

NOTICE OF 1st ANNUAL GENERAL MEETING

Notice is hereby given that the First (1st) Annual General Meeting (“AGM”) of the Members of Shivalik Small Finance Bank Limited (“Bank”) will be held on Thursday, 30th September 2021 at 10:00 AM (IST) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) to transact the following businesses.

Ordinary Business:

Item No. 1: To adopt the Audited Financial Statements of the Company for the financial year ended on 31st March 2021 including Audited Balance Sheet and Profit and Loss account as on 31st March 2021 along with Cash Flow Statement on that date together with the reports of the Board of Directors and Auditors thereon.

Item No. 2: To appoint and fix the remuneration of Statutory Auditors of the Company.

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and applicable provisions of the Banking Regulation Act, 1949 [including any statutory modification(s), amendment(s) thereto or reenactment(s) thereof for the time being in force] and the rules, guidelines and circulars issued by Reserve Bank of India and approval received from the Reserve Bank of India, in this regard, from time to time, M/s S N Dhawan & Co. LLP, Chartered Accountants (FRN 000050N/ N500045) be and is hereby appointed as the Statutory Auditors of the Bank to hold office for a period of three (3) years from the conclusion of 1st Annual General Meeting until the conclusion of 4th Annual General Meeting of the Bank, subject to the prior approval of the Reserve Bank of India for their appointment in every year, at an annual remuneration as may be agreed by the Board and Auditors, for the purpose of audit of the Bank’s accounts with the power to the Board of Directors to alter and vary the terms and conditions of appointment, revision including upward revision in the remuneration for the remaining tenure, arising out of increase/change in scope of work, including by reason of necessity on account of such conditions as may be stipulated by the RBI and / or any other authority, in such manner and to such extent as may be mutually agreed with the Auditors.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to give effect to the above resolution, including but not limited to filing of necessary forms with the Registrar of Companies and to comply with all other requirements in this regard.”

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HEAD OFFICE:

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CIN NO: U65900DL2020PLC366027

Special Business:**Item No. 3: Appointment of Mr. Shankar Aggarwal (DIN: 02116442) as an Independent Director of the Company**

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT Mr. Shankar Aggarwal (DIN: 02116442) who was appointed as an Additional Director on the Board of the Company with effect from 3rd April 2021 in terms of Section 161(1) of the Companies Act, 2013 (the ‘Act’) (including any statutory modification(s) or re-enactment thereof for the time being in force) and who meets the criteria of Independence as provided under Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing his candidature for appointment as an Independent Director, be and is hereby appointed as an Independent Director in accordance with Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Act and corresponding Rules formed thereunder, to hold office for a term of 3 (Three) consecutive years w.e.f. 3rd April 2021 and that he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT Board of Directors be and are hereby authorized to take all the necessary actions, and to do all incidental and ancillary acts, deeds and things required in this connection.”

Item No. 4: Appointment of Mr. Narasimha Murthy Kummamuri (DIN: 00023046) as an Independent Director of the Company

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT Mr. Narasimha Murthy Kummamuri (DIN: 00023046) who was appointed as an Additional Director on the Board of the Company with effect from 3rd April 2021 in terms of Section 161(1) of the Companies Act, 2013 (the ‘Act’) (including any statutory modification(s) or re-enactment thereof for the time being in force) and who meets the criteria of Independence as provided under Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing his candidature for appointment as an Independent Director, be and is hereby appointed as an Independent Director in accordance with Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Act and corresponding Rules formed thereunder, to hold office for a term of 3 (Three) consecutive years w.e.f. 3rd April 2021 and that he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT Board of Directors are authorized to take all the necessary actions, and to do all incidental and ancillary acts, deeds and things required in this connection.”

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Item No. 5: Appointment of Ms. Arundhati Mech (DIN: 09177619) as an Independent Director of the Company

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Ms. Arundhati Mech (DIN: 09177619) who was appointed as an Additional Director on the Board of the Company with effect from 4th September 2021 in terms of Section 161(1) of the Companies Act, 2013 (the ‘Act’) (including any statutory modification(s) or re-enactment thereof for the time being in force) and who meets the criteria of Independence as provided under Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing her candidature for appointment as an Independent Director, be and is hereby appointed as an Independent Director in accordance with Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Act and corresponding Rules formed thereunder, to hold office for a term of 3 (Three) consecutive years w.e.f. 4th September 2021 and that he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT Board of Directors of Company are hereby authorized to take all the necessary actions, and to do all incidental and ancillary acts, deeds and things required in this connection.”

Item No. 6: Appointment of Ms. Veena Hingarh (DIN: 00885567) as an Independent Director of the Company

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Ms. Veena Hingarh (DIN: 00885567) who was appointed as an Additional Director on the Board of the Company with effect from 4th September 2021 in terms of Section 161(1) of the Companies Act, 2013 (the ‘Act’) (including any statutory modification(s) or re-enactment thereof for the time being in force) and who meets the criteria of Independence as provided under Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing her candidature for appointment as an Independent Director, be and is hereby appointed as an Independent Director in accordance with Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Act and corresponding Rules formed thereunder, to hold office for a term of 3 (Three) consecutive years w.e.f. 4th September 2021 and that he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby severally authorized to take all the necessary actions, and to do all incidental and ancillary acts, deeds and things required in this connection.”

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Item No. 7: Appointment of Dr. Shalini Lal (DIN: 08128182) as an Independent Director of the Company

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Dr. Shalini Lal (DIN: 08128182) who was appointed as an Additional Director on the Board of the Company with effect from 4th September 2021 in terms of Section 161(1) of the Companies Act, 2013 (the ‘Act’) (including any statutory modification(s) or re-enactment thereof for the time being in force) and who meets the criteria of Independence as provided under Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing her candidature for appointment as an Independent Director, be and is hereby appointed as an Independent Director in accordance with Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Act and corresponding Rules formed thereunder, to hold office for a term of 3 (Three) consecutive years w.e.f. 4th September 2021 and that he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized to take all the necessary actions, and to do all incidental and ancillary acts, deeds and things required in this connection.”

Item No. 8: Appointment of Mr. Arun Kumar Gupta (DIN: 06879404) as an Independent Director of the Company

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mr. Arun Kumar Gupta (DIN: 06879404) who was appointed as an Additional Director on the Board of the Company with effect from 4th September 2021 in terms of Section 161(1) of the Companies Act, 2013 (the ‘Act’) (including any statutory modification(s) or re-enactment thereof for the time being in force) and who meets the criteria of Independence as provided under Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing his candidature for appointment as an Independent Director, be and is hereby appointed as an Independent Director in accordance with Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Act and corresponding Rules formed thereunder, to hold office for a term of 3 (Three) consecutive years w.e.f 4th September 2021 and that he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT Board of Directors of Company be and are hereby authorized to take all the necessary actions, and to do all incidental and ancillary acts, deeds and things required in this connection.”

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Item No. 9: Appointment of Mr. Sudhakar Agarwal (DIN: 00418663) as Director of the Company

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152, Section 161(1), and any other applicable provisions of the Companies Act, 2013 (the ‘Act’) and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Sudhakar Agarwal (DIN: 00418663) who was appointed as an Additional Director on the Board of Directors of the Company with effect from 3rd April 2021 in terms of Section 161(1) of the Companies Act, 2013 (the ‘Act’) (including any statutory modification(s) or re-enactment thereof for the time being in force) and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT Board of Directors of the Company are hereby authorized to take all the necessary actions, and to do all incidental and ancillary acts, deeds and things required in this connection.”

Item No. 10: Appointment of Mr. Suveer Kumar Gupta (DIN: 02112717) as Director of the Company

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152, Section 161(1), and any other applicable provisions, if any of the Companies Act, 2013 (the ‘Act’) read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Suveer Kumar Gupta (DIN: 02112717) who was appointed as an Additional Director on the Board of Directors of the Company with effect from 26th April 2021 in terms of Section 161(1) of the Companies Act, 2013 (the ‘Act’) (including any statutory modification(s) or re-enactment thereof for the time being in force) and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized to take all the necessary actions, and to do all incidental and ancillary acts, deeds and things required in this connection.”

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Item No. 11: Appointment of Mr. Suveer Kumar Gupta (DIN: 02112717) as Managing Director of the Company and approval of terms and conditions thereof

To consider and if thought fit to pass with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 2(51), 196, 197, 198, 203 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V and other applicable provisions of the Companies Act, 2013 (the ‘Act’) (including any statutory modification or re-enactment thereof for the time being in force) and the approval received from the Reserve Bank of India, Mr. Suveer Kumar Gupta (DIN: 02112717) be and is hereby appointed as Managing Director and Chief Executive Officer of the Company for period of one year effective 26th April, 2021, on the terms and conditions including remuneration as mentioned below subject to the approval of the Reserve Bank of India:

Details of Remuneration/Compensation of Managing Director and Chief Executive Officer	
Particulars	Proposed (INR)
(1)	(2)
PART-A:	
Fixed Pay (including perquisites):	
1. Salary	13,66,392.00
2. Dearness Allowance	NA
3. Retiral/Superannuation benefits:	
(a) Provident Fund - Employer’s Contribution	1,48,848.00
(b) Gratuity	65,724.00
(c) Pension	15,120.00
4. Leave Fare Concession/ Allowance	NA
5. Other fixed allowances, if any (please specify) **Consolidated allowance, if any, to be given with details of heads it subsumes.	
Attire Reimbursement	1,36,644.00
Special Allowance	7,30,236.00
Helper Allowance	1,56,000.00
Statutory Bonus	1,13,820.00
6. Perquisites:	
(i) Free Furnished House and its maintenance/House Rent Allowance	6,83,196.00
(ii) Conveyance Allowance/Free use of bank's car for:	
a) Private purposes	3,60,000.00

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(iii) Driver(s)' salary	2,50,000.00
(iv) Club Membership (s)	NA
(v) Reimbursement of medical expenses	NA
(vi) Any other perquisites - Security and Housekeeping Assistance	9,00,000.00
Total Fixed Pay (including perquisites)	49,25,980.00

Note:

(a) If any of the benefits is of a non-monetary nature, e.g. free furnished house, its monetary equivalent as best as it is possible to determine, should invariably be given. In case the person to be appointed is already associated with the applicant bank, particulars of his existing compensation, etc. should be furnished.

(b) The reasons for any proposed changes in the remuneration should be suitably indicated under column (4).

(c) In case the bank proposes to give any sign-on/joining bonus (limited to the first year), which should be in the form of share-linked instruments, its details (such as number of shares, grant date and price, monetary value, vesting schedule) should be furnished separately.

(d) Banks should exclude only such perquisites from fixed pay, which are reimbursables without any monetary ceilings, e.g. hospitalization expenses, etc. Details of such perquisites should be annexed separately and need not be added while computing total fixed pay. Such exclusions are provided solely for such benefits/perquisites which are not quantifiable in advance. These exclusions would be subject to supervisory review.

Particulars	Existing (INR)
(1)	(2)
PART-B:	
Variable Pay:	100% of Fixed Pay payable as Performance Bonus
For FY/Performance Period.....	
1. Cash component	
(a) Upfront payment (with %)	(a) Upfront (100%)
(b) Deferred payment (with %)	(b) Deferred payment (0%)
Total cash component	24,62,990.00
Vesting period (in years)	NA (Cash consideration is below INR 25 Lacs)
Deferral arrangement	
(i) First Year	NA
(ii) Second Year	
(iii) Third Year	
2. Non-cash Components (Share-linked instruments):	
(i) ESOP/ESOS	(a) 2,46,299

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(a) Number of share/ share-linked instruments	(b) 24,62,990
(b) Monetary value	(c) 33%
(c) Deferral (with %)	(d) Equally over three years
(d) Vesting schedule details	
(ii) (Any other share-linked instruments)	
(a) Number of share/ share-linked instruments	NA
(b) Monetary value	
(c) Deferral (with %)	
(d) Vesting schedule details	
(iii) Any other non-cash component (please specify) and mention its monetary value, deferral, vesting schedule, etc.	NA
Total monetary value of non-cash component(s)	24,62,990.00
Total monetary value of Variable Pay (Cash and non-cash components)	49,25,980.00
% of Cash Component in Total Variable Pay	50%
% of Non-cash component in Total Variable Pay	50%
% of Variable Pay to Fixed Pay and	Maximum 100%
% of Variable Pay in Total Compensation	50%
(for the same FY/Performance Period)	
Total Compensation (Fixed Pay + Variable Pay)	98,51,960.00
Note: (a) Both parts- A and B have to be filled and submitted at the time of appointment/re-appointment or seeking approval for the remuneration/revision of remuneration. The target variable pay, along with various sub- components, deferral and vesting period, etc., should be submitted in PART-B.	
(b)Whenever the bank approaches RBI for approval of variable pay for a particular performance measurement period, after the end of the period, only part-B has to be suitably filled and submitted.	
Details of Perquisites which are Reimbursables without any Monetary Ceilings	
<ol style="list-style-type: none"> 1. Conveyance Allowance/Free use of bank's car for official purposes 2. Expenses related to travel, boarding and lodging such as customer meetings, branch visits, regulatory requirements, trainings 3. Reimbursement of mobile phone expenses 4. Long Service Awards basis the length of service 5. Banking benefits offered to employees 6. Inclusion in Group Medclaim Insurance and Term Life Policy taken by the Bank 	

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter/vary the remuneration (including perquisites) including Annual Increment in the CTC within the ceiling limits the remuneration as mentioned above be paid as minimum remuneration to Mr. Suveer

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Kumar Gupta notwithstanding that in any financial year of the Company during his tenure as Managing Director and Chief Executive Officer, the Company has made no profits or profits are inadequate.

RESOLVED FURTHER THAT Mr. Suveer Kumar Gupta be and is hereby authorized to exercise such powers of management as may be delegated to him by the Board of Directors of the Company, from time to time, subject however, to the overall superintendence, control and direction of the Board of the Company.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deed and things necessary to bring into effect the above resolution.”

Item No. 12: Increase in Authorised Share Capital and amendment of Memorandum of Association of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT (i) pursuant to the provisions of sections 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder and (ii) applicable provisions of Articles of Association of the company and any other approvals as may be necessary, consent of the members of the Company be and are hereby accorded to increase the Authorized Share Capital of the company from Rs. 1,10,00,00,000/- (Rupees One Hundred Ten Crores only) divided into 11,00,00,000 (Eleven Crore) equity Shares of Rs. 10/- (Rupees Ten) each to Rs. 1,60,00,00,000/- (Rupees One Hundred Sixty Crores only) divided into 14,00,00,000 (Fourteen Crore) equity Shares of Rs. 10/- (Rupees Ten) each amounting to Rs. 1,40,00,00,000 (Rupees One Hundred Forty Crore) and 2,00,00,000 (Two Crore) preference shares of Rs. 10/- (Rupees Ten) each amounting to Rs. 2,00,00,00,000 (Rupees Twenty Crore) by the creation of additional 3,00,00,000 (Three Core) equity shares of Rs. 10/- (Rupees Ten) each and 2,00,00,000 (Two Crore) preference share of Rs. 10/- (Rupees Ten) each.

RESOLVED FURTHER THAT pursuant to the provisions of Section 13 and all other applicable provisions of the Companies Act, 2013 and the relevant rules framed thereunder and subject to the approval of members of the Company, the Capital Clause (Clause V) of the Memorandum of Association of the Company is substituted with the following Clause V.

V. The Authorized Share Capital of the Company is Rs. 1,60,00,00,000/- (Rupees One Hundred Sixty Crores only) divided into 14,00,00,000 (Fourteen Crore) equity Shares of Rs. 10/- (Rupees Ten) each amounting to Rs. 1,40,00,00,000 (Rupees One Hundred Forty Crore) and 2,00,00,000

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(Two Crore) preference shares of Rs. 10/- (Rupees Ten) each amounting to Rs. 2,00,00,00,000 (Rupees Twenty Crore)

RESOLVED FURTHER THAT Board of Directors of the Company are authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in that regard and to finalise and execute all such deeds and documents as may be necessary or expedient for the purpose of giving effect to this resolution.”

Item No. 13: Alteration in Articles of Association of the Company to enable to issue stock options/share warrants

To consider and if thought fit to pass with or without modification(s) the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of section 14 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules framed thereunder, including any statutory modification(s) thereto or re-enactment(s) thereof for the time being in force and any other approvals as may be necessary, consent of the members of the Company be and are hereby accorded to amend the Articles of Association of the Company by insertion of the following clause as Clause 13A (immediately following existing clause 13 and immediately preceding existing clause 14)

13A. Powers to issue stock options/share warrants

Subject to the provisions of applicable law and subject to applicable statutory approvals, the Company may issue share warrants/options to any person (whether or not the share/security holders of the Company) which may entitle the holders thereof to subscribe to equity shares or such other securities with or without consideration, and with or without refundable/forfeitable deposit, for such exercise period and on such terms and conditions as the Board (or any Committee duly authorised by the Board) may deem fit. Accordingly the Board/Committee may in its discretion, with respect to any share which is fully paid, upon application in writing signed by the persons registered as holders of the share warrants and authenticated by such evidence (if any) as the Board/Committee may from time to time require as to identify the person signing the application, and on receiving the certificate (if any) of the share warrants and the amount of the stamp duty on the share warrant and such fee as the Board/ Committee may from time to time require, issue and allot equity shares or other securities.

RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem

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necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in that regard and to finalise and execute all such deeds and documents as may be necessary or expedient, for the purpose of giving effect to this resolution.”

Item No. 14: Approval of “2021 Employee Stock Option Scheme”

To consider and if thought fit to pass with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the rules framed thereunder, the relevant provisions of the Memorandum and Articles of Association of the Bank, and subject further to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by Reserve Bank of India while granting such approvals, permissions and sanctions, consent of the members of the Bank be and is hereby accorded to the introduction of “2021 Employee Stock Option Scheme” (“Scheme”) and authorizing the Board of Directors of the Bank (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution to create, issue and grant employee stock options thereunder, in one or more tranches, from time to time which upon Exercise would not exceed 5% (Five) of the paid-up equity share capital, to the eligible permanent employees including Directors of the Bank whether whole-time or not (other than the employee who is promoter or person belong to the promoter group, independent directors of the Bank and directors holding directly or indirectly more than 10% of the outstanding equity shares of the Bank), subject to such terms and conditions as may be determined in accordance with the provisions of the applicable laws.

RESOLVED FURTHER THAT the Board of Directors of the Bank (hereinafter referred to as the “Board” which term shall be deemed to include the Nomination and Remuneration Committee of Directors which has been duly constituted by the Board, inter alia, to act as the Compensation Committee under section 178 of the Act including the powers conferred by this resolution) be and is hereby authorized for the purpose of giving effect to this resolution including creation of ESOP pool, offer, grant of employee stock options under the Scheme, issue and listing of the shares allotted upon exercise of employee stock options as the Board may think fit and to do all such acts, deeds, matters and things to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board and/or the Nomination and Remuneration Committee to secure any further consent or approval of the members of the Bank.

RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Bank.

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RESOLVED FURTHER THAT in case the equity shares of the Bank are either sub-divided or consolidated, then the number of equity shares to be allotted and to the extent allowed exercise price payable by the grantees under the Scheme shall automatically stand augmented or reduced in the same proportion as the present face value of Rs. 10 (Rupees Ten) per equity share bears to the revised face value of the equity shares of the Bank after such consolidation or sub-division, without affecting any other rights or obligations of the said grantees.

RESOLVED FURTHER THAT the Bank shall conform to the accounting policies prescribed from time to time under applicable laws to the extent relevant and applicable to the Scheme.

RESOLVED FURTHER THAT the Board/ Nomination and Remuneration Committee be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint Merchant Banker(s) and such other appropriate agencies, if required, being incidental to the effective implementation and administration of Scheme as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard.”

Item No. 15: Issuance of fully convertible warrants on private/preferential basis

To consider and if thought fit to pass with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the (i) provisions of Section 42, 62(1)(c) and all other applicable provisions of the Companies Act, 2013 (the Act), if any (including any statutory modification(s) or re-enactment thereof, for the time being in force), applicable rules of the Companies (Share capital and Debentures) Rules, 2014, and other applicable rules as notified under the Act, (ii) enabling provisions of the Memorandum and Articles of Association of the Company and (iii) any other relevant statutory, governmental authorities or departments, institutions or bodies and subject to such terms, conditions, alterations, corrections, changes, variations and/or, modifications, if any, as may be prescribed by any one or more or all of them in granting such approvals, consents, permissions and / or sanctions and which may be agreed by the Board of Directors of the Company (hereinafter referred to as the "Board" which terms shall be deemed to include any committee duly constituted by the Board or any committee, which the Board may hereafter constitute, to exercise one or more of its powers, including the powers conferred by this resolution), the consent of the members of the Company be and is hereby accorded to the Board to offer, issue and allot upto 60,00,000 (Sixty Lacs) Fully Convertible Warrants ("Warrants") at face value of Rs. 10/- (Rupees Ten Only) at a premium of Rs. 14 per share

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www.shivalikbank.com

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aggregating to Rs. 14,40,00,000 (Rupees Fourteen Crore Forty Lakhs Only), to be convertible at an option of Warrant holders in one or more tranches, within 5 years from the date of allotment into equivalent number of fully paid up Equity Shares of face value of Rs. 10/- (Rupees Ten only) each for cash, and to issue fresh Equity Shares on the conversion of Warrants on such further terms and conditions as may be finalized by the Board of Directors, with the following persons ("Proposed Warrant Allottees"), in the manner as follows:

Individual	Number of Share Warrants
Mr. Suveer Kumar Gupta	20,00,000
Mr. Gaurav Mittal	20,00,000
Mr. Harsh Mittal	20,00,000

RESOLVED FURTHER THAT aforesaid issue of Warrants shall be subject to the following terms and conditions:

- a) Each Warrant held by the Proposed Warrant Allottee, shall entitle each of them to apply for and obtain allotment of one Equity Share at any time after the date of allotment but on or before the expiry of 5 years from the date of allotment (the "Warrant Exercise Period").
- b) The Proposed Warrant Allottees shall, on the date of allotment of Warrants, pay an amount equivalent to at least 5% of the Warrant Issue Price fixed per Warrant which will be kept by the Company to be adjusted and appropriated against the Warrant Issue Price of the Equity Shares. The balance 95% of the Warrant Issue Price shall be payable by the Warrant Holder at the time of exercising the Warrants.
- c) Warrants shall be issued and allotted by the Company only in dematerialized form.
- d) The consideration for allotment of Warrants and/or Equity Shares arising out of exercise of such Warrants shall be paid to the Company from the bank account of the respective Proposed Warrant Allottees.
- e) In the event the Warrant Holder(s) does not exercise Warrants within the Warrant Exercise Period, the Warrants shall lapse and the amount paid shall stand forfeited by the Company.
- f) The issue of Warrants as well as Equity Shares arising from the exercise of the Warrants shall be governed by the provisions of the Companies Act or any other statutory authority as the case may be or any modifications thereof.
- g) The Warrants by itself until converted into Equity Shares, do not give to the Warrant Allottee any voting rights in the Company in respect of such Warrants.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make an offer to the Proposed Warrant Allottees through private placement offer letter.

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RESOLVED FURTHER THAT the Equity Shares proposed to be so allotted upon conversion of Warrants shall rank pari-passu in all respects including as to dividend, with the existing fully paid up Equity Shares of face value of Rs. 10/- (Rupees Ten only) each of the Company, subject to the relevant provisions contained in the Memorandum of Association and Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution Board of Directors or Nomination and Remuneration Committee is authorized in this behalf to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, desirable or expedient including issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option in the Warrants held by the holder(s) of the Warrants, filing of requisite documents with the Registrar of Companies, National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and/ or such other authorities as may be necessary for the purpose, to resolve and settle any questions and difficulties that may arise in the proposed issue, offer and allotment of the said Warrants, utilization of issue proceeds, signing of all deeds and documents as may be required without being required to seek any further consent or approval of the shareholders.

RESOLVED FURTHER THAT all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter(s) referred or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."

Item No. 16: Issuance of Compulsory Convertible Preference Shares (CCPS) on private placement/preferential basis

To consider and if thought fit to pass with or without modification(s) the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to (i) the provisions of Section 42 and 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with applicable rules including any statutory modification(s) or re-enactment thereof for the time being in force (ii) all applicable laws, approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, and (iii) in accordance with the Memorandum and Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to offer, issue and allot 1,00,00,000 (One Crore) Compulsory Convertible Preference Shares (CCPS) at face value of Rs. 10/- (Rupees Ten Only) at a premium of Rs. 14 per share amounting to Rs. 24,00,00,000 (Rupees Twenty Four Crore Only) in one or more tranches/series on a private placement/preferential basis through Private placement Offer, to the persons as identified by the Board of Directors, on such terms and conditions as may be decided by the Board of Directors in its absolute discretion in the best interest of the Company.

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“RESOLVED FURTHER THAT in accordance with the provisions of Section 43 of the Act and Companies (Share capital and Debentures) Rules, 2014:

- i. The CCPS shall be compulsorily convertible into ordinary equity shares with a conversion ratio of 1:1 on a date when the securities are fully paid up but not later than 1 April 2025.
- ii. The holders of CCPS, will not be entitled to participate in surplus funds and in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid;
- iii. The new equity shares issued on conversion of this instrument would rank pari-passu with the existing issued and subscribed equity shares of the company.
- iv. The CCPS holders shall pay minimum 5% on the securities subscribed at the time of the application and it will be treated as application and allotment money.
- v. The CCPS holders shall give the full amount not later than 1 April 2025. Further, if the full amount is not paid within the stipulated time, the payment already received as application and allotment money will lapse and will not be refundable.
- vi. Preferential dividend at the rate of 0.0001% (Zero point Zero Zero Zero One percent) per annum (“Preferential Dividend”) of its face value;
- vii. In addition to the Preferential Dividend, but subject to sub paragraph viii below, each CCPS shall entitle its holder to also participate pari passu in any dividends paid to the holders of common equity shares of the Company (“Equity Shares”) on a pro-rata as converted basis;
- viii. The dividend shall not be cumulative. i.e., dividend missed in a year will not be paid in future years, even if adequate profit is available and the level of CRAR conforms to the regulatory minimum. When dividend is paid at a rate lesser than the prescribed rate, the unpaid amount will not be paid in future years, even if adequate profit is available and the level of CRAR conforms to the regulatory minimum.
- ix. The dividend shall be paid in priority to the equity shares for the time being of the company and will be payable on annual basis.
- x. The company reserves the right to discretion on distribution of dividends. Dividend shall be paid as per the terms and condition prescribed in Reserve Bank of India Master Circular - Basel III capital guidelines vide its circular RBI/2015-16/58 DBR.No.BP.BC.1/21.06.201/ 2015-16 dated 1st July 2015
- xi. Voting right would be applicable from the date of conversion into Ordinary Equity Shares and in accordance with the provisions of the Companies Act, 2013. The CCPS shall not be redeemable.
- xii. Any future shares issued shall rank pari passu with current shareholders.
- xiii. Each CCPS holder shall have the right to participate in case of corporate actions i.e. right issue or bonus issue and their entitlement will be counted on pro-rata converted basis.

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- xiv. Notwithstanding anything contained above, conversion of all series of CCPS into equity shares may be done at any time on mutual agreement between the Board and holders of CCPS.
- xv. This would be eligible for inclusion as a capital instrument as per the terms and condition prescribed in Reserve Bank of India Master Circular - Basel III capital guidelines vide its circular RBI/2015-16/58 DBR.No.BP.BC.1/21.06.201/ 2015-16 dated 1st July 2015

RESOLVED FURTHER THAT the Private Placement Offer Letter contains therein detailed terms and conditions along with all other ancillary documents/papers be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to offer the unsubscribed portions of securities to the other shareholders/ other persons in one or more tranches as the Board of Directors may think fit.

RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things and execute all such deeds, documents and writings, as it may in its absolute discretion deem necessary or incidental for giving effect to this resolution.”

Item No. 17: Approval of Shareholders Manual of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as a **Special Resolution**:

“**RESOLVED THAT** consent of the members of the Company be and is hereby accorded for approval of Shareholders Manual for ease of shareholders of the Company wherein information and process were defined, which would be adhered by shareholders of the Bank.

RESOLVED FURTHER THAT Board of Directors of Company be and are hereby authorised to do all such acts, deeds, things as may be necessary giving effect to aforesaid resolution.”

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

Sd/-

(Shruti Pandey)

Company Secretary

Membership No.: A34796

Place: Noida

Date: 4th September 2021

Registered Office:

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

Website: www.shivalikbank.com

Tel no.:0120-4060000

E-mail: investorrelations@shivalikbank.com

Notes:

1. In view of the COVID-19 pandemic, Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated 8th April 2020, Circular No.17/2020 dated 13th April 2020 read with Circular No. 20/2020 dated 5th May 2020 and Circular No. 02/2021 dated 13th January 2021 and all other relevant circulars issued from time to time (hereinafter collectively referred to as “Circulars”) allowed companies whose AGMs were due to be held in the year 2020 or become due in the year 2021, to conduct their AGMs on or before 31st December 2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020. Hence, in compliance with these Circulars, the Annual General Meeting of the Company (hereinafter referred as “AGM”) will be conducted through Video Conferencing (VC)/Other Audio Visual Mode (OAVM). The deemed venue for the 1st AGM shall be the Registered Office of the Company. Members can attend and participate in the ensuing AGM through VC/OAVM.

For this purpose, necessary arrangements have been made by the Company with NSDL(e-voting agency) and instructions for the process to be followed for attending and participating in the ensuing AGM through VC/OAVM is forming part of this Notice.

2. The Statement as required under Section 102 of the Act relating to the Special Businesses to be transacted at the AGM is annexed hereto..

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- Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and MCA Circulars, the Company is providing facility of Remote e-voting (E-voting from a place other than venue of the Meeting) and E-voting during AGM, to its Members in respect of the businesses to be transacted at the AGM.

For this purpose, necessary arrangements have been made by the Company with evoting agency to facilitate Remote e-voting and E-voting during AGM. The instructions for the process to be followed for Remote e-voting and E-voting during AGM is forming part of this Notice.

- Pursuant to Section 105 of the Act and Rule 19 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time), a member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote, instead of himself / herself and the proxy need not be a Member of the Company. However, pursuant to MCA Circulars, since the AGM will be held through VC / OAVM, the physical attendance of Members in any case has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form is not annexed to this Notice.
- Pursuant to Section 113 of the Companies Act, representatives of Corporate Members may be appointed for the purpose of voting through Remote e-voting or for participation and voting in the AGM to be conducted through VC / OAVM. Corporate Members intending to attend the AGM through their authorised representatives are requested to send a Certified True Copy of the Board Resolution and Power of Attorney, (PDF/JPG Format), authorizing its representative to attend and vote on their behalf at the AGM. The said Resolution / Authorisation shall be sent to the Company by e-mail through its registered e-mail address at investorrelations@shivalikbank.com with a copy marked to info@shivalikbank.com.
- In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report for FY 2020-21 is being sent only through electronic mode to those Members whose name appearing the Register of Members/Beneficial Owners maintained by the Depositories as on benpos date i.e. 27th August 2021 and whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report for FY 2020-21 will also be available on website of the Company i.e. www.shivalikbank.com and on the website of the NSDL at www.evoting.nsdl.com.

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7. Process for registration of e-mail ID for obtaining Annual Report in electronic mode and User ID/password for E-voting is annexed to this Notice.
8. The Relevant documents referred to in the accompanying Notice and the Explanatory Statement, Registers and all other documents will be available for inspection in electronic mode. Members can inspect the same up to the date of AGM, by sending an e-mail to the Company at investorrelations@shivalikbank.com.
9. There is no record date for the purpose of Dividend as the Board of Directors has not recommended Dividend for FY 2020-21.
10. The Company has appointed Mr. Devesh Kumar Vasisht, (FCS-8488; C.P. No. 13700), Partner of M/s. Sanjay Grover & Associates, failing him, Ms. Priyanka, (FCS-F10898, C.P. NO.: 16187) Partner of M/s. Sanjay Grover & Associates, Practicing Company Secretaries, New Delhi (Firm Registration No. P2001DE052900) as the Scrutinizer for scrutinizing the Remote e-voting and E-voting process to ensure that the process is carried out in a fair and transparent manner.
11. The Member whose name appears in the Register of Members / Beneficial Owners maintained by the Depositories as on cut-off date i.e Thursday, 23rd September 2021 will only be considered for the purpose of Remote e-voting and E-voting. Voting rights shall be reckoned on the paid-up value of shares registered in the name of Members / Beneficial Owners maintained by the Depositories as on the cut-off date i.e. Thursday, 23rd September 2021. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
13. The Members attending the AGM should note that those who are entitled to vote but have not exercised their right to vote by Remote e-voting, may vote during the AGM through E-voting for all businesses specified in the accompanying Notice. The Members who have exercised their right to vote by Remote e-voting may attend the AGM but shall not vote at the AGM.
14. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

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15. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
16. Institutional shareholders are encouraged to attend an vote at the AGM.
17. Additional Information of Directors seeking appointment / re-appointment at the ensuing AGM, as required under Clause 1.2.5 of the Secretarial Standard - 2 on General Meetings (“SS-2”), is annexed to the Notice.
18. All grievances connected with the facility for voting by electronic means may be addressed to evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
19. Since the AGM will be held through VC/OAVM, the Route Map and Attendance Slip are not annexed to this Notice.

Voting Results:

1. The Scrutinizer shall, after the conclusion of the AGM, electronically submit the Consolidated Scrutinizer’s Report (i.e. votes cast through Remote e-voting and E-voting during AGM) of the total votes cast in favour or against the resolution and invalid votes, to the Chairman of the AGM or to any other person authorised by the Chairman of the Company.
2. Based on the Scrutinizer’s Report, the result will declared within 3 days from the conclusion of the AGM and the details of result along with Scrutinizer’s Report will be placed on the website of the Company at www.shivalikbank.com, and on the website of NSDL at www.evoting.nsdl.com.

DETAILS OF E-VOTING AND JOINING AGM THROUGH VC:

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

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

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The remote e-voting period begins on Monday, 27th September 2021 at 9:00 A.M. and ends on Wednesday, 29th September 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners, as on the record date (cut-off date) i.e. Thursday, 23rd September 2021 may cast their vote electronically.

The Members can join the AGM in the VC / OAVM mode 15 minutes before the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice.

The voting right of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, 23rd September 2021.

The details of the process and manner for remote e-Voting and joining AGM through VC are as under:

Step 1: Log in to e-Voting system by following details given below.

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

Details on Step 1 are mentioned below:

A) Login method for e-Voting and joining AGM through VC for Individual shareholders

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li data-bbox="659 1222 1482 1705">1. If you are already registered for NSDL IdeAS facility, please visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. <li data-bbox="659 1713 1482 1858">2. If user is not registered for IDEAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDEAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

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	<p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

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Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at

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<https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

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6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period Now you are ready for e-Voting as the Voting page opens.
3. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
4. Upon confirmation, the message “Vote cast successfully” will be displayed.
5. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
6. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical](#)

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[User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.

2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in

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

- i. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investorrelations@shivalikbank.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining AGM through VC for Individual shareholders.**
- ii. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

- i. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- ii. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote again at the AGM.
- iii. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- iv. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- i. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join General meeting” menu against company name. You are

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requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

- ii. Members are encouraged to join the Meeting through Laptops for better experience.
- iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investorrelations@shivalikbank.com. The same will be replied by the Bank suitably.
- vi. Any person, who acquires shares of the Bank and becomes member of the Bank after dispatch of the notice and holding shares as on the cut-off date i.e. Thursday, 23rd September 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or contact Bank's RTA.

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

**Sd/-
(Shruti Pandey)
Company Secretary
Membership No.: A34796**

**Place: Noida
Date: 4th September 2021**

Registered Office:
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Explanatory Statement pursuant to the provisions of Section 102(1) of Companies Act, 2013

The following Statement sets out all material facts relating to the below mentioned Item no(s) mentioned in the above Notice:

Item no. 3 to 10

The Board of directors of the Company (“the Board”) was re-constituted and following persons were appointed as an Additional Directors, in terms of Section 161 of the Companies Act, 2013 (the Act) as per the details given here under:

S. No.	Name of Director	DIN	Date of appointment
1	Mr. Shankar Aggarwal	02116442	3 rd April 2021
2	Mr. Narasimha Murthy Kummamuri	00023046	3 rd April 2021
3	Mr. Sudhakar Agarwal	00418663	3 rd April 2021
4	Mr. Suveer Kumar Gupta	02112717	26 th April 2021
5	Ms. Arundhati Mech	09177619	4 th September 2021
6	Ms. Veena Hingarh	00885567	4 th September 2021
7	Dr. Shalini Lal	08128182	4 th September 2021
8	Mr. Arun Kumar Gupta	06879404	4 th September 2021

Based on recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Section 161 of the Act read with Articles of Association of the Company, these directors shall hold office up to the date of first Annual General Meeting.

The Company has received notices under Section 160 of the Companies Act from members proposing the candidature of these directors for being appointed as directors of the Company.

The Company has received declarations from Mr. Shankar Aggarwal, Mr. Narasimha Murthy Kummamuri, Ms. Arundhati Mech, Ms. Veena Hingarh, Dr. Shalini Lal and Mr. Arun Kumar Gupta confirming that they meet the criteria of independence as prescribed under the Act. In the opinion of the Board, all these directors fulfill the conditions for their appointment as Independent Directors as specified in the Act.

A copy of the draft letter for appointment of Independent Directors setting out the terms and conditions is available for inspection at the Registered Office of the Company on any working day between 2.00 P.M. (IST) to 4.00 P.M. (IST) up to the date of declaration of the result of AGM and will also be available for inspection in the electronic mode.

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As per the provisions of the Act, Independent Directors can be appointed for a maximum term of five consecutive years and shall not be liable to retire by rotation.

Considering the seniority, expertise and vast experience of proposed appointees in their respective fields, the Board recommends their appointments as per item no. 3 to 10 by way of passing of Ordinary Resolutions, as stated in the said respective items.

Save and except Mr. Shankar Aggarwal, Mr. Narasimha Murthy Kummamuri, Mr. Sudhakar Agarwal, Mr. Suveer Kumar Gupta, Ms. Arundhati Mech, Ms. Veena Hingarh, Dr. Shalini Lal, Mr. Arun Kumar Gupta and their relatives (to the extent of their shareholding interest in the Company), none of the other Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolutions.

Item No. 11

The Board of Directors of the Company in its meeting held on 26th April 2021 has approved the appointment of Mr. Suveer Kumar Gupta as Managing Director of the Company effective for a period of one year w.e.f 26th April 2021 and re-designated him as the Managing Director and CEO of the Company and payment of the remuneration during his tenure as Managing Director of the Company.

The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or other secured creditor, if any.

It is strongly believed that the Company would be immensely benefitted with vast knowledge and varied experience and leadership of Mr. Suveer Kumar Gupta as the Managing Director of the Company.

Save and except Mr. Suveer Kumar Gupta and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends his appointment as set out at item No.11 by way of passing of special Resolution.

The information required to be provided in terms of Schedule V of the Companies Act, 2013 is given hereunder:

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I. GENERAL INFORMATION:

- a. **Nature of Industry:** Banking
- b. **Date of Commencement of Commercial Production:** The Company is newly incorporated on 12th July 2021. It commences its banking business operation w.e.f. 26th April 2021.
- c. **In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the Prospectus:** NOT APPLICABLE
- d. **Financial Performance based on given indicator:**

PARTICULARS	Period from 12 th July 2020 to 31 st March 2021
	March 2021
Total Income	23,93,690
Total Expenses	1,08,43,139
Profit/(Loss) before taxation	(87,49,449)
Tax Expense:	
Current Tax	Nil
Deferred Tax	21,39,307
Profit/(Loss) for the year	(66,10,142)
Add: Balance brought forward	Nil
Balance carried to Balance Sheet	(66,10,142)

- e. **Foreign investments or collaborations, if any:** The Company has received investments from Mr. Shishir Priyadarshi, Non-resident Indian and as on 31st March 2021 and he holds 3,00,000 Equity Shares of the Company.

II. INFORMATION ABOUT THE APPOINTEE:

1) Background Details:

Total Experience	25 Years
Profile Summary	<p>Suveer Kumar Gupta is a passionate person and brings deep business insights with exceptional ability to convert it into reality.</p> <p>He co-founded the Shivalik Mercantile Co-operative Bank Limited ("Bank") in 1998, an urban Co-operative Bank transitioned to Shivalik Small Finance Bank Limited as per RBI Circular dated 27th September 2018 to enhance banking services in the region.</p> <p>Under his leadership, the Bank has achieved a number of firsts including becoming the first and largest multi-state UCB in Uttar</p>

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	<p>Pradesh and being the first bank in the country to be transitioning to a Small Finance Bank.</p> <p>Through his deep focus on technology, he has led the bank towards automation and tech driven services from the outset. His emphasis on customer matters has helped Shivalik remain customer centric over the years.</p> <p>Prior to joining Bank, he was with Tata Consultancy Services (TCS).</p>
Professional Qualifications	He has completed his B. Tech. (Electrical.) with Hons. from NIT, Kurukshetra

2) Past remuneration: Rs. 40.99 Lakhs pa

3) Recognition or Awards: He has been awarded, the Best Youth CEO under Mid-Sized Co-operative Bank category in the FCBA Awards by Banking Frontiers in year 2015.

4) Job Profile and his Suitability: He is entrusted with substantial powers of management of the affairs of the company. Founded the Shivalik Mercantile Co-operative Bank Limited (SMCB), transitioned entity of Shivalik Small Finance Bank in 1998 and has been the MD & CEO since inception. Under his leadership, the bank has a consistent profitability and dividend track record and has sponsored the growth of the bank in business size and its risk management and processes.

5) Remuneration Proposed: The details of the proposed remuneration are presented in the resolution set out in Item No.11 of the Notice.

6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: The remuneration payable has been benchmarked with the remuneration being drawn by peers in similar capacity in similar companies of comparable size in the banking industry and has been considered by the Nomination and Remuneration Committee of the Company. The profile of Mr. Suveer Kumar Gupta, his responsibilities, complex business operations, industry benchmark and size of the Company justify the payment of said remuneration and commensurate with the remuneration packages paid to their similar counterparts in other companies.

7) Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel: Mr. Suveer Kumar Gupta is currently the Managing Director and CEO of the Company and is not holding Equity Share Capital of the Company in his personal capacity. Mr. Suveer Kumar Gupta is related to promoter group of the Company.

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III. OTHER INFORMATION:

- 1) **Reasons of loss or inadequate profits:** Since, the Company has been incorporated on 12th July 2020 and financial statement of the Company were prepared for 9 months for year ending 31st March 2021. Therefore, the losses were pertaining to preliminary expenses.
- 2) **Steps taken or proposed to be taken for improvement:** Refer point no 3 below
- 3) **Expected increase in productivity and profits in measurable terms:** The transition from Shivalik Mercantile Co-operative Bank Limited (SMCB) has been completed to Shivalik Small Finance Bank Limited (SSFB). SSFB has commenced its banking operation w.e.f. 26th April 2021 and management expects the profits in measurable terms as per Annual Business Plan of the Bank.

4.DISCLOSURES: The disclosures on remuneration package of MD & CEO and details of all elements of remuneration package, details of fixed components and stock options details etc. is mentioned in this notice.

Item No. 12

The Company wants to provide for an enabling provision in the charter documents for the issuance of preference shares. Since, the current authorized capital clause of the Memorandum of Association does not provide a distinction between equity share capital and preference share capital of the Company. In order to provide this distinction, there is a proposal to alter current Clause (V) of the Memorandum of Association to include the power to issue preference shares.

The bank is planning to issue share capital for the following purposes in the near future:

- a. Institutional investment in the Bank as part of the capital fund raise approved in the Annual Business Plan 21-22.
- b. ESOPs to eligible employees
- c. Warrants to promoters

In view of aforesaid, there is a proposal to increase the Authorised Share Capital of the Company from Rs. 1,10,00,00,000/- (Rupees One Hundred Ten Crores only) divided into 11,00,00,000 (Eleven Crore) equity Shares of Rs. 10/- (Rupees Ten) each to Rs. 1,60,00,00,000/- (Rupees One Hundred Sixty Crores only) divided into 14,00,00,000 (Fourteen Crore) equity Shares of Rs. 10/- (Rupees Ten) each amounting to Rs. 1,40,00,00,000 (Rupees One Hundred Forty Crore) and 2,00,00,000 (Two Crore) preference shares of Rs. 10/- (Rupees Ten) each amounting to Rs. 2,00,00,00,000 (Rupees Twenty Crore) by the creation of additional 3,00,00,000 (Three Core) equity shares of Rs. 10/- (Rupees Ten) each and 2,00,00,000 (Two Crore) preference share of Rs. 10/- (Rupees Ten) each.

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Pursuant to provision of Section 61(1)(a) of the Companies Act, 2013 prescribes that a limited company having a share capital may, if so authorised by its articles, alter its memorandum in its General Meeting to increase its Authorised Share Capital by such amount as it thinks expedient.

Thus, the Board recommends the above resolution for your approval as Ordinary Resolution.

None of the Directors / Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution except to the extent of their shareholding in the Company, if any.

Item No. 13

The Company proposes to issue, subject to applicable law, stock options/warrants that would entitle the holder to acquire, on exercise of such options/warrants, equity shares of the Company. Accordingly, for this purpose, it is desired that an enabling/empowering clause may be inserted in the Articles of Association to issue stock options/ share warrants.

As per the applicable provisions of Companies Act, 2013 alteration in Articles of Association of the Company can be done through special resolution thus, the Board recommends the above resolution for your approval as Special Resolution.

None of the Directors, Key Managerial Personnel (KMP) of the Company or any relatives of such Director or KMPs are in any way concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 14

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives. It is thought expedient to attract and retain key management personnel including Director(s) whether whole-time or not, of the Bank (hereinafter referred to as “**Employees**”) with a view to achieve and maintain sustained corporate growth and profitability. At the same time, it is essential to motivate and incentivize such Employees for their hard work, dedication, and commitment. With a view to achieve these objectives, your Bank intends to implement ‘**2021 Employee Stock Option Scheme**’ (“**Scheme**”) which issuing employee stock options (“**Options**”) with salient features explained below, to the employees and Directors of the Bank. Accordingly, the Nomination and Remuneration Committee of the Board and the Board of the Bank (“**Board**”) at their respective meetings held on 2nd August 2021 had approved the Scheme subject to approval of members of the Company.

The main features of the Scheme are as under:

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a. Brief description of the Scheme

The Scheme seeks to attract, retain, incentivise and motivate talents of the Bank that would lead to higher corporate growth and shareholders' value. Options granted shall subject to vesting upon satisfaction of vesting conditions, if any. After vesting, the vested options can be exercised by the employees within exercise period. Bank shall issue shares upon exercise and the concerned employee may like to hold or sell/ transfer the shares to earn incentives. Nomination and Remuneration Committee ("Committee") of the Board of Directors supervises and administers the Scheme and shall act as Compensation Committee.

b. Total number of Options to be granted

The total number of Options to be granted under the Scheme will be decided by the Board of Directors, which upon Exercise would not exceed 5% (Five) of the resultant paid-up equity share capital of the Company.

c. Identification of classes of employees entitled to participate in the Scheme

Subject to final determination by the Committee, a permanent employee of the Bank, working in or out of India, or a whole-time or executive director of the Bank, shall be eligible to participate in the Scheme. However, following persons shall not be eligible:

- (i) An employee, who is a promoter or belongs to the promoter group;
- (ii) An independent director of the Bank; and
- (iii) Any such director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Bank.

Provided that in case the Bank intends to Grant Options to the employees of the subsidiary company(ies), the term Employee shall be deemed to include such employees of the subsidiary company(ies) and Options can be granted subject to prior approval of the shareholders by way of a special resolution.

d. Requirements of vesting and period of vesting

The Options granted shall vest so long as the employee continues to be in the employment of the Bank. The NRC Committee may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting and the proportion in which Options granted would vest (subject to the maximum vesting period as specified below).

The Options would vest not earlier than **1 (One) year** and with over a vesting schedule of minimum of **3 (Three) years** and maximum of **5 (Five) years** from the date of grant of Options.

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The Committee may, shorten or otherwise vary the vesting period from time to time, for the separate individual grants under the Scheme in accordance with the applicable laws and in the interest of the option grantee subject to maximum vesting period stated above.

e. Maximum period within which the Options shall be vested

All the Options would vest not later than a maximum of **5 (Five) years** from the date of grant of options as determined by the Committee.

f. Exercise price or pricing formula

The exercise price shall be such as determined by the Committee which shall not be less than the face value of an equity share of the Bank.

g. Exercise period and the process of Exercise

Exercise period shall be maximum of **10 (Ten) years** from the date of Grant.

The vested option shall be exercisable by the employees by a written application to the Bank expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Committee from time to time. The options shall lapse if not exercised within the specified exercise period.

h. Appraisal process for determining the eligibility of employees under the Scheme

The appraisal process for determining the eligibility shall be decided from time to time by the Committee. The eligibility criteria will be based on criteria such as criticality of the role, designation, length of service, past performance record, future potential of the employee and/ or such other criteria that may be determined by the Committee at its sole discretion.

i. Maximum number of Options to be issued per employee and in aggregate

Total number of Options that may be granted per employee shall be less than one percent of issued capital (excluding outstanding warrants and conversions) of the Bank.

j. Maximum quantum of benefits to be provided per employee under the Scheme

Benefits except grant of option is not envisaged under the Scheme. Thus, maximum quantum of benefit shall correspond to maximum quantum of options that can be granted to an employee.

k. Route of Scheme implementation

The Scheme has been implemented and administered directly by the Bank.

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l. Source of acquisition of shares under the Scheme

The Scheme envisages fresh/new issue of shares by the Bank upon exercise of Options.

m. Amount of loan to be provided for implementation of the Scheme(s) by the Bank to the trust, its tenure, utilization, repayment terms, etc.

This is not applicable.

n. Maximum percentage of secondary acquisition

This is not applicable.

o. Accounting and Disclosure Policies

The Bank shall follow the Guidance Note on accounting for employee share based payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India or any other competent authority from time to time, including the disclosure requirements prescribed therein, in due compliance.

p. Method of option valuation

The Bank will adopt the fair value method for valuation of options. Notwithstanding the above, the Bank may adopt any other method as may be required under prevailing applicable laws.

q. Declaration

In case the Bank opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options and the impact of this difference on profits and on Earning Per Share (“EPS”) of the Bank shall also be disclosed in the Directors’ report.

...

Thus, the Board recommends the above resolution for your approval as Special Resolution.

Except as stated, none of the Directors / Key Managerial Personnel of the Bank / their relatives are in any way concerned or interested in the resolutions, except to the extent any one or more of them may participate legally under the Scheme.

Item No. 15

The bank in its Board meeting held on 4th September 2021 had approved the issue of convertible share warrants to following individuals: **Mr. Suveer Kumar Gupta (MD & CEO)**

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- Mr. Gaurav Mittal (Chief Operating Officer)
- Mr. Harsh Mittal (Chief Financial Officer)

The contribution of the above individuals towards the bank becoming a Small Finance Bank is significant as is outlined below:

- **Mr Suveer Kumar Gupta:**

- Founded the bank in 1998 and has been the MD & CEO since inception
- Led the bank to acquisitions of two banks in Madhya Pradesh
- Led the bank to being the first and largest multi-state co-operative bank in Uttar Pradesh
- Led the bank to being the first UCB in India to transition to a Small Finance Bank
- Under his leadership, the bank has a consistent profitability and dividend track record
- Has sponsored the growth of the bank in business size and its risk management and processes
- He has completed his B. Tech. (Electrical.) with Hons. from NIT, Kurukshetra. Prior to joining Shivalik, he was with Tata Consultancy Services (TCS).

- **Mr. Gaurav Mittal:**

- Joined the Bank in 2013 and has been a member of the Executive Team since 2013
- Led functions such as Human Resources, Banking Operations, Administration, Marketing, Customer Relationship Management, Business Development and Strategy over the years.
- Has built a management team in each of the above functions and has implemented careful succession planning in HR.
- Instrumental in the centralisation of the bank's major functions including account opening, KYC, clearing and others along with the establishment of the bank's Head Office in Noida and the physical expansion through new branches.
- In the SFB transition, he played a key role by driving the creation of the new brand identity, all customer related collaterals and communication, employee transition and many other areas.
- He has also led the business development initiatives coming to fruition through the growth of the bank's business and the partnerships poised to deliver growth in 21-22 and beyond.
- He holds a B. Com. (Hons.) from University of Delhi and M.Sc. (Finance) from University of Strathclyde Business School, Scotland, UK. Prior to joining Shivalik, he has worked with Gartner (CEB), American Express, Morgan Stanley and World Window Group.

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- **Mr. Harsh Mittal:**

- Joined the bank in 2016 and has been a member of the Executive Team since.
- Led functions such as Finance, Credit, Technology, Compliance, Corporate Secretariat, Risk, Audit and Information Security over the years
- Has completed succession planning by building out a strong team in all the above functions. Risk, Tech, Compliance, Audit and Info Sec have been successfully transitioned to independent executives.
- Led the regulatory team on the transition of the bank to a SFB including the creation of project teams for the smooth switch over. Was responsible for all communication and liaison with the regulators for the transition.
- Led the bank's digital transformation initiative along with COO to move the bank's core banking and digital banking solution from FIS to Infosys Finacle in 2019.
- He has completed his Bachelors in Electronics and Communications Engineering from University of Leeds, UK. He is a qualified Chartered Accountant and is a fellow member of the Institute of Chartered Accountants in England and Wales (ICAEW).
- His previous experience includes stints with Swiss Re UK and KPMG UK

This issuance would happen based on the valuation report provided by a registered valuer in line with the private placement rules as per the Companies Act 2013. The terms of the issue are as follows:

Item	Description	Remarks
Strike Price Per Warrant	Rs. 24	As per Registered Valuer Report on Fair Market Value
Number of Warrants	60,00,000	Equal to nominal value of shares of Rs. 6 Crores
Conversion Ratio	1:1	Each warrant converts into a single ordinary equity share which ranks pari-passu to all existing ordinary equity shares at the time of conversion
Option Premium (Initial subscription amount)	5% of the total strike price	For ESOPs, the employees do not have to pay anything upfront. However, for share warrants, an option premium i.e. the minimum amount to be paid at the time of issue of Warrants. The balance amount shall be paid at the time of conversion/allotment of equity shares pursuant to exercise of option against such warrant by warrant holder.
Option Exercise Period	5 years from the date of issue	In line with the ESOP Scheme for other employees

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Accordingly, the approval of members is being sought by way of a Special Resolution under Sections 42, and 62 of the Companies Act, 2013, read with the rules made thereunder, for the issue of 60,00,000 (Sixty Lakh) Share Warrants in one or more tranches and to offer and allot on a Private placement/ preferential basis on the terms and conditions set out as under:

Given below is a statement of disclosures as required under Rule 14(1) of the Companies (Prospectus and Allotment of securities) Rules, 2014:

S. No.	Particulars	
(a)	Particulars of the offer including date of passing board resolution	The Board of Directors of the Company at its meeting held on 4 th September 2021 has approved the issuance of Share Warrants to the persons as identified by the Board of Directors” on a private placement/ preferential basis, for an amount not exceeding Rs. 14,40,00,000 (Rupees Fourteen Crore Forty lakhs Only) in one or more tranches
(b)	Kinds of securities offered and the price at which the security is being offered	The Company proposes to issue Shares Warrants at face value of Rs. 10/- (Rupees Ten Only) and at a premium of Rs. 14 per share.
(c)	Basis or justification for the price (including premium, if any) at the offer or invitation is being made	As per valuation report dated 23 rd August 2021
(d)	Name and address of valuer who performed valuation	Name: Sundae Capital Advisors Private Limited, Registered Valuer-Securities or Financial Assets Address: C-11, 3rd Floor, C Block, Community Centre, Janak Puri, New Delhi-110058
(e)	Amount which the company intends to raise by way of securities	The Company intends to raise up to Rs. 14,40,00,000 (Rupees Fourteen Crore Forty lakhs Only) in one or more tranches by way of issue of Share warrants.
(f)	Material terms of raising of securities	Material terms of issuing the securities as mentioned above.

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(g)	Proposed time schedule	5% of the total strike price to be paid at the time of issuance and the balance amount shall be paid at the time of conversion/allotment of equity shares pursuant to exercise of option against such warrant by warrant holder i.e. on or before 1 st April 2025.
(h)	Purposes or objects of offer	To reward the contribution of the above mentioned individuals towards the bank becoming a Small Finance Bank.
(i)	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects	Promoters Group intend to subscribe to the offer
(j)	Principle terms of assets charged as securities	NA

- I. Given below is a statement of disclosures as required under Rule 9 and 13 of the Companies (Share Capital and Debentures) Rules, 2014:

S. No.	Particulars	
(a)	The size of the issue and number of shares to be issued and nominal value of each share	Upto Rs. 14,40,00,000 (Rupees Fourteen Crore Forty Lakhs Only). The Company proposes to issue 60,00,000 Share Warrants at face value of Rs. 10/- (Rupees Ten Only) at a premium of Rs. 14 per share.
(b)	The nature of such warrants	Share warrants are convertible into Equity Shares
(c)	The objectives of the issue	To reward the contribution of the above mentioned individuals towards the bank becoming a Small Finance Bank.
(d)	The manner of issue of warrants	On Private Placement/ preferential Basis
(e)	The price at which such shares are proposed to be issued	The Company proposes to issue 60,00,000 Share Warrants at face value of Rs. 10/- (Rupees Ten Only) at a premium of Rs. 14 per share.
(f)	The basis on which the price has been	As per Valuation Report dated 23 rd August 2021 taken from Registered Valuer-

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	arrived at	Securities or Financial Assets
(i)	The manner and modes of conversion;	The Share Warrants shall be converted in accordance with the provisions of the Companies Act, 2013 read with the relevant rules and as per the terms of the issue.
(j)	The current shareholding pattern of the Company	The shareholding pattern of the Company is mentioned below
(l)	basis on which the price has been arrived at along with report of the registered valuer	On Private Placement/ preferential Basis
(m)	relevant date with reference to which the price has been arrived at	23 rd August 2021
(n)	the class or classes of persons to whom the allotment is proposed to be made	Promoters Group intend to subscribe to the offer
(o)	intention of promoters, directors or key managerial personnel to subscribe to the offer	Promoters Group and Key Managerial Personnel intend to subscribe to the offer
(p)	the proposed time within which the allotment shall be completed	Within 60 days from the date of receipt of application money for each tranche
(q)	the names of the proposed allottees and the percentage of post preferential offer capital that may be held by them	Attached as Annexure-1
(r)	the change in control, if any, in the company that would occur consequent to the preferential offer	None
(s)	the number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price	During the year, Shivalik Small Finance Bank Tier II Debt Series I (Non-Convertible Debenture) were issued by the Company. Detailed list of individuals is attached as Annexure-2.
(t)	the justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	NA
(U) The pre issue and post issue shareholding pattern of the company (As mentioned below)		

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Thus, the Board recommends the above resolution for your approval as Special Resolution.

Except as stated, none of the Directors / Key Managerial Personnel of the Bank / their relatives are in any way concerned or interested in the resolutions, except to the extent any one or more of them may participate legally under the Scheme.

Item 16

The Board of Directors of the Company at their meeting held on 4th September 2021 proposed to issue and allot 1,00,00,000 (One Crore) Compulsory Convertible Preference Shares in one or more tranches/series through private placement/ preferential basis.

Section 62(1)(c) of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, provides, inter alia, that whenever it is proposed to increase the subscribed capital of a Company by issue of further shares, such shares may be offered to any person, whether or not those persons are holders of the equity shares of the Company or employees of the Company, if authorized by way of a Special Resolution. Furthermore, as per Section 42 of the Companies Act, 2013, read with the Companies (Prospectus and allotment of Securities) Rules, 2014, a Company offering or making an invitation to subscribe to securities, including Preference Shares on a Private Placement basis, is required to obtain the prior approval of the shareholders by way of a Special Resolution, for each of the offers and invitations.

As per the rules, an offer or invitation to subscribe securities under private placement shall not be made to persons more than two hundred in the aggregate in a financial year and it has been clarified that the restrictions aforesaid would be reckoned individually for each kind of security that is equity share, preference share or debenture.

Accordingly, the approval of members is being sought by way of a Special Resolution under Sections 42, 55 and 62 of the Companies Act, 2013, read with the rules made thereunder, for the issue of the Preference shares aggregating an amount of upto Rs. 24,00,00,000 (Rupees Twenty Four Crore Only) in one or more tranches and to offer and allot the Preference shares on a Private placement/ preferential basis on the terms and conditions set out as under:

- I. Given below is a statement of disclosures as required under Rule 14(1) of the Companies (Prospectus and Allotment of securities) Rules, 2014:

S. No.	Particulars	
(a)	Particulars of the offer including date of passing board resolution	The Board of Directors of the Company at its meeting held on 4 th September 2020 approved

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		the issuance of CCPS to the persons as identified by the Board of Directors” on a private placement/ preferential basis, for an amount not exceeding Rs. 24,00,00,000 (Rupees Twenty Four Crores Only) in one or more tranches/Series
(b)	Kinds of securities offered and the price at which the security is being offered	The Company proposes to issue Compulsory Convertible Preference Shares (CCPS) at face value of Rs. 10/- (Rupees Ten Only) at a premium of Rs. 14 per share.
(c)	Basis or justification for the price (including premium, if any) at the offer or invitation is being made	As per valuation report dated 23 rd August 2021
(d)	Name and address of valuer who performed valuation	Name: Sundae Capital Advisors Private Limited, Registered Valuer-Securities or Financial Assets Address: C-11, 3rd Floor, C Block, Community Centre, Janak Puri, New Delhi-110058
(e)	Amount which the company intends to raise by way of securities	The Company intends to raise up to Rs. 24,00,00,000 (Rupees Twenty Four Crores Only) in one or more tranches/ Series by way of issue of Preference Shares.
(f)	Material terms of raising of securities	The Company proposes to issue Compulsory Convertible Preference Shares (CCPS) at face value of Rs. 10/- (Rupees Ten Only) at a premium of Rs. 14 per share.
(g)	Proposed time schedule	Allotment shall be made within 60 days from the date of receipt of application money for each tranche/ series
(h)	Purposes or objects of offer	Enhancement of Net worth and inclusion in Additional Tier 1 capital
(i)	Contribution being made by the promoters or directors either as part of the offer or separately in	NA

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	furtherance of objects	
(j)	Principle terms of assets charged as securities	The CCPS are unsecured and do not carry any charge on the assets of the Company.

II. Given below is a statement of disclosures as required under Rule 9 and 13 of the Companies (Share Capital and Debentures) Rules, 2014:

S. No.	Particulars	
(a)	The size of the issue and number of shares to be issued and nominal value of each share	Upto Rs. 24,00,00,000 (Rupees Twenty Four Crore) The Company proposes to issue 1,00,00,000 Compulsory Convertible Preference Shares (CCPS) at face value of Rs. 10/- (Rupees Ten Only) at a premium of Rs. 14 per share.
(b)	The nature of such shares i.e. cumulative or non-cumulative, participating or non-participating, convertible or non-convertible	Compulsory Convertible Preference Shares (CCPS)
(c)	The objectives of the issue	Enhancement of Net worth and inclusion in Additional Tier 1 capital
(d)	The manner of issue of shares	On Private Placement/ preferential Basis
(e)	The price at which such shares are proposed to be issued	Issue Price is Rs. 24/- per share) at face value of Rs. 10/- (Rupees Ten Only) at a premium of Rs. 14 per share
(f)	The basis on which the price has been arrived at	As per Valuation Report taken from Registered Valuer-Securities or Financial Assets
(g)	The terms of issue, including terms and rate of dividend on each share etc.	Terms of CCPS are hereunder: <ol style="list-style-type: none"> i. The CCPS shall be compulsorily convertible into ordinary equity shares with a conversion ratio of 1:1 on a date when the securities are fully paid up but not later than 1 April 2025. ii. The holders of CCPS, will not be entitled to participate in surplus funds and in surplus assets and profits, on winding-up which may remain after the entire

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		<p>capital has been repaid;</p> <p>iii. The new equity shares issued on conversion of this instrument would rank pari-passu with the existing issued and subscribed equity shares of the company.</p> <p>iv. The CCPS holders shall pay minimum 5% on the securities subscribed at the time of the application and it will be treated as application and allotment money.</p> <p>v. The CCPS holders shall give the full amount not later than 1 April 2025. Further, if the full amount is not paid within the stipulated time, the payment already received as application and allotment money will lapse and will not be refundable.</p> <p>vi. Preferential dividend at the rate of 0.0001% (Zero point Zero Zero Zero One percent) per annum (“Preferential Dividend”) of its face value;</p> <p>vii. In addition to the Preferential Dividend, but subject to sub paragraph viii below, each CCPS shall entitle its holder to also participate pari passu in any dividends paid to the holders of common equity shares of the Company (“Equity Shares”) on a pro-rata as converted basis;</p> <p>viii. The dividend shall not be cumulative. i.e., dividend missed in a year will not be paid in future years, even if adequate profit is available and the level of CRAR conforms to the regulatory minimum. When dividend is paid at a rate lesser than the prescribed rate, the unpaid amount will not be paid in future years, even if adequate profit is available and the level of CRAR</p>
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		<p>conforms to the regulatory minimum.</p> <p>ix. The dividend shall be paid in priority to the equity shares for the time being of the company and will be payable on annual basis.</p> <p>x. The company reserves the right to discretion on distribution of dividends. Dividend shall be paid as per the terms and condition prescribed in Reserve Bank of India Master Circular - Basel III capital guidelines vide its circular RBI/2015-16/58 DBR.No.BP.BC.1/21.06.201/ 2015-16 dated 1st July 2015</p> <p>xi. Voting right would be applicable from the date of conversion into Ordinary Equity Shares. The CCPS shall not be redeemable.</p> <p>xii. Any future shares issued shall rank pari passu with current shareholders.</p> <p>xiii. Each CCPS holder shall have the right to participate in case of corporate actions i.e. right issue or bonus issue and their entitlement will be counted on pro-rata converted basis.</p> <p>xiv. Notwithstanding anything contained above, conversion of all series of CCPS into equity shares may be done at any time on mutual agreement between the Board and holders of CCPS.</p> <p>xv. This would be eligible for inclusion as a capital instrument as per the terms and condition prescribed in Reserve Bank of India Master Circular - Basel III capital guidelines vide its circular RBI/2015-16/58 DBR.No.BP.BC.1/21.06.201/ 2015-16 dated 1st July 2015</p>
(h)	The terms of redemption, including the tenure of redemption, redemption of shares at premium	The CCPS are not redeemable and shall be compulsory convertible into ordinary Equity Shares on or before 1 st April 2025.

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	and if the preference shares are convertible, the terms of conversion;	
(i)	The manner and modes of conversion;	The CCPS shall be converted in accordance with the provisions of the Companies Act, 2013 read with the relevant rules and as per the terms of the issue.
(j)	The current shareholding pattern of the Company	The shareholding pattern of the Company is mentioned below
(k)	The expected dilution in equity share capital upon conversion of preference shares	Mentioned in table below
(l)	basis on which the price has been arrived at along with report of the registered valuer	On Private Placement/ preferential Basis
(m)	relevant date with reference to which the price has been arrived at	23 rd August 2021
(n)	the class or classes of persons to whom the allotment is proposed to be made	The Company proposes to issue Compulsory Convertible Preference Shares at face value of Rs. 10/- (Rupees Ten Only) at a premium of Rs. 14 per share to promoters only on a private placement/ preferential basis.
(o)	intention of promoters, directors or key managerial personnel to subscribe to the offer	Promoters intend to subscribe to the offer
(p)	the proposed time within which the allotment shall be completed	Within 60 days from the date of receipt of application money for each tranche
(q)	the names of the proposed allottees and the percentage of post preferential offer capital that may be held by them	Attached as Annexure-3
(r)	the change in control, if any, in the company that would occur consequent to the preferential offer	None
(s)	the number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as	During the year, Shivalik Small Finance Bank Tier II Debt Series I (Non-Convertible Debenture) were issued by the Company. Detailed list of individuals is attached as Annexure-2.

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	well as price	
(t)	the justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	N.A.
(U) The pre issue and post issue shareholding pattern of the company (As mentioned below)		

The issue of Compulsory Convertible Preference Shares (CCPS) is in accordance with the provisions of the Articles of Association of the Company. There is no subsisting default in the redemption of preference shares issued by the Company or in payment of dividend due on any preference shares issued by the Company.

None of the Directors, key managerial personnel of the Company or their respective relatives are concerned or interested in the resolution except to the extent of their shareholding.

The Board recommends the Resolution for approval of the Members as set out at item No. 16 of the Notice as Special Resolution.

SHAREHOLDING STRUCTURE OF THE COMPANY:

The pre-issue and post-issue shareholding pattern of the company as on 23rd July 2021 are hereunder:

Sr. No.	Category	Pre Issue		Post Issue	
		No. of shares held	% of shareholding	No. of Shares Held	% of shareholding
A	Promoters holding				
1	Indian				
	Individual	4,48,75,600	50.45%	4,48,75,600	50.45%
	Bodies Corporate	45,80,010	5.15%	45,80,010	5.15%
	Others [(including Non-Resident Indians (NRIs)]	2,50,000	0.28%	2,50,000	0.28%

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	Sub- Total	4,97,05,610	55.88%	4,97,05,610	55.88%
2	Foreign Promoters	0	0	0	0
	Sub- Total(A)				
B	Non-Promoters' holding				
1	Institutional Investors	0	0.0%	0	0.0%
2	Non-Institutional Investors				
	Private Corporate Bodies	25,00,000	2.81%	25,00,000	2.81%
	Directors and Relatives	0	0	0	0
	Indian Public	3,39,10,050	38.12%	3,39,10,050	38.12%
	Others [(including Non-Resident Indians (NRIs)]	28,40,160	3.19%	28,40,160	3.19%
	Sub Total(B)	3,92,50,210	44.12%	3,92,50,210	44.12%
	GRAND TOTAL	8,89,55,820	100.0%	8,89,55,820	100.0%

Shareholding of Compulsory Convertible Preference Shareholder

S. No.	Category	Pre Issue		Post Issue	
		No. of shares held	% of shareholding	No. of Shares Held	% of shareholding
	Promoter's Holding				
	Indian				
	Individual	0	0.0%	1,00,00,000	100.0%
	Bodies Corporate	0	0.0%	0	0.0%

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	Sub- Total	0	0.0%	0	0.0%
	Foreign Promoters	0	0.0%	0	0.0%
	Sub- Total(A)	0	0.0%	1,00,00,000	100.0%
	Non-Promoters' holding				
	Institutional Investors	0	0.0%	0	0.0%
	Non-Institutional Investors	0	0.0%	0	0.0%
	Private Corporate Bodies	0	0.0%	0	0.0%
	Directors and Relatives	0	0.0%	0	0.0%
	Indian Public	0	0.0%	0	0.0%
	Others [(including Non-Resident Indians (NRIs)]	0	0.0%	100	0.1%
	Sub Total(B)	0	0.0%	0	0.0%
	GRAND TOTAL	0	0.0%	1,00,00,000	100.0%

Expected dilution in equity share capital upon conversion of preference shares

Sr. No.	Category	Pre Issue		Post Issue	
		No. of shares held	% of shareholding	No. of Shares Held	% of shareholding
A	Promoters holding				
1	Indian				
	Individual	4,48,75,600	50.45%	5,48,75,600	55.45%
	Bodies Corporate	45,80,010	5.15%	45,80,010	4.63%

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	Others [(including Non-Resident Indians (NRIs))]	2,50,000	0.28%	2,50,000	0.25%
	Sub- Total	4,97,05,610	55.88%	5,97,05,610	60.34%
2	Foreign Promoters	0	0	0	0
	Sub- Total(A)				
B	Non-Promoters' holding				
1	Institutional Investors	0	0.0%	0	0.0%
2	Non-Institutional Investors				
	Private Corporate Bodies	25,00,000	2.81%	25,00,000	2.53%
	Directors and Relatives	0	0	0	0
	Indian Public	3,39,10,050	38.12%	3,39,10,050	34.27%
	Others [(including Non-Resident Indians (NRIs))]	28,40,160	3.19%	28,40,160	2.87%
	Sub Total(B)	3,92,50,210	44.12%	3,92,50,210	39.66%
	GRAND TOTAL	8,89,55,820	100.0%	9,89,55,820	100.0%

Item 17

Shareholders Manual has been prepared for ease of shareholders of the Company wherein following information and process were defined for ease of shareholder, which would be adhered by shareholders of the Bank:

- a. Rights of a shareholder
- b. Obligations/ duties of a shareholder
- c. Dematerialisation
- d. Depository
- e. Depository Participant
- f. Registrar and Share Transfer Agent
- g. Issuance of shares by the Company

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- h. Relevant provisions to be kept in mind while executing sale/ transfer of shares
- i. Approval for transfer of shares
- j. Transfer of Shares
- k. Stamp Duty Payment for transfer of shares

None of the Directors, key managerial personnel of the Company or their respective relatives are concerned or interested in the resolution except to the extent of their shareholding.

The Board recommends the Resolution for approval of the Members as set out at item No. 17 of the Notice as Special Resolution.



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ANNEX

Details of directors seeking appointment/re-appointment at the Annual General Meeting of the Company, pursuant to the Standard 1.2.5 of Secretarial Standard – 2 on General Meetings issued by the Institute Of The Company Secretaries of India

Name of Director	Director 1	Director 2	Director 3	Director 4
	Mr. Narasimha Murthy Kummamuri	Mr. Shankar Aggarwal	Mr. Sudhakar Agarwal	Mr. Suveer Kumar Gupta
DIN:	00023046	02116442	00418663	02112717
Date of Birth (Age in years)	13 th August 1958 (64 years)	22 nd September 1956 (64 years)	5 th November 1955 (65 years)	4 th June 1973 (48 years)
Qualification	B.Sc., F.C.A., F.C.M.A	Graduate in Electronics & Communication Engineering, IIT, Roorkee (1973-77) Post Graduate in Computer Technology Engineering, IIT, Delhi (1977-79)	B.Sc.; B. Pharma	B.Tech. (Electrical) Hons.
Experience (including Expertise in Specific area/ Brief Resume)	He is a Partner at a leading firm of Cost Accountants. He received ranks in both CA & ICWA courses entered the Profession of Cost & Management Accountancy in 1983. He has been closely involved in turning around multiple large corporates, focusing on systems improvement with a cost optimization approach. He has expertise in various areas like Cost Audit, Management Audit, Strategic Planning, Critical Analysis of	He was an IAS Officer of 1980 batch from U.P. Cadre. He holds a Bachelor of Engineering Degree in Electronics and Communications from the University of Roorkee (now IIT, Roorkee) and a master's degree in computer technology from IIT, Delhi. Before he joined IAS in 1980, he worked as Programme Analyst with TELCO (now TATA Motors), Pune. He was responsible for developing computerised	He is an entrepreneur and the Director of Indian Herbs Specialties Private Limited, Saharanpur, a leading and pioneer company, which is into the manufacturing of herbal animal health care products for ruminants, poultry, pigs, equines, pets, aqua and other animal specials for over 50	He joined Shivalik Mercantile Cooperative Bank Limited in 1998 to initiate the bank during a time of significant change in the services industry. Prior to joining the bank, he was working with Tata Consultancy Services (TCS).

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	<p>Performance, SWOT Analysis, Organization Analysis and Structure, Management Information & Control Systems Development, Productivity & Cost Reduction Programmes, Mergers & Acquisitions, Manpower Planning and Development, Recruitment Services, Designing Production Incentive Schemes, Revival of Sick Units and Other Management Support Services. He has diverse exposure in audit, investigation, cost reduction programme, management development programme and viability study.</p>	<p>Financial System of TELCO, Pune.</p> <p>In the Central Government, he has held positions such as Secretary positions in the Ministry of Women & Child Development, Urban Development Ministry of Labour & Employment. He has also held positions in the Ministry of Communications and Information Technology and his contribution was instrumental in launching four big initiatives of the Government - Smart Cities, Rejuvenation of Urban Infrastructure, Swachh Bharat and Heritage City Development Programme. He was also responsible for the improvement and implementation of Urban Transport Sector programmes in the country and was the Chairman of Metro Rail Corporations of Delhi, Bangalore, Kochi, Mumbai and Chennai</p>	<p>years.</p> <p>In addition to management & corporate governance, he holds remarkable experience of over 36 years in the field of Herbal Health Care products for Veterinary and Human use.</p>	<p>Under the able guidance of the Board of Directors of Shivalik Mercantile Co-operative Bank Ltd., he has played a pivotal role to seal the deal for acquisition of two banks in the Madhya Pradesh.</p>
Terms and conditions of appointment/re-appointment	As per Appointment letter	As per Appointment letter	As per Appointment letter	As per Appointment letter

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Details of Remuneration sought to be paid (Per annum)	No remuneration paid apart from sitting fees	No remuneration paid apart from sitting fees	No remuneration paid	Rs. 98.52 lakhs pa
Remuneration last drawn during FY 2019-20	NA	NA	NA	Rs. 40.99 Lakhs pa
Date of first appointment on the Board	3 rd April 2021	3 rd April 2021	3 rd April 2021	26 th April 2021
Shareholding in the Company	NA	NA	2.25%	NA
Relationship with other director / KMP	Not related to any directors or KMP of the Company	Not related to any directors or KMP of the Company	Not related to any directors or KMP of the Company	Not related to any directors or KMP of the Company
No. of meetings of the Board attended during the year	During current FY 2021-22, till date August 2021 has attended 10 Board Meetings	During current FY 2021-22, till August 2021 he has attended 10 Board Meetings	During current FY 2021-22, till August 2021 he has attended 10 Board Meetings	During current FY 2021-22, till August 2021 he has attended 10 Board Meetings
Directorship in other Companies (Excluding Foreign Companies)	Attached as Annexure A1	Attached as Annexure A2	Attached as Annexure A3	Attached as Annexure A4
Chairmanship / membership of Committees of other Board	-	CSC E-Governance Services India Limited: 1. Chairman - Audit Committee 2. Member — Nomination and Remuneration Committee 3. Member - Corporate Social Responsibility Committee	NA	NA

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		<p>Hotel Queen Road Pvt Ltd</p> <ol style="list-style-type: none"> 1. Member — Nomination and Remuneration Committee 2. Member -Corporate Social Responsibility Committee 3. Member - Share Transfer Committee 4. Member – Audit Committee <p>Dish TV India Limited:</p> <ol style="list-style-type: none"> 1. Member - Nomination and Remuneration Committee 2. Member - Risk Management Committee 3. Member - Corporate Social Responsibility Committee 4. Member - Stakeholders' Relationship Committee 5. Member of Audit Committee 		
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Name of Director	Director 5	Director 6	Director 7	Director 8
	Ms. Arundhati Mech	Ms. Veena Hingarh	Dr. Shalini Lal	Mr. Arun Kumar Gupta
DIN:	09177619	00885567	08128182	06879404
Date of Birth (Age in years)	26 th July 1959 (62 years)	4 th September 1970 (51 years)	27 th May 1971 (50 years)	20 th July 1957 (64 years)
Qualification	Master of Arts, Jawaharlal Nehru University, New Delhi	- Fellow Chartered Accountant (FCA) - Associate Company Secretary (ACS) - Master's in science (Msc) - Certified Information Systems Auditor (CISA)	i. Doctor of Philosophy (PhD) ii. Master of Business Administration (MBA) iii. Bachelor of Arts (Hons)-Economics	a. BSc; LL.B. b. PG Diploma in Personnel Management c. LL.M from Kurukshetra University, India LL.M in International Criminal Law from Sussex University, U.K
Experience (including Expertise in Specific area/ Brief Resume)	a. She retired as Chief General Manager & Regional Director (Retired), Reserve Bank of India. b. She is a central Banking professional with 35 years of experience at the middle and senior management levels. Demonstrated leadership ability in a multi-cultural environment. Experience in regulatory oversight and compliance	i. She has over 20 years of result-oriented consultancy and corporate training experience. Her areas of specialisation are Finance, Information System Audit, Risk Management, and International Financial Reporting Standards. ii. Her client exposure ranges across various countries – India, Dubai, Bahrain, Kuwait, Saudi Arabia, Qatar, South-Africa, Fiji, Maldives, Thailand, Singapore, Malaysia, Brunei, Philippines, Indonesia, Bangladesh, etc.	25+ years of experience in Organizational Development and Change. ii. Last 3 executive roles: a. Director HR—Deutsche Bank, b. CHRO—Escorts Agri-Machinery, c. Head Organizational Development—Bharti Televentures. iii. UCLA PhD, Wharton	i. He retired as Director General and Inspector General of Prisons, West Bengal. ii. Highly professional and experienced Indian Police Service Officer having administrative experience of 35 years with the State Government as well as Central Bureau of

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	<p>especially in areas of governance, currency management, payment systems, human resource management, logistics, disaster management amongst others. Ability to handle and converge diverse interests and conciliation, experience in managing projects and navigating through legal and regulatory issues.</p>		<p>Global Fellow, and IIM (A) MBA.</p>	<p>Investigation. Also served as the Head of the prison department of West Bengal for 5 years. With attention to minute details and deep legal acumen, having dealt with large human resources and interface with public at large for efficiently managing the internal and external environment. Deep knowledge of laws and bye-laws to implement organisational policy, Court matters both civil, criminal and constitutional. Modern outlook for E-governance and welfare activities. Inter-personal relationship has been core strength managing within and outside the</p>
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				organisation
Terms and conditions of appointment/re-appointment	As per Appointment letter	As per Appointment letter	As per Appointment letter	As per Appointment letter
Details of Remuneration sought to be paid (Per annum)	No remuneration paid apart from sitting fees	No remuneration paid apart from sitting fees	No remuneration paid apart from sitting fees	No remuneration paid apart from sitting fees
Remuneration last drawn during FY 2019-20	NA	NA	NA	NA
Date of first appointment on the Board	4 th September 2021	4 th September 2021	4 th September 2021	4 th September 2021
Shareholding in the Company	NA	NA	NA	NA
Relationship with other director / KMP	Not related to any directors or KMP of the Company	Not related to any directors or KMP of the Company	Not related to any directors or KMP of the Company	Not related to any directors or KMP of the Company
No. of meetings of the Board attended during the year	Nil	Nil	Nil	Nil
Directorship in other Companies (Excluding Foreign Companies)	Nil	Attached as Annexure A5	Attached as Annexure A6	Attached as Annexure A7
Chairmanship / membership of Committees of other Board	NA	1. TIL Limited: Audit Committee, Member 2. Balrampur Chini Mills Ltd.: Member of Nomination and	NA	Swach Environment Private Limited

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		Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, and Stakeholder's Relationship Committee		
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Names of the proposed allottees and the percentage of post Share Warrants offer capital					
S. No.	First Name	Last Name	Constituent Type	Address	%age of post preferential offer capital
1	Suveer Kumar	Gupta	Individual	Shivalik House, Lane No.2, Near Narayanpuri Temple, Gill Colony, Saharanpur(U.P.)-247001	33.34
2	Gaurav	Mittal	Individual	B-71, Sector-44, Noida, District Gautam Buddha Nagar-201301, U.P. India	33.33
3	Harsh	Mittal	Individual	B-71, Sector-44, Noida, District Gautam Buddha Nagar-201301, U.P. India	33.33

Annexure 2

Number of persons to whom allotment on Shivalik Small Finance Bank Tier II Debt Series I (Non-Convertible Debenture) have made preferential basis during the year, in terms of number of securities as well as price

S. No.	Name of Allottee	Number of Securites allotted	Total amount paid (including premium) (in Rs.)	Total amount to be paid on calls (including premium) outstanding (in Rs.)
1	Ram kumar Srivastava	2	10,00,000.00	-
2	Dheemant Rathore	2	10,00,000.00	-
3	SHARDA BAI	2	10,00,000.00	-
4	Sushma Rajvanshi	2	10,00,000.00	-
5	Akash Mittal	2	10,00,000.00	-
6	Shobhit Agarwal	2	10,00,000.00	-
7	Veena Sharma	2	10,00,000.00	-
8	Pooja Goel	2	10,00,000.00	-
9	Vivek Kumar	2	10,00,000.00	-
10	Suman Lata	2	10,00,000.00	-
11	Narendra Kumar Goel	2	10,00,000.00	-
12	Sushma Goel	2	10,00,000.00	-
13	Ritu Goel	2	10,00,000.00	-
14	Francis Krishna	2	10,00,000.00	-
15	OM Prakash Kohli	2	10,00,000.00	-
16	Vandana Bhatia	2	10,00,000.00	-
17	Satpal	5	25,00,000.00	-
18	Jitendra Kumar	2	10,00,000.00	-
19	Sunil Bhati	5	25,00,000.00	-
20	Saurabh Jain	2	10,00,000.00	-
21	Raghav Garg	4	20,00,000.00	-
22	Kanika Garg	2	10,00,000.00	-
23	R. K. Goyal	5	25,00,000.00	-
24	Asha Goyal	5	25,00,000.00	-
25	RAMESH CHNAD AGARWAL	3	15,00,000.00	-
26	UMA AGARWAL	2	10,00,000.00	-
27	PROMOD KUMAR SHARMA	2	10,00,000.00	-
28	Shree Naryan Gupta	2	10,00,000.00	-
29	Shashi Kant Saini	5	25,00,000.00	-
30	Babli Rani Saini	5	25,00,000.00	-
31	Ridhima Agarwal	2	10,00,000.00	-
32	Dr. Vikas Agarwal	5	25,00,000.00	-
33	Dr. Shweta Agarwal	5	25,00,000.00	-
34	Aaskaran	2	10,00,000.00	-
35	Amit Bharti	2	10,00,000.00	-
36	Rakesh Tayal	2	10,00,000.00	-

37	Rakesh Tayal	2	10,00,000.00	-
38	Rakesh Tayal	2	10,00,000.00	-
39	Dr. D.K. Jain	2	10,00,000.00	-
40	Shrey Jain	2	10,00,000.00	-
41	Yadav Ram Gupta	2	10,00,000.00	-
42	Pooja Mittal	5	25,00,000.00	-
43	Manoj Verma & Sumitra Devi	2	10,00,000.00	-
44	Narendra Kumar	2	10,00,000.00	-
Total		118	5,90,00,000	-

Names of the proposed allottees and the percentage of post CCPS offer capital					
S. No.	First Name	Last Name	Constituent Type	Address	%age of post preferential offer capital
1	DINESH KUMAR	MITTAL	Individual	B - 71,SECTOR 44,NOIDA, UP,201301	66.00
2	YASHVIR KUMAR	GUPTA	Individual	13/1207,ANSARI ROAD, SAHARNPUR UP 247001	16.00
3	SANJEEV KUMAR	MITTAL	Individual	SANJEEV KUMAR MITTAL HOSPITAL,NEAR PATROL PUMP DEHRADUN ROAD, SAHARANPUR, 247001	18.00

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View Director / Designated Partner Details

DIN/DPIN : 00023046

Date: 07/09/2021 02:55:37 PM

Name : NARASIMHA MURTHY KUMMAMURI

CIN/LLPIN	Name of the Company/ LLP	Current designation of the Director/ Designated Partner	Date of appointment at current designation	Original date of appointment	Date of cessation	Company/ LLP Status	Defaulting status
L13100KA1976GOI002974	KIOCL LIMITED	Director	21/06/2012	02/08/2011	31/05/2013	Active	-
L24223PB1988PLC008031	MAX FINANCIAL SERVICES LIMITED	Additional Director	30/03/2021	22/12/2009	-	Active	-
L32200MH1940PLC003164	NELCO LIMITED	Director	13/08/2020	28/01/2020	-	Active	-
L65190MH2004GOI148838	IDBI BANK LIMITED	Director	27/09/2004	27/09/2004	17/08/2011	Active	-
L65922MH1989PLC052257	LIC HOUSING FINANCE LTD	Director	26/06/2005	26/06/2005	25/06/2015	Active	-
L72200MH2001PLC322854	MAX HEALTHCARE INSTITUTE LIMITED	Director	21/06/2019	26/08/2009	-	Active	-
L74899DL1993GOI053677	IFCI LIMITED	Director	18/09/2009	14/10/2008	19/09/2009	Active	-
L74899DL1993GOI054155	OIL AND NATURAL GAS CORPORATION LIMITED	Director	25/09/2013	21/03/2013	21/03/2016	Active	-
L85100MH2015PLC330122	MAX INDIA LIMITED	Director	02/08/2019	24/12/2018	-	Amalgamated	-
L85100PB2015PLC039204	MAX VENTURES AND INDUSTRIES LIMITED	Director	27/09/2016	15/01/2016	-	Active	-
U24100PB2012PLC036981	MAX SPECIALITY FILMS LIMITED	Director	30/09/2014	30/06/2014	-	Active	-
U24239DL2002PLC113719	CROSSLAY REMEDIES LIMITED	Additional Director	11/06/2021	11/06/2021	-	Active	-
U31900MH2005PLC158120	INFINITI RETAIL LIMITED	Director	20/12/2013	07/06/2013	19/11/2019	Active	-
U51900MH1994PLC078303	STCI FINANCE LIMITED	Director	11/09/2014	08/03/2013	21/09/2019	Active	-
U65900DL2020PLC366027	SHIVALIK SMALL FINANCE BANK LIMITED	Additional Director	03/04/2021	03/04/2021	-	Active	-
U66000DL2008PLC182918	NIVA BUPA HEALTH INSURANCE COMPANY LIMITED	Director	29/04/2014	27/04/2010	16/12/2019	Active	-
U67120MH1992PLC069769	NATIONAL STOCK EXCHANGE OF INDIA LTD.	Director	17/02/2020	17/02/2020	-	Active	-
U74140TG1988PTC008747	SRIKARI MANAGEMENT CONSULTANTS PVT LTD	Director	10/06/1988	10/06/1988	-	Active	-
U74899PB2000PLC045626	MAX LIFE INSURANCE COMPANY LIMITED	Director	14/05/2014	23/08/2013	-	Active	-
U74999MH2008PTC178871	AEGON MANAGEMENT CONSULTANTS INDIA PRIVATE LIMITED	Director	26/09/2008	26/09/2008	30/05/2011	Amalgamated	-
U85110MH1991PLC357942	SAKET CITY HOSPITALS LIMITED	Additional Director	01/10/2020	15/12/2015	07/04/2021	Active	-

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View Director / Designated Partner Details

DIN/DPIN : 02116442

Date: 07/09/2021 02:56:26 PM

Name : SHANKAR AGGARWAL

CIN/LLPIN	Name of the Company/ LLP	Current designation of the Director/ Designated Partner	Date of appointment at current designation	Original date of appointment	Date of cessation	Company/ LLP Status	Defaulting status
L36911MH1983PLC178299	SKIL INFRASTRUCTURE LIMITED	Wholetime Director	28/09/2018	26/12/2017	13/08/2019	Active	-
L51909MH1988PLC287553	DISH TV INDIA LIMITED	Director	19/09/2019	25/10/2018	-	Active	-
L51909MH2002PLC135594	MULTI COMMODITY EXCHANGE OF INDIALIMITED	Director	01/10/2017	01/10/2017	-	Active	-
L55101DL1961PLC017307	U P HOTELS LIMITED	Additional Director	15/04/2021	15/04/2021	-	Active	-
U16286KA1994GOI016286	BANGALORE METRO RAIL CORPORATION LIMITED	Director	14/07/2014	14/07/2014	02/02/2015	Active	-
U34101DL1993PLC053032	URBAN MASS TRANSIT COMPANY LIMITED	Additional Director	14/07/2014	14/07/2014	02/02/2015	Active	-
U55101DL2001PTC112151	HOTEL QUEEN ROAD PRIVATE LIMITED.	Director	29/09/2018	17/03/2018	-	Active	-
U60100KL2011SGC029003	KOCHI METRO RAIL LIMITED	Nominee Director	16/09/2014	16/09/2014	20/03/2015	Active	-
U60100MH2008SGC181770	MUMBAI METRO RAIL CORPORATION LIMITED	Nominee Director	12/08/2014	12/08/2014	02/02/2015	Active	-
U60100MH2015SGC262054	MAHARASHTRA METRO RAIL CORPORATIONLIMITED	Nominee Director	18/02/2015	18/02/2015	13/03/2015	Active	-
U60100TN2007SGC065596	CHENNAI METRO RAIL LIMITED	Nominee Director	14/07/2014	14/07/2014	02/02/2015	Active	-
U60200DL2013GOI256716	NATIONAL CAPITAL REGION TRANSPORTCORPORATION LIMITED	Nominee Director	14/07/2014	14/07/2014	02/02/2015	Active	-
U65900DL2020PLC366027	SHIVALIK SMALL FINANCE BANK LIMITED	Additional Director	03/04/2021	03/04/2021	-	Active	-
U67100MH2010PTC200030	SBI PAYMENT SERVICES PRIVATE LIMITED	Director	07/09/2019	26/02/2019	-	Active	-
U74899DL1995GOI068150	DELHI METRO RAIL CORPORATION LIMITED	Nominee Director	14/07/2014	14/07/2014	02/02/2015	Active	-
U74899DL1995NPL072045	NATIONAL INFORMATICS CENTRE SERVICESINCORPORATED	Director	21/03/2011	21/03/2011	16/08/2012	Active	-
U74900DL2011PLC225445	PRUDENT ARC LIMITED	Director	25/01/2018	21/12/2017	-	Active	-
U74999DL2009PLC192275	CSC E-GOVERNANCE SERVICES INDIA LIMITED	Director	25/06/2018	16/07/2009	-	Active	-
U74999MH1987PLC044006	ESSEL INFRAPROJECTS LIMITED	Director	28/09/2018	17/07/2018	28/11/2018	Active	-
U85300DL2008NPL181612	NATIONAL SKILL DEVELOPMENT CORPORATION	Director	27/08/2015	16/02/2015	07/12/2016	Active	-
U85320TG2002NPL039032	NATIONAL INSTITUTE FOR SMART GOVERNMENT	Director	28/03/2011	23/09/2009	03/04/2012	Active	-

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View Director / Designated Partner Details

DIN/DPIN : 00418663

Date: 07/09/2021 02:57:21 PM

Name : SUDHAKAR AGARWAL

CIN/LLPIN	Name of the Company/ LLP	Current designation of the Director/ Designated Partner	Date of appointment at current designation	Original date of appointment	Date of cessation	Company/ LLP Status	Defaulting status
AAM-8370	OUTSHINE VILLAS LLP	Individual Partner	20/06/2018	19/06/2018	-	Active	No
U15499DL1997PTC241294	ENVIN FOODS AND INDUSTRIES PRIVATE LIMITED	Director	16/10/1997	16/10/1997	-	Amalgamated	-
U24232DL1989PLC244625	INDIAN HERBS RESEARCH AND SUPPLY COMPANY LIMITED	Managing Director	01/03/1989	01/03/1989	-	Amalgamated	-
U24233DL2012PTC240185	INDIAN HERBS SPECIALITIES PRIVATE LIMITED	Director	13/08/2012	13/08/2012	-	Active	-
U55101DL2014PTC263429	OUTSHINE VILLAS PRIVATE LIMITED	Additional Director	28/02/2018	28/02/2018	18/06/2018	Converted to LLP	-
U55101KL2015PTC038614	VANANTARA RESORTS PRIVATE LIMITED	Director	03/07/2015	03/07/2015	-	Active	-
U65900DL2020PLC366027	SHIVALIK SMALL FINANCE BANK LIMITED	Additional Director	03/04/2021	03/04/2021	-	Active	-
U73100DL2011PTC239692	INDIAN HERBS (SAHARANPUR) PRIVATE LIMITED	Director	27/07/2011	27/07/2011	-	Active	-

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Ministry of Corporate Affairs

User ID : SHRUTI2601

View Director / Designated Partner Details

DIN/DPIN : 02112717

Date: 07/09/2021 03:02:03 PM

Name : SUVEER KUMAR GUPTA

CIN/LLPIN	Name of the Company/ LLP	Current designation of the Director/ Designated Partner	Date of appointment at current designation	Original date of appointment	Date of cessation	Company/ LLP Status	Defaulting status
U51909DL2003PTC119801	EDUSKILL LEARNING PRIVATE LIMITED	Director	08/04/2003	08/04/2003	01/05/2008	Active	-
U65900DL2020PLC366027	SHIVALIK SMALL FINANCE BANK LIMITED	Managing Director	26/04/2021	26/04/2021	-	Active	-

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User ID : SHRUTI2601

View Director / Designated Partner Details

DIN/DPIN : 00885567

Date: 07/09/2021 03:03:53 PM

Name : VEENA HINGARH

CIN/LLPIN	Name of the Company/ LLP	Current designation of the Director/ Designated Partner	Date of appointment at current designation	Original date of appointment	Date of cessation	Company/ LLP Status	Defaulting status
L15421WB1975PLC030118	BALRAMPUR CHINI MILLS LTD	Director	22/09/2020	31/08/2019	-	Active	-
L74999WB1974PLC041725	TIL LIMITED	Director	26/03/2015	26/03/2015	-	Active	-
U29150WB1995PTC072501	TRACTORS INDIA PRIVATE LIMITED	Director	26/03/2015	26/03/2015	24/06/2016	Amalgamated	-
U80301WB2002PTC186510	SOUTH-ASIAN MANAGEMENT TECHNOLOGIESPRIVATE LIMITED	Director	01/03/2002	01/03/2002	-	Active	-

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Ministry of Corporate Affairs

User ID : SHRUTI2601

View Director / Designated Partner Details

DIN/DPIN : 08128182

Date: 07/09/2021 03:04:36 PM

Name : SHALINI LAL

CIN/LLPIN	Name of the Company/ LLP	Current designation of the Director/ Designated Partner	Date of appointment at current designation	Original date of appointment	Date of cessation	Company/ LLP Status	Defaulting status
U91990TN2001NPL047075	VILLGRO INNOVATIONS FOUNDATION	Director	29/09/2018	22/03/2018	-	Active	-

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Ministry of Corporate Affairs

User ID : SHRUTI2601

View Director / Designated Partner Details

DIN/DPIN : 06879404

Date: 07/09/2021 03:05:46 PM

Name : ARUN KUMAR GUPTA

CIN/LLPIN	Name of the Company/ LLP	Current designation of the Director/ Designated Partner	Date of appointment at current designation	Original date of appointment	Date of cessation	C L
U45400WB2010PTC150544	BRIJDHAM STRUCTURAL PRIVATE LIMITED	Director	25/09/2020	25/09/2020	-	
U45400WB2010PTC150951	BRIJDHAM INFRAESTATE PRIVATE LIMITED	Director	25/09/2020	25/09/2020	-	
U45400WB2011SGC159316	KOLKATA POLICE HOUSING ANDINFRASTRUCTURE DEVELOPMENT CORPORATIONLIMITED	Director	01/09/2014	01/09/2014	-	An
U70109WB1993SGC058358	WEST BENGAL POLICE HOUSING &INFRASTRUCTURE DEVELOPMENT CORPORATIONLIMITED	Director	08/05/2014	08/05/2014	03/08/2020	
U74999WB2011PTC165886	SWACH ENVIRONMENT PRIVATE LIMITED	Additional Director	22/05/2021	22/05/2021	-	
U93000WB2011PTC161512	FLEXI LEGAL SERVICES PRIVATE LIMITED	Director	10/05/2021	10/05/2021	-	

DIRECTORS' REPORT

To
The Members,
Shivalik Small Finance Bank Limited

The Board of Directors are pleased to present their 1st Board Report on the business and operations of your Company together with the Audited Statement of Accounts for the year ended 31st March 2021.

1. Financial Summary and highlights

Your Company was newly incorporated on 12th July 2021 pursuant to the in-principal approval received from the Reserve Bank of India dated 6th January 2020 to Shivalik Mercantile Co-operative Bank Limited (hereinafter referred as "SMCB") for transition into a Small Finance Bank under the "Scheme on voluntary transition of Urban Co-operative Bank (UCBs) into a Small Finance Bank" (the Scheme) issued on September 27, 2018.

As per the provisions of the aforesaid circular, the Company entered into a Business Transfer Agreement (also referred as "slump sale agreement" or "Agreement") with SMCB to acquire the assets and liabilities of SMCB on 31st July 2020. In continuation to that, your Company has sent an application to RBI for issuance of final license to commence the business during the last quarter of 2020. RBI has issued final license to commence business as a Small Finance Bank on 1st January 2021. Your Company also received approval for appointment of Directors of the Bank in March 2021 and April 2021. After the receipt of all required approvals i.e. final license to commence business as Small Finance bank, approval of Board of Directors, your Company commenced its banking operation as a Small Finance Bank w.e.f. 26th April 2021 making it the first Small Finance Bank to be born out of an Urban Co-operative Bank (UCB). This makes us all incredibly proud and we are extremely thankful to the regulator, our loyal customers and the entire team who has made this possible.

Since the banking business only commenced in April 2021 i.e after the financial year ending 31 March 2021, the results of the company for FY 20-21 reflect the pre-operating activities involved in company formation and preparation for the transition. During the period under review, performance of your Company is briefed hereunder:

SHIVALIK SMALL FINANCE BANK LTD.

HEAD OFFICE:

Plot No - 2B, 6th Floor, Tower 3,
Sector - 126, Noida - 201 304.

Ph: 0120-4060000

info@shivalikbank.com
www.shivalikbank.com

REGD. OFFICE:

501, Salcon Aurum, Jasola District Centre, New Delhi - 110 025.
CIN NO: U65900DL2020PLC366027

Operations and activities

(Amount in Rs.)

PARTICULARS	Period from 12 th July 2020 to 31 st March 2021
Total Income	23,93,690
Total Expenses	1,08,43,139
Profit/(Loss) before taxation	(87,49,449)
<u>Tax Expense:</u>	
Current Tax	Nil
Deferred Tax	21,39,307
Profit/(Loss) for the year	(66,10,142)
Add: Balance brought forward	Nil
Balance carried to Balance Sheet	(66,10,142)

2. State of Company's Affairs

Shivalik Small Finance Bank Limited (hereinafter referred as "Company") has been incorporated under the Companies Act, 2013 on 12th July 2020 with the Registrar of Companies, NCT of Delhi & Haryana. The Company was incorporated pursuant to the in-principal approval received from the Reserve Bank of India (RBI) in accordance with circular issued by RBI having reference no. DCBR.CO.LS.PCB. Cir.No.5/07.01.000/2018-19 dated 27th September 2018 having subject matter, "Voluntary Transition of Primary (Urban) Co-operative Banks (UCBs) into Small Finance Banks (SFBs)". The Company has commenced its banking operation w.e.f. 26th April 2021.

The company transacted no banking business in FY 20-21 and most expenses were involved in the setup of the company such as registration and other such fees. The income largely pertains to the investment of share capital and other eligible capital in fixed deposits.

3. Dividend

During the financial year under review, the Board of Directors have not recommended the payment of a dividend as the company was yet to commence banking operations.

4. Transfer to Reserve

The loss amounting to Rs 66,10,142/- has been carried to Reserves & Surplus Account for the Financial Year ending on 31st March 2021.

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5. Extract of Annual Return

In accordance with the provisions of Section 134(3) read with Section 92(3) of the Companies Act, 2013, the Annual Return for the financial year ended on 31st March 2021 in the prescribed form MGT-7 is disclosed on the website of the Bank at <https://www.shivalikbank.com>

6. Meetings of the Board of Directors

During the financial year under review, the Board of Directors duly met 5 times on 21st July 2020, 15th September 2020, 30th September 2020, 16th December 2020 and 19th March 2021 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including circular resolutions passed in the Minutes Book maintained for the purpose.

7. Directors' Responsibility Statement

As required under Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- (i) in the preparation of Annual Accounts for the year ended 31st March 2021, the applicable accounting standards have been followed along with proper explanation relating to the material departures;
- (ii) appropriate accounting policies have been selected and applied consistently and that the judgment and estimates are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year under review;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 and applicable provisions, if any of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The accounts for the year ended 31st March 2021 have been prepared on a going concern basis.
- (v) Proper systems have been devised to ensure compliance with the provisions of all applicable laws, and that such system was adequate and operating effectively.

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8. Declaration by Independent Director

Pursuant to the provisions of Section 149(7) of the Companies Act, 2013, the Company has received the necessary declaration from each Independent Director of the Company, that he meets the criteria of independence as laid out in Section 149(6) of the Companies Act, 2013.

9. Auditors and Auditors Report

M/s. S. N. Dhawan & Co. LLP, (FRN:000050N) Chartered Accountants, New Delhi was appointed as first Auditor of the Company in 1st Extra Ordinary General Meeting of the Company held on 23rd September 2020 to hold office till the conclusion of the first Annual General Meeting of the Company and to conduct the Statutory Audit for the period ended 31st March 2021 on such remuneration as may be fixed by the Board of Directors of the Company in consultation with the Auditors.

Pursuant to the approval received from the Reserve Bank of India (RBI) in accordance with the guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by the Reserve Bank of India on 27th April 2021, M/s. S. N. Dhawan & Co. LLP, (FRN:000050N) Chartered Accountants will be appointed as Statutory Auditor of the Company for a term of three years starting from the conclusion of this Annual General Meeting held until the conclusion of 4th Annual General Meeting (subject to ratification and approval of RBI every year).

The Company has received a certificate from them to the effect that their re-appointment, if made, would be within the limits prescribed under section 141(3) of the Companies Act, 2013.

The observations made by the auditors are self-explanatory and do not require any further clarification. There is no Qualification, Reservation or Adverse Remark or Disclaimer made by the Statutory Auditor in their Report during the Financial Year under review.

10. Particulars of Loans, Guarantees and Investments under Section 186

During the financial year under review, your Company has not given any Loans or provided any Guarantees nor has it made any Investments covered under the provisions of Section 186 of the Companies Act, 2013.

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11. Particulars of contracts or arrangements with related parties

During the financial year under review, your Company has not entered into any related party transaction. Accordingly, disclosure of particulars of contracts/arrangements referred to in Section 188(1) of the Companies Act, 2013 is not applicable.

12. Material changes and commitments affecting the financial position of the Company

During the financial year under review, in terms of Section 134(3)(l) of the Companies Act, 2013, no material changes and commitments which could affect the Company's financial position have occurred.

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

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

Conservation of Energy:

No energy conservation measures were taken during the financial year under review.

Technology Absorption

During the financial year under review, no technology absorption pursuant to Section 134(3)(m) of the Companies Act, 2013 has been done.

Foreign Exchange Earning and Outgo

During the financial year under review, there was no Foreign Exchange Earning and outgo in the Company.

14. Audit Committee of the Board

During the financial year under review, there were no requirement for constitution of Audit Committee of the Company.

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After closing of financial year under review, the Board of Directors in its meeting held on 14th June 2021 has constituted Audit Committee of Board. The Audit Committee comprises of two Non-Executive Independent Directors and one non-executive Director. The details pertaining to composition of Audit Committee of Board are hereunder:

S. No.	Name of Director	Designation
1	Mr. N K Murthy	Non-Executive Independent Director
2	Mr. Shankar Aggarwal	Non-Executive Independent Director
3	Mr. Sudhakar Agarwal	Non-Executive Director

15. Nomination and Remuneration Committee

During the financial year under review, there were no requirement for constitution of Audit Committee of the Company.

After closing of financial year under review and pursuant to the provisions of Section 178 of Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and its power) Rules, 2014, a Committee of the Board of Directors have been constituted to be called as “Nomination and Remuneration Committee” on 3rd April 2021 which consists following Members:

S. No.	Name of Director	Designation
1	Mr. N K Murthy	Non-Executive Independent Director
2	Mr. Shankar Aggarwal	Non-Executive Independent Director
3	Mr. Sudhakar Agarwal	Non-Executive Director

16. Policy on Directors’ appointment and remuneration and other details

Pursuant to the provisions of the Companies Act, 2013, the policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company had been formulated and approved by the approved by the Board of Directors in its meeting held on 17th April 2021.

17. Risk Management Policy

The Company has adopted a risk management plan to identify, evaluate business risks and opportunities as per provisions of the Companies Act, 2013. The Board ensures transparency across the organization to minimize adverse impact on the business objectives. The Board ensures effective Risk Management and evaluates the risk management periodically.

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18. Directors and Key Managerial Personnel

Appointments of Directors:

During the period under review, there were no changes in the composition of Board of Directors of the Company.

After closing of the financial year under review and pursuant to the provisions of Section 149, 152, schedule IV and other applicable provisions, if any, of the Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to the RBI approval for appointment of Directors, following individuals were appointed as Directors of the Company:

S. No.	Name of Personnel	DIN	Designation	Date of Appointment
1	Mr. K Narasimha Murthy	00023046	Additional Director (Non-executive & Independent)	3 rd April 2021
2	Mr. Shankar Aggarwal	02116442	Additional Director (Non-executive & Independent)	
3	Mr. Sudhakar Agarwal	00418663	Additional Director (Non-executive)	
4	Mr. Suveer Kumar Gupta	02112717	Additional Director with designation Managing Director and Chief Executive Officer	26 th April 2021

The terms and conditions of appointment of Independent Directors are as per Schedule IV of the Companies Act, 2013.

All Independent Directors have given declarations that they meet criteria of Independence as laid down under section 149(6) of the Companies Act, 2013. The Independent directors had no pecuniary relationship or transactions with the Company.

Appointments of Key Managerial Personnel:

During the period under review, there were no Key Managerial personnel in the Company.

After closing of the financial year under review, the Board of Directors in its meeting held on 26th April 2021 has appointed following individuals as Key Managerial Personnel:

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S. No.	Name of Personnel	Designation	Date of Appointment
1	Mr. Harsh Mittal	Chief Financial Officer	26 th April 2021
2	Ms. Shruti Pandey	Company Secretary	

Resignations:

During the period under review, there were no changes in the composition of Board of Directors of the Company.

After closing of the financial year under review, Mr. Dinesh Kumar Mittal (DIN: 00040000), Mr. Yashvir Kumar Gupta (DIN: 08790692) and Dr. Sanjeev Kumar Mittal (DIN: 08790863) had resigned from the Directorship of the Company w.e.f. 3rd April 2021. The Board places on record the appreciation of outgoing Directors for the valuable contribution made by them during their tenure as Director of the Company.

19. Share Capital

A) Authorized Capital:

During the financial year under review, there is no change in the Authorized Share Capital of your Company.

B) Issued, Subscribed & Paid – up Capital:

During the financial year under review, your Company has issued and allotted Equity Shares or other securities, details of the same are hereunder:

S. No.	Nature of securities	No. of securities offered	No. of securities subscribed	No. of securities allotted	Date of Allotment
1	Equity Shares	8,58,08,949	8,10,59,790	8,10,59,790	16 th December 2021
2	0.0001% CCD Series I	1,03,530	1,03,530	1,03,530	
3	9% CCD Series II	56,25,000	56,25,000	56,25,000	
4	9% CCD Series III	50,00,000	40,00,000	40,00,000	
5	Equity Shares	22,72,500	22,22,500	22,22,500	19 th March 2021
6	9% CCD Series III	10,00,000	10,00,000	10,00,000	

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20. Particulars of employees

During the financial year under review, there is no employee, who is being paid remuneration in excess of limits specified under Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

21. Details of policy developed and implemented by the company on its Corporate Social Responsibility initiatives

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

22. Deposits from Public

During the financial year under review, your Company has not accepted any deposits from public under section 73 read with section 76 of the Companies Act, 2013 and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

23. General

Your directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the financial year under review:

1. No significant or material orders were passed by the regulators of courts or tribunals which would impact the going concern status and Company's operations in future.
2. Your directors further state that during the financial year, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, prohibition and Redressal) Act, 2013. Further, no frauds were reported to the Committee / Board of Directors during the Financial Year 2014-2015.

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CIN NO: U65900DL2020PLC366027

24. Acknowledgement

Your directors place on records their appreciation towards all business associates and bankers for their continued support and confidence.

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

**(Shankar Aggarwal)
Part-Time Chairman
DIN: 02116442**

**(Suveer Kumar Gupta)
MD & CEO
DIN: 02112717**

**Date: 2nd August 2021
Place: Noida**



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SHIVALIK SMALL FINANCE BANK LIMITED
CIN NO. U65900DL2020PLC366027
BALANCE SHEET AS AT 31 MARCH, 2021

	Note no.	As at 31 March, 2021 Rupees
EQUITY AND LIABILITIES		
1 Shareholders' funds		
a. Share capital	3	10,33,57,290
b. Reserves and surplus	4	(66,10,142)
		9,67,47,148
2 Share application money pending allotment		
	5	6,92,78,215
3 Non-current liabilities		
a. Long term Borrowing	6	1,07,28,530
		17,67,53,893
2 Current liabilities		
a. Trade payables	7	
i. Total outstanding dues of micro enterprises and small enterprises		-
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises		6.19.350
b. Other current liabilities	8	5,15,97,270
		5,22,16,620
TOTAL		22,89,70,513
ASSETS		
1 Non-current assets		
a. Deferred tax assets (net)	9	21,39,307
b. Long term loans and advances	10	14,01,600
		35,40,907
2 Current assets		
a. Inventories	11	5,21,359
b. Cash and bank balances	12	22,28,17,821
c. Short term loans and advances	13	83,900
d. Other current assets	14	20,06,526
		22,54,29,606
TOTAL		22,89,70,513

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No: 000050N/N500045

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

Vinesh Jain
Partner
Membership No.: 087701

Shankar Aggarwal
Director
DIN: 02116442

Suveer Kumar Gupta
Managing Director and Chief
Executive Officer
DIN: 02112717

Place: Gurugram
Date: 02 August 2021

Harsh Mittal
Chief Financial Officer

Shruti Pandey
Company Secretary
Membership No. : 34796

Place: New Delhi
Date: 02 August 2021

Place: New Delhi
Date: 02 August 2021

SHIVALIK SMALL FINANCE BANK LIMITED
CIN NO. U65900DL2020PLC366027
FOR THE PERIOD FROM 12 JULY, 2020 (DATE OF INCORPORATION) TO 31 MARCH, 2021

		Note no.	Period from 12 July, 2020 to 31 March, 2021 Rupees
1	Other income	15	20,93,690
2	Total income		20,93,690
3	Expenses		
	Other expenses	16	1,08,43,139
	Total expenses		1,08,43,139
4	Loss before tax		(87,49,449)
5	Tax expense		
	Current tax expense		-
	Deferred tax		21,39,307
			21,39,307
6	Loss after tax		(66,10,142)
7	Earnings per equity share:	17	
	Nominal value per equity share Rs.10 (previous year Rs.10)		
	Basic		(0.08)
	Diluted		(0.08)

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No: 000050N/N500045

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

Vinesh Jain
Partner
Membership No.: 087701

Shankar Aggarwal
Director
DIN: 02116442

Suveer Kumar Gupta
Managing Director and Chief
Executive Officer
DIN: 02112717

Place: Gurugram
Date: 02 August 2021

Harsh Mittal
Chief Financial Officer

Shruti Pandey
Company Secretary
Membership No. : 34796

Place: New Delhi
Date: 02 August 2021

Place: New Delhi
Date: 02 August 2021

SHIVALIK SMALL FINANCE BANK LIMITED
CIN NO. U65900DL2020PLC366027
FOR THE PERIOD FROM 12 JULY, 2020 (DATE OF INCORPORATION) TO 31 MARCH, 2021

	Period from 12 July, 2020 to 31 March, 2021
	Rupees
A CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before taxation	(87,49,449)
Adjustments for:	
Interest income	(20,93,690)
Operating (loss) before working capital changes	(1,08,43,139)
Working capital adjustments:	
- Decrease/ (Increase) in short - term loans and advances	(83,900)
- Decrease/ (Increase) in long - term loans and advances	(14,01,600)
- Decrease/ (Increase) in inventory	(5,21,359)
- Decrease/(Increase) in other assets	(20,06,526)
- Increase/ (Decrease) in trade payables	6,19,350
- Increase/ (Decrease) in other current liabilities	5,15,97,270
Cash generated from / (used in) operations	3,73,60,096
Direct taxes paid (net of refund)	-
Net cash flow from / (used in) operating activities	3,73,60,096
CASH FLOWS FROM INVESTING ACTIVITIES	
Bank Deposits made having original maturity of more than three months	(21,57,00,000)
Interest received	20,93,690
Net cash (used in) investing activities (B)	(21,36,06,310)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from Share application money	6,92,78,215
Proceeds from Issue of Share Capital	10,33,57,290
Proceeds from debentures issued during the year	1,07,28,530
Net cash (used in) financing activities (C)	18,33,64,035
Net (decrease)/ increase in cash and cash equivalents	71,17,821
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year	71,17,821
Components of cash and cash equivalents	
Cash on hand	-
Balance with banks:	
- in current accounts	71,17,821
Cash and cash equivalents at the end of the period (refer note 12)	71,17,821

Notes:

The Cash Flow Statement has been prepared under the Indirect method as set out in Accounting Standard-3 on Cash Flow Statements.

As per our report of even date

For S. N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No: 000050N/N500045

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

Vinesh Jain
Partner
Membership No.: 087701

Shankar Aqarwal
Director
DIN: 02116442

Suveer Kumar Gupta
Managing Director and Chief
Executive Officer
DIN: 02112717

Place: Gurugram
Date: 02 August 2021

Harsh Mittal
Chief Financial Officer

Shruti Pandev
Company Secretary
Membership No. : 34796

Place: New Delhi
Date: 02 August 2021

Place: New Delhi
Date: 02 August 2021

SHIVALIK SMALL FINANCE BANK LIMITED
CIN NO. U65900DL2020PLC366027
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate Information

Shivalik Small Finance Bank Limited ('the Company') is a public company having CIN U65900DL2020PLC366027, was incorporated in on 12 July, 2020. The registered office of the Company is located at 501, Salcon Aurum Jasola District Centre, New Delhi -110025.

2. Statement of significant accounting policies

a. Basis of preparation

The financial statements of the Company 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') / Companies Act, 1956 ('the 1956 Act'), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

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) on 12 July, 2020 under the Companies Act, 2013.

SSFB has not started any banking operations as at 31 March, 2021 and therefore the provisions of Banking Regulation Act are not applicable as at 31 March, 2021. Accordingly, these financial statements have been prepared in accordance with Schedule III to the Companies Act, 2013

b. Use of estimates

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

c. Inventories

Inventories are valued at the lower of cost on first in first out basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale.

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

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

SHIVALIK SMALL FINANCE BANK LIMITED
CIN NO. U65900DL2020PLC366027
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

e. Cash flow statement

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

f. Other income

Interest income is accounted on accrual basis.

g. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

h. Taxes on income

Income tax expense comprises of current income tax and deferred tax. Current tax is the amount payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. The accounting treatment for income-tax in respect of the Company's income is based on Accounting Standard 22 on 'Accounting for Taxes on Income' as specified under section 133 of Companies Act, 2013 read with Rule 7 of Companies Rules, 2014. The provision made for income-tax in the accounts comprises both, the current tax and the deferred tax. The deferred tax assets and liabilities for the year arising on account of timing differences are recognized in the Statement of Profit and Loss and the cumulative effect thereof is reflected in the Balance Sheet.

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

SHIVALIK SMALL FINANCE BANK LIMITED
CIN NO. U65900DL2020PLC366027
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

i. Provisions and Contingencies

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

j. Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

k. Operating cycle

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

l. Preliminary expenses

Preliminary expenses incurred before the commencement of the business are expensed in the year in which they are incurred.

SHIVALIK SMALL FINANCE BANK LIMITED
CIN NO. U65900DL2020PLC366027
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3 SHARE CAPITAL

	As at March 31, 2021	
	Number	Rupees
Authorised shares capital		
Equity shares of Rs. 10 each with voting rights	11,00,00,000	1,10,00,00,000
Issued share capital		
Equity shares of Rs. 10 each with voting rights	9,00,88,949	90,08,89,490
Fully paid up share capital		
Equity shares of Rs. 10 each with voting rights	20,07,500	2,00,75,000
Subscribed but not fully paid up		
Equity shares of Rs. 10 each with voting rights (Rs. 1 paid up)	8,32,82,290	8,32,82,290
	8,52,89,790	10,33,57,290

Notes:

(a) Reconciliation of the shares outstanding at the beginning and at the end of the period

Equity shares

	Period ended
	31 March, 2021
	Number
Opening Balance	-
Subscribed during the period	8,52,89,790
Outstanding at the end of the period	8,52,89,790

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. However, no such preference share exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2021	
	Number of	% of Holding
Equity shares		
Dinesh Kumar Mittal	2,47,57,030	29.03%
Sanjeev Kumar Mittal	1,00,00,000	11.72%
Yashvir Kumar Gupta	66,00,000	7.74%

Note: As per records of the Company, the above shareholding represents legal ownership of shares.

SHIVALIK SMALL FINANCE BANK LIMITED
CIN NO. U65900DL2020PLC366027
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

As at
31 March, 2021
Rupees

4 RESERVES AND SURPLUS

Surplus/(Deficit) in the statement of profit and loss

Opening balance	-
Add: Loss for the period	(66,10,142)
Closing balance	<u>(66,10,142)</u>

5 SHARE APPLICATION MONEY PENDING ALLOTMENT

Share application money pending allotment (see note below)	6,92,78,215
	<u>6,92,78,215</u>

Note:

As per resolution passed by shareholders in General Meeting held on 1 October, 2020, the Company has allotted 8,10,59,790 Equity Shares and 22,22,500 Equity Shares on 16 December 2021 and 19 March 2021 respectively on paid-up value of Rs. 1 per shares. As at 31 March, 2021, an amount of Rs. 6,92,78,215 were lying as share application money, as some of the shareholders voluntarily paid money in excess of Rs. 1/- per share. This excess money received was accounted as an advance payment towards the equity shares. These excess money were considered by the Company while taking on record aforementioned shares as fully paid-up.

6 LONG TERM BORROWING

Compulsorily Convertible Debentures

	Number	Amount
i. 0.0001% CCD Series I Rs. 10 (Rs. 1 paid up)	1,03,530	1,03,530
ii. 9% CCD Series II Rs. 10 (Rs. 1 paid up)	56,25,000	56,25,000
iii. 9% CCD Series III Rs. 10 (Rs. 1 paid up)	50,00,000	50,00,000
	<u>1,07,28,530</u>	<u>1,07,28,530</u>

Notes:

- a. The Company issued Compulsory Convertible Debenture of Rs. 107,285,300 by way of 3 series of debentures, having issue size of 1,03,530; 5,625,000 and 4,000,000 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 company further issued 1,000,000 debentures of CCD Series III having face value of Rs. 10 per debenture.
- b. Minimum subscription i.e. 10% of the issue price of Rs. 10 per debenture for each series of debenture was received and was over subscribed by Rs. 51,556,770 which have been treated as an advance against securities. (see note 8)
- c. As per the terms, debenture holders will be allotted 1 equity share for each debentures held by them on conversion date and voting rights will be applicable from the date of conversion.
- d. Terms for conversion of debentures into equity shares are as follows:

CCD Series I - 100% debentures shall be converted into equity shares on 1 April, 2021;

CCD Series II- 10% of face value of debentures shall be compulsorily convertible into equity shares on 1 April, 2021 remaining debentures shall be converted in the manner as prescribed over the years till 1 April, 2025, however, notwithstanding anything debentures shall be converted into equity share at any time based on mutual agreement between the board and debenture holders;

CCD Series III - 100% debentures shall be compulsorily convertible into equity share once they are fully paid-up but not later than 1 April, 2023.

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 I 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 I in lieu of and against the conversion of 30,00,000 CCD Series III of Rs.10 on 26 April, 2021.

SHIVALIK SMALL FINANCE BANK LIMITED
CIN NO. U65900DL2020PLC366027
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31 March, 2021 Rupees
7 TRADE PAYABLES	
a. Total outstanding dues of micro enterprises and small enterprises (see note below)	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	6,19,350
	6,19,350
Note	
The disclosure of the amount outstanding to micro enterprises and small enterprises are as follows:	
a. Amount payable to supplies under MSMED (suppliers) as on 31 March, 2021	
- Principal	-
- Interest	-
b. Payments made to supplier beyond the appointed day during the year	
- Principal	-
- Interest	-
c. Amount of interest due and payable for delay in payment (which have been paid beyond the appointed day during the year) but without adding interest under MSMED	-
d. Amount of interest accrued and remaining unpaid as on 31 March, 2021	-
e. Amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under the Income Tax Act, 1961	-
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.	
8 OTHER CURRENT LIABILITIES	
a. Statutory dues payable	40,500
b. Debenture application money refundable	5,15,56,770
	5,15,97,270

SHIVALIK SMALL FINANCE BANK LIMITED
CIN NO. U65900DL2020PLC366027
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

As at
31 March, 2021
Rupees

9 DEFERRED TAX ASSETS (NET)

Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws. The break up of deferred tax (assets) / liabilities is as follows:

Preliminary Expense under section 35D	<u>21,39,307</u>
Deferred tax (liabilities) / assets (net)	<u>21,39,307</u>

The Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has measured its net deferred tax asset/liabilities (DTA/DTL) on the basis of rates prescribed in the said section.

SHIVALIK SMALL FINANCE BANK LIMITED
CIN NO. U65900DL2020PLC366027
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	<u>As at</u> <u>31 March, 2021</u> <u>Rupees</u>
10 LONG TERM LOANS AND ADVANCES	
a. Security deposits	14,01,600
	<u>14,01,600</u>
11 INVENTORIES	
a. Stationery stock	5,21,359
	<u>5,21,359</u>
12 CASH AND BANK BALANCES	
A. Cash and cash equivalents	
a. Balances with banks - in current accounts	71,17,821
	<u>71,17,821</u>
B. Other bank balances	
Fixed deposits (having maturities of more than 3 months)	21,57,00,000
	<u>21,57,00,000</u>
	<u>22,28,17,821</u>
13 SHORT TERM LOANS AND ADVANCES	
a. Balance with statutory authorities	63,900
b. Miscellaneous receivables	20,000
	<u>83,900</u>
14 OTHER CURRENT ASSETS	
a. Interest accrued on fixed deposits	20,06,526
	<u>20,06,526</u>

SHIVALIK SMALL FINANCE BANK LIMITED
CIN NO. U65900DL2020PLC366027
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Period from 12 July, 2020 to 31 March, 2021
	Rupees
15 OTHER INCOME	
Interest from banks on deposits	20,93,690
	20,93,690
16 OTHER EXPENSES	
a. Preliminary expenses (see note 'i' below)	1,00,32,441
b. Bank charges	6
c. Legal and professional expenses	5,92,692
c. Payments to the auditors (see note 'ii' below)	2,18,000
	1,08,43,139
Notes:	
i. Breakup of the Preliminary expenses are as under	
a. Stamp duty	16,50,210
b. Incorporation fees	83,82,231
	1,00,32,441
ii. Payments to the auditors comprise (including Goods and service tax)	
For statutory audit	2,18,000
TOTAL	2,18,000
17 Earnings per share	
Loss attributable to equity holders	(66,10,142)
Weighted average number of equity shares	8,52,89,790
Basic earning per share	(0.08)
Diluted earning per share	(0.08)

SHIVALIK SMALL FINANCE BANK LIMITED
CIN NO. U65900DL2020PLC366027
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

18. Commitments and contingencies

- a. The estimated value of contracts remaining to be executed on capital amount and not provided for (net of advances) amount to Rs. Nil (previous year Rs. Nil).
- b. The Company has other commitments for services in normal course of business, the Company's operations does not give raise to any commitments for purchase of goods and employee benefits.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d. The Company does not have any pending litigations which would impact its financial position in its financial statements. Contingent liabilities Rs. Nil (Previous year Rs. Nil).
- e. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

19. Related Party Transaction

Key Management Personnel	Suveer Kumar Gupta – Managing Director and Chief Executive Officer (w.e.f. 26 April, 2021) Harsh Mittal – Chief Financial Officer (w.e.f. 26 April, 2021) Shruti Pandey – Company Secretary (w.e.f. 26 April, 2021)
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No transaction has been incurred with the related parties for the period from July 12, 2020 (date of incorporation) to March 31, 2021

- 20.** The Company is yet to commence its commercial operations. Accordingly, there are no separate reportable segments as per Accounting Standard 17 on 'Segment Reporting' as specified u/s 133 of Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

21. Subsequent events

On 31 July, 2020, Shivalik Mercantile Co-operative Bank known ('SMCB') and Shivalik Small Finance Bank Limited ('SSFB') executed a Business Transfer Agreement ('BTA') to transfer assets and liabilities of SMCB to SSFB. In terms of the BTA, SMCB agreed to sell, assign and transfer and SSFB agrees to purchase, accept and acquire Business Undertaking engaged in providing banking business as a going concern (Completion Date). In terms of the resolution passed in the meeting of Board of Directors held on 3 April, 2021 and the subsequent approval received from the Reserve Bank of India on 21 April, 2021, 26 April, 2021 was agreed as the completion date for transfer of business undertaking from SMCB to SSFB. SSFB has acquired Business Undertaking of SMCB, engaged in providing banking business as a going concern basis on 26 April, 2021.

SHIVALIK SMALL FINANCE BANK LIMITED
CIN NO. U65900DL2020PLC366027
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

22. Expenditure on Corporate Social Responsibility (CSR)

The Company has not met the conditions of CSR rules, i.e. net worth, turnover and net profit, hence the provisions of CSR are not applicable to the Company.

23. Since the Company was incorporated on 12 July, 2020 this is the first accounting period of the Company. Accordingly, there are no comparative figures.

As per our report of even date

For S. N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

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

Vinesh Jain

Partner

Membership No. 087701

Shankar Aggarwal

Director

DIN: 02116442

**Suveer Kumar
Gupta**

Managing Director
and Chief Executive
Officer

DIN: 02112717

Place: Gurugram

Date: 02 August 2021

Harsh Mittal
Chief Financial
Officer

Shruti Pandey
Company Secretary

Membership No.:
34796

Place: New Delhi
Date: 02 August
2021

Place: New Delhi
Date: 02 August 2021