

slice

Building India's **most loved bank.**





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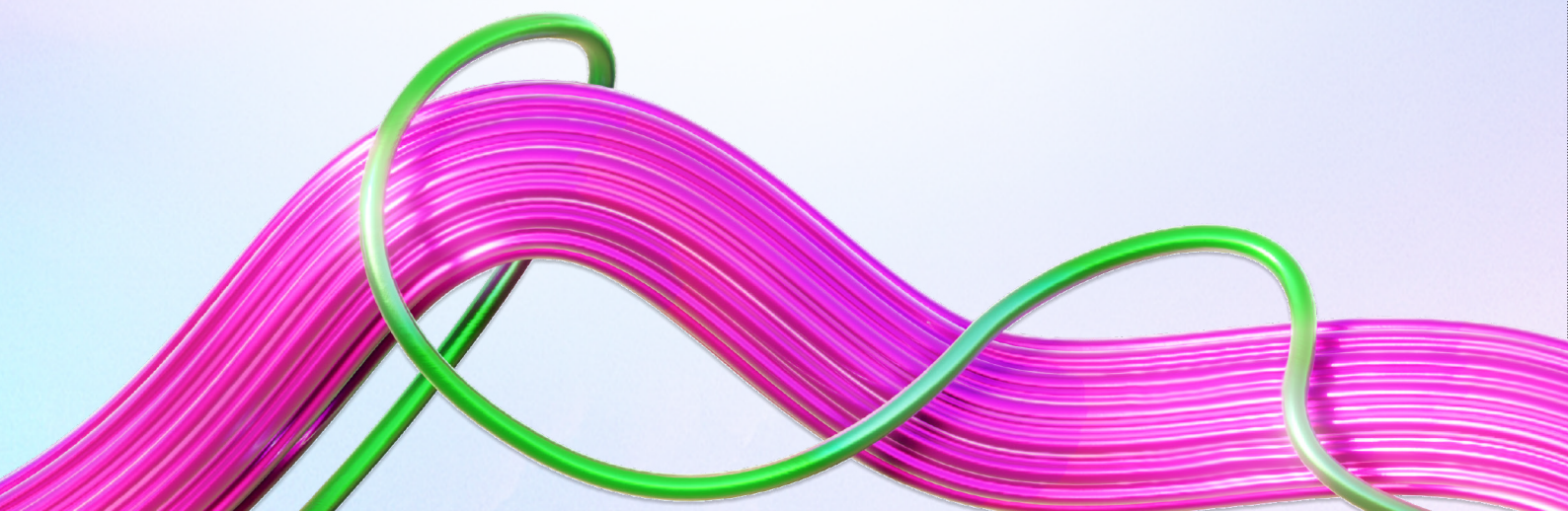
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DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2024-25

To,
The Members,

Your Directors' are pleased to present the ninth Directors' Report of slice small finance bank limited (formerly known as North East Small Finance Bank Limited) ("Bank/Company") together with the audited financial statements for the Financial Year ("FY") ended March 31, 2025.

1. FINANCIAL PERFORMANCE

A summary of the financial performance of the Bank for the financial year ended March 31, 2025, is given below:

(₹ in '000 except EPS)		
Particulars	FY 2024-25	FY 2023-24
Interest income	40,92,333	19,58,294
Other income	19,44,814	5,55,353
Total income (A)	60,37,147	25,13,647
Interest Expended	20,05,380	12,42,561
Operating Expenses	48,11,502	17,45,939
Provisions and Contingencies	13,87,235	10,51,848
Total expenditure (B)	82,04,117	40,40,348
Net Loss (A)-(B)	(21,66,970)	(15,26,701)
Loss Brought Forward	-	(28,89,754)
TOTAL	(21,66,970)	(44,16,455)
Transfer to Statutory Reserve	-	-
Transfer from Investment Fluctuation Reserve	-	-
Balance Carried to Balance Sheet	(21,66,970)	(44,16,455)
TOTAL	(21,66,970)	(44,16,455)
Earning Per Share (EPS) (Face Value Per Share ₹ 1 each)		
Basic	(0.51)	(3.67)
Diluted	(0.51)	(3.67)

Financial Highlights

Your Bank has prepared the financial statements for the year ended March 31, 2025 and during the FY the net loss stood at ₹21,66,970 thousand when compared with the previous year's net loss amounting to ₹15,26,701 thousand last year. Current Account and Savings Account ("CASA") ratio was healthy at 24.62% and Capital to Risk-Weighted Assets Ratio ("CRAR") also improved to 20.30% when compared to 11.31% last year.

The highlights are as under:

- Gross Advances of ₹2,95,40,341 thousand, comprising 16% of Secured book.
- Total Deposit base of ₹2,41,83,812 thousand (including digitally sourced deposit of ₹68,67,572 thousands) increased by 59% compared to ₹1,51,95,741 thousand as of March 31, 2024. CASA ratio as of March 31, 2025, is 24.62%.
- CRAR improved to 20.3% as of March 31, 2025, compared to 11.3% in the previous financial year.

- GNPA has reduced to 6.3% compared to 11.9% in the previous financial year.
- Due to the amalgamation:
 - Balance sheet size grew from ₹1,68,65,476 thousand to ₹4,32,98,986 thousand.
 - The net loan portfolio increased to ₹2,90,48,659 thousand when compared to ₹80,24,309 thousand.

2. STATE OF BANK'S AFFAIRS

During the financial year 2024-25, the Bank achieved a significant milestone with the Hon'ble National Company Law Tribunal (NCLT), Guwahati approving the Composite Scheme of Arrangement and Amalgamation ("Scheme of Amalgamation") on August 08, 2024. The Scheme involved Quadrillion Finance Private Limited ("Transferor Company 1"), Intergalactory Foundry Private Limited ("Transferor Company 2"), Garagepreneurs Internet Private Limited ("Transferee Company" / "Amalgamating Company 1") collectively

called as “slice group”, RGVN (North East) Microfinance Limited (“Amalgamating Company 2”), and the Bank (“Amalgamated Company”).

At the core of the merger was a vision to establish a scalable, inclusive, and future-ready Bank that leverages technology to scale responsibly. By aligning strategic strengths across digital lending and financial inclusion the merger has laid the foundation for a progressive and efficient banking platform.

This landmark merger unified the slice group’s technology-driven, customer-focused approach with the regional presence and financial inclusion expertise of RGVN and the Bank. The integration was envisioned to create a future-ready small finance bank that blends agility and innovation with regulatory strength, trust and digital banking experience.

Post-amalgamation, focused efforts were undertaken to ensure seamless integration of people, systems, and processes. Dedicated cross-functional teams enabled a smooth transition to a unified brand and operating model, ensuring continuity for customers and employees. From a technology standpoint, key banking systems and digital platforms were harmonized to deliver consistent, secure, and scalable services across both physical and digital channels. These initiatives have enabled synergies and strengthened the Bank’s ability to innovate and grow sustainably.

The merger aligns slice’s digital architecture viz. UPI products, lending platforms, etc. with Bank’s physical branch infrastructure. The combined entity will seamlessly integrate digital deposit and lending capabilities into the core banking system.

Distribution Network:

As on March 31, 2025, the Bank has in total 183 branches, the details of which are tabled below:

State	No. of Branches
Arunachal Pradesh	5
Assam	123
Karnataka	1
Manipur	6
Meghalaya	13
Mizoram	5
Nagaland	5
Sikkim	6
Tripura	10
West Bengal	9
Total	183

3. CHANGE IN NATURE OF BUSINESS

During the year under review, there was no change in the nature of the business of the Bank.

4. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES.

During the year under review, RGVN (North East) Microfinance Limited (“RGVN”) was the holding company of the Bank, while Garagepreneurs Internet Private Limited (“GIPL”) was classified as an associate company. Pursuant to the approval of Composite Scheme of Arrangement and Amalgamation, both RGVN and GIPL were amalgamated with the Bank with effect from October 27, 2024.

The Bank had no Subsidiary, Joint Venture or Associate Company as on March 31, 2025.

5. DIVIDEND

During the year under review, RGVN (North East) Microfinance Limited (Amalgamating Company 2) declared final dividend in the Annual General Meeting held on September 25, 2024, amounting to ₹10 crores.

RGVN (North East) Microfinance Limited has transferred ₹44,48,737.46 to the unpaid dividend account on October 29, 2024.

With a view to supporting the Bank’s growth, the Board of the Bank has not recommended any dividend to the shareholders of the Company for the financial year ended March 31, 2025.

6. TRANSFER OF UNCLAIMED DIVIDEND AND UNCLAIMED SHARES (“IEPF”)

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (including amendments and modifications, thereof), there was no unclaimed/unpaid dividend or shares or interest liable to be transferred to the IEPF during the FY 24-25.

7. AMOUNT TRANSFERRED TO RESERVES

During the year under review, the Bank had shifted three Central Government Securities aggregating to ₹10,00,000 thousand (face Value) from Held to Maturity (“HTM”) to Available for Sale (“AFS”) and created AFS reserve of ₹12,948 thousand (net of taxes INR 4,355 thousand) on April 01, 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.MRG.36/21.04.141/2023-24 (No. RBI/

DOR/2023-24/104) 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 marked to market ("MTM") of AFS securities on a monthly basis and the gain/loss is adjusted in AFS reserve amounting INR 4,838 thousand. Further, the bank has made a drawdown from AFS Reserve ₹14,026 thousand in respect of sale and MTM of AFS securities. As on March 31, 2025, AFS reserve balance stands at ₹6,073 thousand (net of deferred taxes ₹2,042 thousand).

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 amortised 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 the General Reserve amounting to ₹14,930 thousand (net of deferred taxes ₹5,022 thousand) on April 01, 2024.

With respect to the 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, 2000.

8. CAPITAL STRUCTURE AND FUND RAISING

a) Authorised Share Capital

During the year under review, the Bank revised its authorised share capital on multiple occasions. At its 8th Annual General Meeting held on September 30, 2024, the authorised share capital was increased from ₹700 crore to ₹1,281 crore. Subsequently, at the Extraordinary General Meeting held on October 25, 2024, it was further increased to ₹1,426 crore.

Pursuant to the scheme of Amalgamation, the following events took place on October 27, 2024:

- I. Reduction in the Face Value of Equity Shares from ₹10/- to ₹1/-.
- II. Increase in the Authorised share capital to ₹1855.08 crores.

As on March 31, 2025, the authorised share capital of the Bank stood at ₹18,55,08,40,000 comprising 10,00,08,40,000 equity shares of ₹1 each and 7,15,00,00,000 CCPS of ₹1 each and 2,80,00,000 CCPS of ₹50 each.

b) Issued, Subscribed and Paid-Up Share Capital

During the year under review, pursuant to the amalgamation the Bank has issued Equity shares, partly paid-up Equity shares, Compulsory Convertible Preference shares ("CCPS") and warrants to the shareholders of Garagepreneurs Internet Private Limited and RGVN (North East) Microfinance Limited on October 27, 2024.

During the year under review, the board of the Bank approved the conversion of CCPS Series A to A7 and Series X, Y and Z to Equity in their meeting held on October 27, 2024.

As on March 31, 2025, the paid up share capital of the Bank stood at ₹10,72,33,79,193 comprising of 8,96,43,09,249 fully paid up equity shares of ₹1 each; 30,99,36,000 partly paid equity shares of ₹1 each (0.90 paid up), and 1,48,01,27,544 CCPS of ₹1 each.

During the year under review, the Bank in addition to Equity and CCPS has issued the following securities pursuant to the scheme of Amalgamation:

- a. 29,630 Compulsory Convertible Debentures ("CCDs") of ₹ 1,00,000 each.
- b. Warrants were issued to the warrant holders of Garagepreneurs Internet Private Limited.

c) Issue of Non-Convertible Debentures

Pursuant to the scheme of Amalgamation all the Non-Convertible Debentures issued by Garagepreneurs Internet Private Limited and Quadrillion Finance Private Limited were transferred to the books of the Bank.

9. EMPLOYEE STOCK OPTIONS (ESOP)

Pursuant to the Composite Scheme of Arrangement and Amalgamation, the ESOP schemes of Garagepreneurs Internet Private Limited (GIPL) and RGVN (North East) Microfinance Limited (RGVN) stands transferred to Bank and accordingly, the Bank currently manages the following two ESOP schemes:

a. ESOP Scheme 1

(Employee Stock Option Scheme 2024, (SEWT - slice Employee Welfare Trust): Employees of GIPL who have already been granted options as on the effective date of the Composite Scheme of Arrangement and Amalgamation were granted options under this scheme (at a pre-determined swap ratio approved in the Composite Scheme of Arrangement and Amalgamation).

b. ESOP Scheme 2

(Employee Stock Option Pool Scheme 2024): This will be a direct ESOP scheme, in order to enable the Bank

to grant options to its employees on and from the effective date.

Particulars	ESOP Scheme 1	ESOP Scheme 2
options granted	78,609	3,12,52,300
options vested	45,015	-
options exercised	-	-
the total number of shares arising as a result of exercise of options;	-	-
options lapsed	545	13,55,933
the exercise price	₹ 10	₹ 1
variation in terms of options	NA	NA
money realised by exercise of options	NA	NA
total number of options in force	78,064	2,98,96,367
employee wise details of options granted to:		
Key Managerial Personnel	Nil	Nil
any other employee who receives a grant of options in any one year of options amounting to five percent or more of total options granted during that year -	Nil	Nil
identified employees who were granted options, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil	Nil

10. DEPOSITS

Being a Banking company, the provisions of Rule 8(5) (v)&(vi) of the Companies (Accounts) Rules, 2014, read with Section 73 and 74 of the Companies Act, 2013 are not applicable to our Bank.

11. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE BOARD'S REPORT:

There are no material changes or commitments affecting the financial position of the Bank between the end of the financial year to which this financial statement relates and the date of this report.

12. MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year under review, the following material orders were passed:

- The amalgamation between Garagepreneurs Internet Private Limited (GIPL) with its wholly owned subsidiaries with North East Small Finance Bank was completed on October 26, 2024 and subsequently the amalgamation

of RGVN and GIPL with North East Small Finance Bank Limited was completed on October 27, 2024. The relevant regulatory approvals for the aforesaid voluntary amalgamation including but not limited to Reserve Bank of India, Competition Commission, Registrar of Companies and National Company Law Tribunal were duly obtained by the Company.

- The name of the "North East Small Finance Bank Limited" was changed to "slice small finance bank limited". In this regard, the name of "North East Small Finance Bank Limited" 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. RBI also issued a fresh license no. MUM 154 to "slice small finance bank limited" on April 07, 2025.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions with the related parties that were entered into during the year under report were in the ordinary course of business of the Bank and were on an arm's length basis. There were no materially significant related party transactions entered into by the Bank with the Directors, Key Managerial Personnel or other persons. As such disclosure in Form AOC-2 is not applicable. The details of related party transactions are

disclosed in the para no. 28 [Related party transaction] of Notes to Accounts of Schedule 18 of the Audited Financial Statements.

14. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review, the Company has duly complied with the provisions of Section 186 of the Companies Act, 2013 and rules made thereunder. Further, the details on loans, guarantees or investments made during the financial year are mentioned in the notes to the Financial Statements.

15. CREDIT RATING

During the year under review, the credit rating has been upgraded to BBB- with the stable outlook from BB+ for the debt instruments (Tier II Bonds) of the Bank.

16. PARTICULARS OF EMPLOYEES REMUNERATION

As per Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, the ratio of the remuneration of each Director to the median employee's remuneration and other details is not applicable to your Bank.

17. RISK MANAGEMENT

The Company has in place a Risk Management Policy which provides for a robust risk management framework to identify and assess risks such as credit risk, market risk, operational risk, liquidity risk, financial risk, regulatory and other risks. There is an adequate risk management infrastructure in place which can address these risks as and when they arise.

18. POLICY ON APPOINTMENT OF DIRECTORS AND REMUNERATION OF THE DIRECTORS, KMPs, SMPS, MRTS AND OTHER EMPLOYEES

The Bank has adopted a Policy on appointment of Directors and remuneration of directors, KMPs, SMPS, MRTs and other employees including criteria for determining qualifications, positive attributes, independence of a director and other matters as provided under the provisions of section 178(3) of the Companies Act, 2013. The Policy is available at the website of the Bank at www.slicebank.com.

19. BOARD OF DIRECTORS AND CHANGES IN THE DIRECTORS DURING THE FY 2024-25:

a. Directors and Key Managerial Personnel (KMP)

As of March 31, 2025, your Bank comprised of the following Directors and Key Managerial Personnel:

S. No	Name of Director	Designation
1.	Mr. Satish Kumar Kalra	MD & CEO
2.	Mr. Rajan Bajaj	Whole Time Director
3.	Mr. Gautam Barua	Independent Director
4.	Mr. Ram Krishna Garg	Independent Director
5.	Mr. Tapan Kumar Hazarika	Independent Director
6.	Mrs. Manjula Saikia Bhuyan	Independent Director
7.	Mr. Samit Shankar Shetty	Independent Director
8.	Mr. Shrimohan Yadav	Independent Director
9.	Mr. Ashish Bhupendra Fafadia	Nominee Director
10.	Mr. Nikhil Sachdev	Nominee Director
11.	Mr. Naresh Jain	Chief Financial Officer
12.	Ms. Shefaly Rai	Company Secretary

The brief profiles of the directors are available on the website and detailed note of the constitution of the Board and its Committees are provided in the Report on Corporate Governance attached as Annexure II.

b. Changes in the Board and KMP during the year under review:

i. Appointments of the Directors and KMP are as follows -

Name	Designation	Date of Appointment
Mr. Rajan Bajaj	Whole time Director	27.10.2024
Mr. Ashish Bhupendra Fafadia	Nominee Director	27.10.2024
Mr. Nikhil Sachdev	Nominee Director	27.10.2024
Mr. Naresh Jain	Chief Financial Officer	05.12.2024
Ms. Shefaly Rai	Company Secretary	19.12.2024

Following the effective date of amalgamation, Mr. Rajan Bajaj, who was previously a Nominee Director

representing GIPL, has been appointed as an Additional Director of the Bank and designated as Whole-Time Director for a period of three years, effective October 27, 2024. Mr. Ashish Bhupendra Fafadia and Mr. Nikhil Sachdev have been appointed as Additional Directors, categorized as Nominee Directors representing

Blume group of entities and Insight Luxembourg XII S.a.r.l. respectively.

The regularization of all the aforementioned Additional Directors will be placed for shareholders' approval at the ninth Annual General Meeting of the Bank.

ii. Cessations of the Directors and KMP are as follows:

Name	Designation	Date of cessation	Reason for cessation
Ms. Smriti Chandra	Nominee Director	27.10.2024	Withdrawal of nomination pursuant to amalgamation
Mr. Pradeep Kumar Nath	Nominee Director	27.10.2024	Withdrawal of nomination pursuant to amalgamation
Mr. Parvez Kasim Mulla	Independent Director	04.11.2024	Resignation
Mr. Kethan Kumar Joshi	Chief Financial Officer	26.06.2024	Resignation
Mr. Sanjeeb Kumar Mishra	Company Secretary	02.12.2024	Resignation

iii. Changes in the composition of the Board have taken place after the close of the financial year and up to the date of this report:

Name	Designation	Appointment/ Cessation	With effect from
Mr. Gautam Barua	Independent Director	Cessation, on completion of maximum permissible tenure of 8 years as an Independent Director on the Board	29. 06. 2025
Mr. Samit Shankar Shetty	Independent Director	Cessation	20.07. 2025
Mr. Eugene Karthak	Additional Independent Director and Part Time Chairperson of the Bank*	Appointment	08.05.2025
Mr. KV Eapen	Additional Independent Director	Appointment	08.05.2025

*The Reserve Bank of India, vide its letter dated July 12, 2025, approved the appointment of Mr. Eugene Karthak as the Part-Time Chairperson ("PTC") of the Bank. Pursuant to the said approval, he assumed office as PTC on August 1, 2025.

Pursuant to Section 152 of the Companies Act, 2013 two directors are liable to retire at the ensuing Annual General Meeting.

above two Board level committees broadly dealt with similar issues concerning two external stakeholders of the Bank i.e. Securities holders and Customers, the Board thought fit to enhance the scope of the Customer Service Committee to include the scope of the Stakeholders Committee w.e.f. May 20, 2024. The role of the committee includes to enhance the customer service standards in the Bank and also to ensure a mutually rewarding relationship with the securities holder and also to redress their grievances as per the requirements of the Companies Act, 2013, and the extant RBI guidelines.

Details of the meetings of the Board Committees, their composition, terms of reference in brief etc., are furnished in the report on Corporate Governance attached to this report in Annexure-II.

20. NUMBER OF BOARD MEETINGS

During the year under review the Board met 9 times. The meetings of the Board of Directors were convened in accordance with applicable laws and standards and the intervening gap between the said meetings was not exceeding 120 days. The details of Board Meetings are available in the report on Corporate Governance attached to this report as Annexure II.

21. COMMITTEES OF THE BOARD

As on March 31, 2025, the Bank had 10 Committees of the Board which were constituted to comply with the requirements of relevant provisions of the applicable laws and for operational efficiency. W.e.f. May 20, 2024, Board reviewed the Committees and decided to merge two Board level Committees viz., Stakeholders Committee and Customer Service Committee as the

22. MEETING OF INDEPENDENT DIRECTORS

During the year under review, in accordance with the provisions of Section 149(8) read with Schedule IV of the Companies Act, 2013 a separate meeting of the Independent Directors of the Bank was held on May 27, 2024 without the presence of Non-Independent Directors.

Details of the said meeting is furnished in the report on Corporate Governance attached to this report in Annexure-II.

23. DECLARATION BY DIRECTORS

The Bank has obtained the requisite declarations from all Directors pursuant to Section 164(1) and Section 164(2) of the Companies Act, 2013, confirming that they are not disqualified from being appointed or continuing as Directors of the Bank. Further, the Directors have submitted the necessary disclosures in accordance with the applicable provisions of the Companies Act, 2013 and the guidelines prescribed by the Reserve Bank of India.

24. CORPORATE SOCIAL RESPONSIBILITY (CSR)

For FY 2024-25, the Bank was not directly liable to make any CSR expenditure. However, the erstwhile Quadrillion Finance Private Limited ("Transferor Company 1" or "QFPL"), which was subsequently amalgamated first with Garagepreneurs Internet Private Limited and thereafter with the Bank (effective October 27, 2024), was obligated to spend the prescribed CSR amount for the year.

At its Board meeting held on September 17, 2024, QFPL had approved a CSR budget of ₹19,59,000 and identified the project to be undertaken as an ongoing project. Pursuant to Section 135 of the Companies Act, 2013 and the Rules framed thereunder, the Bank, in continuation of this obligation, transferred the said amount to a designated CSR bank account on April 24, 2025.

The CSR Committee of the Bank, at its meeting held on February 17, 2025, duly took note of this obligation and the ongoing project approved by QFPL.

The annual report on Corporate Social Responsibility is enclosed as Annexure I.

25. DECLARATION BY INDEPENDENT DIRECTORS

The Bank has received a declaration from all the Independent Directors for having fulfilled the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013.

Pursuant to the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019, read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, the Independent Directors of the Bank have duly registered themselves with the online databank maintained by the Indian Institute of Corporate Affairs (IICA).

In the opinion of Board, the Independent Directors possess requisite domain knowledge, experience,

expertise, integrity and proficiency as required under Schedule IV of the Act.

26. BOARD EVALUATION

Board evaluation is a critical process that ensures the effectiveness and accountability of the company's leadership. During the year, the board conducted a comprehensive self-assessment to review its performance, governance practices and strategic oversight. This evaluation involved individual director feedback, peer reviews and a detailed analysis of board dynamics and decision-making processes. The evaluation for the FY 2024-25 was done in the Independent Directors meeting held on May 23, 2025, and was subsequently taken note of by the Board in their meeting dated May 27, 2025.

The Bank through an amendment to its Directors and Board Evaluation Policy, has adopted revised and enhanced questionnaires to enable a more effective assessment of qualitative aspects.

27. CORPORATE GOVERNANCE

Our commitment to strong corporate governance is fundamental to maintaining the trust of our stakeholders and ensuring long-term sustainable growth. We adhere to the highest standards of transparency, accountability, and ethical conduct across all levels of the organization. Our Board of Directors provides effective oversight, guided by clear policies and procedures that promote responsible decision-making and risk management.

During the year under review, the Bank maintained a comprehensive policy framework governing various aspects of its operations. Pursuant to the merger, certain policies were rationalized by way of discontinuation or consolidation, while new policies were formulated to address the requirements of the merged entity. This has resulted in a strengthened and updated framework, ensuring alignment with applicable regulatory requirements and industry best practices. The Bank continues to periodically review its policy framework to ensure its ongoing relevance, effectiveness and consistency with evolving regulatory expectations.

Regular evaluations and continuous improvements in governance practices reinforce our dedication to compliance with regulatory requirements and best practices, ultimately driving value for our shareholders and supporting the interests of our employees, customers and the wider community.

We prioritize regular evaluation of board performance and governance practices to continuously enhance effectiveness and adapt to evolving regulatory environments. Our governance framework supports compliance with applicable laws and regulations, as well as adherence to industry best practices.

A detailed report on corporate governance practices is given in Annexure-II to this report.

28. ANNUAL RETURN

The Annual Return of the Company as on March 31, 2025, in the Form MGT-7 in accordance with Section 92(3) and 134(3) of the Act as amended from time to time and the Companies (Management and Administration) Rules, 2014 is available on the website of the Company at www.slicebank.com.

29. POLICY ON PROHIBITION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has adopted a policy on prevention of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. The policy aims to promote a healthy work environment and to provide protection to employees at the workplace and redress complaints of sexual harassment and related matters thereto. The Bank has formulated Prevention of Sexual Harassment Policy, which is available at www.slicebank.com. The Company has also constituted an Internal Complaints Committee ("ICC") to enquire into complaints of sexual harassment and recommend appropriate action.

Composition of the Central Internal Complaints Committee as on March 31, 2025:

Name	Designation
Ms. Mahima Garg	Presiding Officer
Ms. Mikami Chandrasekaran	Internal Member
Mr. Gautam Dhaliwal	Internal Member
Ms. Arathi Kannan	External Member

The details of constitution of state-wise ICCs are included in the Prevention of Sexual Harassment (POSH) Policy.

Details of Complaints received during the financial year and the status on the complaints are as follows:

- number of complaints of sexual harassment received in the year - 3
- number of complaints disposed off during the year - 3
- number of cases pending for more than ninety days - Nil

30. DISCLOSURE UNDER MATERNITY BENEFIT ACT, 1961

Your Bank has adhered to all applicable provisions of the Maternity Benefit Act, 1961, ensuring full compliance with statutory requirements.

31. WHISTLE BLOWER POLICY (VIGIL MECHANISM)

Your Bank has established a robust Whistle Blower Policy and Vigil Mechanism in compliance with Section 177(9) of the Companies Act, 2013, and the rules made thereunder, to promote ethical conduct and to ensure transparency, accountability and integrity in every aspect of its business. The policy provides a formal channel for employees, directors and other stakeholders to report genuine concerns regarding unethical behaviour, violation of company policies, suspected fraud, or any other wrongful conduct without fear of retaliation.

The Vigil Mechanism reflects the Company's commitment to uphold the highest standards of ethics and corporate governance, providing a secure and transparent environment for raising genuine concerns without fear.

No personnel were denied access to the Audit Committee during the year. The Policy is disclosed on the Bank's website.

32. ADHERENCE TO SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

Your Bank is committed to maintaining the highest standards of corporate governance and regulatory compliance. In line with this commitment, the Bank strictly adheres to the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) pertaining to the Meetings of the Board of Directors and General Meetings. These standards provide a comprehensive framework for the proper conduct and documentation of meetings, ensuring transparency, accountability and effective decision-making. During the financial year, all Board and Committee meetings of the Bank were conducted in accordance with these Secretarial Standards, with due regard to timely notices, accurate recording of minutes, and proper maintenance of statutory records. This adherence reinforces the Bank's dedication to good governance practices and regulatory requirements in the banking sector.

33. AUDITORS

a. STATUTORY AUDITORS

At the 8th Annual General Meeting M/s. Chaturvedi & Co LLP, Chartered Accountants (Firm Registration No./ LLP No. 302137E /E300286) was appointed as Statutory Auditor of the Bank to hold office upto the ensuing 9th Annual General Meeting. Accordingly, the Bank has received consent from the above auditors and necessary confirmation from them that they are not disqualified to be appointed as auditors of the Bank pursuant to the provisions of the Companies Act, 2013 and the Rules made thereunder.

The Statutory Auditor have issued a unmodified Audit report for the FY 2024-25.

Following the recent merger, the Bank intends to enhance its corporate governance and audit oversight framework. As FY 2025-26 will be the first full financial year post-merger, it is a critical period from a financial reporting and statutory audit perspective. In light of this, Audit Committee in discussion with the management has recommended three audit firms to the Reserve Bank of India for consideration, and the Bank is presently awaiting approval.

b. SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013 and the rules thereunder, your Bank has appointed M/s. Narayan Sharma & Associates, Practicing Company Secretaries, as the Secretarial Auditor to conduct the Secretarial Audit for the year ended March 31, 2025. The audit report from the Secretarial Auditor is annexed to this report as a part of Annexure-III. The Secretarial Auditors have issued their Audit report containing the following observations and the Management response are as under:

Auditor Observation	Management Response
The Bank is yet to file satisfaction of charge for the loan facility availed from Reliance Home Finance Limited ('RHFL') which was closed in the year 2017.	The loan facility has been fully repaid and closed. However, following the takeover of RHFL by Authum Investment and Infrastructure Limited pursuant to the Supreme Court's order, the No Objection Certificate (NOC) for the loan closure has not yet been received, despite several follow-ups, owing to the change in their management. The Bank continues to actively pursue the matter with Authum Investment and Infrastructure Limited and will file the required form at the earliest upon receipt of the NOC.
In the Form AOC-4 filed for FY 2023-24 with the Ministry of Corporate Affairs, an unsigned Board's Report was attached. Further, in the filed form only the Managing Director was mentioned as the signatory, which is not in line with requirement of Section 134(6) of the Companies Act 2013 and the Board resolution.	Due to technical constraints, the extract of the Board's Report attached was taken from the Annual Report. However, a duly signed copy of the Board's Report was available at the Bank's registered office for inspection.

34. REPORTING OF FRAUDS

During the FY 2024-25, pursuant to Section 143(12) of the Act, neither the Statutory Auditors nor the Secretarial Auditor of the Bank have reported any instances of fraud committed in the Bank by its officers or its employees.

35. COST RECORDS & COST AUDIT

Being a Banking company, provisions of Section 148(1) of the Act, relating to maintenance of cost records is not applicable to the Bank.

36. APPLICATION UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

Being a Banking Company which is treated as a 'financial services provider' under the IBC Code 2016, the provisions of the Code are not applicable.

37. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Sr. No. Particulars	Director's Reply or Feedback
a) Conservation of Energy:	
Steps taken for conservation	The Board of Directors are glad to inform you that the Company is providing serious attention towards the conservation of energy. The Company continues to focus on environmentally friendly methods to utilize various sources of energy.
Steps taken for utilizing alternate sources of energy	
Capital investment on energy conservation equipment	

Sr. No. Particulars	Director's Reply or Feedback
b) Technology Absorption:- <ul style="list-style-type: none"> i. The efforts made towards technology absorption ii. The benefits derived like product improvement, cost reduction, product development or import substitution iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) <ul style="list-style-type: none"> a. The details of technology imported b. The year of import c. Whether the technology has been fully absorbed d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof. e. The expenditure incurred on Research and Development 	<p>During the financial year under review, the Company continued to make significant progress in technology adoption, with notable advancements across product innovation, core banking systems, payment infrastructure, data platforms, and the adoption of Artificial Intelligence (AI) and Machine Learning (ML) capabilities. These initiatives translated into tangible benefits in terms of improved operational efficiency, enhanced product reliability, cost optimisation, fraud reduction, and increased customer satisfaction. The Company also strengthened its cybersecurity posture, ensuring greater resilience and risk mitigation across critical systems.</p> <p>During the financial year under review, no import of any technology was made by the Company.</p> <p>During the financial year under review, no expenditure was incurred on Research and Development.</p>
c) Foreign exchange earnings/ outgo:	
Earnings	Nil
Outgo	₹ 28,972.23 thousand

38. DISCLOSURE ABOUT ONE TIME SETTLEMENT INCASE OF LOAN FROM BANK:

During the year under review, there were no instances of one-time settlement (OTS) of loans availed from banks or financial institutions.

39. SNAPSHOT OF A FEW CRITICAL FUNCTIONS OF THE BANK:

OPERATIONS

The Bank's Operations function plays a central role in ensuring end-to-end customer lifecycle efficiency from onboarding to servicing and resolution. Key processes such as KYC verification, account opening, payments reconciliation, service request fulfilment, and transaction dispute resolution have been centralized. There is a strong focus on turnaround times, digitization, and first-time-right processing. Customer satisfaction and process control are continually monitored for improvement.

TECHNOLOGY

The Bank's technology infrastructure is designed to support a scalable, digital-first architecture. Core banking operations are stable, and customer-facing digital platforms are being continuously enhanced. The Bank offers comprehensive internet and mobile banking services and has expanded its ATM network, including UPI-enabled ATMs. Investments continue in platform modernization, API infrastructure, and cybersecurity. Technology is viewed as a critical enabler of efficiency, innovation, and financial access.

VIGILANCE

The Vigilance function of the Bank is focused on fraud prevention and ethical conduct through structured preventive and investigative mechanisms. Surveillance activities include data-driven reviews, CCTV monitoring, and exception tracking. Preventive vigilance is supported by awareness programs, staff sensitization, and timely communication of whistle blower protections. The function works closely with HR, Risk, and Legal to investigate incidents and strengthen internal controls.

HUMAN RESOURCE (HR)

The Bank's Human Resources function is focused on building a high-performing, inclusive, and future-ready organization. It supports a workforce of over 2,600 employees through structured grade architecture, competitive compensation frameworks, and centralized HR systems. The team drives leadership development, capacity building, and employee engagement. Regular employee connects, feedback loops, and HRBP support ensure that people-related issues are addressed proactively. Productivity, culture, and continuous learning remain key pillars of the Bank's talent agenda.

LEGAL AND COMPANY SECRETARY FUNCTIONS

During the year, the Bank's Legal and Company Secretary functions continued to work in close alignment to strengthen the governance framework and ensure adherence to applicable legal and regulatory requirements.

The Legal function provided comprehensive legal support across business and operational areas, including advisory on contracts, litigation management, and regulatory interpretation. The function plays a critical role in mitigating legal risks and supporting the Bank's strategic initiatives within the bounds of applicable law.

The Company Secretarial Function anchored the governance of the Board and its Committees, facilitated timely statutory filings, and ensured compliance with the Companies Act, 2013 and RBI regulations. The function also oversaw the implementation of structured Board processes, including annual calendars, agenda planning, and standardized documentation protocols, thereby supporting informed decision-making and effective oversight.

Together, these functions reinforce the Bank's commitment to transparency, accountability and regulatory excellence.

COMPLIANCE

The Compliance Department of the Bank is an independent corporate function, headed by designated Chief Compliance Officer, reporting to the MD & CEO with oversight from the Audit Committee of the Board. Its responsibilities include ensuring strict observance of all statutory provisions contained in BR Act, FEMA, PMLA etc. The functioning is disseminating regulatory changes, implementing circulars, vetting internal policies / SOPs and ensuring compliances in relation to new products. The team monitors compliance across all functions, conducts periodic testing, provides advisory support, and disseminates key regulatory updates. Training programs have been institutionalized to build a strong compliance culture in the bank. The team also acts as nodal point for RBI inspection and ensures preparedness by all the stakeholders and ensures compliance to the observations.

TREASURY

The Bank's Treasury function is responsible for managing liquidity, investments, and balance sheet in line with the Bank's ALM policy, investment policy and regulatory norms. The function actively manages the statutory liquidity ratio (SLR) and cash reserve ratio (CRR) requirements, oversees money market and G-sec investments, and supports funding and liquidity planning. Treasury also plays a key role in interest rate risk management and interbank dealings. It coordinates closely with the business teams to ensure prudent asset-liability management and alignment with business growth and profitability objectives.

ASSET

The Bank has expanded its geographical presence through a mix of legacy branches and new sourcing zones across India. Disbursement processes are streamlined through automated workflows and data-driven underwriting. Recovery and collections infrastructure has been strengthened with dedicated teams handling early-stage follow-ups, legal escalations, and NPA resolution. The asset strategy is anchored in risk-adjusted growth, portfolio diversification, and operational efficiency.

LIABILITIES

The Bank's liabilities strategy spans retail, digital, and institutional segments. While the branch network continues to support customer engagement and deposit servicing, deposit mobilization is increasingly led by digital acquisition and curated product offerings tailored to customer segments. Institutional banking complements retail efforts by focusing on current accounts, government business, and bulk deposits. Key priorities include CASA growth, onboarding quality, and customer retention.

FINANCE

The Finance function of the bank supports capital optimisation, strategic decision-making, driving profitability, financial & regulatory reporting and budgetary controls on revenue and expenses. The team partners closely with business, product and risk units to drive cost discipline, profitability and capital efficiency. Strong emphasis is placed on automation, Internal controls, compliances and data-backed insights.

RISK

The Bank's Risk Management function is led by the Chief Risk Officer (CRO), who is functionally accountable to the Risk Management Committee of the Board and administratively reports to the MD & CEO. The function is entrusted with identifying, assessing, and managing credit, operational, market, and liquidity, risks to safeguard the Bank's financial stability and reputation. As an independent second line of defense, the Risk Management Department (RMD) operates with clearly defined authority, access to the Board, and adequate resources to carry out its mandate effectively across the Bank. The department works closely with business and functional leaders to embed risk awareness into decision-making, define and monitor the Bank's risk appetite, and ensure strong internal controls. The department is responsible for implementing a bank-wide risk governance framework, aligned with regulatory requirements and internal policies, and regularly conducts stress testing, scenario analysis,

and risk profiling. It reports key risk exposures and mitigation actions to the Board and regulatory authorities, ensuring adherence to the Bank's risk appetite and strengthening institutional trust.

Credit Risk

Within the Risk Management Department, the Credit Risk Unit is responsible for implementing comprehensive processes for credit risk identification, assessment, measurement, monitoring, and mitigation. It develops and periodically updates credit risk policies and guidelines and oversees their implementation across all lending operations. The unit independently reviews significant credit proposals, holds authority to raise objections, and ensures that such proposals are escalated in accordance with the Delegation of Authority framework when required. It also conducts early warning analyses to detect emerging risks within the portfolio and recommends timely corrective actions. Oversight is provided by the Credit Risk Management Committee (CRMC), which meets quarterly to review portfolio performance, policy adherence, and risk trends, and initiate corrective actions where necessary.

Market Risk and ALM

The Market Risk and ALM Unit oversees the Bank's market and liquidity risk exposures, ensuring alignment with the Market Risk Management Policy, ALM Policy, and Investment Policy. It monitors interest rate and liquidity risks arising from investment and balance sheet decisions and track adherence to defined risk limits. The unit also provides oversight of treasury operations and evaluates asset-liability pricing and tenor decisions affecting ALM. Key findings are reported to the Asset Liability Committee (ALCO), which meets monthly to review the Bank's liquidity and interest rate risk profile.

Operational Risk

Operational risk is managed through a dedicated Operational Risk Unit (ORU), which functions independently from business units and is responsible for the development and execution of the Bank's operational risk and resilience framework. The unit formulates policies and standards in line with regulatory guidelines and risk appetite, and independently assesses the materiality of risks, effectiveness of controls, and adequacy of risk tolerances across functions. It reviews and challenges the application of operational risk tools such as Risk and Control Self-Assessment (RCSA), Key Risk Indicators (KRIs), and Loss Data Management, while maintaining the operational

loss database. The ORU monitors the Bank's overall operational risk profile and reports key insights to the Operational Risk Management Committee (ORMC). It also reviews new and modified products, systems, or processes to highlight embedded risks, assesses Business Impact Analyses and continuity strategies, and escalates high-risk issues to senior management. Additionally, the unit acts as the central authority on operational, outsourcing, and IT security risks, to ensure effective risk oversight.

Fraud Risk

The Fraud Risk Unit advises functions on fraud control frameworks, identifies vulnerable areas, and designs surveillance mechanisms across the customer lifecycle. It reports all major and minor frauds, including cyber incidents, to senior management and Board committees. It also leads fraud awareness efforts through communication and training.

INFORMATION SECURITY

The Bank's Information Security function is led by the Chief Information Security Officer (CISO). The function oversees cybersecurity governance, BCP/DR, endpoint protection, and incident monitoring. Controls include 24x7 SOC operations, SIEM tools, and regular vulnerability management. Cybersecurity readiness is further reinforced through penetration testing, phishing simulations, and secure coding protocols. Oversight is provided by the IT & IS Risk Committee, with regular updates to the IT Strategy and Risk Management Committees of the Board.

INTERNAL AUDIT

The Internal Audit function operates independently and reports directly to the Audit Committee of the Board. The audit plan covers all major risk areas including branches, digital channels, credit, and treasury. The function follows the Risk-Based Internal Audit (RBIA) framework and deploys concurrent, thematic, and IT audits. Escalation and closure of key issues are actively tracked, with robust follow-through mechanisms. Emphasis is placed on audit quality, risk coverage, and timely remediation.

40. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has in place adequate Internal Financial Controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weaknesses in the design or operation were observed.

41. DIRECTOR'S RESPONSIBILITY STATEMENT

As required under Section 134 of the Companies Act 2013, the Directors, to the best of their knowledge, hereby confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period.
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. the Directors have prepared the annual accounts on a going concern basis.
- e. the Directors have laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and were operating effectively; and
- f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws.

On behalf of the Board of Directors
For slice small finance bank limited

Sd/-
Satish Kumar Kalra
Managing Director and CEO
DIN: 01952165

Date: August 21st, 2025
Place: Guwahati

ACKNOWLEDGEMENTS

Your Board of Directors would like to express its sincere gratitude to all stakeholders for their continued trust and support throughout the year. We acknowledge the invaluable contribution of our customers, whose faith in our services motivates us to continually enhance our offerings and deliver excellence.

We deeply appreciate the dedicated efforts of our employees at all levels. Their commitment, professionalism, and resilience have been instrumental in navigating the challenges of the year, ensuring the Bank remains steadfast in its mission to foster financial inclusion and sustainable growth.

Our heartfelt thanks go to the regulatory authorities, including the Reserve Bank of India, Ministry of Corporate Affairs, the Government of Assam, and other governmental agencies, for their guidance and support. Their proactive policies and oversight have helped create a stable and robust banking environment in which we operate.

We also take this opportunity to thank our shareholders, business partners, and associates for their unwavering confidence and cooperation. Their partnership has been vital to our growth and innovation initiatives.

Finally, the Board acknowledges the continuous support and strategic guidance of our leadership team and Committees. Together, we remain committed to upholding the highest standards of governance, transparency, and ethical practices as we move forward.

Sd/-
Rajan Baja
Whole time Director
DIN: 07197443

Annexure I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FINANCIAL YEAR 2024-25

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 8 of the Companies (Corporate Social Responsibility) Policy Rules, 2014]

1. Brief outline on CSR policy of the Company:

Your Bank believes that sustainable business growth is intrinsically linked to our commitment to social responsibility and ethical practices. Your Bank has adopted a CSR policy as per the provisions of Section 135 and Schedule VII of the Companies Act, 2013 that reflects our dedication to contributing positively to the communities we operate in, minimizing our environmental impact and fostering a culture of integrity and inclusiveness. We strive to create value not only for our shareholders but also for our stakeholders—including employees, customers, suppliers and the wider community. Our CSR initiatives are aligned with our core values and business objectives, ensuring that our growth supports social welfare and environmental stewardship.

2. Composition of the CSR Committee:

S.No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Manjula Saikia Bhuyan	Independent Director and Chairperson of the Committee	1	1
2.	Dr. Gautam Barua	Independent Director and Member	1	1
3.	Mr. Satish Kumar Kalra	Managing Director and CEO and Member	1	1
4.	Mr. Tapan Kumar Hazarika	Independent Director and Member	1	1

3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company is:

Composition of CSR Committee: www.slicebank.com.

CSR Policy: www.slicebank.com.

CSR projects: www.slicebank.com.

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Impact assessment of CSR projects is not applicable to the Bank for Financial Year 2024-25

5. Details of CSR obligations for the financial year:

(a) Average net profit of the company as per section 135(5)	₹ 9,79,59,547.71
(b) Two percent of average net profit of the company as per section 135(5)	₹ 19,59,000
(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	NIL
(d) Amount required to be set off for the financial year, if any	Nil
(e) Total CSR obligation for the financial year (b + c - d).	₹ 19,59,000

**The Company did not generate any net profits during the three immediately preceding financial years. During the year, M/s Quadrillion Finance Private Limited (Transferor Company 1) was amalgamated with M/s Garagepreneurs Internet Private Limited, which was subsequently amalgamated with the Bank, effective October 27, 2024. Consequently, the profit-related figures referenced above pertain to M/s Quadrillion Finance Private Limited (Transferor Company 1). Pursuant to this amalgamation and in accordance with the applicable provisions of the Companies Act, 2013, the Bank became liable to incur Corporate Social Responsibility (CSR) expenditure during the year.

6. Amount Spent on CSR Projects.

(a) Amount spent on CSR Projects:	
» Ongoing Project	NA
» Other than Ongoing Project	NA
(b) Amount spent in Administrative Overheads.	Nil
(c) Amount spent on Impact Assessment, if applicable.	Nil
(d) Total amount spent for the Financial Year [(a)+(b)+(c)]	NIL

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
NIL	19,59,000	April 24, 2025	NA	NA	NA

(f) Excess amount for set off, if any

S. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	NA
(ii)	Total amount spent for the Financial Year	NA
(iii)	Excess amount spent for the financial year ((ii)-(i))	NA
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years ((iii)-(iv))	NA

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

S. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance amount in unspent CSR amount under section 135(6) (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per second proviso to section 135(5), if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	2021-22				NA			
2	2022-23				NA			
3	2023-24				NA			

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes / No

If Yes, enter the number of Capital assets created / acquired: NA.

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
			NA				

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

For the financial year 2024–25, the provisions relating to Section 135 of the Companies Act, 2013 were not applicable to the Bank as it had incurred losses and was therefore not originally liable to undertake any CSR expenditure.

However, the erstwhile M/s Quadrillion Finance Private Limited (“Transferor Company 1” or “QFPL”) was obligated to spend the prescribed CSR amount for the said year. In its Board meeting held on September 17, 2024, QFPL had approved the CSR budget and identified the project to be undertaken as an ongoing project.

Pursuant to the Scheme of Amalgamation, the CSR liability of QFPL was transferred to the Bank. Subsequently, in the CSR Committee meeting of the Bank held on February 17, 2025, the Committee approved the continuation of QFPL’s CSR project as an ongoing project, with a timeline to incur the expenditure within three financial years, in line with applicable regulatory provisions.

For slice small finance bank limited

Sd/-

Mr. Satish Kumar Kalra

MD &CEO

DIN: 01952165

Sd/-

Mrs. Manjula Saikia Bhuyan

Chairperson - CSR Committee

DIN: 08156782

Annexure-II

REPORT ON CORPORATE GOVERNANCE

Philosophy of Corporate Governance:

The Bank is committed to achieve highest standards of Corporate Governance and our strategy is centered on building a resilient corporate governance structure that meets and exceeds the expectations of all stakeholders, extending our influence beyond mere customer interactions to a broader societal impact.

1. Board of Directors:

Composition of the Board: The Board of Directors of the Bank consists of Ten (10) Directors including the Managing Director & CEO and Whole Time Director as on March 31, 2025. The constitution of the Board conforms to the provisions of Section 10A of the Banking Regulation Act, 1949 read with RBI circulars/ guidelines, as amended from time to time and Section 149 of the Companies Act, 2013. Further, in terms of Guidelines for Licensing of Small Finance Banks in the Private Sector and also in terms of

Article of Association of the Bank (AOA), the Board is comprising of majority of Independent Directors i.e., out of the Ten (10) Directors as on March 31, 2025, Six (6) were Independent Directors including one (1) woman Independent Director. The Board consists of eminent persons having specialized knowledge or practical experience in the areas such as Banking, Finance, Accountancy, Agriculture & Rural Economy, Cooperation & SSI, Information Technology, Risk Management, Payment & Settlement and other areas as specified in the Banking Regulation Act 1949.

In the opinion of the Board, all the Independent Directors fulfill the criteria of independence as specified under the Companies Act, 2013 and possesses requisite domain knowledge, experience, expertise, integrity, and proficiency as required under Schedule IV of the Act.

Details of Board of directors as on March 31, 2025, are as under:

Sl. No	Name of Director	Designation
	Mr. Satish Kumar Kalra	MD & CEO
	Mr. Rajan Bajaj	Whole Time Director
	Dr. Gautam Barua	Independent Director
	Dr. Ram Krishna Garg	Independent Director
	Mr. Tapan Kumar Hazarika	Independent Director
	Mrs. Manjula Saikia Bhuyan	Independent Director
	Mr. Samit Shankar Shetty	Independent Director
	Mr. Shrimohan Yadav	Independent Director
	Mr. Ashish Bhupendra Fafadia	Nominee Director
	Mr. Nikhil Sachdev	Nominee Director

Appointments:

Name	Designation	Date of Appointment
Mr. Rajan Bajaj	Whole Time Director*	27.10.2024
Mr. Ashish Bhupendra Fafadia	Nominee Director	27.10.2024
Mr. Nikhil Sachdev	Nominee Director	27.10.2024

*During the period under review, the Board of the Bank has designated Mr. Rajan Bajaj as Whole Time Director (Executive Director) of the Bank from the position of Nominee Director for a period of 3 years with effect from 27.10.2024, and his regularization by the shareholders of the Bank is due in the ensuing Annual General Meeting. The Board further appointed Mr. Ashish Bhupendra Fafadia and Mr. Nikhil Sachdev as Nominee Directors of the Bank with effect from 27.10.2024.

Further, post-closing of the Financial Year 2024-25, the Board has inducted Mr. Eugene Emmanuel Karthak and Mr. K V Eapen as Additional Directors (Non-Executive, Independent) of the Bank vide in its Board meeting held on May 8, 2025 to hold the office up to the date of the ensuing Annual General Meeting and subject to their regularization as Independent Directors by the shareholders of the Bank.

During the year under review, apart from the above-mentioned changes there were no major changes in the composition of the Board.

The Bank has also recommended a candidature of Mr. Eugene Emmanuel Karthak for the post of Part-time Chairman and RBI has approved the same on July 22, 2025.

Cessation:

Name	Designation held	Date of cessation	Reason for cessation
Ms. Smriti Chandra	Nominee Director	27.10.2024	Withdrawal of nomination
Mr. Pradeep Kumar Nath	Nominee Director	27.10.2024	Withdrawal of nomination
Mr. Parvez Kasim Mulla	Independent Director	05.11.2024	Resignation

During the reported period, nominations of Mr. Pradeep Kumar Nath and Ms. Smriti Chandra, representing RGVN (North East) Microfinance Limited, ceased to be Nominee Directors of the Bank with effect from October 27, 2024 on account of withdrawal of their nomination pursuant to the amalgamation with the Bank. Mr. Parvez Kasim Mulla ceased to be an Independent Director of the Bank with effect from November 5, 2024, following his resignation to avoid a potential conflict of interest.

preclude any potential conflict of interest stemming from his other professional engagements.

The Board places on record its appreciation for the valuable contributions and the guidance given by the aforesaid directors during their tenure in office.

Further, there were no material changes in the composition of the Board of Directors subsequent to the year under report except the cessation of Dr. Gautam Barua as an Independent Director on account of expiry of his tenure on June 29, 2025, and resignation of Mr. Samit Shankar Shetty, Independent Director of the Bank with effect from July 20, 2025 to

As on 31.03.2025, the Board of Directors collectively possesses expertise in accountancy, banking, finance, governance, business management and strategy, supplemented by specialized knowledge in agriculture and rural economy, co-operation and small-scale industries, economics, information technology, risk management, payment and settlement systems, human resources, law and public policy, and treasury operations. This balanced and diverse skillset equips the Board to provide effective strategic guidance, robust oversight and sound governance of the Bank.

Board Meetings:

The Board meetings are convened at regular intervals to deliberate matters of strategic and financial importance as per the applicable guidelines. During the financial year ended March 31, 2025, the Board met Nine (9) times on the following dates:

Sl. No.	Meeting No.	Date of the meeting
1	01/2024-25	01.06.2024
2	02/2024-25	25.06.2024
3	03/2024-25	31.08.2024
4	04/2024-25	24.10.2024
5	05/2024-25	27.10.2024
6	06/2024-25	05.12.2024
7	07/2024-25	19.12.2024
8	08/2024-25	18.01.2025
9	09/2024-25	27.02.2025

The requisite quorum was present for all the meetings of the Board held during FY 2024-25. Details of the attendance of directors at the Board meetings held during the year under report are as under:

Sl. No.	Name of the Director	Total Meetings to be attended	No. of meetings attended
1.	Mr. Tapan Kumar Hazarika	9	8
2.	Dr. Ram Krishna Garg	9	9
3.	Mrs. Manjula Saikia Bhuyan (IAS retd.)	9	8
4.	Dr. Gautam Barua	9	7
5.	Mr. Rajan Bajaj	9	9
6.	Mr. Satish Kumar Kalra	9	9
7.	Mr. Shrimohan Yadav	9	8
8.	Mr. Samit Shankar Shetty	9	8
9.	Mr. Nikhil Sachdev	4	1
10.	Mr. Ashish Bhupendra Fafadia	4	4
11.	Ms. Smriti Chandra	5	3
12.	Mr. Pradeep Kumar Nath	5	3
13.	Mr. Parvez Kasim Mulla	5	5

Scheduling of the meetings

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

Agenda of the meetings

The agendas of Board and Board Committee meetings include matters prescribed under applicable laws and as per business requirements. The agenda notes are prepared and reviewed by the concerned officials of the respective department in consultation with the Company Secretary, MD & CEO and Chairperson of concerned Board Committees before circulation in order to facilitate efficient time management, informed decision-making and active participation at meetings, leading to higher Board effectiveness.

Procedure

The agendas for the Board and Committee meetings along with the presentations are circulated to the members of the Board/ Committee in advance for well-informed decision-making. The members have unrestricted access to all the relevant and required information. The agenda notes and presentations are also shared through secured application for easy access of Board members. Concerned officials are invited to Board and Committee meetings to provide insights related to the items being presented before the Board/ Committee to enhance the depth of discussions and well-informed decision- making.

Minutes of the Meeting

Pursuant to the requirements of the Secretarial Standard on Meetings of the Board of Directors ("SS-

I") issued by the Institute of Company Secretaries of India ("ICSI"), the draft minutes are circulated to the members of the Board/Committee within 15 days from the date of the conclusion of the meetings, for comments. The Comments received on the minutes of Board/Committee are duly incorporated and the minutes are noted in the subsequent meetings held thereafter. The resolution, if any, passed by circulation is placed at the next meeting of the Board/ Committee for noting.

Post-meeting Action Tracker

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

Relationship between Directors inter-se: None of the Directors on the Board is related inter-se.

Nomination & Remuneration Policy:

The Bank has adopted a Policy on Appointment of directors', and remuneration of the directors, KMPs, SMPs, MRTs and other employees including criteria for determining qualifications, positive attributes, independence of a director and other matters as provided under the provisions of section 178(3) of the Companies Act, 2013. The Policy is available at the website of the Bank at www.slicebank.com.

Performance Evaluation

At a separate meeting of Independent Directors held on May 23, 2025, the evaluation of all Directors, Board as a whole and the Committees of the Board for the FY 2024-25 was placed for review and assessment,

and thereafter to the Board for approval at its meeting held on May 27, 2025. The manner of evaluation is detailed in the Board approved Policy on Evaluation of Board, Committees of the Board and the members of the Board.

2. Committees Of The Board:

As on March 31, 2025, the Bank has Ten (10) Committees of the Board which were constituted as per the requirements of relevant provisions of the applicable laws and for operational efficiency. The role and the composition of Board committees as of March 31, 2025, is as follows:

a. Audit Committee (ACB)

As per the directions of Reserve Bank of India, Bank has constituted an Audit Committee of the Board (ACB) which also conforms to the requirements of Companies Act, 2013 and RBI circulars and guidelines.

Brief Terms of Reference

1. Financial Reporting & Audit

- » Recommend appointment and remuneration of auditors.
- » Review auditor's independence, performance, and audit effectiveness.
- » Examine financial statements, auditors' report, and accounting policies.

2. Related Party & Investments

- » Approve related party transactions.

- » Scrutinize inter-corporate loans, investments, and asset valuations.

3. Internal Controls & Risk

- » Evaluate internal financial controls and risk management systems.
- » Oversee vigil mechanism and IS audit.

4. Internal Audit & Compliance

- » Review adequacy of internal audit and compliance functions.
- » Monitor findings of internal/external audits and RBI inspections.

5. Fraud & Regulatory Oversight

- » Review fraud incidents, accountability in senior-level cases, and penalties imposed.
- » Monitor KYC/AML compliance, sensitive sector exposure, and end-use of funds.
- » Ensure reconciliation of accounts and payment systems.

6. Other Powers

- » Address matters prescribed by regulators or delegated by the Board/Shareholders.

During the year under review, the Audit Committee met seven (7) times on June 1, 2024; June 25, 2024; August 30, 2024; October 26, 2024; December 18, 2024; December 26, 2024; and February 17, 2025. The requisite quorum was present at all meetings.

Details of the composition of the Audit Committee as on March 31, 2025, are as follows:

Sl. No.	Members of the Committee	Category of Directorship	Chairperson/Member
1	Mr. Samit Shankar Shetty	Independent Director	Chairperson
2	Dr. Ram Krishna Garg	Independent Director	Member
3	Mr. Ashish Bhupendra Fafadia	Nominee Director	Member
4	Mr. Shrimohan Yadav	Independent Director	Member

All the members of the ACB are financially literate. The Statutory Auditors were also invited to attend the meetings wherever necessary.

During the year, the following changes took place in the composition of the Audit Committee:

- » Cessation of Ms. Smriti Chandra as a member with effect from October 27, 2024, on account of withdrawal of her nomination pursuant to the Amalgamation of the holding company with the Bank.
- » Cessation of Mr. Parvez Kasim Mulla, as a member with effect from November 5, 2024, on account of his resignation.

- » Appointment of Mr. Ashish Bhupendra Fafadia as a member with effect from October 27, 2024.

From the close of the financial year up to the date of this Report, the following changes took place in the composition of the Audit Committee:

- » Cessation of Mr. Samit Shankar Shetty as a Member and Chairperson of the Committee on account of his resignation.
- » Appointment of Mr. Tapan Kumar Hazarika as a Member and Chairperson of the Committee with effect from August 13, 2025.

The details of the attendance of directors at the Audit Committee meetings held during the year under the report are as under:

Dates of Meeting	Samit Shankar Shetty	Shrimohan Yadav	Parvez Kasim Mulla	Smriti Chandra	Ram Krishna Garg	Ashish Bhupendra Fafadia
01.06.2024	✓	✓	✓	-	✓	
25.06.2024	✓	✓	✓	✓	✓	
30.08.2024	✓	✓	✓	✓	✓	
26.10.2024	✓	-	✓	✓	✓	
18.12.2024	✓	✓			✓	✓
26.12.2024	✓	-			✓	✓
17.02.2025	✓	✓			✓	✓
Meetings Attended	7/7	5/7	4/4	3/4	7/7	3/3

b. Risk Management Committee (RMCB):

With a view to devise a policy and strategy for integrated risk management containing various risk exposures, Bank has constituted "Risk Management Committee" (RMCB) which conforms to the guidelines of Reserve Bank of India.

Brief Terms of Reference

- » Oversee the identification, assessment, monitoring, and mitigation of all material risk exposures of the Bank.
- » Approve/recommend to the Board the risk appetite, risk management policies, frameworks, and strategies, ensuring balance between risk and reward.

- » Monitor the risk organization structure, independence of the Risk function, and performance of the Chief Risk Officer (CRO).
- » Review capital adequacy, stress testing, ICAAP, and compliance with regulatory guidelines.
- » Oversee emerging risks, IT & cyber security, outsourcing risks, fraud risk management, and Early Warning Signals (EWS) framework.
- » Address such other risk-related matters as may be prescribed by regulators or delegated by the Board/Shareholders.

During the year under review, the Risk Management Committee met seven (7) times on May 31, 2024, June 27, 2024, August 28, 2024, December 04, 2024, December 17, 2024, February 18, 2025, and March 21, 2025. The requisite quorum was present at all meetings.

Details of the composition of the Risk Management Committee as on March 31, 2025, are as follows:

Sl. No.	Members of the Committee	Category of Directorship	Chairperson/Member
1	Dr. Ram Krishna Garg	Independent Director	Chairperson
2	Mr. Rajan Bajaj	Executive Director	Member
3	Mr. Samit Shankar Shetty	Independent Director	Member
4	Mr. Shrimohan Yadav	Independent Director	Member
5	Mr. Tapan Kumar Hazarika	Independent Director	Member

During the year, the following changes took place in the composition of the Risk Management Committee:

- » Cessation of Mr. Parvez Kasim Mulla, as a member with effect from November 5, 2024, on account of his resignation.

From the close of the financial year up to the date of this Report, the following changes

took place in the composition of the Risk Management Committee:

- » Cessation of Mr. Samit Shankar Shetty as a Member of the Committee on account of his resignation.
- » Appointment of Mr. K V Eapen as a Member of the Committee with effect from August 13, 2025.

The details of the attendance of directors at the Risk Management Committee meetings held during the year under the report are as under:

Dates of Meeting	Samit Shankar Shetty	Tapan Kumar Hazarika	Ram Krishna Garg	Rajan Bajaj	Parvez Kasim Mulla	Shrimohan Yadav
31.05.2024	✓	✓	✓	✓	✓	✓
27.06.2024	✓	✓	✓	-	✓	✓
28.08.2024	✓	✓	✓	✓	✓	✓
04.12.2024	✓	✓	✓	✓		✓
17.12.2024	✓	-	✓	✓		✓
18.02.2025	✓	-	✓	✓		-
21.03.2025	-	✓	✓	-		✓
Meetings Attended	6/7	5/7	7/7	5/7	3/3	6/7

c. Nomination and Remuneration Committee (NRC)

Pursuant to the Companies Act, 2013 and the extant guidelines of Reserve Bank of India, Bank has constituted "Nomination & Remuneration Committee (NRC)".

Brief Terms of Reference

- » Formulate criteria for qualifications, positive attributes, independence, and 'fit & proper' status of Directors, KMP, and Senior Management, and recommend appointments/removals.
- » Oversee succession planning for the Board, KMP, and Senior Management to ensure appropriate balance of skills, experience, and expertise.
- » Review and monitor performance evaluation of the Board, Committees, and individual

Directors; oversee Board composition and training.

- » Recommend and oversee the Bank's Compensation Policy in line with regulatory norms, ensuring alignment between risk, performance, and remuneration.
- » Recommend remuneration of Directors, KMP, Senior Management, and review employee benefit/incentive/ESOP plans.
- » Address such other matters as may be delegated by the Board/Shareholders or prescribed by regulators.

During the year under review, the Nomination and Remuneration Committee met six (6) times on May 31, 2024, September 26, 2024, October 27, 2024, November 21, 2024, December 17, 2024, and February 17, 2025. The requisite quorum was present at all meetings.

Details of the composition of the Nomination and Remuneration Committee as on March 31, 2025, are as follows:

Sl. No.	Members of the Committee	Category of Directorship	Chairperson/Member
1.	Mr. Shrimohan Yadav	Independent Director	Chairperson
2.	Mr. Tapan Kumar Hazarika	Independent Director	Member
3.	Mr. Ashish Bhupendra Fafadia	Nominee Director	Member
4.	Mrs. Manjula Saikia Bhuyan	Independent Director	Member

During the year under review, the following changes took place in the composition of the Nomination and Remuneration Committee:

- » Cessation of Mr. Parvez Kasim Mulla, as a member with effect from November 5, 2024, on account of his resignation.
- » During the year under review, the Committee got reconstituted on December 05, 2024, Mrs. Manjula Bhuyan Saikia and Mr. Ashish Bhupendra Fafadia were added as the members

of the Committee in place of Mr. Samit Shankar Shetty and Mr. Rajan Bajaj.

From the close of the financial year up to the date of this Report, the following changes took place in the composition of the Nomination & Remuneration Committee:

- » Appointment of Mr. Eugene Karthak as a Member of the Committee with effect from August 13, 2025.

The details of the attendance of directors at the NRC meetings held during the year under the report are as under

Dates of Meeting	Samit Shankar Shetty	Tapan Kumar Hazarika	Rajan Bajaj	Parvez Kasim Mulla	Shrimohan Yadav	Manjula Saikia Bhuyan	Ashish Bhupendra Fafadia
31.05.2024	✓	✓	✓	✓	✓		
26.09.2024	-	✓	✓	✓	✓		
27.10.2024	✓	✓	✓	✓	✓		
21.11.2024	✓	-	✓		✓		
17.12.2024		✓			✓	✓	✓
17.02.2025		✓			✓	✓	✓
Meetings Attended	3/4	5/6	4/4	3/3	6/6	2/2	2/2

d. IT Strategy Committee (ITSC)

A Board Level Committee on IT Strategy Committee has been constituted to oversee the Information Technology (IT) related areas such as Information Security, Information System Audit, IT Operations, IT Services Outsourcing, etc.

Brief Terms of Reference

- » Review and approve the Bank's IT strategy, policies, and governance framework, ensuring alignment with overall business objectives.
- » Oversee IT and cybersecurity risk management, in coordination with the Risk Management Committee, and ensure adequate resources and skilled personnel.

- » Review budget allocations for IT and cybersecurity, ensuring adequacy and effective utilization.
- » Monitor the effectiveness of Business Continuity Planning (BCP) and Disaster Recovery (DR) arrangements.
- » Approve standards for information security, access control, and oversee incident response, escalation, and communication mechanisms.
- » Address matters as prescribed by regulators or delegated by the Board/Shareholders.

During the year under review, the IT Strategy Committee met four (4) times on May 31, 2024, August 28, 2024, December 17, 2024, and February 18, 2025. The requisite quorum was present at all meetings.

Details of the composition of the IT Strategy Committee as on March 31, 2025, are as follows:

Sl. No.	Members of the Committee	Category of Directorship	Chairperson/Member
1.	Dr. Gautam Barua	Independent Director	Chairperson
2.	Dr. Ram Krishna Garg	Independent Director	Member
3.	Mr. Nikhil Sachdev	Nominee Director	Member
4.	Mr. Rajan Bajaj	Whole Time Director	Member
5.	Mr. Satish Kumar Kalra	MD & CEO	Member

During the year, the following changes took place in the composition of the IT Strategy Committee:

- » During the year under review, the Committee got reconstituted on December 5, 2024, Mr. Nikhil Sachdev has been added as a member in place of Mr. Samit Shankar Shetty.

- » Cessation of Dr. Gautam Barua as a Member and Chairperson of the Committee on account of his tenure completion.
- » Appointment of Mr. K V Eapen as a Member and Chairperson of the Committee with effect from August 13, 2025.

From the close of the financial year up to the date of this Report, the following changes took place in the composition of the IT Strategy Committee:

The details of the attendance of directors at the IT Strategy Committee meetings held during the year under the report are as under:

Dates of Meeting	Samit Shankar Shetty	Nikhil Sachdev	Gautam Barua	Ram Krishna Garg	Satish Kumar Kalra	Rajan Bajaj
31.05.2024	✓		-	✓	✓	✓
28.08.2024	✓		✓	✓	✓	-
17.12.2024		-	✓	✓	✓	✓
18.02.2025		-	✓	✓	✓	✓
Meetings Attended	2/2	0/2	3/4	4/4	4/4	3/4

e. Customer Service Committee (CSC)

As per the extant RBI Guidelines, the Board has constituted Customer Service Committee of the Board to strengthening the corporate governance structure in the Banking system and also to bring about ongoing improvements in the quality of customer service provided by the Banks.

Brief Terms of Reference

- » Review and recommend policies relating to customer service, grievance redressal, fair practices, and deposit services.
- » Monitor customer complaints, satisfaction surveys, Ombudsman awards, turnaround times, and systemic service improvements.
- » Oversee grievance redressal mechanisms for Business Correspondents (BCs) and

ensure accessibility of services (branches/ ATMs) including for persons with disabilities.

- » Ensure prudent loan recovery practices without customer inconvenience.
- » Review and resolve grievances/queries of shareholders and other security holders relating to transfers, dividends, dematerialization, disclosures, etc.
- » Monitor shareholding structure, investor complaints, and related legal notices; recommend corrective measures where required.

During the year, the Customer Service Committee met four (4) times on May 31, 2024, August 30, 2024, December 18, 2024, and February 18, 2025. The requisite quorum was present at all meetings.

Details of the composition of the Customer Service Committee as on March 31, 2025, are as follows:

Sl. No.	Members of the Committee	Category of Directorship	Chairperson/Member
1.	Mr. Shrimohan Yadav	Independent Director	Chairperson
2.	Mr. Rajan Bajaj	Whole Time Director	Member
3.	Mrs. Manjula Saikia Bhuyan	Independent Director	Member
4.	Mr. Ashish Fafadia	Nominee Director	Member
5.	Mr. Satish Kumar Kalra	MD & CEO	Member

During the year under review, the following changes took place in the composition of the Customer Service Committee:

- » Cessation of Mr. Parvez Kasim Mulla, as a Chairperson with effect from November 5, 2024, on account of his resignation.
- » Cessation of Ms. Smriti Chandra as a member with effect from October 27, 2024, on account of withdrawal of her nomination due to the

amalgamation of the holding company with the Bank.

- » Appointment of Mr. Shrimohan Yadav as Chairperson with effect from December 5, 2024.
- » Appointment of Mr. Ashish Bhupendra Fafadia and Mr. Rajan Bajaj as members with effect from December 5, 2024.

The details of the attendance of directors at the CSC meetings held during the year under the report are as under:

Dates of Meeting	Manjula Saikia Bhuyan	Smriti Chandra	Parvez Kasim Mulla	Shrimohan Yadav	Satish Kumar Kalra	Rajan Bajaj	Ashish Bhupendra Fafadia
31.05.2024	✓	-	✓		✓		
30.08.2024	✓	✓	✓		✓		
18.12.2024	✓			✓	✓	✓	✓
18.02.2025	✓			✓	✓	✓	✓
Meetings Attended	4/4	2/2	2/2	2/2	4/4	2/2	2/2

f. Special Committee of the Board for Monitoring and Follow-up of cases of Frauds (SCBMF):

As per the directions of the Reserve Bank of India, the Board has constituted the Special Committee named as Special Committee of the Board for Monitoring and Follow-up of cases of Frauds' (formerly known as 'Frauds Monitoring Committee') exclusively to monitor, investigate and follow-up cases of fraud and oversee the effectiveness of the fraud risk management in the Bank.

Brief Terms of Reference

- » Review internal and external frauds, including modus operandi, root cause, preventive measures, reporting, and staff accountability.

- » Identify system gaps enabling frauds and ensure corrective controls are implemented.
- » Monitor progress of CBI/Police investigations and recovery status.
- » Ensure timely staff accountability reviews and independent examination by the Chief of Internal Vigilance.
- » Review red-flagged accounts pending beyond 180 days and monitor remedial actions to prevent recurrence.

During the year, the SCBMF met four (4) times on May 31, 2024, August 30, 2024, December 17, 2024 and February 18, 2025. The requisite quorum was present at all meetings.

Details of the composition of the SCBMF as on March 31, 2025, are as follows:

Sl. No.	Members of the Committee	Category of Directorship	Chairperson/Member
1.	Mrs. Manjula Saikia Bhuyan	Independent Director	Chairperson
2.	Mr. Satish Kumar Kalra	MD & CEO	Member
3.	Dr. Ram Krishna Garg	Independent Director	Member
4.	Mr. Shrimohan Yadav	Independent Director	Member
5.	Mr. Tapan Kumar Hazarika	Independent Director	Member

During the year under review, pursuant to the RBI direction the name of the Committee has been changed to Special Committee of the Board for Monitoring Frauds and the Committee was reconstituted on August 04, 2024 by which Mrs. Manjula Saikia Bhuyan was designated as the

Chairperson of the Committee and it was further reconstituted on December 05, 2024 by which Mr. Tapan Kumar Hazarika was inducted as the members of the Committee by replacing Mr. Samit Shankar Shetty.

The details of the attendance of directors at the SCBMF meetings held during the year under the report are as under:

Dates of Meeting	Ram Krishna Garg	Manjula Saikia Bhuyan	Samit Shankar Shetty	Shrimohan Yadav	Satish Kumar Kalra	Tapan Kumar Hazarika
31.05.2024	✓	✓	✓	✓	✓	
30.08.2024	✓	✓	✓	✓	✓	
17.12.2024	-	✓		✓	✓	✓
18.02.2025	✓	✓		✓	✓	✓
Meetings Attended	3/4	4/4	2/2	4/4	4/4	2/2

g. Corporate Social Responsibility Committee (CSR)

A separate Committee under section 135 of the Companies Act, 2013 has been constituted by the Board to formulate and recommend a CSR Policy, recommend the amount of expenditure to be incurred on the CSR activities and monitor the CSR Policy of the Bank from time to time, monitor & regulate the expenditure incurred by the Bank in corporate social responsibilities.

Brief Terms of Reference

- » Formulate, review, and recommend changes to the Bank's CSR Policy in line with the Companies Act, 2013.

- » Recommend the CSR budget and allocation of expenditure across approved activities.
- » Identify CSR focus areas and oversee implementation of CSR projects.
- » Monitor compliance with statutory/regulatory requirements relating to CSR.
- » Address such other matters as may be delegated by the Board/Shareholders.

During the year, the CSR Committee met one (1) time on February 17, 2025. The requisite quorum was present in the meeting.

Details of the composition of the CSR Committee as on March 31, 2025, are as follows:

Sl. No.	Members of the Committee	Category of Directorship	Chairperson/Member
1.	Mrs. Manjula Saikia Bhuyan	Independent Director	Chairperson
2.	Mr. Satish Kumar Kalra	MD & CEO	Member
3.	Dr. Gautam Barua	Independent Director	Member
4.	Mr. Tapan Kumar Hazarika	Independent Director	Member

During the year under review, the Committee was reconstituted due to withdrawal of nomination of Mr. Pradeep Kumar Nath with effect from October 27, 2024.

From the close of the financial year up to the date of this Report, the following changes took place in the composition of the Corporate Social Responsibility Committee:

- » Cessation of Dr. Gautam Barua as a Member of the Committee on account of his tenure completion.
- » Appointment of Mr. Eugene Karthak as a Member of the Committee with effect from August 13, 2025.

The details of the attendance of directors at the CSR Committee meetings held during the year under the report are as under:

Date of Meeting	Manjula Saikia Bhuyan	Tapan Kumar Hazarika	Satish Kumar Kalra	Gautam Barua
17.02.2025	✓	✓	✓	✓
Meetings Attended	1/1	1/1	1/1	1/1

h. Committee for Identification, Review and Classification of Wilful defaulters

A committee for Identification, Review and Classification of Wilful defaulters has been constituted by the Board of the Bank to review the orders of Internal Committee/s classifying a borrower as wilful defaulter and/or non-cooperative borrower.

Brief Terms of Reference

- » To review the order of the Internal Committee classifying a borrower as non-cooperative borrower and the order of the said Screening committee will become final only when it is

confirmed by the Committee for Identification of Non-Cooperative Borrowers.

- » To review the order of the Internal Committee for identification of wilful default classifying a borrower as wilful defaulter and the order of the said Internal committee will become final only when it is confirmed by the Committee for Identification of wilful defaulters.
- » Such other power/authority delegated by the Board/Shareholders from time to time either by way of Delegation of Authority matrix or resolution or otherwise

During the year, there was no occasion to convene the meeting of the Committee.

Details of the composition of the Committee for Identification, Review and Classification of Wilful defaulters as on March 31, 2025, are as follows:

Sl. No.	Members of the Committee	Category of Directorship	Chairperson/Member
1.	Mr. Satish Kumar Kalra	MD & CEO	Chairperson
2.	Mrs. Manjula Saikia Bhuyan	Independent Director	Member
3.	Dr. Gautam Barua	Independent Director	Member
4.	Mr. Tapan Kumar Hazarika	Independent Director	Member

During the year, no changes took place in the composition of Committee.

From the close of the financial year up to the date of this Report, the following changes took place in the composition of the Committee for Identification, Review and Classification of Wilful defaulters:

- » Cessation of Dr. Gautam Barua as a Member of the Committee on account of his tenure completion.
- » Appointment of Mr. K V Eapen as a Member of the Committee with effect from August 13, 2025.

i. **Corporate Governance Committee (CGC):**

Bank has constituted a Corporate Governance Committee on a voluntary basis to help the Board of Directors in adopting best corporate governance principles and exercise oversight into its implementation:

Brief Terms of Reference

- » Review the governance structure periodically so that it remains appropriate in the light of material changes in the Bank's size, complexity, geographic reach, business strategy, market and governance best practices and regulatory requirements.
- » Periodically review and reassess the Bank's organizational documents, corporate governance policies and recommend proposed changes to the Board for approval.
- » Review and evaluate whether appropriate committees exist to support the work of the Board.
- » Such other power/authority delegated by the Board/Shareholders from time to time either by way of Delegation of Authority matrix or resolution or otherwise.

During the year, the Corporate Governance Committee met one (1) time on February 17, 2025. The requisite quorum was available in the meeting.

Details of the composition of the Corporate Governance Committee as on March 31, 2025, are as follows:

Sl. No.	Members of the Committee	Category of Directorship	Chairperson/Member
1.	Mr. Tapan Kumar Hazarika	Independent Director	Chairperson
2.	Mr. Nikhil Sachdev	Nominee Director	Member
3.	Dr. Gautam Barua	Independent Director	Member
4.	Mr. Shrimohan Yadav	Independent Director	Member
5.	Mr. Rajan Bajaj	Executive Director	Member

During the year under review, the Committee got reconstituted twice on October 27, 2024, and December 12, 2024, respectively in which Mr. Pradeep Kumar Nath ceases to be the members of the Committee on account of withdrawal of the nomination and Mr. Nikhil Sachdev and Mr. Rajan Bajaj were inducted as the members of the Committee.

From the close of the financial year up to the date of this Report, the following changes took place in the composition of the Corporate Governance Committee:

- » Cessation of Mr. Tapan Kumar Hazarika as a Member and Chairperson of the Committee.
- » Cessation of Dr. Gautam Barua as a Member of the Committee on account of his tenure completion.
- » Appointment of Mr. Eugene Karthak as a Member and Chairperson of the Committee with effect from August 13, 2025.
- » Appointment of Mr. K V Eapen as a Member of the Committee with effect from August 13, 2025.

The details of the attendance of directors at the Corporate Governance Committee meetings held during the year under the report are as under:

Dates of Meeting	Gautam Barua	Tapan Kumar Hazarika	Nikhil Sachdev	Shrimohan Yadav	Rajan Bajaj
17.02.2025	✓	✓	-	✓	✓
Meetings Attended	1/1	1/1	0/1	1/1	1/1

j. Credit Approval Committee

The Board level Credit Approval Committee was constituted by the Board of the Bank to oversee the credit and lending strategies and objectives of the Bank.

Brief Terms of Reference

- » Overseeing the credit risk management of the Bank by reviewing the Credit Policy and recommending suitable amendments from time to time.

- » Reviewing credit performance vis-à-vis the targets and strategies.
- » Sanction of credit proposals as per the Loan Policy of the Bank within the powers delegated by the Board.
- » Such other power/authority delegated by the Board/Shareholders from time to time either by way of Delegation of Authority matrix or resolution or otherwise.

During the year under review, there was no occasion to convene the meeting of the Committee.

Details of the composition of the Board level Credit Approval Committee as on March 31, 2025, are as follows:

Sl. No.	Members of the Committee	Category of Directorship	Chairperson/Member
1.	Mr. Satish Kumar Kalra	MD & CEO	Chairperson
2.	Dr. Ram Krishna Garg	Independent Director	Member
3.	Dr. Gautam Barua	Independent Director	Member
4.	Mr. Rajan Bajaj	Executive Director	Member

During the year under review, the Committee was reconstituted on October 27, 2024, November 05, 2024, and December 05, 2024, respectively as follows:

- » Cessation of Mr. Pradeep Kumar Nath as a member with effect from October 27, 2024, on account of withdrawal of nomination.
- » Cessation of Mr. Parvez Kasim Mulla, as a member with effect from November 5, 2024, on account of his resignation
- » Appointment of Dr. R K Garg and Mr. Rajan Bajaj as a member with effect from December 5, 2024.

From the close of the financial year up to the date of this Report, the following changes took place in the composition of the Credit Approval Committee:

- » Cessation of Dr. Gautam Barua as a Member of the Committee on account of his tenure completion.

- » Appointment of Mr. Eugene Karthak as a Member of the Committee with effect from August 13, 2025.

3. Committees Of Executives:

Apart from the Board and Board Level Committees, the Bank has also constituted various management level committees such as Asset Liability Management Committee (ALCO), Audit Committee of Executives, Product Approval Committee, Disciplinary Action Committee, HR Committee, Information Security Committee, Standing Committee on Customer Service, Credit Approval Committee, IT Management Steering Committee, Investment Committee, Operational Risk Management Committee, Committee for Stressed MSMEs, Credit Risk Management Committee, POSH & Whistleblower Committee etc. These Committees meet regularly to deliberate and take decisions in their respective areas.

4. Annual General Meetings:

Venue and the date of the last three annual general meetings were as under:

Year	Venue	Date	Day	Time (IST)	Whether any Special resolution/ s passed
2024	Held through Video Conferencing	30.09.2024	Monday	12.00 PM	Special Resolutions were passed to approve the following items: <ol style="list-style-type: none"> To approve the borrowing limit of INR 2000 crore (Rupees Two Thousand Crores) over and above the aggregate of the paid-up capital of the Bank and free reserves and the securities premium. To approve issuance and allotment of non-convertible debentures on a private placement basis up to limit of not exceeding INR 1500 crores (Rupees One Thousand Five Hundred Crores Only)
2023	Held through Video Conferencing	29.09.2023	Friday	12.00 PM	No
2022	Held through Video Conferencing	23.09.2022	Friday	10.00 AM	Special Resolutions were passed to approve the following items: <ol style="list-style-type: none"> To Approve the Appointment of Dr, Gautam Barua as an Independent Director in the Board of NESFB for a period of 3 years till June 29th 2025. Approving the Offer and Issuance of Equity Shares and CCPS on a Private Placement basis.

5. Extra Ordinary General Meeting (Egm) Held During Fy 2024-25

Sl. No.	Type of Meeting	Date and Place	Special Resolution passed
1.	Extra Ordinary General meeting	25.10.2024/ VC/OAVM	Nil
2.	Extra Ordinary General meeting	24.01.2025/ VC/OAVM	Special Resolution was passed to approve the following item : <ol style="list-style-type: none"> To consider and approve change in name of the Bank from 'North East Small Finance Bank Limited' to 'slice small finance bank limited' and consequent amendment to the Memorandum of Association ("MOA") and Articles of Association ("AOA")

Special resolution(s) proposed to be conducted through Poll:

In the Extra Ordinary General Meeting held on January 24, 2025, the above Special resolution has been approved by the Shareholders of the Bank by way of Poll for which the Bank appointed Mr. G Akshay, Managing Partner of G. Akshay & Associates, Company Secretaries in practice as Scrutinizer for the poll process and to submit the scrutinizer report of the voting on Poll.

6. Independent Directors Meeting

As per the requirement of the Companies Act, 2013, a meeting of the Independent Directors of the Bank is required to be held at least once a year in absence of non-independent directors. During the FY 2024-25, there was held only one meeting of Independent Directors of the Bank i.e., on May 27, 2024, chaired by Mrs. Manjula Saikia Bhuyan, Non-Executive

Independent Director to review the performance of Non-Independent Directors, the Board of Directors as a whole and Chairperson of the Bank, and have shown their satisfaction on the same.

7. Registrar And Share Transfer Agent

The Bank has engaged following agencies to facilitate the services of Registrar and Share Transfer Agent

- MUFG Intime India Pvt Ltd. (Formerly Link Intime India Private Limited)

Pursuant to the Amalgamation the following Registrar and Share Transfer agents of M/s Garagepreneurs Internet Private Limited and M/s Quadrillion Finance Private Limited were appointed.

- KFin Technologies Ltd
- NSDL Database Management Ltd

8. Directors E-KYC

The Ministry of Corporate Affairs has vide amendment to the Companies (Appointment and Qualification of Directors) Rules, 2014, mandated registration of KYC of all the directors through e-form DIR -3KYC. All the directors of the Bank have been complying with the said rules and continued to file e-form / web based DIR -3KYC on regular basis.

9. Remuneration of Directors

The Non- Executive/Independent Directors of the Bank receive fixed remuneration for attending the meeting of the Board of Directors and/or Committees thereof, as approved by the Board. During the year all the Independent Directors and Non- Executive Directors (other than Part time Chairperson), have relinquished the sitting fees for attending the Board and Committee meetings in lieu of payment of the fixed remuneration to them.

Details of remuneration paid to Independent Directors and Non- Executive Directors (other than Part time Chairperson) for the year ended March 31, 2025 are as under:

- » With effect from April 1, 2024, Independent Directors and Non-Executive Directors (excluding the Nominee Directors and Part-time Chairperson of the Board) were entitled to a remuneration of ₹1,25,000 per month plus applicable GST/taxes. This

remuneration was approved and paid on a quarterly basis, subject to the Director attending at least 75% of the scheduled meetings during the financial year.

In the absence of a regular Part-time Chairperson, a fee of ₹50,000 per Board meeting (plus applicable GST/taxes) was approved to be payable to the Director elected as the Chairperson for that meeting. This fee shall be paid upon conclusion of the respective Board meeting.

- » With effect from June 1, 2025, the Board has approved the payment of remuneration of ₹1,40,000 per month, plus applicable GST/taxes, to each Independent Director and Non-Executive Director (excluding Nominee Directors and the Part-time Chairperson of the Board).

Additionally, a fixed fee of ₹10,000 per meeting, plus applicable GST/taxes, shall be paid to the Director chairing any committee meeting. Further, until the appointment of a Part-time Chairperson of the Bank, a fee of ₹50,000 per meeting, plus applicable GST/taxes, shall be paid to the Director elected as Chairperson for each Board meeting. This amount shall be paid upon the conclusion of the respective Board meeting.

The remuneration of the Executive Directors (whole-time director and MD) is paid in accordance with the approvals granted by the Reserve Bank of India and in compliance with the applicable regulatory provisions.

Annexure III

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
slice small finance bank limited
(formerly known as North East Small Finance Bank Limited)
1st and 3rd Floor,
Fortune Central, Basistha Road,
Basisthapur, Bye Lane No. 3,
Beltola, Guwahati, Assam, PIN: 781028

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Slice Small Finance Bank Limited** (hereinafter referred to as the "Company" or "Bank"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Auditor's responsibility

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards require that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2025** ('Audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2025** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;

- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

(The provisions were not applicable to the Company being an unlisted Company)

- vi. The following industry specific laws and rules, regulations, directions, guidelines, circulars and instructions framed thereunder:
 - (a) Reserve Bank of India, 1934;
 - (b) The Banking Regulations Act, 1949;
 - (c) Master circulars, directions, guidelines issued to a schedule commercial bank by the Reserve Bank of India from time to time;
 - (d) Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002;
 - (e) The Payment and Settlement Systems Act, 2007;
 - (f) The Negotiable Instruments Act, 1881.

Other laws, including Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board & General Meetings.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. The Bank is yet to file satisfaction of charge for the loan facility availed from Reliance Home Finance Limited ('RHFL') which was closed in the year 2017.
2. In the Form AOC-4 filed for FY 2023-24 with the Ministry of Corporate Affairs, an unsigned Board's Report was attached. Further, in the filed form only the Managing Director was mentioned as the signatory, which is not in line with requirement of Section 134(6) of the Companies Act 2013 and the Board resolution.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors of the schedule Board & Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except when the meetings were called at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings as represented by the management were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

Place: Guwahati

Date: 23rd July, 2025

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no specific events occurred having a major bearing on the company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc. except that the Scheme of Amalgamation which had been approved by the NCLT on August 08, 2024 and which inter alia envisages the:

- (i) amalgamation of **Quadrillion Finance Private Limited (Transferor Company 1)** and **Intergalactory Foundry Private Limited (Transferor Company 2)** into **Garagepreneurs Internet Private Limited (Transferee Company)** w.e.f. the Effective Date, and the consequent dissolution of **Transferor Company 1 & 2** without being wound up;
- (ii) amalgamation of **Garagepreneurs Internet Private Limited (Amalgamating Company 1)**, and **RGVN (North East) Microfinance Limited (Amalgamating Company 2)** into the Bank w.e.f. from the Effective Date and consequent dissolution of the **Amalgamating Company 1 & 2** without being wound up; and
- (iii) issuance of new shares to the shareholders of **Amalgamating Company 1 & 2** in accordance with the Share Exchange ratio as defined in the Scheme.
- (iv) The Bank's name was changed from "North East Small Finance Bank Limited" to "slice small finance bank limited" following approval by the shareholders at the Extraordinary General Meeting held on January 24, 2025. The name change was subsequently approved by the Registrar of Companies, Shillong, who issued a fresh Certificate of Incorporation on February 11, 2025.

For, **M/s Narayan Sharma & Associates**
Practicing Company Secretaries

Sd/-

CS Narayan Sharma

(Proprietor)

FCS No.: 5117 C P No.: 3844

PR: 1563/2021

UDIN: F005117G000848731

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A'

To,
The Members,
slice small finance bank limited
(formerly known as North East Small Finance Bank Limited)
1st and 3rd Floor,
Fortune Central, Basistha Road,
Basisthapur, Bye Lane No. 3,
Beltola, Guwahati, Assam, PIN: 781028

Our report of even date is to be read along with this letter.

- 1) Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
- 4) Our Audit examination is restricted only to legal compliances of the applicable laws to be done by the Company; we have not checked the practical aspects relating to the same.
- 5) Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
- 6) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
- 7) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- 8) Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances might not be detected, even though the audit is properly planned and performed in accordance with audit practices.
- 9) The contents of this Report have to be read in conjunction with the Report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with regard to the Company. Observations, remarks and qualifications mentioned hereinabove are in addition to the observations, remarks, and qualifications given by the auditor(s)/agencies/authorities of the Company in their respective reports.

Place: Guwahati

Date: 23rd July, 2025

For, **M/s Narayan Sharma & Associates**
Practicing Company Secretaries

Sd/-

CS Narayan Sharma

(Proprietor)

FCS No.: 5117 **C P No.:** 3844

PR: 1563/2021

UDIN: F005117G000848731

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
<p>Classification of Advances, Income Recognition, Identification of and Provisioning for non-performing advances.</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>Our Audit Procedure:</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 March 31, 2025.</p>

Key Audit Matters	How our matter was addressed in the audit
Classification and valuation of Investments identification and provisioning for Non-Performing Investments	Our Comments: The results of our audit process were observed to be adequate and satisfactory considering the materiality of the transactions.
(Refer Schedule 8 to the financial statements, read with the Accounting Policy No. 5)	Our Audit Procedure:
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.	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.
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/	We evaluated and understood the system and internal control as laid down by the Bank to comply with relevant RBI guidelines.
guidelines/ directions of RBI.	We assessed and evaluated the process of identification of NPI's and corresponding reversal of unrealised income and creation of provision thereon.
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.	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.
Information Technology (IT) and controls impacting financial Reporting	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 March 31, 2025.
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 Comments:
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.	The results of our audit process were observed to be adequate and satisfactory considering the materiality of the transactions.
Technology (IT) systems are used in financial reporting process. The Bank's operational and	Our Audit Procedure:
financial processes generate extensive volume on daily basis and process varied and complex transactions, which are highly dependent on IT systems.	We evaluated and understood the CBS system adopted by the Bank.
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.	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.
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.	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.
	Reviewed the output and reports generated by the system on sample basis.
	Where deficiencies were identified, we tested compensating controls or performed alternate procedures.
	The system needs to be further strengthened for its efficacy to control deficiencies of input/output data from the system.
	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.

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:

- (a) If the material misstatement is corrected, perform necessary procedure to ensure the correction; or
- (b) 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. (i) 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: 302!37E/E300286

Sd/-

Amit Kumar

Partner

Membership No- 318210

UDIN: 25318210BMRKGI3440

Date: June 12, 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 (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)

We have audited the internal financial controls with reference to financial statements of slice small finance bank limited (formerly known as North East Small Finance Bank Limited) (the "Bank") as of March 31, 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.

For Chaturvedi°& Co LLP
Chartered Accountants
FRN: 302!37E/E300286

Sd/-

Amit Kumar

Partner

Membership No- 318210

UDIN: 25318210BMRKGI3440

Date: June 12, 2025

Place: Kolkata

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!CAI.

Balance Sheet

As at March 31, 2025

(INR in '000)

Particulars	Schedule No.	As at March 31, 2025	As at March 31, 2024
CAPITAL AND LIABILITIES			
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
TOTAL		4,32,98,986	1,68,65,476
ASSETS			
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
TOTAL		4,32,98,986	1,68,65,476
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

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

Place : Kolkata
Date : June 12, 2025

For and on behalf of the Board of Directors

Sd/-
Samit Shankar Shetty
Independent Director and Chairman of
Audit Committee of Board
DIN : 02573018
Place : Bangalore

Sd/-
Rajan Bajaj
Executive Director
DIN : 07197443
Place : Bangalore

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

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

Sd/-
Naresh Jain
Chief Financial Officer
Place : Bangalore

Profit and Loss Account

For the year ended March 31, 2025

(INR in '000)

Particulars	Schedule No.	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
I. INCOME			
Interest Earned	13	40,92,333	19,58,294
Other Income	14	19,44,814	5,55,353
TOTAL		60,37,147	25,13,647
II. EXPENDITURE			
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
TOTAL		82,04,117	40,40,348
III. PROFIT			
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	-
TOTAL		(21,66,970)	(44,16,455)
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		-	-
Transfer to Investment Fluctuation Reserve		-	-
Balance Carried to Balance Sheet		(21,66,970)	(44,16,455)
TOTAL		(21,66,970)	(44,16,455)
Earning per equity Share			
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 **CHATURVEDI & CO LLP**
Chartered Accountants

Firm Registration Number : 302137E/E300286

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

Place : Kolkata
Date : June 12, 2025

For and on behalf of the Board of Directors

Sd/-
Samit Shankar Shetty
Independent Director and Chairman of
Audit Committee of Board
DIN : 02573018
Place : Bangalore

Sd/-
Rajan Bajaj
Executive Director
DIN : 07197443
Place : Bangalore

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

Sd/-
Satish Kumar Kalra
Managing Director & CEO

DIN : 01952165
Place : Guwahati

Sd/-
Naresh Jain
Chief Financial Officer
Place : Bangalore

Cash Flow Statement

For the Year Ended March 31, 2025

(INR in '000)

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	(25,58,303)	(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	2,40,445	5,792
Provision on Investments (Security receipts)	6,71,527	-
Provision for Non Performing / Bad Assets	8,08,827	9,49,958
Employee stock option expense	4,46,707	-
Operating Profit before Working Capital Changes	(1,99,177)	(3,54,177)
Adjustments for:		
Decrease/(Increase) in Other Assets	5,28,574	6,28,811
Decrease/(Increase) in Term Deposits with other Banks	58,500	5,41,500
Increase/(Decrease) in Other liabilities and Provisions	5,94,556	(8,41,747)
Decrease/(Increase) in Advances	(44,07,016)	70,58,328
Decrease/(Increase) in Investments	(29,17,842)	(20,20,916)
Increase/(Decrease) in Deposits	89,88,071	(52,00,559)
Cash generated from / (used) in Operations:	28,44,844	1,65,417
Taxes Paid	-	-
Net Cash Flow from / (used) in Operating Activities (A)	26,45,667	(1,88,760)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (including capital works in progress)	(1,68,898)	(65,551)
Sale of Fixed Assets	3,024	239
Net Cash Flow used in Investing Activities (B)	(1,65,875)	(65,312)
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of equity shares	-	12,25,336
Increase/(Decrease) in Share Premium	-	(1,21,950)
Increase/(Decrease) in Borrowings (Net)	(58,55,197)	(35,25,000)
Net Cash Flow from / (Used in) Financing Activities (C)	(58,55,197)	(24,21,614)
Net Increase / (Decrease) in Cash or Cash Equivalents (A+B+C)	(33,75,404)	(26,75,686)
Cash and Cash Equivalents at the beginning of the year	22,67,149	49,42,835
Opening balance adjustment on account of amalgamation	39,80,594	-
Cash and Cash Equivalents at the end of the year	28,72,339	22,67,149

(INR in '000)

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Break up cash and cash equivalent		
Cash and Balance with RBI	24,63,011	16,38,294
Balance in current account with other banks	4,09,328	87,356
Balance in other deposit accounts with other banks	-	5,41,500
Money at Call & Short Notice	-	-
Total Cash & Cash Equivalent	28,72,339	22,67,149

Notes:

1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard 3 of Cash Flow Statements
2. 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.
3. 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 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 **CHATURVEDI & CO LLP**

Chartered Accountants

Firm Registration Number : 302137E/E300286

Sd/-

CA Amit Kumar

Partner

Membership No - 318210

UDIN - 25318210BMRKGI3440

Place : Kolkata

Date : June 12, 2025

For and on behalf of the Board of Directors

Sd/-

Samit Shankar ShettyIndependent Director and Chairman of
Audit Committee of Board

DIN : 02573018

Place : Bangalore

Sd/-

Rajan Bajaj

Executive Director

DIN : 07197443

Place : Bangalore

Sd/-

Shafaly Kothari

Company Secretary

M. No- F7698

Place : Bangalore

Sd/-

Satish Kumar Kalra

Managing Director & CEO

DIN : 01952165

Place : Guwahati

Sd/-

Naresh Jain

Chief Financial Officer

Place : Bangalore

Schedules Forming Part of Balance Sheet

SCHEDULE 1 - Share Capital

(INR in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised Share Capital:		
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
	1,85,50,840	70,00,000
Issued, Subscribed and Paid up Capital		
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	-
Total	1,07,23,379	46,93,804

SCHEDULE 2 - Reserves and Surplus

(INR in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
I. Statutory Reserve		
Opening Balance	1,97,658	1,97,658
Opening balance adjustment on account of amalgamation	1,86,966	-
Additions during the year	-	-
Closing Balance	3,84,624	1,97,658
II. Investment Fluctuation Reserve		
Opening Balance	-	1,10,710
Additions during the year	-	-
Less: Transferred to General Reserve	-	(1,10,710)
Closing Balance	-	-
III. General Reserve		
Opening Balance	1,10,710	-
Additions during the year	14,930	1,10,710
Less: Utilisation during the year	-	-
Closing Balance	1,25,640	1,10,710
IV. AFS Reserve		
Opening Balance	-	-
Additions during the year	20,099	-
Less: Utilisation during the year	(14,026)	-
Closing Balance	6,073	-
V. Employee Stock options outstanding Reserve		
Opening Balance	-	-
Opening balance adjustment on account of amalgamation	16,70,857	-
Additions during the year	4,46,707	-
Less: Utilisation during the year	-	-
Closing Balance	21,17,564	-

Schedules Forming Part of Balance Sheet

(INR in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
VI. Share premium		
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)
Closing Balance	3,55,427	23,431
VII. Capital Redemption Reserve		
Opening Balance	-	-
Opening balance adjustment on account of amalgamation	-	-
Add: Addition during the year	28	-
Less: Utilisation during the year	-	-
Closing Balance	28	-
VIII. Amalgamation Reserve		
Opening Balance	-	-
Add: Addition during the year on account of amalgamation	(60,33,929)	-
Less: Utilisation made during the year	-	-
Closing Balance	(60,33,929)	-
IX. Money received against share warrants		
Opening Balance	-	-
Opening balance adjustment on account of amalgamation	16,638	-
Add: Warrants Issued during the year	-	-
Less: Warrants cancelled during the year	-	-
Closing Balance	16,638	-
X. Balance in Profit and Loss Account	(21,66,970)	(44,16,455)
Total (I to X)	(51,94,905)	(40,84,657)

SCHEDULE 3 - Deposits

(INR in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
A. I. Demand Deposits		
(i) From Banks	34,163	5,525
(ii) From Others	11,61,820	8,28,843
II. Savings Bank Deposits	47,58,396	37,56,431
III. Term Deposits		
(i) From Banks	27,18,306	27,59,702
(ii) From Others	1,55,11,128	78,45,240
Total (I to III)	2,41,83,812	1,51,95,741
B. I. Deposits of Branches in India	2,41,83,812	1,51,95,741
B. II. Deposits of Branches outside India	-	-
Total (B.I and B.II)	2,41,83,812	1,51,95,741

Schedules Forming Part of Balance Sheet

SCHEDULE 4 - Borrowings

(INR in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
I. Borrowings in India		
i) Reserve Bank of India	-	-
ii) Other Banks	-	-
iii) Other Institutions and Agencies*	1,13,95,308	7,82,500
Total	1,13,95,308	7,82,500
II. Borrowings outside India	-	-
Total (I and II)	1,13,95,308	7,82,500
Secured Borrowings included in I and II above	82,42,308	4,42,500

*Includes compulsory convertible debentures of INR 29,63,000 thousands (Previous year Nil) and subordinated debt (Tier-II capital) of INR 90,000 thousands (Previous year INR 3,40,000 thousands).

SCHEDULE 5 - Other Liabilities and Provisions

(INR in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
I. Bills Payable	-	-
II. Inter-Office Adjustments(net)	-	-
III. Interest Accrued	3,27,791	20,155
IV. Provision for Standard Assets	1,12,326	44,359
V. Provision for taxation (net of advance tax)	33,437	-
VI. Others	17,17,838	2,13,573
Total (I to VI)	21,91,392	

SCHEDULE 6 - Cash and Balance with Reserve Bank of India

(INR in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
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
Total (I and III)	24,63,011	16,38,294

SCHEDULE 7 : Balances with Banks and Money at Call and Short Notice

(INR in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
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

Schedules Forming Part of Balance Sheet

(INR in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
II) Term Money/Money at call and short notice		
i) With banks	-	-
ii) With other Institutions	-	-
Total (I and II)	9,40,688	6,87,356
B. Outside India	-	-
i) In Current Accounts	-	-
ii) In other Deposit accounts	-	-
iii) Money at call and short notice	-	-
Total	-	-
Total (A and B)	9,40,688	6,87,356

SCHEDULE 8 - Investments (net of provisions)

(INR in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
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
Total (I)	77,81,390	55,01,905
II. Investments Outside India	-	-
Total (II)	-	-
Total (I and II)	77,81,390	55,01,905
Gross Investments	84,52,916	55,01,905
Less : Provision for Investments	6,71,527	-
Net Investments	77,81,389	55,01,905

*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.

SCHEDULE 9 - Advances (Net of Provisions)

(INR in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
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
Total	2,90,48,659	80,24,309
B. i) Secured by Tangible Assets	26,45,172	59,07,332
ii) Covered by Banks/Government Guarantees	19,64,280	3,94,526
iii) Unsecured	2,44,39,207	17,22,451
Total	2,90,48,659	80,24,309

Schedules Forming Part of Balance Sheet

(INR in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
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
Total C.I	2,90,48,659	80,24,309
C. II. Advances outside India	-	-
Total C (I and II)	2,90,48,659	80,24,309

SCHEDULE 10 - Fixed Assets

(INR in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
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
Total (I and II)	7,26,931	2,73,708

SCHEDULE 11 - Other Assets

(INR in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
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
Total (I to VII)	23,38,307	7,39,904

SCHEDULE 12 - Contingent Liabilities

(INR in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
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	-
Total (I to VI)	2,18,194	5,913

Schedules Forming Part of The Profit and Loss Account

SCHEDULE 13 - Interest Earned

(INR in '000)

Particulars	For the Period Ended March 31, 2025	For the Year Ended March 31, 2024
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
Total (I to IV)	40,92,333	19,58,294

SCHEDULE 14 - Other Income

(INR in '000)

Particulars	For the Period Ended March 31, 2025	For the Year Ended March 31, 2024
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
Total (I to VII)	19,44,814	5,55,353

* Includes principal recovery from written off accounts of INR 3,25,798 thousands (Previous year INR 5,05,931 thousands.)

SCHEDULE 15 - Interest Expended

(INR in '000)

Particulars	For the Period Ended March 31, 2025	For the Year Ended March 31, 2024
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
Total (I to III)	20,05,380	12,42,561

SCHEDULE 16 - Operating Expenses

(INR in '000)

Particulars	For the Period Ended March 31, 2025	For the Year Ended March 31, 2024
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
Total (I to XII)	48,11,502	17,45,939

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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 limited to slice Small Finance Bank limited 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 confirms 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.

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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.

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'.

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Significant Accounting Policies forming part of Financial Statement

- 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).

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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.

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

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Significant Accounting Policies forming part of Financial Statement

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/up to 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.

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

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Significant Accounting Policies forming part of Financial Statement

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.

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.

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Significant Accounting Policies forming part of Financial Statement

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.

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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, Composite Scheme Of Arrangement And Amalgamation ("Scheme") as given below, under Sections 230 to 232 of the Companies Act, 2013 and other applicable laws including the rules and regulations. On March 12, 2024, the bank has obtained the approval from Competition 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 08, 2024 sanctioned the Scheme. Upon receipt of all requisite approvals, the Bank filed form INC 28 with Registrar of Companies and accordingly, the scheme became effective on October 27, 2024.

- i) amalgamation of erstwhile Quadrillion Finance Private Limited and erstwhile Intergalactory Foundry Private Limited with erstwhile Garagepreneurs Internet Private Limited ("Garagepreneurs"), and thereafter
- ii) amalgamation of Garagepreneurs, RGVN (NORTH EAST) Microfinance Limited ("RGVN") 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:

- » Line by line consolidation of all assets and liabilities of Garagepreneurs and RGVN with the bank.
- » Elimination of all intercompany transaction between Garagepreneurs, RGVN and the bank.
- » Cancellation of Investment done by Garagepreneurs and RGVN.
- » Cancellation of paid-up share capital and CCPS of Garagepreneurs and RGVN shareholders.

- » Issuance of Shares (equity and CCPS) to the shareholders of Garagepreneurs and RGVN as per the agreed swap ratio of 14,088 and 4.17 respectively, as per the scheme.
- » Capital Reduction in Amalgamated bank by 90% of all categories of shares from INR 10 and INR 500 paid up value to INR 1 and INR 50 paid up value, respectively, as per the scheme.

1.2 Capital Infusion

Consequent upon amalgamation becoming effective, the authorised share capital of the Bank stood at INR 1,855.08 crores (10,00,08,40,00 equity shares of INR 1/- each, 7,15,00,00,000 non cumulative compulsory convertible preference shares of 1 each and 2,80,00,000 compulsory convertible preference shares of INR 50 each). In terms of the Scheme, the Bank has issued and allotted 10,68,43,21,219 equity shares to the shareholders of Garagepreneurs & RGVN 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 50 each amounting to INR 134.3 crores into equity shares of INR 99.73 crores having face value of INR 1 each.

Accordingly, the paid-up share capital of the Bank increased from INR 469.38 crore consisting of 46,93,80,361 equity shares of INR 10/- each to INR. 1,072.33 crs comprising:

- i) 8,96,43,09,249 equity shares of INR 1/- each & 30,99,36,000 partly paid equity shares of INR 0.9/- each having face value INR 1/- each and
- ii) 1,48,01,27,544 Non-cumulative Compulsory Convertible Preference Shares of INR 1/- each."

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Notes forming part of the Financial Statements

As on March 31, 2025, the total nos of equity shares as well as total nos of CCPS including the above fresh infusion 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 01.04.2024	46,93,80,361	-	46,93,804	-	23,431
Opening balance adjustment on account of amalgamation:	7,80,75,75,368	2,47,74,17,064	35,52,158	24,77,417	(14,005)
i) fully paid up equity shares and non cumulative compulsory convertible preference shares	7,49,76,39,368	2,47,74,17,064	32,73,216	24,77,417	(14,005)
ii) partly paid up equity shares	30,99,36,000	-	2,78,942	-	-
Sub Total	8,27,69,55,729	2,47,74,17,064	82,45,962	24,77,417	9,426
Converted into equity shares	99,72,89,520	(99,72,89,520)	9,97,290	(9,97,290)	3,46,001
Closing Balance as on 31.03.2025	9,27,42,45,249	1,48,01,27,544	92,43,251	14,80,128	3,55,427

As on March 31, 2024, the total nos of equity shares as well as total nos of CCPS including the above fresh infusion 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 01.04.2023	32,77,00,276	1,91,46,531	32,77,003	1,91,465	1,45,382
Add Fresh issuance during the period	11,01,06,089	-	11,01,061	-	2,324
Sub Total	43,78,06,365	1,91,46,531	43,78,064	1,91,465	1,47,706
Converted into equity shares	3,15,73,996	(1,91,46,531)	3,15,740	(1,91,465)	(1,24,275)
Closing Balance as on 31.03.2024	46,93,80,361	-	46,93,804	-	23,431

1.3 Capital Adequacy Ratio

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

Particulars	As at March 31, 2025	As at March 31, 2024
i) Common Equity Tier I Capital (CET 1)	30,27,868	5,40,178
ii) Additional Tier I Capital	27,51,533	-
(ii) Additional Tier I Capital (%)	7.46%	-
iii) Tier 1 capital (i + ii)	57,79,401	5,40,178
iv) Tier 2 capital	17,06,454	3,14,448
v) Total capital (Tier 1 + Tier 2)	74,85,855	8,54,625
vi) Total Risk Weighted Assets (RWAs)	3,68,68,247	75,59,044
vii) CET 1 Ratio (CET 1 ratio as a percentage of RWAs)	8.21%	7.15%
viii) Tier 1 Ratio (Tier 1 Capital as a percentage of RWAs)	15.68%	7.15%
ix) Tier 2 Ratio (Tier 2 Capital as a percentage of RWAs)	4.63%	4.16%
x) Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as percentage of RWAs)	20.30%	11.31%
xi) Leverage Ratio	13.74%	3.22%

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Notes forming part of the Financial Statements

Particulars	As at March 31, 2025	As at March 31, 2024
xii) Percentage of the shareholding of		
a) Government of India	0.00%	0.00%
b) State Government	0.00%	0.00%
c) Sponsor Bank	0.00%	0.00%
xiii) Amount of paid up share capital raised during the year	Nil	11,03,385
xiv) Amount of non-equity Tier 1 capital raised during the year	Nil	-
xv) Amount of Tier 2 capital raised during the year	Nil	1,50,000

Notes:

- i) 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)
- 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) 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 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 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.
- iii) Subordinated debt inclusion in Tier II capital has been limited to 50% of Tier I capital.
- iv) The bank has applied additional 25% risk weight on advances charged as security against grandfathered borrowings.
- v) In accordance with the RBI guidelines, banks are required to make Pillar 3 disclosures under the Basel II Framework and Net Stable Funding Ratio (NSFR) Disclosures. These disclosures are available on the Bank's website at the following link: https://www.nesfb.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

(INR in '000)

Particulars	As at March 31, 2025	As at March 31, 2024
1. Value of Investments		
(i) Gross Value of Investments		
(a) In India	84,52,916	55,01,905
(b) Outside India,	-	-
(ii) Provisions for Depreciation		
(a) In India	6,71,527	-
(b) Outside India,	-	-
(iii) Net Value of Investments		
(a) In India	77,81,389	55,01,905
(b) Outside India,	-	-
2. Movement of provisions held towards depreciation on investments		
i. Opening Balance	-	-
ii. Add: Provisions made during the year	6,71,527	-
iii. Less: Write back of provisions made during the year	-	-
iv. Closing Balance	6,71,527	-

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Notes forming part of the Financial Statements

2.2 Composition of Investment Portfolio:

As at March 31, 2025

(INR in '000)

Particulars	Investment in India							Investment outside India					Total Investment
	Govt Securities	Other Approved Securities	Shares	Debentures & Bonds	Subsidiaries and/or joint ventures	Others (security receipts)	Total Investment in India	Govt Securities (Including Local Authorities)	Subsidiaries and/or joint ventures	Others	Investment Outside India		
Held to Maturity													
Gross	33,30,705	-	-	-	-	-	33,30,705	-	-	-	-	33,30,705	
Less: Provision for non performing investment (NPI)	-	-	-	-	-	-	-	-	-	-	-	-	
Net	33,30,705	-	-	-	-	-	33,30,705	-	-	-	-	33,30,705	
Available for Sale													
Gross	44,50,684	-	-	-	-	6,71,527	51,22,210	-	-	-	-	51,22,210	
Less: Provision for non performing investment (NPI)	-	-	-	-	-	6,71,527	6,71,527	-	-	-	-	6,71,527	
Net	44,50,684	-	-	-	-	-	44,50,684	-	-	-	-	44,50,684	
Fair Value through Profit and Loss - Held for Trading													
Gross	-	-	-	-	-	-	-	-	-	-	-	-	
Less: Provision for non performing investment (NPI)	-	-	-	-	-	-	-	-	-	-	-	-	
Net	-	-	-	-	-	-	-	-	-	-	-	-	
Total Investments	77,81,389	-	-	-	-	6,71,527	84,52,916	-	-	-	-	84,52,916	
Less: Provision for non-performing investments	-	-	-	-	-	6,71,527	6,71,527	-	-	-	-	6,71,527	
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-	
Net	77,81,389	-	-	-	-	-	77,81,389	-	-	-	-	77,81,389	

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Notes forming part of the Financial Statements

As at March 31, 2024**Schedule 18**

Notes forming part of the Financial Statements

(INR in '000)

Particulars	Investment in India						Investment outside India				Total Investment Outside India	Total Investment
	Govt Securities	Other Approved Securities	Shares	Debentures & Bonds	Subsidiaries and/or joint ventures	Total Investment in India	Govt Securities (Including Local Authorities)	Subsidiaries and/or joint ventures	Others	Total Investment Outside India		
Held to Maturity												
Gross	34,78,351	-	-	-	-	34,78,351	-	-	-	-	34,78,351	
Less: Provision for non performing investment (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	34,78,351	-	-	-	-	34,78,351	-	-	-	-	34,78,351	
Available for Sale												
Gross	10,33,529	-	-	-	-	20,23,555	-	-	-	-	20,23,555	
Less: Provision for non performing investment (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	10,33,529	-	-	-	-	20,23,555	-	-	-	-	20,23,555	
Held for Trading												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for non performing investment (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
Total Investments	45,11,879	-	-	-	-	55,01,906	-	-	-	-	55,01,906	
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	45,11,879	-	-	-	-	55,01,906	-	-	-	-	55,01,906	

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 bank has re-categorised securities on 1st April 2024, hence previous year figures are not comparable.

Schedule 18

Notes forming part of the Financial Statements

2.3 Details of Repo/ Reverse Repo including Liquidity Adjustment Facility (LAF) transactions (in face value terms) for FY 2024-25

(INR in '000)

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 repos				
i. Government securities	-	-	-	-
a) MSF	40,800	1,12,442	76,621	-
b) Repo with RBI	51,500	53,760	53,195	-
ii. Corporate debt securities	-	-	-	-
iii. Any Other securities	-	-	-	-
Securities purchased under reverse repos				
i. Government securities	50,001	10,00,010	2,59,601	-
ii. Corporate debt securities	-	-	-	-
iii. Any Other securities	-	-	-	-

Details of Repo/ Reverse Repo including Liquidity Adjustment Facility (LAF) transactions (in face value terms) for FY 2023-24

(INR in '000)

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 repos				
i. Government securities	9,660	5,88,560	1,51,666	-
ii. Corporate debt securities	-	-	-	-
iii. Any Other securities	-	-	-	-
Securities purchased under reverse repos				
i. Government securities	1,26,350	1,26,350	1,26,350	-
ii. Corporate debt securities	-	-	-	-
iii. Any Other securities	-	-	-	-

2.4 Non-SLR Investment Portfolio:

(i) Non-performing non-SLR investments

(INR in '000)

SI No	Particulars	As at March 31, 2025	As at March 31, 2024
a	Opeing Balance	-	-
b	Additions during the year	-	-
c	Reductions during the above period	-	-
d	Closing balance	-	-
e	Total provisions held	-	-

Schedule 18

Notes forming part of the Financial Statements

(ii) Issuer Composition of Non SLR Investments :

(INR in '000)

SI No	Issuer	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
a)	PSUs	-	-	-	-	-	-	-	-	-	-
b)	FIs	-	-	-	-	-	-	-	-	-	-
c)	Banks	-	-	-	-	-	-	-	-	-	-
d)	Private Corporate	-	-	-	-	-	-	-	-	-	-
e)	Subsidiaries/ Joint Ventures	-	-	-	-	-	-	-	-	-	-
f)	Others (Security Receipts)	6,71,527	-	-	-	6,71,527	9,90,026	-	-	-	9,90,026
g)	Provision held towards depreciation	6,71,527	-	-	-	6,71,527	-	-	-	-	-
Total		-	-	-	-	-	9,90,026	-	-	-	9,90,026

2.5 Sale and transfer of securities to/ from HTM Category

(INR in '000)

Particulars of Securities	March 31, 2025		March 31, 2024	
	Book value	Market value	Book value	Market value
Total of HTM securities before shifting of AFS to HTM	-	-	-	-
Total of AFS Securities shifted to HTM	-	-	-	-
Percentage of securities transferred from AFS to HTM	-	-	-	-

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. Un-hedged foreign currency exposure

The Bank doesn't have unhedged foreign currency exposure as at March 31, 2025 (Previous Year- NIL)

2.9 Disclosure on SDF Lending for FY 2024-25

(INR in '000)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the period	Outstanding as on March 31, 2025
SDF Lending	10,000	37,30,000	8,87,651	10,40,000

Disclosure on SDF Lending for FY 2023-24

(INR in '000)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the period	Outstanding as on March 31, 2024
SDF Lending	10,000	10,10,000	2,96,768	9,50,000

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Notes forming part of the Financial Statements

2.10 Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(INR in '000)

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	-	1,10,710
b) Add: Amount transferred during the year	-	-
c) Less: Drawdown	-	(1,10,710)
d) Closing balance	-	-
3) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT category	-	-

3. Asset Quality

3.1 Classification of advances and provisions held

(INR in '000)

Particulars	As at March 31, 2025				
	Standard	Non Performing			Total
	Total Standard Advances	Sub Standard	Doubtful	Total NPA	
Gross Standard Advances and NPAs					
Opening Balance	73,53,713	8,62,396	1,29,641	9,92,036	83,45,750
Add: Addition on account of amalgamation				8,67,730	
Add: Additions during the year				10,80,932	
Less: Reductions during the year*				10,93,061	
Closing balance	2,76,92,704	15,34,415	3,13,222	18,47,637	2,95,40,341
*Reductions in Gross NPAs due to:					
i) Upgradation				30,695	
ii) Recoveries (excluding recoveries from upgraded accounts)#				2,06,841	
iii) Technical/ Prudential Write-offs				8,55,525	
iv) Write-offs other than those under (iii) above				-	
Provisions (excluding Floating Provisions)					
Opening balance of provisions held	44,359	1,91,800	1,29,641	3,21,441	3,65,800
Add: Addition on account of amalgamation				2,16,939	
Add: Fresh provisions made during the year				8,08,827	
Less: Excess provision reversed/ Write-off loans				8,55,525	
Closing balance of provisions held	1,12,327	3,37,999	1,53,684	4,91,682	6,04,009

Schedule 18

Notes forming part of the Financial Statements

(INR in '000)

Particulars	As at March 31, 2025				
	Standard	Non Performing			Total
	Total Standard Advances	Sub Standard	Doubtful	Total NPA	
Net NPAs					
Opening Balance		6,70,596	-	6,70,596	6,70,596
Add: Addition on account of amalgamation				6,50,791	
Add: Fresh additions during the year				2,72,105	
Less: Reductions during the year				2,37,536	
Closing Balance		11,96,416	1,59,539	13,55,955	13,55,955

balancing figure

(INR in '000)

Particulars	As at March 31, 2024				
	Standard	Non Performing			Total
	Total Standard Advances	Sub Standard	Doubtful	Total NPA	
Gross Standard Advances and NPAs					
Opening Balance	1,56,10,958	6,09,068	28,64,248	34,73,316	1,90,84,274
Add: Additions during the year				25,52,490	
Less: Reductions during the year*				50,33,770	
Closing balance	73,53,713	8,62,396	1,29,641	9,92,036	83,45,750
*Reductions in Gross NPAs due to:					
i) Upgradation				6,736	
ii) Recoveries (excluding recoveries from upgraded accounts)**#				50,27,034	
iii) Technical/ Prudential Write-offs				-	
iv) Write-offs other than those under (iii) above				-	
Provisions (excluding Floating Provisions)					
Opening balance of provisions held	3,67,048	1,87,430	28,64,248	30,51,678	34,18,726
Add: Fresh provisions made during the year				9,49,958	
Less: Excess provision reversed/ Write-off loans				36,80,196	
Closing balance of provisions held	44,359	1,91,800	1,29,641	3,21,441	3,65,800
Net NPAs					
Opening Balance		2,71,638	-	2,71,638	2,71,638
Add: Fresh additions during the year				6,70,596	
Less: Reductions during the year				2,71,638	
Closing Balance		6,70,596	-	6,70,596	6,70,596

**Includes INR 49,42,415 thousands towards sale of stressed assets to ARC.

#balancing figure

Additions and reductions does not include accounts which turned NPA during a particular month and subsequently moved out of NPA in the same month.

Schedule 18

Notes forming part of the Financial Statements

3.2 Floating Provision:

(INR in '000)

Particulars	March 31, 2025	March 31, 2024
a) Opening Balance in the Floating Provision account	-	1,50,000
b) The quantum of floating provisions made during the current year	-	-
c) Amount of drawdown made during the current year	-	1,50,000
d) Closing balance in the Floating provisions account	-	-

3.3 Technical or Prudential Write Offs

(INR in '000)

Particulars	March 31, 2025	March 31, 2024
Opening Balance of Technical /Prudential written off accounts	13,05,762	18,11,694
Add: Opening balance adjustment on account of amalgamation	29,17,585	-
Add: Technical/ Prudential write offs during the year	8,55,525	-
Sub Total (A)	50,78,873	18,11,694
Less : Recoveries made from previously technical/ prudential written offs account during the year (B)	3,25,798	5,05,931
Closing Balance (A-B)	47,53,074	13,05,762

3.4 Ratios in %

(INR in '000)

Particulars	March 31, 2025	March 31, 2024
Gross NPA to Gross Advances	6.25%	11.89%
Net NPA to Net Advances	4.67%	8.36%
Provision coverage ratio including Technical W/off	79.46%	70.82%
Provision coverage ratio without Technical W/off	26.61%	32.40%

3.5.Sector-wise Advances

(INR in '000)

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
A. Priority Sector						
1. Agricultural and Allied Activities	2,28,992	1,13,561	49.59%	5,00,681	3,00,235	59.97%
2. Advances to Industries Sector eligible as PSL	16,67,161	3,70,716	22.24%	18,65,507	77,751	4.17%
3. Services	21,78,261	1,55,495	7.14%	18,02,977	55,687	3.09%
4. Personal Loans and others	5,67,345	1,81,553	32.00%	32,80,078	5,50,813	16.79%
Sub-Total (A)	46,41,761	8,21,325	17.69%	74,49,243	9,84,485	13.22%

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Notes forming part of the Financial Statements

(INR in '000)

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. Non Priority Sector						
1. Agricultural and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
4. Personal loans and others	2,48,98,581	10,26,313	4.12%	8,96,506	7,551	0.84%
Sub-Total (B)	2,48,98,581	10,26,313	4.12%	8,96,506	7,551	0.84%
Total	2,95,40,341	18,47,637	6.25%	83,45,750	9,92,036	11.89%

- i) The bank has compiled 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 16,00,000 thousands) to meet PSL targets under Agri and SMF segment.

Please refer note no. 20 under notes to financial statements.

3.6 Disclosure of transfer of loan exposures

3.6.1 Transfer on non-stressed assets

(INR in '000)

	As on March 31, 2025	As on March 31, 2024
Particulars		
No of Accounts	78,490	Nil
Aggregate principal outstanding of loans transferred	5,07,095	Nil
Weighted average maturity of the loans transferred	11.6 months	Nil
Weighted average holding period of the loans transferred	5.42 months	Nil
Retention of economic beneficial interest	25,355	Nil
Aggregate consideration	4,81,740	Nil

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Notes forming part of the Financial Statements

3.6.2 Transfer on stressed assets

(INR in '000)

Particulars	As on March 31, 2025			As on March 31, 2024		
	To ARCs	To permitted transferees	To other transferees (please specify)	To ARCs	To permitted transferees	To other transferees (please specify)
No of Accounts	Nil	Nil	Nil	1,80,825	Nil	Nil
Aggregate principal outstanding of loans transferred	Nil	Nil	Nil	53,52,449	Nil	Nil
Weighted average residual tenor 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	14,53,654	Nil	Nil
Aggregate consideration	Nil	Nil	Nil	14,98,600	Nil	Nil
Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil	Nil	-	Nil	Nil
Quantum of Excess Provision Reversed to Profit & Loss Account	Nil	Nil	Nil	(44,946)	Nil	Nil

The bank has not purchased/acquired any stressed loan assets.

3.6.3 Details of loans acquired through Direct assignment

(INR in '000)

Particulars	As on March 31, 2025		As on March 31, 2024	
	From SCBs, RRBs, UCBs, StCBs, DCCBs, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)	From ARCs	From SCBs, RRBs, UCBs, StCBs, DCCBs, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)	From ARCs
Aggregate principal outstanding of loans acquired	5,76,078	Nil	Nil	Nil
Aggregate consideration paid	5,81,772	Nil	Nil	Nil
Weighted average residual tenor of the loans acquired*	38.50 Months	Nil	Nil	Nil

*Weighted average residual tenor 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
RR3	India Ratings & Research	50%-75%	6,71,527	9,90,026

*The bank has created 100% provision on outstanding balance of SR as on March 31, 2025.

3.8 Provision for standard assets

(INR in '000)

Particulars	March 31, 2025	March 31, 2024
The amount of provision held on standard assets	1,12,326	44,359

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Notes forming part of the Financial Statements

3.9 Divergence in Asset Classification and Provisioning for NPAs

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

RBI vide its circular dated October 11, 2022 has directed that banks shall make suitable disclosures, if either or both of the following conditions are satisfied -

- the additional provisioning for NPAs assessed 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
- the additional Gross NPAs identified by RBI as part of its supervisory process, exceed 5 per cent of the reported incremental 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 2022-23, there has been no material divergence observed by the RBI in asset classification and provisioning for NPAs.

3.10 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 May 5, 2021 bank has restructured 3,18,389 accounts aggregating to INR 87,76,847 thousands.

Position as on March 31, 2025

(INR in '000)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September 30, 2024 (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	2,665	718	83	1,112	753
Corporate persons	NIL	NIL	NIL	NIL	NIL
Of which MSME's	NIL	NIL	NIL	NIL	NIL
Others	NIL	NIL	NIL	NIL	NIL
Total	2,665	718	83	1,112	753

Position as on March 31, 2024

(INR in '000)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September 30, 2023 (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	1,57,783	3,790	-	1,45,731	8,262
Corporate persons	NIL	NIL	NIL	NIL	NIL
Of which MSME's	NIL	NIL	NIL	NIL	NIL
Others	NIL	NIL	NIL	NIL	NIL
Total	1,57,783	3,790	-	1,45,731	8,262

Note: Bank has not collected any processing fees on restructured loans under Covid 2.0

*Includes amount received from ARC towards sale of stressed assets which were restructured under covid 2.0 amounting INR 1,29,165 thousands.

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3.11 Resolution Plan under Flood identified as natural calamity in the State of Assam

During FY 2022-23, Govt. of Assam Revenue Department issued a notification no RDM-16015/100/2022-ESTT (HQ)-REB-Revenue & D.M. I/40199/2022 dated August 2, 2022 considering the large scale devastation across 34 districts of state of Assam except Karbi Anglong as due to current flood season starting from 6th April 2022 as natural disaster affecting the state of Assam. Accordingly, Bank has taken necessary steps in line with RBI guidelines/SLBC directives in this regard to provide relief measures to the affected borrowers in these 34 districts. The bank implemented the said resolution plan to 1,44,379 accounts involving a total amount of INR 46,33,505 thousands. Out of these 1,25,401 nos of accounts are also covered under Covid 2 Restructuring.

The position of flood restructuring accounts are as under:-

(INR in '000)

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	85	817	565	7,785
Standard Irregular(SMA-0)	26	643	161	2,158
Standard PNPA-Stage I(SMA-1)	35	1,049	77	1,386
Standard PNPA-Stage II(SMA-2)	39	581	98	1,393
Non performing assets	185	432	383	1,738
Grand Total	370	3,521	1,284	14,460

3.12 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 OTH-IF-2/3/2023 DIF-DIF 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 Direction RBI/FIDD/2018-19/64 and RBI/FIDD/2018-19/65 dated 17/10/2018 may be taken up. Accordingly, Bank has taken necessary steps in line with RBI guidelines/SLBC directives in this regard to provide relief measures to the affected borrowers in the State of Manipur. The bank implemented the said resolution plan to 2,499 accounts involving a total amount of INR 2,67,472 thousands.

The position of accounts restructured under riots & disturbances are as under:-

(INR in '000)

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	14,637	2,346	2,82,950
Standard Irregular(SMA-0)	198	16,771	5	431
Standard PNPA-Stage I(SMA-1)	447	46,728	3	387
Standard PNPA-Stage II(SMA-2)	160	38,267	-	-
Non performing assets	988	1,16,176	34	441
Grand Total	2,014	2,32,579	2,388	2,84,208

3.13 Overseas assets, NPAs and revenue

(INR in '000)

Particulars	March 31, 2025	March 31, 2024
Total Assets	NIL	NIL
Total NPAs	NIL	NIL
Total Revenue	NIL	NIL

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4. Business Ratios

(INR in '000)

Particulars	March 31, 2025	March 31, 2024
Interest income as a percentage of working funds	14.70%	8.06%
Non interest income as a percentage of working funds	6.99%	2.29%
Cost of Deposits	7.11%	6.33%
Net Interest Margin as a percentage of working funds	7.50%	2.95%
Operating profit as a percentage of working funds	-2.80%	-1.95%
Return on assets	-7.78%	-6.28%
Business (deposit plus advance) per employee (INR in '000)	19,462	11,356
Profit per employee (INR in '000)	(827)	(736)

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 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, 2025:

(INR in '000)

Sl. no.	Maturity buckets	Loans & advances	Investments	Deposits	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
1	1 day	2,51,583	22,50,804	4,54,926	-	-	-
2	2 days to 7 days	22,61,744	-	6,55,190	2,17,911	-	-
3	8 days to 14 days	33,535	-	3,67,518	41,667	-	-
4	15 days to 30 days	54,296	6,59,206	7,23,052	2,29,483	-	-
5	31 days to 2 month	30,02,998	1,83,001	8,25,589	2,99,920	-	-
6	Over 2 month to 3 month	28,88,568	1,40,221	7,10,525	1,49,488	-	-
7	Over 3 month & upto 6 month	76,65,457	4,49,034	20,05,391	7,55,089	-	-
8	Over 6 month & upto 1 year	85,26,144	13,96,010	72,52,094	13,92,083	-	-
9	Over 1 year & upto 3 years	27,39,795	26,82,191	1,11,85,344	53,46,667	-	-
10	Over 3 years & upto 5 years	13,68,282	18,821	3,416	-	-	-
11	Over 5 years	2,56,258	2,099	765	29,63,000	-	-
		2,90,48,659	77,81,389	2,41,83,811	1,13,95,308	-	-

Maturity Pattern of certain items of assets and liabilities as at March 31, 2024:

(INR in '000)

Sl. no.	Maturity buckets	Loans & advances	Investments	Deposits	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
1	1 day	19,345	-	3,92,588	-	-	-
2	2 days to 7 days	1,12,718	-	2,75,895	-	-	-
3	8 days to 14 days	1,35,466	-	5,31,773	-	-	-
4	15 days to 30 days	2,97,603	2,32,659	3,73,289	54,583	-	-
5	31 days to 2 month	5,31,395	1,06,808	4,17,692	2,083	-	-
6	Over 2 month to 3 month	5,32,667	1,13,566	3,42,132	1,27,083	-	-
7	Over 3 month & upto 6 month	14,56,485	2,02,067	13,80,310	58,750	-	-
8	Over 6 month & upto 1 year	23,41,350	5,10,060	31,01,960	1,17,500	-	-
9	Over 1 year & upto 3 years	15,66,273	30,61,434	82,48,674	1,57,500	-	-
10	Over 3 years & upto 5 years	10,23,029	12,55,311	1,11,783	2,40,000	-	-
11	Over 5 years	7,978	20,001	19,645	25,000	-	-
		80,24,309	55,01,906	1,51,95,741	7,82,500	-	-

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1. The maturity of 'Loans & Advances' has been determined on the basis of monthly/fortnightly installments due.
2. 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.
3. The bucketing is made as per the guidelines issued by Reserve Bank of India as well as ALM policy of the Bank.
4. The Bank has no foreign currency assets & liabilities as on March 31, 2025 and March 31, 2024.

6. Exposure

6.1. Exposure to Real Estate Sector:

(INR in '000)		
Particulars	March 31, 2025	March 31, 2024
a) 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 rented;	3,055	5,429
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
Total (A)	3,055	5,429
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	Nil	Nil
Total (B)	-	-
Total (A+B)	3,055	5,429

* includes only housing loans

6.2. Exposure to Capital Market

(INR in '000)		
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/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

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(INR in '000)

Particulars	March 31, 2025	March 31, 2024
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
Total Exposure to Capital Market	Nil	Nil

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, 2025 (Previous Year : NIL)

Risk Category	Exposure (net) as at March 31, 2025	Provision held as at March 31, 2025	Exposure (net) as at March 31, 2024	Provision held as at March 31, 2024
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
Total	Nil	Nil	Nil	Nil

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, 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 a charge over rights, licenses, authorizations, etc. The Unsecured Advances (net of provision) as at March 31, 2025 of 2,44,39,207 thousands (March 31, 2024 of 17,22,451 thousands) disclosed in Schedule 9B(iii) are without any collateral or any other security.

(INR in '000)

Particulars	March 31, 2025	March 31, 2024
Total unsecured advances of the bank	2,44,39,207	17,22,451
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	-	-
Estimated value of such intangible securities	-	-

6.6. Details of factoring exposure

There is no factoring exposure of the Bank as at March 31, 2025 (Previous Year : NIL).

6.7. Disclosure of penalties imposed by RBI

There has been no penalties levied by RBI during FY 2024-25: (Previous year : NIL)

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6.8 Payment of DICGC Insurance Premium

(INR in '000)

Sr No	Particulars	March 31, 2025	March 31, 2024
1	Payment of DICGC Insurance Premium (including GST @18%)	17,949	20,386
2	Arrears in payment of DICGC premium	-	-

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:

(INR in '000)

Particulars	March 31, 2025	March 31, 2024
Provision towards non performing assets (including settlement waivers)	8,60,885	9,53,917
Provision on investments (Security receipts)	6,71,527	-
Provision for other asset	2,40,000	-
Provision for operational losses	5,830	-
Provision for frauds	445	5,792
Provision reversal on sale of non performing assets	-	(44,946)
Provision towards standard assets	(119)	(2,54,090)
Deferred taxes	(3,91,333)	3,91,174
Total	13,87,235	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 had shifted three Central Govt Securities aggregating to INR 10,00,000 thousands (face Value) from HTM to AFS and created AFS reserve of INR 12,948 thousands (net of taxes INR 4,355 thousands) on April 01, 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.MRG.36/21.04.141/2023-24 (No. RBI/DOR/2023-24/104) 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 4,838 thousands. Further, the bank has made a drawdown from AFS Reserve INR 14,026 thousands in respect of sale and MTM of AFS securities. As at March 31, 2025, AFS reserve balance stands at INR 6,073 thousands (net of deferred taxes INR 2,042 thousands).

(INR in '000)

Category	Face Value	Previous carrying value as on March 31, 2024	Revised carrying value	AFS Reserve	Taxes	Net appropriation to Reserves
Central Govt Security	10,00,000	9,79,549	9,96,852	17,303	4,355	12,948

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 amortised 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 14,930 thousands (net of deferred taxes INR 5,022 thousands) on April 01, 2024.

(INR in '000)

Category	Face Value	Previous carrying value as on March 31, 2024	Revised carrying value	General Reserve	Taxes	Net appropriation to Reserves
Central Govt Security	17,50,000	12,79,409	12,89,757	10,348	2,605	7,744
State Govt Security	7,50,000	7,65,634	7,75,238	9,604	2,417	7,186
Total	25,00,000	20,45,043	20,64,995	19,952	5,022	14,930

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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, 2000.

10. Disclosure of Complaints

a. Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

(INR in '000)

SI No	Particulars	March 31, 2025	March 31, 2024
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	3602	402
3	Number of complaints disposed during the year	3495	395
	Of which, number of complaints rejected by the bank	42	NIL
4	Number of complaints pending at the end of the year	116	9
Maintainable complaints received by the bank from Office of Ombudsman			
5	Number of maintainable complaints received by the bank from Office of Ombudsman	123	15
	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	118	13
	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	5	2
	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	NIL	NIL
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	NIL	NIL

* The above statement of complaint does not include the complaints that were redressed within the next working day in line with section 16.5 of RBI Master circular on 'Customer Services in banks'.

b) Top five grounds of complaints received by the bank from customers

(INR in '000)

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
CURRENT YEAR: March 31, 2025					
ATM/Debit Cards	0	137	53.93% increase	8	0
Internet/Mobile/Electronic Banking	0	550	290.78% increase	3	0
Account opening/difficulty in operation of accounts	0	97	9600% increase	1	1
Loans and advances	7	1314	1312.90% increase	42	6
Staff Behaviour	0	0	100% decrease	0	0
Others	2	1504	1853.24% increase	62	3
Total	9	3602		116	10
PREVIOUS YEAR: March, 31, 2024					
ATM/Debit Cards	2	89	34.07% decrease	0	0
Internet/Mobile/Electronic Banking	0	141	151.79% increase	0	0

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(INR in '000)

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
Account opening/difficulty in operation of accounts	0	24	96.23% decrease	0	0
Loans and advances	0	93	1228.57% increase	7	3
Staff Behaviour	0	1	No change	0	0
Others	0	54	327.78% increase	2	0
Total	2	402	164.75% increase	9	3

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. Bancassurance Business

The Bancassurance Business of the Bank is given below -

(INR in '000)

Nature of Income	March 31, 2025	March 31, 2024
Towards selling of Life Insurance Policy	17,144	6,487
Towards selling of Non Life Insurance Policy	1,79,057	7,937
Total	1,96,201	14,424

13. Marketing and distribution

The Bank has not received any amount in respect of marketing & distribution function during the year ended March 31, 2025 (Previous Year- Nil).

14. Concentration of deposits, advances, exposures and NPAs

14.1. Concentration of deposits:

(INR in '000)

Particulars	March 31, 2025	March 31, 2024
Total deposits of twenty largest depositors	37,84,016	35,50,450
Total Deposits	2,41,83,812	1,51,95,741
Percentage of deposits of twenty largest depositors to total deposits of the Bank	16%	23%

14.2. Concentration of Advances:

(INR in '000)

Particulars	March 31, 2025	March 31, 2024
Total advances to twenty largest customers	1,09,059	2,16,651
Percentage of Advances of twenty largest borrowers to total advances of the Bank	0.37%	2.58%

Advances are computed as per the definition of Credit Exposure including derivatives as prescribed in Master Circular on Exposure Norms.

14.3. Concentration of exposures:

(INR in '000)

Particulars	March 31, 2025	March 31, 2024
Total exposure to twenty largest borrowers/customers*	1,09,059	2,16,651
Percentage of exposures of twenty largest customers to total exposure of the Bank on borrowers/ customers	0.37%	2.58%

Exposures are computed as per the definition in Master Circular on Exposure Norms.

* Exposure includes credit exposure (funded and non-funded credit limits) and investment exposure, if any, in accordance with RBI guidelines.

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14.4. Concentration of NPA's:

(INR in '000)

Particulars	March 31, 2025	March 31, 2024
Total Exposure to top twenty NPA accounts	11,986	6,147
Percentage of exposures 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).

16. Disclosure on Remuneration

A. Qualitative Disclosures:

a) Information relating to the composition and mandate of the Remuneration Committee.

The Bank has constituted a Nomination and Remuneration Committee (NRC). The NRC comprises of four members where three are independent Directors and one is Non Executive 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 it meets appropriate performance benchmarks. The Nomination and Remuneration Committee reviews compensation policy and nomination & remuneration policy of the Bank with a view to attract, retain and motivate employees.

Roles and Responsibilities of NRC is given below:

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, senior management personnel, material risk takers 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 formulated for remuneration of directors, key managerial personnel and senior management, material 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 pay programs comply with all applicable laws, regulations and requirements

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The Tentative compensation structure followed by the company are as follows:

Category	Components	Description
Basic Pay (Monthly)	Basic Pay	40% of the CTC OR 50% of the CTC (Adhering to applicable state minimum wages)
	House Rent Allowance	Maximum upto 40% of Basic Pay
	Leave Travel Allowance	Maximum 20% of Basic Pay
	Statutory Bonus	8.33% of Basic Pay (Applicable if the annual basic is less than 2,52,000)
	Special Allowance	This would be the adjusting component of CTC basis the compensation structure (Special allowances could additionally be a part of this component)
Retirement/Statutory Benefits	Provident Fund (PF) ESIC	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 adequate 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 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. 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, 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.

- i. 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.

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Notes forming part of the Financial Statements

- ii. Share-linked Instruments: Currently ESOPs are granted to employees by the management, based on the Board approved schemes. Share-linked instruments are fair valued on the date of grant by the bank.

B. Quantitative Disclosure

The quantitative disclosures covers details of Chief Executive Officer/ Whole Time Directors / Other Material Risk Takers of the Bank. Key Material Risk Takers are individuals who can materially set, commit 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 Directors/ Other Material Risk Takers)	March 31, 2025	March 31, 2024
g) 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 member of board/other committees) INR 7,842 thousands	9 meetings were held. Aggregate remuneration INR 520 thousands.
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	Fixed - INR 4.35 crores Variable - Nil Deferred - Nil	Fixed - INR 0.77 crores Variable - Nil Deferred - 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
r) Number of MRTs identified.	7 (3 Material Risk Takers and 4 Control Function Staff)	Nil
s) (i) Number of cases where malus has been exercised. (ii) Number of cases where clawback has been exercised. (iii) Number of cases where both malus and clawback have been exercised.	Nil	Nil
t) The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	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.

*Remuneration does not include the provision made for gratuity and compensated absences, as they are obtained on actuarial basis for the bank as a whole.

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C. Disclosure on remuneration to Independent Non- executive directors

Following are the details of sitting fees & remuneration paid to the Independent directors & Part Time Chairman.

(INR in '000)

Name of Director	March 31, 2025	March 31, 2024
R K Garg	1,500	2,226
Gautam Barua	1,500	1,340
Manjula Saikia Bhuyan	1,500	1,020
Sistla Prabhakar	-	765
Tapan Kr Hazarika	2,400	1,575
James Brown	-	300
Pradeep Kr Nath	-	860
Srimohan Yadav	1,500	220
Samit Shankar Shetty	1,550	-
Parvez Kasim Mulla	892	-
Total	10,842	8,306

17. Disclosures relating Securitization (other than Direct assignment)

SI No	Particulars	March 31, 2025	March 31, 2024
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		
	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	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	NIL	NIL
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	NIL	NIL

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Notes forming part of the Financial Statements

Sl No	Particulars	March 31, 2025	March 31, 2024
7	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket 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 portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	NIL	NIL
9	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans, etc.	NIL	NIL
10	Investor complaints		
	(a) Directly/Indirectly received and;	NIL	NIL
	(b) Complaints outstanding	NIL	NIL

18. Intra Group Exposures

(INR in '000)

Particulars	March 31, 2025	March 31, 2024
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

19. Transfer to Depositor Education and Awareness Fund (DEAF)

(INR in '000)

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 reimbursed by DEAF towards claims	NIL	NIL
Closing balance of amounts transferred to DEAF	NIL	NIL

20. Priority sector lending certificates

The details of PSLC purchased and sold are given below:

(INR in '000)

Particulars	March 31, 2025		March 31, 2024	
	PSLC Purchased	PSLC Sold	PSLC Purchased	PSLC Sold
PSLC Agri	7,00,000	NIL	NIL	NIL
PSLC Small & Marginal Farmers	NIL	NIL	16,00,000	NIL
PSLC Micro Enterprise	NIL	NIL	NIL	NIL
PSLC General	NIL	NIL	NIL	NIL
TOTAL PSLC	7,00,000	NIL	16,00,000	NIL

21. 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, 2025 is NIL (Previous Year: NIL)

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22. Unreconciled Balances

During the year Bank has not transferred any unreconciled outstanding credit balance of internal GLs to Profit & loss account or to any other reserve. (Previous Year - NIL).

23. Disclosure of Fraud accounts

(INR in '000)

Particulars	March 31, 2025	March 31, 2024
Number of frauds reported	2,830	5
Amount Involved in fraud	22,463	8,003
Amount of provision made for such frauds	700	6,840
Amount of Unamortised provision debited from 'other reserves' as at the end of the year	-	-

24. Movement of Provision for fraud

(INR in '000)

Particulars	March 31, 2025	March 31, 2024
Opening provision	11,446	5,078
Provision during the year	700	6,840
Utilization / Write back of provision	255	472
Closing provision	11,891	11,446

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.

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, 2025 :

(INR in '000)

	Quarter ended March 31, 2025		Quarter ended December 31, 2024		Quarter ended September 30, 2024		Quarter ended June 30, 2024	
	Unweighted	Weighted	Unweighted	Weighted	Unweighted	Weighted	Unweighted	Weighted
High Quality Liquid Assets								
1. Total High Quality Liquid Assets (HQLA)	89,69,763	89,69,763	1,03,73,579	1,03,73,579	50,57,980	50,57,980	54,14,123	54,14,123
Cash Outflows								
2. Retail deposits and deposits from small business customers, of which :								
i) Stable deposits	1,24,37,142	6,21,857	87,73,242	4,38,662	56,55,428	2,82,771	54,32,896	2,71,645
ii) Less stable deposits	60,82,249	6,08,225	51,25,219	5,12,522	46,60,570	4,66,057	41,16,419	4,11,642
3. Unsecured wholesale funding, of which								
i) Operational deposits (all counterparties)			-	-	-	-	-	-
ii) Non-operational deposits (all counterparties)	34,32,424	24,50,974	-	-	33,54,895	25,63,167	43,62,889	33,20,143
iii) Unsecured debt			33,23,800	25,12,435	-	-	-	-

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(INR in '000)

	Quarter ended March 31, 2025		Quarter ended December 31, 2024		Quarter ended September 30, 2024		Quarter ended June 30, 2024	
	Unweighted	Weighted	Unweighted	Weighted	Unweighted	Weighted	Unweighted	Weighted
4. Secured Wholesale funding	4,89,061	4,89,061	5,90,621	5,90,621			50,000	50,000
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	17,00,283	17,00,283	15,41,454	15,41,454	2,90,395	2,90,395	1,74,610	1,74,610
7. Other contingent funding obligations	2,79,081	9,725	6,54,540	20,645			-	-
8. Total Cash Outflows	2,44,20,240	58,80,125	2,00,08,874	56,16,338	1,40,05,616	36,04,607	1,41,90,808	42,30,740
Cash Inflows								
9. Secured lending (e.g. reverse repos)	-	-						
10. Inflows from fully performing exposures	30,71,661	17,10,495	26,75,532	13,37,766	79,067	79,067	56,264	56,264
11. Other cash inflows	8,78,993	8,78,993	9,48,305	9,48,305	6,66,631	3,33,315	6,23,595	3,11,797
12. Total Cash Inflows	39,50,654	25,89,487	36,23,837	22,86,071	7,45,698	4,12,383	6,79,859	3,68,061
13. TOTAL HQLA	89,69,763	89,69,763	1,03,73,579	1,03,73,579	50,57,980	50,57,980	54,14,123	54,14,123
14. Total Net Cash Outflows	2,04,69,586	32,90,638	1,63,85,037	33,30,267	1,32,59,918	31,92,224	1,35,10,949	38,62,678
15. Liquidity Coverage Ratio (%)		273%		311%		158%		140%

Quantitative disclosures on LCR for the year ended March 31,2024 :

(INR in '000)

	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
High Quality Liquid Assets								
1. Total High Quality Liquid Assets (HQLA)	-	5,611	-	41,15,494	-	38,93,078	-	35,89,018
Cash Outflows								
2. Retail deposits and deposits from small business customers, of which :	1,01,35,597	7,32,824	95,19,116	6,87,303	91,10,110	6,46,629	91,92,293	6,50,738
i) Stable deposits	56,14,714	2,80,736	52,92,165	2,64,608	52,87,641	2,64,382	53,69,825	2,68,491
ii) Less stable deposits	45,20,883	4,52,088	42,26,951	4,22,695	38,22,468	3,82,247	38,22,468	3,82,247
3. Unsecured wholesale funding, of which	41,67,017	33,20,623	40,66,610	32,12,630	40,79,589	29,65,546	69,33,285	43,05,168
i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
ii) Non-operational deposits (all counterparties)	41,67,017	33,20,623	40,66,610	32,12,630	40,79,589	29,65,546	69,33,285	43,05,168
iii) Unsecured debt	-	-	-	-	-	-	-	-
4. Secured Wholesale funding	-	54,583	-	52,500	-	52,500	-	52,500
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	-	-	-	-	-	-	-	-
6. Other contractual funding obligations	1,91,198	1,91,198	4,47,773	4,47,773	3,86,243	3,86,243	2,82,758	2,82,758
7. Other contingent funding obligations	-	-	-	-	-	-	-	-
8. Total Cash Outflows	- 43,03,525	- 44,00,207	- 40,50,918	- 52,91,165				
Cash Inflows								
9. Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-

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(INR in '000)

	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
10. Inflows from fully performing exposures	74,329	74,329	10,818	10,818	26,161	26,161	17,364	17,364
11. Other cash inflows	10,62,545	8,06,273	12,56,056	9,18,560	10,46,150	5,27,937	35,59,649	23,76,284
12. Total Cash Inflows	11,36,874	8,80,602	12,66,874	9,29,377	10,72,311	5,54,098	35,77,013	23,93,649
13. TOTAL HQLA	-	56,11,474	-	41,15,494	-	38,93,078	-	35,89,018
14. Total Net Cash Outflows	-	34,22,923	-	34,70,829	-	34,96,819	-	28,97,516
15. Liquidity Coverage Ratio (%)		164%		119%		111%		124%

26. Net Stable Funding ratio (NSFR) as at 31.03.2025

(INR in '000)

ASF 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)	-	28,19,556	43,51,747	1,17,89,174	1,84,69,566
5 Stable deposits	-	14,83,686	30,40,711	83,81,885	1,26,80,061
6 Less stable deposits	-	13,35,870	13,11,036	34,07,289	57,89,504
7 Wholesale funding: (8+9)	-	14,09,250	17,55,293	20,58,793	29,36,440
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	-	14,09,250	17,55,293	20,58,793	29,36,440
10 Other liabilities: (11+12)	-	34,84,764	14,26,667	57,12,267	64,25,601
11 NSFR derivative liabilities	-	-	-	-	-
12 All other liabilities and equity not included in the above categories	-	34,84,764	14,26,667	57,12,267	64,25,601
13 Total ASF (1+4+7+10)	-	-	-	-	3,63,23,080
RSF Item	-	-	-	-	-
14 Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	3,89,069
15 Deposits held at other financial institutions for operational purposes	-	-	-	-	-
16 Performing loans and securities: (17+18+19+21+23)	-	2,52,13,183	27,08,111	3,02,767	1,52,08,754
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	-	-	-	-
19 Performing loans to non financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	-	-	-	-
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
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 equities	-	2,52,13,183	27,08,111	3,02,767	1,52,08,754
24 Other assets: (sum of rows 25 to 29)	-	17,20,499	4,81,340	26,31,183	48,33,023
25 Physical traded commodities, including gold	-	-	-	-	-

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(INR in '000)

ASF Item	Unweighted value by residual maturity				Weighted value
	No Maturity	< 6 months	6 months to < 1Yr	>= 1Yr	
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	-	17,20,499	4,81,340	26,31,183	48,33,023
30 Off-balance sheet items	-	50,422	-	-	3,321
31 Total RSF (14+15+16+24+30)	-	-	-	-	2,04,34,167
32 Net Stable Funding Ratio (%)	-	-	-	-	177.76%

* This includes additional Tier I capital , Compulsorily convertible debentures amounting INR 29,63,000 thousands.

Net Stable Funding ratio (NSFR) as at 31.03.2024

(INR in '000)

ASF Item	Unweighted value by residual maturity				Weighted value
	No Maturity	< 6 months	6 months to < 1Yr	>= 1Yr	
1 Capital (2+3)	6,09,147	-	-	-	6,09,147
2 Regulatory Capital	6,09,147	-	-	-	6,09,147
3 Other capital instruments	-	-	-	-	-
4 Retail deposits and deposits from small business customers (5+6)	-	17,65,088	19,47,586	67,64,257	1,02,01,642
5 Stable deposits	-	10,89,433	8,30,148	37,68,325	55,91,927
6 Less stable deposits	-	6,75,654	11,17,437	29,95,932	46,09,714
7 Wholesale funding: (8+9)	-	19,83,895	11,54,057	15,80,852	21,57,880
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	-	19,83,895	11,54,057	15,80,852	21,57,880
10 Other liabilities: (11+12)	-	3,20,155	2,92,888	4,47,544	5,31,725
11 NSFR derivative liabilities	-	-	-	-	-
12 All other liabilities and equity not included in the above categories	-	3,20,155	2,92,888	4,47,544	5,31,725
13 Total ASF (1+4+7+10)	-	-	-	-	1,35,00,393
RSF Item	-	-	-	-	-
14 Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	2,25,594
15 Deposits held at other financial institutions for operational purposes	-	-	-	-	-
16 Performing loans and securities: (17+18+19+21+23)	-	63,27,029	25,24,349	6,98,051	55,43,758
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	-	-	-	-
19 Performing loans to non financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	-	-	-	-
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
21 Performing residential mortgages, of which:	-	-	-	-	-

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(INR in '000)

ASF Item	Unweighted value by residual maturity				Weighted value
	No Maturity	< 6 months	6 months to < 1Yr	>= 1Yr	
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 equities	-	63,27,029	25,24,349	6,98,051	55,43,758
24 Other assets: (sum of rows 25 to 29)	-	1,60,210	-	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	-	1,60,210	-	16,05,664	17,65,874
30 Off-balance sheet items	-	40,846	-	-	2,042
31 Total RSF (14+15+16+24+30)	-	-	-	-	75,37,269
32 Net Stable Funding Ratio (%)	-	-	-	-	179.12%

27. Notes on Compliances with Accounting Standards

27.1 Earnings per Share:

(INR in '000)

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

(INR in '000)

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
Operating Profits					(7,79,735)	(4,74,853)
Provisions and Contingencies other than Tax Expenses					17,78,568	6,60,673
Tax Expenses (including deferred tax)					(3,91,333)	3,91,174
Net profit/(Loss)					(21,66,970)	(15,26,701)
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
Total Assets					4,32,98,986	1,68,65,476
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
Total Liabilities		27,51,810		1,79,13,271	3,77,70,512	1,62,56,329

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Notes forming part of the Financial Statements

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:

(INR in '000)		
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
Total	5,72,101	3,18,637
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

(INR in '000)		
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
Total	5,09,763	18,733

The bank has not created deferred tax asset on the accumulated losses.

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 June 26, 2024)
	Naresh Jain - Chief Financial Officer (w.e.f., December 05, 2024)
	Sanjeeb Kumar Mishra - Company Secretary (upto December 02, 2024)
II. Directors	Shefaly Kothari- Company Secretary (w.e.f., December 19, 2024)
	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
	Samit Shankar Shetty- Independent Director
	Smriti Chandra - Nominee Director (upto October 27, 2024)
	Pradeep 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 Fafadia - Nominee Director (w.e.f., October 27, 2024)

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Notes forming part of the Financial Statements

Nature of Related Party	Name and Relationship
III. Enterprises over which Directors have control / significant influence	Alfenas solutions Pvt Ltd. Beyond Trees LLP. New Soul Restoration Pvt Ltd. Kunjal Farms Private Limited Oka Housing Technologies Private Limited Invest Assam Foundation Ekalavya Consulting & Livelihoods Private Limited Ekagon Consulting Services Private Limited Jnan Bikash Ascademic Foundation Ekalavya Rural Transformation and Livelihoods Support Foundation Manash Lifestyle Private Limited Constellation Blu Advisory Private Limited Afaa Private Limited Blume Venture Advisors Private Limited 3F Ventures Management Consultants LLP 3F Ventures Partners II LLP 3F Ventures Investment Manager LLP Blume Venture Investment Manager LLP Credavenue Private Limited
IV. Holding Company	Erstwhile 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 Hridhaan Jain Labhansh Jain Pushpa Kawad Rahul Jain Manisha Jain Shashwat Mishra Anupama Devi Shantanu Mishra Rakesh Rai Praful B Kothari Rekha P.Kothari Vihaan Rai Hiten Kothari

The bank's related party balances and transactions for the year ended are summarised below:

a) Transactions during the year

(INR in '000)

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
Equity share capital								
Erstwhile Garegeprenours Internet Pvt Ltd.	-	-	-	-	11,03,385	-	-	-
Liabilities								
Subordinated debt (Tier -II Bonds)								

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Notes forming part of the Financial Statements

(INR in '000)

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
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
Expense								
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

(INR in '000)

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
Outstanding as at Year end								
Equity share capital								
Erstwhile RGVN (North East) Microfinance Ltd.	-	-	-	-	29,33,844	-	-	-
Erstwhile Garegeprenours Internet Pvt Ltd.	-	-	-	-	13,69,380	-	-	-
Subordinated debt (Tier -II Bonds)								
Erstwhile Intergalactory Foundry Pvt Ltd.	-	-	-	-	1,50,000	-	-	-
Deposits	-	35,644	8,334	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

(INR in '000)

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
Outstanding as at Year end								
Equity share capital								
Erstwhile RGVN (North East) Microfinance Ltd.	29,33,844	-	-	-	29,33,844	-	-	-

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Notes forming part of the Financial Statements

(INR in '000)

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
Erstwhile Garegeprenours Internet Pvt Ltd.	13,69,380	-	-	-	13,69,380	-	-	-
Subordinated debt (Tier -II Bonds)								
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 Garagepreneurs 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.

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.

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slice - Employee Welfare Trust (SEWT) ESOP 2021 , continued as a part of scheme of arrangement

(INR in '000)

Particulars	Stock Options (grants)	Exercise price (INR)	Weighted average exercise price (INR)	Weighted average remaining contractual life (Years)
Outstanding as at April 01, 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	-			
Outstanding as at March 31, 2025	78,064	10	10	1.65

* In the above scheme, the employees eligible to exercise their grants will get 14088 share per grant as approved in the scheme of arrangement.

Employees Stock Option Pool Scheme (Esos), 2024

(INR in '000)

Particulars	Stock Options	Range of exercise prices (INR)	Weighted average exercise price (INR)	Weighted average remaining contractual life (Years)
Outstanding as at April 01, 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	-			
Outstanding as at March 31, 2025	2,98,96,367	1	1	3.75

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)

(INR in '000)

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:

(INR in '000)

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	-
Closing balance as at the end of the year	21,17,564	-

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Notes forming part of the Financial Statements

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:

(INR in '000)

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:

(INR in '000)

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
Closing Balance of Present value of obligation	1,87,346	97,221

Expense recognised in profit and loss account

(INR in '000)

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

(INR in '000)

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

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Notes forming part of the Financial Statements

Change in Fair Value of Plan Assets during the year

(INR in '000)

Particulars	March 31, 2025	March 31, 2024
Opening balance of fair value of plan assets	1,35,118	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

(INR in '000)

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:

(INR in '000)

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:

(INR in '000)

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.

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Notes forming part of the Financial Statements

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

(INR in '000)		
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.

(INR in '000)		
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)"

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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:

(INR in '000)		
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:

(INR in '000)		
Particulars	March 31, 2025	March 31, 2024
Software Expenses		-
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:

(INR in '000)		
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:

(INR in '000)		
Particulars	March 31, 2025	March 31, 2024
GST Input credit	5,35,033	-
Settlement receivable from payment gateway	5,25,071	-

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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.

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 86.65 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 December 31, 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.

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Notes forming part of the Financial Statements

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 and on behalf of the Board of Directors

For **CHATURVEDI & CO LLP**
Chartered Accountants

Firm Registration Number : 302137E/E300286

Sd/-

CA Amit Kumar

Partner

Membership No - 318210

UDIN - 25318210BMRKGI3440

Place : Kolkata

Date : June 12, 2025

Sd/-

Samit Shankar Shetty

Independent Director and Chairman of
Audit Committee of Board

DIN : 02573018

Place : Bangalore

Sd/-

Rajan Bajaj

Executive Director

DIN : 07197443

Place : Bangalore

Sd/-

Shefaly Kothari

Company Secretary

M. No- F7698

Place : Bangalore

Sd/-

Satish Kumar Kalra

Managing Director & CEO

DIN : 01952165

Place : Guwahati

Sd/-

Naresh Jain

Chief Financial Officer

Place : Bangalore



slice

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