVE CRORES ONLY) ON A PRIVATE PLACEMENT BASIS (“ISSUE”) UNDER THE GENERAL INFORMATION DOCUMENT DATED March 5, 2026 (“GENERAL INFORMATION DOCUMENT”) AS AMENDED / SUPPLEMENTED FROM TIME TO TIME, FOR PRIVATE PLACEMENT OF LISTED, RATED, TAXABLE, UNSECURED, TRANSFERABLE, REDEEMABLE, FULLY PAID UP, BASEL II COMPLIANT LOWER TIER II SUBORDINATED BONDS IN THE NATURE OF NON-CONVERTIBLE DEBENTURES.</p> <p>Certain details of the Debentures are as follows:</p> <p>(a) Details of credit rating, along with the latest press release of the Credit Rating Agency in relation to the issue, and a declaration that the rating is valid as on the date of issuance and listing. Such press release shall not be older than one year from the date of opening of the issue.</p> <p>ACUITE Ratings Limited has assigned a “ACUITE BBB+ (Outlook: Stable)” (pronounced “ACUITE Triple BBB plus with Stable outlook”) rating to the captioned Issue.</p> <p><b>Date of Rating Letter:</b> February 27, 2026 by Acuite Ratings Limited <b>Date of Press Release of Ratings:</b> February 26, 2026 by Acuite Ratings Limited <b>Press Release and Rating Rationale:</b> Please refer to Annexure III of this Key Information Document. <b>Declaration:</b> The rating mentioned above is valid as on the date of issuance and listing of this Issue.</p>	

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- (b) **Listing:** The Debentures issued under this Key Information Document are proposed to be listed on the Wholesale Debt Market (WDM) of BSE Limited within such timelines as prescribed under Applicable Law. The in-principle approval obtained by the Bank from BSE has been disclosed in Annexure VIII of the General Information Document. The Bank shall maintain the Recovery Expense Fund with BSE (Please refer Section 4.34(b) of the General Information Document for more details).
- (c) **Eligible Investors:** Please refer Section 6.15 of the General Information Document.

**ISSUE SCHEDULE**

Issue Opening Date	Issue Closing Date	Pay-In Date	Deemed Date of Allotment
March 16, 2026	March 16, 2026	March 17, 2026	March 17, 2026

The Bank reserves the right to change the Issue programme including the Deemed Date of Allotment at its sole discretion in accordance with the timelines specified in the SEBI Debt Listing Regulations without giving any reasons or prior notice. The Issue will be open for bidding as per bidding window that would be communicated through BSE EBP Platform.

Coupon	Coupon Payment Frequency	Redemption Date	Redemption Amount
12.00% p.a. payable Monthly	Monthly	December 17, 2031	Rs. 1,00,000/- per Debenture

**KEY OFFICERS OF THE BANK**

<b>Compliance Officer:</b> Shefaly Rai <b>Telephone Number:</b> +91 7349614778 <b>Email:</b> <a href="mailto:shefaly.kothari@slicebank.com">shefaly.kothari@slicebank.com</a>	<b>Company Secretary:</b> Shefaly Rai <b>Telephone Number:</b> +91 7349614778 <b>Email:</b> <a href="mailto:shefaly.kothari@slicebank.com">shefaly.kothari@slicebank.com</a>	<b>Chief Financial Officer:</b> Mr. Naresh Jain <b>Telephone Number:</b> +91 7760596334 <b>Email:</b> <a href="mailto:naresh.jain@slicebank.com">naresh.jain@slicebank.com</a>	<b>Promoters</b> <b>Corporate Promoter: Not applicable, as slice small finance bank limited does not have a promoter and/or promoter group.</b>
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**DETAILS OF STAKEHOLDERS**

Debenture Trustee	Registrar and Transfer Agent	Credit Rating Agency	Arrangers to the Issue	Statutory Auditors
 <b>Name:</b> MITCON Credentia Trusteeship Services Limited <b>Registered Address:</b> 1402/1403, 14th Floor, Dalamal Tower, B-Wing, Free Press Journal Marg, 211, Nariman Point, Mumbai – 400021 <b>Tel:</b> +91-22-22828200 <b>Contact Person:</b> Ms. Vaishali Urkude <b>Email:</b> <a href="mailto:contact@mitconcredentia.in">contact@mitconcredentia.in</a> <b>Website:</b> <a href="http://www.mitconcredentia.in">www.mitconcredentia.in</a>	 <b>Name:</b> MUFUG Intime India Pvt Limited <b>Address:</b> C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 <b>Tel:</b> +91 22 49186000 <b>Contact Person:</b> Mr. Ganesh Jadhav <b>Email:</b> <a href="mailto:ganesh.jadhav@in.mpms.mufg.com">ganesh.jadhav@in.mpms.mufg.com</a> <b>Website:</b> <a href="http://www.in.mpms">www.in.mpms</a>	 <b>Name:</b> ACUITE Ratings Limited <b>Address:</b> 708, Lodha Supremus, Lodha iThink Techno Campus, Kanjurmarg (East), Mumbai 400 042 <b>Tel:</b> +91 9969898000 <b>Contact Person:</b> Mr. Tejas <b>Email:</b> <a href="mailto:info.requirement@acuite.in">info.requirement@acuite.in</a> <b>Website:</b> <a href="http://www.acuite.in">www.acuite.in</a>	 <b>Name:</b> Tipsons Consultancy Services Private Limited <b>Address:</b> <b>Regd. &amp; Corp. Office:</b> 1st Floor, Sheraton House, Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad – 380015 <b>Tel:</b> +91 9979926292 <b>Contact Person:</b> Mr. Nikhil Koshti <b>Email:</b> <a href="mailto:Nikhil.koshti@tipsons.com">Nikhil.koshti@tipsons.com</a> <b>Website:</b> <a href="http://www.tipsons.com">www.tipsons.com</a>	<b>Name:</b> CHATURVEDI & CO. LLP, Chartered Accountants <b>Logo:</b> NA <b>Address:</b> Park Centre, 24 Park Street, Kolkata - 700 016 <b>E-mail:</b> <a href="mailto:chaturvedi.nesfb@gmail.com">chaturvedi.nesfb@gmail.com</a> <b>Telephone Number:</b> 033-4601 2507 <b>Contact Person:</b> Amit Kumar <b>Website:</b> NA <b>Peer Review Certificate No:</b> 022766 <b>Validity:</b> December 2028

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### **BACKGROUND**

This Key Information Document dated March 11, 2026 for issuance of up to 7,500 (Seven Thousand Five Hundred) Listed, Rated, Taxable, Unsecured, Transferable, Redeemable, Fully Paid Up, Basel II Compliant Lower Tier II Subordinated Bonds in the nature of Non-Convertible Debentures aggregating up to Rs. 75,00,00,000/- (Rupees Seventy-Five Crores Only) issued in terms of and pursuant to the General Information Document dated March 5, 2026. All the terms, conditions, information and stipulations contained in the General Information Document, unless the context states otherwise or unless specifically stated otherwise, are incorporated herein by reference as if the same were set out herein. Investors are advised to refer to the same to the extent applicable. This Key Information Document must be read in conjunction with the General Information Document.

This Key Information Document contains details of this Debentures and details in respect of: (i) the offer of non-convertible securities in respect of which the Key Information Document is being issued; (ii) any financial information of the Bank if such information provided in the General Information Document is more than six months old; (iii) any material changes in the information provided in the General Information Document; and (iv) any material developments which are not disclosed in the General Information Document relevant to the offer of non-convertible securities in respect of which this Key Information Document is being issued. Accordingly, set out below are the updated financial information / particulars / changes in the particulars set out under the General Information Document, which additional / updated information / particulars shall be read in conjunction with other information / particulars appearing in the General Information Document. All other particulars appearing in the General Information Document remain unchanged.

In case of any inconsistency between the terms of this Key Information Document and the General Information Document and/or the terms of this Key Information Document and/or any other Transaction Documents executed in respect of the Debentures, the terms as set out in this Key Information Document shall prevail. Provided however, in case of any inconsistencies between the provisions as set out in the Disclosure Document(s) and Applicable Law, the terms of Applicable Law shall prevail over and override the provisions under the Disclosure Document(s), for all intents and purposes and the provisions as set out in the Transaction Documents shall be deemed to have been amended such that the Applicable Law prevails. Capitalised terms used herein but not defined shall have the same meanings as accorded to the terms in the General Information Document and/ or other Transaction Documents for this Issue.

Pursuant to the resolution passed by the Bank's shareholders dated June 24, 2022 in accordance with provisions of Section 180(1)(c) of the Companies Act, 2013 ("Shareholders' Resolution"), the Bank has been authorised to borrow upon such terms and conditions as the Board may think fit for aggregate amount not exceeding Rs. 8,00,00,00,000/- (Rupees Eight Hundred Crores only). The present issue of Debentures in terms of this Key Information Document is within the overall powers of the Board as per the above Shareholders' Resolution.

#### **Issuer's Absolute Responsibility**

The Bank, having made all reasonable inquiries, accepts responsibility for and confirms that this Key Information Document contains all information with regard to the Bank and the Issue which is material in the context of the Debentures, that the information contained in this Key Information Document is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this Key Information Document as a whole or any of such information or the expression of any such opinions or intentions misleading.

#### **ELECTRONIC BOOK MECHANISM AND DETAILS PERTAINING TO THE UPLOADING THE PLACEMENT MEMORANDUM ON THE ELECTRONIC BOOK PROVIDER PLATFORM.**

The Issue shall be open for bidding and subscribed to in accordance with the guidelines issued by SEBI and EBP pertaining to the procedure of Electronic Book Mechanism set out in the Electronic Book Mechanism Guidelines

<b>Issue composition - Details of size of the Issue including green shoe option, if any</b>	Up to Rs. 75,00,00,000/- (Rupees Seventy Five Crores only)
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<b>Interest Rate Parameter</b>	Fixed
<b>Bid opening and closing date</b>	March 16, 2026
<b>Minimum Bid lot</b>	Rs.1,00,000/- (Rupees One Lakh only) and in multiples of Rs.1,00,000/- (Rupees One Lakh only) thereafter
<b>Manner of bidding in the Issue</b>	Closed
<b>Manner of allotment in the Issue</b>	Uniform yield
<b>Manner of settlement in the Issue</b>	Settlement of the Issue will be done through Indian Clearing Corporation Limited, and the account details are given in the section on Mode of payment for subscription of this Key Information Document
<b>Trading Lot Size</b>	1 (One) Debenture and in multiple of 1 (One) Debenture thereafter
<b>Anchor Portion and Anchor Investors</b>	NA
<b>Settlement cycle [T+1/ T+2] where T refers to the date of bidding/ issue day</b>	T+1

**COMPLIANCE CLAUSE FOR ELECTRONIC BOOK MECHANISM**

THE ISSUER INTENDS TO USE THE BSE EBP PLATFORM FOR THE ISSUANCE OF THE DEBENTURES. THIS KEY INFORMATION DOCUMENT IS BEING UPLOADED ON THE BSE EBP PLATFORM TO COMPLY WITH THE EBP GUIDELINES AND AN OFFER WILL BE MADE BY ISSUE OF THE KEY INFORMATION DOCUMENT ALONG WITH THE GENERAL INFORMATION DOCUMENT AND SIGNED APPLICATION FORM AFTER COMPLETION OF THE BIDDING PROCESS ON ISSUE/BID CLOSING DATE, TO SUCCESSFUL BIDDER IN ACCORDANCE WITH THE PROVISIONS OF THE COMPANIES ACT, 2013 AND RELATED RULES.

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## **CHAPTER V NON-APPLICABILITY DISCLAIMER**

The issue of Debentures under this Key Information Document does not form part of non-equity regulatory capital mentioned under Chapter V (*Issuance and Listing of perpetual debt instruments, perpetual non-cumulative preference shares and similar instruments*) of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and Chapter XIII (*Issuance, Listing and Trading Non-Equity Regulatory Capital*) of the Master Circular issued by SEBI bearing the reference number SEBI/HO/DDHS/DDHS-PoD/P/CIR/2025/000000137 dated October 15, 2025 on "*Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*". The face value of each Debenture issued on a private placement basis for respective 'Security Name' shall be as per 'Face Value' as mentioned under Section 4 – Summary Term Sheet for Debentures below.

**For the purposes of this Key Information Document investors may note that:**

**"Majority Debenture Holder(s)"** shall mean the Debenture Holder(s) holding an aggregate amount representing not less than 75% (Seventy Five Percent) of the outstanding value of the Debentures under that Series for the time being outstanding. It is however clarified that if a resolution is required to be passed in relation to a matter concerning a particular Series only, then the term "Majority Debenture Holder(s)" shall mean the Debenture Holder(s) of that Series holding an aggregate amount representing not less than 75% (Seventy Five Percent) of the value of the nominal amount of the Debentures comprised in that Series for the time being outstanding.

It is hereby clarified that for the purposes of this Key Information Document, the following Notices clause shall override and prevail Clause 6.9 of Section 6 of the General Information Document dated March 5, 2026, for all intents and purposes:

### **Notices**

- (a) Any notice, demand, communication or other request (individually, a "Notice") to be given or made under the Transaction Documents shall be in writing. Such Notice shall be delivered by hand, registered mail/speed post (postage prepaid), recognized overnight courier service or email to the Party to which it is addressed at such Party's address specified below or at such other address as such Party shall from time to time have designated by 5 (Five) days' prior written Notice. Provided however, that in case of a Notice delivered by email, the Party delivering such Notice shall also deliver a copy of the same by hand, registered mail/speed post (postage prepaid), recognized overnight courier service. It is clarified that the time of delivery or deemed delivery of any such Notice delivered by email and followed by the delivery of a physical copy as aforesaid shall be determined based on the original email as opposed to the delivery of the physical copy as aforesaid.
- (b) Notice by the Parties to each other and the Debenture Holder(s) shall be deemed to be effectively given and received upon delivery in person, or 1 (One) Business Day after delivery by recognized overnight courier service, if sent for next Business Day delivery or 5 (Five) Business Days after deposit via certified or registered mail / speed post (postage prepaid), return receipt requested, or in case of e-mail at the time of the sending thereof (provided no delivery failure notification is received by the sender within 24 (Twenty-Four) hours of sending such email), in each case addressed as below:

**(i) Bank**

**SLICE SMALL FINANCE BANK LIMITED**

**Registered office Address:** G.S. Point, G.S. Road, Vill- Sarumataria, Opp. Dispur Fire Station, Sachivalaya, Dispur, Guwahati, 781006, Assam

**Corporate office Address:** 1st Floor, Ashford Park View Indiqube, 80 Feet Rd, 3rd Block, Koramangala 1A Block, Koramangala 3 Block, Koramangala, Bengaluru, Karnataka 560034

**Attention:** Shefaly Rai

**Email:** [comsec@slicebank.com](mailto:comsec@slicebank.com)

shefaly.kothari@slicebank.com

**Tel. No.:** +91 7349614778

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**(ii) Trustee**

**MITCON Credentia Trusteeship Services Limited**

**Address:** 1402/1403, 14th Floor, Dalamal Tower, B-Wing,  
Free Press Journal Marg, 211, Nariman Point, Mumbai – 400021

**Attention:** Ms. Vaishali Urkude

**Email:** [contact@mitconcredentia.in](mailto:contact@mitconcredentia.in)

**Tel. No.:** 022 62300451

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**SECTION 1: DEFINITIONS AND ABBREVIATIONS**

Capitalised terms and abbreviations used in this Key Information Document and not defined shall have the meaning as has been assigned to the term in General Information Document.

<b>Act or Companies Act</b>	Companies Act, 2013, as may be amended from time to time.
<b>AGM</b>	Annual General Meeting.
<b>Allot/Allotment/Allotted</b>	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to this Issue.
<b>Applicant</b>	Means a person who has submitted a completed Application Form to the Bank.
<b>Application Form</b>	The form in which an investor can apply for subscription to the Debentures as provided in Annexure I.
<b>Application Money</b>	Means the subscription monies paid by the Applicants at the time of submitting the Application Form.
<b>Applicable Law(s)</b>	Shall mean and include all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
<b>Articles of Association / AoA</b>	Articles of Association of slice small finance bank limited.
<b>Beneficial Owner(s)</b>	Shall mean the Debenture Holder(s) of the Debentures in dematerialised form whose name is recorded as such with the Depository.
<b>Board/Board of Directors</b>	The Board of Directors of the slice small finance bank limited.
<b>BSE EBP Platform</b>	The EBP Platform provided by the BSE.
<b>BSE Operational Guidelines</b>	Means the 'Operating Guidelines for BSE Electronic Bidding Platform' issued by BSE Vide Notice reference number 20251114-47 dated November 14, 2025.
<b>Business Day</b>	shall mean a day on which banks are open for general banking business in Guwahati /Bangalore
<b>CCIL</b>	The Clearing Corporation India Limited
<b>Control</b>	Shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner
<b>Coupon</b>	Shall mean the coupon payable on the Debentures on the Coupon Payment Date(s), at the Coupon Rate.
<b>Coupon Payment Date</b>	Shall mean the last day of each Coupon Period.
<b>Coupon Period</b>	Shall mean the period of 1 (One) month commencing from the Deemed Date of Allotment and every subsequent period of 1 (One) month thereafter provided however that the last Coupon Period shall commence from the preceding Coupon Payment Date and end on the Maturity Date.
<b>Coupon Rate</b>	Shall mean 12.00% (Twelve percent) per annum payable Monthly.
<b>Debt Listing Regulations or SEBI Debt Listing Regulations</b>	Shall mean the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued by SEBI, as amended from time to time, the SEBI Master Circular and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Master Circular dated October 15, 2025 (bearing reference number: SEBI/HO/DDHS/DDHSPoD/P/CIR/2025/0000000137) as amended from time to time.
<b>Debentures/ NCDs/ Subordinated Bonds</b>	Means Listed, Rated, Taxable, Unsecured, Transferable, Redeemable, Fully Paid Up, Basel II Compliant Lower Tier II Subordinated Bonds in the nature of Non-Convertible Debentures each having a face value of Rs. 1,00,000/- (Rupees One Lakh only) of the aggregate nominal value of Rs. 75,00,00,000/- (Rupees Seventy Five Crores Only).
<b>Debenture Holder(s)</b>	Shall initially mean the persons who are the subscribers to the Debentures and for the time being holders of the Debentures and for the subsequent Debenture Holder(s), each who fulfils the following requirements: (a) Persons who are registered as such as Beneficial Owner(s); and (b) Persons who are registered as holder(s) of the Debentures in the register of Debenture Holder(s);

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	(and shall include the registered transferees of the Debentures from time to time with the Bank and the Depository) and in the event of any inconsistency between sub-paragraph (a) and (b) above, sub-paragraph (a) shall prevail
<b>Debenture Trustee</b>	Means MITCON Credentia Trusteeship Services Limited, appointed as debenture trustee on behalf of and for the benefit of the Debenture Holder(s).
<b>Debenture Trustee Agreement</b>	The debenture trustee agreement dated 5 <sup>th</sup> March 2026 executed between the Debenture Trustee and the Bank setting out the terms of the appointment of the Debenture Trustee in respect of issuance of the Debentures.
<b>Default Interest</b>	In the event all Payments due in respect of the Debentures not paid on the respective Due Dates, such Payments shall carry further interest at the rate of 2% (Two percent) per annum, computed from the relevant Due Date up to the date on which such monies are paid or realised by the Debenture Holder(s).
<b>Deemed Date of Allotment</b>	Shall mean the date on which the Debentures are deemed to have been allotted to the Debenture Holder(s), viz. March 17 <sup>th</sup> , 2026.
<b>Depositories Act</b>	Shall mean the Depositories Act, 1996 (as amended from time to time).
<b>Depository</b>	NSDL and/or CDSL.
<b>Disclosure Document</b>	Shall mean collectively, (i) the General Information Document, for the aggregate Issue; (ii) the Private Placement Offer cum Application Letter(s); and (iii) the Key Information Document, for the issue of the Debentures.
<b>Due Date(s)</b>	Shall mean any date or dates on which the Debenture Holder(s) are entitled to any Payments in relation to the Debentures, which shall include, without limitation, the Coupon Payment Date(s) and the Maturity Date.
<b>EBP Guidelines</b>	Shall mean Chapter VI of the SEBI Master Circular (as defined below), as may be further updated, amended, modified or replaced from time to time and BSE Operational Guidelines/ related operational guidelines issued by the Electronic Book Provider, as may be amended, clarified or updated from time to time.
<b>Financial Year</b>	Shall mean the financial year of the Bank used for the purposes of accounting.
<b>Governmental Authority</b>	Shall include the President of India, the Government of India, the Governor and the Government of any State in India, any Ministry or Department of the same, any municipal or local government authority, any authority or private body exercising powers conferred by applicable law and any court, tribunal or other judicial or quasi-judicial body, and shall include, without limitation, a stock exchange and any regulatory body.
<b>Issue</b>	Shall mean the issue of Listed, Rated, Taxable, Unsecured, Transferable, Redeemable, Fully Paid Up, Basel II Compliant Lower Tier II Subordinated Bonds in the nature of Non-Convertible Debentures each having a face value of Rs. 1,00,000/- (Rupees One Lakh only) of the aggregate nominal value of Rs. 75,00,00,000/- (Rupees Seventy Five Crores Only).
<b>Lower Tier II Capital</b>	Shall mean the Tier II Capital which would qualify as Lower Tier II Capital in terms of the New Capital Adequacy Framework.
<b>Majority Debenture Holders</b>	Shall mean the Debenture Holder(s) holding an aggregate amount representing not less than 75% (Seventy Five Percent) of the outstanding value of the Debentures under that Series for the time being outstanding. It is however clarified that if a resolution is required to be passed in relation to a matter concerning a particular Series only, then the term "Majority Debenture Holder(s)" shall mean the Debenture Holder(s) of that Series holding an aggregate amount representing not less than 75% (Seventy Five Percent) of the value of the nominal amount of the Debentures comprised in that Series for the time being outstanding.
<b>Material Adverse Effect</b>	Means any material adverse effect on or a material adverse change in (a) the business, operations, property, assets, condition (financial or otherwise) or prospects of the Bank; (b) the ability of the Bank to enter into and to perform its obligations under the Transaction Documents or any other related document to which Bank is or will be a party; or (c) the validity or enforceability of the Transaction Documents.
<b>Maturity Date/ Final Redemption Date</b>	Shall mean December 17 <sup>th</sup> , 2031.
<b>New Capital Adequacy Framework/ Basel II Framework/ Basel II Guidelines</b>	Shall mean the Reserve Bank of India's circular on 'Small Finance Banks – Prudential Norms on Capital Adequacy Directions, 2025' as amended, modified, supplemented or restated from time to time.

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<b>NSDL</b>	National Securities Depositories Limited.
<b>Outstanding Principal Amounts</b>	Means, at any date, the principal amount outstanding under the Debentures.
<b>Payment(s)</b>	Shall mean collectively: (i) all payments to be made by the Bank in relation to all of the Bank's obligations and liabilities under or in respect of the Debentures under the relevant Transaction Documents including the redemption / repayment of the Outstanding Principal Amount, payment of Coupon, additional interest in case of default (where applicable); (ii) all monies due and payable to the Trustee including the remuneration payable to the Trustee in terms of and pursuant to the Debenture Trustee Agreement and the Trust Deed; and (iii) all fees, costs, charges and expenses and other monies payable hereunder or under any of the Transaction Documents.
<b>Private Placement Offer cum Application Letter</b>	Shall mean the private placement offer cum application letter prepared as per Section 42 of the Act read with the relevant rules thereunder, issued by the Bank, from time to time to make an offer or invitation to subscribe to the Debentures.
<b>Purpose</b>	Shall mean the purpose for which the Debentures are being issued, i.e., The Issue Proceeds equivalent to 100% (One Hundred percent) of the funds raised by the Issue will be to augment the Tier II Capital of the Bank for strengthening the Bank's capital adequacy and enhancing the Bank's long-term resources and for the regular business activities of the Bank. The Bank further undertakes that it shall not carry out any other activities as may be prohibited by RBI and / or such other regulators as may be applicable from time to time.
<b>R&amp;T Agent</b>	Shall mean Registrar to an Issue and Share Transfer Agent to the Issue, in this case being MUFG Intime India Private Limited or such other registrar appointed by the Bank from time to time.
<b>Rating Agency</b>	Shall mean Acuite Ratings & Research Limited.
<b>RBI</b>	Shall mean the Reserve Bank of India.
<b>Record Date</b>	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Coupon Payment Date/ Redemption Date which shall be the date falling 15 (fifteen) calendar days prior to such due date for payment.  In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading day or a date notified.
<b>Redemption Amount</b>	Shall mean, with respect to each Debenture, the amount which is required to be paid by the Bank to redeem the Debentures, being the aggregate of each Debenture (i.e., face value of Rs. 1,00,000/- (Rupees One Lakh only) of the said Debenture) and the Coupon and Default Interest (if any) accrued and payable by the Bank in respect of such Debenture.
<b>SEBI</b>	Shall mean the Securities and Exchange Board of India.
<b>SEBI Debenture Trustee Master Circular</b>	Shall mean the circular dated August 13, 2025 (bearing reference no. SEBI/HO/DDHS-PoD-1/P/CIR/2025/117 (as amended from time to time).
<b>SEBI LODR</b>	Shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).
<b>SEBI NCS Master Circular</b>	Shall mean the Securities and Exchange Board of India's Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated October 15, 2025 (bearing reference no. SEBI/HO/DDHS/DDHS-PoD/P/CIR/2025/000000137) as may be amended updated, supplemented, modified or superseded from time to time.
<b>SEBI Debenture Trustees Master Circular/ SEBI DT Master Circular / DT Master Circular</b>	Means the SEBI (Debenture Trustee) Regulations, 1993 read with the master circular issued by SEBI bearing reference number SEBI/HO/DDHS-PoD-1/P/CIR/2025/117 dated August 13, 2025 on "Master Circular for Debenture Trustees" to the extent applicable in respect of the private placement of debt securities, as amended, modified, supplemented or restated from time to time.
<b>SFB Guidelines</b>	Shall mean the Basel II Framework the guidelines issued by the RBI on November 28, 2025 for licensing of "Small Finance Banks" and any other guidelines pertaining to SFBs issued by RBI from time to time, issued by RBI as may be amended from time to time, along with all clarifications and guidelines published by RBI in relation thereto.
<b>Stock Exchange</b>	Shall mean the BSE Limited, on which the Debentures are being listed.

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<b>Tier I Capital</b>	Shall have the meaning assigned to such term under the elements of Tier I Capital in the New Capital Adequacy Framework.
<b>Tier II Capital</b>	Shall mean the capital which would qualify as Tier II Capital in terms of the New Capital Adequacy Framework.
<b>Transaction Documents</b>	Shall mean the General Information Document, this Key Information Document and Private Placement Offer Letter (Form PAS-4), the Debenture Trustee Agreement, the Debenture Trust Deed, and any other document that may be designated by the Debenture Trustee as a Transaction Document executed or to be executed in relation to the issuance of the Debentures including Debenture Trustee Consent Letter, press release from the Rating Agency in respect of the credit rating for the Debentures and in-principle approval as received from the Stock Exchange for listing of the Debentures.
<b>Upper Tier II Capital</b>	Shall mean the Tier II Capital which would qualify as upper Tier II Capital in terms of the New Capital Adequacy Framework.

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## SECTION 2: REGULATORY DISCLOSURES

Other than to the limited extent set out hereunder, please refer to the General Information Document for disclosures under the Schedule I of Securities Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time.

### A. Financial Information:

- (a) **The audited financial statements (i.e., Profit & Loss statement, Balance Sheet and Cash Flow statement) both on a standalone basis for a period of 3 (three) completed years along with the auditor's report and the requisite schedules, footnotes, summary, etc.:**

#### Standalone Audited Financial Statement

#### BALANCE SHEET

(Rs. In Crore)

Particulars	As at Dec 31, 2025	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
CAPITAL AND LIABILITIES				
Capital	1,072.34	1,072.34	469.38	346.85
	-	-	-	-
Reserves and Surplus (including ESOP reserve)	(444.28)	(519.49)	(408.47)	(243.60)
Deposits	4,349.08	2,418.38	1,519.57	2,039.63
Borrowings*	754.01	1,139.53	78.25	430.75
Other Liabilities and Provisions	270.53	219.14	27.81	136.81
<b>Total</b>	<b>6,001.68</b>	<b>4,329.90</b>	<b>1,686.55</b>	<b>2,710.44</b>
ASSETS				
Cash and Balances with Reserve Bank of India	277.32	246.30	163.83	150.45
Balances with Banks and Money at Call and Short Notice	36.26	94.07	68.74	403.83
Investments	1,197.15	778.14	550.19	348.29
Advances (Net)	4,158.66	2,904.87	802.43	1,603.26
Fixed Assets	59.04	72.69	27.37	28.61
Other Assets	273.25	233.83	73.99	175.99
<b>Total</b>	<b>6,001.68</b>	<b>4,329.90</b>	<b>1,686.55</b>	<b>2,710.44</b>
Contingent Liabilities	0.75	21.82	0.59	-
Bills for collection	-	-	-	-

\* Borrowings include compulsory convertible debentures of INR 296.30 Crores

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**PROFIT AND LOSS ACCOUNT**

**(Rs. In Crore)**

Particulars	Period ended Dec 31, 2025	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2023
<b>I.INCOME</b>				
Interest Earned	706.31	409.23	195.83	297.69
Other Income	297.38	194.48	55.54	37.59
<b>Total</b>	<b>1,003.69</b>	<b>603.71</b>	<b>251.37</b>	<b>335.28</b>
<b>II.EXPENDITURE</b>				
Interest Expended	264.78	200.54	124.26	141.33
Operating Expenses	616.47	481.15	174.59	177.89
Provisions and Contingencies	94.47	138.72	105.18	229.06
<b>Total</b>	<b>975.73</b>	<b>820.41</b>	<b>404.03</b>	<b>548.28</b>
<b>III.PROFIT/LOSS</b>				
Net Profit for the period/ year (I - II)	27.97	(216.70)	(152.66)	(213.00)
Profit brought forward from Previous Year	(216.70)	(441.65)	(288.98)	(75.97)
<b>IV.APPROPRIATIONS</b>				
Transfer to Statutory Reserve	-	-	-	-
Transfer to Capital Reserve	-	-	-	-
Transfer to/(from) Investment Fluctuation Reserve Account	-	-	-	1.00
Balance carried over to Balance Sheet	(188.73)	(216.70)	(441.65)	(289.98)
<b>Total</b>	<b>(188.73)</b>	<b>(216.70)</b>	<b>(441.65)</b>	<b>(288.98)</b>
<b>Earnings per share</b>				
Basic	0.03	(0.51)	(3.67)	(7.24)
Diluted	0.02	(0.51)	(3.67)	(7.24)

**CASH FLOW STATEMENT**

Particulars	Period ended Dec 31, 2025	Year ended March 31, 2025,	Year ended March 31, 2024	Year ended March 31 2023
<b>Cash Flows from Operating Activities</b>				
Net Profit before tax	<b>33.31</b>	<b>(255.83)</b>	<b>(113.55)</b>	<b>(251.64)</b>
Adjustments for:				
Depreciation on Fixed Assets	28.58	20.29	7.64	8.19

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Particulars	Period ended Dec 31, 2025	Year ended March 31, 2025,	Year ended March 31, 2024	Year ended March 31 2023
Amortisation of Premium on HTM Investments	-	-	-	-
Profit on sale of investments (net)	-	-	-	-
Profit/(Loss) on sale of Fixed Assets	(0.02)	0.10	0.13	0.03
Provision for Non-Performing Advances	80.33	80.88	95.00	286.08
Provision/ (Reversal) for Standard Advances	4.11	(0.01)	(25.41)	(20.49)
Expense on Employee Stock Option	47.85	44.67	-	-
Provision on Investment	(15.44)	67.15	-	-
Provision for Other Assets	-	24.04	0.58	-
Fair value gain on SG securities	(0.81)	(1.22)	0.20	2.62
Provision for Risk Insurance & Welfare	0.39	-	-	-
Adjustments for AFS Reserve	(0.81)	-	-	-
Adjustments for:				
(Increase)/ Decrease in Investments (other than HTM Investments)	(418.19)	(291.78)	(202.09)	(74.70)
(Increase)/ Decrease in Advances	(1,318.69)	(440.70)	705.83	(262.10)
(Increase)/ Decrease in Fixed Deposit with Banks (Original Maturity greater than 3 months)	26.92	5.85	54.15	20.10
(Increase)/ Decrease in Other Assets	(44.56)	52.86	62.88	3.95
Increase/ (Decrease) in Deposits	1,930.70	898.81	(520.06)	510.84
Increase/ (Decrease) in Other liabilities and provisions	46.89	59.46	(84.17)	71.19
Direct taxes paid	-	-	-	-
Net Cash Flows from/(used in) Operating Activities (A)	<b>400.56</b>	<b>264.57</b>	<b>(18.88)</b>	<b>294.06</b>
Cash Flows from/(Used in) Investing Activities	-	-	-	-
Purchase of Fixed Assets	(15.55)	(16.89)	(6.56)	(8.99)
Proceeds from Sale of Fixed Assets	0.64	0.30	0.02	0.47
(Increase)/ Decrease in Held to Maturity Investments	-	-	-	-
Net Cash Used in Investing Activities (B)	<b>(14.91)</b>	<b>(16.59)</b>	<b>(6.54)</b>	<b>(8.52)</b>
Cash Flows from/(Used in) Financing Activities				

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Particulars	Period ended Dec 31, 2025	Year ended March 31, 2025,	Year ended March 31, 2024	Year ended March 31 2023
Proceeds from Issue of Share Capital (including Share Premium)	-	-	110.34	44.00
Share Issue Expenses	-	-	-	-
Increase/(Decrease) in Borrowings	(385.52)	(585.52)	(352.50)	(33.10)
Cash Flows from/(Used in) Financing Activities (C)	<b>(385.52)</b>	<b>(585.52)</b>	<b>(242.16)</b>	<b>10.90</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	<b>0.14</b>	<b>(337.54)</b>	<b>(267.58)</b>	<b>296.44</b>
Cash and Cash Equivalents at the beginning of year	287.23	226.71	494.28	197.85
Cash and Cash Equivalents at the end of year	287.37	287.23	226.71	494.28

**Consolidated Audited Financial Statements**

Not Applicable

(b) **The unaudited financial information with limited review report (for the interim period) along with the auditor's report and the requisite schedules, footnotes, summary, etc.:**

Not applicable

**B. Key Operational and Financial Parameters on consolidated and standalone basis<sup>1</sup>:**

**Standalone basis:**

**(Rs. In Crore)**

Particulars	Audited 31- December 2025	Audited 31- March 2025	Audited 31- March 2024	Audited 31- March 2023
Net Worth	845.34	752.86	57.78	59.85
Cash and Cash equivalents	287.37	287.23	226.71	494.28
Loans (Gross)	4,223.35	2,954.03	834.57	1,908.43
Total Debts to Total assets*	80.09%	75.33%	94.74%	91.14%
Interest Income	706.31	409.23	195.83	297.67
Interest Expense	264.78	200.54	124.26	141.33
% Stage 3 Loans on Loans (Principal Amount)	5.45%	6.25%	11.89%	18.20%
% Net Stage 3 Loans on Loans (Principal Amount)	3.98%	4.67%	8.36%	1.71%
Tier I Capital Adequacy Ratio (%)	14.36%	15.68%	7.15%	2.75%
Tier II Capital Adequacy Ratio (%)	3.56%	4.63%	4.16%	2.75%

\*Debts include deposits and borrowings (excluding Compulsorily Convertible Debentures)

<sup>1</sup> As IndAS is not applicable to the Bank, disclosures have been made in accordance with Generally Accepted Accounting Principles in India (IGAAP).

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**Consolidated basis:**

Not applicable

**C. Details of any other contingent liabilities of the issuer, based on the latest audited financial statements including amount and nature of liability:**

**(Rs. In Crore)**

<b>Particulars</b>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Claims against the Bank not acknowledged as debts	0.67	0.59	0.00
Liability on account of outstanding forward exchange contracts	0.00	0.00	0.00
Guarantees given on behalf of constituents - in India	0.00	0.00	0.00
Acceptances, endorsements and other obligations	0.00	0.00	0.00
Other items for which the Bank is contingently liable	21.15	0.00	0.00
<b>Total</b>	<b>21.82</b>	<b>0.59</b>	<b>-</b>

**D. The amount of corporate guarantee or letter of comfort issued by the Issuer along with details of the counterparty (viz. name and nature of the counterparty, whether a subsidiary, joint venture entity, group company etc.) on behalf of whom it has been issued.**

NIL

**E. Details of share capital as at last quarter end, being December 31, 2025:**

<b>Share Capital</b>	<b>Amount in Crores</b>
Authorised	
1000,08,40,000 Equity shares of Rs. 1 each	1000.08
715,00,00,000 Compulsory Convertible Preference Shares of Rs. 1/-	715.00
2,80,00,000 Compulsory Convertible Preference Shares of Rs. 50/-	140.00
<b>TOTAL</b>	<b>1855.08</b>
Issued, Subscribed and Fully Paid- up	
896,43,09,249 Equity Shares of face value of ₹1 each#	896.43
148,01,27,544 Compulsory Convertible Preference Shares of Face value of Rs. 1 each	148.01
Issued, Subscribed and partly paid-up	
30,99,36,000 Equity shares of face value of Rs. 1/- each and paid-up value of Rs. 0.90/- each	27.89
<b>TOTAL</b>	<b>1072.33</b>

**F. Changes in its capital structure as at last quarter end, being December 31, 2025, for the preceding three financial years and current financial year:**

NIL.

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**G. Details of the equity share capital for the preceding three financial years and current financial year:**

Date of Allotment	No of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration	Nature of Allotment	Cumulative Paid-Up Capital			Remarks
						No of Equity Shares	Equity Share Capital (Rs. in Cr.)	Equity Share Premium (Rs. in Cr)	
12-04-2022	296384	10	16.87	4999998	Private Placement	294392701	294.3927010		Private Placement
29-09-2022	29638	10	16.87	499993	Private Placement	294422339	294.4223390		Private Placement
07-10-2022	148192	10	16.87	2499999	Private Placement	294570531	294.5705310		Private Placement
07-10-2022	829750	10	16.87	13997882.5	Private Placement	295400281	295.4002810		Private Placement
31-10-2022	32299995	10	-	Conversion of Convertible Preference shares into Equity	Conversion of Convertible Preference shares into Equity	327700276	327.7002760		Conversion of Convertible Preference shares into Equity
19-04-2023	26002161	10	10.23	Conversion of Convertible Preference shares into Equity	Conversion of Convertible Preference shares into Equity	353702437	353.7024370		Conversion of Convertible Preference shares into Equity
28-04-2023	10106089	10	10.23	103385290.47	Private Placement	363808526	363.8085260		Private Placement
28-04-2023	5571835	10	10.23	Conversion of Convertible Preference	Conversion of Convertible Preference	369380361	369.3803610		Conversion of Convertible Preference

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Date of Allotment	No of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration	Nature of Allotment	Cumulative Paid-Up Capital			Remarks
						No of Equity Shares	Equity Share Capital (Rs. in Cr.)	Equity Share Premium (Rs. in Cr)	
				shares into Equity	shares into Equity				shares into Equity
31-10-2023	50000000	10	10	50,00,00,000	Private Placement	419380361	419.3803610		Private Placement
19-01-2024	50000000	10	10	50,00,00,000	Private Placement	469380361	469.3803610		Private Placement
27-10-2024	-	-	-	-	-	469380361	46.9380361		Reduction of nominal value of each Equity share from INR.10 to INR .1/- pursuant to the scheme of Amalgamation
27-10-2024	(430322395)	1	-	Pursuant to the scheme of Amalgamation	-	39057966	3.9057966	-	Cancellation of Cross Holdings Equity shares
27-10-2024	2529158403	1	1	Pursuant to the scheme of Amalgamation	Allotment of Equity Shares pursuant to the scheme of Amalgamation	2568216369	256.8216369	-	Allotment of Equity Shares pursuant to the scheme of Amalgamation
27-10-2024	309936000	1	0.90	Pursuant to the scheme of	Allotment of Equity Shares	2878152369	284.7158769	-	Allotment of Equity Shares

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Date of Allotment	No of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration	Nature of Allotment	Cumulative Paid-Up Capital			Remarks
						No of Equity Shares	Equity Share Capital (Rs. in Cr.)	Equity Share Premium (Rs. in Cr)	
				Amalgamation	pursuant to the scheme of Amalgamation				pursuant to the scheme of Amalgamation
27-10-2024	5398803360	1	1	Pursuant to the scheme of Amalgamation	Conversion of Compulsorily Convertible Preference shares into Equity pursuant to the scheme of Amalgamation	8276955729	824.5962129	-	Conversion of Compulsorily Convertible Preference shares (CCPS from Series A-A7) into Equity pursuant to the scheme of Amalgamation
27-10-2024	997289520	1	1	Pursuant to the scheme of Amalgamation	Conversion of Compulsorily Convertible Preference shares into Equity pursuant to the scheme of Amalgamation	9274245249	924.3251649	-	Conversion of Compulsorily Convertible Preference shares (CCPS Series X, Y & Z) into Equity pursuant to the scheme of Amalgamation

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**H. Details of any acquisition of or amalgamation with any entity in the preceding one year:**

There were no acquisitions/amalgamations with any entity in the preceding 1 (one) year. However, slice group entities (Garagepreneurs Internet Private Limited, Intergalactory Foundry Private Limited, Quadrillion Finance Private Limited) and RGVN (North East) Microfinance Limited merged into slice small finance bank (erstwhile North East Small Finance Bank) with effect from 27th October 2024.

**I. Details of any reorganization or reconstruction in the preceding one year:**

Nil

**J. Details of the shareholding of the Company as at the latest quarter end, being December 31, 2025, as per the format specified under the listing regulations:**

Please refer to clause 4.11 of Section 4 of the General Information Document dated March 5, 2026.

**K. List of top 10 holders of equity shares of the Company as at the latest quarter end, being December 31, 2025:**

Sr. No.	Name and category of the Shareholder	Number of Equity Shares of face value of ₹1 each	Total shareholding as % on fully diluted basis
1.	Rajan Bajaj	1,80,18,83,376	13.81
2.	Gunosy Inc	142,34,65,608	10.91
3.	slice Employee Stock option Trust	110,74,43,592	8.49
4.	Das Capital SG Pte. Ltd.	48,36,41,040	3.71
5.	Catalyst Trusteeship Limited - 3F Ventures	47,96,54,136	3.68
6.	Simile Venture Partners SPF S.A.	41,52,57,888	3.18
7.	Catalyst Trusteeship Limited - Blume Ventures India Fund II	35,80,46,520	2.74
8.	Gunosy Capital	25,15,55,328	1.93
9.	Blume Ventures - Fund II	23,64,67,080	1.81
10.	Abyss Investment Pte. Limited	21,07,84,656	1.62
Total		6,76,81,99,224	51.88

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**L. Following details regarding the directors of the Company:**

(a) Details of the current directors of the Company as on date:

Name, Designation & DIN	Age	Address	Date of Appointment	Details of other directorship
Rajan Bajaj  Designation: Managing Director & Chief Executive Officer  DIN: 07197443	34 years	8/18, N.E.S. Housing Board, Alwar, Rajasthan- 301001	17.02.2026	Nil
Eugene Karthak  Designation: Independent Director and Part-time Chairperson DIN: 08743508	67 years	FN-A, BLK-2, 3RD Floor, Syndicate Ecopolis, Tripura Road, Khanapara, Guwahati, Kamrup, Assam 781022	08.05.2025	Nil
Tapan Kumar Hazarika  Designation: Independent Director DIN: 08088195	69 years	ASAVARI, 76 Narengi Housing Complex, (Opp. By Lane 1) Chandrapur Road, Narengi, Guwahati- 781026	30.06.2021	1. Ekgaon Consulting Services Private Limited 2. Ekalavya Consulting & Livelihoods Private Limited 3. Jnan Bikash Ascademic Foundation (Company Not For Profit) 4. Ekalavya Rural Transformation And Livelihoods Support Foundation (Company Not For Profit)
Ram Krishna Garg  Designation: Independent Director DIN: 02164119	73 years	Flat No, A 402 Rosewood Estate, Near Prerna Teerth Derasar , Satellite, Ahmedabad, Gujarat- 380015	25.05.2021	Nil

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Name, Designation & DIN	Age	Address	Date of Appointment	Details of other directorship
Shrimohan Yadav Designation: Independent Director DIN: 10461785	64 years	2501, 25th Floor, Wadhwa Pristine, Nr. Ruparel College, Bal Govind Das Road, Matunga West, Mumbai- 7400016		<ol style="list-style-type: none"> <li>1. Capri Global Housing Finance Limited</li> <li>2. Finnable Credit Pvt. Ltd.</li> </ol>
Koodathumuriyil Varghese Eapen Designation: Independent Director DIN: 01613015	67 years	Flat no. 10-B, Abad Reflections, KP Vallon Road, Kadavanthara, Ernakulam, Kochi-682020	08.05.2025	<ol style="list-style-type: none"> <li>1. Shriram Asset Management Company Limited</li> <li>2. The Antara Foundation</li> <li>3. Muthoot Homefin (India) Limited</li> <li>4. Muthoot Finance Limited</li> </ol>
Ashish Bhupendra Fafadia Designation: Nominee Director DIN: 06663764	47 years	No. 12, 14 <sup>th</sup> Floor, building no. 3, Navjeevan Commercial Premises CHS Limited, Lamington Road, Mumbai, Maharashtra - 400008	27.10.2024	<ol style="list-style-type: none"> <li>1. Carbon Clean Solutions Private Limited</li> <li>2. Constellation Blu Advisory Private Limited</li> <li>3. Afaa Private Limited</li> <li>4. Blume Venture Advisors Private Limited</li> <li>5. Greenizon Agritech Consultancy Private Limited</li> <li>6. Manash Lifestyle Private Limited</li> <li>7. E2e Networks Limited</li> </ol>
Nikhil Sachdev Designation: Nominee Director DIN: 07725212	41 years	4126, 17th St Apt 4, San Francisco, CA 94114-1905	27.10.2024	<ol style="list-style-type: none"> <li>1. Appsmith</li> <li>2. CredAvenue Private Limited</li> <li>3. Pragma Platform</li> <li>4. Uizard Technologies</li> <li>5. TTMFS Singapore Pte Ltd</li> <li>6. InDriver</li> <li>7. Doxel</li> <li>8. PlanetScale</li> <li>9. Shop-ware</li> <li>10. apprentice.io</li> </ol>

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Name, Designation & DIN	Age	Address	Date of Appointment	Details of other directorship
Sreedevi Pillai  Designation: Independent Director (Additional Director)  DIN: 08944944	63 years	Flat no E3, Lotus Rugmini Keshavam, Opp Gandhi Square, Pettah, Poonithura P O, Ernakulam, Kerala 682038	12.02.2026	1. Navi Trustee Company Ltd. 2. IFB Industries Ltd 3. Team India Guaranty Limited 4. Southern Veneers and Woodworks Limited 5. Mayabandar Doors Limited 6. Kohinoor Saw Mills Co Ltd 7. The Western India 8. Plywoods Limited

(b) Details of change in directors in the preceding three financial years and current financial year:

Name, Designation & DIN	Date of Appointment/ Reappointment	Date of Cessation, if applicable	Date of Resignation (if applicable)	Remarks
Adayadiyil George Varughese  Designation: Nominee director  DIN: 08842948		21/06/2022	-	Cessation
Shri Ram Meena  Designation: Nominee director  DIN: 08452187		21/06/2022		Cessation
Gautam Barua  Designation: Independent Director  DIN: 01226582		29/06/2022		Cessation
Gautam Barua  Designation: Independent Director  DIN: 01226582	30/06/2022			Reappointment
Manas Kumar Bid  Designation: Nominee director  DIN: 02493180	30/06/2022			Appointment
Pradeep Kumar Nath  Designation: Nominee director	08/08/2022			Appointment

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Name, Designation & DIN	Date of Appointment/ Reappointment	Date of Cessation, if applicable	Date of Resignation (if applicable)	Remarks
DIN: 07344935				
Manas Kumar Bid Designation: Nominee director DIN: 02493180		07/10/2022		Cessation
James Stuart Brown Designation: Nominee director DIN: 08988283	07/10/2022			Appointment
James Stuart Brown Designation: Nominee director DIN: 08988283		21/07/2023		Cessation
Rajan Bajaj Designation: Nominee Director DIN: 07197443	21/07/2023			Appointment
Rupali Kalita Designation: Managing Director DIN: 02114098		16/10/2023		Cessation
Prabhakar Sistla Designation: Independent Director DIN: 09249122			18/11/2023	Resignation
Shrimohan Yadav Designation: Independent Director DIN: 10461785	19/01/2024			Appointment
Satish Kumar Kalra Designation: Managing Director DIN: 01952165	17/02/2024			Appointment

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Name, Designation & DIN	Date of Appointment/ Reappointment	Date of Cessation, if applicable	Date of Resignation (if applicable)	Remarks
Samit Shankar Shetty Designation: Independent Director DIN: 02573018	28/03/2024			Appointment
Parvez Kasim Mulla Designation: Independent Director DIN: 08026994	28/03/2024			Appointment
Rajan Bajaj Designation: Whole Time Director DIN: 07197443	27/10/2024			Appointment (Change of designation)
Pradeep Kumar Nath Designation: Nominee director DIN: 07344935		27/10/2024		Cessation
Smriti Chandra Designation: Nominee director DIN: 07644331		27/10/2024		Cessation
Ashish Bhupendra Fafadia Designation: Nominee director DIN: 06663764	27/10/2024			Appointment
Nikhil Sachdev Designation: Nominee director DIN: 09500698	27/10/2024			Appointment
Parvez Kasim Mulla Designation: Independent Director DIN: 08026994			05/11/2024	Resignation
Koodathumuriyil Verghese Eapen Designation: Independent	08/05/2025			Appointment

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Name, Designation & DIN	Date of Appointment/ Reappointment	Date of Cessation, if applicable	Date of Resignation (if applicable)	Remarks
Director DIN: 01613015				
Eugene Karthak Designation: Independent Director DIN: 08743508	08/05/2025			Appointment
Gautam Barua Designation: Independent Director DIN: 01226582		29/06/2025		Cessation
Samit Shankar Shetty Designation: Independent Director DIN: 02573018			20/07/2025	Resignation
Manjula Saikia Bhuyan Designation: Independent Director DIN: 08156782		19/01/2026		Cessation
Satish Kumar Kalra Designation: Managing Director DIN: 01952165		16/02/2026		Cessation
Sreedevi Pillai Designation: Independent Director DIN: 08944944	12/02/2026			Appointment
Rajan Bajaj Designation: Managing Director DIN: 07197443	17/02/2026			Appointment (change of designation)

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- (c) Details of directors' remuneration, and such particulars of the nature and extent of their interests in the Issuer (during the current year and preceding three financial years):

Name of the Director	Remuneration (in Rs)	Shareholding on a fully diluted basis (%)
FY 2024-25 (till December 31, 20235)		
Rajan Bajaj	Rs. 165.89 Lakhs	13.81
Satish Kumar Kalra	Rs. 272.90 Lakhs	-
Ram Krishna Garg	Rs. 26.43 lakhs	-
Gautam Barua	Rs. 18.51 Lakhs	-
Manjula Saikia Bhuyan	Rs. 26.34 Lakhs	-
Tapan Kumar Hazarika	Rs. 35.79 Lakhs	-
Shrimohan Yadav	Rs. 27.06 Lakhs	-
Samit Shankar Shetty	Rs. 19.10 Lakhs	-
Pervez Kasim Mulla	Rs. 8.92 Lakhs	-
FY 2023-24		
Rupali Kalita	Rs.34.12 Lakhs	
Satish Kumar Kalra	Rs. 42.61 Lakhs	-
FY2022-23		
Rupali Kalita	Rs. 55.62 Lakhs	
Gautam Barua	Rs. 7.80 Lakhs	-
Manjula Saikia Bhuyan	Rs. 7.20 Lakhs	-
Ram Krishna Garg	Rs. 22.20 Lakhs	-
Tapan Kumar Hazarika	Rs. 9.40 Lakhs	-
Sistla Prabhakar	Rs. 9.60 Lakhs	-
Shri Ram Meena	Rs. 0.60 Lakhs	-
Adayadiyil George Varughese	Rs. 1.80 Lakhs	-
Pradeep Kumar Nath	Rs. 3.20 Lakhs	-
James Stuart Brown	Rs. 3 Lakhs	-
Manas Kumar Bid	Rs. 1.60 Lakhs	

- (d) Contribution being made by the directors as part of the offer or separately in furtherance of such objects:

NIL

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**A. Any financial or other material interest of the directors, promoters, key managerial personnel or senior management in the Issue and the effect of such interest in so far as it is different from the interests of other persons:**

NIL

**B. Details of the auditor of the Issuer:**

Name	Address	Date of Appointment
Chaturvedi & Co. LLP.	Park Centre, 24 Park Street, Kolkata, India, 700016	November 11, 2025

**C. Details of change in auditor for preceding three financial years and current financial year:**

Name	Address	Date of Appointment	Date of Cessation, if applicable	Date Resignation applicable of if
BAWEJA & KAUL	306 CORPORATE OFFICE, 85 A ZAMRUDPUR, GREATER KAILASH-I, NEW DELHI-110048		September 29, 2023	-

**D. Details of the following liabilities of the Issuer, as at the end of the preceding quarter December 31, 2025, or if available, a later date:**

(i) Details of Outstanding Secured Loan Facilities as on December 31, 2025 (in Crore):

Name of Lender	Type of Facility	Amount Sanctioned	Principal Amount outstanding	Redemption Date / Schedule	Security	Credit Rating, if applicable	Asset Classification
Vivriti Capital Private Limited	Term Loan	30.00	0.38	05-01-2026	110.00%	NA	NA

(ii) Details of Outstanding Unsecured Loan Facilities (in Crore):

S. No.	Name of lender	Type of Facility	Amount Sanctioned (Rs. In Crore)	Principal Amount outstanding	Repayment Date / Schedule	Credit Rating, if applicable
Nil						

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(iii) Details of Outstanding non-convertible securities as on date:

ISIN	Debenture Series	Tenor/ Period of Maturity	Coupon (Rate of Int.)	Amount Outstanding (Rs. In Crore)	Date of allotment	Redemption Date / Schedule	Current Credit Rating	Secured/ Unsecured	Security
INE010107341	DKP INDIA SCHEME II	26 Months	13.75%	215.00	16-06-2024	16-08-2026	NA	Secured	125%
INE010107358	DKP INDIA SCHEME II	26 Months	13.84%	210.00	30-09-2024	30-11-2026	NA	Secured	125%
INE010107390	OXY Ventures Private Limited	18 Months	12.75%	8.33	11-10-2024	11-04-2026	Care BBB- ( Stable Outlook)	Secured	115%
INE010107416	OXY Ventures Private Limited	18 Months	12.75%	5.00	24-10-2024	24-04-2026	Care BBB- ( Stable Outlook)	Secured	115%
INE09B308036	Kechangulie Rio - Tier -II	63 Months	14%	5.00	30-06-2022	27-09-2027	Crisil BBB-	Unsecured	NA
INE09B308028	NEDFI Tier - II	63 Months	14%	10.00	30-06-2022	27-09-2027	Crisil BBB-	Unsecured	NA
INE09B308028	Prodyut Deb Barman Tier -II	63 Months	14%	2.00	01-07-2022	28-09-2027	Crisil BBB-	Unsecured	NA
INE09B308028	Prodyut Deb Barman Tier -II	63 Months	14%	2.00	31-08-2022	28-11-2027	Crisil BBB-	Unsecured	NA

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(iv) Details of Commercial Papers issuances as at the end of the last quarter, being December 31, 2025:

Series of NCS	ISIN	Tenor/ Period of Maturity	Coupon	Amount outstanding	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured/ unsecured	Security	Other details viz. details of Issuing and Paying Agent, details of Credit Rating Agencies
NIL										

(v) List of Top 10 (Ten) holders of non-convertible securities in terms of value (in cumulative basis):

S. No.	Name of holders of Non-convertible Securities	Category of Holder	Face Value of holding (Rs. In crore)	Holding as a % of total outstanding non-convertible securities of the Issuer
1	DKP INDIA SCHEME II	AIF	215.00	49.05%
2	DKP INDIA SCHEME II	AIF	210.00	47.91%
3	OXY Ventures Private Limited	CORPORATE	8.33	1.90%
4	OXY Ventures Private Limited	CORPORATE	5.00	1.14%

(vi) List of Top 10 (Ten) holders of outstanding Commercial Papers, in terms of value (in cumulative basis):

S. No.	Name of holders	Category of Holder	Face Value of holding	Holding as a % of total commercial paper of the Issuer
NIL				

(vii) Details of the bank fund-based facilities / rest of borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) from financial institutions or financial creditors:

Name of Party (in case of Facility) / Name of Instrument	Type of Facility / instrument	Amount sanctioned / issued	Principal Amount Outstanding	Date of Repayment / Schedule	Credit Rating	Secured /Unsecured	Security
NIL							

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- E. The amount of corporate guarantee or letter of comfort issued by the Issuer along with name of the counterparty (like name of the subsidiary, joint venture entity, group company etc.) on behalf of whom it has been issued, contingent liability including debt service reserve account guarantees/ any put option etc. (Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash). This information shall be disclosed whether such borrowing/ debt securities have been taken/ issued (a) in whole or part, (b) at a premium or discount, or (c) in pursuance of an option or not.

NIL

- F. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the company, in the preceding three years and the current financial year:

NIL

- G. Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of Issue which may affect the Issue or the investor's decision to invest / continue to invest in the non-convertible securities/commercial paper:

The Issuer hereby declares that there has been no material event, development or change having implications on the financials/credit quality at the time of issue from the position as on the date of the last audited financial statements of the Issuer, which may affect the Issue or the Investor's decision to invest/ continue to invest in the debt securities of the Issuer.

- H. Any litigation or legal action pending or taken by a Government Department or a statutory body or regulatory body during the three years immediately preceding the year of the Issue of the General Information Document or this key information document against the promoter of the Company: No material litigation.

NIL

- I. Details of default and non-payment of statutory dues for the preceding three financial years and current financial year:

NIL

- G. Details of pending litigation involving the Issuer, promoter, director, subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the financial position of the Issuer, which may affect the Issue or the investor's decision to invest / continue to invest in the Commercial Papers:

NIL

- H. Details of acts of material frauds committed against the issuer in the preceding three financial years and current financial year, if any, and if so, the action taken by the Issuer:

NIL

- I. Details of pending proceedings initiated against the Issuer for economic offences, if any:

NIL

- J. Related party transactions entered during the preceding three financial years and current financial year with regard to loans made or, guarantees given or securities provided:

There are no material related party transactions during the three preceding financial year.

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- K. If the security is backed by a guarantee or letter of comfort or any other document of a similar nature, a copy of the same shall be disclosed. In case such document does not contain the detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the issue document:**

N.A. as the issuance is unsecured.

- L. The names of the trustee(s) shall be mentioned with a statement to the effect that trustee(s) has given its consent for appointment along with the copy of the consent letter from the trustee.**

The trustee of the proposed issue pertaining to the Debentures is Mitcon Credentia Trusteeship Services Limited (“Trustee”). Trustee has given its written consent for its appointment as trustee to the Issue and inclusion of its name in the form and context in which it appears in the Disclosure Documents and in all the subsequent periodical communications sent to the Debenture Holders. The consent letter from Trustee is provided in **Annexure IV**.

The Issuer has entered into a Debenture Trustee Agreement with the Debenture Trustee. A copy of the Debenture Trustee Agreement executed by and between the Company and the Debenture Trustee is available as **Annexure VIII**.

**M. Additional Disclosures / Reports:**

- a. In purchase or acquisition of any immovable property including indirect acquisition of immovable property for which advances have been paid to third parties, disclosures regarding:**

The Issuer has not undertaken any purchase or acquisition of immovable property (including indirect acquisition) other than in the ordinary course of its banking operations. Accordingly, the above disclosure is not applicable.

- b. The broad lending and borrowing policy including summary of the key terms and conditions of the term loans such as re-scheduling, prepayment, penalty, default; and where such lending or borrowing is between the Issuer and its subsidiaries or associates, matters relating to terms and conditions of the term loans including re-scheduling, prepayment, penalty, default:**

The Bank has Board-approved Credit Risk Management Policy and Credit Policy which together set forth the principles, standards, and governance structures pertaining to the appraisal, processing, disbursement, and administration of credit in the Bank, with the objective of building a high-quality, well-diversified loan portfolio generating optimal risk-adjusted returns.

The key objectives of these Policies are:

1. To establish a robust governance framework ensuring effective oversight, clear segregation of duties, and sound management of credit risk, supported by guiding principles for setting up and monitoring the Bank's credit risk appetite and exposure limits across borrower segments, geographies, and products.
2. To lay down foundational operating principles and compliance standards governing credit appraisal, processing, and risk management, including categorization of borrowers and financial products, regulatory and internally defined lending restrictions, and standards for effective identification, assessment, measurement, and monitoring of credit risk.
3. To define the principles for Delegation of Authority to sanctioning authorities and establish a framework for the management of stressed accounts, ensuring consistent identification, classification, and resolution of problem credits in line with applicable regulatory and prudential norms.
4. To ensure full adherence to the guidelines issued by the Reserve Bank of India from time to time, including those pertaining to digital lending, thereby embedding regulatory compliance as an integral component of the Bank's credit risk management practices.
5. The Bank is principally engaged in the extension of credit facilities to underserved and unserved demographics, encompassing the retail sector, small business enterprises, micro and small-scale industries, and entities within the informal economy, utilizing both digital and non-digital lending methodologies. The above Policies provide the

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overarching framework within which these credit activities are conducted, ensuring that the Bank's lending operations remain prudent, responsible, and aligned with its mission of promoting financial inclusion and equitable access to credit.

- c. The aggregate number of securities of the Issuer and its subsidiary companies purchased or sold by the promoter group, and by the directors of the Issuer which is a promoter of the Issuer, and by the directors of the Issuer and their relatives, within 6 (six) months immediately preceding the date of filing the Key Information Document with the Registrar of Companies:**

NIL

- d. The summary of reservations or qualifications or adverse remarks of auditors in the three financial years immediately preceding the year of issue of issue document, and of their impact on the financial statements and financial position of the company, and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remarks.**

**For the year 2024-25**

**Auditors' reservations or qualifications or adverse remarks: NIL**

For the year 2023-24

Auditors' reservations or qualifications or adverse remarks:

Qualified Opinion: "The Bank migrated to a new core banking system (BSG) on April 24, 2023. Given the system is yet to be fully streamlined, there are instances where manual involvement is required in preparing the financial statements. Therefore, we have conducted our audit with the help of information, explanations and data provided by the management. The Bank's trial balance as of March 31, 2024, contains unreconciled negative balances generated in certain general ledger accounts, which may have an impact on the financial statements. Hence, we are unable to comment on the accuracy of the data generated through the system".

**For the year 2022-23**

**Auditors' reservations or qualifications or adverse remarks: NIL**

- e. The details of: (a) any material inquiry, inspections or investigations initiated or conducted under the securities laws or Companies Act, 2013 (18 of 2013) or any previous companies law; (b) material prosecutions filed, if any (whether pending or not); and (c) material fines imposed or offences compounded, in the three years immediately preceding the year of issue of issue document in the case of the issuer being a company and all of its subsidiaries.**

Nil

- f. The details of acts of material frauds committed against the issuer in the preceding three financial years and current financial year, if any, and actions taken by the issuer.**

Nil

- d. Any other material changes in the information contained in the General Information Document:**

Nil.

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- e. Expenses of the Issue: Expenses of the issue along with a break up for each item of expense, including details of the fees payable to separately as under (in terms of amount, as a percentage of total issue expenses and as a percentage of total issue size), as applicable:**

**(Rs. In Lakhs)**

<b>S.NO</b>	<b>PARTICULARS</b>	<b>FEE/EXPENSE AMOUNT#</b>	<b>% OF TOTAL ISSUE EXPENSES</b>	<b>% OF TOTAL ISSUE SIZE</b>
1.	<b>Lead Manager(s)/Arranger fees</b>	168.75	42.63	2.25
2.	Underwriting commission	Not Applicable	Not Applicable	Not Applicable
3.	Brokerage, selling commission and upload fees	Not Applicable	Not Applicable	Not Applicable
4.	<b>Fees payable to the registrars to the issue</b>	0.15	0.04	0.00
5.	Fees payable to the legal advisors	Not Applicable	Not Applicable	Not Applicable
6.	Advertising and marketing expenses*	Not Applicable	Not Applicable	Not Applicable
7.	<b>Fees payable to the regulators including stock exchanges</b>	2.16	0.55	0.03
8.	<b>Fees payable to the Debenture Trustee</b>	0.75	0.19	0.01
9.	Expenses incurred on printing and distribution of issue stationary**	Not Applicable	Not Applicable	Not Applicable
10.	Any other fees - Due Diligence Fees (INR 75 lakhs) - Processing Fees (INR 75.00 Lakhs) - Issue Structuring & Advisory (INR 73.60 Lakhs) - Other related Expenses (INR 0.42 Lakhs)	224.02	56.60	2.99

\*The above computation is on the base issue size.

# On estimated basis

\*As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, no specific advertising and marketing expenses are envisaged to be payable in respect of such issue of Debentures, other than such fees as payable to the EBP platform.

\*\* As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, no specific expenses are envisaged to be incurred on printing and distribution of issue stationary in respect of such issue of Debentures.

Note: Bank may remit Issue related expenses including but not limited to the fees/ charges / incentives payable as arrangers fees/ advisory fees/ brokerage / selling commission / marketing/ advertising fees, distribution fees/ any other miscellaneous fees directly or indirectly to any intermediary(ies) appointed by the Bank or any other representative/s agent/s as may be appointed by the intermediary(ies) who may further utilize the same, for marketing purposes, including distributor payouts, either in full or part. Such fees may be finalized depending upon number of factors including but not limited to issue subscription, market conditions, terms of the issue, nature and scope of assignment, profile of counter party etc.

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- f. Consent of directors, auditors, bankers to issue, solicitors or advocates to the issue, legal advisors to the issue, lead managers to the issue, Registrar to the Issue, and lenders (if required, as per the terms of the agreement) and experts.**

<b>PARTICULARS</b>	<b>CONSENT</b>
Directors	The Board of Directors unanimously approved the resolution for issuance of the Debentures in the meeting held on February 27, 2026.
Auditors	Consent letter received on February 25, 2026.
Bankers to issue	NA
Solicitors /Advocates	NA
Legal Advisors	NA
Lead Manager	NA
Registrar	The consent letter from the Registrar is provided vide letter dated February 26, 2026.
Lenders	NA
Experts	NA

- g. Details of legal counsel, merchant banker, co-managers guarantor and arrangers:**

<b>Legal Counsel</b>	NA
<b>Merchant banker and co-managers to the Issue (Not applicable for private placement. however, if appointed, to be disclosed)</b>	NA
<b>Guarantor, if applicable</b>	NA
<b>Arrangers, if any</b>	Name: Tipsons Consultancy Services Private Limited  Address: 1st Floor, Sheraton House, Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad – 380015  Contact Person: Mr. Nikhil Koshti  Email: Nikhil.koshti@tipsons.com

- h. About the Issuer:**

- 1. Overview and a brief summary of the business activities of the Issuer:**

Please refer to Section 4.4 of the General Information Document.

- 2. Structure of the Group:**

Please refer to Section 4.4 of the General Information Document.

- 3. A brief summary of the business activities of the Subsidiaries of the Issuer**

Please refer to Section 4.4 of the General Information Document.

- 4. Details of branches or units where the issuer carries on its business activities**

Please refer to Section 4.4 of the General Information Document.

- i. Use of proceeds (in the order of priority for which the said proceeds will be utilized): (i) purpose of the placement; (ii) break-up of the cost of the project for which the money is being raised; (iii) means of financing for the project;**

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**(iv) proposed deployment status of the proceeds at each stage of the project:**

The Issue Proceeds equivalent to 100% (One Hundred percent) of the funds raised by the Issue will be to augment the Tier II Capital of the Bank for strengthening the Bank's capital adequacy and enhancing the Bank's long-term resources and for the regular business activities of the Bank. The Bank further undertakes that it shall not carry out any other activities as may be prohibited by RBI and / or such other regulators as may be applicable from time to time.

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### **SECTION 3: DISCLAIMERS**

In addition to the disclaimers given below, please refer **Section 2** of the General Information Document for disclaimers set out in relation to the Debentures issued under the General Information Document

#### **DISCLAIMER OF THE BOMBAY STOCK EXCHANGE OF INDIA LIMITED**

As required under the SEBI Regulations, a copy of this Key Information Document along with the General Information Document has been / shall be submitted to the BSE Limited for hosting the same on its website.

It is to be distinctly understood that such submission of this Key Information Document along with the General Information Document with BSE or the granting of in-principle approval given by BSE vide its letter dated March 9, 2026 and bearing reference number DCS/COMP/AA/IP-PPDI/239/25-26 in terms of the SEBI Debt Listing Regulations or hosting the same on its website should not in any way be deemed or construed that the Key Information Document or the General Information Document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Key Information Document or the General Information Document; nor does it warrant that the Issuer's Debentures will be listed or continue to be listed on BSE; nor does it take responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Issuer. Every person who desires to apply for or otherwise acquire the Debentures of the Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **DISCLAIMER OF THE DEBENTURE TRUSTEE**

The Debenture Trustee, "ipso facto" does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid / invested by Debenture Holders.

#### **DISCLAIMER IN RESPECT OF ARRANGER**

The Issuer has authorised the Arranger to deliver copies of this Key Information Document on behalf of the Issuer to Eligible Investors and to distribute the General Information Document and the Key Information Document in connection with the Debentures proposed to be issued by the Issuer.

The Issuer has prepared the General Information Document and this Key Information Document, and the Issuer is solely responsible for its contents. The Issuer will comply with all laws, rules and regulations and has obtained all regulatory, governmental and corporate approvals for the issuance of the Debentures. All the information contained in the Key Information Document has been provided by the Issuer or is from publicly available information, and such information has not been independently verified by the Arranger(s). No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the Arranger(s) for the accuracy, completeness, reliability, correctness or fairness of this Key Information Document or any of the information or opinions contained therein, and the Arranger(s) hereby expressly disclaim, any responsibility for the contents of this Key Information Document and any liability, whether arising in tort or contract or otherwise, relating to or resulting from such documents or any information or errors contained therein or any omissions therefrom. By accepting this Key Information Document, the investor agrees that the Arranger(s) will not have any such liability.

It is hereby declared that the Issuer has exercised due diligence to ensure complete compliance of prescribed disclosure norms in this Key Information Document. Each person receiving this Key Information Document acknowledges that such person has not relied on the Arranger(s), nor any person affiliated with the Arranger(s), in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of the Issuer and the merits and risks involved in investing in the Debentures. The Arranger(s): (a) has no obligations of any kind to any invited

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Investor under or in connection with any transaction documents; (b) is not acting as trustee or fiduciary for the investors or any other person; and (c) is under no obligation to conduct any "know your customer" or other procedures in relation to any person on behalf of any investor. Neither the Arranger(s) or its respective officers, directors, employees are responsible for: (a) the adequacy, accuracy, completeness and/ or use of any information (whether oral or written) supplied by the Issuer or any other person in or in connection with any transaction document including this the Key Information Document; (b) the legality, validity, effectiveness, adequacy or enforceability of any transaction document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any transaction document; or (c) any determination as to whether any information provided or to be provided to any finance party is non-public information the use of which may be regulated or prohibited by applicable Law or regulation relating to insider dealing or otherwise.

The role of the Arranger(s) in the assignment is confined to marketing and placement of the Debentures on the basis of this Key Information Document as prepared by the Issuer. The Arranger(s) has neither scrutinized nor vetted nor has it done any due diligence for verification of the contents of this Key Information Document. The Arranger(s) is authorized to deliver copies of this Key Information Document on behalf of the Issuer to Eligible Investors which are considering participation in the Issue and shall use the Key Information Document for the purpose of soliciting subscriptions from Eligible Investors in the Debentures to be issued by the Issuer on a private placement basis. It is to be distinctly understood that the use of this document by the Arranger(s) should not in any way be deemed or construed to mean that the Key Information Document has been prepared, cleared, approved or vetted by the Arranger(s); nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Key Information Document; nor does it take responsibility for the financial or other soundness of this Issuer, its management or any scheme or project of the Issuer. The Arranger(s) or any of their directors, employees, do not accept any responsibility and/or liability for any expenses paid arising of whatever nature and extent in connection with the use of any of the information contained in this Key Information Document.

The investors should carefully read and retain this Key Information Document. However, the investors are not to construe the contents of hereof or thereof as investment, legal, accounting, regulatory or tax advice, and the investors should consult with their own advisors as to all legal, accounting, regulatory, tax, financial and related matters concerning an investment in the Debentures. This Key Information Document is not intended to be the basis of any credit analysis or other evaluation and should not be considered as a recommendation by the Arranger(s) or any other person that any recipient participates in the Issue or advice of any sort. It is understood that each recipient of this Key Information Document will perform its own independent investigation and credit analysis of the proposed financing and the business, operations, financial condition, prospects, creditworthiness, status and affairs of the Issuer based on such information and independent investigation as it deems relevant or appropriate and without reliance on the Arranger(s) or on the Key Information Document.

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#### SECTION 4: DISCLOSURE OF CASH FLOW AND OTHER DETAILS FOR APPLYING FOR DEBENTURES

**A. Disclosure of Cash flow with date of interest/ dividend / redemption payment as per day count convention:**

- (a) **The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made, should be disclosed.**

Actual/ Actual

- (b) **Procedure and time schedule for allotment and issue of securities should be disclosed.**

The procedure and time schedule for allotment shall be as per the SEBI Electronic Book Mechanism.

- (c) **Cash flows emanating from the non-convertible securities shall be mentioned in the offer document, by way of an illustration.**

This calculation is based on the assumption that the Deemed Date of Allotment will be on and the scheduled redemption date is a Business Day and is merely illustrative. If there is a change in the Deemed Date of Allotment, calculations will change accordingly.

<b>Company / Issuer</b>	slice small finance bank limited
<b>Face Value (per security)</b>	Each Debenture has a face value of Rs. 1,00,000/- (Rupees One Lakh)
<b>Date of Allotment</b>	March 17, 2026
<b>Redemption Date</b>	December 17, 2031
<b>Tenor</b>	Five (5) years and (9) months from the Deemed Date of Allotment
<b>Coupon Rate</b>	12.00% (Twelve percent) per annum payable Monthly
<b>Frequency of the interest payment / dividend payment with specified dates</b>	Monthly and on Redemption
<b>Day Count Convention</b>	Actual/Actual

#### INTEREST PAYMENT SCHEDULE

##### BOND CASH FLOW CONSIDERING YEILD TO MATURITY

Sr. No.	Cash Flow Event(Allotment / Interest/ Redemption)	Record Date	Due Date	Date of Payment	No. of Days in Coupon Period	Amount Payable (per Unit) (in Rs.)
1	Date of allotment		17-03-2026			1,00,000.00
2	Interest	02-04-2026	17-04-2026	17-04-2026	31	-1,019.18
3	Interest	02-05-2026	17-05-2026	18-05-2026	30	-986.30
4	Interest	02-06-2026	17-06-2026	17-06-2026	31	-1,019.18
5	Interest	02-07-2026	17-07-2026	17-07-2026	30	-986.30
6	Interest	03-08-2026	17-08-2026	17-08-2026	31	-1,019.18
7	Interest	02-09-2026	17-09-2026	17-09-2026	31	-1,019.18
8	Interest	02-10-2026	17-10-2026	17-10-2026	30	-986.30
9	Interest	02-11-2026	17-11-2026	17-11-2026	31	-1,019.18
10	Interest	02-12-2026	17-12-2026	17-12-2026	30	-986.30

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Sr. No.	Cash Flow Event(Allotment / Interest/ Redemption)	Record Date	Due Date	Date of Payment	No. of Days in Coupon Period	Amount Payable (per Unit) (in Rs.)
11	Interest	02-01-2027	17-01-2027	18-01-2027	31	-1,019.18
12	Interest	02-02-2027	17-02-2027	17-02-2027	31	-1,019.18
13	Interest	02-03-2027	17-03-2027	17-03-2027	28	-920.55
14	Interest	02-04-2027	17-04-2027	17-04-2027	31	-1,019.18
15	Interest	03-05-2027	17-05-2027	17-05-2027	30	-986.30
16	Interest	02-06-2027	17-06-2027	17-06-2027	31	-1,019.18
17	Interest	02-07-2027	17-07-2027	17-07-2027	30	-986.30
18	Interest	02-08-2027	17-08-2027	17-08-2027	31	-1,019.18
19	Interest	02-09-2027	17-09-2027	17-09-2027	31	-1,019.18
20	Interest	02-10-2027	17-10-2027	18-10-2027	30	-986.30
21	Interest	02-11-2027	17-11-2027	17-11-2027	31	-1,019.18
22	Interest	02-12-2027	17-12-2027	17-12-2027	30	-986.30
23	Interest	03-01-2028	17-01-2028	17-01-2028	31	-1,016.39
24	Interest	02-02-2028	17-02-2028	17-02-2028	31	-1,016.39
25	Interest	02-03-2028	17-03-2028	17-03-2028	29	-950.82
26	Interest	03-04-2028	17-04-2028	17-04-2028	31	-1,016.39
27	Interest	02-05-2028	17-05-2028	17-05-2028	30	-983.61
28	Interest	02-06-2028	17-06-2028	17-06-2028	31	-1,016.39
29	Interest	03-07-2028	17-07-2028	17-07-2028	30	-983.61
30	Interest	02-08-2028	17-08-2028	17-08-2028	31	-1,016.39
31	Interest	02-09-2028	17-09-2028	18-09-2028	31	-1,016.39
32	Interest	02-10-2028	17-10-2028	17-10-2028	30	-983.61
33	Interest	02-11-2028	17-11-2028	17-11-2028	31	-1,016.39
34	Interest	02-12-2028	17-12-2028	18-12-2028	30	-983.61
35	Interest	02-01-2029	17-01-2029	17-01-2029	31	-1,019.18
36	Interest	02-02-2029	17-02-2029	17-02-2029	31	-1,019.18
37	Interest	02-03-2029	17-03-2029	17-03-2029	28	-920.55
38	Interest	02-04-2029	17-04-2029	17-04-2029	31	-1,019.18
39	Interest	02-05-2029	17-05-2029	17-05-2029	30	-986.30
40	Interest	02-06-2029	17-06-2029	18-06-2029	31	-1,019.18
41	Interest	02-07-2029	17-07-2029	17-07-2029	30	-986.30
42	Interest	02-08-2029	17-08-2029	17-08-2029	31	-1,019.18
43	Interest	03-09-2029	17-09-2029	17-09-2029	31	-1,019.18
44	Interest	02-10-2029	17-10-2029	17-10-2029	30	-986.30
45	Interest	02-11-2029	17-11-2029	17-11-2029	31	-1,019.18
46	Interest	03-12-2029	17-12-2029	17-12-2029	30	-986.30
47	Interest	02-01-2030	17-01-2030	17-01-2030	31	-1,019.18
48	Interest	02-02-2030	17-02-2030	18-02-2030	31	-1,019.18
49	Interest	02-03-2030	17-03-2030	17-03-2030	28	-920.55
50	Interest	02-04-2030	17-04-2030	17-04-2030	31	-1,019.18
51	Interest	02-05-2030	17-05-2030	17-05-2030	30	-986.30
52	Interest	03-06-2030	17-06-2030	17-06-2030	31	-1,019.18
53	Interest	02-07-2030	17-07-2030	17-07-2030	30	-986.30
54	Interest	02-08-2030	17-08-2030	17-08-2030	31	-1,019.18
55	Interest	02-09-2030	17-09-2030	17-09-2030	31	-1,019.18

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Sr. No.	Cash Flow Event(Allotment / Interest/ Redemption)	Record Date	Due Date	Date of Payment	No. of Days in Coupon Period	Amount Payable (per Unit) (in Rs.)
56	Interest	02-10-2030	17-10-2030	17-10-2030	30	-986.30
57	Interest	02-11-2030	17-11-2030	18-11-2030	31	-1,019.18
58	Interest	02-12-2030	17-12-2030	17-12-2030	30	-986.30
59	Interest	02-01-2031	17-01-2031	17-01-2031	31	-1,019.18
60	Interest	03-02-2031	17-02-2031	17-02-2031	31	-1,019.18
61	Interest	03-03-2031	17-03-2031	17-03-2031	28	-920.55
62	Interest	02-04-2031	17-04-2031	17-04-2031	31	-1,019.18
63	Interest	02-05-2031	17-05-2031	17-05-2031	30	-986.30
64	Interest	02-06-2031	17-06-2031	17-06-2031	31	-1,019.18
65	Interest	02-07-2031	17-07-2031	17-07-2031	30	-986.30
66	Interest	02-08-2031	17-08-2031	18-08-2031	31	-1,019.18
67	Interest	02-09-2031	17-09-2031	17-09-2031	31	-1,019.18
68	Interest	02-10-2031	17-10-2031	17-10-2031	30	-986.30
69	Interest	03-11-2031	17-11-2031	17-11-2031	31	-1,019.18
70	Interest + Redemption	02-12-2031	17-12-2031	17-12-2031	30	-1,00,986.30

**Note: Interest is calculated on an Actual/Actual basis. All payments are made on a Business Day – interest falling on a weekend/holiday is paid on the next Business Day, while principal/redemption is paid on the previous Business Day**

## B. OTHER DETAILS

- (a) **Creation of a Debenture Redemption Reserve:** Please refer Section 4.34(a) of the General Information Document.
- (b) **Issue/instrument specific regulations:** Please refer Section 4.34(c) of the General Information Document.
- (c) **Default in Payment:** Please refer to section 5 of the Key Information Document
- (d) **Delay in Listing:** Please refer to section 5 of the Key Information Document
- (e) **Delay in allotment of securities:** Please refer to section 5 of the Key Information Document
- (f) **Issue details:** Please refer to section 5 of the Key Information Document
- (g) **Application Process:**

### 4.1 Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debentures shall be transferred and/or transmitted in accordance with the applicable provisions of the Companies Act, 2013 and other applicable laws. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the register of Debenture Holder(s) maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure

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followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

**4.2 Debentures held in Dematerialized Form**

The Debentures shall be held in dematerialized form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by /fund transfer/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate corporate action.

The list of beneficiaries as of the Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by EFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

**4.3 Sharing of Information**

The Issuer may, at its option, but subject to applicable laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

**4.4 Debenture Holder(s) not a Shareholder**

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Companies Act, 2013. The principal amount and interest on the Debentures will be paid to the registered Debenture Holders only, and in case of joint holders, to the one whose name stands first. The Debentures shall not confer upon the Debenture Holder(s), the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

**4.5 Modification of Debentures**

The Trustee shall concur with the Bank (without requiring any approval of the Debenture Holder(s)) in making any modifications in the rights, privileges, terms and conditions attached to the Debentures which is essential and in the opinion of the Trustee would not be materially prejudicial to the interests of the Debenture Holder(s), and to any modification of the terms of the Debentures or any of the other Transaction Documents which is of a formal, minor or technical nature or is to correct a manifest error or which is required to be made pursuant to change in Applicable Law. Any other change or modification to the terms of the Debentures or the Debenture Trust Deed shall require approval by the Debenture Holder(s). Upon obtaining such approval, the Trustee and the Bank shall give effect to the same by executing necessary deed(s) supplemental to the Transaction Documents.

**4.6 Right to accept or reject Applications**

The Board of Directors reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof. Application Forms that are not complete in all respects may be rejected at the sole and absolute discretion of the Bank. Any application which has been rejected, would be intimated by the Bank along with the refund warrant. The Investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to Issuer by the Deemed Date of Allotment.

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#### 4.7 Participation by Anchor Investors

Not applicable.

#### 4.8 Notices

- (a). Any notice, demand, communication or other request (individually, a "Notice") to be given or made under the Transaction Documents shall be in writing. Such Notice shall be delivered by hand, registered mail/speed post (postage prepaid), recognized overnight courier service or email to the Party to which it is addressed at such Party's address specified below or at such other address as such Party shall from time to time have designated by 5 (Five) days' prior written Notice. Provided however, that in case of a Notice delivered by email, the Party delivering such Notice shall also deliver a copy of the same by hand, registered mail/speed post (postage prepaid), recognized overnight courier service. It is clarified that the time of delivery or deemed delivery of any such Notice delivered by email and followed by the delivery of a physical copy as aforesaid shall be determined based on the original email as opposed to the delivery of the physical copy as aforesaid.
- (b). Notice by the Parties to each other and the Debenture Holder(s) shall be deemed to be effectively given and received upon delivery in person, or 1 (One) Business Day after delivery by recognized overnight courier service or 5 (Five) Business Days after deposit via certified or registered mail / speed post (postage prepaid), return receipt requested, or in case of e-mail at the time of the sending thereof (provided no delivery failure notification is received by the sender within 24 (Twenty-Four) hours of sending such email), in each case addressed as below:

**Bank**

**slice small finance bank limited**

Corporate Office Address: 1st Floor, Ashford Park View Indiqube, 80 Feet Rd, 3rd Block, Koramangala 1A Block, Koramangala 3 Block, Koramangala, Bengaluru, Karnataka 560034

Attention: Shefaly Rai

Email: [shefaly.kothari@slicebank.com](mailto:shefaly.kothari@slicebank.com)

Tel. No.: +91 7349614778

Fax No. NIL

**Trustee**

Mitcon Credentia Trusteeship Services Private Limited

Address: 1402/1403, 14th Floor, Dalamal Tower, B-Wing, Free Press Journal Marg, 211, Nariman Point, Mumbai - 400021

Attention: Ms. Vaishali Urkude

Email: [contact@mitconcredentia.in](mailto:contact@mitconcredentia.in)

Tel. No.: +91-22-22828200

- (c). All information exchanged/ to be exchanged between the Parties may, notwithstanding anything contained in this Clause 4.8 (*Notices*), be exchanged in the manner mentioned herein below:
- (i) Bank to the Trustee: Either by email or courier.
- (ii) Debenture Holder(s) to the Trustee: Written communication by means of email(s) received from the Majority Debenture Holder(s).
- (d). This Clause 4.8 (*Notices*) shall survive the termination or expiry of the Transaction Documents.

#### 4.9 Issue Procedure

For issuance in accordance with the EBP Guidelines –

The Issue setup shall be done by the Issuer in accordance with the EBP Guidelines including the operating guidelines of the EBP platform. The final subscription to the Debentures shall be made by the eligible investors

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through the electronic book mechanism as prescribed by SEBI under the EBP Guidelines by placing bids on the EBP during the Issue period. An Issuer, at its discretion, may withdraw from the Issue process in accordance with the conditions enlisted in the EBP Guidelines. Eligible Investors should note that disclosure of estimated cut off yield by the EBP platform to the eligible participants, pursuant to closure of Issue, shall be at the discretion of the Issuer. The Issuer may choose to disclose the estimated cut-off yield to all the eligible participants before the bidding.

The minimum number of Debentures that can be applied for and the multiples thereof shall be as set out in this Disclosure Document. No application can be made for a fraction of a Debenture. Eligible Investors whose bids have been accepted by the Issuer and to whom a signed copy of this Disclosure Document has been issued by the Issuer and who have submitted/shall submit the Application Form ("Successful Bidders"), shall make pay-in of subscription monies in respect of the Debentures towards the allocation made to them, into the bank account of BSE Clearing Limited, on the Deemed Date of Allotment and before the pay-in cut-off time in accordance with the EBP Guidelines, the details of which will be displayed on the EBP platform.

The pay-in by the Successful Bidders will be made only from the bank account(s), which have been provided / updated by the Successful Bidders in the EBP system. Any amount received from third party accounts or from accounts not specified in the EBP system will be refunded and no allotment will be made against such payments. Further, pay-in received from any other bank account may lead to cancellation of bid and consequent debarment of the bidder from accessing the EBP platform for 30 (thirty) days. Upon the transfer of funds into the aforesaid account of BSE Clearing Limited and the Issuer confirming its decision to proceed with the allotment of the Debentures in favour of the Successful Bidders to the clearing corporation, the R&T Agent and the EBP and initiating the requisite corporate action for allotment of Debentures and credit of the demat letter of allotment into the relevant demat account of the Successful Bidders through the R&T Agent, the R&T Agent shall provide corporate action file along with all requisite documents to the Depositories by 12:00 hours and also intimate the EBP of the aforesaid actions. Upon the Depositories confirming the allotment of the Debentures and the credit of the Debentures into the demat account of the Successful Bidders to EBP, the subscription monies in respect of the Debentures from the aforesaid account of the clearing corporation shall be released into the Issuer's bank account, as intimated by the Issuer to the EBP.

It must be noted that all funds pay-in obligations need to be fulfilled in totality. Partial fund receipt against any given obligation will be treated as a default and debarment penalties may be applicable as specified by the EBP Guidelines.

It may be noted that payment by any other means shall not be accepted. The Bank assumes no responsibility for any applications lost in mail or in transit or any failure of electronic fund transfer.

The Bank will not be responsible in any manner for any delayed receipts / non-receipt of RTGS payments or applications lost in mail.

All transfers/RTGS must be made payable to the designated bank accounts of CCIL, details of which accounts shall be specified on the EBP platform.

#### **4.10 Application Procedure**

For issuance in accordance with the EBP Guidelines –

Only Eligible Investors as given hereunder to whom the Disclosure Document is addressed may apply for the Debentures. Eligible Investors are required to register on the EBP platform the link for which shall be available at <https://bond.bseindia.com/NewInvReg>. All the registered and Eligible Investors are required to update the necessary bank account details and demat details before participating in the bidding process on the EBP platform.

Each Series of the Issue will open on the 'Issue Opening Date' and close on the 'Issue Closing Date' (both days inclusive) as stated herein ("Issue Period"). Eligible Investors who wish to invest in the Issue shall submit an application for the Debentures with all the accompanying documents and the Application Money at any time

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starting from the Issue Opening Date and upto the Issue Closing Date. The subscription to the Debentures shall be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI during the Issue Period in the manner as set out in the section on 'Issue Procedure' below.

Applications for the Debentures must be made in the Application Form and must be completed in block letters in English by the Eligible Investors. Application Forms must be accompanied by payment details. The full amount of the Face Value applied for has to be paid along with the delivery of the fully completed and executed Application Form together with other applicable documents described below. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the Applicant's bank, type of account and account number must be duly completed by the Applicant. This is required for the Applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants. All Application Forms duly completed shall be submitted at the Corporate Office of the Issuer which is located at Indiqube Ashford Park View Municipal No 9 80 Feet Rd Industrial Layout Koramangala, 3rd block, Ward No. 68, Bengaluru – 560034, Karnataka.

The funds have to be credited to the designated bank accounts of BSE, the details of which shall be provided on the EBP platform, within the prescribed timelines, as per the EBP Guidelines. It may be noted that payment by another means shall not be accepted. The Issuer assumes no responsibility for any applications lost in mail or in transit or any failure of electronic fund transfer.

The Issuer will not be responsible in any manner for any delayed receipts / non-receipt of payments or applications lost in mail.

**4.11 Fictitious Application**

All fictitious applications will be rejected. Any person who (i) makes in a fictitious name, an application to the Bank for acquiring, or subscribing for any Debentures therein, or (ii) otherwise induces the Bank to allot or register any transferor of Debentures therein to him or any other person in a fictitious name, shall be punishable under the extant laws. Attention of Applicants is specially drawn to the provisions of sub-section (1) of section 38 of the Companies Act, 2013.

**4.12 Basis of Allotment**

Notwithstanding anything stated elsewhere, the Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over subscription, priority will be given to Investors on a first come first serve basis. The Investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to the Issuer by the Deemed Date of Allotment.

**4.13 Payment Instructions**

The pay-in of subscription monies in respect of the Debentures by the Successful Bidder shall be made in accordance with the procedure set out in Section 4.10 of this Key Information Document.

**4.14 Eligible Investors**

Nothing in the Disclosure Documents shall constitute and/or deem to constitute an offer or an invitation to an offer, to be made to the Indian public or any section thereof through the Disclosure Documents, and the Disclosure Documents and its contents should not be construed to be a prospectus under the Companies Act. Subject to Applicable Law, the categories of investors (except government undertaking) eligible to subscribe to the Debentures in this Issue, when addressed directly, are:

- a) Qualified Institutional Buyers ("QIBs") means the following entities:
  - i. A mutual fund, venture capital fund, Alternative Investment Fund and Foreign Venture Capital Investor

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- registered with SEBI;
- ii. Foreign portfolio investor other than individuals, corporate bodies and family offices;
  - iii. a Public Financial Institution;
  - iv. a Scheduled Commercial Bank;
  - v. a multilateral and bi-lateral development financial institution;
  - vi. a State Industrial Development Corporation;
  - vii. An insurance company registered with Insurance Regulatory and Development Authority of India;
  - viii. A Provident Fund with minimum corpus of Rs.25 Crore Rupees
  - ix. A Pension Fund with minimum corpus of Rs.25 Crores registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013
  - x. National Investment Fund set up by resolution No: F.No.2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
  - xi. An insurance funds set up and managed by Army, Navy / Air force of the Union of India;
  - xii. Insurance funds set up and managed by the Department of Posts, India; and
  - xiii. Systemically, important Non- Banking Financial Companies.
- b) Any Non-QIB person/ entity who is eligible to invest in the Debentures as per the concerned guidelines and regulations and permitted under Applicable Laws (and in the event the private placement of Debentures is pursuant to an EBP platform, then those non-QIBs who/ which has been authorized by the Issuer, to participate in a particular issue on the EBP platform).

(the categories of investors specified under (a) and (b) above shall be collectively referred to as the **"Eligible Investors"**)

Without prejudice to the aforesaid, where the selection of the Eligible Investors is required to be done pursuant to bidding mechanism on the Electronic Platform called "EBP Platform" or any successive arrangement/platform mandated by SEBI under the EBP guidelines, only those Persons:

- a) who have been named in the "List of Eligible Investors" as placed before and approved by the Board; and/or
- b) who are registered on the EBP platform and eligible to make bids for Debentures of the Issuer (considered as 'deemed identified');
- c) to whom allocation is to be made by the Issuer pursuant to selection under the electronic book mechanism for issuance of securities on private placement basis in terms of the relevant circulars and directions issued by the Securities and Exchange Board of India and the relevant Electronic Book Providers,

shall be considered as "identified persons" to whom the Issuer shall make private placement of the Debentures and only such "identified persons" shall receive a direct communication from the Issuer with offer to subscribe to the Debentures and only such "identified persons" shall be entitled to subscribe to the Debentures (or any Series thereof).

Notwithstanding anything stated in this document or otherwise, all eligible investors are required to check and comply with Applicable Laws including the relevant rules / regulations / guidelines / directions applicable to them for investing in this Issue of the Debentures, including all eligibility and registration formalities under the EBP

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Guidelines and the Issuer, is not in any way, directly or indirectly, responsible for any statutory or regulatory or procedural breaches by any investor, neither is the Issuer required to check or confirm the same.

The Disclosure Documents and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly through a communication by or on behalf of the Issuer and only such recipients are eligible to apply for the Debentures.

**Notwithstanding anything stated in this document or otherwise, all eligible investors are required to check and comply with applicable laws including the relevant rules / regulations / guidelines / directions applicable to them for investing in this issue of Debentures and the Issuer, is not in any way, directly or indirectly, responsible for any statutory or regulatory or procedural breaches by any investor, neither is the Issuer required to check or confirm the same.**

Eligible Investors who fall in any of the following categories, shall accompany their Application Forms with the following documents:

**PAN / GIR No:**

All Applicants should mention their Permanent Account number (PAN) allotted under Income Tax Act, 1961 or where the same has not been allotted, the GIR Number and the IT Circle/Ward/District should be mentioned. In case where neither the PAN nor the GIR number has been allotted, or the Applicant is not assessed to Income Tax, the fact of such non-allotment should be mentioned in the Application Form. Applications without this will be considered incomplete and are liable to be rejected.

**Application by Banks/ Corporate Bodies/ Mutual Funds/ Financial Institutions/ Trusts/ Statutory Corporations**

As per Section 4.19 of this Key Information Document.

**Application by Partnership Firm**

The applications must be accompanied by certified copies of (i) the PAN Card of the partnership firm; (ii) copy of the partnership deed; (iii) the photo identity proof like Passport / PAN Card / Driving License, etc. of the partner(s) signing the Application Form and specimen signatures of authorised signatories; and (iv) an authority letter from all partners authorizing such investment.

**Application under Power of Attorney**

As per Section 4.18 of this Key Information Document.

**4.15 Procedure for Applying for Dematerialized Facility**

- (a) The applicant must have at least one beneficiary account with any of the DPs of NSDL/CDSL prior to making the application.
- (b) The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialized Form".
- (c) Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.
- (d) For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence

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as they appear in the account details maintained with the DP.

- (e) Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Issue.
- (f) If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialized Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- (g) For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.
- (h) The redemption amount or other benefits would be paid to those Debenture Holder(s) whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date.

In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

**4.16 Depository Arrangements**

The Issuer shall make necessary arrangement with CDSL and NSDL for Issue and holding of Debenture in dematerialized form.

**4.17 List of Beneficiaries**

The Issuer shall request the R&T Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

**4.18 Application under Power of Attorney**

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the Investor and the tax exemption certificate/document of the Investor, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

**4.19 Procedure for application by Banks / Corporate Bodies / Mutual Funds / Financial Institutions / Trusts / Statutory Corporations and Multiple Applications**

The applications must be accompanied by certified true copies of (i) memorandum and articles of association/constitution/by-laws/trust deed; (ii) resolution authorizing investment and containing operating

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instructions; (iii) specimen signatures of authorized signatories; and (iv) necessary form for claiming exemption from on interest on the Application Money.

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The application forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

- (a) SEBI registration certificate;
- (b) Resolution authorizing investment and containing operating instructions;
- (c) Specimen signature of authorized signatories.

**4.20 Documents to be provided by investors:**

Eligible Investors need to submit the following documents, as applicable and also as set out in this Section 4 for any specific type of Eligible Investor:

- (a) Memorandum and Articles of Association or other constitutional documents
- (b) Resolution authorising investment
- (c) Certified true copy of the Power of Attorney to custodian
- (d) Specimen signatures of the authorised signatories
- (e) SEBI registration certificate (for Mutual Funds)
- (f) Copy of PAN card
- (g) Application Form (including NEFT/RTGS details)

**4.21 Applications to be accompanied with Bank Account Details**

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through EFT/RTGS.

**4.22 Succession**

In the event of winding-up of the holder of the Debenture(s), the Issuer will recognize the liquidator or such other legal representative of the Debenture Holder(s) as having title to the Debenture(s).

In the event of the demise of the sole/first holder of the Debentures or the last survivor, in case of joint holders for the time being, the Issuer shall recognize the executor or administrator of the deceased Debenture Holder, or the holder of succession certificate or other legal representative as having title to the Debentures.

The Issuer shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, wherever it is necessary, or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a court in India having jurisdiction over the matter. The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debenture(s) standing in the name of the deceased Debenture Holder(s) on production of sufficient documentary proof and/or an indemnity.

**4.23 Effect of Holidays**

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In the event that any Coupon Payment Date or the due date for the performance of any event, falls on a day which is not a Business Day, the immediately succeeding Business Day shall be due date for the Coupon payment or the performance of the event however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the Debentures.

If the Maturity Date / Redemption Date (including the last Coupon Payment Date) or the due date for performance of any obligations by the Bank under any of the Transaction Documents or the due date in respect of liquidated damages and all other monies payable under a Series falls on a day which is not a Business Day, then the immediately preceding Business Day shall be the due date for such payment. The calculation for payment of Coupon shall be only till such immediately preceding Business Day.

It is hereby clarified that any payments to be made in relation to the Debentures shall also be subject to the day count convention as per the SEBI Debt Listing Regulations.

**4.24 Mode of Payment**

All payments must be made through cheque(s) demand draft(s), NEFT/RTGS as set out in the Application Form.

**4.25 Tax Deduction at Source**

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS exemption/lower rate of TDS, relevant certificate/document must be lodged by the Debenture Holder(s) at the office of the R&T Agents of the Issuer at least 15 (Fifteen) calendar days before the relevant payment becoming due. Tax exemption certificate / declaration of non-deduction of tax at source on interest on Application Money, should be submitted along with the Application Form.

If any payments under this Issue is subject to any tax deduction other than such amounts as are required as per current regulations existing as on the date of the Debenture Trust Deed, including if the Issuer shall be required legally to make any payment for Tax from the sums payable under the Debenture Trust Deed, ("**Tax Deduction**"), the Issuer shall make such Tax Deduction, as may be necessary and shall simultaneously pay to the Debenture Holders such additional amounts as may be necessary in order that the net amounts received by the Debenture Holders after the Tax Deduction shall equal the respective amounts which would have been receivable by the Debenture Holders in the absence of such Tax Deduction.

**4.26 Allotment**

The Debentures shall be allotted and credited into the demat account of the Investor within 2 (Two) Business Days from the Deemed Date of Allotment.

**4.27 Refunds**

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within seven days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the Application Money relating to the Debentures in respect of which allotments have been made, the R&T Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

**4.28 Interest on Application Money**

The Bank shall be liable to pay the Debenture Holder(s) interest on Application Money as more particularly specified in Section 6.4.

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4.29 **Pan Number**

Every applicant should mention its Permanent Account Number (“**PAN**”) allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

**Disclaimer:** Please note that only those persons to whom this Key Information Document has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all those documents / authorizations / information, which are likely to be required by the Issuer. The Issuer may, but is not bound to, revert to any investor for any additional documents / information, and can accept or reject an application as it deems fit. Provisions in respect of investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

*Notwithstanding any other provision, in case of any inconsistency between the terms of this Key Information Document and the General Information Document in relation to the application procedure, the terms in relation to the application procedure as set out in this Key Information Document shall prevail.*

- (h) **Project details (gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project):**

Not Applicable

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SECTION 5: KEY TERMS OF THE ISSUE

SUMMARY TERMS

Security Name	slice SFB Tier II 12.00% NCD 2031
Issuer / Bank	slice Small Finance Bank Limited (formerly known as North East Small Finance Bank Limited) ("slice SFB") ("Bank")
Type of Instrument	Listed, Rated, Taxable, Unsecured, Transferable, Redeemable, Fully paid up, Basel II compliant lower Tier II subordinated bonds in the form of Non-convertible debentures on a Private placement basis.
Nature of Instrument	The Debentures shall neither be secured nor covered by a guarantee of slice SFB or related entity or secured by way of any other arrangements that legally or economically enhances the seniority of the claim vis-à-vis other creditors of slice SFB.
Seniority (Senior or Subordinated)	Subordinated  The Debentures shall be: a) superior to the claims of investors in instruments eligible for inclusion in Tier 1 capital of slice SFB; b) superior to the claims of Basel III Tier 2 debt capital instruments and Basel II Upper Tier 2 debt capital instruments; c) subordinate to the claims of the depositors and general creditors of slice SFB; and d) eligible for classification as Lower Tier II Capital of the Bank in accordance with the Basel II Framework.
Mode of Issue	Private placement
Eligible Investors	Please refer to Section 6 (clause 6.15) of the General Information Document.
Listing (Name of stock exchange(s) where it will be listed and timeline for listing)	The Debentures are proposed to be listed on the wholesale debt market of BSE Limited / Bombay Stock Exchange.  In accordance with the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time, and subject to RBI regulations, in case of a delay by slice SFB in listing the Debentures beyond such timelines as prescribed under Applicable Law, slice SFB shall, subject to Applicable Law, make payment to the Debenture Holders of 1% (One Percent) per annum over the Coupon Rate from the Deemed Date of Allotment till the listing of such Debentures.
Rating of the Instrument	BBB+;Stable by Acuité Ratings & Research Limited
Issue Size of Debentures	This issue of Debentures is for an aggregate amount up to Rs. 75,00,00,000/- (Rupees Seventy-Five Crores Only).
Green Shoe Option (if any)/ option to retain oversubscription	Not applicable.
Minimum Subscription	Rs.1,00,000/- (Rupees One Lakh only) and in multiples of Rs.1,00,000/- (Rupees One Lakh only) thereafter.
Option to retain oversubscription (Amount)	Not applicable
Objects of the Issue / Purpose for which there is requirement of funds	The Issue Proceeds equivalent to 100% (One Hundred percent) of the funds raised by the Issue will be to augment the Tier II Capital of slice SFB for strengthening slice SFB's capital adequacy and enhancing slice SFB's long-term resources and for the regular business activities of slice SFB. slice SFB further undertakes that it shall not carry out any other activities as may be prohibited by RBI and / or such other regulators as may be applicable from time to time.
In case the Issuer is an NBFC and the objects of the Issue entail loan to any	Not applicable

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entity who is a 'group company' then disclosures shall be made in the format as prescribed	
Details of Anchor (if any)	Not applicable.
Interest Rate Parameter (Zero Coupon, Fixed Coupon or Floating Coupon)	Fixed Coupon
Bid Opening Date and Bid Closing Date	March 16, 2026
Minimum Bid Lot	1 (One) Debenture and in multiples of 1 (One) Debenture.
Manner of bidding (Open or Closed Bidding)	Closed Bidding.
Manner of Allotment (Uniform Yield Allotment or Multiple Yield Allotment)	Uniform yield.
Manner of Settlement (through Clearing Corporation or through Escrow Bank Account of the Issuer)	Through Clearing Corporation (i.e., ICCL)
Settlement cycle	T+1
Details of the utilization of the Proceeds	Please refer to the head "Objects of the Issue" as provided hereinabove.
Coupon Rate	12.00 % (Twelve percent) per annum payable Monthly.
Step Up/Step Down Coupon Rate	Not applicable
Coupon Payment Frequency	Monthly
Coupon Payment dates	The indicative interest payment schedule and redemption payment is set out in Annexure I hereinbelow.
Coupon Type	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.).	Not applicable
Day Count Basis	Actual/ Actual
Business Day	means any day of the week (excluding non-working Saturdays, Sundays and any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) (as may be amended/supplemented from time to time) in Bengaluru , Karnataka or Guwahati, Assam, and any other day on which banks are closed for customer business in Bengaluru or Guwahati) on which the money market is functioning in Bengaluru or Guwahati and "Business Days" shall be construed accordingly.
Business Day Convention	<p>If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by the Issuer on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it failing on a non-Working Day.</p> <p>If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by the Issuer on the immediately preceding Working Day along with interest accrued until on the NCDs but excluding the date of such payment.</p> <p>Further, in case of failure of RBI's system for RTGS/NEFT payment, the same will be made on the next Business Day. The Company will not be liable to pay any additional interest on account of same.</p>
Interest on Application Money	At the Coupon Rate (subject to deduction of tax at source, as applicable) from the date of realization of cheque(s)/ demand draft(s)/ RTGS up to one day

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	prior to the Deemed Date of Allotment. Where pay-in Date and Deemed Date of Allotment are the same, no interest on application money shall be paid.										
<b>Default Interest Rate</b>	In case of default in payment of Coupon and/ or redemption of the principal amount of the Debentures on the respective due dates, additional interest of at least 2% (Two Percent) per annum over and above the Coupon Rate shall be payable by slice SFB, subject to Applicable Law, for the defaulting period until the defaulted amount together with the delay penalty is paid.  Where slice SFB fails to execute the Debenture Trust Deed within the period specified by SEBI, then without prejudice to any liability arising on account of violation of the provisions of the Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, slice SFB shall also pay interest of at least 2% (Two Percent) per annum or such other rate, as specified by SEBI to the Debenture Holders, over and above the Coupon Rate, till the execution of the Trust Deed, subject to Applicable Law.										
<b>Tenor</b>	5 (Five) years and 9 (Nine) Months from the Deemed of Allotment.										
<b>Redemption Date</b>	December 17, 2031										
<b>Redemption Amount</b>	Debentures will be redeemed at Par i.e. Rs. 1,00,000/- (Rupees One Lakh only) per Debenture										
<b>Redemption Premium / Discount</b>	Not applicable										
<b>Issue Price</b>	Rs. 1,00,000/- (Rupees One Lakh only) per Debenture										
<b>Discount at which security is issued and the effective yield as a result of such discount.</b>	Not applicable										
<b>Premium/Discount at which security is redeemed and the effective yield as a result of such premium/discount</b>	Not applicable										
<b>Put Option Date</b>	Not applicable										
<b>Put Option Price</b>	Not applicable										
<b>Call Option Date</b>	Not applicable										
<b>Call Option Price</b>	Not applicable										
<b>Put Notification Time (Timelines by which the investor needs to intimate Issuer before exercising the put)</b>	Not applicable										
<b>Call Notification Time (Timelines by which the Issuer needs to intimate investor before exercising the call)</b>	Not applicable										
<b>Rollover Option</b>	Not applicable										
<b>Face Value</b>	Rs. 1,00,000/- (Rupees One Lakh only) per Debenture										
<b>Minimum Application and in multiples of Debt securities thereafter</b>	1 (One) Debenture and in multiples of 1 (One) Debenture thereafter.										
<b>Details about Underwriting of the Issue including the Amount Undertaken to be Underwritten by the Underwriters.</b>	Not applicable										
<b>Issue Timing</b>	<table border="1"> <tr> <td><b>Issue Opening Date</b></td> <td>March 16, 2026</td> </tr> <tr> <td><b>Issue Closing Date</b></td> <td>March 16, 2026</td> </tr> <tr> <td><b>Pay-in Date</b></td> <td>March 17, 2026</td> </tr> <tr> <td><b>Deemed Date of Allotment</b></td> <td>March 17, 2026</td> </tr> <tr> <td><b>Date of earliest closing of the Issue</b></td> <td>March 16, 2026</td> </tr> </table>	<b>Issue Opening Date</b>	March 16, 2026	<b>Issue Closing Date</b>	March 16, 2026	<b>Pay-in Date</b>	March 17, 2026	<b>Deemed Date of Allotment</b>	March 17, 2026	<b>Date of earliest closing of the Issue</b>	March 16, 2026
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<b>Deemed Date of Allotment</b>	March 17, 2026										
<b>Date of earliest closing of the Issue</b>	March 16, 2026										

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	slice SFB reserves the right to change the Issue Programme including the Deemed Date of Allotment at its sole discretion in accordance with the timelines specified in the SEBI Debt Listing Regulations without giving any reasons or prior notice. The Issue will be open for bidding as per bidding window that would be communicated through BSE BOND-EBP Platform.
<b>Issuance mode of the Instrument</b>	Demat Only
<b>Trading mode of the Instrument</b>	Demat Only
<b>Settlement mode of the Instrument</b>	Electronic Settlement will be effected by account-to-account transfer vide Reserve Bank of India's Real Time Gross Settlement System (RTGS)/ National Electronic Funds Transfer (NEFT)/Immediate Payment Service (IMPS) etc.
<b>Depository(ies)</b>	NSDL and CDSL
<b>Disclosure of Interest/ Redemption Dates</b>	The illustrative interest payment and redemption payment Schedule is set out in Annexure I hereinbelow.
<b>Record Date</b>	<p>The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Coupon Payment Date/ Redemption Date which shall be the date falling 15 (fifteen) calendar days prior to such due date for payment.</p> <p>In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading day or a date notified.</p>
<b>All covenants of the issue (including side letters, accelerated payment clause, etc.)</b>	Please refer to All covenants of the issue under the respective Key Information Document.
<b>Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation</b>	Not Applicable as the Debentures are unsecured.
<b>Replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the issue document</b>	Not Applicable as the Debentures are unsecured.
<b>Transaction Documents</b>	<p>means:</p> <ol style="list-style-type: none"> <li>Debenture Trust Deed.</li> <li>Debenture Trustee Agreement.</li> <li>Debt Disclosure Documents (i.e. General Information Documents and Key Information Document).</li> <li>Letters issued by the, and each memorandum of understanding/agreement entered into with, the Rating Agency, the Debenture Trustee and/or the Registrar.</li> <li>Each tripartite agreement between the Issuer, the Registrar, and the relevant Depository.</li> <li>The resolutions and corporate authorizations provided pursuant to the Conditions Precedent.</li> <li>All other documents, undertakings, letter-agreement(s), and the resolutions of the Issuer comprising the Conditions Precedent in relation to the issuance of the Debentures; and</li> <li>Any other document that may be designated as a Transaction Document by the Debenture Trustee or the Debenture Holders, and "Transaction Document" means any of them.</li> </ol>

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<p><b>Conditions Precedent for issuance of Debentures</b></p>	<p>The obligations of the Debenture Holders to subscribe to the Debentures are conditional upon the fulfilment of each of the conditions described under Schedule III (Conditions Precedent) (the "Conditions Precedent") of Part D of the Debenture Trust Deed, prior to the Deemed Date of Allotment, to the satisfaction of the Debenture Trustee (or where permissible under Applicable law, waiver by the Debenture Trustee in writing in their sole discretion). The Company shall be responsible for and use all efforts to ensure satisfaction with each of the Conditions Precedent required to be fulfilled by it within the time prescribed therein.</p> <p><b>CONDITIONS PRECEDENT</b></p> <ol style="list-style-type: none"> <li>1. Issuance of General Information Document and Key Information Document;</li> <li>2. Relevant corporate authorizations of the Issuer (including, without limitation), the relevant shareholders' resolution and board resolution;</li> <li>3. Issuance of the Private Placement Offer cum Application Letter;</li> <li>4. Letter of Consent from the Debenture Trustee;</li> <li>5. Execution of the Debenture Trustee Agreement</li> <li>6. Appointment of the R&amp; T Agent;</li> <li>7. Rating letter and rationale;</li> <li>8. Execution of the tripartite agreement between the Issuer, the R&amp;T Agent and the Depositories;</li> <li>9. In-principle approval for listing of the Debentures; and</li> <li>10. listing agreement with SSE.</li> </ol>
<p><b>Condition Subsequent</b></p>	<p>The Company shall fulfil the conditions subsequent as set out in Schedule IV (Conditions Subsequent) of Part D of the Debenture Trust Deed within the time period as more particularly set out thereto.</p> <p><b>CONDITIONS SUBSEQUENT</b></p> <ol style="list-style-type: none"> <li>1. Filing the return of allotment in Form PAS-3 within the timelines prescribed under the Act and the rules framed thereunder;</li> <li>2. Listing of the Debentures in accordance with the terms hereof; and</li> <li>3. The letter of allotment, indicating allotment of the Debentures, will be credited in de-materialized form within 2 (Two) Business Days from the Deemed Date of Allotment.</li> </ol>
<p><b>Events of Default</b></p>	<p>An Event of Default ("Event of Default") shall have occurred upon the happening of any event or circumstances mentioned hereunder:</p> <ol style="list-style-type: none"> <li>(a) Failure of the Bank to make any Payment on the respective Due Date;</li> <li>(b) Failure of the Bank to make payment in respect of any borrowing appearing in the balance sheet of the Bank (including any borrowing availed by way of issuance of non-convertible debentures) owed to any financial creditor;</li> <li>(c) The Bank voluntarily or involuntarily becomes the subject of proceedings under any bankruptcy or insolvency law;</li> <li>(d) It is or becomes unlawful for the Bank to perform any of its obligations under the Transaction Documents, or if the Transaction Documents or any part thereof ceases, for any reason whatsoever, to be valid and binding or in full force and effect;</li> </ol>

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	<ul style="list-style-type: none"> <li>(e) The Bank repudiates a Transaction Document to which it is a party;</li> <li>(f) The Bank fails to obtain, comply and/or loses its operating license issued by the RBI;</li> <li>(g) The Bank has admitted in writing that the Bank is unable to pay its debts as they fall due;</li> <li>(h) Any legal proceedings are commenced against the Bank which has the effect of prohibiting the Bank from performing its obligations under this Deed and the other Transaction Documents, or affecting the legality, validity and enforceability of this Deed and the other Transaction Documents;</li> <li>(i) The Bank breaches any representation or warranty provided by the Bank in terms of the Transaction Documents or fails duly to perform any other obligation arising from the Debentures;</li> <li>(j) The Bank (without the consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) ceases to carry on all of its business or gives notice of its intention to do so;</li> <li>(k) An order is made by the relevant Governmental Authority, or a special resolution has been passed by the shareholders of the Bank for the winding-up of the Bank.</li> <li>(l) Any corporate action, legal proceedings or other procedure or step is taken in relation to: <ul style="list-style-type: none"> <li>(i). the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer;</li> <li>(ii). a composition, compromise, assignment or arrangement with any creditor of the Issuer;</li> <li>(iii). amalgamation, reorganisation or reconstruction without the prior approval of the Debenture Trustee;</li> <li>(iv). the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Issuer;</li> </ul> </li> <li>(m) If the Stock Exchange in which the Debentures are listed takes any action which results in delisting or cessation or suspension of trading of the Debentures on such Stock Exchange at any point of time due to an act of the Bank or failure by the Bank to take all necessary action to ensure continued listing and trading of the Debentures on such Stock Exchange.</li> <li>(n) Any event has occurred which, in the Debenture Trustee's reasonable opinion (acting on the instructions of the Majority Debenture Holders), is likely to have a Material Adverse Effect.</li> </ul> <p>In determining whether any of the acts, matters, events or circumstances mentioned have occurred, the opinion of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) shall be final and conclusive and be binding on the Bank/Issuer.</p>
<p><b>Creation of Recovery Expense Fund</b></p>	<p>The Company hereby undertakes and confirms that, if so required under Applicable Law, it shall, within the time period prescribed under Chapter IV (Recovery Expenses Fund) of the SEBI Debenture Trustees Master Circular, establish, maintain and utilize the Recovery Expense Fund in such manner/mode as is prescribed under Chapter IV (Recovery Expenses Fund) of the SEBI Debenture Trustees Master Circular, to enable the Debenture Trustee to take prompt action in relation to the enforcement of the security under the Transaction Documents.</p>
<p><b>Provisions related to Cross Default</b></p>	<p>Not applicable</p>

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Clause	
<p><b>Role and Responsibilities of Debenture Trustee</b></p>	<p>In addition to the compliance by the Debenture Trustee of the duties provided for in the Companies (Share Capital and Debentures) Rules, 2014 and to the other powers conferred on the Debenture Trustee and provisions for their protection and not by way of limitation or derogation of anything contained in these presents or of any statute limiting the liability of the Debenture Trustee, IT IS EXPRESSLY DECLARED as follows:</p> <ul style="list-style-type: none"> <li>(a) The Debenture Trustee shall perform all such acts and duties as are set out in the Transaction Documents in accordance with the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;</li> <li>(b) The Debenture Trustee may, in relation to these presents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Bank or by the Debenture Trustee or otherwise. Any such advice, opinion or information and any communication passing between the Debenture Trustee and their representative or attorney or a receiver appointed by them may be obtained or sent by letter, telegram, cablegram, telex or telephonic message;</li> <li>(c) The Debenture Trustee shall act only on the instructions of the Majority Debenture Holders in accordance with this Deed and other Transaction Documents;</li> <li>(d) The Debenture Trustee shall be at liberty to accept a certificate signed by any one of the directors of the Bank or such person authorised by board of directors of the Bank as to any act or matter prima facie within the knowledge of the Bank as sufficient evidence;</li> <li>(e) With a view to facilitating any dealing under any provisions of these presents, the Debenture Trustee shall have full power to consent (where such consent is required) in accordance with the terms contained herein, to a specified transaction or class of transactions unconditionally;</li> <li>(f) The Debenture Trustee shall have full power, in consultation with the Debenture Holders, to determine all questions and doubts arising in relation to any of the provisions of these presents and every such determination bona fide made (whether or not the same shall relate wholly or partially to the acts or proceedings of the Debenture trustee) shall be conclusive and binding upon all persons interested under these presents;</li> <li>(g) The Debenture Trustee shall provide a due diligence certificate to the Bank in the format prescribed by SEBI on or prior to the Company filing an in-principle approval application with the Stock Exchange shall submit the due diligence certificate(s) to the Stock Exchange in the manner as prescribed by SEBI;</li> <li>(h) The Debenture Trustee shall not be bound to give notice to any person of the execution hereof or to see to the performance or observance of any of the obligations hereby imposed on the Bank or in any way to interfere with the conduct of the Bank's business unless and until the rights under the Debentures shall have become enforceable and the Debenture Trustee shall have determined to enforce the same;</li> <li>(i) The Debenture Trustee shall not be bound to take any steps to ascertain whether any event of default has happened upon the happening of which the rights under the Debentures become enforceable unless the Debenture Trustee has actual knowledge of such Event of Default. In the event the Debenture Trustee has actual knowledge of certain facts which would consequently result in an Event of Default, the Debenture Trustee</li> </ul>

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	<p>shall immediately inform the Debenture Holders and declare an Event of Default upon their instructions;</p> <p>(j) The Debenture Trustee shall not be responsible for the monies paid by the applicants for the Debentures or be bound to see to the application thereof.</p> <p>PROVIDED NEVERTHELESS that nothing contained in this shall exempt the Debenture Trustee or its officers, employees, agents from or indemnify it or them against any liability for negligence, breach of trust or wilful default nor any liability which by virtue of any rule or law would otherwise attach to it in respect of any negligence, wilful default or breach of trust which they may be guilty in relation to their duties thereunder as decided by the court of competent jurisdiction.</p>
<b>Risk factors pertaining to the Issue</b>	The Risk factors pertaining to the issue are more specifically defined and disclosed in the General Information Document.
<b>Governing Law and Jurisdiction</b>	The Transaction Documents shall be governed by and will be construed in accordance with the laws of India and any disputes arising there from shall be subject to the jurisdiction of appropriate courts and tribunals at Bengaluru, and as more particularly provided for in the respective Transaction Documents.

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## **SECTION 6: TRANSACTION DOCUMENTS AND KEY TERMS**

### **6.1 TRANSACTION DOCUMENTS**

The following documents have been executed in relation to the Issue ("**Transaction Documents**"):

- (a)** The General Information Document dated March 5, 2026;
- (b)** Debenture Trustee Agreement dated March 5, 2026, which confirms the appointment of Mitcon Credentia Trusteeship Services Limited as the Trustee ("**Debenture Trustee Agreement**");
- (c)** Debenture Trust Deed shall be executed on the Deemed Date of Allotment i.e., March 17, 2026, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Bank ("**Debenture Trust Deed**");
- (d)** This Key Information Document and Private Placement Offer cum Application Letter dated March 11, 2026 in respect of the Issue in terms hereof;
- (e)** Such other documents as designated by the Trustee including Debenture Trustee Consent Letter, press release from the Rating Agency in respect of the credit rating for the Debentures and in-principle approval as received from the Stock Exchange for listing of the Debentures.

### **6.2 REPRESENTATIONS AND WARRANTIES OF THE BANK**

The Bank hereby makes the following representations and warranties to the Debenture Trustee on the date hereof and the same shall be deemed to be made by the Bank (by reference to the facts and circumstances then existing) on each day up to the date the Debentures are redeemed in full:

#### **(a) Status**

- (i) It is a company, duly incorporated, organized and validly existing under the Applicable Law of India and carry on its business as it is being conducted, under the laws of India.
- (ii) As on the Deemed Date of Allotment, the Bank is registered with the RBI as a "Small Finance Bank".

#### **(b) Power and authority**

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents.

#### **(c) Compliance with Applicable Law**

To the best of its knowledge and belief, the Bank is in compliance with Applicable Law in relation to the performance of its obligations with respect to this Issue.

#### **(d) Validity and admissibility in evidence:**

All authorisations required or desirable to make the Transaction Documents to which the Company is a party, admissible in evidence in its jurisdiction of incorporation, have been obtained or effected and are in full force and effect.

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**(e) Necessary disclosures**

The issue documents contain all necessary disclosures including but not limited to statutory and other regulatory disclosures.

**(f) Consent/approval required for the Issue of NCDs**

All corporate and other action necessary for the issuance of the NCDs have been obtained by the Company and the Company will, at all times, keep all such approvals/consents valid and subsisting during the terms of the NCDs. The Company has also obtained all necessary consents and approvals from prior lenders for the creation of security for the NCDs. The Company has complied with and will comply with all applicable provisions of the Companies Act and all other applicable laws in respect of the NCDs and their issuance thereof.

**(g) Absence of Defaults with Memorandum/Articles of Association or any other agreements in respect of transaction/transaction document**

The Issue Documents executed in pursuance of the issue of NCDs, will constitute valid and binding obligations of the Company and will not contravene any applicable laws, statute or regulation and will not be in conflict with Memorandum of Association/Articles of Association of the Company or result in breach of, any of the terms, covenants, conditions and stipulations under any existing agreement to which the Company is a party.

**(h) No immunity under laws**

The Company does not have any immunity (sovereign or otherwise) from any suit or any legal proceeding under the laws of India.

**(i) Solvency**

The Company is currently solvent and the Company has not taken any corporate or other action, nor have any steps been taken or legal proceedings of any manner been initiated/threatened against the Company for its winding up, dissolution, insolvency, bankruptcy or for appointment of receiver on its assets or its business.

**(j) No debt/contingent liability other than as disclosed in the annual audited accounts/Issue Documents**

Other than as disclosed in the annual audited accounts/Issue Documents, the Company has no debts or contingent liabilities outstanding.

**(k) Indebtedness**

The Company is not in default with respect to any loans or deposits or advances or other financial facilities availed by the Company in the capacity of the borrower.

**(l) Defaulter's List**

The names of the Company and/ or its directors do not figure in any list of defaulters circulated by the RBI or any other regulatory authority.

**(m) Binding obligations**

The obligations expressed to be assumed by it under the Transaction Documents are legal, valid and binding obligations.

**(n) Non-conflict with other obligations**

The Issue (or any of the obligations undertaken by the Issuer in relation thereto) does not conflict with any agreement or instrument binding upon the Issuer or any of its assets or the constitutional documents of the Issuer.

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**(o) Insolvency**

It has not taken any action nor has any order been passed for its winding-up, insolvency, dissolution or re-organisation or for the enforcement of any security over its assets or for the appointment of a liquidator, supervisor, receiver administrator, administrative receiver, compulsory manager, trustee or other similar officer of it or in respect of any of its assets.

**(p) Litigation**

As on the Deemed Date of Allotment, there are no material claims, Investigations or proceedings before any Governmental Authority in progress or pending against or relating to the Bank and all the claims, Investigations or proceedings before any Governmental Authority is in ordinary course of business.

**(q) Financial statements**

The audited financial statements of the Bank for the Financial Year 2024-2025 represent a true and complete financial position of the Bank at the date of such statements.

- (i) No Material Adverse Effect or Event of Default has occurred, is continuing or might reasonably be expected to result from the execution of the Transaction Documents.
- (ii) Neither the Bank nor any of its directors has been named in the list of wilful defaulters published by the RBL.
- (iii) The proceeds of the Issue shall only be utilised for the purpose as set out under the Debenture Trust Deed.
- (iv) The Bank has paid all taxes which the Bank has become liable to pay unless the same is being contested in accordance with Applicable law.

**(r) Corporate and Governmental Authorizations**

The Bank has the corporate power, authority and all material permits, approvals, authorizations, licenses, registrations, and consents necessary to perform its obligations in respect of this Issue.

**6.2 COVENANTS OF THE BANK**

**(a) Filings and Registration**

The Company has completed and shall duly and in a timely manner complete all filing and registration as may be required under law from time to time for the purposes of the issue and maintenance of the NCDs.

**(b) No obligations of a borrower or principal debtor**

The Debenture Trustee, ipso facto does not have the obligations of a borrower or a principal debtor as to the monies paid/invested for the Debentures.

**(c) Company to execute other documents reasonably required by the Debenture Trustee to exercise its rights under these presents**

That the Company shall execute all such deeds, documents and assurances and do all such acts and things as the Debenture Trustee may reasonably require for exercising the rights under these presents and the NCDs.

**(d) No down-streaming of funds raised by way of the Debentures by the Company to any of its subsidiaries.**

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**(e) Affirmative covenants: The Company shall:**

- (i) issue documents to have conformity with this Debenture Trust Deed: Ensure that the Debenture Trust Deed and any other documents, in relation to the Debentures, when executed shall be to the satisfaction of the debenture trustee and Debenture holders at all times, and will be in accordance with the terms and conditions as contained in the issue documents and applicable laws;
- (ii) Validity of Transaction Documents: Ensure that the issue documents and the Debenture Trust Deed shall be validly executed and delivered, will continue in full force and effect and will constitute valid and binding obligations of the Company;
- (iii) **Notice of Winding Up or Other Legal Process:** Promptly inform debenture trustee if it has notice of any application for winding up having been made or any statutory notice of winding up under the provisions of the Companies Act, 2013 or any other notice under any other statute or otherwise of any suit or other legal processes intended to be filed or initiated against the Company and affecting the title to the properties of the Company or if a receiver is appointed of any of its properties of the Company or if a receiver is appointed of any of its properties or businesses or undertakings;
- (iv) Annual Accounts: Submit to the debenture trustee, its duly audited annual accounts, as prescribed under the SEBI LODR Regulations. In case statutory audit is not likely to be completed during this period, the Company shall get its accounts audited by an independent firm of chartered accountants and furnish the same to the debenture trustee;
- (v) Memorandum and Articles of Association: Carry out such alterations to its memorandum and articles of association as may be deemed necessary in the opinion of Debenture holders/ debenture trustee to safeguard the interests of the Debenture holders;
- (vi) Preserve Corporate Status: Diligently preserve its corporate existence and status and all rights, contracts, privileges, franchises and concessions now held or hereafter acquired by it in the conduct of its business, including license to conduct business as a small finance bank;

PROVIDED THAT the Company may contest in good faith the validity of any such acts, rules, regulations, orders and directions and pending the determination of such contest may postpone compliance therewith if the rights enforceable under the Debentures. The Company will not do or voluntarily suffer or permit to be done any act or thing whereby payment of the principal of or premium on the Debentures might or would be hindered or delayed;

- (vii) Furnish Information to debenture trustee: Give to the debenture trustee or its nominees such information as they shall require as to all matters relating to the business, and affairs of the Company and at the time of the issue thereof to the shareholders of the Company furnish to the Debenture Trustee copies of every report, balance sheet, profit and loss account, circulars or notices issued to the shareholders and the debenture trustee shall be entitled, if they deem fit, from time to time to nominate an accountant or agent to examine the books of account and documents of the Company or any part thereof and to investigate the affairs thereof and the Company shall allow any such accountant or agent to make such examination and investigation and shall furnish him with all such information as they may require and shall pay all costs, charges and expenses incidental to such examination and investigation;
- (viii) Furnish Information regarding Credit Rating: The Company shall submit to the debenture trustee a certificate stating the credit rating issued with respect to the Debentures from an independent credit rating agency, which is not associated with the Company or its sponsors. Further, the Company shall obtain, at the end of each financial year after the date of issue of the Debentures, an annual credit rating in respect of the Debentures and submit the same to the debenture trustee.
- (ix) Reporting: Furnish reports quarterly, i.e. periodical status/ performance reports from the issuer company within 7 days of the relevant board meeting or within 45 days of the respective quarter whichever is earlier in accordance with the Applicable Law, to the debenture trustee containing the following particulars:
  - (a) Updated list of the names and addresses of the Debenture holders on monthly basis by 7th day of next month.

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- (b) Details of the interest due, but unpaid and reasons thereof.
- (c) The number and nature of grievances received from the Debenture holders, and (a) resolved by the Company; (b) unresolved by the Company and the reasons for the same.
- (d) Inform the debenture trustee about any change in nature and conduct of business before any such change.
- (e) Informing the debenture trustee of any amalgamation, merger or reconstruction scheme proposed by the company
- (f) To submit any such information, as required by the debenture trustee.
- (x) The Company shall promptly inform the debenture trustee the status of payment (whether in part or full) of Debentures within 1 (one) working day of the payment / redemption. While intimating the debenture trustee, the Company shall also confirm whether they have informed the status of payment or otherwise to the stock exchange(s) and depository. The Company shall submit to the debenture trustee ISIN wise status /details of payments made to the Debenture holders on each of the due date towards interest and principal latest by one day after the due date in the manner specified under SEBI Debenture Trustee Master Circular.
- (xi) Grievance Redressal: Promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Company further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance;
- (xii) Corporate Governance: Confirm to all mandatory recommendation on corporate governance pursuant to the SEBI LODR Regulations. The Company has complied with and will comply with all applicable provisions of the Companies Act and all other applicable laws in respect of the Debentures and their issuance thereof;
- (xiii) Due Payment of Public and Other Demands: Confirm that the Company is not in arrears of any undisputed public demands such as income-tax, corporation tax and all other taxes and revenues or any other statutory dues payable to Central or State Governments or any local or other authority;
- (xiv) Maintain Listing: Confirm that the Company shall take all necessary steps and comply with the uniform listing agreement with the BSE along with the SEBI LODR Regulations, to ensure that the Debentures remain listed;
- (xv) Maintenance of Rating: Confirm that the Company will comply with any agreement with the rating agencies and provide any necessary information to the rating agencies so as to continue to maintain a credit rating;
- (xvi) Conducting of business: Conduct its business with due diligence and efficiency and in accordance with the financial standards and the best business practices;
- (xvii) Utilisation of issue proceeds: The issue proceeds equivalent to 100% (One Hundred percent) of the funds raised by the Issue will be to augment the Tier II Capital of the Company for strengthening the Company's capital adequacy and enhancing slice SFB's long-term resources and for the regular business activities of the Company. The Company further undertakes that it shall not carry out any other activities as may be prohibited by RBI and / or such other regulators as may be applicable from time to time.
- (xviii) Maintenance of Accounts: Keep proper books of account as required by the Companies Act, 2013 and make true and proper entries therein of all dealings and transactions of and the business of the Company and keep the said books of account and all other books, registers and other documents relating to the affairs of the Company at its registered office or, where permitted by law, at other place or places where the books of account and documents of a similar nature may be kept and the business of the Company shall at all reasonable times be open for inspection of the debenture trustee and such person or persons as the debenture trustee shall, from time to time, in writing for that purpose appoint;
- (xix) Payment of Duties: Punctually pay all taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Company as and when the same shall become payable and

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when required by the debenture trustee produce the receipts of such payment;

- (xx) Registration: Duly cause these presents to be registered in all respects so as to comply with the provisions of the Companies Act, and also cause the Deed to be registered in conformity with the provisions of the Indian Registration Act, 1908 or any other statute, ordinance or regulation of or relating to any part of India and generally do all other acts (if any) necessary for the purpose of assuring the legal validity of these presents and in accordance with the Company's Memorandum and Articles of Association;
- (xxi) Payment of Stamp Duty: Pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties in connection with the Debentures and the issue thereof and all other documents in relation to the Debentures, as and when the Company may be required to pay according to the laws for the time being in force, and in the event of the Company failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the debenture trustee will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the debenture trustee on demand;
- (xxii) Reimbursement of Expenses: Reimburse all sums paid or expenses incurred by the debenture trustee or any receiver, attorney, manager, agent or other person appointed by the Debenture Trustee for all or any of the purposes mentioned in these presents immediately on receipt of a notice of demand from them in his behalf. All such sums shall carry interest at the rate of 18% per annum in case of any delay from the date when the same shall have been advanced, paid or become payable or due and as regards liabilities, the Company will, on demand, pay and satisfy or obtain the release of such persons from such liabilities and if any sum payable under this Clause shall be paid by the debenture trustee or any other person the Company shall forthwith on demand, reimburse the same to the debenture trustee;
- (xxiii) Notice of distribution of profits: inform the debenture trustee prior to declaration or distribution of dividend by the Company;
- (xxiv) Notice of labour issues: promptly inform the debenture trustee of the happening of any labour strikes, lockouts, shut-downs, fires or any event likely to have a substantial effect on the Company's profits or business and the reasons thereof;
- (xxv) Compliance with laws: Comply with the provisions and disclosure requirements as under various rules, regulations, notifications and circulars issued by applicable governmental authorities including SEBI, RBI, MCA, etc., from time to time as applicable in respect of the private placement of Debentures as may be in force from time to time during the currency of the Debentures, including as prescribed under the SEBI listed debentures circulars;
- (xxvi) Unclaimed Interest/Dividend: The Company shall transfer unclaimed interest/dividend to "Investor Education and Protection Fund" as per Section 125 of the Companies Act 2013 and shall not forfeit unclaimed interest/dividend;
- (xxvii) The Company shall not declare any dividend to the shareholders in any year until the company has paid or made satisfactory provision for the payment of the instalments of the principal and interest due on the debentures.
- (xxviii) The Company shall submit to the BSE for dissemination, along with the quarterly/annual financial results, the following of the said information:
  - (A) Nature, extent of the Security and Security cover available for the NCDs;
  - (B) Debt-equity ratio;
  - (C) Net worth;
  - (D) Net profit after tax;
  - (E) Earnings per share;
  - (F) current ratio;

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- (G) Long term debt to working capital;
  - (H) Bad debts to accounts receivable ratio;
  - (I) current liability ratio;
  - (J) Total debts to total assets;
  - (K) debtors turnover;
  - (L) inventory turnover;
  - (M) operating margin;
  - (N) net profit margin;
  - (O) Sector specific ratio such as gross NPA, net NPA, CRAR and as such as may be applicable;
  - (P) A statement indicating material deviations, if any, in utilisation of the issue proceeds; and
  - (Q) All relevant information, within the prescribed timelines, in terms of the SEBI Debenture Trustee Circular.
- (xxix) Company hereby undertakes on its behalf, to ensure the compliance of the provisions of FATCA at all times at all time during the currency of the Debenture Trust Deed whenever it is applicable to the Company. The Company agrees to provide the respective authorities with any documentation or information requested relating to self or beneficiary or related tax entity to the extent required by the Debenture Trustee for meeting its compliances. The Company indemnifies the Debenture holders for any penal consequences arising due to the non-compliance of the aforesaid provision by the Company. The Company agrees that it shall provide to the debenture trustee, a copy of the documents, which documents have been provided to the tax authorities in relation to the FATCA, for its records.
- (xxx) The Company shall promptly disclose and furnish to the debenture trustee, all documents/ information about or in relation to the Company or the Debentures, as requested by the debenture trustee to fulfil its obligations hereunder or to comply with any Applicable Law, including in relation to filing of its reports/ certification to stock exchange within the prescribed timelines.
- (xxxi) The Company shall:
- (A) provide such documents/information and assistance to the debenture trustee as required by the debenture trustee to carry out the necessary due diligence and monitor the asset cover on a quarterly basis in the manner as may be specified by SEBI from time to time; and
  - (B) submit a certificate from the statutory auditor on a half-yearly basis, giving the value of receivables/book debts as per the terms of this Deed including compliance with the covenants of the issue documents in the manner as may be specified by the SEBI from time to time.
- (xxxii) The Company shall promptly intimate regarding:
- (A) Any default in timely payment of interest or redemption or both in respect of the non-convertible debt securities; and
  - (B) All covenants of the issue (including side letters, event of default clause, etc).
- (xxxiii) The Company shall promptly notify to the debenture trustees about initiation of forensic audit by any entity along with the reasons for such appointment. The Company shall also inform the debenture trustee on key finding of such forensic

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audit upon completion of such audit, to the extent of such details available with the Company.

**(f) Negative Covenants**

The Company shall not take any action in relation to the items set out under this clause without the prior written consent of the debenture trustee (acting on the instructions of the Majority Debenture Holders).

(i) change of business

(A) change the general nature of its business from that which is subsisting as of the date of execution of the Debenture Trust Deed; and/or

(B) any changes/amendments/modifications to the Constitutional Documents where such change/amendment/modification has a Material Adverse Effect;

(ii) Dividend

declare or pay any dividend to its shareholders during any Financial Year unless it has paid or made arrangements to pay (to the satisfaction of the debenture trustee) all the dues to the Debenture holders/ debenture trustee up to the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions thereof

**(g) Merger, consolidation, etc.**

Enter into any merger, demerger, acquisition, de-merger, re-structuring, consolidation, re-organisation, scheme of arrangement, amalgamation, reconstitution or compromise with its creditors or shareholders or effect any scheme of amalgamation or restructuring where any of the above has a Material Adverse Effect.

**(h) Change of Control**

Permit the occurrence of any change of Control, or any change of Control event;

**(i) Change in Capital Structure**

(i) permit or undertake any change in capital structure that would lead to a reduction in the paid-up capital or authorised capital of the Company; and

(ii) purchase, redeem, buyback, retire, return or pay any of its issued shares or reduce its share capital or resolve to do any of the foregoing.

**(j) Change in Financial Year**

Change its Financial Year end from March 31 of each year to any other date, unless such change is required pursuant to Applicable Law.

**(k) Additional covenants:**

(i) The Company shall furnish to the debenture trustee details of all grievances received from the Debenture holders and the steps taken by the Company to redress the same. At the request of the Debenture holders, the debenture trustee shall, by notice to the Company, call upon the Company to take appropriate steps to redress such grievance and shall, if necessary, at the request of any Debenture holders representing not less than one-tenth in value of the nominal amount of the Debentures for the time being outstanding, call a meeting of the Debenture holders.

(ii) The Company shall inform the debenture trustee of any material change in the nature and conduct of business by the Company before such change.

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- (iii) The Company shall submit to the debenture trustee, its duly audited annual accounts, within 180 (One Hundred and Eighty) calendar days from the close of each Financial Year.
- (iv) The Company shall provide to the debenture trustee such information as may be required by the debenture trustee (or as may be required by the debenture holders), from time to time, including copies of reports, balance sheets, profit and loss account, as is required by the debenture trustee or the Debenture holders for analysing its continued exposure to the Company.
- (v) The Company shall inform the debenture trustee of any significant changes in the composition of the board of directors of the Company.
- (vi) The Company shall honour all its financial commitments in accordance with the terms of the contract entered into with respect to such financial commitments.
- (vii) The Company shall obtain the prior consent of the debenture trustee for effecting any merger, consolidation, reorganisation (by any corporate action), scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction.
- (viii) The Company shall provide periodical status/ performance reports to the debenture trustee within 7 (Seven) days of the relevant board meeting or within 45 (Forty Five) days of the respective quarter whichever is earlier.

### **6.3 DEBENTURES TO RANK PARI PASSU**

The Debentures shall be:

- (a) Be senior to the claims of investors in instruments eligible for inclusion in tier I Capital and Upper Tier II Capital of the Bank;
- (b) Subject to (a) above, be subordinated to the claims of the other creditors of the Bank (including all the depositors, general creditors of the Bank), but shall rank pari passu with the claims of other investors holding Lower Tier II Capital instruments of the Bank (whether the present or future); and
- (c) rank pari passu inter se the Debenture Holders, without preference amongst themselves.

### **6.4 INTEREST ON APPLICATION MONEY**

At the Coupon Rate (subject to deduction of tax at source, as applicable) from the date of realization of cheque(s)/ demand draft(s)/ RTGS up to one day prior to the deemed date of allotment. Where pay-in date and deemed date of allotment are the same, no interest on application money shall be paid.

### **6.5 DEFAULT INTEREST**

- (a) All Payments due in respect of the Debentures shall, in case the same be not paid on the respective Due Dates, carry further interest at the rate of 2% (Two percent) per annum, computed from the relevant Due Date up to the date on which such monies are paid or realised by the Debenture Holder(s) ("Default Interest"). It is clarified that any Default Interest which becomes payable in terms hereof shall be payable over and above the Coupon payable at the Coupon Rate.
- (b) Where the Bank fails to execute the Debentures Trust Deed within the period specified by SEBI, then without prejudice to any liability arising on account of violation of the provisions of the Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Bank shall also pay, subject to Applicable Law, interest of at least 2% (Two Percent) per annum or such other rate, as specified by SEBI

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to the Debenture Holders, over and above the Coupon Rate, till the execution of the Debentures Trust Deed.

#### **6.6 SUBORDINATED DEBT**

The Issue is being made pursuant to the Basel II guidelines as contained in the New Capital Adequacy Framework and the SFB Guidelines and is eligible for inclusion in the Lower Tier II Capital of the Bank. The claims of the investors in Debentures shall:

- (a) superior to the claims of investors in instruments eligible for inclusion in Tier 1 capital of slice SFB;
- (b) superior to the claims of Basel III Tier 2 debt capital instruments and Basel II Upper Tier 2 debt capital instruments;
- (c) subordinate to the claims of the depositors and general creditors of slice SFB; and
- (d) rank pari passu inter se the Debenture Holders, without preference amongst themselves;

#### **6.7 TIER II CAPITAL**

- (a) The Debentures are being issued by the Bank for raising funds towards its Lower Tier II Capital and accordingly the Debentures will constitute “subordinated debt” of the Bank as understood under the relevant rules and regulations issued by the RBI in this regard particularly under, paragraph F3 of the New Capital Adequacy Framework.
- (b) As the bonds being issued shall be the subordinated debt of the Bank, any clause in this Key Information Document which is not in compliance with the regulations of RBI for permitting a subordinated debt to be treated as Lower Tier II Capital will be deemed to have no force or effect unless prior consent of the RBI is obtained in this regard.

#### **6.8 COUPON**

- (a) Coupon Rate

The Debentures shall carry Coupon computed at the Coupon Rate. The Bank shall make payment of Coupon to the Debenture Holders on every Coupon Payment Date.

- (b) Computation of Coupon

All Coupon accruing on the face value of the Debenture shall accrue from day to day and be calculated based on actual/actual day count convention, at the Coupon Rate and rounded up to the nearest Rupee.

- (c) Business Day Convention

If any of the Coupon Payment Dates falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the next Business Day, except where the Maturity Date falls on a day which is not a Business Day, in which case all payments to be made on the Maturity Date (including accrued Coupon) shall be made on the immediately preceding Business Day. It is hereby clarified that any payments shall also be subject to the day count convention as per the SEBI Debt Listing Regulations.

#### **6.9 REDEMPTION**

The Debentures shall be taken as fully redeemed on payment of the Redemption Amount by the Bank on the Maturity Date. Such payment, made to the satisfaction of the Debenture Trustee, shall be a legal discharge of the liability of the Bank towards the Debenture Holders. The principal amount for each Debenture shall be equal to the face value of the said Debenture.

#### **6.10 PAYMENTS**

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Payments will be made on Due Date(s) to the Debenture Holders whose names appear on the register of debenture holders maintained by the registrar and transfer agent as at the end of the Record Date and in case of joint holders of Debentures to the one whose name stands first in the Register of Debenture Holders. Such payments shall be made by credit through the direct credit/ NEFT / RTGS/ electronic fund transfer system permitted by RBI.

#### **6.11 LISTING OF THE DEBENTURES**

- (a) The Bank shall list the Debentures on the EBP Platform under BSE within a maximum period of 3 (Three) Business Days of the Deemed Date of Allotment.
- (b) In case of a delay by the Bank in listing the Debentures beyond the aforesaid timelines, the Bank shall make payment to the Debenture Holders of 1% (One Percent) per annum over the Coupon Rate from the relevant Deemed Date of Allotment till the listing of such Debentures, subject to Applicable Law.

#### **6.12 NOMINEE DIRECTOR**

**The Debenture Trustee shall have a right to appoint a nominee Director on the Board of Directors of the Bank (hereinafter referred to as the "Nominee Director") and the Bank shall do all such acts and deeds as are necessary under the Applicable Laws, or otherwise, for giving effect to such appointment, in accordance with the provisions of the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 and under the relevant rules issued under the Act in the event of:**

- (a) 2 (Two) consecutive defaults in payment of Coupon to the Debenture Holders; or
- (b) Any default on the part of the Bank in redemption of the Debentures.

**The Nominee Director so appointed shall not be liable to retire by rotation nor shall be required to hold any qualification shares.** The Bank shall take steps to amend its articles of association for the purpose if necessary.

The bank shall appoint the person nominated by the debenture trustee(s) in terms of clause (e) of sub-regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as a director on its Board of Directors at the earliest and not later than one month from the date of receipt of nomination from the debenture trustee(s) as to appointment of Nominee Director.

#### **6.13 TRANSFER OF DEBENTURES**

- (a) The Debentures shall be freely transferable and transmittable by the Debenture Holders in whole or in part without the prior consent of the Bank. The Debenture Holders shall also have the right to novate, transfer or assign its rights and/or the benefits under the Transaction Documents upon such transfer/transmission of the Debentures.
- (b) It is clarified that the Bank shall not assign any of the rights, duties or obligations under this Key Information Document or in relation to the Debentures without the prior written consent of the Debenture Trustee (acting on the instructions of all the Debenture Holder(s)).

#### **6.14 DEBENTURES FREE FROM EQUITIES**

Each Debenture Holder will be entitled to its Debentures free from equities or cross claims by the Bank against the original or any intermediate holders thereof.

#### **6.15 DEBENTURE HOLDER NOT ENTITLED TO SHAREHOLDERS' RIGHTS**

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The Debenture Holders shall not be entitled to any of the rights and privileges available to the shareholders of the Bank (including right to receive notices of or to attend and vote at the general meetings or to receive annual reports of the Bank) other than those available to them under the Act.

**6.16 VARIATION OF DEBENTURE HOLDERS' RIGHTS**

The rights, privileges and conditions attached to the Debentures may be varied, modified or abrogated with the consent in writing of the Majority Debenture Holders, which consent shall be obtained by the Debenture Trustee.

**6.17 EVENTS OF DEFAULT AND CONSEQUENCES OF EVENTS OF DEFAULT**

An Event of Default ("**Event of Default**") shall have occurred upon the happening of any event or circumstances mentioned hereunder:

- (a) Failure of the Bank to make any Payment on the respective Due Date;
- (b) Failure of the Bank to make payment in respect of any borrowing appearing in the balance sheet of the Bank (including any borrowing availed by way of issuance of non-convertible debentures) owed to any financial creditor;
- (c) The Bank voluntarily or involuntarily becomes the subject of proceedings under any bankruptcy or insolvency law;
- (d) It is or becomes unlawful for the Bank to perform any of its obligations under the Transaction Documents, or if the Transaction Documents or any part thereof ceases, for any reason whatsoever, to be valid and binding or in full force and effect;
- (e) The Bank repudiates a Transaction Document to which it is a party;
- (f) The Bank fails to obtain, comply and/or loses its operating license issued by the RBI;
- (g) The Bank has admitted in writing that the Bank is unable to pay its debts as they fall due;
- (h) Any legal proceedings are commenced against the Bank which has the effect of prohibiting the Bank from performing its obligations under this Deed and the other Transaction Documents, or affecting the legality, validity and enforceability of this Deed and the other Transaction Documents;
- (i) The Bank breaches any representation or warranty provided by the Bank in terms of the Transaction Documents or fails duly to perform any other obligation arising from the Debentures;
- (j) The Bank (without the consent of the Debenture Trustee, acting on the instructions of the Majority Debenture Holders) ceases to carry on all of its business or gives notice of its intention to do so;
- (k) An order is made by the relevant Governmental Authority or a special resolution has been passed by the shareholders of the Bank for the winding-up of the Bank.
- (l) Any corporate action, legal proceedings or other procedure or step is taken in relation to: (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer; (b) a composition, compromise, assignment or arrangement with any creditor of the Issuer; (c) amalgamation, reorganisation or reconstruction without the prior approval of the Debenture Trustee; (d) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Issuer;
- (m) If the Stock Exchange in which the Debentures are listed takes any action which results in delisting or cessation or suspension of trading of the Debentures on such Stock Exchange at any point of time due to an act of the Bank or failure by the Bank to take all necessary action to ensure continued listing and trading of the Debentures on such Stock Exchange.
- (n) Any event has occurred which, in the Debenture Trustee's reasonable opinion (acting on the instructions of the Majority Debenture Holders), is likely to have a Material Adverse Effect.
- (o) In determining whether any of the acts, matters, events or circumstances mentioned in this Clause have occurred, the opinion of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) shall be final and conclusive and be binding on the Bank/Issuer.

The Parties acknowledge and agree that since the Debentures are classified as subordinated debt under the New Capital Adequacy Framework, on the occurrence of an Event of Default, unless such Event of Default at the request of the Bank is expressly waived by the Debenture Trustee acting on the instructions of the Majority Debenture Holder(s), (a) upon the expiry of the cure period provided, if any; or (b) if the cure period provided is mutually extended by the Parties hereto, upon the expiry of such 'extended period; or (c) where no cure period has been provided, then forthwith; or (d)

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where no cure period has been provided and the parties mutually agree to provide for a cure period, upon the expiry of such mutually Agreed upon cure period, the following rights shall be available to the Debenture Trustee (acting on the (a) subject to procuring the prior written consent of the Reserve Bank of India, accelerate the redemption of the Debentures.

**6.18 PROCESS OF DUE DILIGENCE TO BE CARRIED OUT BY A DEBENTURE TRUSTEE**

The DD will be carried out as per SEBI DT Master Circular and other circulars issued by SEBI from time to time. This would broadly include the following:

- (a) Chartered Accountant (CA) appointed by Debenture Trustee will conduct independent DD as per scope provided, regarding Security offered by the Issuer, as may be applicable.
- (b) CA will ascertain, verify, and ensure that the asset offered as security by the Issuer is / are free from any encumbrances or necessary permission / consent / NOC has been obtained from all existing charge holders, as may be applicable.
- (c) CA will conduct independent DD on the basis of data / information provided by the Issuer, as may be applicable.
- (d) CA will, periodically, undertake DD as envisaged in the applicable SEBI circulars depending on the nature of security, as may be applicable.
- (e) On the basis of the CA's report / finding DD certificate will be issued by Debenture Trustee and will be filed with the relevant Stock Exchanges.
- (f) Disclaimers would be incorporated to the effect that:
  - (i) The Debenture Trustee in no way guarantees / assures full recovery / partial of either principal or interest.
  - (ii) DD conducted is premised on data / information made available to the Debenture Trustee appointed - agency and there is no onus of responsibility on Debenture Trustee or its appointed agency for any acts of omission / commission on the part of the Bank.

**6.19 FEES CHARGED BY THE DEBENTURE TRUSTEE**

Initial Acceptance Fee of Rs.75,000/- and annual fee is NIL.

**6.20 TAX DEDUCTION AT SOURCE**

- a. Interest on Debentures issued pursuant to this Issue is subject to deduction of income tax under the provisions of the Income Tax Act, 1961 ("IT Act") or any other statutory modification or re-enactment thereof, as applicable. Any Debentures Holder(s) desirous of claiming non-deduction or lower deduction of tax at source under Applicable Law(s), as the case may be, shall be required to submit the declaration/certificates as per format prescribed under Applicable Law with the Bank and the Registrar at the below mentioned address, 7 (seven) calendar days prior to the relevant Record Date for payment of interest on the Debentures:

	Issuer	RTA
Name	slice small finance bank limited	MUFG Intime India Private Limited
Address	Registered office: G.S. Point, G.S. Road, Vill- Sarumataria, Opp. Dispur Fire Station, Sachivalaya, Dispur, Guwahati, 781006, Assam	C-101, Embassy 247, LBS Marg, Vikhroli (West), Mumbai - 400083
Contact Person	Ms. Shefaly Rai	Mr. Ganesh Jadhav
Designation	Company Secretary	Senior Associate – Vice President – Depository Operations
E-mail ID	<a href="mailto:Shefaly.kothari@slicebank.com">Shefaly.kothari@slicebank.com</a>	ganesh.jadhav@in.mpms.mufig.com
Tel. No.	+91 7349614778	+91 22 49186000

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Link for online submission	-	<a href="https://web.in.mpms.mufg.com/form_sreg/submission-of-form-15g-15h.html">https://web.in.mpms.mufg.com/form_sreg/submission-of-form-15g-15h.html</a>
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- b. In case of non-receipt of such prescribed declaration/certificate from the Debenture Holders claiming non-deduction or lower deduction of tax at source under Applicable Laws, 7 (seven) calendar days prior to the relevant Record Date, the Bank shall make the Tax Deduction in accordance with the prescribed rates prior to credit of interest on Debentures.
- c. Income tax is deductible at source at the rate of 10% (ten percent) on interest on Debentures held by resident Indians in accordance with Section 193 of the IT Act. In cases where interest to be paid to a Debenture Holder that is an individual or Hindu Undivided Family ("HUF") is less than INR 5,000 (Indian Rupees Five Thousand) and the interest is to be paid by way of account payee cheque, then the relevant Debenture Holder may seek non deduction of tax at source on the interest on Debentures by submitting the prescribed declaration/certificates with the Bank and the Registrar at the address set out in paragraph (a) above 7 (seven) calendar days prior to the relevant Record Date.
- d. If a Debenture Holder who is a resident individual or resident HUF is claiming non-deduction or lower deduction of tax at source under Section 193 of the IT Act, as the case may be, such Debenture Holder should furnish either (a) a declaration (in duplicate) in the prescribed form, i.e., (i) Form 15H which can be given by individuals who are of the age of 60 (sixty) years or more, (ii) Form 15G which can be given by all Debenture Holders (other than companies and firms), or (b) a certificate, from the assessing officer which can be obtained by all Debenture Holders (including companies and firms) by making an application in the prescribed form, i.e., Form No. 13.
- e. Any Debenture Holder(s) may seek/ may be granted, as the case may be, non-deduction or lower deduction of tax at source in following instances under the IT Act:
1. when the assessing officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act, and that a valid certificate is filed by the Debentures Holder with the Bank before the Record Date for payment of interest;
  2. when the resident Debenture Holder with Permanent Account Number ("PAN") (not being a company or a firm) submits a declaration as per the provisions of Section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the Financial Year in which such income is to be included in computing his total income will be NIL. However, under Section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in Section 194, interest on securities, interest, withdrawal from National Savings Scheme (NSS) and income from units of mutual fund or of Unit Trust of India (as the case may be) or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the Financial Year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;
  3. senior citizens, who are 60 (sixty) or more years of age at any time during the Financial Year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of Section 197A(1C) of the IT Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be NIL;
  4. all mutual funds registered with SEBI are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10(23D) of the IT Act in accordance with the provisions contained therein. Further, as per the provisions of Section 196 of the IT Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the IT Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it;
  5. for any Debentures held by "foreign institutional investors"/"foreign portfolio investors"/"qualified foreign investors", interest on Debentures may be eligible for concessional tax rate of 5% (five percent) (plus applicable surcharge and health and education cess) for interest referred under Section 194LD applicable in respect of rupee denominated bonds of an Indian company between June 1, 2013 and July 1, 2023 provided such rate does not exceed the rate as may be notified by the Government of India. Further, in case where section 194LD is not applicable, the interest income earned by "foreign institutional investors"/"foreign portfolio investors" should

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be chargeable to tax at the rate of 20% (twenty percent) under Section 115AD of the IT Act. Tax shall be deducted under Section 196D of the IT Act on such income at 20% (twenty percent). Where a double taxation avoidance agreement ("DTAA") is applicable to the payee, the tax deduction shall be lower of rate as per the relevant DTAA or 20% (twenty percent), subject to the conditions prescribed therein;

6. interest payable to Life Insurance Corporation, General Insurance Corporation and any other insurers are exempted from deductions of tax at source under Section 193 of the IT Act;
7. interest payable to entities falling under the list of entities exempted from tax deduction at source by the circular no. 18/2017 by Central Board of Direct Taxes (whose income is unconditionally exempt under Section 10 of the IT Act and who are also statutorily not required to file return of income as per Section 139 of the IT Act); and
8. any other specific exemption available to any other category of investors under the IT Act.

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**SECTION 7:**

**ANY MATERIAL DEVELOPMENTS WHICH ARE NOT DISCLOSED IN THE GENERAL INFORMATION DOCUMENT, SINCE THE ISSUE OF THE GENERAL INFORMATION DOCUMENT RELEVANT TO THE OFFER OF THE DEBENTURES ISSUED UNDER THIS KEY INFORMATION DOCUMENT IN RESPECT OF WHICH THIS KEY INFORMATION DOCUMENT IS BEING ISSUED**

There have been no material developments since the GID was issued.

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## **SECTION 8: DECLARATION**

### **PART A**

The Bank declares as of the date of this Key Information Document that all the relevant provisions in the regulations/guideline issued by SEBI and other applicable laws have been complied with and no statement made in this Key Information Document is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this Key Information Document is as applicable to privately placed debt securities and subject to information available with the Bank.

The extent of disclosures made in this Key Information Document is consistent with disclosures permitted by regulatory authorities to the issue of securities made by companies in the past.

**For slice small finance bank limited**

**SHEFA** Digitally signed  
by SHEFALY RAI  
**LY RAI** Date: 2026.03.12  
16:28:18 +05'30'

**Name: Shefaly Rai**

**Designation: Company Secretary**  
**Membership No. F7698**

**Date: March 11, 2026**

**Place: Bengaluru**

### **PART B**

**DECLARATION BY THE AUTHORISED PERSONS THAT-**

- i. Nothing in this Key Information Document is contrary to the provisions of the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act 2013 and the rules and regulations made thereunder;
- ii. the Bank has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act 2013 and the rules made thereunder;
- iii. the compliance with the said Act and the rules made thereunder do not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government;
- iv. the monies received under the offer shall be used only for the purposes and objects indicated in this Key Information Document;
- v. whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association;
- vi. The contents of this Key Information Document have been perused by the Board of Directors and the final and ultimate responsibility of the contents mentioned herein shall also lie within the Board of Directors

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Investment in non-convertible securities is risky and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the Issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 3 of the General Information Document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

I, Mr. Rajan Bajaj, Managing Director and CEO is duly authorized by the Board of Directors of the Bank vide resolution dated February 27, 2026, copy of which is attached hereto as **Annexure VII**, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association. It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed

**For slice small finance bank limited**

**RAJAN**  
**BAJAJ**

Digitally signed  
by RAJAN BAJAJ  
Date: 2026.03.12  
16:33:18 +05'30'

**Authorised Signatory**

**Name: Rajan Bajaj**

**Designation: Managing Director and CEO**

**DIN: 07197443**

**Encl:**

1. Disclosure prescribed under PAS-4 of Companies (Prospectus and allotment of securities) Rules, 2014
2. Due Diligence Certificate for Debentures issued under this Key Information Document issued by the Debenture Trustee
3. Rating Letters, Rating Rationales and detailed Press Releases from the Rating Agencies for Credit Rating and Rating Rationale
4. List of documents executed in relation to the Issue
5. Trustee Consent Letter
6. In-principle approval from BSE
7. Board Resolution and Shareholder's Resolutions



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We have read and understood the Terms and Conditions of the issue of Debentures contained in the Disclosure Documents including the Risk Factors described in the General Information Document dated March 5, 2026 and have considered these in making our decision to apply. We bind ourselves to these Terms and Conditions and wish to apply for allotment of these Debentures. The amount payable on application as shown below is remitted herewith. We request you to please place our name(s) on the Register of Debenture Holders.

Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's Signature:

**Details of Bank Account (from which the subscription money is remitted)**

Bank Name & Branch	<input type="checkbox"/>
Beneficiary Name	<input type="checkbox"/>
Nature of Account	<input type="checkbox"/>
Account No.	<input type="checkbox"/>
IFSC/NEFT Code	<input type="checkbox"/>
UTR No. *	<input type="checkbox"/>

**\* Please enclose RTGS alongwith this form.**

We hereby confirm that the payment(s) made towards subscription of the Listed, Rated, Taxable, Unsecured, Transferable, Redeemable, Fully Paid Up, Basel II Compliant Lower Tier II Subordinated Bonds in the nature of non-convertible debentures is made from our bank account(s).

FOR OFFICE USE ONLY	
DATE OF RECEIPT _____	DATE OF CLEARANCE _____

*(Note: Cheque and Drafts are subject to realisation)*

We the undersigned, are agreeable to holding the Debentures of the Issuer in dematerialised form. Details of my/our Beneficial Owner Account are given below:

DEPOSITORY	NSDL and CDSL
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY ACCOUNT NUMBER	
NAME OF THE APPLICANT(S)	

Taxpayers PAN / GIR No.	IT Circle/Ward/District	<input type="checkbox"/> Not Allotted
<input type="checkbox"/>	<input type="checkbox"/>	
Tax Deduction Status	<input type="checkbox"/> Fully Exempt	<input type="checkbox"/> Tax to be deducted at Source

**This Key Information Document is neither a prospectus nor a statement in lieu of a prospectus**

(i) **Tick whichever is applicable:**

- (a) The Applicant is not required to obtain Government approval under the Foreign Exchange Management (Non-debt Instrument) Rules, 2019 prior to subscription of shares -

- (b) The Applicant is required to obtain Government approval under the Foreign Exchange Management (Non-debt Instrument) Rules, 2019 prior to subscription of shares and the same has been obtained, and is enclosed herewith -

**List of KYC docs. To be attached with the Application Form:**

- Constitution Documents: Certificate of Incorporation, Certificate of commencement of Business, Memorandum & Articles of Association, Regd. Trust Deed in case of Trust, SEBI Registration Certificate in case of Mutual Fund.
- ID Proofs: Certified Copy of PAN Card, Demat Client Master Report
- Address Proof: Form 18 (under Companies Act, 1956) or INC-22 (under Companies Act, 2013) filled with ROC or Certified copy of latest utility bills
- Authorizing docs: Power of Attorney / Board Resolution with specimen signatures certified by the Company Secretary
- Any other document as specified in the Disclosure Documents or as may be demanded by the Bank or as may be required to be provided under Applicable Law by the Applicant

We understand and confirm that the information provided in the General Information Document is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) we must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Issuer shall be entitled at its sole discretion to reject the application.

We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the returns on and/or the sale value of the Debentures. We undertake that upon sale or transfer to subsequent investor or transferee ("**Transferee**"), we shall convey all the terms and conditions contained herein and in this Key Information Document to such Transferee. In the event of any Transferee (including any intermediate or final holder of the Debentures) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer and also hold the Issuer and each of such person harmless in respect of any claim by any Transferee.

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**WE FURTHER UNDERSTAND THAT:**

INVESTMENTS IN SUBORDINATED DEBT SECURITIES INVOLVE A DEGREE OF RISK AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THE DEBENTURES, UNLESS THEY CAN AFFORD TO TAKE RISKS ATTACHED TO SUCH INVESTMENTS. THE DEBENTURES ARE SUBORDINATED DEBT SECURITIES AND NOT FIXED DEPOSITS OF THE BANK AND THEY CANNOT BE USED AS COLLATERAL FOR ANY LOAN MADE BY THE BANK. THE DEBENTURES ARE DIFFERENT FROM FIXED DEPOSITS AND ARE NOT COVERED BY DEPOSIT INSURANCE ISSUED BY THE DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION. UNLIKE THE FIXED DEPOSITS WHERE DEPOSITS ARE REPAYED AT THE OPTION OF DEPOSIT HOLDER, THE DEBENTURES ARE NOT REDEEMABLE AT THE OPTION OF THE DEBENTURE HOLDERS OR WITHOUT THE CONSENT OF THE RESERVE BANK OF INDIA.

By making this application, I/We acknowledge that I/We have understood the terms and conditions of the Issue of Listed, Rated, Taxable, Unsecured, Transferable, Redeemable, Fully Paid Up, Basel II Compliant.

Lower Tier II Subordinated Bonds in the nature of non-convertible debentures being issued by slice Small Finance Bank Limited as disclosed in the General Information Document and Key Information Document.

Applicant's  
 Signature

FOR OFFICE USE ONLY	
DATE OF RECEIPT _____	DATE OF CLEARANCE _____

*(Note : Cheque and Drafts are subject to realisation)*

------(TEAR HERE)-----

**ACKNOWLEDGMENT SLIP**

Application No: [●]	Date: [●]
Debenture Series	
No. of Debentures applied (in figures)	[●]
No. of Debentures applied (in words)	[●]
Amount (Rs. In figures)	[●]
Amount (Rs. In words)	[●]
NEFT/RTGS	[●]

For all further correspondence, please contact the Compliance Officer.

**INSTRUCTIONS**

- Application must be completed entirely in English, using BLOCK LETTERS.
- Procedure for Issue shall be in accordance with EBP Guidelines.
- A signature can be made either in English or in any other Indian language.
- Application Forms duly completed in all respects, must be lodged at the Bank's registered office.
- All transfers/RTGS must be made payable to the Bank account of the Bank.
- Cheques, cash, money orders, postal orders and stock invest will NOT be accepted.
- As a matter of precaution against possible fraudulent encashment of interest warrants due to loss/misplacement, one is requested to mention the full particulars of the bank account, as specified in the Application Form.
- Interest warrants will then be made out in favour of the bank for credit to one's account. In case the full particulars are not given, cheques will be issued in the name of the Applicant at their own risk.

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- ☐ One should mention their Permanent Account Number or the GIR number allotted under Income-Tax Act, 1961 and the Income-Tax Circle/Ward/District. In case where neither the PAN nor GIR number has been allotted, the fact of non-allotment should be mentioned in the Application Form in the space provided.
- ☐ The application would be accepted as per the terms of the Issue outlined in the Disclosure Document.
- ☐ The payment(s) towards subscription of the securities shall be made from the bank account(s) of the Applicants.

Please send the dully filled and signed Application Form to our corporate office  
address: Indiqube Ashford Park View Municipal No 9 80 Feet Rd Industrial Layout Koramangala, 3rd  
block, Ward No. 68, Bengaluru – 560034, Karnataka..

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ANNEXURE II  
DISCLOSURE PRESCRIBED UNDER PAS-4 OF COMPANIES (PROSPECTUS AND ALLOTMENT OF  
SECURITIES), RULES, 2014

**slice SMALL FINANCE BANK LIMITED**

**CIN: U65100AS2016PLC017505**

RBI Registration Number: MUM : 154 PAN Number: AAFCN3466R (Incorporated on July 25, 2016, a public limited company incorporated under the Companies Act, 2013)

Registered Office: G.S. Point, G.S. Road, Vill- Sarumataria, Opp. Dispur Fire Station, Sachivalaya, Dispur, Guwahati, 781006, Assam

Corporate Office: Indiqube Ashford Park View Municipal No 9 80 Feet Rd Industrial Layout Koramangala, 3rd block Ward No 68 Bengaluru 560034 Karnataka ; Tel: [+91 804832999](tel:+91804832999) ;

Fax: NIL; Website: [www.slicebank.in](http://www.slicebank.in);

Compliance Officer: Smt. Shefaly Rai, Contact details of Compliance Officer: 7349614778

e-mail: [shefaly.kothari@slicebank.com](mailto:shefaly.kothari@slicebank.com) / [comsec@slicebank.com](mailto:comsec@slicebank.com)

*This Annexure contains relevant information and disclosures required for the purpose of issuing of the Debentures in accordance with Section 42 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014.*

PART A

**ISSUE OF LISTED, RATED, TAXABLE, UNSECURED, TRANSFERABLE, REDEEMABLE, FULLY PAID UP, BASEL II COMPLIANT TIER II SUBORDINATED BONDS IN THE FORM OF NON-CONVERTIBLE DEBENTURES (THE "ISSUE") ON A PRIVATE PLACEMENT BASIS**

**I. General Information:**

ISSUE OPENING DATE	ISSUE CLOSING DATE	PAY-IN DATE
March 16 <sup>th</sup> , 2026	March 16 <sup>th</sup> , 2026	March 17 <sup>th</sup> , 2026

**A. Name, address, website, if any and other contact details of the Bank, indicating both Registered office and the Corporate Office:**

**Issuer / Bank:** slice small finance bank limited

**Registered Office:** G.S. Point, G.S. Road, Vill- Sarumataria, Opp. Dispur Fire Station, Sachivalaya, Dispur, Guwahati, 781006, Assam

**Corporate Office:** Indiqube Ashford Park View Municipal No 9 80 Feet Rd Industrial Layout Koramangala, 3rd block, Ward No. 68, Bengaluru – 560034, Karnataka.

**Contact Person:** Shefaly Rai

**Telephone No.:** [+91 804832999](tel:+91804832999)

**Fax:** NA

**Email:** [shefaly.kothari@slicebank.com](mailto:shefaly.kothari@slicebank.com) / [comsec@slicebank.com](mailto:comsec@slicebank.com)

**Website:** [www.slicebank.in](http://www.slicebank.in).

**B. Date of Incorporation of the Company:**

July 25, 2016

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**C. Business carried on by the Company and its subsidiaries with the details of branches or units, if any:**

Please refer to Section 4 of the General Information Document.

**D. Brief particulars of the management of the Company:**

Please refer to Section 4 of the General Information Document.

**E. Name, address, DIN and occupations of the directors:**

<b>Name of the Director</b>	<b>Designation</b>	<b>DIN</b>	<b>Address of Director</b>	<b>Occupation</b>
Rajan Bajaj	Managing Director & CEO	07197443	8/18, N.E.S. Housing Board, Alwar, Rajasthan-301001	Managing Director & CEO
Eugene Karthak	Independent Director & Part-time Chairperson	08743508	FN-A, BLK-2, 3RD Floor, Syndicate Ecopolis, Tripura Road, Khanapara, Guwahati, Kamrup, Assam 781022	Professional
Shrimohan Yadav	Independent Director	10461785	2501, 25th Floor, Wadhwa Pristine, Nr. Ruparel College, Bal Govind Das Road, Matunga West, Mumbai-7400016	Professional
Tapan Kumar Hazarika	Independent Director	08088195	ASAVARI, 76 Narengi Housing Complex, (Opp. By Lane 1) Chandrapur Road, Narengi, Guwahati-781026	Professional
Ram Krishna Garg	Independent Director	02164119	Flat No, A 402 Rosewood Estate, Near Prerna Teerth Derasar , Satellite, Ahmedabad, Gujarat- 380015	Professional

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KOODATHUMURIYIL VERGHESE EAPEN	Independent Director	01613015	Flat no. 10-B, Abad Reflections, KP Vallon Road, Kadavanthara, Ernakulam, Kochi- 682020	Professional
Ashish Bhupendra Fafadia	Nominee Director	06663764	No. 12, 14th Floor, building no. 3, Navjeevan Commercial Premises CHS Limited, Lamington Road, Mumbai, Maharashtra - 400008	Professional
Nikhil Sachdev	Nominee Director	09500698	4126, 17th St Apt 4, San Francisco, CA 94114-1905	Professional
Sreedevi Pillai	Non-Executive Additional Director	07725212	Flat no E3, Lotus Rugmini Keshavam, Opp Gandhi Square, Pettah, Poonithura P O, Ernakulam, Kerala 682038	Professional

**F. Management's perception of Risk Factors:**

Please refer to Section 3 of the General Information Document.

**G. Details of defaults, if any, including the amounts involved, duration of default, and present status, in repayment of:**

- (i) Statutory Dues: Nil
- (ii) Debentures and interest thereon: Nil
- (iii) Deposits and interest thereon: Nil
- (iv) Loans from banks and financial institutions and interest thereon: Nil

**H. Name, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the Issue:**

**Name:** Shefaly Rai

**Designation:** Company Secretary and Compliance Officer

**Address:** 1st Floor, Ashford Park View Indiqube, 80 Feet Rd, 3rd Block, Koramangala 1A Block, Koramangala 3 Block, Koramangala, Bengaluru, Karnataka 560034

**Phone No.:** 7349614778

**Email:** shefaly.kothari@slicebank.com

**I. Registrar of the Issue:** MUFG Intime India Private Limited

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- J. Valuation Agency:** N.A
- K. Auditors:** Please refer to Section 4 of the General Information Document
- L. Any Default in Annual filing of the Company under the Companies Act, 2013 or the rules made thereunder:**

Nil

**II. Particulars of the Offer:**

Date of passing of Board Resolution	Date of passing of Board Resolution: February 27, 2026.
Date of passing of resolution in general meeting, authorizing the offer of securities	Resolution passed by the Bank at the Extra Ordinary General Meeting held on June 24, 2022, authorizing the Bank to borrow under Section 180(1)(c) of the Act upon such terms as the Board may think fit, upto an aggregate limit of Rs. 800,00,00,000/- (Rupees Eight Hundred Crores only).
Kind of securities offered and class of security, the total number of shares or other securities to be issued.	Listed, Rated, Taxable, Unsecured, Transferable, Redeemable, Fully Paid Up, Basel II Compliant Lower Tier II Subordinated Bonds in the nature of Non-Convertible Debentures each having a face value of Rs. 1,00,000/- (Rupees One Lakh only) of the aggregate nominal value of Rs. 75,00,00,000/- (Rupees Seventy Five Crores Only).
Price at which the security is being offered, including premium if any, along with justification of the price	Rs. 1,00,000/- (Rupees One Lakh only) per debenture
Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer	Not Applicable
Relevant date with reference to which the price has been arrived at	Not Applicable
The class or classes of persons to whom the allotment is proposed to be made	Institutional investors
Intention of Promoters, Directors or Key Managerial Personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer)	Not Applicable

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The proposed time within which the allotment shall be completed	The securities shall be allotted and credited into the demat account of the investor within two days from the Deemed Date of Allotment.			
The names of the proposed allottees and the percentage of post private placement capital that may be held by them	Not Applicable			
The change in control, if any, in the company that would occur consequent to the private placement	Nil			
The number of persons to whom allotment on preferential basis/private placement/ rights issue has already been made during the year, in terms of number of securities as well as price	Date	Number of Persons/Entities	Numb of securities allotted	Price per security
	There is no allotment made by the Bank on preferential basis/private placement/ rights issue during the last one year.			
The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Nil, as the Debentures are being issued for cash			
Amount, which the Company intends to raise by way of securities	Up to Rs. 75,00,00,000/- (Rupees Seventy Five Crores).			
Terms of raising of securities:	Duration, if applicable:	69 Months from the Deemed Date of Allotment		
	Rate of Interest:	12% p.a. payable monthly		
	Mode of Payment	NEFT / RTGS		
	Mode of Repayment	Electronic clearing services (ECS)/NEFT/credit through RTGS system/funds transfer		
Proposed time schedule for which the Issue/private placement offer cum application Letter is valid	Issue Opening Date: March 16 <sup>th</sup> , 2026 Issue Closing Date: March 16 <sup>th</sup> , 2026 Pay-in Date: March 17 <sup>th</sup> , 2026 Deemed Date of Allotment: March 17 <sup>th</sup> , 2026			
Purpose and objects of the Issue/Offer	The Issue Proceeds equivalent to 100% (One Hundred percent) of the funds raised by the Issue will be to augment the Tier II Capital of the Bank for strengthening the Bank's capital adequacy and enhancing the Bank's long-term resources and for the regular business activities of the Bank. The Bank further undertakes that it shall not carry out any other activities as may be prohibited by RBI and / or such other			

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	regulators as may be applicable from time to time.
Contribution being made by the Promoters or directors either as part of the offer or separately in furtherance of such objects	Not Applicable

Principal terms of assets charged as security, if applicable	Not Applicable
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The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the ongoing concern status of the Company and its future operations	Nil
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The pre-issue and post issue shareholding pattern of the company (as on date)	<b>Sr. No</b>	<b>Category</b>	<b>Pre-issue</b>		<b>Post-issue</b>	
			<b>No. of shares held</b>	<b>(%) of shareholding</b>	<b>No. of shares held</b>	<b>(%) of shareholding</b>
	A	Promoters' holding	-	-	The shareholding pattern of the Bank shall remain unchanged after the Issue. The Debentures being non-convertible, there will be no change in the paid-up capital due to conversion and there will be no change in the balance of the share premium account.	
	1	Indian	-	-		
		Individual	-	-		
		Bodies Corporate	-	-		
		Sub-total	-	-		
	2	Foreign promoters	-	-		
		Sub-total (A)	-	-		
	B	Non-promoters' holding				
	1	Institutional Investors	-	-		
	2	Non-Institutional Investors				
		Private Corporate Bodies	2641232574	20.24		
	Directors and relatives	1837103376	14.08			

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	Indian Public	926813571	7.10
	Others (including Non-resident Indians)	7884387048	58.58
	Sub-total (B)	13044856185	100
	GRAND	13044856185	100

	TOTAL		
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**III. Mode of payment for subscription:**

- (a) For issuance in accordance with the EBP Guidelines - NEFT/RTGS/Electronic bank transfers on the EBP platform.
- (b) For issuance outside the EBP Platform - Applicants can remit the application amount through RTGS / NEFT on Pay-in Date. The RTGS details of the Issuer are as under: NA

Beneficiary Name	slice small finance bank limited
Bank Account No.	<b>10220000163825</b>
IFSC Code	<b>NESF0000096</b>
Bank Name	slice small finance bank limited
Branch Address	1st and 3 <sup>rd</sup> floor Fortune Central Basisthapur, Beltola P.O. and PS Basistha

**IV. Disclosure with regard to interest of directors, litigation, etc:**

Any financial or other material interest of the directors, promoters or key managerial personnel in the offer/ Issue and the effect of such interest in so far as it is different from the interests of other persons.	Not Applicable
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<p>Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last 3 (three) years immediately preceding the year of the issue of the private placement offer cum application letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.</p>	<p>To the best of the knowledge of the Issuer, there are no claims, investigations or proceedings before any court, tribunal or governmental authority in progress or pending against or relating to the Issuer during the last 3 (three) years, which would have a material adverse effect on the ability of the Bank to make the scheduled payments in relation to the Debentures.</p>									
<p>Remuneration of directors (during the current year and last 3 (three) financial years).</p>	<table border="1"> <thead> <tr> <th data-bbox="815 697 1149 724">Financial Year</th> <th data-bbox="1156 697 1446 724">Amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="815 732 1149 760">2022-23</td> <td data-bbox="1156 732 1446 760">Rs. 122.02 Lakhs</td> </tr> <tr> <td data-bbox="815 768 1149 795">2023-24</td> <td data-bbox="1156 768 1446 795">Rs. 76.73 Lakhs</td> </tr> <tr> <td data-bbox="815 804 1149 831">2024-25</td> <td data-bbox="1156 804 1446 831">Rs.600.94 Lakhs</td> </tr> </tbody> </table>		Financial Year	Amount	2022-23	Rs. 122.02 Lakhs	2023-24	Rs. 76.73 Lakhs	2024-25	Rs.600.94 Lakhs
	Financial Year	Amount								
	2022-23	Rs. 122.02 Lakhs								
	2023-24	Rs. 76.73 Lakhs								
2024-25	Rs.600.94 Lakhs									
2022-23	Rs. 122.02 Lakhs									
2023-24	Rs. 76.73 Lakhs									
2024-25	Rs.600.94 Lakhs									
<p>Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of the private placement offer cum application letter including with regard to loans made or guarantees given or securities provided.</p>	<p>There are no related party transactions in the last 3 (three) financial years.</p>									
<p>Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of issue of the private placement offer cum application letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark.</p>	<p>NIL</p>									

**This Key Information Document is neither a prospectus nor a statement in lieu of a prospectus**

Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last 3 (three) years immediately preceding the year of issue of the private placement offer cum application letter in the case of the Company and all of its subsidiaries. Also, if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of the private placement offer cum application letter and if so, section-wise details thereof for the Company and all of its subsidiaries.	NIL
Details of acts of material frauds committed against the Company in the last 3 (three) years, if any, and if so, the action taken by the Company.	NIL

**V. Financial Position of the Company:**

The capital structure of the company in the following manner in a tabular form: The authorised, issued, subscribed and paid-up capital (number of securities, description and aggregate nominal value)	Share Capital (as on 31.12.2025)	Rs. (in Crore)	
	Authorised 1000,08,40,000 Equity shares of Rs. 1 each 715,00,00,000 Compulsory Convertible Preference Shares of Rs. 1/- 2,80,00,000 Compulsory Convertible Preference Shares of Rs. 50/-	1855.08	
	Issued, Subscribed and Fully Paid- up 896,43,09,249 Equity Shares of face value of ₹1 each# 148,01,27,544 Compulsory Convertible Preference Shares of Face value of Rs. 1 each 30,99,36,000 Equity shares of face value of Rs. 1/- each and paid-up value of Rs. 0.90/- each	1072.33	
Size of the Present Offer	Up to Rs. 75,00,00,000/- (Rupees Seventy Five Crores Only).		
Paid-up Capital: a. After the offer: b. After the conversion of Convertible Instruments (if applicable)	The paid-up share capital after the Issue will remain unchanged.		
Share Premium Account: a. Before the offer: b. After the offer:	Debentures are issued at par. Hence, there will be no change in the balance of the share premium account.		

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Details of the existing share capital of the Issuer in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.	As per Section 2(G) of this Key Information Document
Details of allotments made by the Company in the last one year prior to the date of the private placement offer cum application letter for consideration other than cash and details of the consideration in each case.	NIL
Profits of the Company, before and after making provision for tax, for the 3 (three) financial years immediately preceding the date of issue of the private placement offer cum application letter.	Please refer to Section 4.6 of the General Information Document
Dividends declared by the Company in respect of the said 3 (three) financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid).	NIL
A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of issue of the private placement offer cum application letter.	Please refer to Section 4.6 of the General Information Document
Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of issue of the private placement offer cum application letter.	Please refer to Section 4.6 of the General Information Document
Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Company.	None

**Note 1: Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided**

There are no material related party transactions during the aforesaid period.

**Note 2: (a) Profits of the Company, before and after making provision for tax, for the 3 (three) financial years immediately preceding the date of issue of private placement offer cum application letter (b) dividends declared by the Company in respect of the said 3 (three) financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid) and (c) summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of issue of private placement offer cum application letter**

Please refer to Section 4 of the General Information Document.

**Note 3: Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of issue of private placement Offer cum application letter:**

Please refer to Section 4 of the General Information Document.

**This Key Information Document is neither a prospectus nor a statement in lieu of a prospectus**

**PART B- APPLICATION LETTER\***

(To be filed by the Applicant)

- (i) Name
- (ii) Father's name
- (iii) Complete Address including Flat/House Number, street, Locality, pin Code
- (iv) Phone number, if any
- (v) email ID, if any
- (vi) PAN Number
- (vii) Bank Account Details
- (viii) Tick whichever is applicable:

- (A) The applicant is not required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares / securities:

✓
---

- (B) The applicant is required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares and the same has been obtained, and is enclosed herewith:

Not applicable

Signature

Initial of the Officer of the company designated to keep the record

**\*Addressed applicants may please send the dully filled and signed Application Form (enclosed as Annexure) to our corporate office address.**

**This Key Information Document is neither a prospectus nor a statement in lieu of a prospectus**

### **Declaration**

**The Company and each of the directors of the Company hereby confirm and declare that:**

- (a) the company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder
- (b) the compliance with the said Act and the rules made thereunder do not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and
- (c) the monies received under the offer shall be used only for the purposes and objects indicated in the private placement offer cum application letter;
- (d) whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association  
the contents of this Key Information Document have been perused by the Board of Directors and the final and ultimate responsibility of the contents mentioned herein shall also lie within the Board of Directors.

I, Shefaly Rai, duly authorised by the Board of Directors of the Company *vide* resolution dated February 27 2026, copies of which are attached hereto under Annexure VII, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Key Information Document has been suppressed or concealed and is as per the original records maintained by the Promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

The Issuer also declares that all the relevant provisions in the regulations/ guidelines issued by SEBI and other Applicable Laws have been complied with and no statement made in this Key Information Document is contrary to the provisions of the Companies Act, 2013 (18 of 2013), the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the Securities and Exchange Board of India Act, 1992 (15 of 1992) and the rules and regulations made thereunder and other Applicable Laws, as the case may be. The information contained in this Key Information Document is as applicable to privately placed debt securities and subject to the information available with the Issuer. The extent of disclosures made in this Key Information Document with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

**For, slice small finance bank limited,**

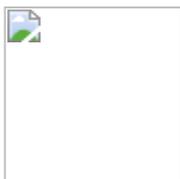
**SHEFA** Digitally signed  
by SHEFALY RAI  
**LY RAI** Date: 2026.03.12  
16:29:05 +05'30'

**Name: Shefaly Rai**  
**Designation: Company Secretary**  
**Membership No. F7698**

**Date: March 11, 2026**

**Place: Bengaluru**

## Annexure III: Press release and rating rationale



### Press Release

February 26, 2026

### SLICE SMALL FINANCE BANK LIMITED (ERSTWHILE NORTH EAST SMALL FINANCE BANK LIMITED) Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
<b>BOND</b>	100.00	ACUITE BBB+   Stable   Assigned	-
<b>Total Outstanding</b>	100.00	-	-
<b>Total Withdrawn</b>	0.00	-	-

### Rating Rationale

Acuite has assigned the long-term rating of '**ACUITE BBB+**' (read as **ACUITE Triple B plus**) on the Proposed Tier-2 bonds (under Basel-2) of Rs. 100.00 crore of slice Small Finance Bank Limited (Erstwhile North East Small Finance Bank Limited). The outlook is '**Stable**'.

#### Rationale for rating.

The rating takes into account the bank's sustained improvement in asset quality, strengthening capital base, and material progress in profitability. It also factors in the steady expansion of deposits and advances, which provide comfort on the liability side. slice Small Finance Bank Limited has shown a marked improvement in operating and financial performance between FY24 and FY25, with further traction visible in 9M FY26. The bank's operating income expanded from Rs.127.43 Cr. in FY24 to Rs.403.27 Cr. in FY25, supported by strong growth in deposits and advances. In 9M FY26, the bank reported its first profitable phase with PAT of Rs.27.97 Cr. as on Dec 31,2025, operating income of Rs.738.91 Cr, and cost-to-income ratio improving to 83%. Deposits rose to Rs.4,349.08 Cr. and advances to Rs.4,158.66 Cr, reflecting steady scale-up of franchise. Margins also improved sharply, while NNPA further declined to 3.98%. Going forward, the ability to maintain profitability on a sustained basis and strengthen provisioning buffers will remain key monitorables.

#### About the company

slice Small Finance Bank Limited (erstwhile North East Small Finance Bank Limited) was incorporated in July 2016 as a wholly owned subsidiary of RGVN (North East) Microfinance Limited and commenced operations as a Small Finance Bank in October 2017, the bank is registered and headquartered in Guwahati, Assam. The institution traces its origin to Rashtriya Gramin Vikas Nidhi (RGVN), a society that commenced microfinance operations in 1995 with initial corpus support from IDBI, IFCL, NABARD and Dorabji Tata Trust, along with operational support from SIDBI. In 2008, RGVN (North East) Microfinance Limited was incorporated and subsequently obtained an NBFC licence in August 2010 and NBFC-MFI certification from RBI in 2014. The entity received in-principle approval from RBI to set up a Small Finance Bank in 2015. The bank was granted Scheduled Commercial Bank status in FY2019. On October 3, 2023, RBI issued its No Objection Certificate for the amalgamation of the slice group (Garagepreneurs Internet Pvt. Ltd., Quadrillion Finance Pvt. Ltd. and Intergalactory Foundry Private Limited) with the bank. The merger was consummated on October 27, 2024, pursuant to which all assets and liabilities of the slice group were transferred to the bank. Further, RGVN (North East) Microfinance Limited, the erstwhile holding company, was reverse merged into the bank on the same date. Post-merger, Mr. Rajan Bajaj is the largest shareholder, with other significant shareholders including Gunosy Capital, Blume Ventures, Tiger Global and Insight Partners.

#### Unsupported Rating

Not Applicable.

#### Analytical Approach

Acuite has considered the standalone business and financial risk profile of slice Small Finance Bank Limited to arrive at the rating.

#### Key Rating Drivers

##### Strength

### **Improvement in Asset Quality and Margins**

Asset quality has shown sustained improvement, with NNPA moderating from 8.36% in FY24 to 3.98% in 9M FY26. Margins have also expanded sharply, with NIM improving from 4.49% in FY24 to 14.43% in FY25, driven by better yield management and deposit mix. These factors, along with the turnaround to profitability in FY26, indicate a structurally positive shift in the bank's financial profile.

### **Improving Operating Performance**

slice Small Finance Bank limited has demonstrated a significant scale-up in operations between FY24 and FY25, with operating income rising more than threefold to Rs.403.27 Cr. This momentum has continued into 9M FY26, where operating income nearly doubled again to Rs.738.91 Cr. The improvement reflects strong traction in both net interest income and non-interest income, supported by rapid expansion in the loan book and deposit base.

### **Strengthened Capital Position and Franchise Growth**

The bank's net worth has improved substantially from Rs.60.91 Cr. in FY24 to Rs.552.85 Cr. in FY25 and further to Rs.845.34 Cr. in 9M FY26, aided by capital infusion and internal accruals. Deposits have scaled up from Rs.1,519.57 Cr. in FY24 to Rs.4,349.08 Cr. in 9M FY26, while advances grew from Rs.802.43 Cr. to Rs.4,158.66 Cr. over the same period. This reflects a strengthening liability franchise and steady growth in lending operations, providing comfort on the bank's ability to support future expansion.

### **Weakness**

#### **Low Provision Coverage**

While asset quality has improved with NNPA declining to 3.98% in 9M FY26, the provision coverage ratio remains modest at ~28%. This indicates limited buffers against potential credit losses. Strengthening provisioning levels will be essential to enhance resilience, especially given the rapid pace of loan growth.

#### **Nascent Profitability Track Record**

The bank has only recently turned profitable in FY26 after reporting losses in FY24 and FY25. Although the turnaround is encouraging, the ability to sustain profitability across cycles and demonstrate consistent earnings remains untested. Establishing a stable track record of profitability will be a key monitorable for future rating actions.

#### **High Operating Cost Structure**

Despite improvement in efficiency, the bank's cost-to-income ratio remains elevated at 83.43% in 9M FY26 compared to peer levels of 60–65%. The sharp rise in operating expenses from Rs.173.98 Cr. in FY25 to Rs.616.47 Cr. in 9M FY26 reflects the ongoing investments in branch expansion, technology, and manpower. Sustained moderation in operating costs will be critical for long-term profitability.

### **ESG Factors Relevant for Rating**

Strong governance is central to the long-term sustainability of banks. Key governance factors include board effectiveness, independence, diversity, shareholder rights, KMP compensation policies and adherence to ethical business practices. Social considerations for financial institutions largely revolve around data privacy, security of financial instruments, responsible lending, and effective employee management—given the sector's people-intensive nature. Community engagement and financial inclusion initiatives also remain significant social pillars.

Environmental risks for banks are relatively low; however, energy efficiency and electronic-waste management carry moderate materiality.

slice Small Finance Bank Limited maintains adequate governance and ethical standards, supported by clear policies on corruption mitigation, whistle-blower protection and related-party transactions. The Bank has implemented a structured cyber-security framework and conducts periodic assessments and awareness initiatives to ensure strong data protection and operational resilience.

### **Rating Sensitivity**

- Sustained Improvement in Profitability
- Improvement in Asset Quality Metrics
- Moderate Capital Adequacy & Liquidity Position

### **Liquidity Position**

#### **Adequate**

The adequate liquidity is driven by no negative cumulative mismatches in the near term as per the asset liability management profile of slice Small Finance Bank Limited. Further, Total investments stood at Rs. 1202.33 Cr. and cash and cash equivalents at Rs. 277.32 Cr. as on December 31, 2025.

### **Outlook - Stable**

**Other Factors affecting Rating**

None.

**Key Financials - Standalone / Originator**

Particulars	Unit	FY25(Actual)	FY24(Actual)
Total Assets	Rs. Cr.	4279.63	1684.67
Total Income*	Rs. Cr.	403.27	127.43
PAT	Rs. Cr.	(216.70)	(152.67)
Net Worth	Rs. Cr.	552.85	60.91
Return on Average Assets (RoAA)	(%)	(7.27)	(7.01)
Return on Average Net Worth (RoNW)	(%)	(70.61)	(186.00)
Debt/Equity	Times	2.06	1.28
Gross NPA	(%)	6.25	11.89
Net NPA	(%)	4.67	8.36

\*Total income equals to Net Interest Income plus other income

**Status of non-cooperation with previous CRA (if applicable):**

None.

**Any other information**

None.

**Applicable Criteria**

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Banks And Financial Institutions: <https://www.acuite.in/view-rating-criteria-45.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Hybrid Instruments Issued By NBFCs & HFCs: <https://www.acuite.in/view-rating-criteria-56.htm>

**Note on complexity levels of the rated instrument**

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

**Rating History :**

Not Applicable.

**Annexure - Details of instruments rated**

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Tier II Bonds (Sub Debt) under Basel II	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Complex	ACUITE BBB+   Stable   Assigned
Not Applicable	Not avl. / Not appl.	Proposed Tier II Bonds (Sub Debt) under Basel II	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Complex	ACUITE BBB+   Stable   Assigned

**Contacts**

Mohit Jain Chief Analytical Officer - Rating Operations	<b>Contact details exclusively for investors and lenders</b>
Tejas Chaugule Analyst - Rating Operations	Mob: +91 8591310146 Email ID: <a href="mailto:analyticalsupport@acuite.in">analyticalsupport@acuite.in</a>

**About Acuité Ratings & Research**

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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**Note:** None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.

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[www.acuite.in](http://www.acuite.in)

**Rating Letter - Intimation of Rating Action**

Letter Issued on: February 27, 2026  
**Letter Expires on: January 12, 2027**  
**Annual Fee valid till: January 12, 2027**

Scan this QR Code to verify  
 authenticity of this rating



**SLICE SMALL FINANCE BANK LIMITED (ERSTWHILE NORTH EAST SMALL FINANCE BANK LIMITED)**

1st and 3rd Floor,  
 Fortune Central, Basistha Road Basisthapur Byelane No 3,  
 Beltola Guwahati, Kamrup Metropolitan,  
 Guwahati 781028  
 Assam

**Kind Attn.: Mr. Vinay Singh, Treasury Head (Tel. No.9004901705)**

Sir,

**Sub.: Rating(s) Assigned - Debt Instruments of SLICE SMALL FINANCE BANK LIMITED (ERSTWHILE NORTH EAST SMALL FINANCE BANK LIMITED)**

Please note that the current rating(s) and outlook, instrument details, and latest rating action for the aforementioned instrument are as under:

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
BOND	100.00	ACUITE BBB+   Stable   Assigned	-
<b>Total Outstanding Quantum (Rs. Cr)</b>	<b>100.00</b>	-	-

Acuite reserves the right to revise the rating(s), along with the outlook, at any time, on the basis of new information, or other circumstances which Acuite believes may have an impact on the rating (s). Such revisions, if any, would be appropriately disseminated by Acuite as required under prevailing SEBI guidelines and Acuite's policies.

This letter will expire on **January 12, 2027** or on the day when Acuite takes the next rating action, whichever is earlier. It may be noted that the rating(s) is subject to change anytime even before the expiry date of this letter. Hence lenders / investors are advised to visit <https://www.acuite.in/> OR scan the QR code given above to confirm the current outstanding rating(s).

Acuite will re-issue this rating letter on **January 13, 2027** subject to receipt of surveillance fee as applicable. If the rating(s) is reviewed before **January 12, 2027**, Acuite will issue a new rating letter.

Please note that under extant SEBI regulations and as per the terms of the rating agreement, once a rating is accepted and outstanding, the issuer is required to promptly furnish the 'No Default Statement on the first working day of every month.

Yours truly,

**For Acuite Ratings & Research Limited**



**Antony Jose**  
**Chief Rating Officer**

Annexures: A. Details of the Rated Instrument

Annexure A. Details of the rated instrument			
Instruments	Scale	Amt. (Rs. Cr)	Rating Assigned (Outlook)   Rating Action
Proposed Tier II Bonds (Sub Debt) under Basel II	Long-term	50.00	ACUITE BBB+ (Stable)   Assigned
Proposed Tier II Bonds (Sub Debt) under Basel II	Long-term	50.00	ACUITE BBB+ (Stable)   Assigned
<b>Total Quantum Rated</b>		<b>100.00</b>	-

**DISCLAIMER**

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सत्यमेव जयते

# Annexure IV: Debenture Trustee Agreement and Trustee Consent Letter

INDIA NON JUDICIAL

**Government of Karnataka**

Rs. 500

**e-Stamp**

<b>Certificate No.</b>	: IN-KA98899209488107Y
<b>Certificate Issued Date</b>	: 04-Mar-2026 04:03 PM
<b>Account Reference</b>	: NONACC (FI)/ kaksfcl08/ MANJUNATHNAGAR/ KA-JY
<b>Unique Doc. Reference</b>	: SUBIN-KAKAKSFCL0895001087344485Y
<b>Purchased by</b>	: slice Small Finance Bank Limited
<b>Description of Document</b>	: Article 5(J) Agreement (in any other cases)
<b>Property Description</b>	: DEBENTURE TRUSTEE AGREEMENT
<b>Consideration Price (Rs.)</b>	: 0 (Zero)
<b>First Party</b>	: slice Small Finance Bank Limited
<b>Second Party</b>	: MITCON CREDENTIALIA TRUSTEESHIP SERVICES LIMITED
<b>Stamp Duty Paid By</b>	: slice Small Finance Bank Limited
<b>Stamp Duty Amount(Rs.)</b>	: 500 (Five Hundred only)

सत्यमेव जयते



Please write or type below this line

This stamp paper forms an integral part of debenture Trustee agreement dated 5<sup>th</sup> March 2026 executed at Bengaluru between slice Small Finance Bank limited and Mitcon Credentia Trusteeship services limited.



Narayan



**Statutory Alert:**

1. The authenticity of this Stamp certificate should be verified at [www.in2010.com](http://www.in2010.com) or using e-Stamp Mobile App of Stock Holding. Any discrepancy in the details on this Certificate and as available on the website / Mobile App renders it invalid.
2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.





सत्यमेव जयते

INDIA NON JUDICIAL

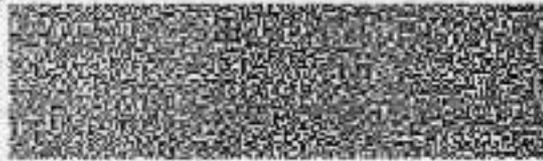
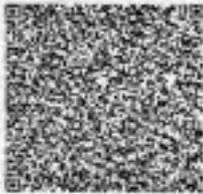
Government of Karnataka

Rs. 500

e-Stamp

Certificate No. : IN-KA98900730969019Y  
 Certificate Issued Date : 04-Mar-2026 04:03 PM  
 Account Reference : NONACC (FI)/ kaksfcl08/ MANJUNATHNAGAR/ KA-JY  
 Unique Doc. Reference : SUBIN-KAKAKSFCL0894995829028099Y  
 Purchased by : slice Small Finance Bank Limited  
 Description of Document : Article 5(J) Agreement (in any other cases)  
 Property Description : DEBENTURE TRUSTEE AGREEMENT  
 Consideration Price (Rs.) : 0  
 (Zero)  
 First Party : slice Small Finance Bank Limited  
 Second Party : MITCON CREDITIA TRUSTEESHIP SERVICES LIMITED  
 Stamp Duty Paid By : slice Small Finance Bank Limited  
 Stamp Duty Amount(Rs.) : 500  
 (Five Hundred only)

सत्यमेव जयते



Please write of facts below this line

This stamp paper forms an integral part of debenture Trustee agreement dated 5<sup>th</sup> March 2026 executed at Bengaluru between slice Small Finance Bank Limited and Mitcon Creditia Trustee ship Services Limited.



Navaraj



Statutory Alert:

1. The authenticity of this Stamp certificate should be verified at [www.slicestamp.com](http://www.slicestamp.com) or using e-Stamp Mobile App of Stock Holding. Any discrepancy in the details on this Certificate and as available on the website / Mobile App renders it invalid.
2. The onus of checking the legitimacy is on the users of this certificate.
3. In case of any discrepancy please inform the Competent Authority.



**DEBENTURE TRUSTEE AGREEMENT**

Dated: 5<sup>th</sup> Day of March 2026

BY AND BETWEEN

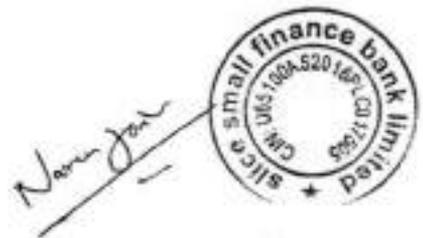
**SLICE SMALL FINANCE BANK LIMITED**

(Company / Issuer)

AND

**MITCON CREDITIA TRUSTEESHIP SERVICES LIMITED**

(Debenture Trustee)



## DEBENTURE TRUSTEE AGREEMENT

This Debenture Trustee Agreement ("Agreement"), is made at Bengaluru on this 5<sup>th</sup> day of March 2026 ("Effective Date"):

### BY AND BETWEEN

**SLICE SMALL FINANCE BANK LIMITED** (formerly known as North East Small Finance Bank Limited), a small finance bank incorporated under the Companies Act, 2013, having corporate identification number U65100AS2016PLC017505 and having licensed to operate as a bank in India under the Banking Regulation Act, 1949, having its registered office at G.S. Point, G.S. Road, Vill- Sarumataria, Opp. Dispur Fire Station, Sachivalaya, Dispur, Guwahati, 781006, Assam, and its corporate office at No.9, Ashford park view, 80 Feet Rd, next to Wipro House building, Koramangala 1A Block, Bengaluru, Karnataka - 560034 hereinafter referred to as "**Company**" / "**Issuer**" / "**slice SFB**" (which expression shall, unless repugnant to the subject or context thereof, include its successors and permitted assigns) of the **ONE PART**;

### AND

**MITCON CREDENTIALIA TRUSTEESHIP SERVICES LIMITED**, a company incorporated under the Companies Act 2013, having corporate identification number U93000PN2018PLC180330 and having its registered office at 1st Floor, Kubera Chambers, Shivajinagar, Pune – 411 005, Corporateoffice at 1402/1403, B wing, Dalamal Tower, 14th Floor, Free Press Journal Marg, 211 Nariman Point, Mumbai – 400 021 (hereinafter referred to as the "**Debenture Trustee**", which expression shall, unless excluded by or repugnant to the context or meaning thereof, include its successors and assigns) of the **OTHER PART**.

The Company and the Debenture Trustee are hereinafter collectively referred to as the "**Parties**" and individually as a "**Party**".

### WHEREAS

- A. For the purpose: to augment the Tier II Capital of slice SFB for strengthening slice SFB's capital adequacy and enhancing slice SFB's long-term resources and for the regular business activities of slice SFB, slice SFB further undertakes that it shall not carry out any other activities as may be prohibited by RBI and / or such other regulators as may be applicable from time to time, ("**Purposes**"), the Company proposes to issue and allot up to 7,500 (Seven Thousand Five Hundred) listed, rated, taxable, unsecured, transferable, redeemable, fully paid-up Basel II compliant, lower Tier II subordinated bonds in the nature of non-convertible debentures of the face value of Rs. 1,00,000/- (Rupees One Lakhs only) each ("**Debentures**") up to an aggregate value of Rs. 75,00,00,000 (Rupees Seventy Five Crores only) ("**Issue Size**") upon terms and conditions more particularly to be detailed / described in the Key Information Document to be issued to the identified investors.



- B. Accordingly, the Company has, pursuant to:(A) the approval of its shareholders in terms of the resolution passed under Section 42 and Section 71 read with Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014, at the Annual general meeting held on 24.06.2022 and (B) the authority granted by the resolution of its board of directors passed at its meeting held on 27.02.2026, been authorised to issue and offer the Debentures.
- C. Pursuant to the Companies Act, 2013, including any statutory modification or re-enactment or replacement thereof, for the time being in force ("**Companies Act**"), SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time SEBI Circular no. SEBI/HO/DDHS/DDHS-PoD/P/CIR/2025/0000000137 entitled "Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper" dated October 15, 2025, as amended ("**SEBI NCS Master Circular**") and the SEBI (Debenture Trustees) Regulations 1993 as amended, varied or modified from time to time ("**SEBI Debenture Regulations**"),SEBI Circular No SEBI/HO/DDHS-PoD-1/P/CIR/2025/117 dated August 13,2025 as amended, varied or modified from time to time ("SEBI Master Circular for Debenture Trustee")the Company is desirous of appointing a debenture trustee for the benefit of the holders of the Debentures from time to time (hereinafter referred to as the "**Debenture Holders**").
- D. The Debenture Trustee is registered with the Securities and Exchange Board of India as a debenture trustee under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 vide a certificate of registration no IND0000000596. The Debenture Trustee agrees to act as Debenture Trustee on behalf of and for the benefit of the Debenture Holders and for the purposes related thereto, strictly in accordance with the provisions of the Transaction Documents and more particularly given in the Debenture Trust Deed. Notwithstanding anything to the contrary, the Debenture Trustee shall not act on any instructions of the Company and shall at all times only act in accordance with the instruction of the Debenture Holders in accordance with Debenture Trust Deed. The Debenture Trust Deed shall be finalized by the parties and consist of two parts: Part A containing statutory/standard information pertaining to the debt issue consisting of clauses pertaining to Form SH-12 in terms of Rule 18(5) of the Companies (Share Capital and Debentures) Rules, 2014; and Part B containing details specific to the particular debt issue.
- E. The Company has approached the Debenture Trustee to act as the debenture trustee for the Debenture Holders and the Debenture Trustee agreed to act as the debenture trustee for the benefit of the Debenture Holders. It is clarified that the Debenture Trustee shall act on or behalf and only for the benefit of the Debenture Holders in the manner as set out in this Agreement and the Transaction Documents.

**NOW IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:**

1. **DEFINITIONS**

- 1.1. In these presents, capitalized terms used herein, except as otherwise defined, or unless there is anything in the subject or context inconsistent therewith, shall have the meanings assigned to them hereinafter:



- 1.1.1 **"Act"** means the means the Companies Act, 2013, as amended, modified or supplemented from time to time and shall include any other statutory amendment or re-enactment thereof.
- 1.1.2 **"Applicable Law"** shall mean any statute, law, bye-law, enactment, regulation, ordinance, treaty, rule, notification, direction, judgement, rule of law, order, decree, clearance, approval, directive, guideline, policy, license, requirement, or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any statutory or regulatory authority whether in effect as of the date of this Agreement or thereafter and in each case as amended.
- 1.1.3 **"Debentures"** has the meaning ascribed to it in Recital A above.
- 1.1.4 **"Debenture Holders"** has the meaning ascribed to it in Recital C above.
- 1.1.5 **"Debenture Trust Deed"** means the deed to be executed in relation to the Debentures between the Company and the Debenture Trustee, on or about the date hereof, for setting out the detailed terms and conditions upon which the Debentures are proposed to be issued by the Company.
- 1.1.6 "
- 1.1.7 **"General Information Document"** shall mean the general information document filed by the Issuer with the Stock Exchange in relation to the issuance of the Debentures, in accordance with the SEBI ILNCS Regulations.
- 1.1.8 **"Issue Document"** shall refer to the General Information Document and the Key Information Document, filed by the Issuer with the Stock Exchange, and such other documents executed and/or to be executed in relation to the Issue as required under the SEBI ILNCS Regulations.
- 1.1.9 **"Private Placement Offer Letter"** shall mean the private placement offer cum application letter in the Form PAS-4.
- 1.1.10 **"Key Information Document"** shall mean the key information document filed by the Issuer with the Stock Exchange, during the validity of the General Information Document, in accordance with the SEBI ILNCS Regulations.
- 1.1.11 **"INR"** or **"Rs."** or **"Rupees"** means the lawful currency of the Republic of India.
- 1.1.12 **"New Capital Adequacy framework"** shall mean the Reserve Bank of India (Small Finance Banks – Prudential Norms on Capital Adequacy) Directions, 2025 bearing reference number RBI/DOR/2025-26/182 DOR.CAP.REC.101/21-01-002/2025-26 issued by the RBI, as amended from time to time;



- 1.1.13 **Tier I Capital** shall have the meaning assigned to such term under the elements of Tier I Capital in the New Capital Adequacy Framework;
- 1.1.14 **Tier II Capital** shall mean the capital which would qualify as Tier II Capital in terms of the New Capital Adequacy Framework;
- 1.1.15 **Transaction Documents** shall mean and include this Agreement and the respective:
- (i) Debenture Trust Deed entered into by the Company and Debenture Trustee;
  - (ii) Consent letter of the Debenture Trustee and Registrar & Transfer Agent for the issue;
  - (iii) Tripartite agreement between the Company, NSDL and Registrar & Transfer Agent;
  - (iv) Tripartite agreement between the Company, CDSL and Registrar & Transfer Agent;
  - (v) Rating letter;
  - (vi) General Information Document and Key Information Document;
  - (vii) Application Form;
  - (viii) Resolutions passed by the Issuer;
  - (ix) Debenture Issue Intimation issued by the Issuer to the Debenture Trustee; and
  - (x) Any other document that may be designated as a transaction document by the Debenture Trustee, from time to time.
- 1.1.16 **"SEBI"** means the Securities and Exchange Board of India.
- 1.1.17 **"SEBI DT Master Circular"** shall mean the circular bearing reference number no. SEBI/HO/DDHS-PoD-1/P/CIR/2025/117 on *"Master Circular for Debenture Trustees"* dated August 13, 2025 issued by SEBI, as amended from time-to-time.
- 1.1.18 **"SEBI DT Regulations"** means the SEBI (Debenture Trustees) Regulations, 1993, as amended and revised from time-to-time.
- 1.1.19 **"SEBI ILNCS Regulations"** means the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended and revised from time-to-time.
- 1.1.20 **"SEBI NCS Master Circular"** means the SEBI circular no. SEBI/HO/DDHS/DDHS-PoD/P/CIR/2025/0000000137 dated October 15, 2025, as amended.
- 1.1.21 **"SEBI LODR Regulations"** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and revised from time-to-time.
- 1.1.22 **"Stock Exchange"** or **"BSE"** means the BSE Limited.
- 1.2. Capitalized words and expressions used herein and not defined shall have the meaning respectively assigned to such words and expressions in the Issue Document and/or the Debenture Trust Deed.



- 1.3. Any word or phrase defined in the body of this Agreement shall have the meaning assigned to it therein throughout this Agreement, unless the contrary is expressly stated or clearly appears from the context.

## 2. APPOINTMENT OF DEBENTURE TRUSTEE

The Company hereby appoints MITCON Credentia Trusteeship Services Limited as the debenture trustee for and on behalf of the Debenture Holders for the Debentures to be issued by the Company and the Debenture Trustee hereby agrees to act as the debenture trustee for the benefit of the Debenture Holders and for purposes related thereto in accordance with the provisions of Applicable Law, the Transaction Documents.,

## 3. REMUNERATION OF DEBENTURE TRUSTEE

- 3.1 The Company shall, in consideration of the Debenture Trustee agreeing to act as the debenture trustee, pay to the Debenture Trustee so long as it holds the office of the debenture trustee, remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand) ("**Debenture Trustee Fee**") as acceptance fees and all costs, charges and expenses as set out in the Debenture Trustee Engagement Letter (hereinafter referred to as the ("**Debenture Trustee Engagement Letter**") attached herewith as **Annexure I**. Delay in payment of the Debenture Trustee Fees, if any, shall carry interest at the rate of 18% (Eighteen percent) per annum from the date of default till the actual payment, which shall be payable on the footing of monthly compound interest.

The Company shall comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993 (as amended from time to time), Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI as amended from time to time, listing agreement of the Stock Exchange where the Debentures are listed ("**Listing Agreement**"), SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended from time to time), the Companies Act 2013, SEBI DT Master Circular SEBI/HO/DDHS-PoD-1/P/CIR/2025/117 dated August 13, 2025 as amended from time-to-time and other applicable provisions. Further, the Company undertakes to comply with all regulations/provisions of Companies Act, 2013, guidelines of other regulatory authorities in respect of allotment of Debentures till the redemption of the same.

## 4. DURATION OF THE AGREEMENT

This Agreement shall be effective on and from the Effective Date and shall be in force till the Debenture Outstanding's (as defined in the Debenture Trust Deed) as per the terms of the Transaction Documents are repaid and discharged in full or until the appointment of the Debenture Trustee is terminated in accordance with the Debenture Trust Deed.

5. The Company confirms that all necessary disclosures will be made in the Issue Documents including but not limited to statutory and other regulatory disclosures.



6. The Company hereby declares and confirms that the Company or the person(s) in control of the Company, or its promoter(s) have not been restrained or prohibited or debarred by the Securities and Exchange Board of India or any other regulatory authority, court or tribunal from accessing the securities market or dealing in securities.
7. The Company hereby confirms that there is no conflict of interest between itself and the Debenture Trustee in relation to the Debenture Trustee's appointment for the issue of Debentures. Similarly, the Debenture Trustee confirms that there is no conflict of interest with the Issuer regarding its role as the Debenture Trustee to this issue of Debentures.
8. The Company hereby undertakes to complete all necessary formalities including all filings with the relevant regulatory authorities, including but not limited to the jurisdictional registrar of companies, the SEBI and the stock exchange, obtain all consents and approvals required for the completion of the issue and filing of covenant on DLT platform within applicable time limits;
9. The Debenture Trustee, "ipso facto" do not have the obligations of a borrower, a principal debtor, or a guarantor as to the monies paid/invested by investors for the debentures/bonds.
10. The Company shall execute the Debenture Trust Deed (in Form SH-12 or as near thereto as possible) and all other Transaction Documents in favour of the Debenture Trustee on or before making the final listing application.
11. The Debenture Trustee shall carry out due diligence on a continuous basis to ensure compliance by the Company, with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI (Debenture Trustee) Regulations, 1993, as amended from time to time, the Listing Agreement, this Agreement, SEBI Circular SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 dated November 12, 2020 and as amended from time-to-time any other regulations issued by SEBI pertaining to debt issuance and any other Applicable Law.
12. The Debenture Trustee, either through itself or its agents, advisors, consultants, intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture and carry out requisite diligence as stipulated in the Placement Memorandum and the Applicable Laws, has been obtained. Prior to appointment of any agents /advisors/consultants, the Debenture Trustee shall obtain necessary confirmation from the said agents, advisors, consultants, intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities (to the extent required under the Applicable Law) in order to assist in the diligence by the Debenture and that they do not have any conflict-of-interest in conducting the diligence under the transaction. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the issuer



13. The Company shall inter-alia furnish to the Debenture Trustee, a copy of each of the following documents on or prior to the execution of this Agreement:
- An undertaking by the Company that it agrees and undertakes to comply with all regulations / provisions of the Companies Act, 2013, guidelines of other regulatory authorities in respect of allotment of debentures till redemption.
  - Consent letter from the Registrar to Issue;
  - Depository Details;
  - Latest Annual Report and the latest financial results announced of the Company
  - Certified true copy of the resolution passed by the Board in meeting dated February 27, 2026 pursuant to Section 179 of the Companies Act, 2013;
  - Certified true copy of the resolution passed by the shareholders of the Company pursuant to section 42 read with 71 of the Companies Act, 2013;
  - Certified copy of the updated Memorandum & Articles of Association of the Company.
14. The Company shall inter-alia furnish to the Debenture Trustee a copy of each of the following documents after the execution of this Agreement:
- Proof of credit of Debenture to the Debenture Holder;
  - Issue Document;
  - This Agreement, duly executed;
  - Latest Annual Report;
  - Debenture Trust Deed, duly executed;
  - Confirmation/Proofs of payment of interest and principal made to the Debenture Holders on relevant due dates;
  - Documents mentioned in the Debenture Trust Deed to be submitted to the Debenture Trustee;
  - Letters from credit rating agencies about ratings;
  - Periodical reports / information on quarterly/ half yearly / annual basis as required to be submitted to Stock Exchanges under the SEBI Debenture Regulations, Listing Agreement or the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015;
  - Beneficiary position reports as provided by the registrar;
  - In-principle approval for listing of the Debentures from the Stock Exchange;
  - Acknowledgement of filing the Issue Document;
  - Acknowledgment for creation of recovery expense fund;
  - Listing & trading permission from the Stock Exchange;
  - Authorisation letter granting the right to procure bank statements pertaining to the Debenture Accounts; and
  - Such other documents as may be reasonably required by the Debenture Trustee.
15. Additionally, the Company shall submit documents/ information as the Debenture Trustee may require to conduct continuous and periodical due diligence, in the manner and within the timelines captured in Debenture Trust Deed.



16. This Agreement is entered into in compliance with the provisions of Regulation 13 and Regulations 13A of SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Companies Act, 2013 and any other applicable laws.

17. **AUTHORIZATION AND CONSENTS**

The Company herein covenants with the Debenture Trustee that all actions (including corporate actions), conditions and things required to be taken, fulfilled and done (including the obtaining of any consents (if applicable)) by the Company in order (a) to enable it to lawfully enter into, exercise its rights and perform and comply with its obligations under this Agreement, (b) to ensure that those obligations are legally binding and enforceable, and (c) to make this Agreement admissible in evidence in the courts of India, have been taken, fulfilled and done in strict compliance with all applicable laws and regulations.

18. **MISCELLANEOUS**

18.1 **Access to Information**

The Parties acknowledge that the Company may be required to share certain proprietary and confidential information with the Debenture Holders and/or the Debenture Trustee to enable Debenture Holders and/or the Debenture Trustee to undertake performance of its obligations and functions under the Transaction Documents and shall provide such information to the Debenture Holder and /or the Debenture Trustee. The Parties also acknowledge that disclosure of such information to persons other than the Debenture Holders and/or the Debenture Trustee may have adverse effect on the financial position and operations of the Company. Therefore, until occurrence of an Event of Default, the Company shall be obliged to provide such confidential information only to the Debenture Holders and/or the Debenture Trustee and till the occurrence of an Event of Default, the Debenture Holders and Debenture Trustee shall maintain confidentiality in respect of such information.

18.2 **Benefit of Agreement**

This Agreement shall ensure to the benefit of and be binding on the Parties and their respective successors and permitted assigns.

18.3 **Expenses**

The Company shall promptly pay all costs and expenses (including documented legal fees) in aggregate incurred by the Debenture Trustee in connection with the preparation, negotiation or entry into of this Agreement and/or any amendment of, supplement to or waiver in respect of this Agreement, against submission of the requisite supporting documents and receipts. The Company shall, from time to time, make payment to/ reimburse the Debenture Trustee in respect of all reasonable expenses and out-of-pocket costs incurred by the Debenture Trustee in undertaking its obligations pursuant to this Agreement, in accordance with the Offer Letter issued by the Debenture Trustee dated 23.02.2026 (No. MCTSL/EL/25-26/756).



#### 18.4 Stamp Duty

The Company shall promptly pay, and in any event before any interest or penalty becomes payable, any stamp, documentary, registration or similar tax payable in connection with the entry into, registration, performance, enforcement or admissibility in evidence of this Agreement and/or any such amendment, supplement or waiver.

#### 18.5 Governing Law and Jurisdiction

- (a) This Agreement and all questions of its interpretation shall be construed in accordance with the Laws of the Republic of India.
- (b) This Agreement shall be subject to the exclusive jurisdiction of the competent courts and tribunals in Bengaluru, India.

#### 18.6 Waiver

No failure by any Party to exercise, nor any delay by any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy, prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by and available under Applicable Law and/or the Debenture Trust Deed and/or other Transaction Documents executed pursuant thereto. No notice to or demand on any Party in any case shall entitle that Party to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the other Party to any other or further action in any circumstances without notice or demand.

#### 18.7 Notices

- (a) Any notice required to be served on the Trustee may be served by sending through registered post a prepaid letter addressed to the Trustee, in case of present Trustee at its corporate office situated at Mumbai addressed to the Managing Director or Vice-President and in respect of the successors in office of the Trustee similarly at such address as may be notified by such new Trustee in this behalf.
- (b) Any notice required to be served on the Company may be duly served by sending through post in a prepaid letter at its registered office.
- (c) Any notice may be served by the Company or the Trustee upon the holder(s)/owner(s) of any debentures issued under these presents by sending through post in prepaid letter addressed to such Debenture Holder(s) at their registered address and any notice so sent by post, shall be deemed to have been duly served on the third day following the day on which it is posted and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and put into post box.



- (d) Where a document is sent by post, service thereof shall be deemed to be effected by properly addressing and prepaying and posting a letter containing the document provided that if intimation has been given in advance that the documents should be sent under a certificate of posting or by registered post with or without acknowledgement due and a sum sufficient to defray the expenses has been deposited, service of the document shall not be deemed to be effected unless it is sent in the manner so intimated by the Debenture Holders.

**18.8 Counterparts**

This Agreement may be signed in any number of counterparts, all of which taken together and when delivered to the Debenture Trustee shall constitute one and the same instrument. Any Party may enter into this Agreement by signing any such counterpart.

**18.9 Partial Invalidity**

The illegality, invalidity or unenforceability of any provision of this Agreement under the law of any jurisdiction shall not affect its legality, validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.

**18.10 Further Assurances**

The Parties hereby agree to execute and do such further documents, assurances, deeds, acts or things as may be necessary to give full effect to the provisions herein contained.

**18.11 Effective Date**

This Agreement shall not come into force or effect or bind the Parties hereto as per the terms and conditions contained herein, unless this Agreement has been signed and executed by the authorized person of the Debenture Trustee.

**18.12 Authorization**

The persons signing this Agreement on behalf of the Parties represent and covenant that they have the authority to so sign and execute this Agreement on behalf of the Parties for whom they are signing.

**18.13 Amendment**

This Agreement may be amended only by an instrument in writing signed by duly authorised representatives of the Issuer and the Debenture Trustee.



IN WITNESS WHEREOF the Parties hereto have caused these presents to be executed the day and year first hereinabove written in the manner hereinafter appearing.

**SIGNED AND DELIVERED**  
by the within named **Company**  
**slice Small Finance Bank Limited**  
through its authorised signatory  
**Mr. Naresh Jain**

)  
)  
)  
)  
)

**For slice small finance bank limited**

*Naresh Jain*  
**Authorized Signatory**

**SIGNED AND DELIVERED**  
by the within named **Debenture Trustee**  
**MITCON CREDITIA TRUSTEESHIP**  
**SERVICES LIMITED.**  
through its Authorised Signatory  
*Neha Rathod*

)  
)  
)  
)  
)  
)

**For MITCON Creditia Trusteeship Services Limited**

*Neha*  
**Authorized Signatory**

Date: February 23, 2026

To,

**SLICE SMALL FINANCE BANK LIMITED (formerly known as North East Small Finance Bank Limited)**

<b>Registered Office:</b> G.S. Point, G.S. Road, Vill- Sarumataria, Opp. Dispur Fire Station, Sachivalaya, Dispur, Guwahati, 781006, Assam	<b>Corporate office:</b> No.9, Ashford park view, 80 Feet Rd, next to Wipro House building, Koramangala 1A Block, Bengaluru, Karnataka - 560034
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**CONSENT LETTER**

**Subject: Consent Letter To Act As Debenture Trustee For Proposed Private Placement Issue Of 7,500 (Seven Thousand Five Hundred) Listed, Rated, Taxable, Unsecured, Transferable, Redeemable, Fully Paid Up, Basel li Compliant, Lower Tier li Subordinated Bonds In The Nature Of Non-Convertible Debentures Having A Face Value Of Rs. 1,00,000/- (Rupees One Lakh Only) Each, Up To An Aggregate Value Of Rs. 75,00,00,000/- (Rupees One Seventy Fifty Crores Only) (The "Debentures") On A Private Placement Basis (The "Issue") By Slice Small Finance Bank Limited. ("The Issuer").**

We, MITCON Credentia Trusteeship Services Limited, hereby give our consent to act as the Debenture Trustee for the above mentioned issue of Debentures and are agreeable to the inclusion of our name as Debenture Trustee in the Private Placement offer letter/ Information Memorandum and/or application to be made to the Stock Exchange for the listing of the said Debentures.

We also confirm that we are not disqualified to be appointed as Debentures Trustee within the meaning of the Companies (Share Capital and Debentures) Rules, 2014.

You are requested to furnish the information / details / documents as per the checklist already shared with you.

Yours faithfully,

**For MITCON Credentia Trusteeship Services Limited**


**Name: Priyanka Shrugare**  
**Designation: Compliance Officer**

**MITCON Credentia Trusteeship Services Limited (MCTSL)**

A subsidiary of MITCON Consultancy & Engineering Services Limited CIN: U93000PN2018PLC180330

Principal address: 1402/ 03, B-Wing, 14<sup>th</sup> Flr, Dalamal Towers, Free Press Journal Marg, 211, Nariman Point, Mumbai - 400021 MH (India) | contact@mitconcredentia.in

Registered address: 1<sup>st</sup> Floor, Kubera Chambers, Shivajinagar, Pune 411005, Maharashtra (India) | +91-20-25533309, 25534322 | www.mitconcredentia.in



# CHATURVEDI & CO. LLP

CHARTERED ACCOUNTANTS

Park Centre, 24 Park Street, Kolkata - 700 016

Phone : 033-4601 2507

E-mail : chaturvedikol@hotmail.com, chaturvedisc@yahoo.co.in  
(H.O. Kolkata, Branches at : Delhi, Mumbai, Chennai)

## INDEPENDENT AUDITOR'S REPORT ON THE INTERIM FINANCIAL STATEMENTS

To  
The Board of Directors  
**slice Small Finance Bank Limited**  
(Formerly Known as North East Small Finance Bank Limited)

### Report on Audit of the Interim Financial Statements

#### Opinion

We have audited the accompanying interim financial statements of **slice Small Finance Bank Limited (Formerly known as North East Small Finance Bank Limited)**, (the "Bank"), which comprise the balance sheet as at December 31, 2025, the profit and loss account, the cash flow statement for the period then ended and a summary of significant accounting policies and other explanatory information (hereinafter as referred to as the "interim financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim financial statements give the information required by the Banking Regulation Act, 1949 and the Companies Act, 2013 ("the Act") in the manner so required give a true and fair view in conformity with accounting standards prescribed under section 133 of the Act ("Accounting Standard") as applicable to bank and other accounting principles generally accepted in India, of the state of affairs of the bank as at December 31, 2025, its profit and its cash flow for the period ended on that date.

#### Basis for Opinion

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

#### Management's and Board of Directors' Responsibility for the Interim Financial Statements

The Bank's Management and Board of Directors are responsible for the matter stated in section 134(5) of the Act with respect to the preparation of these interim financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the provisions of section 29 of the Banking Regulation Act, 1949, Accounting Standards and other accounting principles generally accepted in India and the circulars, guidelines and the directions issued by the Reserve Bank of India (the "RBI") from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the interim financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

The Bank's Board of Directors are also responsible for overseeing the Bank's financial reporting process.

**Auditor's Responsibilities for the Audit of Interim Financial Statements for the nine months ended December 31, 2025**

Our objectives are to obtain reasonable assurance about whether the interim 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 interim financial statements.

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

- Identify and assess the risks of material misstatement of the interim 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim financial statements, including the disclosures, and whether the interim financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the interim financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the interim financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in



**Branches: Mumbai \* New Delhi \* Chennai**

CHATURVEDI & CO. (ICAI Registration No. 302137E) has been converted into a limited liability partnership CHATURVEDI & CO LLP from April 28, 2024, and is a registered Limited Liability Partnership with LLPIN ACG-8720 & ICAI Registration No. 302137E/E300286.

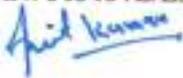
**Chaturvedi & Co LLP**  
*Chartered Accountants*

evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the interim 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.

For **Chaturvedi & Co LLP**  
*Chartered Accountants*  
FRN: 303137E/E300286



**Amit Kumar**  
*Partner*  
Membership No.: 318210

UDIN: 26318210DXAVON5517

Date: January 29, 2026  
Place: Kolkata



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**Branches: Mumbai \* New Delhi \* Chennai**

CHATURVEDI & CO. (ICAI Registration No. 302137E) has been converted into a limited liability partnership CHATURVEDI & CO LLP from April 28, 2024, and is a registered Limited Liability Partnership with LLPIN ACG-8720 & ICAI Registration No. 302137E/E300286.

**SLICE SMALL FINANCE BANK LIMITED (erstwhile NORTH EAST SMALL FINANCE BANK)**  
Gowahati, Assam (CIN : U65100AS2016PLC017505)  
**BALANCE SHEET AS AT DECEMBER 31, 2025**

PARTICULARS	Schedule No.	(INR in '000)	
		As at December 31, 2025	As at March 31, 2025
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	1,07,23,379	1,07,23,379
Reserves and Surplus	2	(44,42,821)	(51,94,905)
Deposits	3	4,34,90,797	2,41,83,812
Borrowings	4	75,40,083	1,13,95,308
Other Liabilities and Provisions	5	27,05,325	21,91,392
<b>TOTAL</b>		<b>6,09,16,763</b>	<b>4,32,98,986</b>
<b>ASSETS</b>			
Cash and Balance with Reserve Bank of India	6	27,73,222	24,63,011
Balance with Banks and Money at call & short notice	7	3,62,649	9,40,684
Investments	8	1,19,71,469	77,81,390
Advances	9	4,15,86,576	2,90,48,659
Fixed Assets	10	5,90,387	7,26,931
Other Assets	11	27,32,460	23,38,307
<b>TOTAL</b>		<b>6,09,16,763</b>	<b>4,32,98,986</b>
Contingent Liabilities	12	7,474	2,18,194
Bill for collection			
Significant accounting policies and notes to the financial statements	17 & 18		

As per our audit report of even date

For and on behalf of the Board of Directors

For CHATURVEDI & CO LLP  
Chartered Accountants  
Firm Registration Number : 302137E/E300286

*Amit Kumar*

CA Amit Kumar  
Partner  
Membership No - 318210  
UDIN - 26318210DXAVON5517

Place : Kolkata  
Date : January 29, 2026

*Tapan Kumar Hazarika*  
Tapan Kumar Hazarika  
Independent Director and  
Chairman of Audit Committee  
DIN : 08088195  
Anguri, Assam

*Rajan Bajaj*  
Rajan Bajaj  
Whole Time Director  
DIN : 07197443  
Place : Mumbai

*Shefaly Kothari*  
Shefaly Kothari  
Company Secretary  
M. No- F7698  
Place : Bangalore

*Satish Kumar Kalra*  
Satish Kumar Kalra  
Managing Director & CEO  
DIN : 01952165  
Place : Mumbai

*Naresh Jain*  
Naresh Jain  
Chief Financial Officer  
Place : Bangalore





SLICE SMALL FINANCE BANK LIMITED (Erstwhile NORTH EAST SMALL FINANCE BANK)  
Gawahati, Assam (CIN : U65100AS2016PLC017505)  
PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED DECEMBER 31, 2025

PARTICULARS	Schedule No.	(INR in '000)	
		For the Period Ended December 31, 2025	For the Year Ended March 31, 2025
<b>I. INCOME</b>			
Interest Earned	13	70,63,146	40,92,333
Other Income	14	29,73,779	19,44,814
<b>TOTAL</b>		<b>1,00,36,925</b>	<b>60,37,147</b>
<b>II. EXPENDITURE</b>			
Interest Expended	15	26,47,838	20,05,380
Operating Expenses	16	61,64,688	48,11,502
Provisions and Contingencies		9,44,738	13,87,235
<b>TOTAL</b>		<b>97,57,264</b>	<b>82,04,117</b>
<b>III. PROFIT/(LOSS)</b>			
Net Profit/(Loss) After Tax		2,79,661	(21,66,970)
Add: Balance in Profit & Loss Account Brought Forward from Previous Year		(21,66,970)	(44,16,455)
Add: Adjustment on account of amalgamation		-	44,16,455
<b>TOTAL</b>		<b>(18,87,309)</b>	<b>(21,66,970)</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserve		-	-
Transfer to Investment Fluctuation Reserve		-	-
Balance Carried to Balance Sheet		(18,87,309)	(21,66,970)
<b>TOTAL</b>		<b>(18,87,309)</b>	<b>(21,66,970)</b>
Earning per equity Share			
a. Basic		0.03	(0.51)
b. Diluted		0.02	(0.51)

Significant Accounting Policies

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Schedules referred to above form an integral part of the Financial Statements

As per our audit report of even date

For and on behalf of the Board of Directors

For CHATURVEDI & CO LLP  
Chartered Accountants  
Firm Registration Number : 302137E/E300286

CA Amit Kumar  
Partner  
Membership No - 318210  
UDIN - 26318210DXAVON5517

Place : Kolkata  
Date : January 29, 2026



Tapan Kumar Hazarika  
Independent Director and  
Chairman of Audit Committee  
DIN : 08088195  
Assam

Rajan Bajaj  
Whole Time Director  
DIN : 07197443  
Place : Mumbai

Shafaly Kothari  
Company Secretary  
M. No- F7698  
Place : Bangalore

Satish Kumar Kalra  
Managing Director & CEO  
DIN : 01952163  
Place : Mumbai

Naresh Jain  
Chief Financial Officer  
Place : Bangalore



PARTICULARS	For the Period Ended December 31, 2025	(INR in '000) For the Year Ended March 31, 2025
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Tax	3,33,144	(25,58,303)
Adjustment For:		
(Profit)/Loss on sale of Fixed Assets	(194)	962
Fair value (Gain)/Loss on investments	(8,135)	(12,166)
Provisions for Standard Assets	41,120	(1,19)
Depreciation & Amortisation	2,85,799	2,02,943
Provision for Other Assets	-	2,40,445
Provision for Risk Insurance & welfare	3,046	-
Provision for Non Performing / Bad Assets	8,03,347	8,18,827
Provision on Investments (Security receipts)	(1,54,307)	6,71,527
Adjustment for AFS reserve	(8,114)	-
Employee Stock Option Expense	4,78,495	4,46,707
<b>Operating Profit before Working Capital Changes</b>	<b>17,75,037</b>	<b>(1,89,177)</b>
Adjustments for:		
Decrease/(Increase) in Other Assets	(4,45,593)	5,28,574
Decrease/(Increase) in Term Deposits with other Banks	2,69,184	58,500
Increase/(Decrease) in Other liabilities and Provisions	4,68,807	5,94,556
Decrease/(Increase) in Advances	(1,71,86,897)	(44,07,016)
Decrease/(Increase) in Investments	(41,81,941)	(29,17,842)
Increase/(Decrease) in Deposits	1,91,00,985	89,88,071
<b>Cash generated from / (used) in Operations</b>	<b>22,39,605</b>	<b>28,44,844</b>
Taxes Paid	-	-
<b>Net Cash Flow from / (used) in Operating Activities</b>	<b>(A) 48,05,642</b>	<b>26,45,607</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets (including capital work in progress)	(1,55,498)	(1,68,898)
Sale of Fixed Assets	6,437	3,024
<b>Net Cash Flow used in Investing Activities</b>	<b>(B) (1,49,061)</b>	<b>(1,65,875)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of equity shares	-	-
Increase/(Decrease) in Share Premium	-	-
Increase/(Decrease) in Borrowings (Net)	(38,55,225)	(58,55,197)
<b>Net Cash Flow from / (Used in) Financing Activities</b>	<b>(C) (38,55,225)</b>	<b>(58,55,197)</b>
<b>Net Increase / (Decrease) in Cash or Cash Equivalents (A+B+C)</b>	<b>1,306</b>	<b>(33,75,466)</b>
Cash and Cash Equivalents at the beginning of the year	28,73,339	22,67,149
Opening balance adjustment on account of amalgamation	-	39,80,894
<b>Cash and Cash Equivalents at the end of the year</b>	<b>28,73,695</b>	<b>28,72,339</b>
<b>Break up cash and cash equivalent</b>		
Cash and Balance with RBI	27,73,222	24,63,911
Balance in current account with other banks	1,00,473	4,09,328
<b>Total Cash &amp; Cash Equivalent</b>	<b>28,73,695</b>	<b>28,72,339</b>

Notes:

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard 3 of Cash Flow Statements.
- Cash and cash equivalent comprises balances as per Schedule 6 and Schedule 7 of the Balance sheet.
- Figures for the previous year have been regrouped and reclassified wherever necessary to conform to the current year's presentation.

As per our audit report of even date

For and on behalf of the Board of Directors

For CHATURVEDI & CO LLP  
Chartered Accountants  
Firm Registration Number : 302137E/300286

*Amit Kumar*

CA Amit Kumar  
Partner  
Membership No - 318214  
UDN - 26318210DXAVON3317

Place : Kolkata  
Date : January 29, 2026



*Tapan Kumar Hazarika*  
Tapan Kumar Hazarika  
Independent Director and  
Chairman of Audit Committee of Board  
DIN : 08088195  
Assam, Assam

*Rajan Bajaj*  
Rajan Bajaj  
Whole Time Director  
DIN : 07197443  
Place : Mumbai

*Shobly Kothari*  
Shobly Kothari  
Company Secretary  
M. No- F7698  
Place : Bangalore

*Satish Kumar Kalra*  
Satish Kumar Kalra  
Managing Director & CEO  
DIN : 01952165  
Place : Mumbai

*Naresh Jain*  
Naresh Jain  
Chief Financial Officer  
Place : Bangalore





**SLICE SMALL FINANCE BANK LIMITED (Erstwhile NORTH EAST SMALL FINANCE BANK)**  
Guwahati, Assam (CIN : U65100AS2016PLC017505)  
**SCHEDULES FORMING PART OF BALANCE SHEET**

PARTICULARS	(INR in '000)	
	As at December 31, 2025	As at March 31, 2025
<b>SCHEDULE 1 - Share Capital</b>		
<b>Authorised Share Capital:</b>		
Equity Share Capital 10,00,08,40,000 Shares of INR 1 each (Previous year: 10,00,08,40,000 Shares of INR 1 each)	1,00,00,840	1,00,00,840
Non-cumulative Compulsorily Convertible Preference Share Capital (CCPS): 7,15,00,00,000 CCPS of INR 1 each and 2,80,00,000 shares of INR 50 each (previous year: 7,15,00,00,000 CCPS of INR 1 each and 2,80,00,000 shares of INR 50 each)	85,50,000	85,50,000
	<u>1,85,50,840</u>	<u>1,85,50,840</u>
<b>Issued, Subscribed and Paid up Capital</b>		
Equity Share Capital- 8,96,43,09,249 fully paid up Shares of INR 1 each (Previous Year- 8,96,43,09,249 fully paid up Shares of INR 1 each)	89,64,309	89,64,309
Equity Share Capital- 30,99,36,000 partly paid up shares of INR 0.90 each having face value of INR 1 (Previous year 30,99,36,000 partly paid up shares of INR 0.90 each)	2,78,942	2,78,942
Non-cumulative Compulsorily Convertible Preference Share Capital (CCPS)- 1,48,01,27,544 shares of INR 1 Each (Previous year- 1,48,01,27,544 shares of INR 1 Each)	14,80,128	14,80,128
<b>Total</b>	<u>1,07,23,379</u>	<u>1,07,23,379</u>
<b>SCHEDULE 2 - Reserves and Surplus</b>		
<b>I. Statutory Reserve</b>		
Opening Balance	3,84,624	1,97,658
Opening balance adjustment on account of amalgamation	-	1,86,966
Add: Additions during the year	-	-
<b>Closing Balance</b>	<u>3,84,624</u>	<u>3,84,624</u>
<b>II. Investment Fluctuation Reserve</b>		
Opening Balance	-	-
Add: Additions during the year	-	-
Less: Transferred to General Reserve	-	-
<b>Closing Balance</b>	<u>-</u>	<u>-</u>
<b>III. General Reserve</b>		
Opening Balance	1,25,640	1,10,710
Add: Additions during the year	-	14,930
Less: Utilisation during the year	-	-
<b>Closing Balance</b>	<u>1,25,640</u>	<u>1,25,640</u>
<b>IV. AFS Reserve</b>		
Opening Balance	6,073	-
Add: Additions during the year	-	20,899
Less: Utilisation during the year	(6,073)	(14,026)
<b>Closing Balance</b>	<u>-</u>	<u>6,873</u>
<b>V. Employee Stock options outstanding Reserve</b>		
Opening balance	21,17,564	-
Opening balance adjustment on account of amalgamation	-	16,70,857
Add: Additions during the year	4,78,495	4,46,707
Less: Utilisation during the year	-	-
<b>Closing Balance</b>	<u>25,96,059</u>	<u>21,17,564</u>
<b>VI. Share premium</b>		
Opening balance	3,55,427	23,431
Opening balance adjustment on account of amalgamation	-	3,46,001
Add: Additions during the year	-	(14,005)
Less: Conversion made during the year	-	-
<b>Closing Balance</b>	<u>3,55,427</u>	<u>3,55,427</u>





**SLICE SMALL FINANCE BANK LIMITED (Erstwhile NORTH EAST SMALL FINANCE BANK)**  
**Guwahati, Assam (CIN : U65100AS2016PLC017505)**  
**SCHEDULES FORMING PART OF BALANCE SHEET**

PARTICULARS	(INR in '000)	
	As at December 31, 2025	As at March 31, 2025
<b>VII. Capital Redemption Reserve</b>		
Opening Balance	28	-
Opening balance adjustment on account of amalgamation	-	-
Add: Addition during the year	-	28
Less: Utilization during the year	-	-
<b>Closing Balance</b>	<b>28</b>	<b>28</b>
<b>VIII. Amalgamation Reserve</b>		
Opening Balance	(60,33,929)	-
Add: Addition during the year on account of amalgamation	-	(60,33,929)
Less: Conversion made during the year	-	-
<b>Closing Balance</b>	<b>(60,33,929)</b>	<b>(60,33,929)</b>
<b>IX. Money received against share warrants</b>		
Opening Balance	16,638	-
Opening balance adjustment on account of amalgamation	-	16,638
Add: Warrants issued during the year	-	-
Less: Warrants cancelled during the year	-	-
<b>Closing Balance</b>	<b>16,638</b>	<b>16,638</b>
<b>X. Balance in Profit and Loss Account</b>	<b>(18,87,509)</b>	<b>(21,66,970)</b>
<b>Total (I to X)</b>	<b>(44,42,821)</b>	<b>(51,94,905)</b>
<b>SCHEDULE 3 - Deposits</b>		
<b>A.I. Demand Deposits</b>		
(i) From Banks	3,606	34,163
(ii) From Others	11,01,587	11,61,820
<b>II. Savings Bank Deposits</b>	<b>1,35,86,513</b>	<b>47,58,396</b>
<b>III. Term Deposits</b>		
(i) From Banks	27,75,751	27,18,306
(ii) From Others	2,60,23,340	1,55,11,128
<b>Total ( I to III )</b>	<b>4,34,90,797</b>	<b>2,41,83,812</b>
<b>B.I. Deposits of Branches in India</b>	<b>4,34,90,797</b>	<b>2,41,83,812</b>
<b>B.II. Deposits of Branches outside India</b>	<b>-</b>	<b>-</b>
<b>Total ( B.I and B.II )</b>	<b>4,34,90,797</b>	<b>2,41,83,812</b>
<b>SCHEDULE 4 - Borrowings</b>		
<b>I. Borrowings in India</b>		
i) Reserve Bank of India	-	-
ii) Other Banks	-	-
iii) Other Institutions and Agencies*	75,40,083	1,13,95,308
<b>Total</b>	<b>75,40,083</b>	<b>1,13,95,308</b>
<b>II. Borrowings outside India</b>		
<b>Total ( I and II )</b>	<b>75,40,083</b>	<b>1,13,95,308</b>
<b>Secured Borrowings included in I and II above</b>	<b>43,87,083</b>	<b>82,42,308</b>

\* Includes compulsory convertible debentures of INR 29,63,000 thousands and subordinated debt (Tier-II capital) of INR 1,90,000 thousands (Previous Year compulsory convertible debentures of INR 29,63,000 thousands and subordinated debt (Tier-II capital) of INR 1,90,000 thousands)



**SLICE SMALL FINANCE BANK LIMITED (Eastwhile NORTH EAST SMALL FINANCE BANK)**  
Guwahati, Assam (CIN : U65106AS2016PLC017995)  
**SCHEDULES FORMING PART OF BALANCE SHEET**

PARTICULARS	(INR in '000)	
	As at December 31, 2025	As at March 31, 2025
<b>SCHEDULE 5 - Other Liabilities and Provisions</b>		
I. Bills Payable	-	-
II. Inter-Office Adjustments(net)	-	-
III. Interest Accrued	38,105	3,27,791
IV. Provision for Standard Assets	1,53,446	1,12,326
V. Provision for taxation (net of advance tax)	-	33,437
VI. Others	25,13,774	17,17,834
<b>Total (I to VI)</b>	<b>17,05,325</b>	<b>21,91,392</b>
<b>SCHEDULE 6 - Cash and Balance with Reserve Bank of India</b>		
I. Cash in hand	90,516	1,30,229
II. Balances with Reserve Bank of India		
i) In Current Accounts	14,02,706	12,92,782
ii) In Other Accounts	-	-
III. RBI SDP	12,80,000	10,40,600
<b>Total (I and III)</b>	<b>27,73,222</b>	<b>24,63,611</b>
<b>SCHEDULE 7 : Balances with Banks and Money at Call and Short Notice</b>		
<b>A. In India</b>		
<b>I Balances with banks</b>		
i) In Current Accounts	1,00,473	4,09,328
ii) In Other Deposit Accounts	2,62,176	5,31,360
II) Term Money/Money at call and short notice		
i) With banks	-	-
ii) With other Institutions	-	-
<b>Total (I and II)</b>	<b>3,62,649</b>	<b>9,40,688</b>
<b>B. Outside India</b>		
i) In Current Accounts	-	-
ii) In other Deposit accounts	-	-
iii) Money at call and short notice	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Total (A and B)</b>	<b>3,62,649</b>	<b>9,40,688</b>
<b>SCHEDULE 8 - Investments (Net of provisions)</b>		
<b>I. Investments in India</b>		
i) Government Securities	98,36,644	77,81,390
ii) Other Approved Securities	-	-
iii) Shares	-	-
iv) Debentures & Bonds	-	-
v) Subsidiaries and/or joint ventures	-	-
vi) Security receipts*	-	-
vii) Others (Commercial paper)	21,34,825	-
<b>Total (I)</b>	<b>1,19,71,469</b>	<b>77,81,390</b>
<b>II. Investments Outside India</b>		
<b>Total (II)</b>	<b>-</b>	<b>-</b>
<b>Total (I and II)</b>	<b>1,19,71,469</b>	<b>77,81,390</b>
Gross Investments	1,24,88,227	84,52,916
Less : Provision for Investments	5,16,758	6,71,527
<b>Net Investments</b>	<b>1,19,71,469</b>	<b>77,81,389</b>

\*Outstanding security receipts is INR 51.58 Crores and the same has been fully provided for. Therefore net value of security receipts is NIL (previous year INR 67.15 crores, fully provided for)



**SLICE SMALL FINANCE BANK LIMITED (Erstwhile NORTH EAST SMALL FINANCE BANK)**  
Guwahati, Assam (CIN : U65100AS2016PLC017505)  
**SCHEDULES FORMING PART OF BALANCE SHEET**

PARTICULARS	(INR in '000)	
	As at December 31, 2025	As at March 31, 2025
<b>SCHEDULE 9 - Advances (Net of Provisions)</b>		
A. i) Bills purchased and discounted	11,14,777	-
i) Cash Credits, Overdrafts and Loans repayable on demand	2,92,92,192	2,25,51,397
ii) Term Loans	1,11,79,607	64,97,262
<b>Total</b>	<b>4,15,86,576</b>	<b>2,90,48,659</b>
B. i) Secured by Tangible Assets	56,99,680	26,45,172
ii) Covered by Banks/Government Guarantees	31,21,070	19,64,280
iii) Unsecured	3,37,65,826	2,44,39,297
<b>Total</b>	<b>4,15,86,576</b>	<b>2,90,48,659</b>
C.I. Advances in India		
i) Priority Sectors	91,99,411	44,08,559
ii) Public Sectors	-	-
iii) Banks	-	-
iv) Others	3,23,87,165	2,46,40,100
<b>Total C.I</b>	<b>4,15,86,576</b>	<b>2,90,48,659</b>
C.II. Advances outside India	-	-
<b>Total C (I and II)</b>	<b>4,15,86,576</b>	<b>2,90,48,659</b>
<b>SCHEDULE 10 - Fixed Assets</b>		
I) Premises	-	-
II) Other Fixed Assets (Including Furniture and Pictures)		
At the beginning of the year	17,91,536	7,44,255
Additions during the year	1,37,578	1,72,203
Opening balance adjustment on account of amalgamation	-	9,97,328
Deductions during the year	(6,244)	(3,986)
Depreciation to date	(13,46,486)	(6,76,796)
Opening balance adjustment in Depreciation on account of amalgamation	-	(5,06,073)
Capital Work in Progress	14,003	-
<b>Total (I and II)</b>	<b>5,90,387</b>	<b>7,26,931</b>
<b>SCHEDULE 11 - Other Assets</b>		
I. Inter-office adjustments (net)	-	-
II. Interest Accrued	6,33,576	4,25,164
III. Tax paid in advance (net of provision for tax)	33,365	-
IV. Stationery and Stamps	-	-
V. Non -banking assets acquired in satisfaction of claims	-	-
VI. Deferred Tax Assets	4,51,259	5,02,699
VII. Others	16,14,260	14,10,444
<b>Total (I to VII)</b>	<b>27,32,460</b>	<b>23,38,307</b>
<b>SCHEDULE 12 - CONTINGENT LIABILITIES</b>		
I. Claims Against the Bank not Acknowledged as debts	7,341	6,727
II. Liability for partly paid investments	-	-
III. Liability on accounts of outstanding forward exchange and derivative contracts	-	-
IV. Guarantees Given on behalf of constituents	-	-
V. Acceptances, endorsements and other Obligations	-	-
VI. Other items for which the bank is constitutently liable.	133	2,11,467
<b>Total (I to VI)</b>	<b>7,474</b>	<b>2,18,194</b>





**SLICE SMALL FINANCE BANK LIMITED (Erstwhile NORTH EAST SMALL FINANCE BANK)**  
Gowahati, Assam (CIN : U65100AS2016PLC017505)  
**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

(INR in '000)

PARTICULARS	For the Period Ended December 31, 2025	For the Year Ended March 31, 2025
<b>SCHEDULE 13 - Interest Earned</b>		
I. Interest on Advances	64,27,024	55,77,100
II. Income on Investments	3,36,454	4,47,089
III. Interest on Balances with RBI and Other Inter-Bank Funds	97,070	61,852
IV. Other Interest Income	2,598	6,292
<b>Total (I to IV)</b>	<b>70,63,146</b>	<b>66,92,333</b>
<b>SCHEDULE 14 - Other Income</b>		
I. Commission, Exchange & Brokerage	25,27,413	15,33,822
II. Profit/(Loss) on sale of investments (net)	8,139	12,166
III. Profit/(Loss) on revaluation of investments (net)	-	-
IV. Profit/(Loss) on sale of land, buildings and other assets (net)	194	(962)
V. Profit/(Loss) on exchange transactions (net)	-	-
VI. Income earned by way of dividends, etc. from subsidiaries/companies and/or joint ventures abroad/in India	-	-
VII. Miscellaneous Income*	4,38,033	3,99,788
<b>Total (I to VII)</b>	<b>29,73,779</b>	<b>19,44,814</b>
* Includes recovery from written off accounts of INR 2,25,615 thousands (Previous year INR 3,25,798 thousands.)		
<b>SCHEDULE 15 - Interest Expended</b>		
I. Interest on Deposits	19,30,175	11,84,303
II. Interest on Reserve Bank of India/ Inter-bank borrowings	21	8,885
III. Other Interest (Including interest on refinance & Tier-II Bonds)	7,17,642	8,12,192
<b>Total (I to III)</b>	<b>26,47,838</b>	<b>20,05,380</b>
<b>SCHEDULE 16 - Operating Expenses</b>		
I. Payments and Provisions for Employees	33,90,169	25,93,456
II. Rent, Taxes and Lighting	2,54,442	2,95,982
III. Printing and Stationery	7,046	5,160
IV. Advertisement and Publicity	5,65,712	1,82,603
V. Depreciation on Bank's property	2,85,799	2,02,943
VI. Director's Fees's, Allowances & Expenses	8,114	10,842
VII. Auditors fees and expenses	6,500	5,500
VIII. Law Charges	-	118
IX. Postage, Telegrams, Telephones, etc.	38,807	14,201
X. Repairs and Maintenance	30,497	1,26,321
XI. Insurance	50,384	45,062
XII. Other expenditures	15,27,214	13,29,312
<b>Total (I to XII)</b>	<b>61,64,688</b>	<b>48,11,592</b>





**SLICE SMALL FINANCE BANK LIMITED (erstwhile NORTH EAST SMALL FINANCE BANK)**  
Guwahati, Assam (CIN : U65100AS2016PLC017505)

**Schedule 17- Significant Accounting Policies forming part of Financial Statement**

**1. Background**

slice Small Finance Bank Limited (erstwhile North East Small Finance Bank Limited (the "Bank") is a public limited Company incorporated on July 25, 2016 under the provisions of the Companies Act, 2013, received in principle approval from the Reserve Bank of India ("RBI") to form a Small Finance Bank in the private sector under section 22 of the Banking Regulation Act, 1949 on September 16, 2015. The bank received license from the Reserve Bank of India (RBI) to operate as a Small Finance Bank under the Banking Regulation Act, 1949 with effect from March 31, 2017 and commenced its banking operations on October 17, 2017.

The Bank provides Retail banking services and wide range of financial services to economically poor in urban, semi-urban and rural areas. The Bank is headquartered in Guwahati and has seven zonal offices. The Bank presently operates only in India, and does not have a branch in any foreign country.

In FY 2024-25, scheme for amalgamation of erstwhile Garagepreneurs Internet Private Limited and erstwhile RGVN (North East) Microfinance Limited with and into erstwhile North East Small Finance Bank Limited became effective from October 27, 2024, upon receipt of all requisite approvals.

Pursuant to the approval of shareholders and relevant regulatory authorities, the name of the Bank has been changed from North East Small Finance Bank to slice Small Finance Bank with effect from February 11, 2025 as per the fresh Certificate of Incorporation issued by the Registrar of Companies. Further, the name of the Bank has been changed to "slice Small Finance Bank Limited" in the Second Schedule to the Reserve Bank of India Act, 1934 by Notification DoR.LIC.No.S1134/16.13.216/2025-26 dated May 14, 2025, which is published in the Gazette of India (Part III-Section 4) dated May 16, 2025.

**2. Basis of Preparation**

The financial statements have been prepared in accordance with the requirements prescribed under the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements is the accrual method of accounting and historical cost convention and it conforms with Generally Accepted Accounting Principles in India ("Indian GAAP"), the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, Companies (Accounts) Rules, 2021 and other relevant provisions of the Companies Act, 2013 ("the Act") and the Companies (Accounting Standards) Amendment Rules 2016, in so far as they apply to banks and the guidelines issued by the RBI.

**3. Use of Estimates**

The preparation of the financial statements in conformity with Indian GAAP as applicable to Banks 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 for the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates. Any revision in the accounting estimates is recognized prospectively in the current and future periods.

**4. Revenue Recognition**

The bank recognises revenue to the extent that it is probable that the economic benefits will flow to it and the revenue can be reliably measured.

- i) Interest income on performing assets is recognised in the Profit and Loss Account on accrual basis. Interest Income on Non-Performing Assets is recognised upon realisation as per the prudential norms of the RBI. Any income recognised and remaining unrealised, before the asset became non-performing or before disposal is reversed in the profit and loss account. Overdue interest is recognised on realisation basis.
- ii) Loan origination income i.e. processing fee and other charges are collected upfront and recognised at the inception of the loan.
- iii) Commission on sale of insurance products are recognised on accrual basis on sale of number of policies of respective insurance companies.
- iv) Income on discounted instruments are recognised over the tenure of the instrument on a constant yield basis.
- v) Interest income on investments is recognised on accrual basis.
- vi) Interest income on deposits with banks and other financial institutions are recognised on a time proportion accrual basis taking into account the amount outstanding and the rate applicable.
- vii) Dividend income is recognized on an accrual basis when the right to receive the dividend is established.
- viii) PSLC related income and expenses are recognised as and when they become due.





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**Revenue Recognition (cont.)**

- ix) Amounts recovered against debts written off in earlier years and provisions no longer considered necessary in the context of the current status of the borrower are recognised in the Profit and Loss Account.
- x) All other charges such as EMI bounce charges, cheque return charges, penal charges, and any other charges are recognised on realisation basis. These charges are treated to accrue on realisation, due to the uncertainty of their realisation.

**5. Investments**

Classification and valuation of the Bank's Investments is carried out in accordance with RBI Master Direction "RBI/DOF/2023-24/104 DOR.MRG.36/21.04.141/2023-24", "Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023" Dated September 12, 2023 as applicable from April 01, 2024 (updated w.e.f April 01, 2025) and Fixed Income Money Market and Derivatives Association ('FIMMDA') guidelines issued in this regard from time to time.

**Categorisation of Investments**

The Bank classifies its investment at the time of purchase into one of the following three categories:

- i. Held to Maturity (HTM) – Securities acquired with the intention and objective of holding it to the maturity. The contractual terms of the Securities should give rise to cash flows that are solely payments of principal and interest on principal outstanding (SPPI criteria).
- ii. Available for sale (AFS) – Securities acquired with an objective that is achieved by both collecting contractual cash flows and selling securities. The contractual terms of the Securities should give rise to cash flows that are solely payments of principal and interest on principal outstanding (SPPI criteria)
- iii. Fair Value through Profit and Loss (FVTPL) – Securities that do not qualify for inclusion in HTM or AFS shall be classified under FVTPL.
- iv. HFT- It is a separate sub-category within FVTPL. Any instrument that a bank holds for short term resale, profit from short-term price movements, locking in arbitrage profits or hedging risks shall be classified under HFT.

Purchase and sale transaction in securities are recorded under Settlement Date method of accounting, except in the case of the equity shares where Trade date method of accounting is followed.

**Classification of Investments**

For the purpose of disclosure in the Balance Sheet, investments are classified under six groups viz., (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures and Bonds, (v) Investments in Subsidiaries and Joint Ventures, and (vi) Other Investments.

**Acquisition cost**

- i. Broken period interest on debt instruments is treated as revenue item.
- ii. The transaction costs including brokerage, commission, transaction/settlement charges etc. paid at the time of acquisition of investments are recognised in Profit and Loss Account.
- iii. The cost of investments is determined at the time of initial recognition at fair value. Carrying cost is arrived on weighted average basis.

**Transfer Between Categories**

Reclassifications of investments between categories, if any are considered in accordance with the extant RBI guidelines with the approval of the Board of Directors and prior approval of the Department of Supervision (DoS), RBI. If Bank is permitted to reclassify its investment portfolio, it applies the reclassification prospectively from the reclassification date. The reclassification date is the first day of the first reporting period following the supervisory permission allowing reclassification of financial assets.

- i) Transfer from HTM to AFS - The fair value measured at the reclassification date shall be the revised carrying value. Any gain or loss arising from a difference between the revised carrying value and the previous carrying value shall be recognised in AFS-Reserve.
- ii) Transfer from HTM to FVTPL (including HFT) - The fair value measured at the reclassification date shall be the revised carrying value. Any gain or loss arising from a difference between the revised carrying value and previous carrying value of the investments shall be recognised in the Profit and Loss Account under item 'Profit on revaluation of investments' under Schedule 14: 'Other Income'.





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**Transfer Between Categories (cont.)**

- iii) Transfer from AFS to HTM - The investments are reclassified at its fair value at the reclassification date. However, the cumulative gain/loss previously recognised in the AFS-Reserve shall be withdrawn therefrom and adjusted against the fair value of the investments at the reclassification date to arrive at the revised carrying value. Thus, the revised carrying value shall be the same as if the bank had classified the investment in HTM ab initio itself.
- iv) Transfer from AFS to FVTPL (including HFT) - The investments shall continue to be measured at fair value. The cumulative gain or loss previously recognised in AFS Reserve shall be withdrawn therefrom and recognised in the Profit and Loss Account, under Item (iii): 'Profit on revaluation of investments' under Schedule 14: 'Other Income'.
- v) FVTPL (including HFT) to HTM & AFS - The carrying amount representing the fair value at the reclassification date remains unchanged.

**Valuation of Investments**

- i) Held to Maturity - Securities held in HTM shall be carried at cost and shall not be marked to market (MTM) after initial recognition. Any discount or premium on the securities under HTM shall be amortised over the remaining life of the instrument. The amortised amount shall be reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.
  - ii) Available for Sale - The securities held in AFS shall be fair valued at least on a quarterly basis, if not more frequently. Any discount or premium on the acquisition of debt securities under AFS shall be amortised over the remaining life of the instrument. The amortised amount shall be reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'. The valuation gains and losses across all performing investments, irrespective of classification (i.e., Government securities, Other approved securities, Bonds and Debentures, etc.), held under AFS shall be aggregated. The net appreciation or depreciation shall be directly credited or debited to a reserve named AFS Reserve without routing through the Profit & Loss Account.
  - iii) FVTPL - The securities held in FVTPL shall be fair valued and the net gain or loss arising on such valuation shall be directly credited or debited to the Profit and Loss Account. Securities that are classified under the HFT sub-category within FVTPL shall be fair valued on a daily basis, whereas other securities in FVTPL shall be fair valued at least on a quarterly, if not on a more frequent basis. Any discount or premium on the acquisition of debt securities under FVTPL shall be amortised over the remaining life of the instrument. The amortised amount shall be reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.
  - iv) Market value of government securities (excluding treasury bills) is determined based on trades/quotes as per recognised stock exchange or price published by Financial Benchmark India Pvt Ltd. (FBIL) jointly with Fixed Income Money Market and Derivatives Association (FIMMDA).
  - v) Treasury bills and Commercial paper are valued at carrying cost, which includes discount amortized over the period to maturity.
  - vi) Units of Mutual Funds are valued as per latest NAV declared by mutual fund, if NAV is not available, these shall be valued at cost.
  - vii) Unquoted equity shares are valued at their break-up value which is ascertained from the company's latest balance sheet. In case the latest balance sheet is not available the shares are valued at face value.
  - viii) Non-performing investments are identified and depreciation / provision are made thereon based on the RBI guidelines. The depreciation / provision on such non performing investments are not set off against the appreciation in respect of other performing securities. Further, any MTM appreciation in the security is ignored.
- Interest on non-performing investments is not recognised in the Profit and Loss Account until received.

**Sale of Investments**

- (i) Any profit or loss on the sale of investments in HTM shall be recognised in the Profit and Loss Account under Item II of Schedule 14: 'Other Income'. The profit on sale of an investments in HTM shall be appropriated below the line from the Profit and Loss Account to the 'Capital Reserve Account'. The amount so appropriated shall be net of taxes and the amount required to be transferred to Statutory Reserve.
- (ii) Upon sale or maturity of a debt instrument in AFS category, the accumulated gain/ loss for that security in the AFS-Reserve shall be transferred from the AFS Reserve and recognized in the Profit and Loss Account under item II "Profit on sale of investments" under Schedule 14-Other Income.





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**Investment Fluctuation Reserve**

To build up adequate reserves to protect against increase in yields in future, the Bank shall create an Investment Fluctuation Reserve (IFR) to the extent of the lower of the following:

- net profit on sale of investments during the year,
- net profit for the year less mandatory appropriations.

As per the RBI directions, this reserve is to be created until the amount of IFR is at least 2 percent of the FVTPL (including FVTPL-HFT) and AFS portfolio, on a continuing basis.

Bank is permitted to draw down the balance available in IFR in excess of two percent of its AFS and FVTPL (including FVTPL-HFT) portfolio, for credit to the balance of profit/loss as disclosed in the Profit and Loss account at the end of any accounting year.

**Repo and reverse Repo transactions:-**

Repo and reverse Repo transactions in Govt Securities and corporate debt securities are reflected as borrowing and lending transactions respectively. Borrowing cost on repo transactions is accounted as Interest Expense and revenue on reverse repo transactions is accounted as Interest Income.

**6. Loans/Advances and Provision thereon**

**Classification:**

Advances are classified as performing assets and non-performing assets ('NPAs') in accordance with the RBI guideline on Income Recognition and Asset Classification (IRAC). Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. The advances are stated net of specific provisions made towards NPAs.

**Provision:**

Specific loan loss provisions for non-performing advances comprising sub-standard, doubtful and loss assets is made at a minimum in accordance with the RBI guidelines and Bank's internal policy. Specific loan loss provision in respect of non-performing advances are charged to the Profit and Loss Account. NPA accounts are written off based on Bank's internal policy and management judgement. Amounts recovered during the year against bad debts written off in earlier years are recognized in the Profit and Loss Account as Miscellaneous income under the head 'Other Income' (Schedule - 14).

The provisions towards Standard Assets is made as per the extant RBI notifications and shall not be netted from gross advances but shall be shown separately as 'Provisions against Standard Assets' under 'Other Liabilities and Provisions'.

**Floating Provision:**

Provisions made in excess of 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 approved by the Board of Directors in accordance with the RBI guidelines. Floating provisions are used only for contingencies under extraordinary circumstances and for making specific provisions for impaired accounts as per Board approval and regulatory approval. Floating provisions, if any, are shown under "Other liabilities and Provisions" (Schedule 5).

**Securitization and Assignment**

Assets transferred through securitization and direct assignment of cash flows are de-recognized in the Balance Sheet when they are sold (true sale criteria being fully met with) and consideration is received. Sales / transfers that do not meet true sale criteria are accounted for as borrowings. For a securitization or direct assignment transaction, the Bank recognizes profit upon receipt of the funds and loss is recognized at the time of sale.

The Bank invests in Pass Through Certificates (PTCs) issued by other Special Purpose Vehicles (SPVs). These are accounted at acquisition cost and are classified as investments. The Bank also buys loans through the direct assignment route which are classified as advances. These are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised based on effective interest rate method over the tenor of the loans.

**Restructuring:**

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 advances / 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 is the fair value of a restructured account is made and classification thereof is as per the extant RBI guidelines. In accordance with the RBI guidelines on the prudential framework for resolution of stressed assets and the resolution framework for COVID-19 related stress, the Bank in accordance with its Board approved policy, carried out one-time restructuring of eligible borrowers. The asset classification and necessary provisions thereon are done in accordance with the said RBI guidelines."





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**7. Fixed Assets (Tangible and Intangible)**

7.1 Fixed assets are stated at cost, net of accumulated depreciation and impairment. The cost of an asset comprises its purchase price and any cost directly attributable to bringing the asset to its working condition and location for its intended use. Subsequent expenditure on fixed assets after its purchase is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

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

7.3 Receipt of any Grant / Subsidy shall be adjusted in the cost of Fixed Assets for which such Grant / Subsidy has been received.

7.4 Capital work-in-progress includes costs incurred towards creation of fixed assets that are not ready for its intended use.

7.5 Item costing less than INR 5,000/- shall be fully depreciated in the year of purchase.

**8. Depreciation & Amortization**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Leasehold improvements are amortized over the duration of the lease. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

The useful life being followed by the Bank as prescribed in Schedule II to the Companies Act, 2013 is as follows:

Asset	Useful Life (No of Years)
Computer (Incl Desktop)	3
Furniture & Fixtures	10
Office equipment	5
Motor Vehicle	8
Servers & Networks	6
Software	3
Goodwill	5

Depreciation on assets acquired/sold during the period is recognized on a pro-rata basis to the Profit and Loss Account from/upto the date of acquisition/sale.

Profit or loss arising from sale of fixed asset is recognised as income or expense in Profit & Loss account.

**9. Employee Benefits**

Employee benefits include Provident Fund, Gratuity and Compensated Absences

**Defined contribution plan:**

**Provident Fund:** Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Bank has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Bank does not carry any further obligations, apart from the contributions made on a monthly basis.

**Defined Benefits Plan.**

**Gratuity:** The Gratuity scheme of the Bank is a defined benefit scheme and the expense for the period is recognized on the basis of actuarial valuation at the Balance Sheet date. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method which recognizes each period of service that gives rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Actuarial losses/ gains are recognized in the Profit and Loss Account in the year in which they arise.





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**Leave Encashment:** Provision for compensated absences is made on the basis of actuarial valuation as at the Balance Sheet date. The actuarial valuation is carried out using the Projected Unit Credit Method. Actuarial losses/ gains are recognized in the Profit and Loss Account in the year in which they arise.

**Share based payments**

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. That cost is recognised, together with a corresponding increase in Employee Stock Option Plan (ESOP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the related other equity account.

For cash-settled share-based payments, the fair value of the amount payable to its advisors and consultants is recognised as vendor share based payment expense with a corresponding increase in liabilities, over the vesting period. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognised in vendor share based payment expense.

**10. Taxes**

Tax expenses comprises of current income tax and deferred tax.

**Income tax**

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in Profit and Loss Account.

**Deferred taxes**

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the Profit and Loss Account. Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Bank has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. The carrying cost of the deferred tax assets are reviewed at each balance sheet date. The Bank writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

**11. Cash and Cash equivalent**

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice (excluding fixed deposits with original maturity of more than three months) and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**12. Cash Flow Statement**

Cash flows are reported using the Indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of Income or expenses associated with investing or financing cash flows. The cash flows from Operating, Investing and Financing activities of the Bank are segregated.





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**13. Segment Reporting**

**Business Segment :** In accordance with the guidelines issued by the RBI vide DBO.No.BP.BC.81/21.01.018/2006-07 dated April 18, 2017 and accounting standard 17 (AS-17) on "Segment Reporting", the Bank's business has been segregated into Treasury and Retail banking segments, the Bank has adopted Segment Reporting as under:

Treasury includes all investment portfolios, Profit / Loss on sale of Investments, income from money market operations. The expenses of this segment consist of interest expenses on funds borrowed from external sources as well as internal sources and depreciation / amortization of premium on Held to Maturity category investments as well as relevant operating expenses.

Retail Banking includes lending to and deposits from retail customers and identified earnings and expenses of the segment

Other Banking operation includes all other operations not covered under Treasury & Retail Banking operation.

Unallocated includes Capital & Reserves and other unallocated Assets, Liabilities, Income & Expense.

**Geographic segments:** The Bank operates in a single geographic segment i.e. domestic.

**14. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders and share split.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year.

**15. Provisions and contingent assets/liabilities**

In accordance with AS-29, a provision is recognized when there is an 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 are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is:

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

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

Contingent assets, if any, are not recognized in the financial statements since this may result in the recognition of income that may never be

**16. Leases**

Lease rentals under operating leases are charged to the Profit and Loss Account on straight line basis over the lease term in accordance with AS- Lease arrangements where risk and rewards incidental to ownership of an assets substantially vest with the lessor are recognised as operating leases.

**17. Statutory Reserve**

Pursuant to the requirements of Section 17 of the Banking Regulation Act, 1949 and RBI guidelines dated September 23, 2000, the Bank is required to appropriate 25% of profit after tax for the year to the statutory reserve.

**18. Share Issue Expenses**

Share issue expenses are adjusted against Share Premium in terms of section 52 of Companies Act, 2013.





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**19. Corporate Social Responsibility**

Expenditure incurred towards corporate social responsibility are recognised as and when becomes due.

**20. Borrowing Cost**

Borrowing cost includes interest, amortisation of ancillary cost incurred in connection with the arrangement of borrowings.

**21. Priority Sector Lending Certificates (PSLCs)**

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

**22. Securitisation and Transfer of Assets**

In case of sale of stressed assets, the bank follows RBI guidelines on 'Transfer of Loan Exposures'. In accordance with RBI guidelines on sale of nonperforming advances, if the sale is at a price below the net book value (i.e., book value less provisions held), the shortfall is charged to the Profit and Loss Account and if the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year when the sum of cash received by way of initial consideration and / or redemption or transfer of security receipts issued by ARC exceeds the net book value of the loan at the time of transfer.

The Bank also buys loans through the direct assignment route which are classified as advances. These are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised based on effective interest rate method.

**23. Transactions involving foreign exchange**

**Initial recognition**

Transactions in foreign currencies entered into by the Bank are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

**Measurement at the Balance Sheet date**

Foreign currency monetary items, if any, of the Bank, outstanding at the balance sheet date are restated at the rates prevailing as at Balance sheet date. Non-monetary items of the Bank are carried at historical cost. Contingent liabilities on account of foreign exchange contracts, currency future contracts, guarantees, letters of credit, acceptances and endorsements are reported at closing rates of exchange.

**Treatment of Exchange differences**

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Bank are recognised as income or expense in the Profit and Loss Account.

**24. Research and development costs**

Research costs incurred by the bank are expensed off when incurred. However, in the case of development costs, if there is an identifiable asset where commercial and technical feasibility of the project is established, the cost incurred on the same is capitalised and the same is amortised as per the depreciation policy of the bank.





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Schedule 18 -Notes forming part of the Financial Statements

(INR in '000)

**1. Capital Adequacy Ratio**

The following table sets forth, for the period indicated, computation of capital adequacy ratio as per the Operating guidelines applicable for small finance bank.

Particulars	As at December 31, 2025	As at March 31, 2025
i) Common Equity Tier I Capital (CET 1)	39,34,059	30,27,868
ii) Additional Tier I Capital	29,62,867	27,51,533
iii) Tier 1 capital (i + ii)	68,96,927	57,79,401
iv) Tier 2 capital	17,09,574	17,06,454
v) Total capital (Tier 1 + Tier 2)	86,06,501	74,85,855
vi) Total Risk Weighted Assets (RWAs)	4,80,38,687	3,68,68,247
vii) CET 1 Ratio (CET 1 ratio as a percentage of RWAs)	8.19%	8.21%
viii) Tier 1 Ratio (Tier 1 Capital as a percentage of RWAs)	14.36%	15.68%
ix) Tier 2 Ratio (Tier 2 Capital as a percentage of RWAs)	3.56%	4.63%
x) Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as percentage of RWAs)	17.92%	20.30%
xi) Leverage Ratio	11.66%	13.74%

**2. Key metrics and ratios**

Sl No	Particulars	As at December 31, 2025	As at March 31, 2025
1	Gross NPA (Amount)	23,00,274	18,47,637
2	Net NPA (Amount)	16,92,342	13,55,955
3	Gross NPA to Gross Advances (%)	5.45%	4.29%
4	Net NPA to Net Advances (%)	3.98%	4.62%
5	Provision coverage ratio including Technical W/off (%)	77.84%	79.46%
6	Provision coverage ratio excluding Technical W/off (%)	28.12%	28.61%

**3. Other Key matters**

On November 21, 2025, the Government of India notified four Labour Codes- the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020, collectively referred to as the 'New Labour Code', consolidating 29 existing labour laws. The Ministry of Labour & Employment has published draft Central Rules and FAQs on December 30, 2025, to facilitate assessment of the financial impact arising from these regulatory changes.

Accordingly, the Bank has recognised an estimated incremental impact of INR 2.7 crore under Employees cost in the Profit and Loss Account during the period ended December 31, 2025, considering the actuarial valuation and best information available. The Bank continues to monitor the finalisation of Central and State Rules and clarifications from the Government on the New Labour Codes and would provide appropriate accounting effect on the basis of such developments, as needed.

As per our audit report of even date

For and on behalf of the Board of Directors

For CHATURVEDI & CO LLP  
Chartered Accountants  
Firm Registration Number : 302137K/CS00246

CA Anil Kumar  
Partner  
Membership No - 318210  
UDEN - 26318210DXAVON5517

Place : Kolkata  
Date : January 29, 2026

Tapan Kumar Hazarika  
Independent Director and  
Chairman of Audit Committee  
of Board  
DIN : 08088195  
Assam, Assam

Rajan Bajaj  
Whole Time Director  
DIN : 07197443  
Place : Mumbai

Shefaly Kothari Rai  
Company Secretary  
M. No- F7698  
Place : Bangalore

Satish Kumar Kalra  
Managing Director & CEO  
DIN : 01952165  
Place : Mumbai

Naresh Jain  
Chief Financial Officer  
Place : Bangalore





# CHATURVEDI & CO. LLP

CHARTERED ACCOUNTANTS

Park Centre, 24 Park Street, Kolkata - 700 016

Phone : 033-4601 2507

E-mail : chaturvedikol@hotmail.com, chaturvediso@yahoo.co.in  
(H.O. Kolkata, Branches at : Delhi, Mumbai, Chennai)

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of slice Small Finance Bank Limited  
**Report on Audit of the Financial Statements**

### **Opinion**

1. We have audited the accompanying financial statements of **slice Small Finance Bank Limited (formerly known as North East Small Finance Bank Limited)**, (the "Bank"), which comprise the Balance Sheet as at March 31, 2025, the Profit and Loss Account, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as "financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 and the Companies Act, 2013 (the "Act") in the manner so required give a true and fair view in conformity with accounting standards prescribed under section 133 of the Act ("Accounting Standard") as applicable to bank and other accounting principles generally accepted in India, of the state of affairs of the bank as at March 31, 2025, its loss and its cash flow for the year ended on that date.

### **Basis for Opinion**

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

### **Key Audit Matters**

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our matter was addressed in the audit
Classification of Advances, Income Recognition, Identification of and Provisioning for non-performing advances.	Our Audit Procedure:



Key Audit Matters	How our matter was addressed in the audit
<p>(Refer Schedule 9 to the financial statements, read with the Accounting Policy No. 6)</p> <p>The advances are classified as performing and non-performing advances (NPA) which are governed by Income Recognition, Assets Classification and Provisioning (IRAC Norms) and other relevant directions / guidelines (Prudential Norms) as issued by the Reserve Bank of India (RBI) from time to time. The classification and provisioning are done carried out by the Bank's IT software integrated with its Core Banking Solution (CBS).</p> <p>The provisioning for identified NPAs is based on ageing and classification of NPAs, recovery estimates, value of security and is subject to the provisioning norms specified by RBI.</p> <p>In the event of any improper application of the Prudential Norms or regulatory requirement or consideration of the incorrect value of the advances could be materially, the carrying value of advances could be materially misstated either individually or collectively, and in view of the significance of the amount of advances in the financial statements, the classification of the advances and provisioning thereon has been considered as Key Audit Matter in our audit.</p>	<p>We obtained an understanding of the Bank's software, circulars, guidelines and directives of the RBI, the Bank's internal instructions and procedures in respect of the assets classification and its provisioning. Our audit approach consisted of testing the design of system for identification of non-performing assets to ensure conformity with guidelines of the RBI in the matter and test checking identification and valuation of non-performing assets.</p> <p>We have reviewed the documentations, operations, performance and monitoring of the advance accounts, on test check basis of the large and stressed advances, to ascertain any overdue, unsatisfactory conduct or weakness in any advance account, to ensure that its classification is in accordance with the prudential norms of RBI.</p> <p>We have reviewed on the test check basis the reports of internal audit, concurrent audit, regulatory audit to ascertain the advances having any adverse/features/comments and reviewed the reports generated from bank's MIS. We reviewed advances including stressed assets on sample basis w.r.t. compliance with the RBI master circulars, guidelines and judicial pronouncements.</p> <p>Necessary changes were carried out wherever required during the course of audit and the effect of the same was duly accounted for in the financial statements for the year ended 31<sup>st</sup> March, 2025.</p> <p><b>Our Comments:</b> The results of our audit process were observed to be adequate and satisfactory considering the materiality of the transactions.</p>
<p><u>Classification and valuation of Investments identification and provisioning for Non-Performing Investments</u></p> <p>(Refer Schedule 8 to the financial statements, read with the Accounting Policy No. 5)</p> <p>Investment portfolio of the bank comprises of Investments in Government Securities, Bonds, Debentures, Shares, Security Receipts and other Approved Securities which are classified under three categories, Held to Maturity, Available for Sale and Held for Trade.</p>	<p><b>Our Audit Procedure:</b></p> <p>Our audit approach towards Investments with reference to the RBI circulars / directives included in the review and testing of the design, operating effectiveness of internal controls and substantive audit procedures in relation to valuation, classification, identification of Non-Performing Investments, provisioning / depreciation related to Investments.</p>



Key Audit Matters	How our matter was addressed in the audit
<p>Valuation of Investments, identification of Non-Performing Investments (NPI) and the corresponding non-recognition of income and provision thereon, is carried out in accordance with the relevant circulars / guidelines / directions of RBI.</p> <p>Considering judgement involved in valuation, volume of transactions, investments on hand, regulatory requirements and significance of the amount of investments in the financial statements, we have identified this as key audit matter for the current year period.</p>	<p>We evaluated and understood the system and internal control as laid down by the Bank to comply with relevant RBI guidelines.</p> <p>We assessed and evaluated the process of identification of NPI's and corresponding reversal of unrealised income and creation of provision thereon.</p> <p>We carried out substantive audit procedures to re-compute independently the provision to be maintained and depreciation to be provided in accordance with the circulars and directives of RBI. Accordingly, we selected samples from investments of each category and tested for NPI's as per the RBI guidelines and recomputed the provisions to be maintained in accordance with the RBI circular for those selected sample of NPI's.</p> <p>Necessary changes were carried out wherever required during the course of audit and the effect of the same was duly accounted for in the financial statements for the year ended 31<sup>st</sup> March, 2025.</p> <p><u>Our Comments:</u> The results of our audit process were observed to be adequate and satisfactory considering the materiality of the transactions.</p>
<p><u>Information Technology (IT) and controls impacting financial Reporting</u></p> <p>The Bank's financial accounting and reporting systems are highly dependent on the effective working of the Core Banking Solution (CBS) and other IT systems linked to the CBS or working independently.</p> <p>Our areas of focus relate to the logic that is fed into the system, sanctity and reliability of the data, access management and segregation of duties. These underlying principles are important because they ensure that changes to applications and data are appropriate, authorized, cleansed and monitored, so that the system generates accurate and reliable reports / returns and other financial and non-financial information that is used for the preparation and presentation of the financial statements.</p> <p>Technology (IT) systems are used in financial reporting process. The Bank's operational and financial processes generate extensive volume on daily basis and process varied and complex</p>	<p><u>Our Audit Procedure:</u></p> <p>We evaluated and understood the CBS system adopted by the Bank.</p> <p>We assessed the operative effectiveness of key automated controls within various business processes. This includes testing the integrity of system interfaces, the completeness and accuracy of data, system reconciliation controls and automated calculations.</p> <p>We assessed the feeding of the data in the system and going through the extraction of the financial information and statements from the IT system existing in the bank.</p> <p>Reviewed the output and reports generated by the system on sample basis.</p> <p>Where deficiencies were identified, we tested compensating controls or performed alternate</p>



Key Audit Matters	How our matter was addressed in the audit
<p>transactions, which are highly dependent on IT systems.</p> <p>The Bank accounts for all the transactions related to Advances in its Information Technology system (IT System) viz. Core Banking Solution(CBS) which identifies whether the advances are performing or non-performing and calculation of provisions thereon.</p> <p>Due to the importance of the impact of the It systems and related control environment on the bank's financial reporting process, we have identified testing of such IT systems and related control environment as a key matter for the current year audit.</p>	<p>procedures.</p> <p>The system needs to be further strengthened for its efficacy to control deficiencies of input/output data from the system.</p> <p>We also tested key automated and manual business cycle controls for system generated reports relevant to the audit; including testing of compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the financial statements.</p>

#### Information Other than the Financial Statements and Auditor's Report thereon

5. The Bank's Board of Directors is responsible for preparation of the other information. The other information comprises the Chairman's statement, Directors Report including annexure to Directors Report and corporate governance report included in the Annual Report but does not include the financial statement and our Auditor's Report thereon. The Annual Report is expected to be made available to us after the date of this Auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during course of our audit, or otherwise appears to be materially misstated.

On receipt of other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and we shall:

- If the material misstatement is corrected, perform necessary procedure to ensure the correction; or
- If the material misstatement is not corrected after communicating the matter to those charged with governance, take appropriate action considering our legal rights and obligations, to seek to have the uncorrected material misstatement appropriately brought to the attention of users for whom this Auditor's report is prepared.

#### Responsibilities of the Management and Those Charged with Governance for the Financial Statements

6. The Bank's Board of Directors is responsible for the matter stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the provisions of section 29 of the Banking Regulation Act, 1949, Accounting Standard and other accounting principles generally accepted in India and the circulars, guidelines and the directions issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the



financial 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 Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Bank's Board of Directors are also responsible for overseeing the Bank's financial progress.

#### **Auditor's Responsibilities on Audit of the Financial Statements**

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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



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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

8. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949 and section 133 of the Companies Act, 2013 and relevant rules issued thereunder;
9. As required by sub-Section (3) of Section 30 of the Banking Regulation Act, 1949, based on our Audit, 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 and found them to be satisfactory.
  - b. In our opinion, the transactions of the Bank which have come to our notice have been within the powers of the bank.
  - c. As explained in the paragraph 13 below, the financial accounting system of the Bank are centralized and, therefore, accounting returns are not required to be submitted by branches.
  - d. In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books.
  - e. The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - f. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act as applicable to the Banks.
  - g. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
  - h. With respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Bank's internal financial controls over financial reporting.
  - i. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the entity being a banking company, section 197 of the Act related to the managerial remuneration is not applicable by virtue of Section 35B(2A) of the Banking Regulation Act, 1949.
  - j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Bank does not have any pending litigations which may have an impact on its financial positions as at the year-end.
    - ii. The Bank did not have any long-term contracts including derivative contracts as at the year-end for



which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund (IEPF) by the Bank.

iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 39 of Schedule 18 to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note 39 of Schedule 18 to the financial statements, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Bank shall, 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 performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

v. The Bank has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Based on our examination, which included test checks, the Bank has used various accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility, which have operated throughout the year for all relevant transactions recorded in the software (refer Note 45 of Schedule 18 to the financial statement). Based on our procedures performed, we did not notice any instance of the audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

10. We report that during the course of our audit we have visited and performed select relevant procedures at 15 branches. Since the Bank considers its key operations to be automated, with the key applications largely integrated to the Core Banking System, it does not require its branches to submit any financial returns. Accordingly, our audit is carried out centrally at Head Office based on the records and data required for the purpose of Audit being made available to us.

For Chaturvedi & Co LLP  
Chartered Accountants  
FRN: 302137E/E300286

*Amit Kumar*

Amit Kumar  
Partner  
Membership No- 318210

UDIN: 25318210BMRKGI3440

Date: 12<sup>th</sup> June, 2025  
Place: Kolkata



## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 12(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls with reference to Financial Statements under clause (j) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)**

We have audited the internal financial controls with reference to financial statements of **Shree Small Finance Bank Limited (formerly known as North East Small Finance Bank Limited)** (the "Bank") as of 31st March, 2025 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

1. The Bank's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars, guidelines and direction issued by the Reserve Bank of India.

### **Auditor's Responsibility**

2. Our responsibility is to express an opinion on the Bank's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI") and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements were established and maintained and if such controls operated effectively in all material respects.
3. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls 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.
4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to Financial.

### **Meaning of Internal Financial Controls with reference to Financial Statements**

5. A Bank's internal financial controls with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial controls with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that



receipts and expenditures of the Bank are being made only in accordance with authorizations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal financial controls with reference to Financial Statements**

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

**Opinion**

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

For Chaturvedi & Co LLP

Chartered Accountants

FRN: 302137E/E300286

*Amit Kumar*  
Amit Kumar

Partner

Membership No- 318210

UDIN: 25318210BMRKGI3440

Date: 12<sup>th</sup> June, 2025

Place: Kolkata



**SLICE SMALL FINANCE BANK LIMITED (Erstwhile NORTH EAST SMALL FINANCE BANK)**  
**Guwahati, Assam (CIN : U65100AS2016PLC017505)**  
**BALANCE SHEET AS AT March 31, 2025**

PARTICULARS	Schedule No.	(INR in '000)	
		As at March 31, 2025	As at March 31, 2024
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	1,07,23,379	46,93,804
Reserves and Surplus	2	(51,94,905)	(40,84,656)
Deposits	3	2,41,83,812	1,51,95,741
Borrowings	4	1,13,95,308	7,82,500
Other Liabilities and Provisions	5	21,91,392	2,78,087
<b>TOTAL</b>		<b>4,32,98,986</b>	<b>1,68,65,476</b>
<b>ASSETS</b>			
Cash and Balance with Reserve Bank of India	6	24,63,011	16,38,294
Balance with Banks and Money at call & short notice	7	9,40,688	6,87,356
Investments	8	77,81,390	55,01,905
Advances	9	2,90,48,659	80,24,309
Fixed Assets	10	7,26,931	2,73,708
Other Assets	11	23,38,307	7,39,904
<b>TOTAL</b>		<b>4,32,98,986</b>	<b>1,68,65,476</b>
Contingent Liabilities	12	2,18,194	5,913
Bill for collection			
Significant accounting policies and notes to the financial statements	17 & 18		

Schedules referred to above form an integral part of the Financial Statements

Note- The financial statements for the year ended March 31, 2025 is including erstwhile Garagepreneurs Internet Private Limited and erstwhile RGVN(North East) Microfinance Limited and hence the figures are not comparable with those of the previous year.

As per our audit report of even date

For CHATURVEDI & CO LLP  
 Chartered Accountants  
 Firm Registration Number : 302137E/E300286

*Amit Kumar*

CA Amit Kumar  
 Partner  
 Membership No - 318210  
 UDIN - 25318210BMRKGI3440

Place : Kolkata  
 Date : June 12, 2025



For and on behalf of the Board of Directors

*Smit Shetty*  
 Samit Shankar Shetty  
 Independent Director and  
 Chairman of Audit Committee  
 DIN : 02573018  
 Place : Bangalore

*Rajan Bajaj*  
 Rajan Bajaj  
 Executive Director  
 DIN : 07197443  
 Place : Bangalore

*Shelaj Kothari*  
 Shelaj Kothari  
 Company Secretary  
 M. No- F7698  
 Place : Bangalore

*Satish Kumar Kalra*  
 Satish Kumar Kalra  
 Managing Director & CEO  
 DIN : 01952165  
 Place : Guwahati

*Naresh Jain*  
 Naresh Jain  
 Chief Financial Officer  
 Place : Bangalore



SLICE SMALL FINANCE BANK LIMITED (Erstwhile NORTH EAST SMALL FINANCE BANK)  
Guwahati, Assam (CIN : U65100AS2016PLC017505)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2025

PARTICULARS	Schedule No.	(INR in '000)	
		For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
<b>I. INCOME</b>			
Interest Earned	13	40,92,333	19,58,294
Other Income	14	19,44,814	5,55,353
<b>TOTAL</b>		<b>60,37,147</b>	<b>25,13,647</b>
<b>II. EXPENDITURE</b>			
Interest Expended	15	20,05,380	12,42,561
Operating Expenses	16	48,11,502	17,45,939
Provisions and Contingencies		13,87,235	10,51,848
<b>TOTAL</b>		<b>82,04,117</b>	<b>40,40,348</b>
<b>III. PROFIT</b>			
Net Profit/(Loss) After Tax		(21,66,970)	(15,26,701)
Add: Balance in Profit & Loss Account Brought Forward from Previous Year		(44,16,455)	(28,89,754)
Add: Adjustment on account of amalgamation		44,16,455	-
<b>TOTAL</b>		<b>(21,66,970)</b>	<b>(44,16,455)</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserve		-	-
Transfer to Investment Fluctuation Reserve		-	-
Balance Carried to Balance Sheet		(21,66,970)	(44,16,455)
<b>TOTAL</b>		<b>(21,66,970)</b>	<b>(44,16,455)</b>
<b>Earning per equity Share</b>			
a. Basic		(0.51)	(3.67)
b. Diluted		(0.51)	(3.67)

Significant accounting policies and notes to the financial statements 17 & 18  
Schedules referred to above form an integral part of the Financial Statements

Note- The financial statements for the year ended March 31, 2025 is including erstwhile Garagepreneurs Internet Private Limited and erstwhile RGVN(North East) Microfinance Limited from October 27, 2024 onwards and hence the figures are not comparable with those of the previous year.

As per our audit report of even date

For and on behalf of the Board of Directors

For CHATURVEDI & CO LLP  
Chartered Accountants  
Firm Registration Number : 302137E/E300286

*Amit Kumar*

CA Amit Kumar  
Partner  
Membership No - 318210  
UDIN - 25318210BMRKG13440

Place : Kolkata  
Date : June 12, 2025



*S-Shankar*

Samit Shankar Shetty  
Independent Director and  
Chairman of Audit Committee  
DIN : 02573018  
Place : Bangalore

*R-Bajaj*

Rajan Bajaj  
Executive Director  
DIN : 07197443  
Place : Bangalore

*S.Kothari*  
Shobha Kothari  
Company Secretary  
M. No- F7698  
Place : Bangalore

*Satish Kumar*

Satish Kumar Kalra  
Managing Director & CEO  
DIN : 01952165  
Place : Guwahati

*Naresh Jain*

Naresh Jain  
Chief Financial Officer  
Place : Bangalore



SLICE SMALL FINANCE BANK LIMITED (Erstwhile NORTH EAST SMALL FINANCE BANK)  
Gurukul, Assam (CIN : U65196AS2016PLC017505)  
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025

PARTICULARS	(INR IN '000)	
	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	(25,58,383)	(11,35,526)
Adjustment For:		
(Profit)/Loss on sale of Fixed Assets	962	1,288
Fair value (Gain)/Loss on investments	(12,166)	1,954
Provisions for Standard Assets	(119)	(2,54,090)
Depreciation & Amortisation	2,02,943	76,447
Provision for Other Assets	2,40,645	5,792
Provision on Investments (Security receipts)	6,71,527	-
Provision for Non Performing / Bad Assets	8,08,827	9,49,598
Employee stock option expense	4,46,707	-
<b>Operating Profit before Working Capital Changes</b>	<b>(1,99,177)</b>	<b>(3,54,177)</b>
Adjustments for:		
Decrease/(Increase) in Other Assets	5,28,574	6,28,811
Decrease/(Increase) in Term Deposits with other Banks	58,500	5,41,506
Increase/(Decrease) in Other liabilities and Provisions	5,94,558	(8,41,747)
Decrease/(Increase) in Advances	(44,67,036)	70,58,328
Decrease/(Increase) in Investments	(29,17,842)	(20,20,916)
Increase/(Decrease) in Deposits	89,88,071	(52,09,599)
<b>Cash generated from / (used) in Operations:</b>	<b>38,44,844</b>	<b>1,65,417</b>
Taxes Paid	-	-
<b>Net Cash Flow from / (used) in Operating Activities</b>	<b>(A) 26,45,667</b>	<b>(1,88,760)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets (including capital works in progress)	(1,68,898)	(65,551)
Sale of Fixed Assets	3,024	219
<b>Net Cash Flow used in Investing Activities</b>	<b>(B) (1,65,875)</b>	<b>(65,332)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of equity shares	-	12,25,336
Increase/(Decrease) in Share Premium	-	(1,21,950)
Increase/(Decrease) in Borrowings (Net)	(58,35,197)	(25,25,000)
<b>Net Cash Flow from / (Used in) Financing Activities</b>	<b>(C) (58,35,197)</b>	<b>(24,21,614)</b>
<b>Net Increase / (Decrease) in Cash or Cash Equivalents (A+B+C)</b>	<b>(33,75,404)</b>	<b>(26,75,696)</b>
Cash and Cash Equivalents at the beginning of the year	22,67,149	49,42,845
Opening balance adjustment on account of amalgamation	39,80,594	-
<b>Cash and Cash Equivalents at the end of the year</b>	<b>28,72,339</b>	<b>22,67,149</b>
<b>Break up cash and cash equivalent</b>		
Cash and Balance with RBI	24,65,911	16,38,294
Balance in current accounts with other banks	4,09,328	87,356
Balance in other deposit accounts with other banks	-	5,41,500
Money at Call & Short Notice	-	-
<b>Total Cash &amp; Cash Equivalent</b>	<b>28,75,239</b>	<b>22,67,149</b>

**Notes:**

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard 7 of Cash Flow Statements
- Cash and cash equivalent comprises balances as per Schedule 6 and Schedule 7 of the Balance sheet, excluding deposits with other banks with original maturity of more than 3 months.
- Figures for the previous year have been regrouped and reclassified wherever necessary to confirm to the current year's presentation.

Note- The financial statements for the year ended March 31, 2025 is including erstwhile Gangaprocessors Interest Private Limited and erstwhile RGFT(North East) Microfinance Limited from October 27, 2024 onwards and hence the figures are not comparable with those of the previous year.

As per our audit report of even date

For CHATURVEDI & CO LLP  
Chartered Accountants  
Firm Registration Number : 340137E/E300286

*Anil Kumar*

CA Anil Kumar  
Partner  
Membership No - 318210  
UDIN - 25318210BM80003446

Place : Kolkata  
Date : June 12, 2025



For and on behalf of the Board of Directors

*S - It's Sully*

Samit Shankar Shetty  
Independent Director and  
Chairman of Audit Committee of Board  
DIN : 02573018  
Place : Bangalore

*Raj-Bajaj*

Rajesh Bajaj  
Executive Director  
DIN : 07197443  
Place : Bangalore

*Shamoli*

Shamoli Kothari  
Company Secretary  
M. No- F7698  
Place : Bangalore

*Shanku*

Satish Kumar Katra  
Managing Director & CEO  
DIN : 01952165  
Place : Gurukul

*Narank Jain*

Narank Jain  
Chief Financial Officer  
Place : Bangalore



PARTICULARS	(INR in '000)	
	As at March 31, 2025	As at March 31, 2024
<b>SCHEDULE 1 - Share Capital</b>		
<b>Authorised Share Capital:</b>		
Equity Share Capital 10,00,08,40,000 Shares of INR.1 each (Previous Year 60,00,00,000 Shares of INR 10 each)	1,00,00,840	60,00,000
Non-cumulative Compulsorily Convertible Preference Share Capital (CCPS): 7,15,00,00,000 CCPS of INR 1 each and 2,80,00,000 shares of INR 50 each (Previous Year 10,00,00,000 CCPS of INR 10 each)	85,50,000	10,00,000
	<u>1,85,50,840</u>	<u>70,00,000</u>
<b>Issued, Subscribed and Paid up Capital</b>		
Equity Share Capital- 8,96,43,09,249 fully paid up Shares of INR 1 each (Previous year 46,93,80,361 Shares of INR 10 each)	89,64,309	46,93,804
Equity Share Capital- 30,99,36,000 partly paid up shares of INR 0.90 each having face value of INR 1 (Previous year Nil)	2,78,942	-
Non-cumulative Compulsorily Convertible Preference Share Capital (CCPS)- 1,48,01,27,544 shares of INR 1 Each (Previous Year Nil)	14,80,128	-
<b>Total</b>	<u>1,07,23,379</u>	<u>46,93,804</u>
<b>SCHEDULE 2 - Reserves and Surplus</b>		
<b>I. Statutory Reserve</b>		
Opening Balance	1,97,658	1,97,658
Opening balance adjustment on account of amalgamation	1,86,966	-
Additions during the year	-	-
<b>Closing Balance</b>	<u>3,84,624</u>	<u>1,97,658</u>
<b>II. Investment Fluctuation Reserve</b>		
Opening Balance	-	1,10,710
Additions during the year	-	-
Less: Transferred to General Reserve	-	(1,10,710)
<b>Closing Balance</b>	<u>-</u>	<u>-</u>
<b>III. General Reserve</b>		
Opening Balance	1,10,710	-
Additions during the year	14,930	1,10,710
Less: Utilisation during the year	-	-
<b>Closing Balance</b>	<u>1,25,640</u>	<u>1,10,710</u>
<b>IV. AFS Reserve</b>		
Opening Balance	-	-
Additions during the year	20,099	-
Less: Utilisation during the year	(14,026)	-
<b>Closing Balance</b>	<u>6,073</u>	<u>-</u>
<b>V. Employee Stock options outstanding Reserve</b>		
Opening Balance	-	-
Opening balance adjustment on account of amalgamation	16,70,857	-
Additions during the year	4,46,707	-
Less: Utilisation during the year	-	-
<b>Closing Balance</b>	<u>21,17,564</u>	<u>-</u>
<b>VI. Share premium</b>		
Opening Balance	23,431	1,45,382
Opening balance adjustment on account of amalgamation	(14,005)	-
Add: Addition during the year	3,46,001	2,324
Less: Conversion made during the year	-	(1,24,275)
<b>Closing Balance</b>	<u>3,55,427</u>	<u>23,431</u>
<b>VII. Capital Redemption Reserve</b>		
Opening Balance	-	-
Opening balance adjustment on account of amalgamation	-	-
Add: Addition during the year	28	-
Less: Utilisation during the year	-	-
<b>Closing Balance</b>	<u>28</u>	<u>-</u>



PARTICULARS	(INR in '000)	
	As at March 31, 2025	As at March 31, 2024
<b>VIII. Amalgamation Reserve</b>		
Opening Balance	-	-
Add: Addition during the year on account of amalgamation	(60,33,929)	-
Less: Utilisation made during the year	-	-
<b>Closing Balance</b>	<b>(60,33,929)</b>	<b>-</b>
<b>IX. Money received against share warrants</b>		
Opening Balance	-	-
Opening balance adjustment on account of amalgamation	16,638	-
Add: Warrants Issued during the year	-	-
Less: Warrants cancelled during the year	-	-
<b>Closing Balance</b>	<b>16,638</b>	<b>-</b>
<b>X. Balance in Profit and Loss Account</b>	<b>(21,66,970)</b>	<b>(44,16,455)</b>
<b>Total (I to X)</b>	<b>(51,94,905)</b>	<b>(40,84,657)</b>
<b>SCHEDULE 3 - Deposits</b>		
<b>A.I. Demand Deposits</b>		
(i) From Banks	34,163	5,525
(ii) From Others	11,61,820	8,28,843
<b>II. Savings Bank Deposits</b>	<b>47,58,396</b>	<b>37,56,431</b>
<b>III. Term Deposits</b>		
(i) From Banks	27,18,306	27,59,702
(ii) From Others	1,55,11,128	78,45,240
<b>Total (I to III)</b>	<b>2,41,83,812</b>	<b>1,51,95,741</b>
<b>B.I. Deposits of Branches in India</b>	<b>2,41,83,812</b>	<b>1,51,95,741</b>
<b>B.II. Deposits of Branches outside India</b>	<b>-</b>	<b>-</b>
<b>Total ( B.I and B.II )</b>	<b>2,41,83,812</b>	<b>1,51,95,741</b>
<b>SCHEDULE 4 - Borrowings</b>		
<b>I. Borrowings in India</b>		
i) Reserve Bank of India	-	-
ii) Other Banks	-	-
iii) Other Institutions and Agencies*	1,13,95,308	7,82,500
<b>Total</b>	<b>1,13,95,308</b>	<b>7,82,500</b>
<b>II. Borrowings outside India</b>	<b>-</b>	<b>-</b>
<b>Total ( I and II )</b>	<b>1,13,95,308</b>	<b>7,82,500</b>
<b>Secured Borrowings included in I and II above</b>	<b>82,42,308</b>	<b>4,42,500</b>
* Includes compulsory convertible debentures of INR 29,63,000 (thousands) (Previous year Nil) and subordinated debt (Tier-II capital) of INR 1,00,000 thousands (Previous year INR 3,40,000 thousands).		
<b>SCHEDULE 5 - Other Liabilities and Provisions</b>		
<b>I. Bills Payable</b>	<b>-</b>	<b>-</b>
<b>II. Inter-Office Adjustments(not)</b>	<b>-</b>	<b>-</b>
<b>III. Interest Accrued</b>	<b>3,27,791</b>	<b>20,155</b>
<b>IV. Provision for Standard Assets</b>	<b>1,12,326</b>	<b>44,359</b>
<b>V. Provision for taxation (net of advance tax)</b>	<b>33,437</b>	<b>-</b>
<b>VI. Others</b>	<b>17,17,838</b>	<b>2,13,573</b>
<b>Total (I to VI)</b>	<b>21,91,392</b>	<b>2,78,087</b>



SLICE SMALL FINANCE BANK LIMITED (Erstwhile NORTH EAST SMALL FINANCE BANK)  
Guwahati, Assam (CIN : U65100AS2016PLC017505)  
SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	(INR in '000)	
	As at March 31, 2025	As at March 31, 2024
<b>SCHEDULE 6 - Cash and Balance with Reserve Bank of India</b>		
I. Cash in hand	1,30,229	1,52,061
II. Balances with Reserve Bank of India		
i) In Current Accounts	12,92,782	5,36,233
ii) In Other Accounts	-	-
III. RBI SDF	10,40,000	9,50,000
<b>Total (I and III)</b>	<b>24,63,011</b>	<b>16,38,294</b>
<b>SCHEDULE 7 : Balances with Banks and Money at Call and Short Notice</b>		
A. In India		
I) Balances with banks		
i) In Current Accounts	4,09,328	87,356
ii) In Other Deposit Accounts	5,31,360	6,00,000
II) Term Money/Money at call and short notice		
i) With banks	-	-
ii) With other Institutions	-	-
<b>Total (I and II)</b>	<b>9,40,688</b>	<b>6,87,356</b>
B. Outside India		
i) In Current Accounts	-	-
ii) In other Deposit accounts	-	-
iii) Money at call and short notice	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Total (A and B)</b>	<b>9,40,688</b>	<b>6,87,356</b>
<b>SCHEDULE 8 - Investments (net of provisions)</b>		
I. Investments in India		
i) Government Securities	77,81,390	45,11,879
ii) Other Approved Securities	-	-
iii) Shares	-	-
iv) Debentures & Bonds	-	-
v) Subsidiaries and/or joint ventures	-	-
vi) Security Receipts*	-	9,90,026
<b>Total (I)</b>	<b>77,81,390</b>	<b>55,01,905</b>
II. Investments Outside India		
<b>Total (II)</b>	<b>-</b>	<b>-</b>
<b>Total (I and II)</b>	<b>77,81,390</b>	<b>55,01,905</b>
Gross Investments	84,52,916	55,01,905
Less : Provision for Investments	6,71,527	-
<b>Net Investments</b>	<b>77,81,389</b>	<b>55,01,905</b>
*Outstanding Security receipts is INR 67.15 crores and the same has been fully provided for. Therefore, net value of Security Receipts is Nil as on March 31, 2025.		
<b>SCHEDULE 9 - Advances (Net of Provisions)</b>		
A. i) Bills purchased and discounted		
i) Cash Credits, Overdrafts and Loans repayable on demand	2,25,51,397	3,06,530
ii) Term Loans	64,97,262	77,17,779
<b>Total</b>	<b>2,90,48,659</b>	<b>80,24,309</b>
B. i) Secured by Tangible Assets		
i) Covered by Banks/Government Guarantees	26,45,172	59,07,332
ii) Unsecured	19,64,280	3,94,526
<b>Total</b>	<b>2,44,39,207</b>	<b>17,22,451</b>
<b>Total</b>	<b>2,90,48,659</b>	<b>80,24,309</b>
C.I. Advances in India		
i) Priority Sectors	44,08,559	71,29,263
ii) Public Sectors	-	-
iii) Banks	-	-
iv) Others	2,46,40,100	8,95,046
<b>Total C.I</b>	<b>2,90,48,659</b>	<b>80,24,309</b>
C.II. Advances outside India		
<b>Total C (I and II)</b>	<b>2,90,48,659</b>	<b>80,24,309</b>



SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	(INR in '000)	
	As at March 31, 2025	As at March 31, 2024
<b>SCHEDULE 10 - Fixed Assets</b>		
I) Premises	-	-
II) Other Fixed Assets (Including Furniture and Fixtures)		
At the beginning of the year	7,44,255	6,88,308
Opening balance adjustment on account of amalgamation	9,97,328	
Additions during the year	1,72,203	59,967
Deductions during the year	(3,986)	(4,019)
Depreciation to date	(6,76,796)	(4,76,132)
Opening balance adjustment in Depreciation on account of amalgamation	(5,06,073)	
Capital Work in Progress	-	5,584
<b>Total (I and II)</b>	<b>7,26,931</b>	<b>2,73,708</b>
<b>SCHEDULE 11 - Other Assets</b>		
I. Inter-office adjustments (net)	-	-
II. Interest Accrued	4,25,164	2,52,836
III. Tax paid in advance (net of provision for tax)	-	2,816
IV. Stationery and stamps	-	-
V. Non-banking assets acquired in satisfaction of claims	-	-
VI. Deferred Tax Assets	5,02,699	18,733
VII. Others	14,10,444	4,65,519
<b>Total (I to VII)</b>	<b>23,38,307</b>	<b>7,39,904</b>
<b>SCHEDULE 12 - Contingent Liabilities</b>		
I. Claims Against the Bank not Acknowledged as debts	6,727	5,913
II. Liability for partly paid investments	-	-
III. Liability on accounts of outstanding forward exchange and derivative contracts	-	-
IV. Guarantees Given on behalf of constituents	-	-
V. Acceptances, endorsements and other Obligations	-	-
VI. Other Items for which the bank is constitutently liable	2,11,467	-
<b>Total (I to VI)</b>	<b>2,18,194</b>	<b>5,913</b>



**SLICE SMALL FINANCE BANK LIMITED (Erstwhile NORTH EAST SMALL FINANCE BANK)**  
**Guwahati, Assam (CIN : U65100AS2016PLC017505)**  
**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

PARTICULARS	(INR in '000)	
	For the Period Ended March 31, 2025	For the Year Ended March 31, 2024
<b>SCHEDULE 13 - Interest Earned</b>		
I. Interest on Advances	35,77,100	15,41,111
II. Income on Investments	4,47,089	2,44,710
III. Interest on Balances with RBI and Other Inter-Bank Funds	61,852	1,70,051
IV. Other interest Income	6,292	2,422
<b>Total (I to IV)</b>	<b>40,92,333</b>	<b>19,58,294</b>
<b>SCHEDULE 14 - Other Income</b>		
I. Commission, Exchange & Brokerage	15,33,822	25,595
II. Profit/ (Loss) on sale of investments (net)	12,166	(1,954)
III. Profit/ (Loss) on revaluation of investments (net)	-	-
IV. Profit/ (Loss) on sale of land, buildings and other assets (net)	(962)	(1,288)
V. Profit / (Loss) on exchange transactions (net)	-	-
VI. Income earned by way of dividends, etc. from subsidiaries/companies and/or joint ventures abroad/in India	-	-
VII. Miscellaneous Income*	3,99,788	5,33,000
<b>Total (I to VII)</b>	<b>19,44,814</b>	<b>5,55,353</b>
* Includes principal recovery from written off accounts of INR 3,25,798 thousands (Previous year INR 5,05,931 thousands.)		
<b>SCHEDULE 15 - Interest Expended</b>		
I. Interest on Deposits	11,84,303	10,12,548
II. Interest on Reserve Bank of India/ Inter-bank borrowings	8,885	1,11,402
III. Other Interest (Including interest on refinance & Tier-II Bonds)	8,12,192	1,18,611
<b>Total (I to III)</b>	<b>20,05,380</b>	<b>12,42,561</b>
<b>SCHEDULE 16 - Operating Expenses</b>		
I. Payments and Provisions for Employees	25,93,456	9,77,734
II. Rent, Taxes and Lighting	2,95,982	1,26,747
III. Printing and Stationery	5,160	10,334
IV. Advertisement and Publicity	1,82,605	10,532
V. Depreciation on Bank's property	2,02,943	76,447
VI. Director's Fees's, Allowances & Expenses	10,842	7,651
VII. Auditors fees and expenses	5,500	3,360
VIII. Law Charges	118	-
IX. Postage, Telegrams, Telephones, etc.	14,201	2,451
X. Repairs and Maintenance	1,26,321	84,565
XI. Insurance	45,062	42,600
XII. Other expenditure	13,29,312	4,03,518
<b>Total (I to XII)</b>	<b>48,11,502</b>	<b>17,45,939</b>



**Schedule 17- Significant Accounting Policies forming part of Financial Statement**

**1. Background**

Slice Small Finance Bank Limited (Erstwhile North East Small Finance Bank Limited) (the "Bank") is a public limited Company incorporated on July 25, 2016 under the provisions of the Companies Act, 2013, received in principle approval from the Reserve Bank of India ("RBI") to form a Small Finance Bank in the private sector under section 22 of the Banking Regulation Act, 1949 on September 16, 2015. The bank received license from the Reserve Bank of India (RBI) to operate as a Small Finance Bank under the Banking Regulation Act, 1949 with effect from March 31, 2017 and commenced its banking operations on October 17, 2017.

The Bank provides Retail banking services and wide range of financial services to economically poor in urban, semi-urban and rural areas. The Bank is headquartered in Guwahati and has seven zones. The Bank presently operates only in India, concentrating in North Eastern Region and West Bengal and does not have a branch in any foreign country.

During the year, scheme for amalgamation of erstwhile Garagepreneurs Internet Private Limited and erstwhile RGVN (North East) Microfinance Limited with and into erstwhile North East Small Finance Bank Limited became effective from October 27, 2024, upon receipt of all requisite approvals and accordingly the financial statements for the financial year ended March 31, 2025 includes the operations of erstwhile Garagepreneurs Internet Private Limited and erstwhile RGVN (North east) Microfinance Limited from October 27, 2024 onwards.

Pursuant to the approval of shareholders and relevant regulatory authorities, the name of the Bank has been changed from North East Small Finance Bank to slice Small Finance Bank with effect from February 11, 2025 as per the fresh Certificate of Incorporation issued by the Registrar of Companies. Further, the name of the Bank has been changed to "slice Small Finance Bank Limited" in the Second Schedule to the Reserve Bank of India Act, 1934 by Notification DoR.LIC.No.S1134/16.13.216/2025-26 dated May 14, 2025, which is published in the Gazette of India (Part III-Section 4) dated May 16, 2025.

**2. Basis of Preparation**

The financial statements have been prepared in accordance with the requirements prescribed under the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements is the accrual method of accounting and historical cost convention and it conforms with Generally Accepted Accounting Principles in India ("Indian GAAP"), the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, Companies (Accounts) Rules, 2021 and other relevant provisions of the Companies Act, 2013 ("the Act") and the Companies (Accounting Standards) Amendment Rules 2016, in so far as they apply to banks and the guidelines issued by the RBI.

**3. Use of Estimates**

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

**4. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured.

- i) Interest Income is recognized in the statement of profit and loss on accrual basis, except in the case of non-performing assets. Interest on non-performing assets is recognized upon realization as per the prudential norms of the RBI. Further, penal charges & penal interest is recognised on receipt basis.
- ii) Processing fees and commission collected on loans disbursed, direct assignments and securitisation are recognised upfront at inception of loan, along with related loan acquisition cost.
- iii) Interest on Government securities, debentures and other fixed income securities is recognized on a period proportion basis.
- iv) Income on discounted instruments is recognized over the tenor of the instrument on a constant Yield to Maturity method.
- v) Commission on sale of insurance products are recognised on accrual basis on sale of number of policies of respective insurance companies.
- vi) PSLC related income and expenses are recognised as and when they become due.
- vii) All other fees are accounted for as and when they become due.



**Schedule 17- Significant Accounting Policies forming part of Financial Statement**

**5. Investments**

**Categorisation of Investments**

The Bank classifies its investment at the time of purchase into one of the following three categories:

- i. Held to Maturity (HTM) – Securities acquired with the intention and objective of holding it to the maturity. The contractual terms of the Securities should give rise to cash flows that are solely payments of principal and interest on principal outstanding (SPPI criteria).
- ii. Available for sale (AFS) – Securities acquired with an objective that is achieved by both collecting contractual cash flows and selling securities. The contractual terms of the Securities should give rise to cash flows that are solely payments of principal and interest on principal outstanding (SPPI criteria).
- iii. Fair Value through Profit and Loss (FVTPL) – Securities that do not qualify for inclusion in HTM or AFS shall be classified under FVTPL.
- iv. HFT- It is a separate sub-category within FVTPL. Any instrument that a bank holds for short-term resale, profiting from short-term price movements, locking in arbitrage profits or hedging risks shall be classified under HFT.

Purchase and sale transaction in securities are recorded under Settlement Date method of accounting, except in the case of the equity shares where Trade date method of accounting is followed.

For the purpose of disclosure in the Balance Sheet, investments are classified under six groups viz., (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures and Bonds, (v) Investments in Subsidiaries and/or Joint Ventures, and (vi) Other Investments.

**Acquisition cost**

- i. Broken period interest on debt instruments is treated as revenue item.
- ii. Brokerage, commission, etc. pertaining to investments, paid at the time of acquisition is charged to the Profit and Loss account.
- iii. Cost of investments is computed based on the First in First Out basis.

**Transfer Between Categories**

Transfer of investments between categories, if any, are considered in accordance with the extant RBI guidelines which are as follows:

- i) Transfer from HTM to AFS - The fair value measured at the reclassification date shall be the revised carrying value. Any gain or loss arising from a difference between the revised carrying value and the previous carrying value shall be recognised in AFS-Reserve.
- ii) Transfer from HTM to FVTPL (including HFT) - The fair value measured at the reclassification date shall be the revised carrying value. Any gain or loss arising from a difference between the revised carrying value and previous carrying value of the investments shall be recognised in the Profit and Loss Account under Item (III): 'Profit on revaluation of investments' under Schedule 14: 'Other Income'.
- iii) Transfer from AFS to HTM - The investments are reclassified at its fair value at the reclassification date. However, the cumulative gain/loss previously recognised in the AFS-Reserve shall be withdrawn therefrom and adjusted against the fair value of the investments at the reclassification date to arrive at the revised carrying value. Thus, the revised carrying value shall be the same as if the bank had classified the investment in HTM ab initio itself.
- iv) Transfer from AFS to FVTPL (including HFT) - The investments shall continue to be measured at fair value. The cumulative gain or loss previously recognised in AFS Reserve shall be withdrawn therefrom and recognised in the Profit and Loss Account, under Item (III): 'Profit on revaluation of investments' under Schedule 14: 'Other Income'.
- v) FVTPL (including HFT) to HTM & AFS - The carrying amount representing the fair value at the reclassification date remains unchanged.



**Schedule 17- Significant Accounting Policies forming part of Financial Statement**

**Valuation of Investments**

- i) Held to Maturity – Securities held in HTM shall be carried at cost and shall not be marked to market (MTM) after initial recognition. Any discount or premium on the securities under HTM shall be amortised over the remaining life of the instrument. The amortised amount shall be reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.
- ii) Available for Sale - The securities held in AFS shall be fair valued at least on a quarterly basis, if not more frequently. Any discount or premium on the acquisition of debt securities under AFS shall be amortised over the remaining life of the instrument. The amortised amount shall be reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'. The valuation gains and losses across all performing investments, irrespective of classification (i.e., Government securities, Other approved securities, Bonds and Debentures, etc.), held under AFS shall be aggregated. The net appreciation or depreciation shall be directly credited or debited to a reserve named AFS Reserve without routing through the Profit & Loss Account.
- iii) FVTPL - The securities held in FVTPL shall be fair valued and the net gain or loss arising on such valuation shall be directly credited or debited to the Profit and Loss Account. Securities that are classified under the HFT sub-category within FVTPL shall be fair valued on a daily basis, whereas other securities in FVTPL shall be fair valued at least on a quarterly, if not on a more frequent basis. Any discount or premium on the acquisition of debt securities under FVTPL shall be amortised over the remaining life of the instrument. The amortised amount shall be reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'
- iv) Market value of government securities (excluding treasury bills) is determined based on trades/quotes as per recognised stock exchange or price published by Financial Benchmark India Pvt Ltd. (FBIL) jointly with Fixed Income Money Market and Derivatives Association (FIMMDA).
- v) Treasury bills are valued at carrying cost, which includes discount amortized over the period to maturity.
- vi) Units of quoted mutual funds are valued as per latest NAV declared by mutual fund. If NAV is not available, these shall be valued at cost.
- vii) Unquoted equity shares are valued at their break-up value which is ascertained from the company's latest balance sheet. In case the latest balance sheet is not available or it is more than 18 months old, the shares are valued at INR 1 per company.
- viii) Provision for non-performing investments is made in conformity with RBI guidelines.

**Sale of Investments**

- (i) Any profit or loss on the sale of investments in HTM shall be recognised in the Profit and Loss Account under Item II of Schedule 14: 'Other Income'. The profit on sale of an investments in HTM shall be appropriated below the line from the Profit and Loss Account to the 'Capital Reserve Account'. The amount so appropriated shall be net of taxes and the amount required to be transferred to Statutory Reserve.
- (ii) Upon sale or maturity of a debt instrument in AFS category, the accumulated gain/ loss for that security in the AFS-Reserve shall be transferred from the AFS Reserve and recognized in the Profit and Loss Account under item II "Profit on sale of investments" under Schedule 14-Other Income.

**Repo and reverse Repo transactions:-**

Repo and reverse Repo transactions in Govt Securities and corporate debt securities are reflected as borrowing and lending transactions respectively. Borrowing cost on repo transactions is accounted as Interest Expense and revenue on reverse repo transactions is accounted as Interest Income.

**6. Loans/Advances and Provision thereon**

**Classification:**

Advances are classified as performing assets and non-performing assets ("NPAs") in accordance with the RBI guideline on Income Recognition and Asset Classification (IRAC). Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. The advances are stated net of specific provisions made towards NPAs.

**Provision:**

Specific loan loss provisions are made as per the rates prescribed by RBI and Bank's internal policy. The provisions towards Standard Assets is made as per the extant RBI notifications and shall not be netted from gross advances but shall be shown separately as 'Provisions against Standard Assets' under 'Other Liabilities and Provisions'.

NPA accounts are written off based on Bank's internal policy and management judgement. Amounts recovered during the year against bad debts written off in earlier years are recognised in the Profit and Loss Account as Miscellaneous income under the head 'Other Income' (Schedule - 14).



**Schedule 17- Significant Accounting Policies forming part of Financial Statement**

**Floating Provision:**

Provisions made in excess of the Bank's policy for specific loan loss provisions for non-performing assets and regulatory general provisions are categorised as floating provisions. Creation of floating provisions is approved by the Board of Directors in accordance with the RBI guidelines. Floating provisions are used only for contingencies under extraordinary circumstances and for making specific provisions for impaired accounts as per Board approval and regulatory approval. Floating provisions, if any, are shown under "Other liabilities and Provisions" (Schedule 5).

**Securitization and Assignment**

Assets transferred through securitization and direct assignment of cash flows are de-recognized in the Balance Sheet when they are sold (true sale criteria being fully met with) and consideration is received. Sales / transfers that do not meet true sale criteria are accounted for as borrowings. For a securitization or direct assignment transaction, the Bank recognizes profit upon receipt of the funds and loss is recognized at the time of sale.

The Bank invests in Pass Through Certificates (PTCs) issued by other Special Purpose Vehicles (SPVs). These are accounted at acquisition cost and are classified as investments. The Bank also buys loans through the direct assignment route which are classified as advances. These are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised based on effective interest rate method over the tenor of the loans.

**Restructuring:**

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 advances / 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.

In accordance with the RBI guidelines on the prudential framework for resolution of stressed assets and the resolution framework for COVID-19 related stress, the Bank in accordance with its Board approved policy, carried out one-time restructuring of eligible borrowers. The asset classification and necessary provisions thereon are done in accordance with the said RBI guidelines.

**7. Fixed Assets (Tangible and Intangible)**

7.1 Fixed assets are stated at cost, net of accumulated depreciation and impairment. The cost of an asset comprises its purchase price and any cost directly attributable to bringing the asset to its working condition and location for its intended use. Subsequent expenditure on fixed assets after its purchase is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

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

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

7.3 Receipt of any Grant / Subsidy shall be adjusted in the cost of Fixed Assets for which such Grant / Subsidy has been received.

7.4 Capital work-in-progress includes costs incurred towards creation of fixed assets that are not ready for its intended use.

7.5 Item costing less than INR 5,000/- shall be fully depreciated in the year of purchase.



**Schedule 17- Significant Accounting Policies forming part of Financial Statement**

**8. Depreciation & Amortization**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. For the purpose of depreciation calculation, residual value of assets has been considered as NIL. Leasehold improvements are amortized over the duration of the lease. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

The useful life being followed by the Bank as prescribed in Schedule II to the Companies Act, 2013 is as follows:

Asset	Max useful Life (No of Years)
Computer (Incl Desktop)	3
Furniture & Fixtures	10
Office equipment	5
Motor Vehicle	8
Servers & Networks	6
Software and other intangible assets	3
Goodwill	5

Depreciation on assets acquired/sold during the period is recognised on a pro-rata basis to the Profit and Loss Account from/upto the date of acquisition/sale.

Profit or loss arising from sale of fixed asset is recognised as income or expense in Profit & Loss account.

**9. Employee Benefits**

**Provident Fund:** Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Bank has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Bank does not carry any further obligations, apart from the contributions made on a monthly basis.

**Gratuity:** The Gratuity scheme of the Bank is a defined benefit scheme and the expense for the period is recognized on the basis of actuarial valuation at the Balance Sheet date. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method which recognizes each period of service that gives rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Actuarial losses/ gains are recognized in the Profit and Loss Account in the year in which they arise.

**Leave Encashment:** Provision for compensated absences is made on the basis of actuarial valuation as at the Balance Sheet date. The actuarial valuation is carried out using the Projected Unit Credit Method. Actuarial losses/ gains are recognized in the Profit and Loss Account in the year in which they arise.

**Share based payments**

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

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an Black scholes. That cost is recognised, together with a corresponding increase in Employee Stock Option Plan (ESOP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The impact of the revision of the original estimates, if any, is recognised in Profit and Loss account such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the related other equity account.

For cash-settled share-based payments, the fair value of the amount payable to its advisors and consultants is recognised as vendor share based payment expense with a corresponding increase in liabilities, over the vesting period. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognised in vendor share based payment expense.



**Schedule 17- Significant Accounting Policies forming part of Financial Statement**

**10. Taxes**

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized, in general, only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In case of unabsorbed depreciation and/or carry forward of losses under tax laws, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax asset can be realized against future taxable income.

Deferred tax asset are reviewed at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realised.

**11. Cash and Cash equivalent**

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice (excluding fixed deposits with original maturity of more than three months) and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**12. Cash Flow Statement**

Cash flows are reported using the Indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of Income or expenses associated with investing or financing cash flows. The cash flows from Operating, Investing and Financing activities of the Bank are segregated.

**13. Segment Reporting**

In accordance with the guidelines issued by the RBI vide DBOD.No.BP.BC.81/21.01.018/2006-07 dated April 18, 2017 and accounting standard 17 (AS-17) on "Segment Reporting", the Bank's business has been segregated into Treasury and Retail banking segments, the Bank has adopted Segment Reporting as under:

- i) Treasury includes all investment portfolios, Profit / Loss on sale of Investments, income from money market operations. The expenses of this segment consist of interest expenses on funds borrowed from external sources as well as internal sources and depreciation / amortization of premium on Held to Maturity category investments as well as relevant operating expenses.
  - ii) Retail Banking includes lending to and deposits from retail customers and identified earnings and expenses of the segment
  - iii) Other Banking operation includes all other operations not covered under Treasury & Retail Banking operation.
- Unallocated includes Capital & Reserves and other unallocated Assets, Liabilities, Income & Expense.

**14. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year.



**Schedule 17- Significant Accounting Policies forming part of Financial Statement**

**15. Provisions and contingent assets/liabilities**

In accordance with AS-29, a provision is recognized when there is an 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 are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is:

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

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

Contingent assets, if any, are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

**16. Leases**

Lease rentals under operating lease are charged to the Profit and Loss Account on straight line basis over the lease term in accordance with AS-19.

Lease arrangements where risk and rewards incidental to ownership of an assets substantially vest with the lessor are recognised as operating leases.

**17. Investment Fluctuation Reserve**

In accordance with RBI Guidelines, banks are required to create a minimum Investment Fluctuation Reserve (IFR) equivalent to 2% of AFS and HFT Portfolio.

**18. Statutory Reserve**

Pursuant to the requirements of Section 17 of the Banking Regulation Act, 1949 and RBI guidelines dated September 23, 2000, the Bank is required to appropriate 25% of profit after tax for the year to the statutory reserve.

**19. Share Issue Expenses**

Share issue expenses are adjusted against Share Premium in terms of section 52 of Companies Act, 2013.

**20. Corporate Social Responsibility**

Expenditure incurred towards corporate social responsibility are recognised as and when becomes due.

**21. Borrowing Cost**

Borrowing cost includes interest, amortisation of ancillary cost incurred in connection with the arrangement of borrowings.

**22. Priority Sector Lending Certificates (PSLCs)**

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

**23. Sale of stressed assets**

In case of sale of stressed assets, the bank follows RBI guidelines on 'Transfer of Loan Exposures'. In accordance with RBI guidelines on sale of nonperforming advances, if the sale is at a price below the net book value (i.e., book value less provisions held), the shortfall is charged to the Profit and Loss Account and if the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year when the sum of cash received by way of initial consideration and / or redemption or transfer of security receipts issued by ARC exceeds the net book value of the loan at the time of transfer.

**24. Transactions involving foreign exchange**

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

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

**25. Research and development costs**

Research costs incurred by the bank are expensed off when incurred. However, in the case of development costs, if there is an identifiable asset where commercial and technical feasibility of the project is established, the cost incurred on the same is capitalised and the same is amortised as per the depreciation policy of the bank.

Schedule III – Notes forming part of the Financial Statements

1. Capital  
1.1 Amalgamation

The Board of Directors approved at its meeting held on October 20, 2023, Corporate Scheme Of Arrangement And Amalgamation ("Scheme") is given below, under Sections 230 to 232 of the Companies Act, 2013 and other applicable laws including the rules and regulations. On 12 March 2024, the bank has obtained the approval from Competent Authority of Commission of India (CCI). Further NCLT, in accordance with Sections 230 to 232 of the Companies Act, 2013 and rules thereunder, vide its order dated August 04, 2024 sanctioned the Scheme. Upon receipt of all requisite approvals, the Bank filed form IVB 28 with Registrar of Companies and accordingly, the scheme became effective on October 27, 2024.

Amalgamation of erstwhile Quodilion Finance Private Limited and erstwhile Margalaxy Finance Private Limited with erstwhile Garagaprasanna Internet Private Limited ("Garagaprasanna I") and erstwhile Haragaprasanna ("Haragaprasanna"), RSN (NORTH EAST) Microfinance Limited ("RSM") with and into slice Small Finance Bank Limited (erstwhile North East Small Finance Bank Limited, "the bank")

The amalgamation has been accounted under the "pooling of interest" method as prescribed in Accounting Standard-14 "Accounting for amalgamation" ("AS-14"), as mentioned below:

- + One by One consolidation of all assets and liabilities of Garagaprasanna and RSM with the bank.
- + Elimination of all intercompany transactions between Garagaprasanna, RSM and the bank.
- + Consolidation of investment done by Garagaprasanna and RSM.
- + Consolidation of paid-up share capital and CCPS of Garagaprasanna and RSM shareholders.
- + Issuance of Shares (equity and CCPS) to the shareholders of Garagaprasanna and RSM in per the agreed swap ratio of 34.082 and 4.57 respectively, as per the scheme.
- + Capital Reduction in Amalgamated bank by 90% of all categories of shares from INR 10 and INR 100 paid up value to INR 1 and INR 50 paid up value, respectively, as per the scheme.

1.2 Capital Injection

Consequent upon amalgamation becoming effective, the authorized share capital of the bank stood at INR 1,855.83 crore (10,00,00,000 equity shares of INR 1/- each, 7,20,00,00,000 non-cumulative convertible preference shares of INR 1/- each and 2,80,00,000 compulsory convertible preference shares of INR 10 each). In terms of the Scheme, the Bank has issued and allotted 10,68,45,12,215 equity shares to the shareholders of Garagaprasanna & RSM as on October 27, 2024, being the record date fixed by the Board of Directors as per the Scheme, in accordance with the share exchange ratio as approved in the Scheme.

During the year, the bank has converted eligible Non-cumulative Compulsory Convertible Preference Shares having face value INR 10 each amounting to INR 124.3 crore into equity shares of INR 10 each having face value of INR 1 each.

Accordingly, the paid-up share capital of the bank increased from INR 468.38 crore consisting of 46,91,80,961 equity shares of INR 10/- each to INR 1,592.82 cro comprising 1,06,84,59,249 equity shares of INR 1/- each & 30,95,34,300 partly paid equity shares of INR 2.5/- each having face value INR 1/- each and 11,14,21,27,544 Non-cumulative Compulsory Convertible Preference Shares of INR 1/- each.

As on 31st March 2025, the details of equity shares as well as total sum of CCPS (including the above) are as follows:

Particulars	Number of Equity Shares	Number of CCPS	Amount of Equity Capital	Amount of CCPS	Amount of Share Premium
Opening Balance as on 01.04.2024	46,91,80,961	-	46,85,824	-	21,471
Opening balance adjustment on account of amalgamation	7,80,71,15,568	2,47,74,17,064	19,53,138	24,77,417	(1,12,654)
(i) fully paid up equity shares and non-convertible compulsory convertible preference shares	7,48,76,28,598	2,47,74,17,064	22,73,216	24,77,417	(14,085)
(ii) partly paid up equity shares	31,95,16,970	-	3,79,922	-	-
Sub Total	8,27,68,94,128	2,47,74,17,064	82,48,062	24,77,417	8,426
Converted into equity shares	96,72,89,730	(96,72,89,730)	2,87,298	(9,97,780)	3,46,301
Closing Balance as on 31.03.2025	9,27,42,45,149	1,48,81,27,334	92,45,371	14,80,128	3,45,427

As on 31st March 2025, the total sum of equity shares as well as total sum of CCPS (including the above) are as follows:

Particulars	Number of Equity Shares	Number of CCPS	Amount of Equity Capital	Amount of CCPS	Amount of Share Premium
Opening Balance as on 01.04.2023	32,77,66,276	1,01,46,511	32,71,693	1,01,465	1,45,162
Add fresh issues during the period	(1,01,08,086)	-	(1,01,081)	-	2,724
Sub Total	45,78,86,360	1,01,46,511	45,78,854	1,01,465	1,47,886
Converted into equity shares	5,12,72,999	(1,01,46,511)	3,12,743	(1,01,465)	(1,04,272)
Closing Balance as on 31.03.2025	46,91,80,961	-	46,85,824	-	21,471

1.3 Capital Adequacy Ratio

The following table sets forth, for the year indicated, comparison of capital adequacy ratio as per the following guidelines applicable for small finance bank.

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Common Equity Tier 1 Capital (CET 1)	36,17,868	5,80,178
(ii) Additional Tier 1 Capital	27,31,531	-
(iii) Additional Tier 1 Capital (%)	7.49%	-
(iv) Tier 1 capital (i + ii)	57,79,401	5,80,178
(v) Tier 2 capital	17,06,424	3,14,448
(vi) Total capital (Tier 1 + Tier 2)	74,85,825	8,94,625
(vii) Total Risk Weighted Assets (RWA)	3,48,68,245	79,59,044
(viii) CET 1 Ratio (CET 1 ratio as a percentage of RWA)	8.21%	7.19%
(ix) Tier 1 Ratio (Tier 1 Capital as a percentage of RWA)	12.69%	7.19%
(x) Tier 2 Ratio (Tier 2 Capital as a percentage of RWA)	4.51%	4.16%
(xi) Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as percentage of RWA)	20.39%	11.35%
(xii) Leverage Ratio	13.74%	3.22%
(xiii) Percentage of the shareholding of		
a) Government of India	-	-
b) State Government	0.00%	0.00%
c) Sponsor Bank	0.00%	0.00%
(xiv) Amount of paid-up share capital raised during the year	81	11,85,381
(xv) Amount of non-equity Tier 1 capital raised during the year	80	-
(xvi) Amount of Tier 2 capital raised during the year	80	1,30,088

Notes

(i) The Bank complies its Capital Adequacy Ratio as per Capital Adequacy Framework - (BASEL-III) and Operating Guidelines for Small Finance Banks (issued by RBI on October 6, 2016)

(ii) Under Capital Adequacy Framework and Operating Guidelines for Small Finance Bank issued on October 6, 2016, the Bank has to maintain a Minimum Total Capital (MTC) of 15% of the Credit risk weighted assets (Credit RWA) as an average ratio. Out of the MTC, at least 7.5% shall be from Tier 1 Capital of which common equity Tier 1 capital shall be at least 6% and balance 1.50% can be from additional Tier 1 capital and remaining shall be from Tier 2 Capital. Further as per RBI's directions given in the order DBR.NID.No.452/34.11.15/2017-18, dated November 8, 2017, no separate risk charge has been allocated for Market Risk and Operational Risk for capital ratio.

(iii) Subordinated debt inclusion in Tier 2 capital has been limited to 5% of Tier 1 capital.

(iv) The bank has applied additional 2% risk weight on advances classified as newly opened graduated borrowings.

(v) In accordance with the RBI guidelines, banks are required to enter Pillar 1 disclosures under the Basel III Framework and Net Stable Funding Ratio (NSFR) Disclosures. These disclosures are available on the Bank's website at the following link: <https://www.slicefinancetech.com/Regulatory-Disclosure>. These disclosures have not been subjected to audit by the statutory auditors of the Bank.



2. Investments

2.1 Details of Investments

Particulars	As at March 31, 2024	As at March 31, 2023
1. Value of Investments		
(i) Gross Value of Investments		
(a) In India	84,22,916	55,01,965
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	6,71,527	-
(b) Outside India	-	-
(iii) Net Value of Investments	77,51,389	55,01,965
(a) In India	77,51,389	55,01,965
(b) Outside India	-	-
2. Movement of provisions held towards depreciation on investments		
1. Opening Balance	-	-
2. Add: Provisions made during the year	6,71,527	-
3. Less: Write back of provisions made during the year	-	-
4. Closing Balance	6,71,527	-

2.2 Composition of Investment Portfolio

As at 31 March 2025

Particulars	Investment in India							Investment outside India				Total Investment
	Govt Securities	Other Approved Securities	Shares	Debt Instruments & Bonds	Subsidiaries and/or joint ventures	Others (Security receipts)	Total Investment in India	Govt Securities (Including Local Authorities)	Subsidiaries and/or joint ventures	Others	Total Investment Outside India	
<b>Held to Maturity</b>												
Gross	33,38,705	-	-	-	-	-	33,38,705	-	-	-	-	33,38,705
Less: Provision for non performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	33,38,705	-	-	-	-	-	33,38,705	-	-	-	-	33,38,705
<b>Available for Sale</b>												
Gross	44,50,684	-	-	-	-	6,71,527	51,22,211	-	-	-	-	51,22,211
Less: Provision for non performing investments (NPI)	-	-	-	-	-	6,71,527	6,71,527	-	-	-	-	6,71,527
Net	44,50,684	-	-	-	-	-	44,50,684	-	-	-	-	44,50,684
<b>Fair Value through Profit and Loss - Held for Trading</b>												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for non performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Investments</b>	77,89,389	-	-	-	-	6,71,527	84,60,916	-	-	-	-	84,60,916
Less: Provision for non performing investments	-	-	-	-	-	6,71,527	6,71,527	-	-	-	-	6,71,527
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	77,89,389	-	-	-	-	-	77,89,389	-	-	-	-	77,89,389

As at March 31, 2024

Particulars	Investment in India							Investment outside India				Total Investment
	Govt Securities	Other Approved Securities	Shares	Debt Instruments & Bonds	Subsidiaries and/or joint ventures	Others (Security receipts)	Total Investment in India	Govt Securities (Including Local Authorities)	Subsidiaries and/or joint ventures	Others	Total Investment Outside India	
<b>Held to Maturity</b>												
Gross	34,76,321	-	-	-	-	-	34,76,321	-	-	-	-	34,76,321
Less: Provision for non performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	34,76,321	-	-	-	-	-	34,76,321	-	-	-	-	34,76,321
<b>Available for Sale</b>												
Gross	19,33,529	-	-	-	-	9,90,026	29,23,555	-	-	-	-	29,23,555
Less: Provision for non performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	19,33,529	-	-	-	-	9,90,026	29,23,555	-	-	-	-	29,23,555
<b>Held for Trading</b>												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for non performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Investments</b>	54,10,850	-	-	-	-	9,90,026	64,00,876	-	-	-	-	64,00,876
Less: Provision for non performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	54,10,850	-	-	-	-	9,90,026	64,00,876	-	-	-	-	64,00,876

In order to adhere to the RBI Master Direction - Classification, Valuation and Operation of Investment Portfolio of Government Bonds (Directives), 2023 issued on September 12, 2023, the bank has re-organized securities as on April 2024, hence previous year figures are not comparable.



2.2 Details of Repo/ Reverse Repo including Liquidity Adjustment Facility (LAF) transactions (in Rupee crore) for FY 2024-25

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the period	Outstanding as on March 31, 2025
Securities sold under repo				
1. Government securities	-	-	-	-
a) MSF	49,800	1,12,441	76,621	-
b) Repo with RBI	31,300	57,700	53,191	-
2. Corporate debt securities	-	-	-	-
a. Any Other securities	-	-	-	-
Securities purchased under reverse repo				
1. Government securities	90,000	30,00,010	2,59,001	-
2. Corporate debt securities	-	-	-	-
3. Any Other securities	-	-	-	-

Details of Repo/ Reverse Repo including Liquidity Adjustment Facility (LAF) transactions (in Rupee crore) for FY 2023-24

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the period	Outstanding as on March 31, 2024
Securities sold under repo				
1. Government securities	9,680	2,28,568	1,51,686	-
2. Corporate debt securities	-	-	-	-
3. Any Other securities	-	-	-	-
Securities purchased under reverse repo				
1. Government securities	1,26,190	1,26,190	1,26,190	-
2. Corporate debt securities	-	-	-	-
3. Any Other securities	-	-	-	-

2.4 Non-SLR Investment Portfolio:

(i) Non-performing non-SLR investments

Sl No.	Particulars	As at March 31, 2025	As at March 31, 2024
a	Opening Balance	-	-
b	Additions during the year	-	-
c	Reductions during the above period	-	-
d	Closing balance	-	-
e	Total provisions held	-	-

(ii) Sector Composition of Non-SLR Investments:

Sl No.	Sector	As at March 31, 2025					As at March 31, 2024				
		Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
ii	PSUs	-	-	-	-	-	-	-	-	-	-
iii	Fls	-	-	-	-	-	-	-	-	-	-
iv	Banks	-	-	-	-	-	-	-	-	-	-
vi	Private Corporate	-	-	-	-	-	-	-	-	-	-
vii	Subsidiaries/ Joint Ventures	-	-	-	-	-	-	-	-	-	-
viii	Others (Security Receipts)	6,71,527	-	-	-	6,71,527	9,99,026	-	-	-	9,99,026
ix	Provision held towards depreciation	6,71,527	-	-	-	6,71,527	-	-	-	-	-
	Total	-	-	-	-	-	9,99,026	-	-	-	9,99,026

2.3 Sale and transfer of securities to/ from IITM Category

Particulars of Securities	March 31, 2025		March 31, 2024	
	Book value	Market value	Book value	Market value
Total of IITM securities before shifting of AFS to IITM	-	-	-	-
Total of AFS Securities shifted to IITM	-	-	-	-
Percentage of securities transferred from AFS to IITM	-	-	-	-

2.6 Derivatives

The bank has not transacted in Derivatives during the year ended March 31, 2025. (Previous year NIL)

2.7 Credit Default Swaps

The bank has not transacted in credit default swaps during the year ended March 31, 2025. (Previous year NIL)

2.8 Unhedged foreign currency exposure

The bank does not have unhedged foreign currency exposure as at March 31, 2025 (Previous Year- NIL)



Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2025
SDF Lending	10,000	17,30,000	6,47,651	11,46,000

Disclosure on SDF Lending for FY 2023-24

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2024
SDF Lending	10,000	31,10,000	7,98,708	9,21,000

2.10 Movement of Provisions for Depreciation and Investment Fluctuation Reserve

Particulars	As at March 31, 2025	As at March 31, 2024
1) Movement of provisions held towards depreciation on investments		
a) Opening balance	-	-
b) Add: Provisions made during the year	6,71,527	-
c) Less: Write off / write back of excess provisions during the year	-	-
d) Closing balance	6,71,527	-
2) Movement of Investment Fluctuation Reserve		
a) Opening balance	-	1,10,700
b) Add: Amount transferred during the year	-	-
c) Less: Drawdowns	-	-
d) Closing balance	-	1,10,700
3) Closing balance is 5% as a percentage of closing balance of investments in AFS and HFT category	-	-

2. Asset Quality

2.1 Classification of advances and provisions held

Particulars	As at March 31, 2025				Total
	Standard	Non Performing		Total NPA	
		Total Standard Advances	Sub Standard		
<b>Gross Standard Advances and NPAs</b>					
Opening Balance	71,47,713	5,62,286	1,29,641	9,02,656	81,45,750
Add: Addition on account of amalgamation	-	-	-	6,61,730	6,61,730
Add: Addition during the year	-	-	-	10,90,602	10,90,602
Less: Reductions during the year*	-	-	-	10,73,841	10,73,841
Closing balance	71,47,713	5,62,286	1,29,641	9,02,656	81,45,750
*Reductions in Gross NPAs due to:					
1) Upgrades	-	-	-	38,895	38,895
2) Recoveries (including recoveries from upgraded accounts)	-	-	-	2,08,541	2,08,541
3) Technical/Prudential Write-offs	-	-	-	6,55,525	6,55,525
4) Write-offs other than those under (2) above	-	-	-	-	-
<b>Provisions (including Floating Provisions)</b>					
Opening balance of provisions held	46,519	1,91,308	1,29,641	3,21,441	3,85,800
Add: Addition on account of amalgamation	-	-	-	2,18,819	2,18,819
Add: Fresh provisions made during the year	-	-	-	8,28,827	8,28,827
Less: Excess provisions reversed/ Write-off limits	-	-	-	5,55,525	5,55,525
Closing balance of provisions held	46,519	1,91,308	1,29,641	3,21,441	4,04,000
<b>Net NPAs</b>					
Opening Balance	-	6,70,296	-	6,70,296	6,70,296
Add: Addition on account of amalgamation	-	-	-	6,35,795	6,35,795
Add: Fresh additions during the year	-	-	-	3,72,105	3,72,105
Less: Recoveries during the year	-	-	-	3,27,516	3,27,516
Closing Balance	-	6,70,296	-	6,70,296	6,70,296

\* Including Opans



Particulars	As at March 31, 2024				Total
	Standard	Non Performing		Total NPA	
	Total Standard Advances	Sub Standard	Doubtful		
<b>Gross Standard Advances and NPAs</b>					
Opening Balance	1,26,70,758	6,89,888	26,04,248	34,73,716	1,90,84,274
Add: Additions during the year	-	-	-	25,52,498	25,52,498
Less: Reductions during the year*	-	-	-	58,23,778	58,23,778
<b>Closing Balance</b>	<b>12,67,113</b>	<b>6,89,888</b>	<b>1,29,461</b>	<b>9,32,094</b>	<b>85,48,709</b>
*Movements in Gross NPAs due to:					
(i) Upgradation	-	-	-	6,738	6,738
(ii) Recoveries (including recoveries from upgraded accounts)**	-	-	-	30,27,054	30,27,054
(iii) Technical/Prudential Write-offs	-	-	-	-	-
(iv) Write-offs other than those under (ii) above	-	-	-	-	-
<b>Provisions (including Floating Provisions)</b>					
Opening balance of provisions held	1,27,348	1,27,473	23,44,248	30,51,478	34,16,728
Add: Fresh provisions made during the year	-	-	-	5,48,458	5,48,458
Less: Excess provision reversed/Write-off from	-	-	-	26,98,396	26,98,396
<b>Closing balance of provisions held</b>	<b>44,259</b>	<b>1,91,880</b>	<b>1,29,461</b>	<b>3,21,441</b>	<b>3,65,888</b>
<b>Net NPA</b>					
Opening Balance	-	2,71,878	-	1,71,438	2,71,678
Add: Fresh additions during the year	-	-	-	4,74,596	4,74,596
Less: Reductions during the year	-	-	-	2,71,478	2,71,478
<b>Closing Balance</b>	-	<b>6,70,286</b>	-	<b>6,70,286</b>	<b>6,70,286</b>

\*\* Includes INR 49,42,415 thousands towards sale of stressed assets to AMC.

† In lakhs figure

Additional and reduction does not include recoveries which formed NPA during a particular month and subsequently moved out of NPA in the same month.

**3.1 Floating Provisions:**

Particulars	March 31, 2025	March 31, 2024
(i) Opening Balance in the Floating Provision account	-	1,34,800
(ii) The quantum of floating provisions made during the current year	-	-
(iii) Amount of disclosure made during the current year	-	1,34,800
(iv) Closing balance in the Floating provision account	-	-

**3.2 Technical or Prudential Write Offs:**

Particulars	March 31, 2025	March 31, 2024
Opening Balance of Technical/Prudential write off accounts	17,05,562	18,11,054
Add: Opening balance adjustment on account of amalgamation	26,17,583	-
Add: Technical/Prudential write off during the year	9,59,525	-
<b>Sub Total (A)</b>	<b>36,72,670</b>	<b>18,11,054</b>
Less: Recoveries made from previously technical/prudential write off account during the year (B)	3,25,798	5,05,931
<b>Closing Balance (A-B)</b>	<b>33,46,872</b>	<b>13,05,123</b>

**3.4 Ratio in %**

Particulars	March 31, 2025	March 31, 2024
Gross NPA to Gross Advances	6.29%	11.89%
Net NPA to Net Advances	4.07%	6.24%
Provision coverage ratio including Technical/Prudential	79.44%	78.82%
Provision coverage ratio within Technical/Prudential	36.67%	32.40%

**3.5 Sector-wise Advances**

Sector	As at March 31, 2025			As at March 31, 2024		
	Gross Advances	Gross NPAs	% of Gross NPAs to Gross Advances in that sector	Gross Advances	Gross NPAs	% of Gross NPAs to Gross Advances in that sector
<b>A. Priority Sector</b>						
1. Agricultural and Allied Activities	2,20,992	1,12,541	49.99%	3,00,681	3,08,259	99.17%
2. Advances to Industries Sector eligible as PSL	18,47,181	3,78,716	20.51%	18,65,897	37,791	2.02%
3. Services	31,79,341	1,95,498	6.15%	18,02,877	55,667	3.09%
4. Personal Loans and others	8,87,348	1,83,553	20.69%	32,48,879	5,58,813	17.19%
<b>Sub-Total (A)</b>	<b>46,41,262</b>	<b>8,21,318</b>	<b>17.69%</b>	<b>74,48,234</b>	<b>9,84,489</b>	<b>13.22%</b>
<b>B. Non Priority Sector</b>						
1. Agricultural and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
4. Personal loans and others	2,48,04,861	18,26,313	7.36%	3,68,516	7,051	1.91%
<b>Sub-Total (B)</b>	<b>2,48,04,861</b>	<b>18,26,313</b>	<b>7.36%</b>	<b>3,68,516</b>	<b>7,051</b>	<b>1.91%</b>
<b>Total</b>	<b>2,94,46,124</b>	<b>18,47,631</b>	<b>6.29%</b>	<b>80,44,798</b>	<b>9,91,540</b>	<b>12.32%</b>

(i) The bank has completed the data for the purpose of this disclosure from its internal MIS system/reports, which has been furnished by the management and the same has been relied upon by auditors.

(ii) To comply with PSL guidelines prescribed by the RBI, bank has purchased PSLC of INR 7,00,000 thousands (Previous year INR 18,30,000 thousands) in each PSL, except under Agri and SME segments.

Please refer note no. 29 under notes to financial statements.



3.6 Disclosure of transfer of loan exposures

3.6.1 Transfer on non-stressed assets

Particulars	As on March 31, 2025	As on March 31, 2024
No of Accounts		
Aggregate principal outstanding of loans transferred	75,190	Nil
Weighted average maturity of the loans transferred	3.27 years	Nil
Weighted average residual term of the loans transferred	11.6 months	Nil
Weighted average holding period of the loans transferred	5.42 months	Nil
Estimation of economic benefits forecast	21,335	Nil
Aggregate consideration	4,81,740	Nil

3.6.2 Transfer on stressed assets

Particulars	As on March 31, 2025			As on March 31, 2024		
	To ABCs	To guaranteed transferees	To other transferees (please specify)	To ABCs	To guaranteed transferees	To other transferees (please specify)
No of Accounts	Nil	Nil	Nil	1,00,020	Nil	Nil
Aggregate principal outstanding of loans transferred	Nil	Nil	Nil	25,42,448	Nil	Nil
Weighted average residual term of the loans transferred	Nil	Nil	Nil	14 months	Nil	Nil
Net book value of loans transferred (at the time of transfer)	Nil	Nil	Nil	16,13,654	Nil	Nil
Aggregate consideration	Nil	Nil	Nil	14,59,909	Nil	Nil
Additional consideration received in respect of accounts transferred in earlier years	Nil	Nil	Nil	-	Nil	Nil
Quantum of Excess Provisions Reverted to Profit & Loss Account	Nil	Nil	Nil	(44,940)	Nil	Nil

The bank has not purchased/liquidated any stressed loan assets.

3.6.3 Details of loans acquired through Direct assignments

Particulars	As on March 31, 2025		As on March 31, 2024	
	From PCBs, RBIs, UCBs, SCBs, DCCBs, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)	From ABCs	From PCBs, RBIs, UCBs, SCBs, DCCBs, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)	From ABCs
Aggregate principal outstanding of loans acquired	1,74,376	Nil	Nil	Nil
Aggregate consideration paid	3,41,772	Nil	Nil	Nil
Weighted average residual term of the loans acquired*	20.50 Months	Nil	Nil	Nil

\*Weighted average residual term is computed from the date of acquisition till the maturity of loan accounts.

3.7 Details of book value of investment in security receipts (SR)

Rating	Rating agency	Recovery rating	Gross outstanding of SR as on March 31, 2025	Gross outstanding of SR as on March 31, 2024
BBB	India Ratings & Research	20%-79%	A.T. 517	4,80,020

\*The bank has created 100% provision on outstanding balance of SR as on March 31, 2025.

3.8 Provision for standard assets

Bank has followed the prudential norms on income recognition, asset classification and provisions.

The provision on standard assets is included in "Other Liabilities and Provisions" of the Balance Sheet and is set against off-Balance Accounts.

Particulars	March 31, 2025	March 31, 2024
The amount of provision held on standard assets	1,12,326	44,354

3.9 Divergence in Asset Classification and Provisioning for NPAs

RBI vide its Master Direction (Ref. RBI/DOR/2021-22/81 DOB.ACC.RR/No.45/21.04.2019/2021-22 dated August 30, 2021 and various amendments thereto (last updated on February 26, 2023), has directed banks to make suitable disclosures, if either or both of the following conditions are satisfied:

(a) the additional provisioning for NPAs received by RBI as part of its supervisory process, exceeds 5 per cent 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 5 per cent of the reported (unaudited) Gross NPAs for the reference period.

The bank has been subjected to RBI AFI for the FY 2023-24 and the report is awaited as on the date of signing of balance sheet date. Further, with respect to the annual financial inspection FY 2023-24, there has been no material divergence observed by the RBI in asset classification and provisioning for NPAs.



Schedule 19 - Notes forming part of the Financial Statements  
2.18 Realisation of Stressed Assets

In line with Covid-19 stress resolution risk RBI circular RRB/2023/21/14 DOR No. 07/07/2023 dated 04/09/2023 & 16 May 2021 bank has reclassified 1,17,299 accounts aggregating to INR 57,76,547 thousands.

Position as on March 31, 2025

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of 30th September 2024 (A)	Of aggregate debt due (disputed) NPA during the year	GAU	Of (A) amount written off during the year	Of (A) amount paid by borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this year
Personal Loans / Individual Loans	2,685	715		80	1,112	253
Corporate accounts	Nil	Nil		Nil	Nil	Nil
Of which MSMEs	Nil	Nil		Nil	Nil	Nil
Others	Nil	Nil		Nil	Nil	Nil
Total	2,685	715		80	1,112	253

Position as on March 31, 2024

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of 30th September 2023 (A)	Of aggregate debt due (disputed) NPA during the year	GAU	Of (A) amount written off during the year	Of (A) amount paid by borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this year
Personal Loans / Individual Loans	1,37,793	3,180		-	1,45,731	8,262
Corporate accounts	Nil	Nil		Nil	Nil	Nil
Of which MSMEs	Nil	Nil		Nil	Nil	Nil
Others	Nil	Nil		Nil	Nil	Nil
Total	1,37,793	3,180		-	1,45,731	8,262

Note: Bank has not allowed any processing for its restructured loans under Covid-19.

Methods amount received from ARC towards sale of stressed assets which were restructured under covid-19 amounting INR 7,25,185 thousands.

2.11 Resolution Plan under Flood identified to natural calamity in the State of Assam

During FY 2022-23, Govt. of Assam Revenue Department issued a notification no. BDM/14015/100/2022-ESTT (02)-REB-Revcom & D.M. 1401/06/2022 dated 2nd August 2022 regarding the large scale devastation across 14 districts of state of Assam except Kochi Anging as due to natural flood across starting from 6th April 2022 to natural disaster affecting the state of Assam. Accordingly, Bank has taken necessary steps in line with RBI guidelines/SLOC directive in this regard to provide relief measures to the affected borrowers in those 14 districts. The bank implemented the said resolution plan to 1,40,379 accounts involving a total amount of INR 46,52,595 thousands. Out of those 1,25,891 nos of accounts are also covered under Covid-19 Restructuring.

The position of Flood restructuring accounts are as under:-

Asset Class	Position as on March 31, 2025		Position as on March 31, 2024	
	No of accounts	INR in '000'	No of accounts	INR in '000'
Standard Regular	25	817	365	7,785
Standard (Regular) (SMA-0)	26	643	191	2,138
Standard PPIA-Stage 1(SMA-1)	25	1,340	77	1,385
Standard PPIA-Stage 2(SMA-2)	28	351	98	1,392
Non performing assets	185	432	80	1,798
Grand Total	379	3,623	1,294	14,400

2.12 Implementation of Relief Measures on account of violence and unrest in the state of Manipur.

During the period Govt. of Manipur has issued a notification No. CTH/FP-2/3/2023 DP-DF dated 21/06/2023 declaring that the whole state of Manipur has been affected by riots/disturbances since 03/05/2023 and that the provision of Relief measures as per the RBI Master Directive RRB/FPDO/2018-18/44 and RRB/FPDO/2018-18/45 dated 17/10/2018 may be taken up. Accordingly, Bank has taken necessary steps in line with RBI guidelines/SLOC directive in this regard to provide relief measures to the affected borrowers in the State of Manipur. The bank implemented the said resolution plan to 2,699 accounts involving a total amount of INR 2,67,472 thousands.

The position of accounts restructured under riots & disturbances are as under:-

Asset Class	Position as on March 31, 2025		Position as on March 31, 2024	
	No of accounts	INR in '000'	No of accounts	INR in '000'
Standard Regular	221	14,677	2,348	2,82,650
Standard (Regular) (SMA-0)	198	16,771	5	411
Standard PPIA-Stage 1(SMA-1)	617	46,729	3	307
Standard PPIA-Stage 2(SMA-2)	160	38,207	-	-
Non performing assets	985	1,16,176	82	441
Grand Total	2,694	2,22,679	2,699	2,84,208



Schedule 19 (Notes forming part of the Financial Statements)

5.12 Other assets, NPAs and revenue

₹ in '000

Particulars	March 31, 2023	March 31, 2024
Total Assets	NIL	NIL
Total NPAs	NIL	NIL
Total Revenue	NIL	NIL

4. Business Ratios

Particulars	March 31, 2023	March 31, 2024
Interest income as a percentage of working funds	14.30%	8.00%
Net interest income as a percentage of working funds	6.99%	3.25%
Cost of Deposits	7.11%	6.53%
Net Interest Margin as a percentage of working funds	7.80%	3.09%
Operating profit as a percentage of working funds	-0.90%	-1.09%
Return on assets	-7.78%	-6.18%
Business (deposits plus advances) per employee (Rs. in '000)	19,462	11,236
Profit per employee (Rs. in '000)	(827)	(176)

Note-

- Working funds represents average of total assets as reported to RBI in form Y under Section 17 of the Banking Regulation Act, 1949 during the year.
- Return on Assets are computed with reference to average working funds.
- Business is defined as total of gross advances and deposits (net of inter-bank deposits).

5. Asset Liability Management

Maturity Pattern of certain items of assets and liabilities as at March 31, 2024:

Sl. no.	Maturity buckets	Loans & advances	Investments	Deposits	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
1	1 day	2,31,283	22,79,304	4,56,929	-	-	-
2	2 days to 7 days	22,61,744	-	6,55,196	3,11,911	-	-
3	8 days to 14 days	83,235	-	2,87,318	41,267	-	-
4	15 days to 30 days	74,296	6,29,206	7,25,052	2,09,483	-	-
5	31 days to 2 months	30,02,698	1,83,001	8,25,989	2,99,920	-	-
6	Over 2 months to 3 months	26,98,598	1,40,223	7,10,325	1,49,488	-	-
7	Over 3 months & upto 6 months	76,02,457	4,49,034	30,05,391	7,55,089	-	-
8	Over 6 months & upto 1 year	85,28,344	13,80,019	72,52,694	12,32,082	-	-
9	Over 1 year & upto 3 years	27,28,799	28,82,180	1,11,83,346	51,46,667	-	-
10	Over 3 years & upto 5 years	15,68,262	18,821	1,410	-	-	-
11	Over 5 years	7,49,258	7,089	767	28,61,680	-	-
		2,96,48,659	55,81,589	3,21,83,811	3,33,96,286	-	-

Maturity Pattern of certain items of assets and liabilities as at March 31, 2023:

Sl. no.	Maturity buckets	Loans & advances	Investments	Deposits	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
1	1 day	19,245	-	1,92,568	-	-	-
2	2 days to 7 days	1,12,718	-	2,75,699	-	-	-
3	8 days to 14 days	1,35,486	-	5,21,772	-	-	-
4	15 days to 30 days	2,97,685	2,32,659	3,73,288	54,583	-	-
5	31 days to 2 months	5,31,384	1,06,808	4,77,682	2,082	-	-
6	Over 2 months to 3 months	5,32,647	1,12,566	3,42,132	1,27,083	-	-
7	Over 3 months & upto 6 months	14,56,483	1,03,907	13,80,318	38,728	-	-
8	Over 6 months & upto 1 year	23,91,350	3,18,960	21,81,560	1,17,384	-	-
9	Over 1 year & upto 3 years	75,66,271	28,61,414	82,86,534	1,37,188	-	-
10	Over 3 years & upto 5 years	10,21,829	32,35,311	1,31,787	2,40,904	-	-
11	Over 5 years	7,875	28,000	19,645	25,989	-	-
		89,24,289	88,81,866	1,81,86,741	7,87,588	-	-

- The maturity of 'Loans & Advances' has been determined on the basis of monthly fortnightly installments due.
- The bank has classified the maturity pattern of the term deposits as per residual maturity and flow of Savings and Current Deposits as per RBI benchmark guidelines.
- The borrowing is made as per the guidelines issued by Reserve Bank of India as well as ALM policy of the bank.
- The bank has no foreign currency assets & liabilities as on March 31, 2023 and March 31, 2024.



Schedule 13 - Notes forming part of the Financial Statements

6. Exposure

6.1. Exposure to Real Estate Sector

Particulars	March 31, 2025	March 31, 2024
(i) Direct exposure		
(i) Residential Mortgages*		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is vacant	1,095	1,420
(ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estate i.e. office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-storied commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc. Exposure also includes non-fund based (NFB) loans	Nil	Nil
(ii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
- Residential	Nil	Nil
- Commercial Real Estate	Nil	Nil
<b>Total (A)</b>	<b>1,095</b>	<b>1,420</b>
(ii) Indirect Exposure		
Read based and non-fund based exposure on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>1,095</b>	<b>1,420</b>

\* Includes only housing loans

6.2. Exposure to Capital Market

Particulars	March 31, 2025	March 31, 2024
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	Nil	Nil
ii. Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ISOFs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	Nil	Nil
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	Nil	Nil
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	Nil	Nil
v. Secured and unsecured advances to stockbrokers and promoters based on bid of stockbrokers and market makers	Nil	Nil
vi. Loans made 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 listing resources	Nil	Nil
vii. Bridge loans to corporates against expected equity flows / issues	Nil	Nil
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	Nil	Nil
ix. Financing to stockbrokers for margin trading	Nil	Nil
x. All exposures to Venture Capital Funds (both registered and unregistered) will be deemed to be on (or with) equity and hence will be covered for compliance with the capital market exposure ceiling. Both direct and indirect	Nil	Nil
xi. Others (Financial Guarantee)	Nil	Nil
<b>Total Exposure to Capital Market</b>	<b>Nil</b>	<b>Nil</b>

6.3. Risk category wise country exposure

Note the outside country exposure is nil, no provision is required to be maintained on country exposure for the year ended March 31, 2025 (Previous Year: Nil)

Risk Category	Exposure (act) as at March 31, 2025	Provision held as at March 31, 2025	Exposure (act) as at March 31, 2024	Provision held as at March 31, 2024
Insignificant	Nil	Nil	Nil	Nil
Low	Nil	Nil	Nil	Nil
Medium	Nil	Nil	Nil	Nil
High	Nil	Nil	Nil	Nil
Very High	Nil	Nil	Nil	Nil
Restricted	Nil	Nil	Nil	Nil
Off-credit	Nil	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

6.4. Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) covered by the Bank

The Bank did not maintain Single Borrower Limit (SBL) / Group Borrower Limit (GBL) during the year ended March 31, 2025 and previous year ended March 31, 2024.

6.5. Unsecured Advances

The Bank has not extended any project advances where the collateral is an intangible asset such as charge over the rights, licenses, authorizations, etc. The Unsecured Advances (net of provision) as at March 31, 2025 of 1,44,59,207 thousands (March 31, 2024 of 17,22,451 thousands) disclosed in Schedule 10(i) are without any collateral or any other security.

Particulars	March 31, 2025	March 31, 2024
Total unsecured advances of the bank	1,44,59,207	17,22,451
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authorizations, etc. have been taken	-	-
Residual value of such intangible securities	-	-

6.6. Details of factoring exposure

There is no factoring exposure of the Bank as at March 31, 2025 (Previous Year: Nil).



Schedule 1B - Notes forming part of the Financial Statements

6.7. Disclosures of penalties imposed by RBI

There has been no penalty levied by RBI during FY 2024-25 (Previous year: NIL)

6.8 Payment of DICGC Insurance Premium

Sr No	Particulars	March 31, 2025	March 31, 2024
1	Payment of DICGC Insurance Premium (including GST @18%)	17,944	20,359
2	Adjust in payment of DICGC premium	-	-

7. Provisions and Contingencies

Analysis of "Provisions and Contingencies" including write-offs, set of write-backs shown under the head in particular in Profit and Loss Account:

Particulars	March 31, 2025	March 31, 2024
Provision towards non performing assets (including unfunded waivers)	5,80,895	9,52,817
Provision on Investments (Security receipts)	4,71,527	-
Provision for other asset	2,40,984	-
Provision for operational losses	5,039	-
Provision for trade	445	3,770
Provision reversal on sale of non performing assets	-	(94,940)
Provision towards standard assets	(109)	(2,54,000)
Deferred taxes	(5,81,237)	5,91,174
Total	13,87,535	10,51,848

\*In view of losses, the bank has not created income tax provision for FY 2024-25 and FY 2023-24.

8. Drawdown from Reserves (Other than Investment Fluctuation Reserve)

The Bank has created three Central Govt Securities aggregating to INR 10,00,000 thousands (Face Value) from HTM to AFS and created AFS reserve of INR 12,998 thousands (net of taxes INR 4,325 thousands) on 01 April 2024, in accordance with the Master Direction on Classification, Valuation, and Operation of Investment Portfolio of Commercial Banks (Directions), 2023, issued vide RBI circular number DOR.MRGJ/671/04,141/2023-24 (No. RM/GDR/2023-24/194) dated September 12, 2023. AFS Reserve is created for the difference between the revised carrying value and the previous carrying value of AFS Securities. Post that the bank has done MTM of AFS securities on a monthly basis and the gain/loss is adjusted in AFS reserve amounting INR 4,834 thousands. Further, the bank has made a drawdown from AFS Reserve INR 14,018 thousands in respect of sale and MTM of AFS securities, as at 31 March 2025, AFS reserve balance stands at INR 4,073 thousands (net of deferred taxes INR 3,042 thousands).

Category	Face Value	Previous carrying value as on 31 March 2024	Revised carrying value	AFS Reserve	Taxes	Net appropriation to Reserves
Central Govt Bonds	10,00,000	6,79,549	9,96,837	17,202	4,325	(2,943)

In order to adhere to the RBI Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 issued on September 12, 2023, the acquisition cost for HTM securities is adjusted for any premium/discount amortized between date of acquisition and March 31, 2024. Accordingly, the difference between the revised carrying value and the previous carrying value as of March 31, 2024, has been transferred to General Reserve amounting to INR 14,939 thousands (net of deferred taxes INR 5,072 thousands) on April 01, 2024.

Category	Face Value	Previous carrying value as on 31 March 2024	Revised carrying value	General Reserve	Taxes	Net appropriation to Reserves
Central Govt Bonds	17,50,000	12,70,409	12,89,727	10,248	2,602	7,744
State Govt Bonds	7,50,000	7,45,614	7,75,718	9,684	3,217	7,188
Total	25,00,000	20,16,023	20,65,445	19,932	5,819	14,939

9. Statutory Reserve

The Bank has not made any appropriation out of profits for the year ended March 31, 2025 (Previous year NIL) to the statutory reserve due to losses pursuant to the requirements of Section 17 of the Banking Regulation Act, 1949 and RBI guidelines dated September 23, 2020.

10. Disclosure of Complaints

a. Summary information on complaints received by the bank from customers and from the Office of Ombudsman

Sl.No	Particulars	March 31, 2025	March 31, 2024
1	Complaints received by the bank from its customers		
1	Number of complaints pending at beginning of the year	9	2
2	Number of complaints received during the year	3682	440
3	Number of complaints disposed during the year	3493	285
	Of which, number of complaints rejected by the bank	42	501
4	Number of complaints pending at the end of the year	134	9
5	Maintainable complaints received by the bank from Office of Ombudsman		
	Number of maintainable complaints received by the bank from Office of Ombudsman	133	10
	Of'S, number of complaints resolved in favour of the bank by Office of Ombudsman	118	13
	Of'S, number of complaints resolved through mutual understanding/both parties issued by Office of Ombudsman	5	2
	Of'S, number of complaints resolved after granting of awards by Office of Ombudsman against the bank	93	341
6	Number of awards unimplemented within the stipulated time (other than those appealed)	58	54

\* The above statement of complaints does not include the complaints that were withdrawn within the stipulated time in the self service ALC of AFS Master circular on Customer Service in banks.



10) Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% Increase/ Decrease in the number of complaints received over the previous year	No of complaints pending at the end of the year	OTD, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>CURRENT YEAR: March 31, 2025</b>					
ATM/Debit Card	3	137	53.00% increase	3	3
Internet/Mobile/Electronic Banking	5	550	296.70% increase	3	3
Account opening/Utility in	8	61	762.50% increase	1	1
Loans and advances	7	1158	1611.43% increase	42	3
Staff Behaviour	0	0	100% decrease	0	0
Others	2	1384	593.24% increase	62	7
<b>Total</b>	<b>9</b>	<b>2642</b>		<b>116</b>	<b>10</b>
<b>PREVIOUS YEAR: March 31, 2024</b>					
ATM/Debit Card	2	69	34.00% decrease	0	0
Internet/Mobile/Electronic Banking	0	141	151.70% increase	0	0
Account opening/Utility in	0	34	46.25% decrease	0	0
Loans and advances	0	83	125.77% increase	7	3
Staff Behaviour	0	1	No change	0	0
Others	0	54	117.70% increase	2	0
<b>Total</b>	<b>2</b>	<b>402</b>	<b>304.75% increase</b>	<b>9</b>	<b>3</b>

11. Disclosures of Letter of Comfort (LOC) issued by Bank:

The Bank has not issued any Letter of Comfort during the year ended March 31, 2025 (Previous Year - Nil)

12. Reinsurance Business

The Reinsurance Business of the Bank is given below -

Nature of business	March 31, 2025	March 31, 2024
Towards selling of Life Insurance Policy	17,144	3,487
Towards selling of Non-Life Insurance Policy	1,79,057	7,437
<b>Total</b>	<b>1,96,201</b>	<b>10,924</b>

13. Marketing and distribution

The Bank has not received any request in respect of marketing & distribution facilities during the year ended March 31, 2025 (Previous Year- Nil)

14. Concentration of deposits, advances, exposures and NPAs

14.1. Concentration of deposits

Particulars	March 31, 2025	March 31, 2024
Total deposits of twenty largest depositors	77,84,695	15,50,494
Total Deposits	2,41,33,302	1,31,95,741
Percentage of deposits of twenty largest depositors to total deposits of the Bank	32%	12%

14.2. Concentration of Advances

Particulars	March 31, 2025	March 31, 2024
Total advances to twenty largest customers	1,89,039	3,05,451
Percentage of Advances of twenty largest customers to total advances of the Bank	11.17%	2.38%

Advances are computed as per the definition of Credit Exposure including derivative as provided in Master Circular on Exposure Norms.

14.3. Concentration of exposures

Particulars	March 31, 2025	March 31, 2024
Total exposures to twenty largest borrowers/customers*	1,89,039	3,05,451
Percentage of exposures of twenty largest customers to total exposures of the Bank as borrower/customers	11.17%	2.38%

Exposures are computed as per the definition in Master Circular on Exposure Norms.

\* Exposure includes credit exposure (lending and non-lending credit items) and investment exposure, if any, in accordance with RBI guidelines.

14.4. Concentration of NPAs:

Particulars	March 31, 2025	March 31, 2024
Total Exposure to top twenty NPA accounts	11,085	6,147
Percentage of exposure to the twenty largest NPA exposure to total Gross NPAs	0.65%	0.62%

15. Off-Balance Sheet SPVs sponsored

There are no Off-Balance Sheet SPVs sponsored which are required to be consolidated as per accounting norms, as on March 31, 2025 (Previous year Nil)



**Schedule IX -Notes forming part of the Financial Statements**

**16. Disclosure on Remuneration**

**A. Qualitative Disclosures:**

**a) Information relating to the composition and constitution of the Remuneration Committee:**

The Bank has constituted a Remuneration and Retention Committee (NRC). The NRC comprises of four members where three are Independent Directors and one is Non-Executive Director. Member of the Remuneration and Retention Committee is to oversee the framing, review and implementation of the Bank's Compensation policy & Retention & Remuneration Policy for Whole Time Director/Chief Executive Officers/ Part-Time Chairman/ Risk Takers and senior function staff for ensuring effective alignment between remuneration and risks. The Committee also ensures that level and composition of remuneration is reasonable and efficient, relationship of remuneration to performance is clear and it meets appropriate performance benchmarks. The Remuneration and Retention Committee reviews compensation policy and constitution & remuneration policy of the Bank with a view to attract, retain and motivate employees.

**Role and Responsibilities of NRC is given below:**

1. Develop policies and lay down criteria for appointment / removal / re-appointment of the directors of the Bank regarding the statutory and regulatory requirements.
2. Formulate comprehensive criteria for appointment of directors in terms of qualifications, positive attributes, independence, professional experience, track record and integrity of the person.
3. Devise a policy on board diversity of thought, experience, knowledge, perspective and gender in the board.
4. Conduct appropriate due diligence and scrutinize the declaration made by probable candidate at the time of appointment / re-appointment of directors of the Bank.
5. Ensure that appropriate procedures are in place to assess Board Membership needs and board effectiveness.
6. Assist Board in formulation of compensation policy which will lay down the remuneration to directors, key management personnel, senior management personnel, statutory risk takers and other employees and take inputs from the risk management committee of the bank to ensure balance between remuneration and risks. The mix of cash, equity and other forms of compensation must be consistent with risk alignment.
7. Ensure that the compensation policy formulated for remuneration of directors, key managerial personnel and senior management, statutory risk takers is reasonable sufficient to attract, retain and motivate quality directors required to run the Bank.

**b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy:**

The objective of the compensation policy is to help employees understand our compensation philosophy and structure.

The Bank's compensation principles are as follows:

1. The Bank's compensation programs are tied to both individual and company performance
2. The Bank is committed to fair and equitable pay
3. The Bank differentiates its pay based on individual roles, responsibilities, skill set and performance
4. The Bank's programs comply with all applicable laws, regulations and requirements

The tentative composition structure followed by the company are as follows:

Category	Component	Description
Basic Pay (Monthly)	Basic Pay	40% of the CTC OR 50% of the CTC (whichever is applicable to the employee)
	Special Allowance	Minimum upto 40% of Basic Pay
	Leave Travel Allowance	Minimum 20% of Basic Pay
	Statutory Bonus	8.33% of Basic Pay (Applicable if the annual basis is less than 1,12,000)
	Special Allowance	This would be the adjusting component of CTC based on the compensation structure (Special allowances would additionally be a part of this component)
Business/Statutory Benefits	Provident Fund (PF) 100%	As mandated by Law

**c) Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.**

The Bank has a robust Performance Management System (PMS) approved by the board and performance of the employees is rated at the year end and the bank has adopted system in place to mitigate the risk arising during the performance cycle and evaluation system.

**d) Description of the ways in which the bank seeks to link performance during a performance management period with levels of remuneration**

**Performance Management System Guidelines:**

The Performance Cycle will follow the Financial Year (April to March).

The performance management process for a given financial year will be applicable to all employees who have served for 6 months or more during the year. Eligibility will be decided depending on the cycle.

The responsibility for this process lies with the HR Function.

The Function Heads are jointly responsible along with the HR Function for adherence to timeline and process guidelines.

The Performance Management System will cover the following areas:

- Goal Setting
- Mid-year Review
- Annual Appraisal
- Moderation of Ratings
- Communication of Ratings
- Performance Improvement Plan

The process will comprise setting individual performance goals aligned to business objectives and will result in review and rating of Individual Performance.

The performance ratings obtained will serve as the primary input for all variable pay plans, senior management and training needs.

**e) Discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting**

Nil

**f) Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank offers and the rationale for using these different forms.**

1. Variable Pay: Variable pay component ensures that we reward the employees based on the individual achievements and the Bank's performance measured against goals established for the performance year.

2. Share-linked Instruments: Currently ESOPs are given to employees by the management, based on the Board approved scheme. Share-linked instruments are fair valued on the date of grant by the bank.



Schedule B - Notes forming part of the Financial Statements

B. Quantitative Disclosure

The quantitative disclosure covers details of Chief Executive Officer/ Whole Time Director/ Other Material Risk Takers of the Bank. Key Material Risk Takers are individuals who are materially act, control or control significant amounts of the Bank's resources and / or exert significant influence over its risk profile.

Quantitative Disclosures (Covers only CEO/Whole Time Director/ Other Material Risk Takers)	March 31, 2025	March 31, 2024
(i) Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.	6 meetings were held. The total remuneration paid to the members (including their remuneration as members of Board/other committees) INR 7,042 thousands	9 meetings were held. Aggregate remuneration INR 529 thousands
(ii) Number of employees having received a variable remuneration award during the year.	Nil	Nil
(iii) Number and total amount of sign-on awards made during the financial year.	Nil	Nil
(iv) Details of guaranteed bonus, if any, paid on joining / sign-on bonus.	Nil	Nil
(v) Details of severance pay, in addition to normal benefits, if any.	Nil	Nil
(vi) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Nil	Nil
(vii) Total amount of deferred remuneration paid out in the financial year.	Nil	Nil
(viii) Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	Fixed - INR 4.31 crore Variable - Nil Deferred - Nil	Fixed - INR 4.77 crore Variable - Nil Deferred - Nil
(ix) Total amount of outstanding deferred remunerations and related remuneration exposed to its post explicit and / or implicit adjustments.	Nil	Nil
(x) Total amount of reductions during the financial year due to explicit adjustments.	Nil	Nil
(xi) Total amount of reductions during the financial year due to implicit adjustments.	Nil	Nil
(xii) Number of MRTs identified.	7 (3 Material Risk Takers and 4 Central Function Staff)	Nil
(xiii) Number of cases where order has been exercised. 1(i) Number of cases where clawback has been exercised. 1(ii) Number of cases where both order and clawback have been exercised.	Nil	Nil
(iv) The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of the MRTs from the mean pay.	The mean pay for the Bank as a whole is INR 0.13 crore as of March 31, 2025. The ratio of the fixed pay of the MD & CEO and WTD to the mean pay of the Bank as a whole is 11:1 and 9:1, respectively, as of March 31, 2025.	The mean pay for the Bank as a whole is INR 0.03 crore as of March 31, 2024. The ratio of the fixed pay of the MD & CEO to the mean pay of the Bank as a whole is 20:1 as of March 31, 2024.

\*Disclosures also not include the provision made for gratuity and compensated absences, as they are treated as actuarial liabilities for the bank as a whole.

C. Disclosure on remuneration to Independent Non-executive directors

Following are the details of sitting fees & remuneration paid to the Independent directors & Past, Present Chairmen.

Name of Director	March 31, 2025	March 31, 2024
K K Dey	1,98	2,25
Ganesh Bera	1,50	1,34
Murali Sanku Bhaya	1,50	1,82
Satish Pradhan	-	76
Tapan K Hazarika	2,40	1,57
Jayant Bora	-	70
Pradyip K Mishra	-	65
Srinivas Yadav	1,50	23
Sanku Shankar Shetty	1,50	-
Parag Kadam Malia	92	-
<b>Total</b>	<b>18,41</b>	<b>8,29</b>



Schedule III - Notes forming part of the Financial Statements

17. Disclosures relating to Securitization (other than Direct assignments)

Sl. No.	Particulars	March 31, 2025	March 31, 2024
1	No. of SPVs Sponsored by the bank for securitization transaction	NIL	NIL
2	Total amount of Securitised assets as per books of the SPVs sponsored by the bank	NIL	NIL
3	Total amount of expenses incurred by the bank to comply with MBS as on date of Interest sheet as Off Balance Sheet expenses		
	First Loss	NIL	NIL
	Others	NIL	NIL
	ii) On Balance Sheet exposures		
	First Loss (Cash Collateral)	NIL	NIL
	Others (Credit Enhancement)	NIL	NIL
4	Amount of exposures to securitization transactions other than MBS as on the date of Interest sheet		
	a) Off Balance Sheet exposures		
	i) Exposure to own Securitization		
	First Loss (Subordination of Interest Strip)	NIL	NIL
	Others	NIL	NIL
	ii) Exposure to Third Party Securitization		
	First Loss	NIL	NIL
	Others	NIL	NIL
	b) On Balance Sheet Exposures		
	i) Exposure to own Securitization		
	First Loss	NIL	NIL
	Others	NIL	NIL
	ii) Exposure to Third Party Securitization		
	First Loss	NIL	NIL
	Others	NIL	NIL
5	Subsidiaries received for securitised assets and guidelines on risk assessment of securitization		
6	Form and content (or standing order) advice provided by way of liquidity support post-securitization asset servicing, etc.		
7	Performance of facility provided. Please provide separately for each facility etc. Credit enhancement, liquidity support, servicing agent etc. Mention percent to be/act as of total value of facility provided.		
	(a) Amount paid	NIL	NIL
	(b) Repayment received	NIL	NIL
	(c) Outstanding amount	NIL	NIL
8	Average default rate of portfolio observed in the past. Please provide lending separately for each asset class i.e. EMBS, Vehicle Loans etc.		
9	Amount and number of additional top up loans given on items underlying asset. Please provide lending separately for each asset class i.e. EMBS, Vehicle Loans, etc.		
10	Incoterms compliance		
	(a) Directly/Indirectly received and	NIL	NIL
	(b) Compliance outstanding	NIL	NIL

18. Intra-Group Expenses

Particulars	March 31, 2025	March 31, 2024
Total amount of Intra-group expenses	NIL	NIL
Total amount of top-20 intra-group expenses	NIL	NIL
Percentage of Intra-Group Expenses to Total Expenses of the Bank as per the statement	NIL	NIL
Details of Direct or Indirect Intra-Group expenses and Regulatory action taken, if any	NIL	NIL

19. Transfer to Depositor Education and Awareness Fund (DEAF)

Particulars	March 31, 2025	March 31, 2024
Opening balance of amounts transferred to DEAF	NIL	NIL
Add: Amounts transferred during the period	NIL	NIL
Less: Amounts withdrawn by DEAF towards claims	NIL	NIL
Closing balance of amounts transferred to DEAF	NIL	NIL

20. Priority sector lending certificate

The details of PSLC purchased and sold are given below:

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	PSLC Purchased	PSLC Sold	PSLC Purchased	PSLC Sold
PSLC Agri	7,00,000	NIL	NIL	NIL
PSLC Small & Marginal Business	NIL	NIL	56,00,000	NIL
PSLC Micro Enterprise	NIL	NIL	NIL	NIL
PSLC Goods	NIL	NIL	NIL	NIL
TOTAL PSLC	7,00,000	NIL	56,00,000	NIL

21. Intra-Bank participation with risk sharing

The aggregate amount of participation issued by the bank and received from elsewhere as per regulatory guidelines as at March 31, 2025 is NIL (Previous Year: NIL)

22. Unsettled balances

During the year Bank has not transferred any unsecured outstanding credit facilities of Internal GCs to Profit & Loss account as to any other means. (Previous Year - NIL)

23. Disclosure of fund accounts

Particulars	March 31, 2025	March 31, 2024
Number of funds reported	2,530	2
Amount involved in fund	22,401	3,033
Amount of provision made for such funds	790	6,300
Amount of Unsettled provision added from "other reserves" as at the end of the year	-	-

24. Movement of Provision for fund

Particulars	March 31, 2025	March 31, 2024
Opening provision	11,446	3,074
Provision during the year	790	6,340
Utilisation / Write back of provision	255	472
Closing provision	11,891	11,446



**Schedule 18 - Notes forming part of the Financial Statements**

**18. Liquidity Coverage ratio**

The Bank adheres to RBI guidelines on Liquidity Coverage Ratio given in "Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and the LCR Disclosure Standards" and "Operating Guidelines for Small Finance Banks".

LCR is the ratio of unencumbered HQLA to Net Cash Outflows over the next 30 calendar days. LCR measures the Bank's ability to manage and service under combined idiosyncratic and market-wide liquidity stress conditions that would result in a reduction in/withdrawal of deposits from retail and self-warehouse deposits, partial loss of secured funding, increase in refinancing requirements, withdrawal from lines of credit/credit lines, etc. These stress conditions are captured as a part of the Net Cash Outflows. High Quality Liquid Assets (HQLA) of the Bank consist of cash, unencumbered government securities, a portion of statutory SLR as allowed under the guidelines and cash balance with RBI in excess of statutory cash reserve requirements.

LCR aims to ensure that the Bank has an adequate stock of unencumbered HQLA to meet its liquidity needs for a 30 calendar day liquidity stress scenario.

**Quantitative disclosures on LCR for the year ended March 31, 2024:**

Particulars	Quarter ended March 31, 2024		Quarter ended December 31, 2023		Quarter ended September 30, 2023		Quarter ended June 30, 2023	
	Unweighted	Weighted	Unweighted	Weighted	Unweighted	Weighted	Unweighted	Weighted
<b>High Quality Liquid Assets</b>								
1. Total High Quality Liquid Assets (HQLA)	88,69,767	88,69,767	1,07,73,379	1,07,73,379	50,57,880	50,57,880	54,14,123	54,14,123
<b>Cash Outflows</b>								
2. Retail deposits and deposits from small business customers, of which:								
(i) Stable deposits	1,20,27,142	6,21,657	97,73,242	4,38,682	58,25,428	2,82,771	34,12,898	2,71,643
(ii) Less stable deposits	68,82,249	6,86,225	51,25,219	5,12,232	48,69,370	4,86,857	41,18,418	4,11,642
3. Unsecured wholesale funding, of which:								
(i) Operational deposits (all counterparty)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparty)	34,32,628	24,91,974	-	-	12,54,892	25,67,187	43,62,889	33,20,143
(iii) Unsecured debt	-	-	32,33,869	25,12,435	-	-	-	-
4. Secured Wholesale Funding	4,89,661	4,89,661	5,98,623	5,98,623	-	-	38,900	38,900
5. Additional requirements, of which:								
(i) Outflows related to derivative exposures and other bilateral commitments	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6. Other contractual funding obligations	17,60,283	17,60,283	15,41,454	15,41,454	2,98,291	2,98,291	1,74,610	1,74,610
7. Other contractual funding obligations	3,79,881	9,725	6,54,549	20,645	-	-	-	-
8. Total Cash Outflows	3,44,26,248	59,80,125	2,08,88,874	96,16,238	1,40,68,614	36,98,487	1,41,68,888	42,93,748
<b>Cash Inflows</b>								
9. Secured funding (i.e. reverse repo)	-	-	-	-	-	-	-	-
10. Inflows from bill purchases exposures	38,71,661	15,10,495	36,75,532	11,37,766	78,807	79,687	34,284	36,284
11. Other cash inflows	8,76,982	8,76,982	9,48,309	9,48,309	6,68,831	3,33,115	6,23,592	3,11,707
12. Total Cash Inflows	38,59,664	25,89,487	36,23,871	22,86,075	7,45,698	4,13,385	6,79,899	3,88,993
13. TOTAL HQLA	88,69,767	88,69,767	1,07,73,379	1,07,73,379	50,57,880	50,57,880	54,14,123	54,14,123
14. Total Net Cash Outflows	3,04,89,584	33,90,638	1,67,88,807	73,30,247	1,33,18,818	31,85,102	1,36,18,889	38,62,678
15. Liquidity Coverage Ratio (%)		279%		311%		158%		140%

**Quantitative disclosures on LCR for the year ended March 31, 2023:**

Particulars	Quarter ended March 31, 2024		Quarter ended December 31, 2023		Quarter ended September 30, 2023		Quarter ended June 30, 2023	
	Unweighted	Weighted	Unweighted	Weighted	Unweighted	Weighted	Unweighted	Weighted
<b>High Quality Liquid Assets</b>								
1. Total High Quality Liquid Assets (HQLA)	-	5,811	-	41,13,484	-	38,93,078	-	39,99,018
<b>Cash Outflows</b>								
2. Retail deposits and deposits from small business customers, of which:								
(i) Stable deposits	1,01,35,587	7,32,834	95,18,116	4,87,283	91,18,110	6,46,629	91,92,203	6,29,738
(ii) Less stable deposits	56,16,714	2,80,724	32,82,165	2,64,685	32,87,641	2,64,182	33,69,525	2,68,491
(iii) Less stable deposits	45,20,883	4,52,088	40,26,930	4,22,645	36,23,488	3,82,247	38,22,488	3,82,247
3. Unsecured wholesale funding, of which:								
(i) Operational deposits (all counterparty)	43,87,017	37,23,827	40,68,610	32,12,639	43,79,389	38,85,146	49,33,285	43,65,168
(ii) Non-operational deposits (all counterparty)	-	-	-	-	-	-	-	-
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4. Secured Wholesale funding	-	90,583	-	52,588	-	32,580	-	32,580
5. Additional requirements, of which:								
(i) Outflows related to derivative exposures and other bilateral commitments	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6. Other contractual funding obligations	1,81,199	1,81,198	4,47,773	4,47,773	5,96,295	1,86,243	1,85,758	1,85,758
7. Other contractual funding obligations	-	-	-	-	-	-	-	-
8. Total Cash Outflows	-	43,85,525	-	44,88,267	-	48,29,918	-	52,81,505
<b>Cash Inflows</b>								
9. Secured funding (i.e. reverse repo)	-	-	-	-	-	-	-	-
10. Inflows from SFA purchase exposures	34,328	34,328	18,818	18,818	26,181	26,181	17,364	17,364
11. Other cash inflows	18,82,545	8,80,277	12,26,859	8,18,580	10,46,120	3,27,937	35,99,649	23,76,284
12. Total Cash Inflows	1,16,814	8,80,602	12,46,874	8,20,277	10,72,311	3,54,098	35,77,013	27,09,849
13. TOTAL HQLA	-	26,11,474	-	41,13,484	-	38,93,078	-	39,88,818
14. Total Net Cash Outflows	-	37,74,051	-	33,74,789	-	10,36,840	-	13,07,516
15. Liquidity Coverage Ratio (%)		168%		118%		111%		128%



ANF Item	Unweighted value by residual maturity				Weighted value
	No Maturity	< 6 months	6 months to < 1Yr	≥ 1Yr	
1 Capital (2+3)	84,91,474	-	-	-	84,91,474
2 Regulatory Capital*	84,91,474	-	-	-	84,91,474
3 Other capital instruments	-	-	-	-	-
4 Retail deposits and deposits from small business customers (5+6)	-	29,19,886	45,51,747	1,17,89,174	1,26,69,566
5 Stable deposits	-	14,83,686	30,40,711	81,81,882	1,28,80,081
6 Low stable deposits	-	13,25,670	13,11,826	34,67,268	57,89,534
7 Wholesale funding (8+9)	-	14,89,219	17,55,293	28,88,790	28,36,448
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	-	14,89,219	17,55,293	28,88,790	28,36,448
10 Other liabilities (11+12)	-	14,89,219	17,55,293	28,88,790	28,36,448
11 NSFR derivative liabilities	-	14,89,219	17,55,293	28,88,790	28,36,448
12 All other liabilities and equity not included in the above categories	-	-	-	-	-
13 Total ANF (1+4+5+10)	-	34,94,794	14,23,667	57,12,267	64,23,601
14 NSF Item	-	-	-	-	3,63,22,000
15 Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	3,63,22,000
16 Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17 Performing loans and securities: (17+18+19+21+22)	-	2,81,12,180	27,88,111	7,00,787	1,52,66,794
18 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
19 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to non-financial corporate clients	-	-	-	-	-
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit	-	-	-	-	-
21 Performing residential mortgages, of which	-	-	-	-	-
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit	-	-	-	-	-
23 Securities that are not in default and do not qualify as HQLA, including exchange traded options	-	3,55,12,787	27,08,111	1,02,767	1,33,09,794
24 Other assets (sum of rows 25 to 29)	-	17,28,499	4,89,249	24,31,193	48,33,029
25 Physical traded commodities, including gold	-	-	-	-	-
26 Assets posted as initial margin for derivatives contracts and contributions to default funds of CCPs	-	-	-	-	-
27 NSFR derivative assets	-	-	-	-	-
28 NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29 All other assets not included in the above categories	-	17,28,499	4,89,249	24,31,193	48,33,029
30 Off-balance sheet items	-	30,422	-	-	3,221
31 Total NSF (14+15+16+24+30)	-	-	-	-	3,64,34,367
32 Net Stable Funding Ratio (%)	-	-	-	-	172.26%

\* This includes additional Tier 1 capital. Corresponding non-weighted debentures amounting INR 28,63,000 demands.

Net Stable Funding ratio (NSFR) as at 31.03.2024

ANF Item	Unweighted value by residual maturity				Weighted value
	No Maturity	< 6 months	6 months to < 1Yr	≥ 1Yr	
1 Capital (2+3)	6,08,147	-	-	-	6,08,147
2 Regulatory Capital	6,08,147	-	-	-	6,08,147
3 Other capital instruments	-	-	-	-	-
4 Retail deposits and deposits from small business customers (5+6)	-	17,69,369	19,47,286	67,64,257	1,03,01,642
5 Stable deposits	-	10,89,439	8,76,188	27,88,325	55,91,627
6 Low stable deposits	-	6,75,654	11,17,637	28,95,012	40,09,714
7 Wholesale funding (8+9)	-	19,83,929	11,54,557	15,80,612	21,37,880
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	-	19,83,929	11,54,557	15,80,612	21,37,880
10 Other liabilities (11+12)	-	19,83,929	11,54,557	15,80,612	21,37,880
11 NSFR derivative liabilities	-	19,83,929	11,54,557	15,80,612	21,37,880
12 All other liabilities and equity not included in the above categories	-	-	-	-	-
13 Total ANF (1+4+5+10)	-	3,20,123	2,62,689	4,47,544	5,11,719
14 NSF Item	-	-	-	-	1,35,09,293
15 Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	1,35,09,293
16 Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17 Performing loans and securities: (17+18+19+21+22)	-	83,27,029	23,24,349	6,98,851	55,43,214
18 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
19 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to non-financial corporate clients	-	-	-	-	-
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	-	-	-	-	-
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
23 Securities that are not in default and do not qualify as HQLA, including exchange traded options	-	60,27,819	25,24,349	6,98,851	55,43,214
24 Other assets (sum of rows 25 to 29)	-	1,66,210	-	16,05,664	17,65,874
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 of variation margin posted	-	-	-	-	-
29 All other assets not included in the above categories	-	1,66,210	-	16,05,664	17,65,874
30 Off-balance sheet items	-	40,646	-	-	3,943
31 Total NSF (14+15+16+24+30)	-	-	-	-	75,27,258
32 Net Stable Funding Ratio (%)	-	-	-	-	178.12%



Schedule 18 - Notes forming part of the Financial Statements

₹ in '000

27. Notes on Compliances with Accounting Standards

27.1 Earnings per Share:

Particulars	March 31, 2025	March 31, 2024
Net profit after tax (₹)	(21,66,970)	(15,26,701)
Weighted average shares outstanding – Basic (Nos.)	4,21,93,08,911	41,63,04,907
Weighted average shares outstanding – Diluted (Nos.)	4,21,93,08,911	41,63,04,907
Nominal Value of Equity Shares (₹)	1	10
Earnings per share – Basic (₹)	(0.51)	(3.67)
Earnings per share – Diluted (₹)	(0.51)	(3.67)

Basic and Diluted EPS is same as the results of dilution is anti-dilutive.

27.2 Segment Reporting

Particulars	Treasury		Retail Banking		Total	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Segment Revenue	5,27,399	4,12,865	55,10,709	20,99,706	60,37,147	25,13,647
Segment Results	20,865	54,717	(5,80,353)	(4,41,821)	(5,60,451)	(3,86,029)
Unallocated Expenses					2,19,285	88,824
<b>Operating Profits</b>					<b>(7,79,735)</b>	<b>(4,74,853)</b>
Provisions and Contingencies other than Tax Expenses					17,78,568	6,60,673
Tax Expenses (including deferred tax)					(3,91,333)	3,91,174
<b>Net profit/(Loss)</b>					<b>(21,66,970)</b>	<b>(15,26,701)</b>
Other Information:						
Segment Assets	1,03,25,090	56,25,268	3,08,03,577	1,01,90,133	4,11,28,667	1,58,15,401
Unallocated Assets					21,70,319	10,50,075
<b>Total Assets</b>					<b>4,32,98,986</b>	<b>1,68,65,476</b>
Segment Liabilities	71,75,932	34,19,420	3,05,94,580	1,27,78,160	3,77,70,512	1,61,97,580
Unallocated Liabilities					-	58,748
<b>Total Liabilities</b>					<b>3,77,70,512</b>	<b>1,62,56,329</b>

Notes:

i. The Bank has no corporate/whole-sale banking business.

ii. Assets, liabilities, expenses and income which cannot be allocated to any business segment has been presented as Unallocated.

iii. The Treasury Segment primarily consists of net interest earnings from the Bank's Investment in SLR securities upto mandatory SLR prescribed by RBI, money market borrowing & lending and gains or losses on investment operations.

iv. The Bank does not have any digital banking unit as of March 31, 2025 (Previous year - Nil).

**Part B: Geographic Segment**

The Bank's entire operations, customers and assets are in India and hence no separate geographical segment disclosures are given.

27.3 Lease disclosure

The Bank has taken various premises under operating lease. The future minimum lease payments are given below:

Particulars	March 31, 2025	March 31, 2024
Not later than one year	2,38,497	64,140
Later than one year but not later than five years	3,17,733	2,07,394
Later than 5 years	15,871	47,103
<b>Total</b>	<b>5,72,101</b>	<b>3,18,637</b>
The total of minimum lease payments recognized in the Profit and Loss Account for the year	1,58,543	81,468

27.4 Deferred tax

Particulars of (Asset)/ Liability	March 31, 2025	March 31, 2024
Provision for non performing assets, standard assets, security receipts and others	3,85,890	-
Depreciation	50,685	5,144
Expense allowed on cash basis under Income Tax Act, 1961	73,188	13,590
<b>Total</b>	<b>5,09,763</b>	<b>18,733</b>

The bank has not created deferred tax asset on the accumulated losses.



**Schedule 18 -Notes forming part of the Financial Statements**

₹ in '000

**28. Related Party Transactions**

As per AS 18 Related party Disclosures notified under section 133 of the companies Act 2013, read together with Paragraph 7 of the Companies (Accounts) Rule 2014 and RBI master direction on Financial statements - Presentation and disclosure, the related parties of the Bank during the year ended March 31, 2025 are disclosed below:

Nature of Related Party	Name and Relationship
I. Key Management Personnel (KMP)	Satish Kumar Kalra- Managing Director and Chief Executive Officer Rajan Bajaj - Whole Time Director (w.e.f., October 27, 2024) Ketan Kumar Joshi - Chief Financial Officer (upto 26.06.2024) Naresh Jain - Chief Financial Officer (w.e.f., 05.12.2024) Soujeeb Kumar Mishra - Company Secretary (upto 02.12.2024) Shefaly Kothari- Company Secretary (w.e.f., 19.12.2024)
II. Directors	Satish Kumar Kalra- Managing Director and Chief Executive Officer Rajan Bajaj- Whole Time Director (w.e.f., October 27, 2024) Ram Krishna Garg- Independent Director Gautam Barua- Independent Director Manjula Saikia Bhuyan- Independent Director Tapan Kumar Hazarika- Independent Director Shrimohan Yadav- Independent Director Sarnit Shankar Shetty- Independent Director Smiti Chandra - Nominee Director (upto October 27, 2024) Pradhep Kumar Nath- Nominee Director (upto October 27, 2024) Parvez Kasim Mulla- Independent Director (upto November 05, 2024) Nikhil Sachdev - Nominee Director (w.e.f., October 27, 2024) Ashish Bhupendra Pafadia - Nominee Director (w.e.f., October 27, 2024)
III. Enterprises over which Directors have control/significant influence	Alfenas solutions Pvt Ltd. Beyond Trees LLP New Seal Restoration Pvt Ltd. Kusajal Farms Private Limited Oka Housing Technologies Private Limited Invest Assam Foundation Ekalavya Consulting & Livelihoods Private Limited Ekagon Consulting Services Private Limited Jnan Bikash Academic Foundation Ekalavya Rural Transformation and Livelihoods Support Foundation Manish Lifestyle Private Limited Constellation Bta Advisory Private Limited Afaa Private Limited Blume Venture Advisory Private Limited 3F Ventures Management Consultants LLP 3F Ventures Partners II LLP 3F Ventures Investment Manager LLP Blume Venture Investment Manager LLP Credavosue Private Limited
IV. Holding Company	Eastwhile RGVN(North East) Microfinance Limited (amalgamated with and into the Bank with effect from October 27, 2024)
V. Associate Company	Not Applicable
VI. Relatives of KMP	Sunita Kalra Vivek Kalra Kanika Kalra Vani Kalra Sanjay kumar Bajaj Uma Bajaj Nikita Bajaj Sangeeta Ketan Joshi Hemant Kumar Joshi Kavita Jain Hridhuan Jain Lalbhansh Jain Pushpa Kawod Rahul Jain Manisha Jain Shashwat Mishra Anupama Devi Shantana Mishra Rakesh Rai Pratul B Kothari Rekha P.Kothari Vihann Rai Hiton Kothari



**Schedule 18 -Notes forming part of the Financial Statements**

₹ in '000

The bank's related party balances and transactions for the year ended are summarized below:

**a) Transactions during the year**

Particulars	For the year ended March 31, 2025				For the year ended March 31, 2024			
	Holding/ Associate Company	Director	Key Management Personnel	Relatives of KMP	Holding/ Associate Company	Director	Key Management Personnel	Relatives of KMP
<b>Equity share capital</b>								
erstwhile Garegepreous Internet Pvt Ltd.	-	-	-	-	11,03,345	-	-	-
<b>Liabilities</b>								
Subordinated debt (Tier-II Bonds)								
erstwhile Intergalactory Foundry Pvt Ltd.	-	-	-	-	1,50,000	-	-	-
Term Deposit	20,000	21,590	5,100	413	4,490	4,551	1,499	206
Saving Deposit (Net of withdrawal)	-	2,109	9,810	-	-	2,064	347	115
<b>Expense</b>								
Interest paid on deposits	3,820	772	305	15	5,171	1,786	861	148
Service Fees	2,50,245	-	-	-	-	-	-	-
Sub-lease	594	-	-	-	-	-	-	-
Payment of Remuneration to KMP*	-	-	29,799	-	-	-	15,383	-

\*Excludes leave encashment and gratuity as the provision is made for the bank as a whole.

\*Excludes value of employee stock options granted during the year.

**b) Balance outstanding as at year end are as follows**

Particulars	For the year ended March 31, 2025				For the year ended March 31, 2024			
	Holding/ Associate Company	Director	Key Management Personnel	Relatives of KMP	Holding/ Associate Company	Director	Key Management Personnel	Relatives of KMP
<b>Outstanding as at Year end</b>								
<b>Equity share capital</b>								
erstwhile RGVN (North East) Microfinance Ltd.	-	-	-	-	29,33,844	-	-	-
erstwhile Garegepreous Internet Pvt Ltd.	-	-	-	-	13,69,380	-	-	-
<b>Subordinated debt (Tier-II Bonds)</b>								
erstwhile Intergalactory Foundry Pvt Ltd.	-	-	-	-	1,50,000	-	-	-
Deposits	-	35,644	1,334	413	61,592	24,363	11,842	2,013
Other Liabilities and Provisions	-	-	-	-	-	-	-	-
Receivable as at year end	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	1,635	-	-	-

**c) Maximum Balance outstanding during the year**

Particulars	For the year ended March 31, 2025				For the year ended March 31, 2024			
	Holding/ Associate Company	Director	Key Management Personnel	Relatives of KMP	Holding/ Associate Company	Director	Key Management Personnel	Relatives of KMP
<b>Outstanding as at Year end</b>								
<b>Equity share capital</b>								
erstwhile RGVN (North East) Microfinance Ltd.	29,33,844	-	-	-	29,33,844	-	-	-
erstwhile Garegepreous Internet Pvt Ltd.	13,69,380	-	-	-	13,69,380	-	-	-
<b>Subordinated debt (Tier-II Bonds)</b>								
erstwhile Intergalactory Foundry Pvt Ltd.	1,50,000	-	-	-	1,50,000	-	-	-
Deposits	70,000	38,429	16,326	413	84,551	33,847	12,755	2,145
Other Liabilities and Provisions	-	-	-	-	-	-	-	-
Receivable as at year end	-	-	-	-	-	-	-	-
Other Assets	1,635	-	-	-	1,635	-	-	-

\*The related party transactions with erstwhile Garegepreous Internet Private Limited (including erstwhile Intergalactory Foundry Pvt Ltd.) and erstwhile RGVN(North East) Microfinance Limited is upto October 27, 2024 as these entities got amalgamated with and into bank effective October 27, 2024.



**Schedule 18 -Notes forming part of the Financial Statements**

₹ in '000

**29.1 Employee Shared Based Payments**

The Bank has formulated Employees Stock Option Scheme - EMPLOYEES STOCK OPTION POOL SCHEME (ESOS), 2024 OF NORTH EAST SMALL FINANCE BANK LIMITED ('the Scheme') for the benefit of employees as approved by the board of directors in the meeting held on October 27, 2024 wherein the Compensation Committee has been authorized to grant share-based stock options to eligible employees of the Bank. These stock options will generally vest between a minimum of one year to a maximum of four years from the grant date subject to achievement of certain performance criteria. The Compensation Committee, shall implement the recommendations of the Board for giving effect to the ESOP Scheme 2024. The Compensation Committee shall administer the scheme and report to the board about the activities undertaken by it to administer / implement the Scheme.

Erstwhile Garagepreneurs internet Private Limited, has issued employee stock options to its eligible employees under the Slice - Employee Welfare Trust (SEWT) ESOP 2021 and the same has been grandfathered as per the 'Composite Scheme Of Arrangement and Amalgamation'. These stock options will generally vest between a minimum of one to a maximum of five years from the grant date subject to achievement of certain performance criteria.

The options granted to employees vest in a graded manner and these may be exercised by the employees within a specified period. The Bank follows the fair value method to account for its stock - based employee compensation plans granted to all eligible employees (including for Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff as required in the RBI clarification dated August 30, 2021 on Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff). The fair value of the stock - based compensation is estimated on the date of grant using Black - Scholes model and the inputs used in the valuation model include assumptions such as the stock price, volatility, risk free interest rate, exercise price, time to maturity / expected life of options and expected dividend yield.

Compensation cost is measured by the fair value of the option using Black-Scholes options pricing model on the grant date. Compensation cost is amortised over the vesting period on an 'Graded vesting method' with a corresponding credit to Employee Stock Options Reserve. In case the stock options get lapsed / cancelled/expired, the balance in stock option outstanding account is transferred to the Profit and Loss Account.

**slice - Employee Welfare Trust (SEWT) ESOP 2021 , continued as a part of scheme of arrangement**

Particulars	Stock (grants)	Options	Exercise price (Rs.)	Weighted average exercise price (Rs.)	Weighted average remaining contractual life (Years)
Outstanding as at April 1, 2024		-			
Granted during the year		-			
Opening balance adjustment on account of amalgamation		78,609			
Forfeited during the year		545			
Expired during the year		-			
Exercised during the year		-			
<b>Outstanding as at March 31, 2025</b>		<b>78,064</b>	<b>10</b>	<b>10</b>	<b>1.65</b>

\* In the above scheme, the employees eligible to exercise their grants will get 14088 share per grant as approved in the scheme of arrangement.



**Schedule 18 - Notes forming part of the Financial Statements**  
**Employees Stock Option Pool Scheme (ESOS), 2024**

₹ in '000

Particulars	Stock Options	Range of exercise prices (Rs.)	Weighted average exercise price (Rs.)	Weighted average remaining contractual life (Years)
Outstanding as at April 1, 2024	-			
Granted during the year	3,12,52,300			
Opening balance adjustment on account of amalgamation	-			
Forfeited during the year	13,55,933			
Expired during the year	-			
Exercised during the year	-			
<b>Outstanding as at March 31, 2025</b>	<b>2,98,96,367</b>	<b>1</b>	<b>1</b>	<b>3.75</b>

As of March 31, 2024, the bank did not have any ESOP scheme.

The weighted average fair value of options granted during the year ended March 31, 2025 was INR 2.74 (Previous Year Nil)

Particulars	March 31, 2025	March 31, 2024
Dividend yield (%)	-	-
Expected life (in years)	6.00	-
Risk free interest rate (%)	6.72%	-
Volatility (%)	44.26%	-

Expected dividend during the estimated expected term of the option are based on the dividend declared for one financial year prior to the date of grant. Expected life of option is the period for which the Bank expects the option to be in existence based historical data. Risk free interest rates over the expected term of the option are based on the maturity zero coupon yield curve for Government Securities at the time of grant. Expected volatility is a measure of the amount by which the price has fluctuated (historical volatility) or is expected to fluctuate (expected volatility) during a period.

Following is the movement in Employee Stock options outstanding Reserve:

Particulars	March 31, 2025	March 31, 2024
Opening balance as at the beginning of the year	-	-
Opening balance adjustment on account of amalgamation	16,70,857	-
Employee stock option cost for the period	4,46,707	-
<b>Closing balance as at the end of the year</b>	<b>21,17,564</b>	<b>-</b>

**29.2 Employee benefits**

(i) **Defined contribution plan** - Retirement benefits in the form of provident fund and employee state insurance scheme are defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

The Bank has recognized the following amounts in the Profit and Loss Account towards contributions to Provident Fund and Other Funds:

Particulars	March 31, 2025	March 31, 2024
Contribution towards provident fund	69,791	50,075
Contribution towards ESIC	4,643	7,243
Contribution towards Pension fund	NIL	NIL

(ii) **Defined benefit plan and compensated absences**- Liability for defined benefit gratuity plan and accumulated compensated absences is determined by estimating the present value of amount of benefit that employees have earned in return for their service in the current and prior periods. The Bank accounts for its liability for unfunded compensated absences and funded gratuity based on actuarial valuation, as at the Balance Sheet date, determined annually by an independent actuary using the Projected Unit Credit Method. Actuarial gains and losses are recognized in full in the Profit and Loss Account for the period and are not deferred.

Contribution to Gratuity Fund:

Details of defined benefit plan of gratuity are given below:

Particulars	March 31, 2025	March 31, 2024
Opening Balance of Present value of obligation	97,221	81,494
Opening Balance of Present value of obligation adjustment on account of amalgamation	53,889	-
Interest Cost	10,721	5,962
Current service cost	34,442	13,589
Benefits paid	(22,715)	(7,642)
Actuarial Loss/ (Gain) on obligation	13,788	3,817
<b>Closing Balance of Present value of obligation</b>	<b>1,87,346</b>	<b>97,221</b>



Schedule 18 -Notes forming part of the Financial Statements

₹ in '000

Expense recognised in profit and loss account

Particulars	March 31, 2025	March 31, 2024
Current service cost	34,442	13,589
Interest Cost	10,721	5,962
Expected return on plan assets	(9,654)	(9,362)
Net Actuarial loss recognised in the year	15,240	3,817
Expense recognised in profit and loss account	50,748	14,006

Net Liability/(Asset) recognized in the Balance Sheet

Particulars	March 31, 2025	March 31, 2024
Fair value of plan assets	1,26,177	1,35,118
Present value of defined obligation	1,87,346	97,221
Excess of plan assets over present value of obligation	(61,169)	37,898
Net (Liabilities)/Asset recognized in balance sheet	(61,169)	37,898

Change in Fair Value of Plan Assets during the year

Particulars	March 31, 2025	March 31, 2024
Opening balance of fair value of plan assets	1,33,118	1,27,977
Expected return on plan assets	9,654	9,362
Actual Company Contributions	390	5,421
Benefits paid	(17,534)	(7,642)
Actuarial gain/(loss) return on plan assets	(1,451)	-
Closing balance of fair value of plan assets	1,26,177	1,35,118

Actuarial assumptions used

Particulars	March 31, 2025	March 31, 2024
Discount Rate	6.50%	7.15%
Expected Return on plan assets	6.50%	7.15%
Expected rate of salary increase	7.00%	4.00%
Employee Attrition rate (overall)	42.00%	NA
Upto 30 Yrs	NA	37.80%
31-44 yrs	NA	19.85%
Above 44 yrs	NA	14.78%

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Information of investment details of plan assets are not available hence not disclosed and the obligation is funded with LIC.

Details relating to experience adjustment and expected future cash flow is given below:

Particulars	March 31, 2025	March 31, 2024
(Gain)/Loss on Plan Liabilities	5,398	4,865
% of Opening Plan Liabilities	3.60%	6.00%
(Gain)/Loss on Plan Assets	(1,451)	-
% of Opening Plan Assets	-1.10%	0.00%

(iii) Other Long term employee benefits – Compensated absences

The Actuarial liability of compensated absences of accumulated privilege leave of the employees of the Bank is given below:

Particulars	March 31, 2025	March 31, 2024
Privileged Leave (Actuarial Liability) at the end of the year	1,03,451	36,196



**30. Contingent Liabilities**

Contingent Liability	Brief Description
Claims against the Bank not acknowledged as debts	The Bank is a party to various legal proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows.
Other Items for which the bank is constitutently liable	These includes guarantees given under colending arrangements grandfathered on the date of merger.

Refer schedule 12.

**31. Code on social security**

The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Bank will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

**32. Implementation of IFRS converged Indian Accounting Standards (Ind AS)**

The Banks in India currently prepare their financial statements as per the guidelines issued by the RBI, the Accounting Standards notified under section 133 of the Companies Act, 2013 and generally accepted accounting principles in India (Indian GAAP). In January 2016, the Ministry of Corporate Affairs issued the roadmap for implementation of new Indian Accounting Standards (Ind AS), which were based on convergence with the International Financial Reporting Standards (IFRS), for scheduled commercial banks, insurance companies and non-banking financial companies (NBFCs). In March 2019, RBI deferred the implementation of Ind AS for banks till further notice as the recommended legislative amendments were under consideration of Government of India.

**33. Proposed Dividend**

During the year ended March 31, 2025, the Bank has not declared any dividend. (Previous Year -NIL)

**34 Details of payment made to Statutory Auditors as per P&L**

Particulars	March 31, 2025	March 31, 2024
Payment made to statutory Auditor		
– Statutory Audit (including Tax Audit fees)	4,500	2,860
– Other assignments	1,000	500

**35. Corporate Social Responsibility**

As per Sec 135 (1) of the Companies Act "Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board, consisting of three or more directors, out of which at least one director shall be an independent director". Further, the company should spend, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

Particulars	March 31, 2025	March 31, 2024
a) Gross amount required to be spent by the Bank during the year	NIL	NIL
b) Amount spent during the year	484	558

\*INR 1,959 thousands of CSR liability has been carried forward from erstwhile Garagepreneurs.

**36. Long Term Contracts**

The Bank has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Bank has reviewed and ensured that adequate provision (if any) as required under any law / accounting standards or material foreseeable losses on such long term contracts has been made in the books of account as at March 31, 2025. (Previous Year - Nil)

**37. Small & Micro Industries**

Based on the information available with the bank, there are no outstanding dues and payment made to supplier of goods and services beyond the specified period under the Micro, Small and Medium Enterprise Development Act, 2006. There are no interest payable or paid to any supplier under the said act (Previous Year- Nil)



**Schedule 18 -Notes forming part of the Financial Statements**

₹ in '000

**38. Investor education and protection fund**

There is no amount required to be transferred to Investor Education and Protection Fund by the Bank (Previous year - Nil).

**39. Disclosure under Rule 11 (e) of the Companies (Audit and Auditors) Rules, 2014 :**

The Bank, as part of its normal banking business, grants loans and advances to its constituents including foreign entities with permission to lend / invest / provide guarantee or security or the like in other entities identified by such constituents. Similarly, the Bank accepts deposits from its constituents, who may instruct the Bank to lend / invest / provide guarantee or security or the like against such deposit in other entities identified by such constituents.

These transactions are part of Bank's normal banking business, which is conducted after exercising proper due diligence including adherence to "Know Your Customer" guidelines as applicable in respective jurisdiction. Other than the nature of transactions described above, the Bank has not advanced / lent / invested / provided guarantee or security to or in any other person with an understanding to lend / invest / provide guarantee or security or the like to or in any other person. Similarly, other than the nature of transactions described above, the Bank has not received any funds from any other person with an understanding that the Bank shall lend / invest / provide guarantee or security or the like to or in any other person.

**40 Additional Disclosure on Material Item in line with RBI circular No DOR.ACC.REC.No.91/21.04.018/2022-23**

**40.1 Disclosure on material item under subhead "Miscellaneous Income" exceeding 1% of Total Income:**

Particulars	March 31, 2025	March 31, 2024
Principal recovery from Technically W/off account	3,25,798	5,05,931

**40.2 Disclosure on material item under subhead "Other Expenditure" exceeding 1% of Total Income:**

Particulars	March 31, 2025	March 31, 2024
Software Expenses	3,15,790	-
Service Fees on Digital Lending	2,50,245	-
Ineligible GST input credit	1,23,613	43,257
Collection Charges	1,01,867	-
Professional Charges	1,01,532	-
Staff Travelling Expenses	-	31,664
Office-Security	-	52,009

**40.3 Disclosure on material item under subhead "other Liabilities and Provisions-Others" exceeding 1% of Total Assets:**

Particulars	March 31, 2025	March 31, 2024
Vendor payable & Provision for expenses	7,39,859	-

**40.4 Disclosure on material item under subhead "Other Assets-Others" exceeding 1% of Total Assets:**

Particulars	March 31, 2025	March 31, 2024
GST Input credit	5,35,033	-
Settlement receivable from payment gateway	5,25,071	-

**41. Provision for debit & credit card reward points**

The Bank has not provided any reward points on debit card during the Financial year ended March 31, 2025(Previous year Nil). Further, the Bank has not issued any credit card during the FY 2024-25. (Previous Year - Nil)

**42. Significant event after balance sheet date**

There are no significant events occurred after the balance sheet date.



**Schedule 18 -Notes forming part of the Financial Statements**

₹ in '000

**43. Changes in accounting policy**

The RBI, vide its master direction dated September 12, 2023, issued revised norms for the classification, valuation and operation of investment portfolio of banks, which became applicable from April 01, 2024. While hitherto, the investment portfolio was classified under the held to maturity (HTM), available for sale (AFS) and held for trading (HFT) categories, the revised norms bring in a principle-based classification of investment portfolio and a symmetric treatment of fair value gains and losses. In accordance with the revised norms and the Bank's board approved policy, the Bank has classified its investment portfolio as on April 01, 2024 under the categories of held to maturity (HTM), available for sale (AFS) and fair value through profit and loss (FVTPL) with held for trading (HFT) as a sub-category of FVTPL, and from that date, measures and values the investment portfolio under the revised framework. On transition to the framework on April 01, 2024, the Bank has recognised a net gain of INR 14,930 thousands (net of tax of INR 5,022 thousands) on HTM investments which has been credited to general reserve and INR 12,948 thousands (net of tax of INR 4,355 thousands, refer note 8 of schedule 18 'Drawdown from Reserves') on AFS investments which has been credited to AFS reserve, in accordance with the said norms. The impact of the revised framework for the period subsequent to the transition is not ascertainable and as such the income / profit or loss from investments for the year ended March 31, 2025 is not comparable with that of the previous year. Except for the foregoing, the Bank has applied its significant accounting policies in the preparation of these financial results consistent with those followed in the annual financial statements for the year ended March 31, 2024. Any circular / direction issued by RBI is implemented prospectively when it becomes applicable, unless specifically required under that circular / direction. (Previous Year - Nil)

**44. Green deposits**

The Bank has not raised green deposits during the Financial Year 2024-25 (Previous Year - Nil) based on the Framework for the acceptance of Green deposits issued by RBI.

**45. Accounting software used for maintenance of books of accounts**

As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 the Bank uses only such accounting software for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made within such accounting software. This feature of recording audit trail has operated throughout the year and was not disabled, tampered with during the year.

**46. Assam microfinance incentive relief scheme (AMFIRS)**

The bank submitted the claim towards 2nd Tranche under Category-III of AMFIRS scheme, pertaining to eligible borrowers with outstanding amounts ranging between INR 25,000-50,000 amounting to INR \$6.65 crores. Out of above, the bank recognized 25% of total claim submitted i.e. INR 22 crores as income and corresponding amount as receivable from AMFIRS in FY24. Further, additional 25% (22 crore) was recognised in the quarter ending June 30, 2024. Out of total receivable of INR 44 crores, the bank received INR 20.3 crores in Nov 2024.

RBI vide circular DOR.STR.REC.54/21.04.048/2024-25- 'Government Debt Relief Schemes' dated 31 December 2024, have clarified that any dues pending receipt from Government, for more than 90 days shall attract specific provision of 100%. Accordingly, the bank has made 100% provision in FY25 on the balance amount receivable from Government of Assam.

**47. Prior period comparatives**

Figures for the previous year have been regrouped and reclassified wherever necessary to confirm to the current year's presentation. The financial statements for the period ended March 31, 2025 is including erstwhile Garagepreneurs Internet Private Limited and erstwhile RGVN(North East) Microfinance Limited from October 27, 2024 onwards (refer note 1.1 'Amalgamation') and hence the figures are not comparable with those of the previous year.

As per our audit report of even date

For Chaturvedi & Co  
Chartered Accountants

Firm Registration Number : 302137E

*Amit Kumar*

CA Amit Kumar  
Partner

Membership No - 318210

UDIN - 25318210BMRKGI3440

Place : Kolkata

Date : June 12, 2025



For and on behalf of the Board of Directors

*S. S. Shetty*

Samit Shankar Shetty  
Independent Director and

Chairman of Audit Committee of Board

DIN : 02573018

Place : Bangalore

*R. B. Raja*

Rajan Raja  
Executive Director

DIN : 07197443

Place : Bangalore

*S. Kothari*

Shelany Kothari  
Company Secretary

M. No- F7698

Place : Bangalore

*S. Kumar*

Satish Kumar Kalra  
Managing Director & CEO

DIN : 01952165

Place : Guwahati

*N. Jain*

Naresh Jain  
Chief Financial Officer

Place : Bangalore





# CHATURVEDI & CO LLP

CHARTERED ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

To

The Members of North East Small Finance Bank Limited

Report on Audit of the Financial Statements

### Qualified Opinion

1. We have audited the accompanying financial statements of North East Small Finance Bank Limited, ("the Bank"), which comprise the balance sheet as at March 31, 2024, the profit and loss account, the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information
2. In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in *Basis for Qualified Opinion* section of our reports, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 and the Companies Act, 2013 ("the Act") in the manner so required give a true and fair view in conformity with accounting standards prescribed under section 133 of the Act ("Accounting Standard") as applicable to bank and other accounting principles generally accepted in India, of the state of affairs of the bank as at March 31, 2024, its profit and its cash flow for the year ended on that date.

### Basis for Qualified Opinion

#### 3. As Stated in:

The bank migrated to a new core banking system (BSG) on April 24, 2023. Given the system is yet to be streamline fully, there are instances where manual involvement is required in preparing the financial statements. Therefore, we have conducted our audit with the help of information, explanations and data provided by the management. Bank's trial balance as of March 31, 2024 has unreconciled negative balances which are generated in certain general ledger accounts which may be having impact on Financial Statements. Hence, we are unable to comment on the accuracy of the data generated through the system.

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

### Key Audit Matters

5. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these



Branches: Mumbai \* New Delhi \* Chennai

CHATURVEDI & CO (ICAI Registration No. 302127E) has been incorporated in India as a limited liability partnership firm. CHATURVEDI & CO LLP Form No. 11  
20-09-2024, incorporated in India as a limited liability partnership firm. CHATURVEDI & CO LLP Form No. 11  
CHATURVEDI & CO (ICAI Registration No. 302127E) has been incorporated in India as a limited liability partnership firm. CHATURVEDI & CO LLP Form No. 11

matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our matter was addressed in the audit
<p><u>Classification of Advances, Income Recognition, Identification of and provisioning for non-performing advances.</u></p> <p>(Refer Schedule 9 to the financial statements, read with the Accounting Policy No. 6)</p> <p>The advances are classified as performing and non-performing advances (NPA) which are governed by Income Recognition, Assets Classification and Provisioning (IRAC Norms) and other relevant directions / guidelines (Prudential Norms) as issued by the Reserve Bank of India (RBI) from time to time. The classification and provisioning are done carried out by the Bank's IT software integrated with its Core Banking Solution (CBS).</p> <p>The provisioning for identified NPAs is based on ageing and classification of NPAs, recovery estimates, value of security and is subject to the provisioning norms specified by RBI</p> <p>In the event of any improper application of the Prudential Norms or regulatory requirement or consideration of the incorrect value of the advances could be materially, the carrying value of advances could be materially misstated either individually or collectively, and in view of the significance of the amount of advances in the financial statements, the classification of the advances and provisioning thereon has been considered as Key Audit Matter in our audit.</p>	<p><u>Our Audit Procedure:</u></p> <p>We obtained an understanding of the Bank's software, circulars, guidelines and directives of the RBI, the Bank's internal instructions and procedures in respect of the assets classification and its provisioning. Our audit approach consisted of testing the design of system for identification of non-performing assets to ensure conformity with guidelines of the RBI in the matter and test checking identification and valuation of non-performing assets</p> <p>We have reviewed the documentations, operations, performance and monitoring of the advance accounts, on test check basis of the large and stressed advances, to ascertain any overdue, unsatisfactory conduct or weakness in any advance account, to ensure that its classification is in accordance with the prudential norms of RBI.</p> <p>We have reviewed on the test check basis the reports of internal audit, concurrent audit, regulatory audit to ascertain the advances having any adverse/features/comments and reviewed the reports generated from bank's MIS. We reviewed advances including stressed assets on sample basis w.r.t. compliance with the RBI master circulars, guidelines and judicial pronouncements.</p> <p>Necessary changes were carried out wherever required during the course of audit and the effect of the same was duly accounted for in the financial statements for the year ended 31<sup>st</sup> March, 2024.</p> <p><u>Our Comments:</u></p> <p>The results of our audit process were observed to be adequate and satisfactory considering the materiality of the transactions.</p>



Classification and valuation of Investments identification and provisioning for Non-Performing Investments

(Refer Schedule 8 in the financial statements, read with the Accounting Policy No. 5)

Investment portfolio of the bank comprises of investments in Government Securities, Bonds, Debentures, Shares, Security Receipts and other Approved Securities which are classified under three categories, Held to Maturity, Available for Sale and Held for Trade.

Valuation of Investments, Identification of Non-Performing Investments (NPI) and the corresponding non-recognition of income and provision thereon, is carried out in accordance with the relevant circulars / guidelines / directions of RBI

Considering judgement involved in valuation, volume of transactions, investments on hand, regulatory requirements and significance of the amount of investments in the financial statements, we have identified this as key audit matter for the current year period.

Our Audit Procedure:

Our audit approach towards Investments with reference to the RBI circulars / directives included in the review and testing of the design, operating effectiveness of internal controls and substantive audit procedures in relation to valuation, classification, identification of Non-Performing Investments, provisioning / depreciation related to Investments.

We evaluated and understood the system and internal control as laid down by the Bank to comply with relevant RBI guidelines.

We assessed and evaluated the process of identification of NPI's and corresponding reversal of unrealised income and creation of provision thereon..

We carried out substantive audit procedures to re-compute independently the provision to be maintained and depreciation to be provided in accordance with the circulars and directives of RBI. Accordingly, we selected samples from investments of each category and tested for NPI's as per the RBI guidelines and recomputed the provisions to be maintained in accordance with the RBI circular for those selected sample of NPI's.

Necessary changes were carried out wherever required during the course of audit and the effect of the same was duly accounted for in the financial statements for the year ended 31<sup>st</sup> March, 2024.

Our Comments:

The results of our audit process were observed to be adequate and satisfactory considering the materiality of the transactions.

Information Technology (IT) and controls impacting financial Reporting

The Bank's financial accounting and reporting systems are highly dependent on the effective working of the Core Banking Solution (CBS) and other IT systems linked to the CBS or working independently.

Our areas of focus relate to the logic that is fed into

Our Audit Procedure:

We evaluated and understood the CBS system adopted by the Bank.

We assessed the operative effectiveness of key automated controls within various business processes. This includes testing the integrity of system interfaces,

Branches: Mumbai \* New Delhi \* Chennai

CHATURVEDI & CO. (ICAI Registration No. 302137E) has been converted into a limited liability partnership CHATURVEDI & CO LLP from April 29, 2024, and is a registered Limited Liability Partnership with LLPIN ACS-8720 & ICAI Registration No. 302137E/E300288.

<p>the system, sanctity and reliability of the data, access management and segregation of duties. These underlying principles are important because they ensure that changes to applications and data are appropriate, authorized, cleansed and monitored, so that the system generates accurate and reliable reports / returns and other financial and non-financial information that is used for the preparation and presentation of the financial statements.</p> <p>Technology (IT) systems are used in financial reporting process. The Bank's operational and financial processes generate extensive volume on daily basis and process varied and complex transactions, which are highly dependent on IT systems.</p> <p>The Bank accounts for all the transactions related to Advances in its Information Technology system (IT System) viz. Core Banking Solution(CBS) which identifies whether the advances are performing or non-performing and calculation of provisions thereon.</p> <p>Due to the importance of the impact of the IT systems and related control environment on the bank's financial reporting process, we have identified testing of such IT systems and related control environment as a key matter for the current year audit.</p>	<p>the completeness and accuracy of data, system reconciliation controls and automated calculations.</p> <p>We assessed the feeding of the data in the system and going through the extraction of the financial information and statements from the IT system existing in the bank.</p> <p>Reviewed the output and reports generated by the system on sample basis.</p> <p>Where deficiencies were identified, we tested compensating controls or performed alternate procedures.</p> <p>The system needs to be further strengthened for its efficacy to control deficiencies of input/output data from the system.</p> <p>We also tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit; including testing of compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the financial statements</p>
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#### Emphasis of Matters

6. We draw attention to the following notes to the financial statements:

- a) As referred in note no. 3.6 of the accompanying Financial Statement the bank did not make public invitation as required by the RBI Circular RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04 048/2021-22 in case of sale of Portfolio to ARC. The bank had appointed independent consultant for advising on the same and the bids received were placed before the Board for approval.
- b) The Bank has not fully complied with the paragraph 2.8 of the Reserve Bank of India (the "RBI") Circular Reference No. DoS.CO.PPG./SEC.03/11.01.005/2020-21 dated September 14, 2020 on 'Automation of Income Recognition, Asset Classification and Provisioning processes in Banks' (hereinafter referred to as the "RBI Circular").
- c) As referred in note no. 43 of the accompanying Financial Statement the bank has recognized the receivable amounting to Rs 2200 Lakhs based on the letter provided by GOVERNMENT OF ASSAM FINANCE (INSTITUTIONAL FINANCE) DEPARTMENT DISPUR, GUWAHATI, ASSAM vide letter no FD-17/41/2021-(F-FIN-Finance/386, dated 7<sup>th</sup> June, 2024 by the management.

#### Information Other than the Financial Statements and Auditor's Report thereon

7. The Bank's Board of Directors is responsible for preparation of the other information. The other information comprises the chairman's statement, Directors Report including annexure to Directors Report and corporate



governance report included in the Annual Report but does not include the financial statement and our Auditors Report thereon and the Basel II Disclosure under New Capital Adequacy Framework (Basel II Disclosure)

Our opinion on the financial statements does not cover the Other Information and Basel II disclosures and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained during course of our 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 the Management and Those Charged with Governance for the Financial Statements

8. The Bank's Board of Directors is responsible for the matter stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the provisions of section 29 of the Banking Regulation Act, 1949 Accounting Standard and other accounting principles generally accepted in India and the circulars, guidelines and the directions issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Bank's Board of Directors are also responsible for overseeing the Bank's financial progress.

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

10. We draw attention to the fact that corresponding figures for the year ended 31<sup>st</sup> March, 2023 are based on previously issued financial statements of the Bank, that were audited by predecessor auditor, who had expressed an unmodified opinion on those financial statements dated 26<sup>th</sup> June, 2023.

Our opinion on the financial statement is not modified in respect of above matter.

#### Report on Other Legal and Regulatory Requirements

11. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949 and section 133 of the Companies Act, 2013 and relevant rules issued thereunder;
12. As required by sub-Section (3) of Section 30 of the Banking Regulation Act, 1949, in our Audit, we report that:

Branches: Mumbai \* New Delhi \* Chennai

CHATURVEDI & CO. (ICAI Registration No. 302137E) has been converted into a limited liability partnership CHATURVEDI & CO LLP from April 26, 2024, and is a registered Limited Liability Partnership with LLPIN ACG-8720 & ICAI Registration No. 302137E.



- 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 and found them to be satisfactory.
- b. In our opinion, the transactions of the Bank which have come to our notice have been within the powers of the bank.
- c. As explained in the paragraph 13 below, the financial accounting system of the Bank are centralized and, therefore, accounting returns are not required to be submitted by branches.
- d. In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books.
- e. The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- f. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act as applicable to the Banks.
- g. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- h. With respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses a modified opinion on the adequacy and operating effectiveness of the Bank's internal financial controls over financial reporting.
- i. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the entity being a banking company, section 197 of the Act related to the managerial remuneration is not applicable by virtue of Section 35B(2A) of the Banking Regulation Act, 1949.
- j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Bank does not have any pending litigations which may have an impact on its financial positions as at the year-end.
  - ii. The Bank did not have any long-term contracts including derivative contracts as at the year-end for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund (IEPF) by the Bank.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 39 to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note 39 to the financial statements, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities (Funding Intermediaries) with the understanding,

Branches: Mumbai \* New Delhi \* Chennai

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whether recorded in writing or otherwise, that the Bank shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Bank has not declared or paid any dividend during the year and has not proposed final dividend for the year.
  - vi. Proviso to Rule 3(i) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Bank w.e.f. April 1, 2023, and accordingly, Bank has not implemented this feature in the system till date of audit.
13. We report that during the course of our audit we have visited and performed select relevant procedures at 8 branches. Since the Bank considers its key operations to be automated, with the key applications largely integrated to the Core Banking System, it does not require its branches to submit any financial returns. Accordingly, our audit is carried out centrally at Head Office based on the records and data required for the purpose of Audit being made available to us.

For Chaturvedi & Co LLP

Chartered Accountants

FRN: 302137E/000286

Amit



CA Amit Kumar

Partner

Membership No- 318210

UDIN: 2431821031KCMX69840

Date: 25th June, 2024

Place: Guwahati

Branches: Mumbai \* New Delhi \* Chennai

CHATURVEDI & CO (ICAI Registration No. 302137E) has been converted into a limited liability partnership CHATURVEDI & CO LLP from April 25, 2024 and is a registered Limited Liability Partnership with UDIN ACG-8720 & ICAI Registration No. 302137E/000286.



## CHATURVEDI & CO LLP

CHARTERED ACCOUNTANTS

2-F, Park Centre, 2<sup>nd</sup> Floor, 24 Park Street, Kolkata-700 016

Phone: 033 4601-2507

E-mail: [chaturvedi@chaturvedi.com](mailto:chaturvedi@chaturvedi.com); [chaturvedisci@yahoo.co.in](mailto:chaturvedisci@yahoo.co.in)

[HO at 60, Bentinck Street, Kolkata – 700 069]

### ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 12(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to Financial Statements under clause (f) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)

We have audited the internal financial controls with reference to financial statements of **North East Small Finance Bank Limited (the "Bank")** as of 31st March, 2024 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

1. The Bank's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India.

#### Auditor's Responsibility

2. Our responsibility is to express an opinion on the Bank's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI") and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements were established and maintained and if such controls operated effectively in all material respects.
3. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls 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.

Branches: Mumbai \* New Delhi \* Chennai

CHATURVEDI & CO (ICAI Registration No. 302137E1) has been converted into a limited liability partnership. CHATURVEDI & CO LLP from April 25, 2024, and is a registered Limited Liability Partnership with LLPIN ACG 0720 & ICAI Registration No. 302137E1-2024.



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

#### Meaning of Internal financial controls with reference to Financial Statements

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

#### Inherent Limitations of Internal financial controls with reference to Financial Statements

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

#### Qualified Opinion

7. According to the information and explanations given to us and based on our audit, the following material weakness have been identified as at March 31, 2024:

The bank migrated to a new core banking system (BSG) on April 24, 2023. Given the system is yet to be streamline fully, there are instances where manual involvement is required in preparing the financial statements. Therefore, we have conducted our audit with the help of information, explanations and data provided by the management. Bank's trial balance as of March 31, 2024 has unreconciled negative balances which are generated in certain general ledger accounts which may be having impact on Financial Statements. Hence, we are unable to comment on the accuracy of the data generated through the system.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with respect to financial statement, such that there is a reasonable possibility that a material misstatement of the bank's annual financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the bank has maintained, in all material respects, adequate internal financial controls with respect to financial statement and such controls were operating effectively as of March 31, 2024, based on "the internal control with respect to financial statement criteria established by the bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with respect Financial Reporting issued by the Institute of Chartered Accountants of India".

Branches: Mumbai \* New Delhi \* Chennai

CHATURVEDI & CO. (ICAI Registration No. 302137F) has been converted into a limited liability partnership CHATURVEDI & CO-LLP from April 25, 2004 and is a registered Limited Liability Partnership with LLPIN AOC-8720 & ICAI Registration No. 302137F/030288.



We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2024 financial statements of the bank, and the material weakness except & to the extent as stated in our qualified audit report do not affect our opinion on the financial statements of the Company

For Chaturvedi & Co LLP

Chartered Accountants

FRN: 302137E/E300286

CA Amit Kumar

Partner

Membership No. 318



UDIN: 24318210 BkCMx03840

Date: 25th June, 2024

Place: Guwahati

Branches: Mumbai \* New Delhi \* Chennai

CHATURVEDI & CO. ICAI Registration No. 302137E; has been converted into a limited liability partnership CHATURVEDI & CO LLP from April 23, 2004, and is a registered Limited Liability Partnership with LLPIN ACG-8720 & ICAI Registration No. 302137E/E300286.



**NORTH EAST SMALL FINANCE BANK LIMITED**  
 Guvahati, Assam (IN - 786100) (52016PLCO) 75851  
**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2024**

PARTICULARS	Schedule No.	As at	INR in '000
		March 31, 2024	March 31, 2023
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	46,93,404	36,58,468
Reserves and Surplus	2	60,14,554	121,36,076
Deposits	3	1,51,95,741	2,03,96,100
Borrowings	4	7,62,500	43,01,500
Other Liabilities and Provisions	5	2,76,687	13,65,133
<b>TOTAL</b>		<b>1,68,65,476</b>	<b>2,71,04,395</b>
<b>ASSETS</b>			
Cash and Balance with Reserve Bank of India	6	16,38,294	15,04,337
Balance with Banks and Money at call & short notice	7	6,87,156	40,35,298
Investments	8	55,01,505	31,62,864
Advances	9	30,24,309	1,60,12,395
Fixed Assets	10	2,73,308	2,86,131
Other Assets	11	2,34,901	17,59,899
<b>TOTAL</b>		<b>1,68,65,476</b>	<b>2,71,04,395</b>
Contingent Liabilities	12	5,913	-
Bill for collection		-	-
Significant Accounting Policies and notes to the financial statements	13 & 18	-	-
Schedules referred to above form an integral part of the Financial Statements			

As per our audit report of even date

For and on behalf of the Board of Directors

For CHATURVEDI & CO LLP  
 Chartered Accountants  
 Firm Registration Number: 100437E/E100286



CA Anil Kumar  
 Partner  
 Membership No - 318210

UDIN: 24318210BRCMXP3540

Place: Guwahati  
 Date: June 25, 2024

*S. S. Shetty*  
 Samit Shankar Shetty  
 Independent Director and  
 Chairman of Audit Committee  
 of Board  
 DIN: 02573618

*Satish Kumar Kalra*  
 Satish Kumar Kalra  
 Managing Director & CEO  
 DIN: 01952155

*Tapan Kumar Hazarika*  
 Tapan Kumar Hazarika  
 Independent Director  
 DIN: 01048195

*Ketan Kumar Joshi*  
 Ketan Kumar Joshi  
 Chief Financial Officer  
 M. No. 656416

*Sanjeeb Kumar Mishra*  
 Sanjeeb Kumar Mishra  
 Company Secretary  
 M. No. RC3529

Place: Guwahati  
 Date: June 25, 2024



**NORTHEAST SMALL FINANCE BANK LIMITED**  
 Guwahati, Assam (CIN : I65100AS2016PLC017505)  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2024**

PARTICULARS	Schedule No.	For the Year Ended March 31, 2024	(INR in '000) For the Year Ended March 31, 2023
<b>I. INCOME</b>			
Interest Earned	11	19,58,293	29,76,867
Other Income	14	5,55,353	1,75,915
<b>TOTAL</b>		<b>25,13,647</b>	<b>33,52,782</b>
<b>II. EXPENDITURE</b>			
Interest Expended	15	12,42,561	14,12,309
Operating Expenses	16	17,45,939	17,78,895
Provisions and Contingencies (Refer note no. 7 of notes to financial statements)		11,51,848	22,90,637
<b>TOTAL</b>		<b>40,40,348</b>	<b>54,82,840</b>
<b>III. PROFIT/(LOSS)</b>			
Net Profit/(Loss) after Tax		(15,26,701)	(21,30,058)
Add: Balance in Profit & Loss Account Brought Forward from Previous Year		(28,89,754)	17,59,696
<b>TOTAL</b>		<b>(44,16,455)</b>	<b>(28,89,754)</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserve		-	-
Transfer to Investment Fluctuation Reserve		-	10,609
Balance Carried to Balance Sheet		(44,16,455)	(28,99,763)
<b>TOTAL</b>		<b>(44,16,455)</b>	<b>(28,89,754)</b>
<b>Earnings Per Share (in Rs)</b>			
Basic		(3.67)	(7.24)
Diluted		(3.67)	(7.24)

Significant Accounting Policies and notes to the financial statements: 17 & 18  
 Schedules referred to above form an integral part of the Financial Statements

As per our audit report of even date

For and on behalf of the Board of Directors,

For CHATURVEDI & CO LLP  
 Chartered Accountants  
 Firm Registration Number: 302137E/1300296



CA Amit Kumar  
 Partner  
 Membership No - 318210  
 UDIN-243182103KCEIX03840

Place : Guwahati  
 Date : June 25, 2024

*S. S. Shetty*

Sumit Shankar Shetty  
 Independent Director and  
 Chairman of Audit Committee  
 of Board  
 DIN: 01573018

*Tapan Kumar Hazarika*  
 Tapan Kumar Hazarika  
 Independent Director  
 DIN : 0808195

*Sanjeev Kumar Mishra*  
 Sanjeev Kumar Mishra  
 Company Secretary  
 M. No. FCN6291

Place : Guwahati  
 Date : June 25, 2024

*Satish Kumar Kalra*  
 Satish Kumar Kalra  
 Managing Director & CEO  
 DIN: 01952165

*Ketan Kumar Joshi*  
 Ketan Kumar Joshi  
 Chief Financial Officer  
 M. No. 056916



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 2024

₹ in '000

PARTICULARS	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	(11,35,526)	(25,16,436)
Adjustment For:		
+ Profit/Loss on sale of Fixed Assets	1,288	305
Fair value (Gain)/Loss on investments	1,954	26,292
Provisions for Standard Assets	(2,54,090)	2,04,887
Depreciation & Amortisation	76,447	81,858
Provision For Other Assets	5,702	-
Provision for Non Performing / Bad Assets	9,49,058	24,66,775
<b>Operating Profit before Working Capital Changes</b>	<b>(3,84,177)</b>	<b>2,47,830</b>
Adjustments for:		
Decrease/(Increase) in Other Assets	6,28,811	39,476
Decrease/(Increase) in Term Deposits with other Banks	5,41,500	2,01,000
Increase/(Decrease) in Other liabilities and Provisions	(4,41,747)	7,11,894
Decrease/(Increase) in Advances	76,58,128	(26,21,040)
Decrease/(Increase) in Investments	(20,20,916)	(7,46,995)
Increase/(Decrease) in Deposits	(52,00,559)	51,08,464
<b>Cash generated from / (used) in Operations</b>	<b>1,65,487</b>	<b>46,92,749</b>
Taxes Paid	-	-
<b>Net Cash Flow from / (used) in Operating Activities</b>	<b>(A) (1,88,760)</b>	<b>29,40,579</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets (incl. W.P)	(65,351)	(87,886)
Sale of Fixed Assets	239	4,668
<b>Net Cash Flow used in Investing Activities</b>	<b>(B) (65,112)</b>	<b>(83,218)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of equity shares	11,25,336	2,67,818
Increase/(Decrease) in Share Premium	11,21,000	1,79,182
Increase/(Decrease) in Borrowings (net)	(25,25,000)	(1,11,300)
<b>Net Cash Flow from / (used) in Financing Activities</b>	<b>(C) (24,21,614)</b>	<b>1,09,000</b>
<b>Net Increase / (Decrease) in Cash or Cash Equivalents (A+B+C)</b>	<b>(26,75,686)</b>	<b>29,64,361</b>
Cash and Cash Equivalents at the beginning of the year	49,42,855	19,78,475
Cash and Cash Equivalents at the end of the year	22,67,149	49,42,835

Notes:

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard 3 of Cash Flow Statements.
- Cash and cash equivalent comprises balances as per Schedule 6 and Schedule 7 of the Balance sheet.
- Figures for the previous period have been regrouped and reclassified wherever necessary to conform to the current year's presentation.

As per our audit report of even date

For and on behalf of the Board of Directors

For CHATURVEDI & CO LLP  
Chartered Accountants  
Firm Registration Number - 303177E/1801286



CA Anil Kumar  
Partner  
Membership No - 316210  
UDIN- 243182403KCMX83840

*S. S. Shetty*  
Sanjit Shankar Shetty  
Independent Director and  
Chairman of Audit Committee of Board  
DIN - 02575018

*Tapan Kumar Hazarika*  
Tapan Kumar Hazarika  
Independent Director  
DIN - 08088195

*Sanjeev Kumar Mishra*  
Sanjeev Kumar Mishra  
Company Secretary  
M. No. FC56291

Place : Guwahati  
Date : June 25, 2024

*Satish Kumar Kalra*  
Satish Kumar Kalra  
Managing Director & CEO  
DIN : 01952165

*Ketan Kumar Joshi*  
Ketan Kumar Joshi  
Chief Financial Officer  
M. No 055915



Place : Guwahati  
Date : June 25, 2024

**NORTH EAST SMALL FINANCE BANK LIMITED**  
 Gurusahi, Assam (CIN: U65100AN2016PLC017505)  
**SCHEDULES FORMING PART OF BALANCE SHEET**

PARTICULARS	(INR in 000)	
	As at March 31, 2024	As at March 31, 2023
<b>SCHEDULE 1 - Share Capital</b>		
<b>Authorised Share Capital:</b>		
Equity Share Capital 60,00,00,000 Shares of INR 10 each (Previous Year 70,00,00,000 Shares of INR 10 each)	60,00,000	70,00,000
<b>Non-votative Compulsorily Convertible Preference Share Capital (CCPS):</b>		
70,00,00,000 CCPS of INR 10 each (Previous Year 30,00,00,000 CCPS of INR 10 each)	70,00,000	30,00,000
	<u>70,00,000</u>	<u>1,00,00,000</u>
<b>Issued, Subscribed and Paid up Capital</b>		
Equity Share Capital- 46,93,80,361 Shares of INR 10 each (Previous year 32,77,00,276 Shares of INR 10 each)	46,93,804	32,77,607
Non-votative Compulsorily Convertible Preference Share Capital (CCPS)- Nil (Previous Year 1,91,46,531 shares of INR 10 each)	-	1,91,465
<b>Total</b>	<u>46,93,804</u>	<u>34,68,468</u>
<b>SCHEDULE 2 - Reserves and Surplus</b>		
<b>I. Statutory Reserve</b>		
Opening Balance	1,97,658	1,97,658
Additions during the year	-	-
Closing Balance	<u>1,97,658</u>	<u>1,97,658</u>
<b>II. Investment Fluctuation Reserve</b>		
Opening Balance	1,10,710	1,10,719
Additions during the year	-	-
Less- Transferred to General Reserve	(1,10,710)	(10,009)
Closing Balance	<u>-</u>	<u>1,10,710</u>
<b>III. General Reserve</b>		
Opening Balance	-	-
Additions during the year	1,10,710	-
Less- Utilisation during the year	-	-
Closing Balance	<u>1,10,710</u>	<u>-</u>
<b>IV. Share premium</b>		
Opening Balance	1,45,382	97,736
Add- Addition during the year	2,324	47,646
Less- CCPS Conversion made during the year	(1,24,375)	-
Closing Balance	<u>23,431</u>	<u>1,45,382</u>
<b>V. Balance in Profit and Loss Account</b>		
	(14,16,155)	(28,89,754)
<b>Total (I to V)</b>	<u>(40,84,656)</u>	<u>(24,36,096)</u>
<b>SCHEDULE 3 - Deposits</b>		
<b>A.I. Demand Deposits</b>		
(i) From Banks	5,525	3,561
(ii) From Others	8,28,843	8,56,955
<b>II. Savings Bank Deposits</b>		
	37,56,431	83,68,442
<b>III. Term Deposits</b>		
(i) From Banks	27,59,702	40,19,668
(ii) From Others	78,43,240	71,17,674
<b>Total (I to III)</b>	<u>1,51,95,741</u>	<u>2,03,96,300</u>
<b>B.I. Deposits of Branches in India</b>		
	1,51,95,741	2,03,96,300
<b>B.II. Deposits of Branches outside India</b>		
	-	-
<b>Total ( B.I and B.II )</b>	<u>1,51,95,741</u>	<u>2,03,96,300</u>



*Contd.*

**NORTH EAST SMALL FINANCE BANK LIMITED**  
 Guwahati, Assam (CIN : U65100AS2016PLC017505)  
**SCHEDULES FORMING PART OF BALANCE SHEET**

PARTICULARS	(INR in '000)	
	As at	As at
	March 31, 2024	March 31, 2023
<b>SCHEDULE 4 - Borrowings</b>		
I. Borrowings in India		
a) Reserve Bank of India	-	-
ii) Other Banks	-	23,65,000
iii) Other Institutions and Agencies*	7,82,500	19,42,500
<b>Total</b>	<b>7,82,500</b>	<b>43,07,500</b>
II. Borrowings outside India	-	-
<b>Total (I and II)</b>	<b>7,82,500</b>	<b>43,07,500</b>
Secured Borrowings included in above	4,42,500	41,17,500
* Includes subordinated debt (Tier-II capital) of INR 3,40,000 thousands (Previous Year INR 1,90,000 thousands)		
<b>SCHEDULE 5 - Other Liabilities and Provisions</b>		
I. Bills Payable	-	-
II. Interest Office Adjustment net	-	-
III. Interest Accrued	26,155	77,219
IV. Provision for Standard Assets*	44,359	3,67,048
V. Floating Provision against loans	-	1,50,000
VI. Others	2,13,573	7,73,869
<b>Total (I to VI)</b>	<b>2,78,087</b>	<b>13,68,133</b>
*Provision on standard assets include INR 6,00 thousands towards Covid-19 restructured advances (Previous Year INR 14,553 thousands), INR 1,092 thousands towards restructuring done under natural calamity (Previous Year INR 2,17,098 thousands) and INR 14,459 thousands towards restructuring done under riots & disturbance (Previous Year NIL)		
<b>SCHEDULE 6 - Cash and Balance with Reserve Bank of India</b>		
I. Cash in hand	1,52,061	1,43,088
II. Balances with Reserve Bank of India		
i) In Current Accounts	5,36,233	13,61,349
ii) In Other Accounts	-	-
III. RBI SDF	9,10,000	-
<b>Total (I to III)</b>	<b>16,38,294</b>	<b>15,04,537</b>
<b>SCHEDULE 7 : Balances with Banks and Money at Call and Short Notice</b>		
A. In India		
I. Balances with banks		
i) In Current Accounts	87,356	88,298
ii) In Other Deposit Accounts	6,10,000	39,51,000
II. Term Money/Money at call and short notice		
a) With banks	-	-
b) With other Institutions	-	-
<b>Total</b>	<b>6,87,356</b>	<b>40,38,298</b>
B. Outside India	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Total (A and B)</b>	<b>6,87,356</b>	<b>40,38,298</b>
<b>SCHEDULE 8 - Investments</b>		
I. Investments in India		
i) Government Securities	45,11,870	34,82,944
ii) Other Approved Securities	-	-
iii) Shares	-	-
iv) Debentures & Bonds	-	-
v) Subsidiaries and/or joint ventures	-	-
vi) Others (Security Receipts)	9,90,026	-
<b>Total</b>	<b>55,01,905</b>	<b>34,82,944</b>
II. Investments Outside India	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Total (I and II)</b>	<b>55,01,905</b>	<b>34,82,944</b>
Gross Investments	55,01,905	34,82,944
Less : Provision for Investments	-	-
<b>Net Investments</b>	<b>55,01,905</b>	<b>34,82,944</b>



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**NORTHEAST SMALL FINANCE BANK LIMITED**  
 Guwahati, Assam (CIN: U65100AS2016PLC017505)  
**SCHEDULES FORMING PART OF BALANCE SHEET**

PARTICULARS	(INR in '000)	
	As at March 31, 2024	As at March 31, 2023
<b>SCHEDULE 9 - Advances (Net of Provisions)</b>		
A. i) Bills purchased and discounted	-	-
ii) Cash Credits, Overdrafts and Loans repayable on demand	5,06,530	2,28,490
iii) Term Loans	77,17,779	1,57,04,105
<b>Total</b>	<b>80,24,309</b>	<b>1,60,32,595</b>
B. ii) Secured by Tangible Assets	62,94,759	1,05,51,344
i) Covered by Banks/Government Guarantees	-	-
ii) Unsecured	17,29,550	54,81,251
<b>Total</b>	<b>80,24,309</b>	<b>1,60,32,595</b>
C.I. Advances in India	71,29,263	1,47,12,553
i) Priority Sectors	-	-
ii) Public Sectors	-	-
iii) Banks	-	-
iv) Others	8,95,046	12,00,042
<b>Total C.I.</b>	<b>80,24,309</b>	<b>1,60,32,595</b>
C.II. Advances outside India	-	-
<b>Total C.II</b>	<b>-</b>	<b>-</b>
<b>Total C (I and II)</b>	<b>80,24,309</b>	<b>1,60,32,595</b>
<b>SCHEDULE 10 - Fixed Assets</b>		
I) Premises	-	-
II) Other Fixed Assets (Including Furniture and Fixtures)	6,88,108	6,81,491
At the beginning of the year	54,967	89,846
Additions during the year	64,019	10,069
Deductions during the year	61,76,172	14,02,177
Depreciation to date	5,384	10,983
Capital Work in Progress	2,73,708	2,97,113
<b>Total (I and II)</b>	<b>2,73,708</b>	<b>2,97,113</b>
<b>SCHEDULE 11 - Other Assets</b>		
I. Inter-office adjustments (net)	-	-
II. Interest Accrued	2,52,836	11,11,203
III. Tax paid in advance (net of provision for tax)	2,816	47,742
IV. Stationery and Stamps	-	-
V. Non-banking assets acquired in satisfaction of claims	-	-
VI. Deferred Tax Assets	18,753	4,09,907
VII. Others	4,05,549	1,80,056
<b>Total (I to VII)</b>	<b>7,39,904</b>	<b>17,48,907</b>
<b>SCHEDULE 12 - CONTINGENT LIABILITIES</b>		
I. Claims Against the Bank not Acknowledged as debts	5,913	-
II. Liability for partly paid investments	-	-
III. Liability on accounts of outstanding forward exchange and derivative contracts	-	-
IV. Guarantees given on behalf of constituents	-	-
V. Acceptances, endorsements and other Obligations	-	-
VI. Other items for which the bank is contingently liable	-	-
<b>Total (I to VI)</b>	<b>5,913</b>	<b>-</b>



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**NORTH EAST SMALL FINANCE BANK LIMITED**  
Guwahati, Assam (CIN : 195100AS2016PLC017506)  
**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

PARTICULARS	(INR in '000)	
	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>SCHEDULE 13 - Interest Earned</b>		
I. Interest on Advances	15,41,111	25,43,233
II. Income on Investments	2,44,710	2,29,146
III. Interest on Balances with RBI and Other Inter-Bank Funds	1,70,351	1,95,689
IV. Other Interest Income	2,422	3,798
<b>Total (I to IV)</b>	<b>19,58,594</b>	<b>29,76,867</b>
<b>SCHEDULE 14 - Other Income</b>		
I. Commission, Exchange & Brokerage	25,595	2,40,852
II. Profit/(Loss) on sale of investments	(1,954)	116,422
III. Profit/(Loss) on revaluation of investments	-	-
IV. Profit/(Loss) on sale of land, buildings and other assets	11,288	(308)
V. Profit/(Loss) on exchange transactions	-	-
VI. Income earned by way of dividends, etc. from subsidiaries/companies and/or joint ventures abroad/in India	-	-
VII. Miscellaneous Income*	5,31,000	1,51,993
<b>Total (I to VII)</b>	<b>5,55,353</b>	<b>3,75,915</b>
* Includes recovery from written off accounts of INR 5,05,931 thousands (Previous year INR 57,999 thousands.)		
<b>SCHEDULE 15 - Interest Expended</b>		
I. Interest on Deposits	10,12,548	10,97,963
II. Interest on Reserve Bank of India Inter-bank borrowings	1,11,402	38,588
III. Other Interest (including interest on refinances & Tier-II Bonds)	1,18,611	2,76,778
<b>Total (I to III)</b>	<b>12,42,561</b>	<b>14,13,330</b>
<b>SCHEDULE 16 - Operating Expenses</b>		
I. Payments and Provisions for Employees	9,77,214	9,20,498
II. Rent, Taxes and Lighting	1,26,747	1,11,027
III. Printing and Stationery	10,314	18,629
IV. Advertisement and Publicity	10,532	12,748
V. Depreciation on Bank's property	76,447	81,859
VI. Director's Fees, Allowances & Expenses	7,651	6,680
VII. Auditors' fees and expenses	3,360	4,000
VIII. Law Charges	-	149
IX. Postage, Telegrams, Telephones, etc	2,458	5,381
X. Repairs and Maintenance	84,565	74,171
XI. Insurance	42,600	42,320
XII. Other expenditure	4,03,518	5,01,443
<b>Total (I to XII)</b>	<b>17,45,939</b>	<b>17,78,895</b>



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Schedule 17: Significant Accounting Policies forming part of Financial Statements

1. Background

North East Small Finance Bank Limited (the "Bank") is a public limited Company incorporated on July 25, 2015 under the provisions of the Companies Act, 2013, received in principle approval from the Reserve Bank of India ("RBI") to form a Small Finance Bank in the private sector under section 72 of the Banking Regulation Act, 1949 on September 16, 2015. The bank received license from the Reserve Bank of India (RBI) to operate as a Small Finance Bank under the Banking Regulation Act, 1949 with effect from March 31, 2017 and commenced its banking operations on October 17, 2017.

The Bank provides Retail banking services and wide range of financial services to economically poor in urban, semi-urban and rural areas. The Bank is headquartered in Gurukulam and has twelve zonal offices. The Bank presently operates only in India, concentrating in North Eastern Region and West Bengal and does not have a branch in any foreign country.

2. Basis of Preparation

The financial statements have been prepared in accordance with the requirements prescribed under the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements is the accrual method of accounting and historical cost convention and it conforms with Generally Accepted Accounting Principles in India ("Indian GAAP") the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2011, Companies (Accounts) Rules, 2021 and other relevant provisions of the Companies Act, 2013 ("the Act") and the Companies (Accounting Standards) Amendment Rules 2016, in so far as they apply to banks and the guidelines issued by the RBI.

3. Use of Estimates

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

4. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured.

i) Interest income is recognized in the statement of profit and loss on accrual basis, except in the case of non-performing assets. Interest on non-performing assets is recognized upon realization as per the prudential norms of the RBI. Further penal charges & total interest is recognized on receipt basis.

ii) Processing fees and commission collected on loans disbursal, along with related loan acquisition cost are recognized upfront at inception of loan.

iii) Interest on Government securities, debentures and other fixed income securities is recognized on a period proportion basis.

iv) Income on discounted instruments is recognized over the term of the instrument on a constant Yield to Maturity method.

v) Commission on sale of insurance products are recognized on accrual basis on sale of number of policies of respective insurance companies.

vi) Advertiser fees are accounted for as and when they become due.

5. Investments

Classification and valuation of the Bank's investments are carried out in accordance with the RBI guidelines which are as follows:

Classification of Investments

The Bank classifies its investments at the time of purchase into one of the following three categories:

i) Held to Maturity (HTM) - Securities acquired with the intention to hold till maturity.

ii) Held for trading (HFT) - Securities acquired with the intention to resale within 90 days from date of purchase.

iii) Available for sale (AFS) - Securities which do not fall within the above two categories.

Subsequent shifting amongst the categories is done in accordance with the RBI guidelines.

Purchase and sale transaction in securities are recorded under settlement Date method of accounting, except in the case of the equity shares where Trade Date method of accounting is followed.

Classification of Investments

For the purpose of disclosure in the Balance Sheet, investments are classified under six groups viz., (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures and Bonds, (v) Investments in Subsidiaries and Joint Ventures, and (vi) Other Investments.

Acquisition cost

i) Broken period interest on debt instruments is treated as revenue item.

ii) Brokerage commission, etc. pertaining to investments, paid at the time of acquisition is charged to the Profit and Loss account.

iii) Cost of investments is computed based on the First in First Out basis.

Transfer Between Categories

Transfer of investments between categories, if any are undertaken in accordance with the extant RBI guidelines as follows:

i) Transfer from AFS/HFT to HTM is made at the lower of book value or market value at the time of transfer;

ii) Transfer from HTM to AFS/HFT is made at acquisition price/book value if originally placed in HTM at a par or at a discount and at amortised cost if originally placed in HTM at a premium;

iii) Transfer from AFS to HFT category or vice-versa is made at book value and the provision for the accumulated depreciation, if any held is transferred in the provisions for depreciation against the HFT securities or vice-versa.



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**Schedule 17- Significant Accounting Policies forming part of Financial Statements**

**Valuation of Investments**

i. Held to Maturity - Each security in this category is carried at its acquisition cost. Any premium on acquisition of the security is amortized over the balance period to maturity. The amortized amount is classified under Interest earned - Income on investments (Item 11 of Schedule 13). The book value of the security is reduced to the extent of amount amortized during the relevant accounting period. Diminution, other than impairment, is determined and provided for each investment individually.

ii. Held for Trading - Securities are valued scrip-wise and depreciation / appreciation is aggregated for each classification. Net appreciation in each classification is ignored, while net depreciation is provided for.

iii. Available for Sale - Securities are valued scrip-wise and depreciation / appreciation is aggregated for each classification. Net appreciation in each classification is ignored, while net depreciation is provided for.

iv. Market value of government securities (excluding treasury bills) is determined based on tradevenues as per recognised stock exchange or price published by Financial Benchmark India Pvt Ltd (FBI), jointly with Fixed Income Money Market and Derivatives Association (FIMMDA).

v. Treasury bills are valued at carrying cost, which includes discount amortized over the period to maturity.

vi. Units of Mutual Funds are valued as per latest NAV declared by mutual fund.

vii. Provision for non-performing investments is made in accordance with RBI guidelines.

viii. In the event, provisions created or amount of depreciation in the AIS or HFI categories are found to be in excess of the required amount in any year, the excess is credited to the Profit and Loss account and an equivalent amount (net of taxes, if any) and net of transfer to Statutory Reserves as applicable to such excess provisions) is appropriated to an Investment Reserve Account (IRA). The balance in IRA account is used to meet provisions in excess of depreciation in AIS and HFI categories by transferring an equivalent amount to the Profit and Loss Appropriation account as and when required.

ix. Disputed equity shares are valued at their break-up value which is ascertained from the company's latest balance sheet. In case the latest balance sheet is not available the shares are valued at face value.

**Disposal of Investment**

Investments classified as HFI or AIS - Profit or loss on sale or redemption is recognised in the Profit and Loss Account.

Profit or respect of sale or redemption of investments from HFI category is included in the Profit on Sale of Investments and an equivalent amount (net of taxes, if any) and net of transfer to Statutory Reserves as applicable to such profit is appropriated from the Profit and Loss Appropriation account to Capital Reserve account. Loss on sale or redemption is recognised in the Profit and Loss Account.

**Repo and reverse Repo transactions:-**

Repo and reverse Repo transactions in Govt Securities and corporate debt securities are reflected as borrowing and lending transactions respectively. Borrowing cost on repo transactions is accounted as Interest Expense and revenue on reverse repo transactions is accounted as Interest Income.

**6. Loans/Advances and Provisions thereon**

**Classification:**

Advances are classified as performing assets and non-performing assets (NPA's) in accordance with the RBI guideline on Income Recognition and Asset Classification (IRAC). Further, NPA's are classified into sub standard, doubtful and loss assets based on the criteria stipulated by the RBI. The advances are stated net of specific provisions made towards NPAs.

**Provision:**

Specific loan loss provisions are made as per the rates prescribed by RBI and Bank's internal policy. The provisions towards Standard Assets is made as per the extant RBI notifications and shall not be netted from gross advances but shall be shown separately as "Provisions against Standard Assets" under Other Liabilities and Provisions.

NPA accounts are written off based on Bank's internal policy and management judgement. Amounts recovered during the year against bad debts written off in earlier years are recognised in the Profit and Loss Account as Miscellaneous Income under the head "Other Income" (Schedule - 14).

**Floating Provisions:**

Provisions made in excess of the Bank's policy for specific loan loss provisions for non-performing assets and regulatory general provisions are categorised as Floating provisions. Creation of floating provisions is approved by the Board of Directors in accordance with the RBI guidelines. Floating provisions are used only for contingencies under extraordinary circumstances and for making specific provisions for repaired accounts as per Board approval and regulatory approval. Floating provisions, if any, are shown under "Other liabilities and Provisions" (Schedule 5).

**Restructuring:**

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 advances/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.

In accordance with the RBI guidelines on the prudential framework for resolution of stressed assets and the resolution framework for COVID-19 related stress, the Bank in accordance with its Board approved policy, carried out one-time restructuring of eligible borrowers. The asset classification and necessary provisions thereon are done in accordance with the said RBI guidelines.

Loans



**Schedule 17- Significant Accounting Policies forming part of Financial Statement**

**7. Fixed Assets (Tangible and Intangible)**

7.1 Fixed assets are stated at cost, net of accumulated depreciation and impairment. The cost of an asset comprises its purchase price and any cost directly attributable to bringing the asset to its working condition and location for its intended use. Subsequent expenditure on fixed assets after its purchase is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

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

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

7.3 Receipt of any Grant/ Subsidy shall be adjusted in the cost of Fixed Assets for which such Grant/ Subsidy has been received.

7.4 Capital work-in-progress includes costs incurred towards creation of fixed assets that are not ready for its intended use.

7.5 Car costing less than INR 5,000/- shall be fully depreciated in the year of purchase.

**8. Depreciation & Amortization**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Leasehold improvements are amortized over the duration of the lease. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern of use.

The useful life being followed by the Bank as prescribed in Schedule I to the Companies Act, 2013 is as follows:

Asset	Useful Life (No of Years)
Computer and Desktop	2
Furniture & Fixtures	10
Office equipment	5
Motor Vehicle	8
Servers & Networks	6
Software	3
Goodwill	5

Depreciation on assets acquired will during the period is recognised on a pro-rata basis in the Profit and Loss Account from upto the date of acquisition only.

Profit or loss arising from sale of fixed asset is recognised as income or expense in Profit & Loss account.

**9. Employee Benefits**

**Provident Fund:** Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Bank has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Bank does not carry any further obligations, apart from the contributions made on a monthly basis.

**Gratuity:** The Gratuity scheme of the Bank is a defined benefit scheme and the expense for the period is recognized on the basis of actuarial valuation at the Balance Sheet date. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method which recognizes each period of service that gives rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Actuarial losses/gains are recognized in the Profit and Loss Account in the year in which they arise.

**Leave Encashment:** Provision for compensated absence is made on the basis of actuarial valuation as at the Balance Sheet date. The actuarial valuation is carried out using the Projected Unit Credit Method. Actuarial losses/gains are recognized in the Profit and Loss Account in the year in which they arise.

**10. Taxes**

Tax expenses comprise of current and deferred taxes. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of one or years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized, in general, only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In case of unabsorbed depreciation and carry forward of losses under tax laws, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax asset can be realized against future taxable income.

**11. Cash and Cash equivalent**

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice (excluding fixed deposits with original maturity of more than three months).

**12. Cash Flow Statement**

Cash Flows are reported using the Indirect method, where the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from Operating, Investing and Financing activities of the Bank are segregated.

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**Schedule 17- Significant Accounting Policies forming part of financial Statement**

**13. Segment Reporting**

In accordance with the guidelines issued by the RBI vide HB001/0-1/2014/0-3/2005-07 dated April 18, 2017 and accounting standard 17 (AS 17) on "Segment Reporting", the Bank's business has been segregated into Treasury and Retail Banking segments, the Bank has adopted Segment Reporting as under.

Treasury includes all investment portfolios, Profit/Loss on sale of investments, income from money market operations. The expenses of this segment consist of interest expenses on funds borrowed from external sources as well as internal sources and depreciation / amortization of premium on Held to Maturity category investments as well as relevant operating expenses.

Retail Banking includes lending to and deposits from retail customers and identified earnings and expenses of the segment.

Other Banking operation includes all other operations not covered under Treasury & Retail Banking operation.

Unallocated includes Capital & Reserves and other unallocated Assets, Liabilities, Income & Expense.

**14. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year.

**15. Provisions and contingent assets/liabilities**

In accordance with AS-29, a provision is recognized when there is an 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 are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is

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

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

Contingent assets, if any, are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

**16. Leases**

Lease rentals under operating lease are charged to the Profit and Loss Account on straight line basis over the lease term in accordance with AS-19.

Lease arrangements where risk and rewards incidental to ownership of an asset substantially vest with the lessee are recognized as operating leases.

**17. Investment Fluctuation Reserve**

In accordance with RBI Guidelines, banks are required to create a minimum Investment Fluctuation Reserve (IFR) equivalent to 2% of AFS and HFI Portfolios.

**18. Statutory Reserve**

Pursuant to the requirements of Section 17 of the Banking Regulation Act, 1949 and RBI guidelines dated September 23, 2010, the Bank is required to appropriate 25% of pre-tax profit for the year to the statutory reserve.

**19. Share Issue Expenses**

Share issue expenses are adjusted against Share Premium in terms of section 52 of Companies Act, 2014.

**20. Corporate Social Responsibility**

Expenditure incurred towards corporate social responsibility are recognized as and when business due.

**21. Borrowing Cost**

Borrowing cost includes interest, amortization of ancillary cost incurred in connection with the arrangement of borrowings.

**22. Priority Sector Lending Certificates (PSLCs)**

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

**23. Sale of stressed assets**

In case of sale of stressed assets, the bank follows RBI guidelines on 'Transfer of Loan Expenses' in accordance with RBI guidelines on sale of nonperforming advances. If the sale is at a price below the net book value (i.e., book value less provisions held), the shortfall is charged to the Profit and Loss Account and if the sale is at a price higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amount is realized.

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**Schedule III - Statement of Financial Position**

**1. Capital:**

**1.1 Capital Inflows less of Capital Out**

Details of the above March 2024 Bank year over a period of 12 months, 1st April 2023 to 31st March 2024, are given in the following table. The figures are in Lakhs of Rupees, unless otherwise specified.

Particulars	Number of Equity Shares	Number of CCPS	Respective Contributions
Outstanding Interest Payable	1,00,00,000	-	11,33,851

As on 31st March 2024, the total net of equity of NEFB as well as total net of CCPS, including the above bank inflows, is as under:-

Particulars	Number of Equity Shares	Number of CCPS	Amount of Equity Capital	Amount of CCPS	Amount of Share Premium
Opening Balance as on 01.04.23	12,11,00,215	1,00,00,000	12,11,00,215	1,00,00,000	1,13,38,551
Additions during the period	11,10,00,200	-	11,00,00,000	-	2,52,212
<b>Sub Total</b>	<b>23,21,00,415</b>	<b>1,00,00,000</b>	<b>23,11,00,215</b>	<b>1,00,00,000</b>	<b>1,15,90,763</b>
Less: Dividend payable	-	-	-	-	(1,24,278)
<b>Closing Balance as on 31.03.2024</b>	<b>23,21,00,415</b>	<b>1,00,00,000</b>	<b>23,11,00,215</b>	<b>1,00,00,000</b>	<b>1,14,66,485</b>

As on 31st March 2023, the details of equity shares as well as total net of CCPS, including the above bank inflows, is as under:-

Particulars	Number of Equity Shares	Number of CCPS	Amount of Equity Capital	Amount of CCPS	Amount of Share Premium
Opening Balance as on 01.04.22	20,00,00,000	1,00,00,000	20,00,00,000	1,00,00,000	97,71,000
Additions during the period	15,00,00,000	1,00,00,000	15,00,00,000	1,00,00,000	1,13,38,551
<b>Sub Total</b>	<b>35,00,00,000</b>	<b>2,00,00,000</b>	<b>35,00,00,000</b>	<b>2,00,00,000</b>	<b>1,11,09,551</b>
Less: Dividend payable	-	-	-	-	(1,13,38,551)
<b>Closing Balance as on 31.03.2023</b>	<b>35,00,00,000</b>	<b>2,00,00,000</b>	<b>35,00,00,000</b>	<b>2,00,00,000</b>	<b>99,71,000</b>

**1.2 Capital Inflows less of Capital Out**

Through the year, the company has raised capital through various financial institutions, secured and unsecured loans with financial institutions, banks, etc. The details of the bank borrowings are as under:-

Source of Instruments raised	Amount Raised (INR in 000)	Interest	Interest	Rating obtained
Fixed Deposit and other bank deposits, etc. (eligible for FDI Investment in India)	15,00,000	72 months	10.24	AA

**1.3 Current Liabilities Bank**

The Bank borrowings are as under:-

The Bank borrowings are as under:-

As a condition of the loan, the bank has required a 10% of FDI in the bank.

The details of the bank borrowings are as under:-

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Common Equity less of Capital (CEI)	545,175	497,815
(ii) Additional Paid Capital	-	-
(iii) Additional Paid Capital that is not Capital (i)	-	-
(iv) Paid Capital	545,175	497,815
(v) Total Capital less of Paid Capital	2,14,508	222,127
(vi) Total Reserve less of Reserve (RWA)	4,51,677	16,91,111
(vii) CET-1 Ratio (CET-1 ratio as a percentage of RWA)	23.56%	13.45%
(viii) Tier 1 Ratio (Tier 1 Capital as a percentage of RWA)	2.05%	1.56%
(ix) Tier 2 Ratio (Tier 2 Capital as a percentage of RWA)	2.05%	1.56%
(x) Equity to Risk Weighted Assets Ratio (EQR) of Total Capital as a percentage of RWA	11.01%	8.2%
(xi) Leverage Ratio	5.22%	1.87%
(xii) Percentage of non-financially affiliated Government of India (State Government) of Systemic Risk	0.00%	0.00%
(xiii) Amount of paid up share capital raised during the year	11,00,000	1,13,38,551
(xiv) Amount of non-paid up share capital raised during the year	-	-
(xv) Amount of the capital raised during the year	11,00,000	1,13,38,551

**2. Provisions**

**2.1 Details of provisions:**

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Value of investments	-	-
(ii) Loans	-	-
(iii) Deposits	41,11,579	14,82,984
(iv) Provisions of Depreciation	-	-
(v) Loans	-	-
(vi) Deposits	-	-
(vii) Net Value of Investments	-	-
(viii) Loans	-	-
(ix) Deposits	41,11,579	14,82,984
(x) Amount of provisions for doubtful debts as a percentage of Grossing Balance	-	-
(xi) Add: Provisions raised during the period on a percentage	-	-
(xii) Less: Write back of provisions raised during the year	-	-
(xiii) Closing Balance	-	-



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**Schedule 14 - Details of Investment Statement**
**2.2 Composition of Investment Portfolio:**

As at March 31, 2023

Particulars	Investment in India							Investment outside India				Total Investment
	Govt Securities	Other Approved Securities	Shares	Debt Instruments & Bonds	Subsidiaries and/or joint ventures	Other Financial Instruments	Total Investment in India	Govt Securities (including Local Authorities)	Subsidiaries and/or joint ventures	Others	Total Investment Outside India	
Mark to Market Gain	11,76,15	-	-	-	-	-	11,76,15	-	-	-	-	11,76,15
Less: Provision for impairment losses, provisions (NPL) etc	-	-	-	-	-	-	-	-	-	-	-	-
Net	11,76,15	-	-	-	-	-	11,76,15	-	-	-	-	11,76,15
Available for Sale Gain	11,11,525	-	-	-	-	1,00,120	12,21,645	-	-	-	-	12,21,645
Less: Provision for impairment losses, provisions (NPL) etc	-	-	-	-	-	-	-	-	-	-	-	-
Net	11,11,525	-	-	-	-	1,00,120	12,21,645	-	-	-	-	12,21,645
Mark to Market Loss	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for impairment losses, provisions (NPL) etc	-	-	-	-	-	-	-	-	-	-	-	-
Total Investment	45,11,875	-	-	-	-	9,98,720	55,21,595	-	-	-	-	55,21,595
Less: Provision for impairment losses, provisions (NPL) etc	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPL etc	-	-	-	-	-	-	-	-	-	-	-	-
Net	45,11,875	-	-	-	-	9,98,720	55,21,595	-	-	-	-	55,21,595

As at March 31, 2022

Particulars	Investment in India							Investment outside India				Total Investment
	Govt Securities	Other Approved Securities	Shares	Debt Instruments & Bonds	Subsidiaries and/or joint ventures	Others	Total Investment in India	Govt Securities (including Local Authorities)	Subsidiaries and/or joint ventures	Others	Total Investment Outside India	
Mark to Market Gain	27,15,107	7,16,507	-	-	-	-	34,31,614	-	-	-	-	34,31,614
Less: Provision for impairment losses, provisions (NPL) etc	-	-	-	-	-	-	-	-	-	-	-	-
Net	27,15,107	7,16,507	-	-	-	-	34,31,614	-	-	-	-	34,31,614
Available for Sale Gain	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for impairment losses, provisions (NPL) etc	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
Mark to Market Loss	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for impairment losses, provisions (NPL) etc	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
Total Investment	-	-	-	-	-	-	34,31,614	-	-	-	-	34,31,614
Less: Provision for impairment losses, provisions (NPL) etc	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPL etc	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	34,31,614	-	-	-	-	34,31,614



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2.3 Details of Repo Reverse Repo including Liquidity Adjustment Facility (LAF) transactions (in face value terms) for FY 2022-23

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the period	Outstanding as on March 31, 2023
Securities sold under repo				
a. Government securities	1,000	5,82,561	1,51,568	-
b. Corporate debt securities	-	-	-	-
c. Any Other securities	-	-	-	-
Securities purchased under reverse repo				
a. Government securities	1,20,391	1,20,391	1,20,391	-
b. Corporate debt securities	-	-	-	-
c. Any Other securities	-	-	-	-

Details of Repo Reverse Repo including Liquidity Adjustment Facility (LAF) transactions (in face value terms) for FY 2022-23

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the period	Outstanding as on March 31, 2023
Securities sold under repo				
a. Government securities	19,560	1,51,561	51,561	-
b. Corporate debt securities	-	-	-	-
c. Any Other securities	-	-	-	-
Securities purchased under reverse repo				
a. Government securities	2,17,560	8,71,170	5,00,890	-
b. Corporate debt securities	-	-	-	-
c. Any Other securities	-	-	-	-

2.4 Non-SLR Investments Particulars:

(a) Non-performing non-SLR investments

Sl No	Particulars	As at March 31, 2022	As at March 31, 2023
a	Specific Provisions	-	-
b	Provisions during the year	-	-
c	Provisions during the year & period	-	-
d	Provisions held	-	-
e	Provisions in hand	-	-

(b) Inner Composition of Non-SLR Investments

Sl No	Investor	As at March 31, 2022				As at March 31, 2023				
		Amount	Extent of Private Placement	Extent of Below Investment Grade Securities	Extent of 'L' Rated Securities	Extent of 'B' Rated Securities	Amount	Extent of Private Placement	Extent of 'Below Investment Grade Securities	Extent of 'L' Rated Securities
a1	MUD	-	-	-	-	-	-	-	-	-
a2	FCI	-	-	-	-	-	-	-	-	-
a3	Bank	-	-	-	-	-	-	-	-	-
a4	Private Corporate	-	-	-	-	-	-	-	-	-
a5	Subordinated Loan Securities	-	-	-	-	-	-	-	-	-
a6	Other Securities	9,41,000	-	-	-	9,41,000	-	-	-	-
a7	Investment held through depository	8,90,636	-	-	-	8,90,636	-	-	-	-
	Total	8,90,636	-	-	-	8,90,636	-	-	-	-

2.5 Sale and transfer of securities held from H0014 category

Particulars of Securities	March 31, 2022		March 31, 2023	
	Book value	Market value	Book value	Market value
Total of H-00 securities before transfer of H0014	-	-	25,25,240	19,71,617
Total of H-00 securities sold to H14	-	-	4,11,245	4,25,219
Percentage of H00 securities transferred from H0014 to H14	-	-	16.28%	-

2.6 Derivatives

The bank has not transacted in Derivatives during the period ended March 31, 2023 (Previous year Nil).

2.7 Credit Default Swaps

The bank has not transacted in Credit Default Swaps during the year ended March 31, 2023 (Previous year Nil).

2.8 Leased-Asset financing exposure

The bank does not hold any leased-asset financing exposure as at March 31, 2023 (Previous Year Nil).

2.9 Disclosure of Standing Deposit Facility (SDF) Lending for FY 2022-23

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the period	Outstanding as on March 31, 2023
SDF Lending	10.25%	10,1,000	2,96,168	54,1,990

Disclosure on SDF Lending for FY 2022-23

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the period	Outstanding as on March 31, 2023
SDF Lending	10.25%	90,00,000	1,20,546	-



Contd.

**3.10 Movement of Provisions for Depreciation and Investment Fluctuation Reserve**

Particulars	As at March 31, 2024	As at March 31, 2023
1) Movement of provisions add-to- and subtracted on investments	-	-
a) Opening balance	-	-
b) Additions made during the year	-	-
c) Less: Reversal of write back of assets provisions during the year	-	-
d) Closing balance	-	-
2) Movement of Investment Fluctuation Reserve	-	-
a) Opening balance	1,10,710	1,20,739
b) Additions made during the year	-	-
c) Less: Drawdown*	(1,10,710)	(10,000)
d) Closing balance	-	1,10,739
3) Closing balance of CP as a percentage of closing advance of investment (for NPA and NPL Current category)	-	-

\* Being the Financial year ended March 31, 2024 the Bank has transferred Investment Fluctuation Reserve to General Reserve.

**3.11 Asset Quality**

**3.1 Classification of advances and provision held**

As at March 31, 2024

Particulars	Standard		Non Performing		Total
	Total Standard Advances	Sub Standard	Doubtful	Total NPA	
<b>Gross Standard Advances and NPAs</b>					
Opening Balance	1,36,31,999	6,09,068	28,64,248	16,72,410	1,71,84,715
Add: Additions during the year	-	-	-	21,32,199	21,32,199
Less: Reductions during the year*	-	-	-	(40,71,200)	(40,71,200)
Closing balance	1,36,31,999	6,09,068	28,64,248	16,72,410	1,71,84,715
Reductions in Gross NPAs due to:					
(i) Provisions	-	-	-	4,750	4,750
(ii) Recoveries including recoveries from upgraded accounts	-	-	-	(4,750)	(4,750)
(iii) Technical/Prudential Write-offs	-	-	-	-	-
(iv) Write-offs other than those under (i) to (iii)	-	-	-	-	-
<b>Provisions (including Floating Provisions)</b>					
Opening balance of provisions held	3,67,043	1,87,430	28,64,248	32,18,721	32,18,721
Add: Fresh provisions made during the year	-	-	-	9,16,358	9,16,358
Less: Fresh provisions reversed/Write-off loans	-	-	-	(9,80,750)	(9,80,750)
Closing balance of provisions held	44,333	1,87,430	1,28,041	3,69,804	3,69,804
<b>Net NPAs</b>					
Opening Balance	-	2,71,638	-	2,71,638	2,71,638
Add: Fresh additions during the year	-	-	-	3,70,276	3,70,276
Less: Recoveries during the year	-	-	-	(2,71,638)	(2,71,638)
Closing Balance	-	2,71,638	-	2,71,638	2,71,638

\* Being under PAR 90-115 (includes reversal of advance under 14B).

As at March 31, 2023

Particulars	Standard		Non Performing		Total
	Total Standard Advances	Sub Standard	Doubtful	Total NPA	
<b>Gross Standard Advances and NPAs</b>					
Opening Balance	1,55,47,933	6,62,403	9,31,820	16,96,217	1,79,42,353
Add: Additions during the year	-	-	-	26,65,74	26,65,74
Less: Reductions during the year*	-	-	-	(10,91,292)	(10,91,292)
Closing balance	1,55,47,933	6,62,403	9,31,820	16,71,229	1,78,14,385
Reductions in Gross NPAs due to:					
(i) Provisions	-	-	-	7,054	7,054
(ii) Recoveries including recoveries from upgraded accounts	-	-	-	(1,02,689)	(1,02,689)
(iii) Technical/Prudential Write-offs	-	-	-	(9,00,061)	(9,00,061)
(iv) Write-offs other than those under (i) to (iii)	-	-	-	-	-
<b>Provisions (including Floating Provisions)</b>					
Opening balance of provisions held	3,21,121	3,35,464	9,31,820	15,88,405	15,88,405
Add: Fresh provisions made during the year	-	-	-	28,82,618	28,82,618
Less: Fresh provisions reversed/Write-off loans	-	-	-	(12,11,102)	(12,11,102)
Closing balance of provisions held	3,21,121	3,35,464	9,31,820	16,88,405	16,88,405
<b>Net NPAs</b>					
Opening Balance	-	5,74,150	-	5,74,150	5,74,150
Add: Fresh additions during the year	-	-	-	(1,72,044)	(1,72,044)
Less: Recoveries during the year	-	-	-	15,452	15,452
Closing Balance	-	5,74,150	-	5,74,150	5,74,150

**3.2 Floating Provisions:**

Particulars	March 31, 2024	March 31, 2023
(a) Opening Balance of the Floating Provision	0,000	1,50,000
(b) Provisions added during the year	-	-
(c) Reversal of provisions made during the current year	0,000	-
(d) Closing balance of the Floating provisions approved	-	1,50,000

**3.3 Technical or Prudential Write Offs**

Particulars	March 31, 2024	March 31, 2023
Opening Balance of Technical/Prudential write-off accounts as at April 1	18,11,699	15,1,892
Add: Technical/Prudential write-offs during the year	-	1,61,781
Sub Total (A)	18,11,699	16,73,673
Less: Recoveries made from provisions (technical/prudential write-off) during the year (B)	5,05,91	5,104
Closing Balance as at March 31 (A-B)	13,05,788	16,68,569



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**5.13 Other non-current assets, NPAs and revenue**

Particulars	March 31, 2024	March 31, 2023
Long Assets	Nil	Nil
Total NPAs	Nil	Nil
Total Revenue	Nil	Nil

**4. Business Ratios**

Particulars	March 31, 2024	March 31, 2023
Return on assets as a percentage of working funds	1.46%	10.73%
Return on total assets as a percentage of working funds	2.21%	1.38%
Cost of Deposits	4.75%	5.13%
Net Interest Margin	2.18%	1.61%
Operating profit/loss as a percentage of working funds	-1.99%	0.53%
Return on net interest income	4.75%	7.94%
Revenue of non-financial assets per employee (Rs. in Lakhs)	11.23%	15.72%
Profit/loss per non-financial asset	1.16	1.98

1. Working Funds represents a ratio of total assets less non-current NPAs to average of RBI in Force under Section 27 of the Banking Regulation Act, 1949 during the year.  
 2. Return on assets as a percentage of working funds, represents net interest working funds.  
 3. Return on total assets as a percentage of gross A/C assets and operations of non-bank company.

**5. Asset Liabilities Management**

Maturity Pattern of certain items in assets and liabilities as at March 31, 2024

Sl. No.	Maturity buckets	Loans & Advances	Investments	Deposits	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
1	1 day	11,761	-	5,92,988	-	-	-
2	2 days to 7 days	1,12,438	-	2,52,815	-	-	-
3	8 days to 14 days	1,25,466	-	51,777	-	-	-
4	15 days to 30 days	2,97,889	1,22,639	1,73,289	44,542	-	-
5	31 days to 3 months	5,51,189	1,95,489	1,76,692	2,482	-	-
6	Over 3 months to 1 year	7,22,667	1,22,962	1,42,117	1,27,067	-	-
7	Over 1 year to 2 years	12,56,485	2,02,363	1,80,114	98,754	-	-
8	Over 2 years to 3 years	2,41,159	5,00,962	71,77,760	1,17,500	-	-
9	Over 3 years to upto 5 years	17,85,231	12,51,414	62,44,679	1,57,500	-	-
10	Over 5 years & upto 10 years	11,25,025	12,55,111	1,782	2,42,000	-	-
11	Over 10 years	7,438	20,400	1,620	22,000	-	-
		<b>68,34,384</b>	<b>29,01,706</b>	<b>1,21,55,161</b>	<b>7,62,991</b>	-	-

Maturity Pattern of certain items in assets and liabilities as at March 31, 2023

Sl. No.	Maturity buckets	Loans & Advances	Investments	Deposits	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
1	1 day	17,232	14,11,506	1,22,551	-	-	-
2	2 days to 7 days	2,19,718	17,704	4,54,275	-	-	-
3	8 days to 14 days	2,65,737	12,136	1,17,541	-	-	-
4	15 days to 30 days	3,85,572	29,584	12,55,967	32,500	-	-
5	31 days to 2 months	2,87,127	66,144	1,58,101	1,75,000	-	-
6	Over 2 months to 1 year	7,65,035	44,273	1,85,429	-	-	-
7	Over 1 year to 2 years	24,84,348	2,15,181	1,11,129	5,27,500	-	-
8	Over 2 years to 3 years	47,62,411	5,77,112	23,55,862	20,50,000	-	-
9	Over 3 years to upto 5 years	4,93,775	4,94,782	1,28,72,814	11,41,500	-	-
10	Over 5 years & upto 10 years	5,27,813	1,15,111	1,10,714	-	-	-
11	Over 10 years	6,89,717	1,718	18,506	1,90,000	-	-
		<b>1,29,44,274</b>	<b>24,82,924</b>	<b>7,81,96,116</b>	<b>43,97,500</b>	-	-

1. The maturity of Loans & Advances has been determined on the basis of monthly instalments payable by due.  
 2. The maturity of deposits of the nature is pattern of the term deposits as per residual maturity, the nature of savings and fixed deposits as per RBI Reservations.  
 3. The maturity of loans as per the guidelines issued by Reserve Bank of India as well as AUM policy of the Bank.  
 4. The Bank has no foreign currency assets or liabilities as on March 31, 2024 & March 31, 2023.

**6. Exposure**
**6.1. Exposure to Real Estate Sector:**

Particulars	March 31, 2024	March 31, 2023
(a) Direct exposure		
in Residential Mortgage*		
Loans fully secured by mortgages on residential properties that are to be repaid by the borrowers in the expected	5.42%	4.75%
of Commercial Real Estate	Nil	Nil
Loans secured by mortgages on commercial real estate > office buildings, retail spaces, multi-purpose commercial premises, multi-family residential buildings, all commercial and commercial premises, industrial or warehouse multi-family land development, hotels, food and beverage services. Exposure also includes one-kind land (M) for loans.		
(b) Indirect exposure through Mortgage Backed Securities (MBS) and other securitized exposures		
- Residential	Nil	Nil
- Commercial Real Estate	Nil	Nil
Total (a+b)	5.42%	4.75%
(c) Indirect Exposure		
Land based and non-land based exposures to National Housing Bank (NHBC) and other Government approved RPI as	Nil	Nil
Total (a+b+c)	5.42%	4.75%

\* Involves only Housing Loans



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**14. Statutory Returns and Financial Statements**

- 14.1 Draft Annual Report (Other than Financial Statements)
- 14.2 Draft Annual Report (Financial Statements) as required under Section 133(1) of the Companies Act, 2013.

**15. Statutory Returns**

The Bank has filed its returns with the Registrar of Companies, Kolkata on 15/03/2024 and 17/03/2024 respectively. The returns are available on the website of the Registrar of Companies, Kolkata.

**16. Disclosure of Complaints**

16.1 Summary information on complaints received by the bank from customers and from the Office of Ombudsman

Sl. No.	Particulars	March 31, 2024	March 31, 2023
1	Complaints received by the bank from its customers		
2	Number of complaints received at beginning of the year	2	3
3	Number of complaints closed during the year	112	123
4	Number of complaints disposed during the year	110	120
5	Of which, number of complaints received by the bank	94	101
6	Number of complaints pending at the end of the year	6	2
7	Maintainable complaints received by the bank from Office of Ombudsman		
8	Number of maintainable complaints received by the bank from Office of Ombudsman	5	4
9	Of which, number of complaints closed on behalf of the bank by Office of Ombudsman	3	4
10	Of which, number of complaints closed on behalf of the bank by Office of Ombudsman	2	3
11	Of which, number of complaints closed after payment of award by Office of Ombudsman against the bank	1	1
12	Number of awards implemented within the stipulated time (other than those against the bank)	1	1

Note: The above statement of complaints does not include the complaints that were addressed within the next working day.

16.2 Top five grounds of complaints received by the bank from customers

Grounds of complaints, i.e., Complaints pending at)	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 past one year	No. of complaints pending at the end of the year	ITA number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>CURRENT YEAR - Up to March 2024</b>					
ATM Jobs cards	2	0	0.00% decrease	0	0
Interest/Arbitration/Dispute Resolution	0	14	0.00% increase	0	0
Accounts	0	24	100.00% increase	0	0
ATM/ATM/ATM/ATM	0	0	0.00% decrease	0	0
Staff Behaviour	0	1	0.00% increase	0	0
Others	0	6	0.00% increase	0	0
<b>Total</b>	<b>2</b>	<b>44</b>	<b>100.00% increase</b>	<b>0</b>	<b>0</b>
<b>PREVIOUS YEAR - Up to March 2023</b>					
ATM/ATM/ATM/ATM	0	15	0.00% increase	2	1
Interest/Arbitration/Dispute Resolution	0	0	0.00% decrease	0	0
Accounts	0	2	0.00% increase	0	0
ATM/ATM/ATM/ATM	0	0	0.00% decrease	0	0
Staff Behaviour	0	1	0.00% increase	0	0
Others	0	1	0.00% increase	0	0
<b>Total</b>	<b>0</b>	<b>18</b>	<b>0.00% increase</b>	<b>2</b>	<b>1</b>

**17. Disclosure of Letters of Complaints (LOC) Issued by Bank**

The Bank has received 0 Letters of Complaints during the period for the year ended March 31, 2024 (Previous Year: Nil).

**18. Reinsurance Business**

The Reinsurance Business of the Bank is given below:

Source of Income	March 31, 2024	March 31, 2023
Commission on Reinsurance	6,151	1,258
Commission on Reinsurance	7,917	11,317
<b>Total</b>	<b>14,068</b>	<b>12,575</b>

**19. Marketing and distribution**

The Marketing expenses for the year ended March 31, 2024 are given below:

**20. Concentration of deposits, advances, exposures and NPAs**

**20.1. Concentration of deposits**

Particulars	March 31, 2024	March 31, 2023
Total deposits of twenty largest depositors	20,53,450	21,72,275
Total Deposits	1,31,09,741	1,02,06,000
Percentage of deposits of twenty largest depositors to total deposits of the Bank	15.66%	21.28%

**20.2. Concentration of Advances**

Particulars	March 31, 2024	March 31, 2023
Total advances to twenty largest depositors	2,10,55	2,54,55
Percentage of Advances of twenty largest depositors to total advances of the Bank	1.58%	0.77%

Advances are provided to the twenty largest depositors including the branches in proportion to their share in the total deposits of the Bank as on the date 31/03/2024.



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Schedule 15 - Notes to Financial Statements

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**17. Disclosures relating Securitization**

Sl. No.	Particulars	March 31, 2024	March 31, 2023
1	Net IIS/SPV's accounted by the bank for securitization transaction	Nil	Nil
2	Total amount of Securitization assets per levels of the SPV's accounted by the bank	Nil	Nil
3	1. To amount of assets transferred to the bank to comply with IRRB's criteria of balance sheet at Off-Balance Sheet exposures		
	Prime loans	Nil	Nil
	Others	Nil	Nil
	By the balance sheet exposures		
	Prime loans and C/I/FA's	Nil	Nil
	Others (C/I/FA's) (Securitization)	Nil	Nil
4	2. To amount of assets transferred to the bank to comply with IRRB's criteria of balance sheet at Off-Balance Sheet exposures		
	Exposure to non Securitization		
	Real Estate (Subordination of a term loan)	Nil	Nil
	Others	Nil	Nil
	Exposure to Third Party Securitization		
	Real Estate	Nil	Nil
	Others	Nil	Nil
	By the balance sheet exposures		
	Exposure to non Securitization		
	Real Estate	Nil	Nil
	Others	Nil	Nil
	Exposure to Third Party Securitization		
	Real Estate	Nil	Nil
	Others	Nil	Nil

**18. Intra-Group Exposures**

Particulars	March 31, 2024	March 31, 2023
Total amount of intra-group exposures	Nil	Nil
Total amount of top-20 intra-group exposures	Nil	Nil
Percentage of total intra-group exposures to total exposures of the bank on same or similar assets	Nil	Nil
Details of Branch/LLD/other unit of Group companies and Regulatory State thereof, if any	Nil	Nil

**19. Transfer to Depositor Education and Awareness Fund (DEAF)**

Particulars	March 31, 2024	March 31, 2023
Opening balance of amount transferred to DEAF	Nil	Nil
Add: Amount transferred during the period	Nil	Nil
Less: Amount transferred by DEAF towards claims	Nil	Nil
Closing balance of amount transferred to DEAF	Nil	Nil

**20. Priority sector lending portfolio**

Bank's transactions of PSLs is given below:-

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
	PSLs Purchased	PSLs Sold	PSLs Purchased	PSLs Sold
PSI P, Small & Marginal Enterprises	5,00,000	Nil	1,00,000	Nil
PSLs Micro Enterprise	Nil	Nil	1,00,000	Nil
TOTAL PSLs	5,00,000	Nil	2,00,000	Nil

**21. Open Bank participation (Bank open from Bank account)**

The bank has not entered into OBC transaction with any Bank during the year ended March 31, 2024 with a balance of Nil.

**22. Unencashed balances**

During the year, Bank has not encashed any bank depositing in the name of closed/forfeited/lost/withdrawn/other bank's (Prudential) Nil.

**23. Disclosure of Fraud accounts**

Particulars	March 31, 2024	March 31, 2023
Number of Fraud reported	5	2
Amount involved in fraud	8400	7,892
Amount of provision made for such frauds	5,511	512
Amount of Amount of provision reported for other reasons, as at the end of the year	-	-

**24. Movement of Provision for fraud**

Particulars	March 31, 2024	March 31, 2023
Opening provision	5,174	4,913
Provision during the year	6,290	15
Utilization/Write back of a provision	212	-
Closing provision	11,452	4,928



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**NORTH EAST SMALL FINANCE BANK LIMITED**  
 Chartered Account (CA) - F-0000000216(P) (17565)

F-140

**Schedule B: Notes to Financial Statements**

**25. Liquidity coverage ratio**

The Bank adheres to RBI's direction on Liquidity Coverage Ratio given in the RBI's directions on Liquidity Standards - Liquidity Coverage Ratio (LCR) - 1, dated 16th October 2015 and the LCR (Revised) Standard and Operating guidelines for Small Finance Banks.

LCR is the ratio of unencumbered HQLAs to Net Cash Outflows over the next 30 calendar days. LCR measures Bank's ability to manage and service under combined circumstances of liquidity withdrawal conditions that would result in accelerated withdrawal of deposits from retail as well wholesale deposits, partial loss of secured lending, increase in collateral requirements, unsecured draw-down of secured (RBI) lines etc. These stress conditions are captured as a part of the Net Cash Outflows, High Quality Liquid Assets (HQLA) of the Bank consist of Cash, unencumbered assets SLR, a portion of statutory SLR as allowed under the guidelines and cash balance with RBI in excess of statutory cash reserve requirements.

LCR ratio to ensure the LCR of the Bank is calculated as follows over the 30 day period ending on 31st March 2024:

**Quantitative disclosure on LCR for period ended March 31, 2024:**

Particulars	Quarter ended March 31, 2024		Quarter ended December 31, 2023		Quarter ended September 30, 2023		Quarter ended June 30, 2023	
	Unweighted	Weighted	Unweighted	Weighted	Unweighted	Weighted	Unweighted	Weighted
<b>High Quality Liquid Assets</b>								
1. Total High Quality Liquid Assets	-	5,033	-	41,5,101	-	16,72,076	-	11,81,005
<b>Cash Outflows</b>								
2. Retail deposits	1,04,55,997	1,22,821	75,19,111	8,27,004	91,11,116	1,16,629	5,19,291	6,51,118
3. Wholesale deposits	55,11,714	2,91,776	92,02,115	2,69,914	12,87,641	2,51,192	53,69,874	2,04,491
4. Loans	45,20,813	1,12,488	47,09,445	4,12,965	19,22,268	3,52,247	76,12,168	1,87,147
5. Premises	1,10,713	31,20,221	8,06,511	12,12,471	41,79,566	1,11,574	69,12,284	4,10,114
6. Operations								
7. Non-operational and operational	41,67,117	31,70,523	30,81,810	11,12,551	47,79,285	79,21,565	68,12,285	1,10,118
8. Secured Wholesale	-	24,541	-	82,500	-	11,500	-	62,500
9. Additional	-	-	-	-	-	-	-	-
10. Cash flow related	-	-	-	-	-	-	-	-
11. Collateral related	-	-	-	-	-	-	-	-
12. Other	-	-	-	-	-	-	-	-
13. Other cash outflows	1,91,108	1,91,108	1,17,711	4,10,711	1,88,141	6,99,223	2,12,119	2,10,118
14. Total Cash	-	42,01,724	-	42,01,724	-	42,01,724	-	42,01,724
<b>Cash Inflows</b>								
15. Secured loans	-	-	-	-	-	-	-	-
16. Other cash inflows	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
17. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
18. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
19. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
20. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
21. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
22. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
23. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
24. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
25. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
26. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
27. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
28. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
29. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
30. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
31. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
32. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
33. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
34. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
35. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
36. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
37. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
38. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
39. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
40. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
41. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
42. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
43. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
44. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
45. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
46. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
47. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
48. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
49. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
50. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
51. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
52. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
53. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
54. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
55. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
56. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
57. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
58. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
59. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
60. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
61. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
62. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
63. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
64. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
65. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
66. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
67. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
68. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
69. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
70. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
71. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
72. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
73. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
74. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
75. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
76. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
77. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
78. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
79. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
80. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
81. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
82. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
83. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
84. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
85. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
86. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
87. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
88. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
89. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
90. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
91. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
92. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
93. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
94. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
95. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
96. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
97. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
98. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
99. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
100. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
101. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
102. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,502	17,502
103. Total Cash	14,121	14,121	1,818	12,511	2,791	26,111	17,5	

**16. Net Stable Funding ratio (NSFR) as at 31.03.2024**

ASF Item	Unweighted value by residual maturity				Weighted value
	No Maturity	< 6 months	6 months to < 1yr	1yr	
1 Capital	5,71,113	-	-	-	5,71,113
2 Reserves Capital	2,99,127	-	-	-	2,99,127
3 Other capital components	-	-	-	-	-
4 Retail deposits (including term deposits, recurring deposits)	-	17,65,896	1,17,738	5,36,257	1,110,612
5 Stable deposits	-	10,97,157	6,07,148	17,26,178	15,91,427
6 Term stable deposits	-	6,78,636	1,11,217	2,10,712	6,62,714
7 Wholesale deposits (term)	-	10,92,520	1,51,057	15,59,252	11,57,600
8 Deposits deposits	-	-	-	-	-
9 Other deposits (including)	-	19,87,697	1,51,057	15,59,252	1,57,800
10 Other deposits (1-12)	-	1,20,195	2,07,888	3,47,566	5,34,717
11 NSFR eligible deposits	-	-	2,92,889	1,17,771	1,51,722
12 Available liquidity (including cash and cash equivalents)	-	-	-	-	1,51,722
13 Total ASF (1-13)	-	-	2,92,889	1,17,771	1,51,722
14 Total ASF eligible assets (14-13)	-	-	-	-	2,27,664
15 Deposits held in other financial institutions for operational purposes	-	-	-	-	-
16 Performing loans (including) (17-18-19-20-21)	-	6,27,179	27,24,186	5,29,111	5,44,114
17 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
18 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
19 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
20 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
21 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
22 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
23 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
24 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
25 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
26 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
27 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
28 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
29 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
30 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
31 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
32 Net Stable Funding Ratio (%)	-	-	-	-	119.12%

ASF Item	Unweighted value by residual maturity				Weighted value
	No Maturity	< 6 months	6 months to < 1yr	1-12r	
1 Capital	1,78,120	-	-	-	1,78,120
2 Available Capital	1,29,375	-	-	-	1,29,375
3 Other capital components	-	-	-	-	-
4 Retail deposits (including term deposits, recurring deposits)	-	22,41,622	1,67,210	27,61,247	1,01,11,779
5 Stable deposits	-	12,12,117	9,10,677	31,09,176	69,68,665
6 Term stable deposits	-	10,79,706	5,36,211	20,15,124	44,11,965
7 Wholesale deposits (term)	-	21,34,975	11,69,661	67,19,106	16,25,178
8 Deposits deposits	-	-	-	-	-
9 Other deposits (including)	-	7,12,655	1,69,251	1,65,107	6,28,427
10 Other deposits (1-12)	-	1,12,151	22,64,999	26,53,821	26,53,821
11 NSFR eligible deposits	-	-	2,92,889	1,17,771	1,51,722
12 Available liquidity (including cash and cash equivalents)	-	-	-	-	1,51,722
13 Total ASF (1-13)	-	-	2,92,889	1,17,771	1,51,722
14 Total ASF eligible assets (14-13)	-	-	-	-	2,27,664
15 Deposits held in other financial institutions for operational purposes	-	-	-	-	-
16 Performing loans (including) (17-18-19-20-21)	-	6,27,179	27,24,186	5,29,111	5,44,114
17 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
18 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
19 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
20 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
21 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
22 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
23 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
24 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
25 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
26 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
27 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
28 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
29 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
30 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
31 Performing loans (including) (17-18-19-20-21)	-	-	-	-	-
32 Net Stable Funding Ratio (%)	-	-	-	-	119.24%



*Loans*

**NORTH EAST SMALL FINANCE BANK LIMITED**  
Guwahati, Assam (CIN : U65100AS2016PLC017505)

Schedule 18 - Notes to Financial Statement

₹ in '000

**27. Notes on Compliances with Accounting Standards**

**27.1 Earnings per Share:**

Particulars	March 31, 2024	March 31, 2023
Net profit after tax (₹)	115,26,701	171,30,058
Weighted average shares outstanding - Basic (Nos.)	41,63,04,937	29,40,90,317
Weighted average shares outstanding - Diluted (Nos.)	41,63,04,907	29,41,24,915
Nominal Value of Equity Shares (₹)	10	10
Earnings per share - Basic (₹)	47.67	17.26
Earnings per share - Diluted (₹)	47.67	47.24

**27.2 Segment Reporting**

Particulars	Treasury		Retail Banking (Including digital banking*)		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Segment Revenue	4,12,665	8,07,712	20,99,709	21,76,580	25,13,647	33,52,787
Segment Results	54,717	8,22,665	(4,41,821)	44,20,670	13,86,029	4,13,486
Unallocated Expenses					88,824	2,71,024
<b>Operating Profits</b>					(4,74,853)	1,39,462
Provisions and Contingencies other than Tax Expenses					6,60,675	26,55,848
Tax Expenses (including deferred tax)					3,41,174	13,86,378
<b>Net profit (Loss)</b>					(15,26,701)	(21,30,658)
Other Information						-
Segment Assets	56,25,268	37,26,301	1,01,90,113	1,84,42,418	1,58,15,401	2,21,68,941
Unallocated Assets					10,50,075	49,35,454
<b>Total Assets</b>					1,68,65,476	2,71,04,395
Segment Liabilities	34,19,420	55,81,236	1,27,78,160	2,03,70,927	1,61,97,580	2,59,53,202
Unallocated Liabilities					58,748	1,18,670
<b>Total Liabilities</b>					1,62,46,329	2,60,71,933

Note 1 - The Bank has no corporate banking/wholesale business.

Note 2 - Assets, liabilities, expenses and income which cannot be allocated to any business segment has been presented as Unallocated.

Note 3 - The Treasury segment primarily consists of net interest earnings from the Bank's investment in SLR securities up to mandatory SLR prescribed by RBI, money market borrowing and lending and gains or losses on investment operations.

Note 4 - \*Segment particulars relating to digital banking unit is included under retail banking unit and not reported separately due to materiality.

**Part B: Geographic Segment**

The Bank's entire operations, customers and assets are in India, and hence no separate geographical segment disclosures are given.

**27.3 Lease disclosure**

The Bank has taken premises on rent for periods ranging from 11 months to 106 months. The rental arrangements are cancelable after giving one month prior notice and the agreement provides for average annual increase of 3% to 10% on an yearly basis. For the reporting year, the rental expense amounts to ₹ 81,468 thousands (31 Mar 23 ₹ 73,409 thousands). Minimum lease payment for non-cancelable lease are as follows:-

Particulars	March 31, 2024	March 31, 2023
Not later than one year	61,140	16,879
Later than one year but not later than five years	2,07,594	60,450
Later than 5 years	47,163	36,017
The total of minimum lease payments recognized in the Profit and Loss Account for the year	81,468	73,409

**27.4 Deferred tax**

Particulars of Asset/(Liability)	March 31, 2024	March 31, 2023
Depreciation	5,441	4,575
Provision not allowed under Income Tax Act, 1961	-	3,79,715
Provision for employee benefits allowed on payment basis	11,590	25,636
Others	-	-
<b>Total</b>	<b>18,733</b>	<b>4,09,907</b>



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**21. Related Party Transactions**

As per AS 18 Significant Transactions with Related Parties (the said AS) the company for 2023 read together with Paragraphs 17 to 19 (a) and (b) (i) and (ii) of Schedule 18 of the related Statute of the Bank for the year ended March 31, 2024 are disclosed below:

Nature of Related Party	Name and Relationship
Key Management Personnel (KMP)	Hirpal Kalia - Managing Director and Chief Executive Officer (from 16.01.2021) Sandeep Kumar Kalia - Managing Director and Chief Executive Officer (from 12.07.2021) Karan Kumar Arora - Chief Financial Officer Sandeep Kumar Mishra - Company Secretary
Director	Ravi Kishor Garg - Independent Director & Finance Committee Gautam Bhal - Independent Director Niraj Kumar Garg - Independent Director Sandeep Chhabra - Independent Director Kajal Singh - Non-executive Director Pradeep Kumar Arora - Non-executive Director Jagan Kumar Hada - Independent Director Shrinidhi Vaidya - Independent Director Vijay Kumar Mishra - Independent Director Sandeep Singh - Independent Director
Enterprises over which Directors have control or significant influence	Alleng Services Pvt Ltd. Beyond - Tech LLP New Age - Remittance Pvt Ltd
Holding Company	RGVN North East Microfinance Limited
Associate Company	Category Finance Internet Pvt Ltd Quadrafin Finance Pvt Ltd (Wholly owned subsidiary of Group company - name Pvt Ltd) Innovative Finance Pvt Ltd (Wholly owned subsidiary of Category Finance Internet Pvt Ltd)
Relatives of KMP	Karan Kalia - Brother of Ravi Kishor Garg Sandeep Kalia - Spouse of Sandeep Kishor Kalia Sandeep Kumar Arora - Spouse of Neha Arora Arora Ajay Kumar Arora - Brother of Karan Kumar Arora

**(i) Transactions during the year**

Particulars	For the year ended March 31, 2024				For the year ended March 31, 2023			
	Holding/ Associate Company	Director	Key Management Personnel	Relatives of KMP	Holding/ Associate Company	Director	Key Management Personnel	Relatives of KMP
Equity share capital	-	-	-	-	-	-	-	-
Category Finance Internet Pvt Ltd	1,00,000	-	-	-	-	-	-	-
Liabilities	-	-	-	-	-	-	-	-
Subordinated debt (Tier-II Bonds)	-	-	-	-	-	-	-	-
Innovative Finance Pvt Ltd	1,50,000	-	-	-	-	-	-	-
Term Deposit	4,100	4,15	1,499	86	1,17,00	8,799	2,299	11,024
Swing Deposit (Not withdrawn)	-	12,000	52	114	-	12,199	1,920	1,531
Assets	-	-	-	-	-	-	-	-
Term Term Deposit receivable	-	-	-	-	1,635	-	-	-
Expense	-	-	-	-	-	-	-	-
Interest paid on deposits	5,12	1,206	861	46	2,870	1,475	211	161
Payment of Remuneration*	-	-	-	-	-	-	-	-
Hirpal Kalia	-	-	1,412	-	-	-	5,562	-
Sandeep Kumar Kalia	-	-	4,201	-	-	-	-	-
Sandeep Kumar Mishra	-	-	2,193	-	-	-	57	-
Karan Kumar Arora	-	-	4,526	-	-	-	5,378	-
Total Remuneration	-	-	15,332	-	-	-	18,977	-
Reimbursement of Expenses	-	-	-	-	-	-	-	-

\* The above remuneration includes Bonus, Loan Advances & Gratuity

**(ii) Balance outstanding as at year end are as follows:**

Particulars	For the year ended March 31, 2024				For the year ended March 31, 2023			
	Holding/ Associate Company	Director	Key Management Personnel	Relatives of KMP	Holding/ Associate Company	Director	Key Management Personnel	Relatives of KMP
Outstanding as at year end	-	-	-	-	-	-	-	-
Equity share capital	-	-	-	-	-	-	-	-
RGVN North East Microfinance Ltd	29,51,844	-	-	-	29,51,844	-	-	-
Category Finance Internet Pvt Ltd	1,61,001	-	-	-	5,798	-	-	-
Subordinated debt (Tier-II Bonds)	-	-	-	-	-	-	-	-
Innovative Finance Pvt Ltd	1,50,000	-	-	-	-	-	-	-
Deposits	61,592	24,763	11,502	2,011	1,06,910	27,084	9,946	1,922
Other Liabilities and Provisions	-	-	-	-	-	-	-	-
Receivable as at year end	-	-	-	-	-	-	-	-
Other Assets	1,635	-	-	-	1,635	-	-	-

**(iii) Significant Balance outstanding during the year**

Particulars	For the year ended March 31, 2024				For the year ended March 31, 2023			
	Holding/ Associate Company	Director	Key Management Personnel	Relatives of KMP	Holding/ Associate Company	Director	Key Management Personnel	Relatives of KMP
Outstanding as at year end	-	-	-	-	-	-	-	-
Equity share capital	-	-	-	-	-	-	-	-
RGVN North East Microfinance Ltd	29,51,844	-	-	-	29,51,844	-	-	-
Category Finance Internet Pvt Ltd	17,69,580	-	-	-	5,298	-	-	-
Subordinated debt (Tier-II Bonds)	-	-	-	-	-	-	-	-
Innovative Finance Pvt Ltd	-	-	-	-	-	-	-	-
Deposits	-	33,817	12,775	2,101	1,06,910	27,084	9,946	1,922
Other Liabilities and Provisions	-	-	-	-	-	-	-	-
Receivable as at year end	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	1,635	-	-	-



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**Schedule 18 - Notes to Financial Statement**
**29.1 Employee Share Based Payments**

The Bank has not made any share based payments to any of its employees during the year ended March 31, 2024 (Previous Year Nil)

**29.2 Employee benefits**
**(i) Defined contribution plan**

The Bank has recognized the following amounts in the Profit and Loss Account towards contributions to Provident Fund and Other Funds:

Particulars	March 31, 2024	March 31, 2023
Contribution towards provident fund	10,075	10,112
Contribution towards LSI*	7,293	15,228
Contribution towards Pension Fund	Nil	Nil

**(ii) Defined benefit plan**

Contribution to Gratuity Fund.

Details of defined benefit plan of gratuity are given below

Particulars	March 31, 2024	March 31, 2023
Opening Balance of Present value of obligation	81,494	67,619
Obligation transferred on account of BTA	-	-
Interest Cost	5,962	4,460
Current service cost	13,589	9,860
Benefits paid	(17,662)	(3,644)
Actuarial Loss/ (Gain) on obligation	3,817	8,299
Closing Balance of Present value of obligation	97,221	81,494

Expense recognised in profit and loss account

Particulars	March 31, 2024	March 31, 2023
Current service cost	13,589	9,860
Interest Cost	5,962	4,460
Expected return on plan assets	(9,362)	(8,031)
Net Actuarial loss recognised in the year	3,817	8,299
Income recognised in profit and loss account	14,006	14,528

Net Liability (Asset) recognised in the Balance Sheet

Particulars	March 31, 2024	March 31, 2023
Fair value of plan assets	1,03,118	1,27,977
Present value of defined obligation	97,221	81,494
Excess of plan assets over present value of obligation	17,898	46,483
Net Asset recognised in balance sheet	17,898	46,483

Change in Fair Value of Plan Assets during the year

Particulars	March 31, 2024	March 31, 2023
Opening balance of fair value of plan assets	1,27,977	1,21,770
Plan assets acquired under BTA	-	-
Expected return on plan assets	9,362	8,031
Actual Company Contributions	5,421	6,860
Benefits paid	(7,642)	(8,681)
Actuarial gain/loss; return on plan assets	-	-
Closing balance of fair value of plan assets	1,35,118	1,27,977

Actuarial assumptions used

Particulars	March 31, 2024	March 31, 2023
Discount Rate	7.15%	7.30%
Expected Return on plan assets	7.15%	7.30%
Expected rate of salary increase	4.00%	5.00%
Employee Attrition rate		
Up to 30 Yrs	37.80%	29.95%
31-44 yrs	19.85%	12.36%
Above 44 yrs	14.78%	9.90%

The estimates of future salary increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.  
 In formation of investment details of plan assets, the bank has not disclosed and the obligation is funded with LIC



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**Schedule 18 - Notes to Financial Statement**

₹ in '000

Details relating to experience adjustment and expected future cash flow is given below:

Particulars	March 31, 2024	March 31, 2023
Claim/Loss on Plan Liabilities	4,865	1,984
% of Opening Plan Liabilities	0.00%	2.90%
Claim/Loss on Plan Assets	-	-
% of Opening Plan Assets	0.05%	0.30%

(iii) Other Long term employee benefits - Compensated absences

The Actuarial liability of compensated absences of accumulated privilege leave of the employees of the Bank is given below:

Particulars	March 31, 2024	March 31, 2023
Privileged Leave (Actuarial Liability) at the beginning of the year	55,443	30,169
Privileged Leave Actuarial Liabilities at the end of the year	56,196	37,413
Actuarial assumptions		
Discount Rate	7.15%	7.14%
Salary Escalation rate	4.00%	5.00%

**30. Note on Merger and NCLT**

During the year ended March 31, 2024, the Bank has entered into a composite scheme of arrangement and amalgamation amongst (i) Quakim Finance Pvt Ltd (Guwahati), (ii) Intergalaxy Funding Pvt Ltd (Guwahati), (iii) Gangeypransh Internet Pvt Ltd (Guwahati) and (iv) RGVN (North East) Microfinance Ltd (Guwahati) as 230 to 234 read with section 46 and other applicable provisions of the Companies Act 2013. The necessary filing of such composite scheme of arrangement and amalgamation has already been filed by Bank with NCLT on March 29, 2024 after receiving in-principle approval from Reserve Bank of India.

**31. Code on social security**

The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment leave its received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Bank will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

**32. Implementation of IFRS**

The Bank in India currently prepare their financial statements as per the guidelines issued by the RBI, the Accounting Standards notified under section 120 of the Companies Act, 2013 and generally accepted accounting principles in India (Indian GAAP). In January 2016, the Ministry of Corporate Affairs issued the roadmap for implementation of new Indian Accounting Standards (Ind AS), which were based on convergence with the International Financial Reporting Standards (IFRS), for selected commercial banks, insurance companies and non-banking financial companies (NBFCs). In March 2019, RBI deferred the implementation of Ind AS for banks, till further notice as the recommended legislative amendments were under consideration of Government of India.

**33. Proposed Dividend**

During the year ended March 31, 2024, the Bank has not declared any dividend (Previous Year: Nil).

**34. Details of payment made to Statutory Auditors as per P&L.**

Particulars	March 31, 2024	March 31, 2023
Payment made to statutory Auditor	3,365	4,781

**35. Corporate Social Responsibility**

As per Sec 135 (1) of the Companies Act "Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board, consisting of three or more directors, out of which at least one director shall be an independent director". Further, the company should spend, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. Out of the amount of INR 58 (crores/₹58000000), INR 250 (thousands) towards CSR expenses pertains to Financial Year 2022-23 and INR 308 (thousands) pertains to Financial Literacy Camp expenses for the financial Year 2023-24.

Particulars	March 31, 2024	March 31, 2023
a) Gross amount required to be spent by the Bank during the year	Nil	Nil
b) Amount spent during the year	558	4481



10/11/24

**36. Long Term Contracts**

The Bank has a process whereby periodically all long term contract are assessed for material foreseeable losses. At the period end, the Bank has assessed and ensured that adequate provision as required under any law / accounting standards or material foreseeable losses on such long term contracts has been made in the books of account as at March 31, 2024. (Previous Year - Nil)

**37. Small & Micro Industries**

Based on the information available with the Company, there are no outstanding dues and payment made to supplier of goods and services beyond the specified period under the Micro, Small and Medium Enterprise Development Act, 2006. There are no interest payable or paid to any supplier under the said Act (Previous Year - Nil)

**38. Investor education and protection fund**

There is no amount required to be transferred in Investor Education and Protection Fund by the Bank (Previous Year - Nil)

**39. Disclosure under Rule 11 (1) of the Companies (Audit and Auditors) Rules, 2014 :**

The Bank, as part of its normal banking business, grants loans and advances to its constituents including foreign entities with permission to lend / invest / provide guarantee or security or the like in other countries identified by such constituents. Similarly, the Bank accepts deposits from its constituents, who may instruct the Bank to lend / invest / provide guarantee or security or the like against such deposit in other entity identified by such constituents.

These transactions are part of Bank's normal banking business, which is conducted after exercising proper due diligence including adherence to "Know Your Customer" guidelines as applicable in respective jurisdictions. Other than the nature of transactions described above, the Bank has not accepted / lent / invested / provided guarantee or security to or in any other person with an understanding to lend / invest / provide guarantee or security or the like to or in any other person. Similarly, other than the nature of transactions described above, the Bank has not received any funds from any other person with an understanding that the Bank shall lend / invest / provide guarantee or security or the like to or in any other person.

**40. Additional Disclosure on Material Item in line with RBI circular No. DOR. VC. REC. No.91/21.04.018/2022-23**

**41.1 Disclosure on material item under subhead "Miscellaneous Income" exceeding 1% of Total Income:**

Particulars	March 31, 2024	March 31, 2023
Recovery from Technically Default accounts	5,57,931	57,999

**41.2 Disclosure on material item under subhead "Other Expenditure" exceeding 1% of Total Income:**

Particulars	March 31, 2024	March 31, 2023
GST Expense	43,257	14,834
Traveling Expenses	11,664	-
Office Security	52,009	46,497

**41.3 Disclosure on material item under subhead "Other Liabilities and Provisions-Others" exceeding 1% of Total Assets:**

Particulars	March 31, 2024	March 31, 2023
RTGS Settlement 601	-	4,67,035

**41.4 Disclosure on material item under subhead "Other Assets-Others" exceeding 1% of Total Assets:**

Particulars	March 31, 2024	March 31, 2023
Nil	-	-

**42. Provision for debit & credit card reward points**

The Bank is not providing any reward points on debit card. Further Bank has not issued any credit card during the FY 2023-24. (Previous Year - Nil)

**43. Significant event after balance sheet date**

The Bank has submitted the claim towards Bad Finance under Category-BI of the Assam Micro Finance Incentive and Relief Scheme (AMFIRS), 2021 pertaining to borrowers with outstanding amounts ranging between INR 25,000-50,000 on March 13, 2024. The said claim pertaining to 43 bad borrowers is amounting to INR 86.85 million.

The Bank has received a letter dated June 07, 2024 from the Govt. of Assam stating that the said claim is under evaluation by the Finance department, Government of Assam and shall be released as per the budgetary commitment and resource position. Given this is a significant event after the balance sheet date (i.e. 31 March 2024), the bank has disregarded 35% of total claim submitted i.e. INR 22.20 million as income and corresponding amount as receivable from Govt of Assam- AMFIRS scheme in the financial statements for the year ended March 31, 2024.



*Carried*

## 44. Changes in accounting policy

The Bank has followed consistently the same accounting policies as followed in the previous financial year (Previous Year - Nil).

## 45. Prior period comparatives

Figures for the previous period have been regrouped and reclassified wherever necessary to conform to the current year's presentation.

As per our audit report of even date

For and on behalf of the Board of Directors

For CHATURVEDI & CO LLP

Chartered Accountants

Firm Registration Number : 302137E/E.300286

CA Anil Kumar

Partner

Membership No - 318210

UDIN- 243182101360MX03840



Samir Shankar Shetty

Independent Director and

Chairman of Audit Committee of Board

DIN: 02573012

Tarun Kumar Hazarika

Independent Director

DIN: 06068195

Sanjeev Kumar Mishra

Company Secretary

M. No. FC/56291

Place : Guwahati

Date: June 25, 2024

Satish Kumar Katra  
Managing Director & CEO  
DIN: 01952165

Ketan Kumar Joshi  
Chief Financial Officer  
M. No. 056946



Place : Guwahati

Date: June 25, 2024



**NORTH EAST SMALL FINANCE BANK LIMITED**  
Guwahati, Assam (CIN : U65100AS2016PLC017505)  
**BALANCE SHEET AS AT 31ST MARCH 2023**

PARTICULARS	Schedule No.	(INR in '000)	
		As at March 31, 2023	As at Mar 31, 2022
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	34,68,468	30,76,114
Reserves and Surplus	2	(24,36,006)	(3,43,584)
Deposits	3	2,03,96,300	1,52,87,836
Borrowings	4	41,17,500	44,48,500
Other Liabilities and Provisions	5	15,58,133	10,51,119
<b>TOTAL</b>		<b>2,71,04,395</b>	<b>2,35,19,985</b>
<b>ASSETS</b>			
Cash and Balance with Reserve Bank of India	6	15,04,537	8,09,310
Balance with Banks and Money at call & short notice	7	40,38,298	19,70,165
Investments	8	34,82,944	27,72,158
Advances	9	1,60,32,595	1,62,72,284
Fixed Assets	10	2,86,131	2,83,079
Other Assets	11	17,59,890	14,12,989
<b>TOTAL</b>		<b>2,71,04,395</b>	<b>2,35,19,985</b>

Contingent Liabilities 12  
Bill for collection  
Significant Accounting Policies and notes to the financial statements 17 & 18

Schedules referred to above form an integral part of the Balance Sheet

The Balance Sheet has been prepared in conformity with the Form A of the Third Schedule to the Banking Regulation Act, 1949

For and on behalf of the Board of Directors

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PRAVINCHAN PRAVINCHANDRA JOSHI  
DRA JOSHI Date: 2023.06.26 11:55:31  
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**Ketan Kumar Joshi**  
Chief Financial Officer  
M. No. 056916

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RAM KRISHNA GARG  
KRISHNA GARG Date: 2023.06.26  
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**Ram Krishna Garg**  
Chairman  
DIN : 02164119

**Place : Guwahati**  
**Date : June 26 ,2023**

As per our audit report of even date  
**For Baweja & Kaul**  
Chartered Accountants  
**Firm Registration Number : 005834N**

**CA Samvit Kumar Gurtoo**  
Partner  
Membership No - 090758  
UDIN- 23090758BGZDFM9329

**Place : Guwahati**  
**Date : June 26 ,2023**

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RUPALI KALITA  
KALITA Date: 2023.06.26  
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**Rupali Kalita**  
Managing Director & CEO  
DIN : 02114098

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Hazarika Date: 2023.06.26  
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**Tapan Kumar Hazarika**  
Independent Director  
DIN : 08088195



**NORTH EAST SMALL FINANCE BANK LIMITED**  
**Guwahati, Assam (CIN : U65100AS2016PLC017505)**  
**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2023**

PARTICULARS	Schedule No.	(INR in '000)	
		For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>I. INCOME</b>			
Interest Earned	13	29,76,867	31,41,593
Other Income	14	3,75,915	1,42,314
<b>TOTAL</b>		<b>33,52,782</b>	<b>32,83,907</b>
<b>II. EXPENDITURE</b>			
Interest Expended	15	14,13,309	12,20,555
Operating Expenses	16	18,00,011	14,20,695
Provisions and Contingencies		22,69,520	18,74,655
<b>TOTAL</b>		<b>54,82,840</b>	<b>45,15,905</b>
<b>III. PROFIT</b>			
<b>Net Profit After Tax</b>		<b>(21,30,058)</b>	<b>(12,31,998)</b>
Add; Balance in Profit & Loss Account Brought Forward from Previous Year		(7,59,696)	4,72,301
<b>TOTAL</b>		<b>(28,89,754)</b>	<b>(7,59,697)</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserve		-	-
Transfer from Investment Fluctuation Reserve		10,009	-
Balance Carried to Balance Sheet		(28,99,763)	(7,59,697)
<b>TOTAL</b>		<b>(28,89,754)</b>	<b>(7,59,697)</b>
<b>EPS (Basic)</b>		<b>(7.26)</b>	<b>(4.20)</b>
<b>EPS (Diluted)</b>		<b>(7.24)</b>	<b>(4.20)</b>

Significant Accounting Policies and notes to the financial statements 17 & 18  
Schedules referred to above form an integral part of the Profit & Loss Account

The Profit & Loss Account has been prepared in conformity with the Form B of the Third Schedule to the Banking Regulation Act, 1949

For and on behalf of the Board of Directors

KETAN KUMAR PRAVINCHAND RA JOSHI

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**Ketan Kumar Joshi**  
Chief Financial Officer  
M. No. 0505050505  
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RAM  
KRISHNA  
GARG

**Dr Ram Krishna Garg**  
Chairman  
DIN : 02164119

Place : Guwahati  
Date : June 26 , 2023

As per our audit report of even date  
**For Baweja & Kaul**  
Chartered Accountants  
Firm Registration Number : 005834N

**CA Samvit Kumar Gurtoo**  
Partner  
Membership No - 090758  
UDIN- 23090758BGZDEM9329

Place : Guwahati  
Date : June 26 , 2023

RUPALI KALITA

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Date: 2023.06.26  
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**Rupali Kalita**  
Managing Director & CEO  
DIN : 02114098

Tapan Kumar Hazarika

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**Tapan Kumar Hazarika**  
Independent Director  
DIN : 08088195



**NORTH EAST SMALL FINANCE BANK LIMITED**  
**Guwahati, Assam (CIN : U65100AS2016PLC017505)**  
**SCHEDULES FORMING PART OF BALANCE SHEET**

PARTICULARS	(INR in '000)	
	As at March 31, 2023	As at Mar 31, 2022
<b>SCHEDULE 1 - Share Capital</b>		
<b>Authorised Share Capital:*</b>		
Equity Share Capital 70,00,00,000 Shares of INR.10 each (Previous Year 70,00,00,000 Shares of INR 10 each)	70,00,000	70,00,000
Non-cumulative Compulsorily Convertible Preference Share Capital (CCPS):		
30,00,00,000 CCPS of INR 10 each (Previous Year 30,00,00,000 CCPS of INR 10 each)	30,00,000	30,00,000
	<b>1,00,00,000</b>	<b>1,00,00,000</b>
* As on the date of signing of Balance Sheet, the Authorised capital stands at 60,00,00,000 Equity shares of INR 10 each and 10,00,00,000 CCPS of INR 10 each.		
<b>Issued, Subscribed and Paid up Capital</b>		
Equity Share Capital- 32,77,00,276 Shares of INR.10 each (29,40,96,317 shares of INR 10 each)	32,77,003	29,40,963
Non-cumulative Compulsorily Convertible Preference Share Capital (CCPS)- 1,91,46,531 shares of INR 10 each (1,35,15,114 shares of INR 10 each)	1,91,465	1,35,151
<b>Total</b>	<b>34,68,468</b>	<b>30,76,114</b>
<b>SCHEDULE 2 - Reserves and Surplus</b>		
<b>I. Statutory Reserve</b>		
Opening Balance	1,97,658	1,97,658
Additions during the year	-	-
<b>Closing Balance</b>	<b>1,97,658</b>	<b>1,97,658</b>
<b>II. Investment Fluctuation Reserve</b>		
Opening Balance	1,20,719	1,20,719
Additions during the year	-	-
Less: Drawdown to P&L appropriation during the year	10,009	-
<b>Closing Balance</b>	<b>1,10,710</b>	<b>1,20,719</b>
<b>III. Share premium</b>		
Opening Balance	97,736	-
Addition during the year	47,646	97,736
<b>Closing Balance</b>	<b>1,45,382</b>	<b>97,736</b>
<b>IV. Balance in Profit and Loss Account</b>	<b>(28,89,754)</b>	<b>(7,59,697)</b>
<b>Total (I to IV)</b>	<b>(24,36,006)</b>	<b>(3,43,584)</b>
<b>SCHEDULE 3 - Deposits</b>		
<b>A.I. Demand Deposits</b>		
(i) From Banks	3,561	17,012
(ii) From Others	8,56,955	5,96,865
<b>II. Savings Bank Deposits</b>	<b>83,68,442</b>	<b>51,32,311</b>
<b>III. Term Deposits</b>		
(i) From Banks	40,49,668	22,30,224
(ii) From Others	71,17,674	73,11,424
<b>Total (I to III)</b>	<b>2,03,96,300</b>	<b>1,52,87,836</b>
B.I. Deposits of Branches in India	<b>2,03,96,300</b>	<b>1,52,87,836</b>
B.II. Deposits of Branches outside India	-	-
<b>Total (B.I and B.II)</b>	<b>2,03,96,300</b>	<b>1,52,87,836</b>
<b>SCHEDULE 4 - Borrowings</b>		
<b>I. Borrowings in India</b>		
i) Reserve Bank of India	-	-
ii) Other Banks	23,65,000	-
iii) Other Institutions and Agencies	17,52,500	44,48,500
iv) Others (Non-Convertible Redeemable Debentures)	-	-
<b>Total</b>	<b>41,17,500</b>	<b>44,48,500</b>
<b>II. Borrowings outside India</b>	<b>-</b>	<b>-</b>
<b>Total (I and II)</b>	<b>41,17,500</b>	<b>44,48,500</b>

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**NORTH EAST SMALL FINANCE BANK LIMITED**  
**Guwahati, Assam (CIN : U65100AS2016PLC017505)**  
**SCHEDULES FORMING PART OF BALANCE SHEET**

PARTICULARS	(INR in '000)	
	As at March 31, 2023	As at Mar 31, 2022
<b>Secured Borrowings included in I and II above</b>	<b>41,17,500</b>	<b>42,06,000</b>
<b>SCHEDULE 5 - Other Liabilities and Provisions</b>		
I. Interest Accrued	77,219	1,16,603
II. Provision for Standard Assets*	3,67,048	5,71,929
III. Provision for taxation (net of advance tax)	-	-
IV. Unsecured Redemable Non convertible Subordinated Tier II Bonds in the nature of Promissory Note.	1,90,000	-
V. Floating Provision against loans	1,50,000	1,50,000
VI. Others (Including Provisions other than Loans & Advances and share application money)	7,73,866	2,12,587
<b>Total (I to VI)</b>	<b>15,58,133</b>	<b>10,51,119</b>
<b>*Provision on standard assets include INR 14,553 thousands towards Covid 2-0 restructured advances. (Previous Year INR 4,91,539 thousands. ) and INR 2,17,098 towards restructuring done under natural calamity. (Previous Year NIL.)</b>		
<b>SCHEDULE 6 - Cash and Balance with Reserve Bank of India</b>		
I. Cash in hand	1,43,088	1,42,697
II. Balances with Reserve Bank of India		
i) In Current Accounts	13,61,449	6,66,613
ii) In Other Accounts	-	-
<b>Total (I and II)</b>	<b>15,04,537</b>	<b>8,09,310</b>
<b>SCHEDULE 7 : Balances with Banks and Money at Call and Short Notice</b>		
A. In India		
I Balances with banks		
i) In Current Accounts	88,298	3,70,165
ii) In Other Deposit Accounts	39,50,000	11,00,000
II) Term Money/Money at call and short notice		
i) With banks		5,00,000
ii) With other Institutions	-	-
<b>Total</b>	<b>40,38,298</b>	<b>19,70,165</b>
B. Outside India	-	-
<b>Total (II)</b>	<b>-</b>	<b>-</b>
<b>Total (I and II)</b>	<b>40,38,298</b>	<b>19,70,165</b>
<b>SCHEDULE 8 - Investments</b>		
I. Investments in India		
i) Government Securities	34,82,944	27,72,158
ii) Others (Investment in Mutual Funds)	-	-
<b>Total (I)</b>	<b>34,82,944</b>	<b>27,72,158</b>
II. Investments Outside India	-	-
<b>Total (II)</b>	<b>-</b>	<b>-</b>
<b>Total (I and II)</b>	<b>34,82,944</b>	<b>27,72,158</b>
Gross Investments	34,82,944	27,72,158
Less : Provision for Investments	-	-
<b>Net Investments</b>	<b>34,82,944</b>	<b>27,72,158</b>

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**NORTH EAST SMALL FINANCE BANK LIMITED**  
**Guwahati, Assam (CIN : U65100AS2016PLC017505)**  
**SCHEDULES FORMING PART OF BALANCE SHEET**

PARTICULARS	(INR in '000)	
	As at March 31, 2023	As at Mar 31, 2022
<b>SCHEDULE 9 - Advances</b>		
A. i) Cash Credits, Overdrafts and Loans repayable on demand	3,28,490	6,88,445
ii) Term Loans	1,57,04,105	1,55,83,839
<b>Total</b>	<b>1,60,32,595</b>	<b>1,62,72,284</b>
B. i) Secured by Tangible Assets	1,05,51,344	59,49,236
ii) Covered by Banks/Government Guarantees	-	-
iii) Unsecured	54,81,251	1,03,23,048
<b>Total</b>	<b>1,60,32,595</b>	<b>1,62,72,284</b>
C.I. Advances in India		
i) Priority Sectors*	1,47,42,553	1,47,43,739
ii) Public Sectors		
iii) Banks		
iv) Others	12,90,042	15,28,545
<b>Total C.I</b>	<b>1,60,32,595</b>	<b>1,62,72,284</b>
* Please also refer note no 23.1 of schedule 18		
C.II. Advances outside India	-	-
<b>Total C.II</b>	<b>-</b>	<b>-</b>
<b>Total C (I and II)</b>	<b>1,60,32,595</b>	<b>1,62,72,284</b>
<b>SCHEDULE 10 - Fixed Assets</b>		
<b>I. Owned Assets :</b>		
a) Premises	-	-
b) Fixed Assets (Including Furnitures and Fixtures)		
At the beginning of the year	6,04,491	5,20,464
Additions during the year	89,886	89,304
Deductions during the year	6,069	5,278
<b>Total (I)</b>	<b>6,88,308</b>	<b>6,04,491</b>
<b>II) Depreciation</b>		
At the beginning of the year	3,21,412	2,15,669
Charge for the year	81,858	1,06,644
Deductions during the year	1,093	901
<b>Total (II)</b>	<b>4,02,177</b>	<b>3,21,412</b>
<b>Net Block (I - II)</b>	<b>2,86,131</b>	<b>2,83,079</b>
<b>Total</b>	<b>2,86,131</b>	<b>2,83,079</b>
<b>SCHEDULE 11 - Other Assets</b>		
i. Interest Accrued	11,11,203	10,85,396
ii. Tax paid in advance (net of provision for tax)	47,742	1,55,624
iii. Deferred Tax Assets	4,09,907	16,279
iv. Others	1,91,038	1,55,690
<b>Total</b>	<b>17,59,890</b>	<b>14,12,989</b>
<b>SCHEDULE 12 - CONTINGENT LIABILITIES</b>		
I. Claims Against the Bank not Acknowledged as debts	-	-
II. Liability for partly paid investments	-	-
III. Liability on accounts of outstanding forward exchange and derivative contracts:	-	-
IV. Guarantees Given on behalf of constituents	-	-
V. Acceptances, endorsements and other Obligations	-	-
VI. Other Items for which the bank is constitutently liable.	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note:- Also refer Note No 31 of Schedule 18**

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**NORTH EAST SMALL FINANCE BANK LIMITED**  
**Guwahati, Assam (CIN : U65100AS2016PLC017505)**  
**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

(INR in '000)

PARTICULARS	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>SCHEDULE 13 - Interest Earned</b>		
I. Interest on Advances	25,43,233	28,97,057
II. Income on Investments	2,29,146	1,86,304
III. Interest on Balances with RBI and Other Inter-Bank Funds	1,95,689	58,228
IV. Other interest Income	8,799	4
<b>Total (I to IV)</b>	<b>29,76,867</b>	<b>31,41,593</b>
<b>SCHEDULE 14 - Other Income</b>		
I. Commission, Exchange & Brokerage	2,40,652	1,23,721
II. Profit on sale of Investments	9,780	
Less: Loss on Sale of Investments	(26,202)	(33,057)
III. Profit/(Loss) on sale of land, buildings and other assets	(308)	(297)
IV. Miscellaneous Income	1,51,993	51,947
<b>Total (I to IV)</b>	<b>3,75,915</b>	<b>1,42,314</b>
<b>SCHEDULE 15 - Interest Expended</b>		
I. Interest on Deposits	10,97,963	7,91,397
II. Interest on all other borrowings	3,15,346	4,29,158
<b>Total (I to II)</b>	<b>14,13,309</b>	<b>12,20,555</b>
<b>SCHEDULE 16 - Operating Expenses</b>		
I. Payments and Provisions for Employees	9,43,499	7,89,114
II. Rent, Taxes and Lighting	1,11,027	95,359
III. Printing and Stationery	18,629	12,677
IV. Advertisement and Publicity	12,748	8,816
V. Depreciation on Bank's property	81,859	1,06,644
VI. Director's Fees's, Allowances & Expenses	6,680	4,489
VII. Auditors fees and expenses	4,000	3,611
VIII. Law Charges	149	150
IX. Postage, Telegrams, Telephones, etc.	5,381	6,514
X. Repairs and Maintenance	74,171	47,766
XI. Insurance	19,310	17,338
XII. Other expenditure	2,87,358	1,56,649
XIII. IT Cost (FIS)	2,35,200	1,71,568
<b>Total (I to XIII)</b>	<b>18,00,011</b>	<b>14,20,695</b>

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**NORTH EAST SMALL FINANCE BANK LIMITED**  
**CASH FLOW STATEMENT FOR THE HALF YEAR ENDED MARCH 31, 2023**

₹ in '000

PARTICULARS	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	(25,16,436)	(12,09,058)
<b>Adjustment For:</b>		
(Profit)/Loss on sale of Fixed Assets	308	297
Fair value gain on SG securities	26,202	4,472
Contingent Provisions for Standard Assets	(2,04,881)	5,10,334
Adhoc Provision against NPA	-	1,26,609
Depreciation & Amortisation	81,858	1,06,644
Drawdown from Investment fluctuation reserve	(10,009)	
Provision for Non Performing / Bad Assets	28,60,779	12,14,772
<b>Operating Profit before Working Capital Changes</b>	<b>2,37,821</b>	<b>7,54,070</b>
<b>Adjustments for:</b>		
Decrease/(Increase) in Other Assets	39,476	(7,54,835)
Decrease/(Increase) in Term Deposits with other Banks	2,01,000	(3,70,893)
Increase/(Decrease) in Other liabilities and Provisions	7,11,894	1,76,893
Decrease/(Increase) in Advances	(26,21,090)	(9,40,426)
Decrease/(Increase) in Investments	(7,36,987)	3,60,162
Increase/(Decrease) in Deposits	51,08,464	25,15,528
<b>Cash generated from / (used) in Operations:</b>	<b>27,02,757</b>	<b>9,86,428</b>
Taxes Paid	-	(1,00,000)
<b>Net Cash Flow from / (used) in Operating Activities</b>	<b>(A) 29,40,578</b>	<b>16,40,498</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(89,886)	(89,304)
Sale of Fixed Assets	4,668	4,377
<b>Net Cash Flow used in Investing Activities</b>	<b>(B) (85,218)</b>	<b>(84,927)</b>
Borrowings		
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Increase/(Decrease) in Capital (net)	2,60,818	2,40,000
Increase/(Decrease) in Share Premium	1,79,182	-
Increase/(Decrease) in Borrowings (Net)	(3,31,000)	(14,00,833)
<b>Net Cash Flow from / (Used in) Financing Activities</b>	<b>(C) 1,09,000</b>	<b>(11,60,833)</b>
<b>Net Increase / (Decrease) in Cash or Cash Equivalents (A+B+C)</b>	<b>29,64,360</b>	<b>3,94,737</b>
Opening Cash and Cash Equivalents	19,78,475	15,83,738
<b>Cash and Cash Equivalents at the end of the year</b>	<b>49,42,835</b>	<b>19,78,475</b>
<b>Break up cash and cash equivalent</b>		
Cash and Balance with RBI	15,04,537	8,09,310
Balance in current account with other banks	88,298	3,70,165
Deposits	33,50,000	2,99,000
Money at Call & Short Notice	-	5,00,000
<b>Total Cash &amp; Cash Equivalent</b>	<b>49,42,835</b>	<b>19,78,475</b>

Significant Accounting Policies and notes to the financial statements 17 & 18

**Notes:**

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard 3 of Cash Flow Statements
- The Cash & Cash equivalent does not include INR 600,000 Thousands (Previous Year INR 801,000 Thousands) deposits having maturity more than 12 months
- Figures in bracket indicate cash outflow.

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**NORTH EAST SMALL FINANCE BANK LIMITED**

**CASH FLOW STATEMENT FOR THE HALF YEAR ENDED MARCH 31, 2023**

For and on behalf of the Board of Directors

KETAN KUMAR Digitally signed by  
KETAN KUMAR  
PRAVINCHAND PRAVINCHANDRA JOSHI  
RA JOSHI Date: 2023.06.26  
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**Ketan Kumar Joshi**  
Chief Financial Officer  
M. No. 056916

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KRISHNA RAM KRISHNA GARG  
GARG Date: 2023.06.26  
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Krishna Garg  
Chairman  
DIN : 02164119

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KALITA Date: 2023.06.26  
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**Rupali Kalita**  
Managing Director & CEO  
DIN : 02114098

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Hazarika Date: 2023.06.26  
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**Tapan Kumar Hazarika**  
Independent Director  
DIN : 08088195

**Place :** Guwahati

**Date :** June 26 , 2023

As per our audit report of even date

**For Baweja & Kaul**

Chartered Accountants

**Firm Registration Number : 005834N**

**CA Samvit Kumar Gurtoo**

Partner

Membership No - 090758

UDIN- 23090758BGZDFM9329

**Place :** Guwahati

**Date :** June 26 , 2023



**NORTH EAST SMALL FINANCE BANK LIMITED**  
**Guwahati, Assam (CIN : U65100AS2016PLC017505)**

**Schedule 17- Significant Accounting Policies**

**1. Background**

North East Small Finance Bank Limited (the “Bank”) is a public limited Company incorporated on July 25, 2016 under the provisions of the Companies Act, 2013 having CIN- U65100AS2016PLC017505, received in principle approval from the Reserve Bank of India (“RBI”) to establish a small finance bank in the private sector under section 22 of the Banking Regulation Act, 1949 on September 16, 2015. The bank received license from the Reserve Bank of India (RBI) to operate as a Small Finance Bank under the Banking Regulation Act, 1949 with effect from March 31, 2017 and commenced its banking operations on October 17, 2017.

The Bank provides Retail banking services and wide range of financial services to economically poor in urban, semi-urban and rural areas. The Bank has its headquarter in Guwahati with nine zonal offices. The Bank operates in India concentrating in North East Region and West Bengal at present and does not have a branch in any foreign country.

**2. Basis of Preparation**

The financial statements have been prepared in accordance with the requirements prescribed under the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements is the accrual method of accounting and historical cost convention and it conforms with Generally Accepted Accounting Principles in India (“Indian GAAP”), the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013 (“the Act”) and the Companies (Accounting Standards) Amendment Rules 2016, in so far as they apply to banks and the guidelines issued by the RBI.

**3. Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liability) and the reported income and expenses during the period. The management believes that the estimates used in preparation of financial statements are prudent and reasonable. Future results could differ from actuals and the differences between the actual results and the estimates are recognized prospectively in which the results are known. Any revision to accounting estimates is recognized prospectively in current and future periods.

**4. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured.

Interest Income is recognized in the statement of profit and loss on accrual basis, except in the case of non-performing assets. Interest on non-performing assets is recognized upon realization as per the prudential norms of the RBI.

Processing fees and commission collected on loans disbursed, along with related loan acquisition cost are recognised upfront at Inception of loan. However any processing fees collected at the time of restructuring as a result of renegotiations or rescheduling of outstanding dates are recognised on accrual basis over the period of time covered by the renegotiated or rescheduled extension of credit.

Interest on Government securities, debentures and other fixed income securities is recognized on a period proportion basis. Income on discounted instruments is recognized over the tenor of the instrument on a constant Yield to Maturity method.

Commission on sale of insurance products are recognised on accrual basis on sale of number of policies of respective insurance companies.

**5. Investments**

Classification and valuation of the Bank’s investments are carried out in accordance with the RBI guidelines which are as follows:

**Categorisation of Investments**

The Bank classifies its investment at the time of purchase into one of the following three categories:

- i. Held to Maturity (HTM) – Securities acquired with the intention to hold till maturity
- ii. Held for Trading (HFT) – Securities acquired with the intention to trade.
- iii. Available for Sale (AFS) – Securities which do not fall within the above two categories

Subsequent shifting amongst the categories is done in accordance with the RBI guidelines.

**Classification of Investments**

For the purpose of disclosure in the Balance Sheet, investments are classified under six groups viz., (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures and Bonds, (v) Investments in Subsidiaries and Joint Ventures, and (vi) Other Investments.

**Acquisition cost**

- i. Broken period interest on debt instruments is treated as revenue item.
- ii. Brokerage, commission, etc. pertaining to investments, paid at the time of acquisition is charged to the Profit and Loss account.
- iii. Cost of investments is computed based on the First in First Out basis.

**NORTH EAST SMALL FINANCE BANK LIMITED**  
**Guwahati, Assam (CIN : U65100AS2016PLC017505)**

**Schedule 17- Significant Accounting Policies**

**Transfer Between Categories**

Transfer between categories is done at the lower of the acquisition cost / book value / amortised cost / market value on the date of the transfer and depreciation, if any, on such transfer is fully provided for, in accordance with the RBI guidelines.

**Valuation of Investments**

- i. Held to Maturity – Each security in this category is carried at its acquisition cost. Any premium on acquisition of the security is amortized over the balance period to maturity. The amortized amount is classified under Interest earned – Income on investments (Item II of Schedule 13). The book value of the security is reduced to the extent of amount amortized during the relevant accounting period. Diminution, other than temporary, is determined and provided for each investment individually
- ii. Held for Trading – Securities are valued scrip-wise and depreciation / appreciation is aggregated for each classification. Net appreciation in each classification is ignored, while net depreciation is provided for.
- iii. Available for Sale – Securities are valued scrip-wise and depreciation / appreciation is aggregated for each classification. Net appreciation in each classification, is ignored, while net depreciation is provided for.
- iv. Market value of government securities (excluding treasury bills) is determined on the basis of the prices / YTM declared by Primary Dealers Association of India (PDAI) jointly with Fixed Income Money Market and Derivatives Association (FIM- MDA) / Financial Benchmarks India Private Limited.
- v. Treasury bills are valued at carrying cost, which includes discount amortized over the period to maturity
- vi. Purchase and sale transaction in securities are recorded under Settlement Date method of accounting, except in the case of the equity shares where Trade Date method of accounting is followed.
- vii. Provision for non-performing investments is made in conformity with RBI guidelines.
- viii. In the event, provisions created on account of depreciation in the AFS or HFT categories are found to be in excess of the required amount in any year, the excess is credited to the Profit and Loss account and an equivalent amount (net of taxes, if any, and net of transfer to Statutory Reserves as applicable to such excess provisions) is appropriated to an Investment Reserve Account (IRA). The balance in IRA account is used to meet provision on account of depreciation in AFS and HFT categories by transferring an equivalent amount to the Profit and Loss Appropriation account as and when required.
- ix. Unquoted equity shares are valued at their break-up value which is ascertained from the company's latest balance sheet. In case the latest balance sheet is not available the shares are valued at face value.

**Disposal of Investment**

Investments classified as HFT or AFS - Profit or loss on sale or redemption is recognised in the Profit and Loss Account.

Profit in respect of sale or redemption of investments from HTM category is included in the Profit on Sale of Investments and an equivalent amount (net of taxes, if any, and net of transfer to Statutory Reserves as applicable to such profits) is appropriated from the Profit and Loss Appropriation account to Capital Reserve account. Loss on sale or redemption is recognised in the Profit and Loss Account.

**6. Loans/Advances and Provision thereon**

**Classification:**

Advances are classified as per RBI guidelines into standard, sub-standard, doubtful and loss assets after considering subsequent recoveries to date.

**Provision:**

Specific loan loss provisions are made for NPAs based on management's judgment of the degree of impairment of the loan subject to the minimum requirements as per the extant guidelines prescribed by the RBI. The provisions towards Standard Assets is made as per the extant RBI notifications and shall not be netted from gross advances but shall be shown separately as 'Contingent Provisions against Standard Assets' under 'Other Liabilities and Provisions'.

Apart from the general provision made on standard assets as above, the Bank is also maintaining additional provisions to cover potential credit losses which are inherent in any loan portfolio but not identified from time to time basis approvals received from their Board of Directors.

Amounts recovered during the year against bad debts written off in earlier years are recognised in the Profit and Loss Account.

**Floating Provision:**

Provisions made in excess of the Bank's policy for specific loan loss provisions for non-performing assets and regulatory general provisions are categorised as floating provisions. Creation of floating provisions is approved by the Board of Directors in accordance with the RBI guidelines. Floating provisions are used only for contingencies under extraordinary circumstances and for making specific provisions for impaired accounts as per Board approval and regulatory approval. Floating provisions, if any, are shown under "Other liabilities and Provisions" (Schedule 5).

**NORTH EAST SMALL FINANCE BANK LIMITED**  
**Guwahati, Assam (CIN : U65100AS2016PLC017505)**

**Schedule 17- Significant Accounting Policies**

**7. Fixed Assets (Tangible and Intangible)**

7.1 Fixed assets are stated at cost, net of accumulated depreciation and impairment. The cost of an asset comprises its purchase price and any cost directly attributable to bringing the asset to its working condition and location for its intended use. Subsequent expenditure on fixed assets after its purchase is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

7.2 Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that carrying amount of an asset may not be recoverable. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. If such assets are considered to be impaired, the impairment is recognized by debiting the profit and loss account and is measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets. An Impairment lost is reversed if there has been a change in the estimates used to determine the recoverable amount. An Impairment loss is reversed only to the extent that the asset carrying value does not exceed the carrying value that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

7.3 Receipt of any Grant / Subsidy either from NABARD / SIDBI / other FIs shall be adjusted in the cost of Fixed Assets for which such Grant / Subsidy has been received.

7.4 Capital work-in-progress includes costs incurred towards creation of fixed assets that are not ready for its intended use.

**8. Depreciation & Amortization**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Leasehold improvements are amortized over the duration of the lease. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

The useful life being followed by the Bank as prescribed in Schedule II to the Companies Act, 2013 is as follows

Asset	Useful Life as per
Computer	3
Furniture	10
Office equipment	5
Motor Vehicle	8
Server	6
Software	3
Goodwill	5

**9. Employee Benefits**

**Provident Fund:** Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Bank has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Bank does not carry any further obligations, apart from the contributions made on a monthly basis.

**Gratuity:** The Gratuity scheme of the Bank is a defined benefit scheme and the expense for the period is recognized on the basis of actuarial valuation at the Balance Sheet date. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method which recognizes each period of service that gives rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Actuarial losses/gains are recognized in the Profit and Loss Account in the year in which they arise.

**Leave Encashment:** Provision for compensated absences is made on the basis of actuarial valuation as at the Balance Sheet date. The actuarial valuation is carried out using the Projected Unit Credit Method. Actuarial losses/ gains are recognized in the Profit and Loss Account in the year in which they arise.

**10. Taxes**

Tax expenses comprise of current and deferred taxes. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized, in general, only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized; where there are unabsorbed depreciation and/or carry forward of losses under tax laws, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax asset can be realized against future taxable income.



**NORTH EAST SMALL FINANCE BANK LIMITED**  
**Guwahati, Assam (CIN : U65100AS2016PLC017505)**

**Schedule 17- Significant Accounting Policies**

**11. Cash and Cash equivalent**

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice (excluding fixed deposits with original maturity of more than three months)

**12. Segment Reporting**

In accordance with the guidelines issued by the RBI vide DBOD.No.BP.BC.81/21.01.018/2006-07 dated April 18, 2017 and accounting standard 17 (AS-17) on "Segment Reporting", the Bank's business has been segregated into Treasury and Retail banking segments, the Bank has adopted Segment Reporting as under:

Treasury includes all investment portfolios, Profit / Loss on sale of Investments, income from money market operations. The expenses of this segment consist of interest expenses on funds borrowed from external sources as well as internal sources and depreciation / amortization of premium on Held to Maturity category investments as well as relevant operating expenses.

Retail Banking includes lending to and deposits from retail customers and identified earnings and expenses of the segment

Unallocated Revenue consists of loss on sale of assets, unallocated expenses includes depreciation, directors' sitting fees & remuneration, audit fees etc

Unallocated Liabilities consists of outstanding expenses like rent, advertisement and the taxes payable etc. while unallocated assets include balances with RBI, Fixed assets, input tax credits etc.

**13. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year.

**14. Provisions and contingent assets/liabilities**

A provision is recognized when there is an 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 are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is:

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

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

Contingent assets, if any, are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

**15. Leases**

Lease rentals under operating lease are charged to the Profit and Loss Account on straight line basis over the lease term.

Lease arrangements where risk and rewards incidental to ownership of an assets substantially vest with the lessor are recognised as operating leases.

**16. Investment Fluctuation Reserve**

In accordance with RBI Guidelines, banks are required to create a minimum Investment Fluctuation Reserve (IFR) equivalent to 2% of HFT & AFS Portfolio, within a period of five years from its commencement.

**17. Statutory Reserve**

Pursuant to the requirements of Section 17 of the Banking Regulation Act, 1949 and RBI guidelines dated September 23, 2000, the Bank is required to appropriate 25% of profit after tax for the year to the statutory reserve.

**18. Share Issue Expenses**

The bank shall consider the share issue expenses as " Preliminary Expenses" and shall amortise over a period of five years.

**Schedule 18 -Notes to Financial Statement**

₹ in '000

**1. Capital :**

**1.1 Capital Infusion (Tier -I Capital)**

During the year ended March 2023, Bank has received an amount of INR 2,60,818 thousands (Previous Year- INR 1,42,264 thousands) as capital funds as under at a premium of INR 1,79,182 thousands (Previous year INR 97,735 thousands)

Name of Investor	Number of Equity Shares	Number of CCPS	Respective Consideration
Nordic Microfinance initiative Fund III KS	2,96,384	56,31,298	1,00,000.00
M-SWASTH	29,638	5,63,122	9,999.86
Mr. Kechangulie Rio	1,48,192	28,15,649	50,000.00
Garagepreneurs Internet Pvt Ltd (Slice)	8,29,750	1,57,67,760	2,79,999.99

As on 31st March 2023, the total no of equity shares as well as total no of CCPS including the above fresh infusion is as under:-

Particulars	Number of Equity Shared	Number of CCPS	Amount of Equity Capital	Amount of CCPS
Opening Balance as on 01.04.2022	29,40,96,317	1,35,15,114	29,40,963	1,35,151
Add Fresh issuance during the period	3,36,03,959	2,47,77,829	3,36,040	2,47,778
<b>Sub Total</b>	<b>32,77,00,276</b>	<b>3,82,92,943</b>	<b>32,77,003</b>	<b>3,82,929</b>
Less converted into equity shares	-	(1,91,46,412)	-	(1,91,464)
<b>Closing Balance as on 31.03.2023</b>	<b>32,77,00,276</b>	<b>1,91,46,531</b>	<b>32,77,003</b>	<b>1,91,465</b>

**1.2 Capital Infusion (Tier -II Capital)**

During the year to augment Regulatory Capital, Bank has issued Unsecured Redeemable Non convertible Subordinate Tier-II Bonds in the nature of promissory notes for a period of 63 months @ 14% payable semi annually. These bonds are rated by CRISIL as BBB-/ with stable outlook. Prior approval from RBI is required for these bonds at the time redemption.

**1.3 Capital Adequacy Ratio**

The Bank computes its Capital Adequacy Ratio as per Capital Adequacy Framework- BASEL-II and Operating Guidelines for Small Finance Banks (issued by RBI on October 6, 2016)

Under Capital Adequacy Framework and Operating Guidelines for Small Finance Bank issued on October 6, 2016, the Bank has to maintain a Minimum Total Capital (MTC) of 15% of the Credit risk weighted assets (Credit RWA) on an on-going basis. Out of the MTC, at least 7.5% shall be from Tier 1 Capital of which common equity Tier 1 capital shall be 6% and 1.50% from additional Tier 1 capital and remaining shall be from Tier 2 Capital. Further as per RBI's directions given in the circular DBR.NBD.No 4502/16.13.218/2017-18, dated November 8, 2017, no separate risk charge has been calculated for Market Risk and Operational Risk for capital ratios. The capital adequacy ratio of the Bank is set out below:

Particulars	As at March 31, 2023	As at March 31, 2022
i) Common Equity Tier I Capital (CET 1)	4,87,815	25,61,444
ii) Additional Tier I Capital	-	-
(ii) Additional Tier I Capital (%)		
iii) Tier 1 capital (i + ii)	4,87,815	25,61,444
iv) Tier 2 capital	5,22,437	3,32,929
v) Total capital (Tier 1 + Tier 2)	10,10,252	28,94,374
vi) Total Risk Weighted Assets (RWAs)	1,77,38,184	1,69,76,858
vii) CET 1 Ratio (CET 1 ratio as a percentage of RWAs)	2.75%	15.09%
viii) Tier 1 Ratio (Tier 1 Capital as a percentage of RWAs)	2.75%	15.09%
ix) Tier 2 Ratio (Tier 2 Capital as a percentage of RWAs)	2.75%	1.96%
x) Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as % of RWAs)	5.50%	17.05%
xi) Leverage Ratio	1.83%	10.91%
xii) Percentage of the shareholding of		
a) Government of India	0.00%	0.00%
b) State Government	-	-
c) Sponsor Bank	-	-
xiii) Amount of paid up share capital raised during the year	4,40,000	2,40,000
xiv) Amount of non-equity Tier 1 capital raised during the year	-	-
xv) Amount of Tier 2 capital raised during the year	1,90,000	-

**2. Investments**

**2.1 Details of Investments**

Particulars	As at March 31, 2023	As at March 31, 2022
1. Value of Investments		
(i) Gross Value of Investments		
(a) In India	34,82,944	27,72,158
(b) Outside India,	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India,	-	-
(iii) Net Value of Investments		
(a) In India	34,82,944	27,72,158
(b) Outside India,	-	-
2. Movement of provisions held towards depreciation on investments		
i. Opening Balance	-	-
ii. Add: Provisions made during the period/on amalgamation	-	-
iii. Less: Write back of provisions made during the year	-	-
iv. Closing Balance	-	-

**2.2 Category wise details of Investments (Net of provision for depreciation):**

Particulars	As at March 31, 2023			As at March 31, 2022		
	HTM	AFS	HFT	HTM	AFS	HFT
i) Government securities	27,13,407	-	-	15,37,766	4,38,654	-
ii) Other approved securities (State Govt)	7,69,537	-	-	7,95,738	-	-
iii) Shares	-	-	-	-	-	-
iv) Debentures and bonds	-	-	-	-	-	-
v) Mutual Funds	-	-	-	-	-	-
vi) Subsidiaries and /or Joint ventures	-	-	-	-	-	-

**2.3 Details of Repo/ Reverse Repo including Liquidity Adjustment Facility (LAF) transactions (in face value terms):**

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the period	Outstanding as on March 31, 2023
<b>Securities sold under repos</b>				
i. Government securities	-	-	-	-
ii. Corporate debt securities	-	-	-	-
<b>Securities purchased under reverse repos</b>				
i. Government securities	-	-	-	-
ii. Corporate debt securities	-	-	-	-

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the period	Outstanding as on March 31, 2022
<b>Securities sold under repos</b>				
i. Government securities	10,307	3,43,019	53,349	-
ii. Corporate debt securities	-	-	-	-
<b>Securities purchased under reverse repos</b>				
i. Government securities	10,002	19,50,024	28,091	5,00,000
ii. Corporate debt securities	-	-	-	-

**2.4 Non-SLR Investment Portfolio:**

(i) Issuer Composition of Non SLR Investments as on 31.03.2023 :

SLNo	Issuer	Amount	Extent of Private Placement	Extent of Below Investment Grade Securities	Extent of Unrated Securities	Extent of Unlisted Securities
1	Others	NIL	NIL	NIL	NIL	NIL

**2.4 Non-SLR Investment Portfolio:**

(i) Issuer Composition of Non SLR Investments as on 31.03.2022:

SLNo	Issuer	Amount	Extent of Private Placement	Extent of Below Investment Grade Securities	Extent of Unrated Securities	Extent of Unlisted Securities
1	Others	NIL	NIL	NIL	NIL	NIL

(ii) Non-performing Non-SLR investments:

The Bank does not have any non performing non-SLR Investments as on March 31, 2023 (Previous year : NIL)

**Schedule 18 -Notes to Financial Statement**

₹ in '000

**2.5 Shifting of securities from AFS to HTM**

Particulars of Securities	March 31, 2023		March 31, 2022	
	Book value	Market value	Book value	Market value
Total of HTM securities before shifting of AFS to HTM	25,75,006	25,21,037	-	-
Total of AFS Securities shifted to HTM	4,31,055	4,25,279	-	-
Percentage of securities transferred from AFS to HTM	16.74%		-	-

**2.6. Derivatives**

The Bank did not have any transactions in derivative instruments during the year ended March 31, 2023 (Previous Year : NIL)

**2.7. Credit Default Swaps:**

The Bank has not entered into any credit default swap transactions during the year ended March 31, 2023 (Previous Year : NIL)

**2.8. Un-hedged foreign currency exposure**

The Bank does not have any un-hedged foreign currency exposure as on March 31, 2023 (Previous Year : NIL)

**2.9 Disclosure on IFR Drawdown**

During the period, Bank has draw down an amount of INR 10,009 thousands (excluding income tax) from Investment Fluctuation Reserve to offset the MTM losses arised out of AFS portfolio of the bank in line with RBI master directions dated 25th August 2021(updated as on 8th April 2022). Bank has also shifted all their securities available under AFS to HTM category at market value as permitted by board of dierectors.

**3. Asset Quality**

**3.1 Non- Performing Assets**

Particulars	March 31, 2023	March 31, 2022
(i) Net NPAs to Net Advances (%)	1.71%	3.56%
<b>Movement of Gross NPAs</b>		
(a) Opening Balance	18,99,232	19,16,624
(b) Additions (Fresh NPAs) during the year	26,65,174	9,74,369
<b>Sub-total (A)</b>	<b>45,64,406</b>	<b>28,90,993</b>
(c) Reductions during the period:		
(i) Up-gradations	7,058	1,494
(ii) Recoveries	1,00,049	1,84,179
(iii) Technical/ Prudential Write-offs	9,83,983	8,06,088
(iv) Write-offs other than those under (iii) above	-	-
<b>Sub-total (B)</b>	<b>10,91,090</b>	<b>9,91,761</b>
<b>Closing Balance (A-B)</b>	<b>34,73,316</b>	<b>18,99,232</b>

Note: Additions and reductions does not include cases which have become NPA during the month and subsequently moved out of NPA in same month

Particulars	March 31, 2023	March 31, 2022
<b>Movement of Net NPAs</b>		
(a) Opening balance	5,74,350	11,24,510
(b) Additions during the period	(2,22,744)	4,18,210
(c) Reductions during the year period	79,968	9,68,370
(d) Closing balance	<b>2,71,638</b>	<b>5,74,350</b>
<b>Movement of provision for NPAs (excluding provision for standard assets)</b>		
(a) Opening balance	13,24,882	7,92,114
(b) Provisions made during the period	28,87,918	13,64,772
(c) Provision on Technical written off account including other write back	10,11,122	8,32,004
(d) Closing balance	<b>32,01,678</b>	<b>13,24,882</b>

**3.2. Particulars of Accounts Restructured**

The Bank does not have any restructured account as on and for the year ended March 31, 2020 (Previous Year : NIL).

**3.2. a) Details of Financial Assets sold to Securitization/Reconstruction Company for Asset Reconstruction**

The Bank did not sell any financial assets to Securitization/Reconstruction for reconstruction during the year ended March 31, 2023 (Previous Year : NIL)

**b) Details of book value of investment in security receipts (SR)**

During the current and previous year, the Bank has not made investment in Security Receipts.

**3.3. Details of Non Performing Assets Purchased/Sold**

The Bank did not sell/purchase any non financial asset during the year ended March 31, 2023 (Previous Year : NIL)

**3.4. Provision for standard assets**

Bank has followed the prudential norms on income recognition, asset classification and provisions.

The provision on standard assets is included in 'Other Liabilities and Provisions' of the Balance Sheet and is not netted off from Advances.

Particulars	March 31, 2023	March 31, 2022
The amount of provision held on standard assets*	3,67,048	82,004

\* Includes accelerated provision on SMA-0 @2.5%, SMA-1 @5% and SMA-2 @7.5% in place of RBI Norms of 0.40% w.e.f 1st April 2021 basis Board approved policy

**Schedule 18 -Notes to Financial Statement**

₹ in '000

**3.5. Divergence in Asset Classification and Provisioning for NPAs**

RBI vide its circular No RBI/2016-17/283 DBR.BP.BC.No.63/21.04.018/2016-17 dated April 18, 2017 and notification dated 1st April,2019, has directed that banks shall make suitable disclosures, if either or both of the conditions are satisfied -

- a) In case the additional provisioning for NPAs assessed by RBI exceeds 10 percent of the reported profit before provisions and contingencies for the reference period, and  
b) the additional gross NPAs identified by RBI exceed 15 percent of the published incremental Gross NPAs for the reference period

Divergence as observed by RBI during last two financial years is given as under:

Sl No.	RBI AFI 2022	RBI AFI 2022	RBI AFI 2021
	Particulars	Amount (INR in '000) as on	Amount (INR in '000) as on 31st
1	Gross NPAs as reported by the bank	-	19,16,624
2	Gross NPAs as assessed by RBI	-	19,16,624
3	Divergence in Gross NPAs (2-1)	-	-
4	Net NPAs as reported by the bank	-	11,24,510
5	Net NPAs as assessed by RBI	-	8,25,410
6	Divergence in Net NPAs (5-4)	-	(2,99,100)
7	Provision for NPAs as reported by the bank	-	7,92,114
8	Provision for NPAs as assessed by RBI	-	10,91,214
9	Divergence in Provisioning (8-7)	-	2,99,100
10	Reported Net Profit after Tax (PAT) for the year ended	-	71,825
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended after taking into account the divergence in provisioning.	-	(2,27,274)

No Divergence has been reported by Reserve Bank of India in their AFI for the FY 2021-22.

**3.6. Resolution of Stressed Assets**

In line with Covid 2.0 stress resolution vide RBI circular RBI/2020-21/16 DOR No BP.BC/3/21.04.048/2020-21 dt 5th May 2021 bank has restructured 3,18,389 accounts

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 30th September 2021 (A)	Of (A), aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this year
Personal Loans / Individual Loans	87,76,847	51,450	NIL	14,84,465	5,04,391
Corporate persons	NIL	NIL	NIL	NIL	NIL
Of which MSME's	NIL	NIL	NIL	NIL	NIL
Others	NIL	NIL	NIL	NIL	NIL
<b>Total</b>	<b>87,76,847</b>	<b>51,450</b>	<b>-</b>	<b>14,84,465</b>	<b>5,04,391</b>

Note: Bank has not collected any processing fees on restructured loans under Covid 2.0

**3.7 Resolution Plan under Flood identified as natural calamity in the State of Assam**

During the period, Govt. of Assam Revenue Department issued a notification no RDM-16015/100/2022-ESTT (HQ)-REB-Revenue & D.M. 1/40199/2022 dated 2nd August  
The position of flood restructuring accounts are as under

Asset Class	Position as on March 31, 2023		Position as on March 31, 2022	
	Nos of account	INR in '000'	Nos of account	INR in '000'
Standard Regular	59,743	12,11,063	-	-
Standard Irregular(SMA-0)	7,554	2,39,215	-	-
Standard PNPA-Stage I(SMA-1)	4,912	2,03,884	-	-
Standard PNPA-Stage II(SMA-2)	410	11,789	-	-
Sub Standard	813	32,500	-	-
Doubtful	61,518	18,95,687	-	-
<b>Grand Total</b>	<b>1,34,950</b>	<b>35,94,138</b>	<b>-</b>	<b>-</b>

**3.8 Particulars of Accounts Restructured**

**Disclosure on accounts subjected to Restructuring for the year ended March 31, 2023**

During the year, Bank has not restructured any advances other than those stated in Para 3.7

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**NORTH EAST SMALL FINANCE BANK LIMITED**  
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**Schedule 18 - Notes to Financial Statement**

**4. Business Ratios**

Particulars	March 31, 2023	March 31, 2022
Interest income as a percentage of working funds	10.73%	14.03%
Non interest income as a percentage of working funds	1.36%	0.64%
Operating profit as a percentage of working funds	0.50%	2.87%
Return on assets (average)	-7.68%	-5.50%
Business (deposit plus advance) per employee (Rs in '000)	18,152	14,345
Profit per employee (Rs in '000)	-979	-540

Note:

- Working funds represents average of total assets as reported to RBI in form X under Section 27 of the Banking Regulation Act, 1949 during the year.
- Returns on Assets are computed with reference to average working funds.
- Business is defined as total of average of gross Advances and deposits(net of inter-bank deposits)

**5. Asset Liability Management**

Maturity Pattern of certain items of assets and liabilities as at March 31, 2023:

Sl. no.	Maturity buckets	Loans & advances	Investments	Deposits	Borrowings
1	1 day	37,232	19,11,506	2,33,653	-
2	2 days to 7 days	2,19,178	17,706	4,50,358	-
3	8 days to 14 days	2,54,037	12,336	3,57,648	-
4	15 days to 30 days	5,88,973	29,904	12,15,967	52,500
5	31 days to 3 month	21,53,842	1,12,625	8,23,932	1,75,000
6	Over 3 month & upto 6 month	29,84,306	2,35,580	15,91,538	6,27,500
7	Over 6 month & upto 1 year	49,69,413	6,44,112	27,15,984	20,80,000
8	Over 1 year & upto 3 years	41,90,778	4,93,782	1,28,77,800	11,82,500
9	Over 3 years & upto 5 years	6,25,813	21,675	1,10,514	-
10	Over 5 years	9,023	3,718	18,906	-
		<b>1,62,32,595</b>	<b>34,82,944</b>	<b>2,03,96,300</b>	<b>41,17,500</b>

Maturity Pattern of certain items of assets and liabilities as at March 31, 2022:

Sl. no.	Maturity buckets	Loans & Advances	Investments	Deposits	Borrowings
1	1 day	31,897	7,76,338	96,949	NIL
2	2 days to 7 days	1,93,631	23,645	2,01,961	NIL
3	8 days to 14 days	2,24,782	32,647	2,15,916	NIL
4	15 days to 30 days	5,35,527	5,59,928	5,08,930	52,500
5	31 days to 3 month	18,59,399	1,88,099	15,89,854	9,92,500
6	Over 3 month & upto 6 month	31,40,827	3,07,838	15,02,908	58,500
7	Over 6 month & upto 1 year	44,41,639	2,50,209	31,80,571	12,17,500
8	Over 1 year & upto 3 years	48,90,459	6,23,465	79,17,824	20,20,000
9	Over 3 years & upto 5 years	9,11,734	7,698	52,774	1,07,500
10	Over 5 years	42,390	2,292	20,149	NIL
		<b>1,62,72,284</b>	<b>27,72,158</b>	<b>1,52,87,836</b>	<b>44,48,500</b>

- The maturity of 'Loans & Advances' has been determined on the basis of ultimate maturity date of the loans for FY 2021-22 and on the basis of monthly/fortnightly installments
- The bank has classified the maturity pattern of the term deposits as per residual maturity and that of Savings and Current Deposits as per RBI benchmark guidelines.
- The bucketing is made as per the guidelines issued by Reserve Bank of India as well as ALM policy of the Bank.
- The Bank has no foreign currency assets & liabilities as on March 31, 2023

**6. Exposure**

**6.1. Exposure to Real Estate Sector:**

Particulars	March 31, 2023	March 31, 2022
a) Direct exposure	Nil	Nil
i) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	4,754	2,844
ii) Commercial Real Estate - Lending secured by mortgages on commercial real estate's (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure also includes non-fund based (NFB) limits	Nil	Nil
iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
- Residential	Nil	Nil
- Commercial Real Estate	Nil	Nil
<b>Total (A)</b>	<b>4,754</b>	<b>2,844</b>
b) Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and \Housing Finance Companies (HFCs).	Nil	Nil
<b>Total (B)</b>		
<b>Total (A+B)</b>	<b>4,754</b>	<b>2,844</b>

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**Schedule 18 - Notes to Financial Statement**

**6.2.Exposure to Capital Market**

Particulars	March 31, 2023	March 31, 2022
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;	Nil	Nil
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;	Nil	Nil
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;	Nil	Nil
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;	Nil	Nil
v. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
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;	Nil	Nil
vii. Bridge loans to companies against expected equity flows / issues;	Nil	Nil
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;	Nil	Nil
ix. Financing to stockbrokers for margin trading;	Nil	Nil
x. All exposures to Venture Capital Funds (both registered and unregistered) will be deemed to be on par with equity and hence will be reckoned for compliance with the capital market exposure ceilings (both direct and indirect)	Nil	Nil
xi. Others (Financial Guarantees)	Nil	Nil
<b>Total Exposure to Capital Market</b>	<b>Nil</b>	<b>Nil</b>

**6.3.Risk category wise country exposure**

Since the outside country exposure is nil, no provision is required to be maintained on country exposure for the year ended March 31, 2023 (Previous Year : NIL)

Risk Category	Exposure (net) as at March 31, 2023	Provision held as at March 31, 2022	Exposure (net) as at March 31, 2023	Provision held as at March 31, 2022
Insignificant	Nil	Nil	Nil	Nil
Low	Nil	Nil	Nil	Nil
Moderate	Nil	Nil	Nil	Nil
High	Nil	Nil	Nil	Nil
Very High	Nil	Nil	Nil	Nil
Restricted	Nil	Nil	Nil	Nil
Off-credit	Nil	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**6.4. Details of Single Borrower Limit (SBL)/ Group Borrower Limit (GBL) exceeded by the Bank**

The Bank did not exceed Single Borrower Limit (SBL)/ Group Borrower Limit (GBL) during the year ended March 31, 2023.

**6.5. Unsecured Advances**

The Bank has not extended any project advances where the collateral is an intangible asset such as a charge over rights, licenses, authorizations, etc. The Unsecured Advances (net of provision) as at March 31, 2023 of 67,13,472 ('000) (March 31, 2022 of 1,03,23,048 ('000)) disclosed in Schedule 9B(iii) are without any collateral or any other security.

**6.6. Details of factoring exposure**

There is no factoring exposure of the Bank as at March 31, 2023 (Previous Year : NIL).

**6.7. Disclosure of penalties imposed by RBI**

During the year ended March 31, 2023, Reserve Bank of India has Imposed a monetary penalty of INR 3,950 thousands vide their letter dated 3rd February 2023 due to Failure of (i) classify borrowal accounts as NPAs, leading to significant divergence between the reported and assessed NPAs as on March 31, 2020 and (ii) make Pillar 3 disclosures for FY 2020-21 in its Annual Report and website (Previous Year : NIL).

**7. Provisions and Contingencies**

Breakup of "Provisions and Contingencies" (including write-offs; net of write-backs) shown under the head Expenditure in Profit and Loss Account:

Particulars	March 31, 2023	March 31, 2022
Provision towards Non Performing Assets	28,60,779	12,14,772
Provision towards Standard Assets*	(2,04,881)	5,10,334
Floating provision against advances	-	1,50,000
Utilisation of Adhoc Provision against advances	-	(23,391)
Provision made towards income tax**	7,251	14,504
Deferred Tax asset	(3,93,629)	8,436
Provision for Risk, Insurance & Welfare	NIL	NIL
<b>Total</b>	<b>22,69,520</b>	<b>18,74,655</b>

\*Provision on standard assets include INR 2,17,098 thousands towards Flood restructured advances. (Previous year INR NIL) and write back of provision amounting to INR 4,75,372 thousands towards covid -2 restructured advances.

\*\*In view of losses, Bank has not created Income Tax Provision for FY 2022-23. The amount of INR 7,251 thousands mainly includes the Tax adjustments for Assessment Year 2020-21 on receipt of assessment order u/s 143(1)(a).



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**Schedule 18 - Notes to Financial Statement**

**8.1 Adhoc Provision:**

Particulars	March 31, 2023	March 31, 2022
a) Opening Balance in the Adhoc Provision account	-	23,391
b) The quantum of Adhoc provisions made during the current year	-	-
c) Amount of drawdown made during the current year	-	23,391
<b>d) Closing balance in the Adhoc provisions account</b>	-	-

**8.2 Floating Provision:**

Particulars	March 31, 2023	March 31, 2022
a) Opening Balance in the Floating Provision account	1,50,000	-
b) The quantum of floating provisions made during the current year	-	1,50,000
c) Amount of drawdown made during the current year	-	-
<b>d) Closing balance in the Floating provisions account</b>	<b>1,50,000</b>	<b>1,50,000</b>

**9. Drawdown from Reserves (Other than Investment Fluctuation Reserve)**

The Bank has not drawdown from reserves during the year ended March 31, 2023 (Previous year: NIL)

**9.1 Investment Fluctuation Reserve**

During the year ended March 31, 2023 the bank has not made any appropriation to the investment fluctuation reserve from the Profit and Loss Account due to losses. However, Bank do not have any portfolio under AFS as well as HFT as on 31st March 2023.

**9.2 Statutory Reserve**

The Bank has not made any appropriation out of profits for the year ended March 31, 2023 to the statutory reserve due to losses pursuant to the requirements of Section 17 of the Banking Regulation Act, 1949 and RBI guidelines dated September 23, 2000.

**10. Disclosure of Complaints**

**a) Customer Complaints**

Particulars	March 31, 2023	March 31, 2022
1) Number of complaints pending at beginning of the year	3	1
2) Number of complaints received during the year	244	231
3) Number of complaints disposed during the year	245	229
3.1) Of which, number of complaints rejected by the bank	NIL	NIL
4) Number of complaints pending at the end of the year	2	3

**b) Awards passed by the Banking Ombudsman:**

Particulars	March 31, 2023	March 31, 2022
a) No. of unimplemented Awards at the beginning of the year	NIL	NIL
b) No. of Awards passed by the Banking Ombudsman during the year	NIL	NIL
c) No. of Awards implemented during the year	NIL	NIL
d) No. of unimplemented Awards at the end of the year	NIL	NIL

**c) Top five grounds of complaints received by the bank from customers**

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	No of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>CURRENT YEAR: 31st March'2023</b>					
ATM/Debit Cards	3	135	29.81% increase	2	1
Internet/Mobile/Electronic Banking	0	56	3.45% decrease	0	0
Account opening/difficulty in operation of	0	27	Increase	0	0
Loans and advances	0	7	58.82% decrease	0	0
Staff Behaviour	0	1	83.33% decrease	0	0
Others	0	18	60.87% decrease	0	0
<b>Total</b>	<b>3</b>	<b>244</b>	<b>5.63% increase</b>	<b>2</b>	<b>1</b>
<b>PREVIOUS YEAR: 31st March'2022</b>					
ATM/Debit Cards	0	104	0.95% decrease	3	0
Internet/Mobile/Electronic Banking	0	58	49.12 % decrease	0	0
Account opening/difficulty in operation of	0	0	100% decrease	0	0
Loans and advances	0	17	63.83% decrease	0	0
Staff Behaviour	0	6	62.5% decrease	0	0
Others	1	46	50% decrease	0	0
<b>Total</b>	<b>1</b>	<b>231</b>	<b>50.75% decrease</b>	<b>3</b>	<b>0</b>

**11. Disclosures of Letter of Comfort (LOC) issued by Bank**

The Bank has not issued any Letter of Comfort during the period for the year ended March 31, 2023 (Previous Year : NIL)

**12 Provisioning Coverage Ratio**

The Provision Coverage Ratio (PCR) of the Bank is 94.86 % as on March 31, 2023 (Previous year 79.38%).

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**Schedule 18 - Notes to Financial Statement**

**13. Bancassurance Business**

The Bancassurance Business of the Bank during the FY 2022-23 are as below -

SL. No	Name of the Insurance Company	March 31,2023			March 31,2022		
		No of Policies	Amount of Insurance	Amount of Commission	No of Policies	Amount of Insurance	Amount of Commission
1	Bajaj Alliance Life Insurance Company Limited	2,062	49,481	5,451	1,923	36,268	3,156
2	Bajaj Alliance General Insurance Company Limited	97,424	44,537	6,771	1,09,643	50,910	7,342
3	HDFC Life Insurance	2,105	1,88,951	11,637	1,165	1,28,174	8,309
4	SBI General Insurance Company Limited	6	679	51	25	358	27
5	M-Swasth Solutions Pvt Limited	1,39,293	43,086	6,462	-	-	-
6	HDFC Ergo General Insurance Company Limited	1	473	19	-	-	-
	<b>Total</b>	<b>2,40,891</b>	<b>3,27,207</b>	<b>30,391</b>	<b>1,12,756</b>	<b>2,15,709</b>	<b>18,834</b>

**14. Concentration of deposits, advances, exposures and NPAs**

**14.1. Concentration of deposits:**

Particulars	March 31, 2023	March 31, 2022
Total deposits of twenty largest depositors	85,74,676	57,54,921
Total Deposits	2,03,96,300	1,52,87,836
Percentage of deposits of twenty largest depositors to total deposits of the Bank	42%	38%

**14.2. Concentration of Advances:**

Particulars	March 31, 2023	March 31, 2022
Total advances to twenty largest customers	2,04,785	6,04,316
Total Advances	1,90,84,274	1,74,46,716
Percentage of Advances of twenty largest borrowers to total advances of the Bank	1.07%	3.46%

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

**14.3. Concentration of exposures:**

Particulars	March 31, 2023	March 31, 2022
Total exposure to twenty largest borrowers/customers*	1,93,426	83,038
Percentage of exposures of twenty largest customers to total exposure of the Bank on borrowers/ customers	0.93%	0.48%

Exposures are computed as per the definition in Master Circular on Exposure Norms DBR.No.Dir.BC.12/13.03.00/2015-16 dated July 1, 2015  
Fixed Deposits, Balance in Current account and Call money have not been considered in computation of Exposures

**14.4. Concentration of NPA's:**

Particulars	March 31, 2023	March 31, 2022
Total Exposure to top four NPA accounts	1,977	1,108

**15. Sector-wise Advances**

Sector	As at March 31,2023			As at March 31,2022		
	Gross Advances	Gross NPAs	% of Gross NPAs to Gross Advances in that sector	Gross Advances	Gross NPAs	% of Gross NPAs to Gross Advances in that sector
<b>A. Priority Sector</b>						
1. Agricultural and Allied Activities	29,55,692	13,60,696	46.04%	48,95,985	8,18,253	16.71%
2. Advances to Industries Sector eligible as PSL	32,74,981	2,53,875	7.75%	19,31,345	98,126	5.08%
3. Services	69,95,059	16,39,226	23.43%	70,17,617	9,33,292	13.30%
4. Personal Loans and others	41,07,024	2,03,886	4.96%	20,72,887	47,489	2.29%
<b>Sub-Total (A)</b>	<b>1,73,32,756</b>	<b>34,57,683</b>	<b>19.95%</b>	<b>1,59,17,835</b>	<b>18,97,160</b>	<b>11.92%</b>
<b>B. Non Priority Sector</b>						
1. Agricultural and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
4. Personal loans and others	17,51,518	15,633	0.89%	15,29,331	2,072	0.14%
<b>Sub-Total (B)</b>	<b>17,51,518</b>	<b>15,633</b>	<b>0.89%</b>	<b>15,29,331</b>	<b>2,072</b>	<b>0.14%</b>
<b>Total</b>	<b>1,90,84,274</b>	<b>34,73,316</b>	<b>18.20%</b>	<b>1,74,47,166</b>	<b>18,99,232</b>	<b>10.89%</b>

"The bank has compiled the sector-wise advances mentioned above by using pivot table from the advances list extracted from the financial accounting system. To comply with PSL guidelines, during the year, bank has purchased PSLC of INR 44,00,000 thousands (Previous year NIL) to meet PSL targets under Agri & SME segment. A reference can be made to note no 23.1 of this schedule.

**16. Technical or Prudential Write Offs**

Particulars	March 31, 2023	March 31, 2022
Opening Balance of Technical /Prudential written off accounts as at Apr 1	8,85,880	80,270
Add: Technical/ Prudential write offs during the year	9,83,983	8,08,613
<b>Sub Total (A)</b>	<b>18,69,863</b>	<b>8,88,883</b>
Less : Recoveries made from previously technical/ prudential written offs account during the year (B)	58,169	3,003
<b>Closing Balance as at March 31 (A-B)</b>	<b>18,11,694</b>	<b>8,85,880</b>

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**Schedule 18 - Notes to Financial Statement**

**17. Overseas Assets, NPAs and Revenue:**

The Bank does not have any overseas branches and hence the disclosure regarding overseas assets, NPAs and revenue is not applicable

**18. Off Balance Sheet SPVs sponsored**

There are no Off-Balance Sheet SPVs sponsored which are required to be consolidated as per accounting norms.

**19. Disclosure on Remuneration**

**A. Qualitative Disclosures:**

**a) Information relating to the composition and mandate of the Remuneration Committee.**

Bank has constituted a Nomination and Remuneration Committee (NRC). The NRC comprises of five members where three are independent Directors and two are Non Executive & Non Independent Director. Mandate of the Nomination and Remuneration Committee is to oversee the framing ,review and implementation of the Banks' Compensation policy & Nomination & Remuneration Policy for Whole Time Director/Chief Executive Officers/ Part-Time Chairman/ Risk Takers and control function staff for ensuring effective alignment between remuneration and risks .The Committee also ensures that level and composition of remuneration is reasonable and sufficient ,relationship of remuneration to performance is clear and meets appropriate performance benchmarks. The Nomination and Remuneration Committee reviews compensation policy & nomination & remuneration policy of the Bank with a view to attract, retain and motivate employees.

Mandate (Roles and Responsibilities) :

1. Develop policies and lay down criteria for appointment / removal /reappointment of the directors of the Board capturing the statutory and regulatory requirements.
2. Formulate comprehensive criteria for appointment of directors in terms of qualifications, positive attributes, independence, professional experience, track record and integrity of the person.
3. Devise a policy on Board diversity of thought ,experience, knowledge , perspective and gender in the board.
4. Conduct appropriate due diligence and scrutinize the declaration made by probable candidate at the time of appointment / re-appointment of directors of the Board.
5. Ensure that appropriate procedures are in place to assess Board Membership needs and Board effectiveness.
6. Assist Board in formulation of compensation policy which will lay down the remuneration to directors , key management personnel and other employees and take inputs from the risk management committee of the board to ensure balance between remuneration and risks. The mix of cash , equity and other forms of compensation must be consistent with risk alignment
7. Ensure that the compensation policy formulate for remuneration of directors, key managerial personnel and senior management is reasonable sufficient to attract, retain and motivate quality directors required to run the Bank.

**b). Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.**

The objective of the compensation policy is to help employees understand our compensation philosophy and structure.

The organization will operate a Cost-to-Company (CTC) compensation structure which will comprise a Fixed Component and a Variable Component, the relative percentages of each will be decided by the Management Team and will be subject to revision from time to time.

The Management team has the discretion to revise the compensation & benefits structure and entitlements of the employees from time to time

Compensation is considered confidential and employees are expected to not share, discuss or disclose any information pertaining to the same.

The Bank's compensation principles are as follows:

1. The Bank's compensation programs are tied to both individual and company performance
2. The Bank is committed to fair and equitable pay
3. The Bank differentiates its pay based on individual roles, responsibilities, skill set and performance
4. The Bank's pay programs comply with all applicable laws, regulations and requirements

**Compensation Structure :**

Basic Salary:

At the time of appointment, each employee's salary would be determined on the basis of:

- Position and responsibilities
- Experience, training and education
- NESFB's current salary structure

**Note:** NESFB abides by rules and regulations set by each state with regard to the minimum wage levels for both skilled and unskilled labour.

The Tentative compensation structure followed by the company are as follows:

Category	Components	Description
Basic Pay (monthly)	Basic Pay	40% of the CTC
	House Rent Allowance	Maximum upto 40% of Basic Pay
	Conveyance Allowance	As applicable
	Telephone & Data Allowance	As applicable
Retirement/Statutory Benefits	Special Allowance	This would be the adjusting component of CTC basis the (Special allowances could additionally be a part of this component)
	Provident Fund (PF)	As mandated by Law
	Gratuity	As mandated by Law
Ex-gratia	Insurance	Medical/Personal Accident/ Life Insurance
	Bonus/ Variable Pay	Bonus-as mandated by law Variable pay as per limit specified per grade in alignment with variable pay grade

Additional Benefits

1. Leave travel Assistance (50,000 to band 3 to 6 and 25,000 for band 1 and 2) in a block of 4 years
2. Leave Encashment (Maximum 20 days, on basic salary in a block of 2 years)
3. All allowances as prescribed under IT Act and amendments thereto.



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**c). Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.**

Bank has a robust Performance Management System ( PMS ) approved by the board and performance of the employees shall be rated at the year end and adequate system shall be built in to mitigate the risk arises during the performance cycle and evaluation system.

**d). Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration**

**Performance Management System Guidelines :**

The Performance Cycle will follow the Financial Year (April to March).

The performance management process for a given financial year will be applicable to all employees who have served for 6 months or more during the year. Employees joining the Company after 30th November will not be covered in the Performance Appraisal process for that Financial Year.

The responsibility for this process lies with the HR Function

The Function Heads are jointly responsible along with the HR Function for adherence to timeline and process guidelines.

The Performance Management System will cover the following areas:

- Goal Setting
- Mid-year Review
- Annual Appraisal
- Moderation of Ratings
- Communication of Ratings
- Performance Improvement Plan

The process will comprise setting individual performance goals aligned to business objectives and will result in review and rating of Individual Performance.

The performance ratings obtained will serve as the primary input for all variable pay plans, career management and training needs.

**e). Discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting**

Nil

**f) Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms.**

Nil

**B. Quantitative Disclosure**

Quantitative Disclosures (Covers only Whole Time Directors/ CEO/Other Risk Takers*)	March 31, 2023	March 31, 2022
g) Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.	6 meetings were held . Aggregate remuneration INR 4,00,000/-	4 meetings were held . Aggregate remuneration INR 3,20,000/-
h) Number of employees having received a variable remuneration award during the year.	Nil	Nil
i) Number and total amount of sign-on awards made during the financial year.	Nil	Nil
j) Details of guaranteed bonus, if any, paid as joining / sign on bonus.	Nil	Nil
k) Details of severance pay, in addition to accrued benefits, if any	Nil	Nil
l) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Nil	Nil
m) Total amount of deferred remuneration paid out in the financial year.	Nil	Nil
n) Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non- deferred	Nil	Nil
o) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	Nil	Nil
p) Total amount of reductions during the financial year due to ex post explicit adjustments	Nil	Nil
q) Total amount of reductions during the financial year due to ex post implicit adjustments	Nil	Nil

**C. Disclosure on remuneration to Independent Non- executive directors**

The Independent Non-Executive Directors are paid Sitting Fees for attending meetings of the Board @ Rs. 40,000/- per Board meeting and @ Rs.20,000/- per sub committee meeting respectively w.e.f July 2021. Apart from this, Part time chairman is paid a monthly remuneration of Rs. 1,00,000/-. Bank has also reimbursed an expenses of INR 360 thousands to Part Time Chairman for carrying out office related works (Previous Year 520 thousands). Following are the details of sitting fees & remuneration paid to the Independent directors & Part Time Chairman.

Name of Director	March 31, 2023	March 31, 2022
AG Varughese.	180	550
Arun Prakash Sandilya	-	30
Gautam Barua	780	570
Manjula Saikia Bhuyan	720	410
PVSLN Murthy	-	30
S R Meena	60	180
Sistla Prabhakar	960	320
Tapan Kr Hazarika	940	520
Manas Bid	160	-
James Brown	300	-
Pradeep Kr Nath	320	-
R K Garg (Reimbursement of expenses upto 31.12.22.)	360	520
R K Garg (Sitting fees & Remuneration as Part Time Chairman)	2,220	519
<b>Total</b>	<b>7,000</b>	<b>3,649</b>

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**20. Disclosures relating Securitization**

Sl. No.	Particulars	March 31, 2023	March 31, 2022
1	No. Of SPV's Sponsored by the bank for securitization transaction	NIL	NIL
2	Total amount of Securitized assets as per books of the SPVs sponsored by the bank	NIL	NIL
3	Total amount of exposures retained by the bank to comply with MRR as on date of balance sheet		
	a) Off Balance Sheet exposures		
	First Loss	NIL	NIL
	Others	NIL	NIL
	b) On Balance Sheet exposures		
	First Loss (Cash Collateral)	NIL	NIL
	Others (Credit Enhancement)	NIL	NIL
4	Amount of exposures to securitization transactions other than MRR as on the date of balance sheet		
	a) Off Balance Sheet exposures		
	Exposure to own Securitization		
	First Loss (Subordination of Interest Strip)	NIL	NIL
	Others	NIL	NIL
	Exposure to Third Party Securitization		
	First Loss	NIL	NIL
	Others	NIL	NIL
	b) On Balance Sheet Exposures		
	Exposure to own Securitization		
	First Loss	NIL	NIL
	Others	NIL	NIL
	Exposure to Third Party Securitization		
	First Loss	NIL	NIL
	Others	NIL	NIL

**21. Intra Group Exposures**

Particulars	March 31, 2023	March 31, 2022
Total amount of intra- group exposure	NIL	NIL
Total amount of top-20 intra-group exposure	NIL	NIL
Percentage of Intra Group Exposure to Total Exposure of the Bank on borrower/customer	NIL	NIL
Details of Breach of Limit on Intra Group exposure and Regulatory action thereon, if any	NIL	NIL

**22. Transfer to Depositor Education and Awareness Fund (DEAF)**

Particulars	March 31, 2023	March 31, 2022
Opening balance of amounts transferred to DEAF	NIL	NIL
Add: Amounts transferred during the period	NIL	NIL
Less: Amounts reimbursed by DEAF towards claims	NIL	NIL
Closing balance of amounts transferred to DEAF	NIL	NIL

**23.1 Priority sector lending certificates**

Bank's transaction of PSLCs during FY 2022-23

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	PSLC Purchased	PSLC Sold	PSLC Purchased	PSLC Sold
PSLC Small & Marginal Farmers	31,00,000	NIL	NIL	NIL
PSLC Micro Enterprise	13,00,000	NIL	NIL	10,00,000
<b>TOTAL PSLC</b>	<b>44,00,000</b>	<b>NIL</b>	<b>NIL</b>	<b>10,00,000</b>

**23.2 Inter- Bank participation with risk sharing**

The aggregate amount of participation issued by the bank and reduced from advances as per regulatory guidelines as at March 31, 2023 is NIL (Previous Year: NIL)

**24. Movement in provision for frauds included under other liabilities**

Particulars	March 31, 2023	March 31, 2022
Opening provision	4,903	3,211
Provision during the year	175	1,692
Utilization / Write back of provision	-	-
Closing provision	<b>5,078</b>	<b>4,903</b>

**25. Liquidity Coverage ratio**

The Bank adheres to RBI guidelines on Liquidity Coverage Ratio given in "Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and the LCR Disclosure Standards" and "Operating Guidelines for Small Finance Banks".

LCR is the ratio of unencumbered HQLAs to Net Cash Outflows over the next 30 calendar days. LCR measures the Bank's ability to manage and survive under combined idiosyncratic and market-wide liquidity stress condition that would result in accelerated withdrawal of deposits from retail as well wholesale depositors, partial loss of secured funding, increase in collateral requirements, unscheduled draw down of unused credit lines, etc. These stress conditions are captured as a part of the Net Cash Outflows. High Quality Liquid Assets (HQLA) of the Bank consist of cash, unencumbered excess SLR, a portion of statutory SLR as allowed under the guidelines and cash balance with RBI in excess of statutory cash reserve requirements.

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LCR aims to ensure that the Bank has an adequate stock of unencumbered HQLA to meet its liquidity needs for a 30 calendar day liquidity stress scenario. As mentioned in the "Operating Guidelines for Small Finance Banks", the Bank has to maintain the prescribed level of LCR as follows:

Particulars	By January 1,2021	By January 1,2022	By January 1,2023
Minimum LCR	100%	100%	100%

**Quantitative disclosures on LCR for the period ended March 31,2023 :**

Particulars	Quarter ended March		Quarter ended December		Quarter ended September		Quarter ended June	
	Unweighted	Weighted	Unweighted	Weighted	Unweighted	Weighted	Unweighted	Weighted
<b>High Quality Liquid Assets</b>								
1. Total High Quality Liquid Assets (HQLA)	-	42,12,809	-	70,31,172	-	31,64,139	-	36,11,042
<b>Cash Outflows</b>								
2. Retail deposits and deposits from small business customers, of which :								
i) Stable deposits	1,02,42,886	7,19,998	97,45,621	6,88,700	92,17,855	6,61,189	83,81,384	6,09,635
ii) Less stable deposits	60,85,817	3,04,291	57,17,240	2,85,862	52,11,931	2,60,597	45,70,063	2,28,503
3. Unsecured wholesale funding, of which	41,57,069	4,15,707	40,28,381	4,02,838	40,05,924	4,00,592	38,11,321	3,81,132
i) Operational deposits (all counterparties)	69,03,852	40,56,616	1,47,76,389	73,88,054	52,27,630	29,58,841	57,54,862	32,38,760
ii) Non-operational deposits (all counterparties)	-	-	-	-	-	-	-	-
iii) Unsecured debt	69,03,852	40,56,616	1,47,76,389	73,88,054	52,27,630	29,58,841	57,54,862	32,38,760
4. Secured Wholesale funding	-	52,500	-	52,500	-	52,500	-	58,500
5. Additional requirements, of which	-	-	-	-	-	-	-	-
i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
5. Other contractual funding obligations	3,60,582	3,60,581	3,01,941	3,01,941	3,34,818	3,34,818	2,60,820	2,60,820
6. Other contingent funding obligations	-	-	-	-	-	-	-	-
<b>7. Total Cash Outflows</b>	-	51,89,695	-	84,31,196	-	40,07,348	-	41,67,716
<b>Cash Inflows</b>								
8. Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
9. Inflows from fully performing exposures	43,355	43,355	56,872	56,872	1,76,995	1,76,995	2,35,148	2,35,148
10. Other cash inflows	24,66,250	19,16,540	39,00,876	33,62,532	22,39,757	17,38,136	19,40,874	15,60,724
<b>11. Total Cash Inflows</b>	25,09,605	19,59,895	39,57,748	34,19,404	24,16,752	19,15,131	21,76,022	17,95,872
<b>12. TOTAL HQLA</b>	-	42,12,809	-	70,31,172	-	31,64,139	-	36,11,042
<b>13. Total Net Cash Outflows</b>	-	32,29,800	-	50,11,792	-	20,92,217	-	23,71,844
<b>14. Liquidity Coverage Ratio (%)</b>		130%		140%		151%		152%

**Quantitative disclosures on LCR for the period ended March 31,2022 :**

Particulars	Quarter ended March		Quarter ended December		Quarter ended September		Quarter ended June	
	Unweighted	Weighted	Unweighted	Weighted	Unweighted	Weighted	Unweighted	Weighted
<b>High Quality Liquid Assets</b>								
1. Total High Quality Liquid Assets (HQLA)	-	28,87,908	-	33,44,441	-	28,33,082	-	30,28,124
<b>Cash Outflows</b>								
2. Retail deposits and deposits from small business customers, of which :								
i) Stable deposits	75,71,794	5,51,388	70,92,176	5,14,464	66,95,280	4,85,153	66,52,214	4,86,777
ii) Less stable deposits	41,15,836	2,05,792	38,95,063	1,94,753	36,87,500	1,84,375	35,68,885	1,78,444
3. Unsecured wholesale funding, of which	34,55,958	3,45,596	31,97,113	3,19,711	30,07,781	3,00,778	30,83,329	3,08,333
i) Operational deposits (all counterparties)	24,06,899	16,83,080	42,56,982	23,41,558	30,85,240	17,94,191	36,14,112	17,68,771
ii) Non-operational deposits (all counterparties)	-	-	-	-	-	-	-	-
iii) Unsecured debt	24,06,899	16,83,080	42,56,982	23,41,558	30,88,666	17,94,191	36,14,112	17,68,771
4. Secured Wholesale funding	-	12,52,959	-	2,68,333	-	3,53,443	-	2,95,764
5. Additional requirements, of which								
i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6. Other contractual funding obligations	1,53,079	1,53,079	68,872	68,872	57,943	57,943	48,851	48,851
7. Other contingent funding obligations	-	-	-	-	-	-	-	-
<b>8. Total Cash Outflows</b>	-	36,40,507	-	31,93,229	-	26,90,729	-	26,00,162
<b>Cash Inflows</b>								
9. Secured lending (e.g. reverse repos)	40,290	-	8,333	-	-	-	-	-
10. Inflows from fully performing exposures	8,961	8,961	3,946	3,946	7,990	7,990	15,024	15,024
11. Other cash inflows	20,87,109	16,69,544	19,45,484	17,05,936	8,54,511	7,43,661	8,15,913	6,09,031
<b>12. Total Cash Inflows</b>	21,36,360	16,78,506	19,57,763	17,09,882	8,62,501	7,51,651	8,30,937	6,24,055
<b>13. TOTAL HQLA</b>	-	28,87,908	-	33,44,441	-	28,33,082	-	30,28,124
<b>14. Total Net Cash Outflows</b>	-	19,62,001	-	14,83,347	-	19,39,078	-	19,76,107
<b>15. Liquidity Coverage Ratio (%)</b>		147%		225%		146%		153%

In accordance with RBI guidelines, the weighted and unweighted amounts are calculated by taking simple daily average for all quarters of the year.

**Schedule 18 -Notes to Financial Statement**

₹ in '000

**26. Notes on Compliances with Accounting Standards**

**26.1 Earnings per Share:**

Particulars	March 31, 2023	March 31, 2022
Net profit after tax (₹)	(21,30,058)	(12,31,998)
Weighted average shares outstanding – Basic (Nos.)	2,94,096	2,93,385
Weighted average shares outstanding – Diluted (Nos.)	2,94,325	2,93,424
Nominal Value of Equity Shares (₹)	10	10
Earnings per share – Basic (₹)	(7.26)	(4.20)
Earnings per share – Diluted (₹)	(7.24)	(4.20)

**26.2 Segment Reporting**

Particulars	Treasury		Retail Banking (Including digital banking*)		Total	
			Retail banking			
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Segment Revenue	8,67,712	6,03,516	24,76,579	26,80,687	33,52,782	32,83,907
Segment Results	8,22,665	5,86,797	(4,20,670)	2,15,976	4,10,486	8,02,475
Unallocated Expenses					2,71,024	1,59,819
<b>Operating Profits</b>					<b>1,39,462</b>	<b>6,42,657</b>
Tax Expenses (including deferred tax)					(3,86,378)	22,940
Extraordinary profit/loss		-		-		-
<b>Net profit/(Loss)</b>					<b>(21,30,058)</b>	<b>(12,31,998)</b>
Other Information:						-
Segment Assets	37,26,503	28,76,948	1,84,42,438	1,80,95,496	2,21,68,941	2,09,72,444
Unallocated Assets					49,35,454	25,47,541
<b>Total Assets</b>					<b>2,71,04,395</b>	<b>2,35,19,985</b>
Segment Liabilities	55,83,236	27,51,810	2,03,70,027	1,79,13,271	2,59,53,263	2,06,65,081
Unallocated Liabilities					1,18,670	1,22,374
<b>Total Liabilities</b>					<b>2,60,71,933</b>	<b>2,07,87,455</b>

Note 1 The Bank has no corporate banking business.

Note 2 Assets, liabilities, expenses and income which cannot be allocated to any business segment has been presented as Unallocated

Note 3 The Treasury Segment primarily consists of net interest earnings from the Bank's Investment in SLR securities upto mandatory SLR prescribed by RBI, money market borrowing and lending and gains or losses on Investment operations.

Note 4 \*Segment particulars relating to digital banking unit is included under retail banking unit and not reported separately due to materiality .

**Part B: Geographic Segment**

The Bank's entire operations, customers and assets are in India and hence no separate geographical segment disclosures are given.

**26.3 Lease disclosure**

The Bank has taken on rent branch premises for periods ranging from 11 months to 120 months. The rental arrangements are cancellable after given one month notice and the agreement provides for annual increase of 5% to 10% on an yearly basis. For the reporting year the rental expense amounts to ₹ 73,409 thousands (31-Mar-23 ₹ 67,760 thousands). The bank has taken on lease premises of corporate office for 9 years having lock-in period of 5 years. Minimum lease payment for non- cancellable lease are as follows -

Particulars	March 31, 2023	March 31, 2022
Not later than one year	16,879	61,480
Later than one year but not later than five years	66,450	2,31,108
Later than 5 years	36,017	80,522
The total of minimum lease payments recognized in the Profit and Loss Account for the year	73,409	67,760

**26.4 Deferred tax**

Particulars of (Asset)/ Liability	March 31, 2023	March 31, 2022
Depreciation	(4,535)	(6,704)
Provision not allowed under Income Tax Act, 1961	(3,79,735)	-
Expense allowed on cash basis under Income Tax Act, 1961	(25,636)	(9,575)
Others	-	-
<b>Total</b>	<b>(4,09,907)</b>	<b>(16,279)</b>

**26.5 Fixed Assets**

Particulars	Tangible		Intangible		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Opening balance	2,48,990	2,55,032	34,088	49,763	2,83,079	3,04,795
Additions during the year	76,739	60,274	13,147	29,030	89,886	89,304
Depreciation charge for the year	(57,560)	(61,938)	(23,204)	(44,705)	(80,765)	(1,06,643)
Disposal of Assets during the year	(6,069)	(4,377)	-	-	(6,069)	(4,377)
<b>Balance at the end of the period</b>	<b>2,62,100</b>	<b>2,48,990</b>	<b>24,031</b>	<b>34,088</b>	<b>2,86,131</b>	<b>2,83,079</b>



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**26.6 Related Party Transactions**

As per AS 18 Related party Disclosures notified under section 133 of the companies Act 2013, read together with Paragraph 7 of the Companies (Accounts) Rule 2014, the related parties of the Bank during the year ended March 31, 2023 are disclosed below:

Nature of Related Party	Name and Relationship
Key Management Personnel (KMP)	Rupali Kalita - Managing Director and Chief Executive Officer Ketan Kumar Joshi - Chief Financial Officer Sanjeeb Kumar Mishra - Company Secretary (From 01/04/2022 to 30/07/2022)
Director	Ram Krishna Garg- Independent Director & Part Time Chairman Gautam Barua- Independent Director Manjula Saikia Bhuyan- Independent Director
Holding Company	RGVN (North East) Microfinance Limited
Relatives of KMP	Kiran Kalita - Mother of Rupali Kalita Sangeeta Ketan Joshi - Spouse of Ketan Kumar Joshi Hemant Kumar Joshi - Brother of Ketan Kumar Joshi

**a) Transactions during the year**

Particulars	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Holding Company	Director	Key Management Personnel	Relatives of KMP	Holding Company	Director	Key Management Personnel	Relatives of KMP
<b>Liabilities</b>								
Term Deposit	(11,773)	8,700	2,209	(1,056)	(1,553)	5,160	802	(5,607)
Saving Deposit (Net of withdrawal)	-	(2,599)	(680)	(153)	-	4,173	(103)	208
<b>Assets</b>								
Long Term Deposit receivables	1,635	-	-	-	2,949	-	-	-
<b>Expense</b>								
<b>Interest paid on deposits:</b>								
RGVN (North East) Microfinance Limited	7,870	-	-	-	10,594	-	-	-
Ram Krishna Garg	-	2	-	-	-	0	-	-
Gautam Barua	-	1,256	-	-	-	703	-	-
Manjula Saikia Bhuyan	-	218	-	-	-	146	-	-
Ketan Kumar Joshi	-	-	6	-	-	-	21	-
Rupali Kalita	-	-	724	-	-	-	608	-
Mukesh Singh verma	-	-	-	-	-	-	11	-
Sanjeeb Kumar Mishra	-	-	2	-	-	-	3	-
Kiran Kalita	-	-	-	45	-	-	-	95
Sangeeta Ketan Joshi	-	-	-	102	-	-	-	98
Hemant Kumar Joshi	-	-	-	13	-	-	-	36
Suresh Kumar Singh	-	-	-	-	-	-	-	1
Sita Devi Singh	-	-	-	-	-	-	-	2
<b>Net Interest paid on Deposits</b>	<b>7,870</b>	<b>1,475</b>	<b>731</b>	<b>161</b>	<b>10,594</b>	<b>849</b>	<b>643</b>	<b>232</b>
<b>Payment of Remuneration:*</b>								
Rupali Kalita	-	-	5,562	-	-	-	5,087	-
Mukesh Singh verma	-	-	-	-	-	-	832	-
Sanjeeb Kumar Mishra	-	-	657	-	-	-	1,470	-
Ketan Kumar Joshi	-	-	5,358	-	-	-	5,285	-
<b>Total Remuneration</b>	-	-	<b>11,577</b>	-	-	-	<b>12,674</b>	-
<b>Reimbursement of Expenses</b>	-	-	-	-	<b>200</b>	-	-	-

\*The above remuneration excludes Bonus, Leave encashment & Gratuity

**b) Balance outstanding as at year end are as follows**

Particulars	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Holding Company	Director	Key Management Personnel	Relatives of KMP	Holding Company	Director	Key Management Personnel	Relatives of KMP
<b>Outstanding as at Year end</b>								
Deposits	1,08,950	22,084	9,996	1,922	1,20,661	15,983	8,470	3,131
Other Liabilities and Provisions	-	-	-	-	-	-	-	-
<b>Receivable as at year end</b>								
Other Assets	1,635	-	-	-	2,949	-	-	-

**c) Maximum Balance outstanding during the year**

Particulars	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Holding Company	Director	Key Management Personnel	Relatives of KMP	Holding Company	Director	Key Management Personnel	Relatives of KMP
Deposits	1,08,950	22,084	9,996	1,922	1,20,661	15,983	8,470	3,131
Other Liabilities and Provisions	-	-	-	-	-	-	-	-
Other Assets	1,635	-	-	-	3,149	-	-	-

KETAN KUMAR PRAVINCHANDRA JOSHI  
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**NORTH EAST SMALL FINANCE BANK LIMITED**  
Guwahati, Assam (CIN : U65100AS2016PLC017505)

**Schedule 18 - Notes to Financial Statement**

₹ in '000

**26.8 Employee Shared Based Payments**

The Bank has not made any share based payments to any of its employees during the year.

**26.7 Employee Shared Based Payments**

The Bank has not made any share based payments to any of its employees during the year.

**26.8 Employee benefits**

**(i) Defined contribution plan**

The Bank has recognized the following amounts in the Profit and Loss Account towards contributions to Provident Fund and Other Funds:

Particulars	March 31, 2023	March 31, 2022
Contribution towards provident fund	40,112	41,305
Contribution towards ESIC	15,228	7,555
Contribution towards Pension fund	NIL	NIL

**(ii) Defined benefit plan**

Contribution to Gratuity Fund:

Details of defined benefit plan of gratuity are given below:

Particulars	March 31, 2023	March 31, 2022
Opening Balance of Present value of obligation	67,619	64,026
Obligation transferred on account of BTA	-	-
Interest Cost	4,460	4,063
Current service cost	9,800	11,556
Benefits paid	(8,684)	(1,769)
Actuarial Loss/ (Gain) on obligation	8,299	(10,257)
Closing Balance of Present value of obligation	81,494	67,619

Expense recognised in profit and loss account

Particulars	March 31, 2023	March 31, 2022
Current service cost	9,800	11,556
Interest Cost	4,460	4,063
Expected return on plan assets	(8,031)	(6,966)
Net Actuarial loss recognised in the year	8,299	(8,774)
Income recognised in profit and loss account	14,528	(121)

Net Liability/(Asset) recognized in the Balance Sheet

Particulars	March 31, 2023	March 31, 2022
Fair value of plan assets	1,21,770	1,21,770
Present value of defined obligation	81,494	67,619
Excess of plan assets over present value of obligation	46,483	54,150
Net Asset recognized in balance sheet	46,483	54,150

Change in Fair Value of Plan Assets during the year

Particulars	March 31, 2023	March 31, 2022
Opening balance of fair value of plan assets	1,21,770	1,09,785
Plan assets acquired under BTA	-	-
Expected return on plan assets	8,031	6,966
Actual Company Contributions	6,860	8,271
Benefits paid	(8,684)	(1,769)
Actuarial gain/(loss) return on plan assets	-	(1,484)
Closing balance of fair value of plan assets	1,27,977	1,21,770

Actuarial assumptions used



**NORTH EAST SMALL FINANCE BANK LIMITED**  
**Guwahati, Assam (CIN : U65100AS2016PLC017505)**

**Schedule 18 - Notes to Financial Statement**

₹ in '000

Particulars	March 31, 2023	March 31, 2022
Discount Rate	7.30%	6.60%
Expected Return on plan assets	7.30%	6.60%
Expected rate of salary increase	5.00%	3.00%
Employee Attrition rate		
Upto 30 Yrs	20.93%	20.93%
31-44 yrs	13.36%	13.36%
Above 44 yrs	9.90%	9.90%

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Information of investment details of plan assets are not available hence not disclosed and the obligation is funded with LIC.

Details relating to experience adjustment and expected future cash flow is given below:

Particulars	March 31, 2023	March 31, 2022
(Gain)/Loss on Plan Liabilities	3,662	(2,270)
% of Opening Plan Liabilities	12.10%	-3.50%
(Gain)/Loss on Plan Assets	-	1,484
% of Opening Plan Assets	0.0%	-1.40%

(iii) Other Long term employee benefits – Compensated absences

The Actuarial liability of compensated absences of accumulated privilege leave of the employees of the Bank is given below:

Particulars	March 31, 2023	March 31, 2022
Privileged Leave (Actuarial Liability) at the beginning of the year	30,169	35,292
Privileged Leave (Actuarial Liability) at the end of the year	33,443	30,169
Actuarial assumptions		
Discount Rate	7.30%	6.60%
Salary Escalation rate	5.00%	3.00%

**26.9 Contingent Liabilities**

There are no contingent liabilities as on March 31,2023 (Previous Year : NIL) read with Note No 31.

**27. Corporate Social Responsibility**

As per Sec 135 (1) of the Companies Act “Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board, consisting of three or more directors, out of which at least one director shall be an independent director”. Further, the company should spend, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The amount of INR 4,484 (thousands) towards CSR expenses pertains to Financial Year 2021-22.

Particulars	March 31, 2023	March 31, 2022
a) Gross amount required to be spent by the Bank during the year	-	5,740
b) Amount spent during the year	4,484	5,716

**28.** The Bank has a process whereby periodically all long term contract are assessed for material foreseeable losses. At the period end, the Bank has reviewed and ensured that adequate provision as required under any law / accounting standards or material foreseeable losses on such long term contracts has been made in the books of account as at March 31, 2023. (Previous Year - NIL)

KETAN  
KUMAR  
PRAVINCHAN  
DRA JOSHI

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KETAN KUMAR  
PRAVINCHANDRA  
JOSHI  
Date: 2023.06.26  
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**NORTH EAST SMALL FINANCE BANK LIMITED**  
**Guwahati, Assam (CIN : U65100AS2016PLC017505)**

**Schedule 18 - Notes to Financial Statement**

₹ in '000

29. Based on the information available with the Company, there are no outstanding dues and payment made to supplier of goods and services beyond the specified period under the Micro, Small and Medium Enterprise Development Act, 2006. There are no interest payable or paid to any supplier under the said act.

**30. Investor education and protection fund**

There is no amount required to be transferred to Investor Education and Protection Fund by the Bank.

31. The Holding Company of the Bank had received income tax demand order of Rs. 35,25,135 thousands from income tax authorities for the financial year 2016-17(Assessment year 2017-18) before the formation of the Bank on 17/10/2017. This majorly includes the demand towards Share capital raised by the Holding Company during the assessment year, cash deposits done during the period of demonetization on account of collection from various customers and interest thereon. The Holding Company has filed an appeal against order before Commissioner of Income Tax (Appeals) and is hopeful of favorable decision as the additions are unsustainable.

As per the terms of Business Transfer Agreement executed between the Holding Company and the Bank, in the event of crystallization of this contingent liability, the Bank may have to reimburse the same to the Holding Company. However the Board of Directors of the bank has noted in its meeting held on 24th February 2021 that Income Tax Department has passed an ex parte assessment order with a demand. As per the GAAP principles of accounting, any event occurring in the books of Holding Company cannot be shown in the books of the subsidiary company. Hence it is shown as a Note to Accounts in its financial statements of the Bank.

**32. Disclosure under Rule 11 (e) of the Companies (Audit and Auditors) Rules, 2014 :**

The Bank, as part of its normal banking business, grants loans and advances to its constituents including foreign entities with permission to lend / invest / provide guarantee or security or the like in other entities identified by such constituents. Similarly, the Bank accepts deposits from its constituents, who may instruct the Bank to lend / invest / provide guarantee or security or the like against such deposit in other entities identified by such constituents.

These transactions are part of Bank's normal banking business, which is conducted after exercising proper due diligence including adherence to "Know Your Customer" guidelines as applicable in respective jurisdiction. Other than the nature of transactions described above, the Bank has not advanced / lent / invested / provided guarantee or security to or in any other person with an understanding to lend / invest / provide guarantee or security or the like to or in any other person. Similarly, other than the nature of transactions described above, the Bank has not received any funds from any other person with an understanding that the Bank shall lend / invest / provide guarantee or security or the like to or in any other person.

**33 Additional Disclosure on Material Item inline with RBI circular No DOR.ACC.REC.No.91/21.04.018/2022-23**

**33.1 Disclosure on material item under subhead "Miscellaneous Income" exceeding 1% of Total Income:**

Particulars	March 31, 2023	March 31, 2022
Recovery from Technically W/off account	57,999	-

**33.2 Disclosure on material item under subhead "Other Expenditure" exceeding 1% of Total Income:**

Particulars	March 31, 2023	March 31, 2022
Expenses on A/c of GST Reverse Charge	40,859	33,010
Office-Security	46,497	46,117

**33.3 Disclosure on material item under subhead "other Liabilities and Provisions-Others" exceeding 1% of Total Assets:**

Particulars	March 31, 2023	March 31, 2022
RTGS Settlement A/C	4,61,053	-

**33.4 Disclosure on material item under subhead "Other Assets-Others" exceeding 1% of Total Assets:**

Particulars	March 31, 2023	March 31, 2022
Nil	-	-



**NORTH EAST SMALL FINANCE BANK LIMITED**  
**Guwahati, Assam (CIN : U65100AS2016PLC017505)**

**Schedule 18 - Notes to Financial Statement**

**₹ in '000**

**34. Prior period comparatives**

Figures for the previous period have been regrouped and reclassified wherever necessary to conform to the current year's presentation.

For and on behalf of the Board of Directors

KETAN KUMAR PRAVINCHANDRA JOSHI  
RA JOSHI  
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Date: 2023.06.26 12:29:33 +05'30'

**Ketan Kumar Joshi**  
Chief Financial Officer  
M. No. 056916

RAM KRISHNA GARG  
Dr. Ram Krishna Garg  
Chairman  
Digitally signed by RAM KRISHNA GARG  
Date: 2023.06.26 15:56:07 +05'30'

DIN : 02164119

**Place : Guwahati**  
**Date : June 26 , 2023**

As per our audit report of even date

**For Baweja & Kaul**  
Chartered Accountants  
**Firm Registration Number : 005834N**

**CA Samvit Kumar Gurtoo**  
Partner  
Membership No - 090758

UDIN - 23090758BGZDFM9329

**Place : Guwahati**  
**Date : June 26 , 2023**

RUPALI KALITA  
Digitally signed by RUPALI KALITA  
Date: 2023.06.26 15:18:25 +05'30'

**Rupali Kalita**  
Managing Director & CEO  
DIN : 02114098

Tapan Kumar Hazarika  
Digitally signed by Tapan Kumar Hazarika  
Date: 2023.06.26 13:30:12 +05'30'

**Tapan Kumar Hazarika**  
Independent Director  
DIN : 08088195

**This Key Information Document is neither a prospectus nor a statement in lieu of a prospectus**

**ANNEXURE VI: DETAILS OF SHAREHOLDING**

Already set out under clause 4.11 under section 4 of the General Information Document. In case of any material development or change in the shareholding, the same will be set out in the respective Key Information Document.

**Annexure VII – BOARD RESOLUTION AND SHAREHOLDERS RESOLUTION**

**CERTIFIED TRUE COPY OF THE RESOLUTION(S) PASSED BY THE BOARD OF DIRECTORS OF SLICE SMALL FINANCE BANK LIMITED (PREVIOUSLY KNOWN AS NORTH EAST SMALL FINANCE BANK LIMITED) IN THEIR MEETING HELD ON FEBRUARY 27, 2026 AT 10:30 AM IST AT G.S. POINT, G.S. ROAD, VILL-SARUMATARIA, OPP. DISPUR FIRE STATION, SACHIVALAYA, DISPUR, GUWAHATI, 781006, ASSAM.**

<b>Item No. 19.10</b>	<b>To consider and approve the issuance of Tier -II capital in the form of Non-Convertible Debentures amounting to INR 75 crores</b>
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**“RESOLVED THAT** pursuant to the provisions of Section 42, 71, 179 and other applicable provisions, if any, of the Companies Act, 2013 read with rule 14 of the Companies (Prospectus and Allotment of Securities,) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and other applicable provisions of the Companies Act, 2013 and subject to the Memorandum and Articles of Association of the Company, the regulations issued by the Securities and Exchange Board of India ('SEBI') including the SEBI (Debenture Trustee) Regulations, 1993 and the Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021, and the guidelines issued by SEBI with respect to electronic book provider platform ('SEBI EBP Guidelines") and Reserve Bank of India (Small Finance Banks – Prudential Norms on Capital Adequacy) Directions, 2025 bearing reference number RBI/DOR/2025-26/182 DOR.CAP.REC.101/21-01-002/2025-26 and other applicable RBI regulations and all amendments thereto, from time to time, and subject to other applicable provisions of rules, regulations, notifications, circulars, guidelines and other statutory provisions for the time being in force, if any, and such other approvals, permissions and sanctions as may be required from any appropriate authority and pursuant to the consent of the members by way of a special resolution passed in the meeting of shareholders held on June 24, 2022, the approval of the Board of Directors of the Company ("Board") be and is hereby accorded for the issuance of rated, listed, unsecured, transferable, redeemable, fully paid up, Basel II compliant Lower Tier II Subordinated Bonds in the nature of non-convertible debentures ("Debentures/ NCDs") for an aggregate principal amount of up to Rs. 75,00,00,000/- (Rupees Seventy Five Crores only) to identified category of prospective investors for cash at par, in dematerialised form, on a private placement basis, in terms of and under the General information Document dated March, 2026, issued by the Company in respect of the aggregate issue of Basel II compliant tier II subordinated bonds in the nature of non-convertible debentures ("General Information Document"), and the terms of other transaction documents including the debenture trust deed, the debenture trustee agreement and the private placement offer cum application letter for the issue, on the broad indicative commercial terms and conditions as follows and which shall be more particularly the Key Information Document for the issue ("Key Information Document") and in the below manner provided that the outstanding under these NCDs shall at all times be within the overall borrowing limits under Section 180(1)(c) of the Act:

Particulars	Details
Issue Size	Up to ₹75 crore
Instrument	Basel II Tier II in the form of Non-Convertible Debentures
Tenor	5 years 9 months

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Particulars	Details
Coupon	12.00% p.a.p.m.
Redemption	Bullet
Call / Step-up	None
Listing	BSE – Wholesale Debt Market
Rating	Acuité BBB+ (Stable)
Interest payout	Monthly

and such other terms and conditions as shall be as set out in the transaction documents executed/ issued by the Company in relation to the issue. "

**RESOLVED FURTHER THAT** in accordance with provisions of section 42(2) of the Companies Act, 2013, the Board be and hereby accords its consent for, in accordance with the SEBI EBP Guidelines and relevant circulars and directions issued by SEBI and the relevant electronic book provider / electronic book platform ('EBP'), identifying the following category of prospective investors as select group of persons to whom private placement of such Debentures can be made from time to time by the Company on a private placement basis from which 'select group of persons' (group of persons, as set out below), shortlisted bidders, where bidding process is applicable (on the EBP or any successive arrangement platform by SEBI) or shortlisted investors (where bidding is not mandated), to be referred to as the 'identified persons' on an each issue basis (to whom Debentures of the Company on a private placement basis will be offered), be and are hereby approved and such other investors who are registered on the EBP platform and eligible to make bids for Debentures of the Company (considered as 'deemed identified' under Section 42 of the Companies Act, 2013):

1. QIBs as defined under Regulation 2 (ss) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018; and
2. Any non-QIB.

**RESOLVED FURTHER THAT** the drafts of General Information Document and Key Information Document, Private Placement Offer Letter (PAS-4), Debenture Trust Deed, Debenture Trust Agreement and other transaction related documents containing the requisite information as prescribed by applicable laws and regulations to be executed in relation to the NCDs as placed before Board be and are hereby approved for the issuance of aforesaid NCDs.

**RESOLVED FURTHER THAT** the Board hereby accords its consent for negotiation, finalisation and execution of the debenture trust deed (containing inter alia the terms and conditions of the issue) and the debenture trustee agreement (in respect of the appointment of the debenture trustee and obligations applicable to debenture trustee) in respect of the issue, letters, undertakings, documents, agreements in respect of all series of Debentures proposed to be issued under the General Information Document.

**RESOLVED FURTHER THAT** the Company be and is hereby authorised to appoint Tipsons Consultancy Services Private Limited as an arranger for identifying investors who shall subscribe to the Debentures, such rating agency(ies) for the purposes of rating the Debentures and other intermediaries as may be required to be appointed in connection with the issuance of the Debentures and other advisors as may be required and making payment of their fees.

**RESOLVED FURTHER THAT** the Board hereby authorises severally or jointly Mr. Rajan Bajaj, Managing Director & Chief Executive Officer and/or Mr. Naresh Jain, Chief Financial Officer and/or Mr. Vinay Singh, Head – Treasury and/or Mr. Gautam Dhaliwal, Head – Investors Relations

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& Corporate Strategy and/or Ms. Bhawna Sangwan, Chief legal and Strategy Officer and/or Ms. Shefaly Rai, Company Secretary of the Bank to execute the necessary or requisite agreement(s) with any recognized Stock Exchange and provide all such documents and information as may be required by the Stock Exchange, for the purposes of listing the Debentures.

**RESOLVED FURTHER THAT** the approval of the Board, be and is hereby granted to Mr. Rajan Bajaj, Managing Director & Chief Executive Officer and/or Mr. Naresh Jain, Chief Financial Officer and/or Mr. Vinay Singh, Head – Treasury and/or Mr. Gautam Dhaliwal, Head – Investors Relations & Corporate Strategy and/or Ms. Bhawna Sangwan, Chief legal and Strategy Officer and/or Ms. Shefaly Rai, Company Secretary of the Bank for executing and issuing the General Information Document (GID) and the Key Information Document (KID), in accordance with the provisions/regulations/guidelines as may be prescribed by SEBI, RBI, or any other regulatory authority, as amended from time to time or otherwise, which may or may not be hosted on the website of the Stock Exchange.

**RESOLVED FURTHER THAT** approval of the Board, be and is hereby granted to Mr. Rajan Bajaj, Managing Director & Chief Executive Officer and/or Mr. Naresh Jain, Chief Financial Officer and/or Mr. Vinay Singh, Head – Treasury and/or Mr. Gautam Dhaliwal, Head – Investors Relations & Corporate Strategy and/or Ms. Bhawna Sangwan, Chief legal and Strategy Officer and/or Ms. Shefaly Rai, Company Secretary of the Bank for issuing Private Placement Offer cum Application Letter(s) from time to time, in accordance with the provisions/ regulations/ guidelines as may be prescribed under applicable law, or any other regulatory authority, as amended from time to time or otherwise, for the purpose of issuance of the Debentures to identified investors.

**RESOLVED FURTHER THAT** the Board hereby authorizes Mr. Rajan Bajaj, Managing Director & Chief Executive Officer and/or Mr. Naresh Jain, Chief Financial Officer and/or Mr. Vinay Singh, Head – Treasury and/or Mr. Gautam Dhaliwal, Head – Investors Relations & Corporate Strategy and/or Ms. Bhawna Sangwan, Chief legal and Strategy Officer and/or Ms. Shefaly Rai, Company Secretary of the Bank to do all such acts, deeds, things and execute or amend or modify all such documents whatsoever as may be required in connection with the issue, offer of the Debentures including without limitation the opening and maintenance of bank accounts, opening and maintenance of demat accounts, the filing of relevant forms with the Registrar of Companies, offer of the Debentures.

**RESOLVED FURTHER THAT** Mr. Rajan Bajaj, Managing Director & Chief Executive Officer and/or Mr. Naresh Jain, Chief Financial Officer and/or Mr. Vinay Singh, Head – Treasury and/or Mr. Gautam Dhaliwal, Head – Investors Relations & Corporate Strategy and/or Ms. Bhawna Sangwan, Chief legal and Strategy Officer and/or Ms. Shefaly Rai, Company Secretary of the Bank ("Authorised Signatories"), be and are hereby authorized to jointly and/ or severally act and decide on behalf of the Company as to the further terms of the Debentures, to discuss, deliberate, negotiate, finalize and accept the terms as may be stipulated in the transaction documents including but not limited to the debenture trustee agreement, debenture trust deed, private placement offer cum application letter, General Information Document, Key Information Document and other documents, powers of attorney, agreements, letters, undertakings, etc. and agree to such changes and modifications as may be advised or required by the Debenture Trustee and modifications in the said terms as may be suggested from time to time and to do all such acts deeds and things and further authorized to sign and execute all such agreements and documents as may be required, on behalf of the Company, in respect of the Debentures including but not limited to:

1) Appoint Mitcon Credentia Trusteeship Services Limited as the Debenture Trustee, to act as the debenture trustee in terms of applicable SEBI regulations to act for the benefit of and on behalf of the debenture holders;

- 2) Decide the closing date for receiving applications;
- 3) Negotiate, finalise, sign and execute or ratify, on behalf of the Company, any agreement(s) / deed(s) or any other documents as may be advised or required by the Debentures Trustee, including the debenture trustee agreement and the debenture trust deed, General Information Document, Key Information Document in respect of the issue, any power of attorney and /or any other document in respect of the issue including any amendments to any of the documents executed in respect of the issue;
- 4) Apply to the National Security Depository Limited ('NSDL') and/or Central Depository Services (India) Limited ('CDSL') for the issuance of Debentures to the allottees in dematerialized form;
- 5) File all relevant forms before the regulatory authority;
- 6) List the Debentures on the Stock Exchange;
- 7) Maintain a register of holders of the Debentures, if required;
- 8) Deal with regulatory authorities in connection with the issue, offer of the Debentures including but not limited to the RBI, SEBI (if so required), the jurisdictional registrar of companies, the Ministry of Corporate Affairs, information utilities, NSDL, CDSL and such other authorities as may be required; and
- 9) Do things and to execute all documents, undertakings, bonds, affidavits, writings, deeds and to take all steps and do all things and give such directions as may be required, necessary, expedient or desirable in this regard.

**RESOLVED FURTHER THAT** Ms. Shefaly Rai, Company Secretary of the Bank, be and is hereby authorized to sign the "Declaration from Directors" on behalf of the Directors in the General Information Document and the Key Information Document to be issued by the Company with respect to *inter alia* the issuance of the said Debentures.

**RESOLVED FURTHER THAT** the aforesaid resolutions shall come into effect immediately and a copy of the foregoing resolution certified to be a true copy by any director or company secretary may be furnished to such parties concerned with respect to the issue of Debentures.

**RESOLVED FURTHER THAT** Mr. Rajan Bajaj, Managing Director & Chief Executive Officer and/or Mr. Naresh Jain, Chief Financial Officer and/or Mr. Vinay Singh, Head – Treasury and/or Mr. Gautam Dhaliwal, Head – Investors Relations & Corporate Strategy and/or Ms. Bhawna Sangwan, Chief legal and Strategy Officer and/or Ms. Shefaly Rai, Company Secretary of the Bank be and are hereby severally authorised to do all such deeds, acts, things, matters etc., for giving effect to the foregoing resolution.”

## **CERTIFIED TRUE COPY**

**For slice small finance bank limited**

**SHEFALY RAI** Digitally signed  
by SHEFALY RAI  
Date: 2026.03.12  
16:29:33 +05'30'

Shefaly Rai  
(Company Secretary)  
Membership No. F7698

Date: 05.03.2026



**North East**  
**Small Finance Bank**

Your Doorstep Banker

(A Scheduled Commercial Bank)

**CERTIFIED COPY OF THE RESOLUTION(S) PASSED BY THE SHAREHOLDERS OF NORTH EAST SMALL FINANCE BANK LIMITED IN THE 1st/2022-2023 EXTRA ORDINARY GENERAL MEETING OF NORTH EAST SMALL FINANCE BANK LIMITED, HELD ON THE 24<sup>TH</sup> DAY OF JUNE, 2022, FROM 4 PM TO 4.30 PM, AT THE BOARD ROOM, NESFB HO, 3<sup>RD</sup> FLOOR, FORTUNE CENTRAL BASISTHAPUR BYLANE 3, GUWAHATI 781028.**

**SPECIAL RESOLUTION – ITEM NO. 2: BORROWING POWERS OF THE COMPANY AND CREATION OF CHARGE /PROVIDING OF SECURITY.**

**To consider and, if thought fit to pass, with or without modification(s), the following resolutions as Special Resolution:**

**"RESOLVED THAT** the consent of the Shareholders of the Company be and is hereby accorded to the Board of Directors of the Company under Section 180(1)(c) and all other applicable provisions if any, of the Companies Act, 2013 read with Articles of Association of the Company, to borrow money for and on behalf of the Company from time to time as deemed by it to be requisite and proper for the business of the Company, but so that the moneys to be borrowed together with the moneys already borrowed by the Company shall not exceed Rs. 800 Crores (Rupees Eight Hundred Crores Only) in excess of the aggregate of its paid share capital and free reserves of the Company as per the latest annual audited financial statements, apart from temporary loans obtained from the Company's bankers in the ordinary course of business and ratify the action of the Board of Directors for the borrowings, if any, already made.

**RESOLVED FURTHER THAT** the consent of the Company be and is hereby accorded, in terms of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 to the Board of Directors of the Company to create charge / provide security for the sum borrowed on such terms and conditions and in such form and manner and with such ranking as to priority, as the Board in its absolute discretion thinks fit, on the assets of the Company, as may be agreed to between the Company and the Lenders so as to secure the borrowings by the Company, together with interest costs, charges, expenses and all other monies payable by the Company to the concerned Lenders / Institutions, under the respective arrangements entered into / to be entered by the Company and/or Board.

**RESOLVED FURTHER THAT** the Securities to be created by the Company for its borrowing as aforesaid may rank with the security already created in the form of mortgage and / or charges already created or to be created in future by the Company as may be agreed to between the Board and concerned parties.

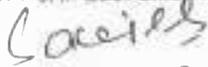
**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, MD and CEO, CFO and Company Secretary be and are hereby severally authorised to finalise, settle and execute such documents / deeds / writings/ papers / agreements as may be required and to

do all acts, deeds, matters and things as may in its / his / their absolute discretion deem necessary, proper or desirable and to settle any question(s), difficulty(ies) or doubt(s) that may arise in regard to creating security(ies) as aforesaid or other considered to be in the best interest of the Company.

**CERTIFIED TRUE COPY**

For North East Small Finance Bank Limited

For North East Small Finance Bank Ltd.



Sanjeeb Kumar Mishra Company Secretary

Company Secretary & Head- Legal

FCS No- 6291



**North East**  
**Small Finance Bank**

Your Doorstep Banker

(A Scheduled Commercial Bank)

**Explanatory Statement (Pursuant to section 102 of the Companies Act, 2013)**

**ITEM NO. 2: BORROWING POWERS OF THE COMPANY AND CREATION OF CHARGE /PROVIDING OF SECURITY**

In terms of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of a Company, shall exercise the power to borrow money, where money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business only the consent of the Company by passing a Special Resolution.

The Bank has borrowed money to a tune of Rs 444.85 Crores as on 31<sup>st</sup> March, 2022. Now if we propose for Rs 100 Crores of Bonds then it will be around Rs 550 Crores and we also in the process to raise more Tier-II capital from different sources. Hence we need to increase the authority of the Board of Directors to raise the Tier-II bonds and for the same we need the approval of the shareholders.

The proposed Special Resolution in relation to the same has been provided in the Notice.

The Directors of the Company or any of the relatives of Directors are not concerned or interested financially or otherwise.

The Special Business does not relate to or affects any other company or entity in which the Director or Promoter of the Company is interested.

The Documents are available for inspection at the Registered Office of the Company during working hours.

**CERTIFIED TRUE COPY**

For North East Small Finance Bank Limited

For North East Small Finance Bank Ltd

Sanjeeb Kumar Mishra Company Secretary

Company Secretary & Head- Legal

FCS No- 6291

[www.nesfb.com](http://www.nesfb.com)

Registered & Corporate Office : 1st & 3rd Floor, Fortune Central, Basistha Road, Basisthapur, Bylane No. 3, Guwahati - 781028

Contact : +91 361 7180001

Email : [contact@nesfb.com](mailto:contact@nesfb.com)

CIN : U65100AS2016PLC017505

10/21/ 8466

# Annexure VIII: Peer Review Certificate



## The Institute of Chartered Accountants of India

(Setup by an Act of Parliament)

### Peer Review Board

Peer Review Certificate No.: 022766

This is to certify that the Peer Review of

*M/s Chaturvedi & Co LLP*

*60, Bentinck Street,*

*4th Floor,*

*Kolkata-700069*

*FRN.: 302137E/E300286*

**has been carried out for the period**

**2022-2025**

pursuant to the *Peer Review Guidelines 2022*, issued by the Council of the Institute of Chartered Accountants of India.

**This Certificate is effective from: 01-01-2026**

**The Certificate shall remain valid till: 31-12-2028**

**AQMM Maturity Level : 4**

**Issued at New Delhi on 27-12-2025**

*P. H. Khandelwal*

**CA. Purushottamlal  
Khandelwal**

**Chairman  
Peer Review Board**

*Gyan Chandra Misra*

**CA. Gyan Chandra Misra**

**Vice-Chairman  
Peer Review Board**

*Mohit Bajaj*

**CA. Mohit Bajaj**

**Secretary  
Peer Review Board**

**Note :** The Certificate is issued on behalf of the Peer Review Board of ICAI and ICAI or any of its functionaries are not liable for any non-compliance by the Practice Unit. The Certificate can be revoked for the reason stated in the '*Peer Review Guidelines 2022*'.