

SHIVALIK SMALL FINANCE BANK LIMITED
501, Salcon Aurum, Jasola District Centre, New Delhi - 110025
CIN NO. U65900DL2020PLC366027

Unaudited financial results for half year ended on 30 September, 2021
(all amount is in Rs. in Lakhs, except for share data unless stated otherwise)

Particulars		Half year ended 30 September, 2021 (Reviewed)	Half year ended 30 September, 2020 (Reviewed)	Period from 12 July, 2020 (date of incorporation of the Company) to 31 March, 2021 (Audited)
1	Interest earned (a+b+c+d)	5,500.68	0.19	20.94
	(a) Interest/discount on advances/bills	3,876.71	-	-
	(b) Income on investments	771.30	-	-
	(c) Interest on balances with Reserve Bank of India and other inter bank funds	691.21	-	-
	(d) Others	161.46	0.19	20.94
2	Other income	855.36	-	-
	A. TOTAL INCOME (1+2)	6356.04	0.19	20.94
3	Interest expended	3,202.55	-	-
4	Operating Expenses (e+f)	2,811.77	101.93	108.43
	(e) Employees cost	1,208.31	-	-
	(f) Other operating expenses	1,603.46	101.93	108.43
	B. TOTAL EXPENDITURE (3)+(4) (excluding provisions and contingencies)	6,014.31	101.93	108.43
	C. OPERATING PROFIT (A-B) (Profit before provisions and contingencies)	341.73	-101.74	-87.49
	D. Provisions (other than tax) and contingencies of which provisions for Non-performing Assets	-	-	-
	E. Exceptional items	-	-	-
	F. Provision for taxes	86.01	-	-21.39
	G. Net Profit from Ordinary activity (C-D-E-F)	255.72	-101.74	-66.10
	H. Extraordinary items (net of tax expense)	-	-	-
	I. Net Profit/Loss for the period (G-H)	255.72	-101.74	-66.10
5	Paid-up equity share capital (Nominal value of Rs. 10 each)	8,895.58	200.75	1,033.57
6	Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)	-	-	-66.10
7	Analytical ratios			
	(i) Percentage of shares held by Government of India	NIL	NIL	NIL
	(ii) Capital Adequacy Ratio	17.93%	NA	NA
	(a) CET 1 Ratio	15.35%	NA	NA
	(b) Additional Tier 1 Ratio	-	NA	NA
	(iii) Earning per share (Rs. per share)			
	Basic	0.29	-5.07	-0.85
	Diluted	0.27	-5.07	-0.42
	(iv) (a) Amount of gross non-performing assets	3,074.07	NA	NA
	(b) Amount of net non-performing assets	1,547.45	NA	NA
	(c) % of gross NPAs	3.71%	NA	NA
	(d) % of net NPAs	1.91%	NA	NA
	(v) Return on assets*	0.16%	NA	NA

* Return on Asset is not annualised.

SHIVALIK SMALL FINANCE BANK LIMITED
CIN NO. U65900DL2020PLC366027

Notes forming part of unaudited financial results for the half year ended 30 September, 2021

- 1 Financial results for the half year ended 30 September 2021 have been prepared pursuant to the RBI circular DOR.ACC.REC.No.45/21.04.018/2021-22 dated August 30, 2021. The format for submission of results is as per RBI circular DBS.ARS.No.BC.2/08.91.001/2016-17 dated July 28, 2016.
- 2 The financial results of the Bank have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ('the 2013 Act'), as applicable. The financial results have been prepared on accrual basis under the historical cost convention for the submission with Reserve Bank of India ('RBI') as per the RBI letter dated RBI/2016-17/29 Ref.DBS.ARS.No.BC.2/08.91.001/2016-17 July 28, 2016 and other requirements.
- 3 The above financial results have been reviewed by the Audit Committee of the bank and approved by the Board of Directors in their respective meetings held on November 20, 2021. The same have been subjected to limited review by the Statutory Auditors of the Bank, in line with the guidelines issued by the Reserve Bank of India and as per the requirements of SRE 2410 " Review of Interim financial information performed by independent auditor of the entity.
- 4 Reserve Bank of India (RBI) on 6 January, 2020 has granted an in-principle approval for transition of Shivalik Mercantile Co-operative Bank (SMCB) into a Small Finance Bank under the "Scheme on voluntary transition of Urban Co-operative Bank into a Small Finance Bank" issued by the Reserve Bank of India on 27 September, 2018 (RBI Scheme). In terms of RBI in-principle approval and in accordance with the RBI Scheme, the promoters incorporated Shivalik Small Finance Bank Limited ('SSFB' or 'the Bank') on 12 July, 2020 under the Companies Act, 2013.

 In exercise of the power conferred on the Reserve Bank of India by Section 22 (1) of the Banking Regulation Act, 1949, Shivalik Small Finance Bank Limited was granted a licence (Licence No. MUM:148) to carry on small finance business in India subject to the terms and conditions mentioned in the office letter DoR.NBD.(SMCB).No.2123/16.13.223/2020-21 dated 1 January, 2021 announced through press release on 6 January, 2021. The Shivalik Small Finance Bank Limited commenced its banking operation from 26 April, 2021.
- 5 Shivalik Small Finance Bank Limited has started its banking operations from 26 April, 2021 hence the provisions of Banking Regulation Act were not applicable as at 30 September 2020 and 31 March, 2021. Therefore, previous year amounts have been regrouped for the presentation and disclosure.
- 6 Consequent to the disruption caused due to COVID-19, the Bank has made an assessment as at September 30, 2021 of recoverability of the carrying values of its assets giving due consideration to the internal and external factors. Further, on account of continued spread of COVID-19 pandemic in the country, the Bank has made timely and requisite changes in the business model which has resulted in consistent growth. The Bank is continuously monitoring the situation arising on account of COVID-19 and will take appropriate action required, if any.
- 7 The Bank has invested an amount of Rs. 9041.69 lakhs on 30 July 2021 in Series A1 securities of Aavishkaar Trust through PTC Securitization based on the RBI circular RBI/2016-17/81 DBR.NBD.No.26/16.13.218/2016-17 dated 6 October, 2016 on 'Operating guidelines for Small Finance Banks' to accelerate the achievement of the bank's priority sector lending targets.
- 8 The Bank recognizes a single business and geographical segment, the reporting requirement for primary and secondary segment, is in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by ICAI and hence there are no additional disclosures to be provided other than those already provided in the financial results.
- 9 The Company has issued Compulsory Convertible Debenture of Rs. 107,285,300 by way of 3 series of debentures, having issue size of 1,03,530; 56,25,000 and 40,00,000 number of debentures in Series I, II and III respectively to various debenture holders on 16 December, 2020 having face value of Rs. 10 per debenture. On 19 March, 2021 the Company further issued 1,000,000 debentures of CCD Series III having face value of Rs. 10 per debenture.

 As per the terms and conditions of CCD Series I, 1,03,530 Equity shares of Rs.10 each on fully paid-up basis were allotted to the holders of 0.0001% CCD Series I in lieu of and against the conversion of 1,03,530 CCD Series I of Rs.10 on 1 April, 2021.

 As per the terms and conditions of CCD Series II, 5,62,500 Equity shares of Rs.10 each on fully paid-up basis were allotted to the holders of 9% CCD Series II in lieu of and against the conversion of 5,62,500 CCD Series II of Rs.10 on 1 April, 2021.

 As per the terms and conditions of CCD Series III 30,00,000 Equity shares of Rs. 10 each on fully paid-up basis were allotted to the holders of 9% CCD Series III in lieu of and against the conversion of 30,00,000 CCD Series III of Rs.10 on 26 April, 2021.
- 10 In terms of RBI Circular DBR No. BP. BC 45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, the Bank has not made any provisions.
- 11 In accordance with RBI circular no. DBR.No.BP.BC.18/21.04.048/2018-19 dated January 01, 2019 DOR.No.BP.BC.34/21.4.048/2019-20 dated February 11, 2020 and DOR.No.BP.BC/4/21.04.048/2020-21 dated August 06, 2020 on "Relief for MSME borrowers either exempted or registered under Goods and Service Tax (GST)" the detail of MSME restructured accounts is as under:

No. of Accounts Restructured	Amount involved	Provision held
5*	131.02	13.11

* As reported by Shivalik Mercantile Co-operative Bank Limited prior to the transition of the bank into Shivalik Small Finance Bank.

- 12 In accordance with RBI circular no. DOR.STR.REC.12/21.04.048/2021-22 dated May 05, 2021 on "Resolution Framework 2.0 - Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises" the bank has not restructured any accounts under these guidelines.

SHIVALIK SMALL FINANCE BANK LIMITED
CIN NO. U65900DL2020PLC366027

Notes forming part of unaudited financial results for the half year ended 30 September, 2021

13 Details of resolution plan implemented under Resolution Framework for COVID 19 related stress as per RBI Circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 are given below:

Format -A

Type of Borrower	(A) Number of accounts where resolution plans has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) Of(B),aggregate of debt that was converted into other securities	(D) Additional funding sanctioned ,if any ,including between invocation of the plan and implementation	(E) Increase in provision on the account of the implementation of the resolution plan
Personal Loans*	9	76.93	-	-	7.69
Corporate persons*	-	-	-	-	-
Of which,MSMEs*	-	-	-	-	-
Others *	1	9.51	-	-	0.95
Total	10	86.44	-	-	8.64

* As reported by Shivalik Mercantile Co-operative Bank Limited prior to the transition of the bank into Shivalik Small Finance Bank.

Format-B

Type of Borrower	Exposure to the classified as standard consequent to implementation of resolution plan - Position as at the end of the previous half year (A)	Of(A) aggregate debt that slipped into NPA during the half -year	Of(A) Amount written off during half-year	Of(A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half year
Personal Loans*	100.92	21.27	-	5.16	74.49
Corporate persons*	-	-	-	-	-
Of which,MSMEs*	-	-	-	-	-
Others *	94.65	85.14	-	-	9.51
Total	195.57	106.41	-	5.16	84.00

* As reported by Shivalik Mercantile Co-operative Bank Limited prior to the transition of the bank into Shivalik Small Finance Bank.

14 In accordance with RBI circular no. DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 "Resolution Framework 2.0 - Resolution of Covid-19 related stress of Individual and Small Business" the details of accounts where resolution plan has been implemented is as under:-

S.No.	Description		Individual Borrowers		Small Business	Total
			Personal Loan	Business Loan		
(A)	Number of request received for invoking resolution process under Part 1 & 2	No's	404	-	-	404
(B)	Number of account where resolution has been implemented under this window	No's	404	-	-	404
(C)	Exposure to accounts mentioned at (B)before implementation of the plan	Rs. Lakhs	490.66	-	-	490.66
(D)	Of(C) ,aggregate amount of debt that was converted into other securities	Rs. Lakhs	33.94	-	-	33.94
(E)	Additional funding sanctioned ,if any, including between invocation of the plan and implementation	Rs. Lakhs	-	-	-	-
(F)	Increase in provision on account of the implementation of the resolution plan	Rs. Lakhs	49.07	-	-	49.07

SHIVALIK SMALL FINANCE BANK LIMITED
CIN NO. U65900DL2020PLC366027

Notes forming part of unaudited financial results for the half year ended 30 September, 2021

15 After the reporting period, the bank has reported a borrower account as fraud in line with the RBI circular DBR.No.BP.BC.83/21.04.048/2014-15 dated April 1, 2015. The principal outstanding on the account as on 31 October 2021 was Rs. 33.29 lacs.

16 Figures of the previous periods have been regrouped/ rearranged/ re-classified wherever necessary to confirm to current period's classification.

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

Sd/-
Shankar Aggarwal
Director
DIN: 02116442

Place: New Delhi
Date:26 November 2021

Sd/-
Suveer Kumar Gupta
MD & CEO
DIN: 02112717

Place: New Delhi
Date:26 November 2021

Sd/-
Harsh Mittal
Chief Financial Officer

Place: New Delhi
Date:26 November 2021

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

Place: New Delhi
Date:26 November 2021