

**General Information Document: Private and Confidential**

This General Information Document is neither a Prospectus nor a Statement in Lieu of Prospectus. This GID is issued by SIDBI in conformity with Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended read with SEBI master circular dated August 10, 2021 (as Amended/modified/updated, the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity up to one year) Directions, 2024 dated January 03, 2024, as amended from time to time, for issuance of Non-Convertible Securities. GID Ref No.: SIDBI/TRMV/L001324337; dated: June 14, 2024

**SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)**

[The principal financial institution established under an Act of Parliament, The Small Industries Development Bank of India Act, 1989]

LEI: 3358003NTGA2D7D31E14; PAN: AABCS3480N, Date and Place of Incorporation: April 2, 1990, Lucknow

Head Office: SIDBI Tower, 15, Ashok Marg, Lucknow – 226001

Mumbai Office: Swavalamban Bhavan, Plot No. C-11, G Block, Bandra - Kurla Complex, Bandra (East), Mumbai – 400051,

Tel (022) 67531100, Website: www.sidbi.in, Email: rmd\_mo@sidbi.in, & treasury\_frontoffice@sidbi.in

**GENERAL INFORMATION DOCUMENT (“GID”)**

GID ISSUED BY SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (‘SIDBI’ or ‘Issuer’) FOR PRIVATE PLACEMENT OF LISTED, UNSECURED, TAXABLE, REDEEMABLE, RATED, FULLY PAID-UP NON-CONVERTIBLE DEBENTURES, INCLUDING ZERO COUPON BONDS, OF THE FACE VALUE OF INR. 1,00,000/- (RUPEES ONE LAKH ONLY) OR RS. 10,00,000/- (RUPEES TEN LAKH ONLY), OR SUCH OTHER DENOMINATIONS FOR CASH, AT PAR, PREMIUM OR DISCOUNT, INCLUDING GREEN SHOE OPTION TO RETAIN OVER SUBSCRIPTION, AS MORE PARTICULARLY SPECIFIED IN THE RELEVANT KEY INFORMATION DOCUMENT, AND COMMERCIAL PAPERS OF THE FACE VALUE OF INR ([●] ([●] only) OR SUCH OTHER DENOMINATION AS MAY BE SPECIFIED IN THE RELEVANT KEY INFORMATION DOCUMENT, IN ONE OR MORE TRanches OR THROUGH ONE OR MORE ISSUANCES, AGGREGATING TOGETHER TO INR ([●] ([●] only).

**GENERAL RISK**

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

**CREDIT RATING**

Rating Agencies	Date	Instruments	Rating	Rating Actions
CARE Ratings Ltd.	May 22, 2024	NCD	CARE AAA, Stable	Reaffirmed
	May 22, 2024	CP/CD	CARE AAA, Stable/ CARE A1+	Reaffirmed
Crisil Ltd.	June 13, 2024	NCD	CRISIL, AAA/Stable	Reaffirmed
India Ratings & Research Ltd.	June 6, 2024	CP	Ind A1+/ Ind A1+	Affirmed

The ratings may be subject to revision or withdrawal at any time by the assigning rating agency and should be evaluated independently of any other ratings. Any change in the credit rating or any additional credit rating shall be stipulated in the relevant key information document. The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating for the commercial paper shall be as disclosed in the relevant key information document that shall be issued by SIDBI in relation to the issuance of commercial papers. The Issuer hereby declares the aforesaid credit rating obtained by it in relation to the Debt securities shall be valid on the date of Issue and on the date of listing of its debt securities and any change/update on rating hereinafter shall be disclosed in relevant KID.

**VALIDITY OF GENERAL INFORMATION DOCUMENT**

This General Information Document shall be valid for a period not exceeding 1 (one) year beginning from the issue opening date of the first Issuance of Non-Convertible Securities under this General Information Document. SIDBI shall file with the stock exchange, the Key Information Document with respect to each issuance, containing details of the offer of such issuance including any material developments, material changes, if any, in the information including the financial information provided in this General Information Document.

Company Secretary & Compliance Officer	Chief Financial Officer	Promotors	Statutory Auditor
<b>Shri Vishnu Kumar Sah</b> Swavalamban Bhavan, Plot No. C-11, G Block, Bandra - Kurla Complex, Bandra (East), Mumbai – 400051 Tel: (022) 67531215 Email: <a href="mailto:vishnus@sidbi.in">vishnus@sidbi.in</a>	<b>Shri Ajit Nath Jha</b> Swavalamban Bhavan, Plot No. C-11, G Block, Bandra - Kurla Complex, Bandra (East), Mumbai – 400051 Tel: (022) 67531203, Email: <a href="mailto:ajitjha@sidbi.in">ajitjha@sidbi.in</a>	<b>President of India</b> (On Behalf of Government of India) and institutions / public sector banks / insurance companies owned or controlled by the GoI.	<b>M/s J Kala &amp; Associates (FRN: 118769W)</b> 504 Rainbow Chambers Near Kandivali Telephone Exchange S. V. Road Kandivali (W) Mumbai-400067 Contact Person: Shri Jayesh Kala Tel: (022) 28625129 Email: <a href="mailto:admin@jka.co.in">admin@jka.co.in</a>

DEBENTURE TRUSTEE	CREDIT RATING AGENCIES		
<b>SBICAP Trustee Company Limited</b> Mistry Bhavan, 4 <sup>th</sup> Floor 122 Dinshaw Vachha Road Churchgate, Mumbai – 400 020 Contact Person: Mr. Ardhendu Mukhopadhyay Tel: (022) 4325555 Email: <a href="mailto:corporate@sbicaptrustee.com">corporate@sbicaptrustee.com</a> Website: <a href="https://sbicaptrustee.com">https://sbicaptrustee.com</a>	<b>CRISIL Ltd.</b> CRISIL House, Central Avenue, Hirandani Business Park, Powai, Mumbai – 400076 Contact Person: Shri Ronak Rathi Tel: (022)-3342 3000 Email: <a href="mailto:Ronak.Rathi@crisil.com">Ronak.Rathi@crisil.com</a> Website: <a href="http://www.crisilratings.com">www.crisilratings.com</a>	<b>CARE Ratings Ltd</b> 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400022. Contact Person: Ms. Khyati Shah, Tel:(022)- 67543456, Email: <a href="mailto:Khyati.Shah@careedge.in">Khyati.Shah@careedge.in</a> Website: <a href="http://www.careratings.com">www.careratings.com</a>	<b>India Ratings and Research Pvt Ltd</b> DLF Epitome, Level 16, Building No. 5, Tower B DLF Cyber City, 3Gurugram Haryana – 122002 Contact Person: Shri Pranit Patil Tel: (022)- 40356128 Email: <a href="mailto:AWCAAdmin@indiaratings.co.in">AWCAAdmin@indiaratings.co.in</a> , <a href="mailto:pranit.patil@indiaratings.co.in">pranit.patil@indiaratings.co.in</a> Website: <a href="http://www.indiaratings.co.in">www.indiaratings.co.in</a>

**REGISTRAR & TRANSFER AGENT**

**Link Intime India Pvt. Ltd**  
C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400083 Contact Person: Mr. Ganesh Jadhav Tel:(022)-49186000, Email: [debtca@linkintime.co.in](mailto:debtca@linkintime.co.in) Website: [www.linkintime.co.in](http://www.linkintime.co.in)



**LISTING**

The securities proposed to be issued will be listed on the wholesale debt market segment of the National Stock Exchange of India Limited (“NSE”) or any other stock exchange. The issuer shall apply for in-principle approval to the stock exchange and names of the stock exchange(s) where the non-convertible securities are listed and the details of in-principle approval for listing obtained from these stock exchange shall form part of the respective Key Information Document.

**ISSUE DETAILS**

The issue size for the Debentures / Commercial papers proposed to be issued by issuer shall be as specified in the relevant Key Information Document.

**ISSUE SCHEDULE**

Bid/issue opening date	Bid/issue closing date	Pay-in date	Date of earliest closing of issue, if any	Deemed date of allotment
As specified in the relevant Key Information Document				

**COMPLIANCE CLAUSE IN RELATION TO ELECTRONIC BOOK MECHANISM**

The offer of debentures / commercial papers shall be made on the Electronic Book Building Mechanism of NSE/BSE, as the case may be, in compliance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time. A copy of this GID along with relevant KID will be uploaded on the EBP platform of the respective stock exchange as specified in the relevant KID.

**ELIGIBLE INVESTORS**

This General Information Document and the contents hereof are restricted to only those recipients who are permitted to receive it as per extant regulations and laws and only such recipients are eligible to apply for the non-convertible securities (“eligible investors”) accordingly offer made to the categories of investors identified in the relevant Key Information Document are eligible to subscribe to the securities issued under each tranche/ series based on operating guidelines of BSE/NSE-Bond EBP for issuance of securities on a private placement basis.

Note: Each of Eligible Investor(s) is required to check and comply with extant rules/ regulations/ guidelines, etc. Governing or regulating their investments as issued by their respective regulatory authorities, and SIDBI is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is SIDBI is required to check or confirm the same.

The eligible investor for the commercial papers shall be disclosed in the relevant key information document.

**BIDDING PARAMETERS**

Bidding Type: Closed Book Bidding at BSE-EBP, Allotment Type: Uniform yield/price Allotment as per bids accepted, Bidding for coupon, Settlement: Through BSE Clearing Limited, Listing on: NSE

**UNDERWRITING**

Details of underwriting, if any, shall be disclosed in the relevant KID

**ISSUERS’ ABSOLUTE RESPONSIBILITIES**

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

**NO SIDE LETTER**

The Issuer has no side letter with any debt securities holder except the one(s) disclosed in the General Information Document. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.

**KEY INFORMATION DOCUMENT (“KID”)**

- i. details of the tranche of offer of the debentures / commercial papers in respect of which the key information document is being issued.
- ii. financial information, if such information provided in the general information document is more than six months old.
- iii. material changes, if any, in the information provided in the General Information Document.
- iv. any material developments not disclosed in the General Information Document, since the issue of the GID relevant to the offer of non-convertible securities in respect of which the key information document is being issued.
- v. disclosures applicable in case of private placement of non-convertible securities (secured/ unsecured) as specified in NCS regulations, in case the second or subsequent offer is made during the validity of the general information document has been filed with stock exchange(s).
- vi. the commercial papers offered pursuant to this General Information Document shall comply with the master direction of Reserve Bank of India (commercial paper and non-convertible debentures of original or initial maturity up to one year) directions, 2024 dated January 03, 2024.

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## ABBREVIATION

AIFs	Alternative Investment Funds
ALCO	Asset Liability Committee
BO	Branch Office
BSE	Bombay Stock Exchange
CDSL	Central Depository Services Limited
Cr.	Crore
CRISIL	Credit Rating Information Services of India Limited
CARE	CARE Ratings Limited
CMD	Chairman & Managing Director
CRA	Customer Relations Associates (Individual Agents)
DFS	Department of Financial Services
DMD	Deputy Managing Director
DP	Depository Participant
DP Id	Depository Participant Identification Number
DRR	Debenture Redemption Reserve
EBP	Electronic Bidding Platform
GID	General Information Document
GoI	Government of India
Govt.	Government
ICRA	ICRA Limited
IDA	International Developmental Agency
Ind As	Indian Accounting Standard
INR/ Rs.	Indian Rupees
KID	Key Information Document
KYC	Know Your Customer
MoF	Ministry of Finance
MSMEs	Micro Small Medium Enterprises
NA/N.A.	Not Applicable/ Not Appointed
NBFC	Non-Banking Financial Company
NCDs	Non-Convertible Debentures
NEFT	National Electronic Fund Transfer
NPA	Non-Performing Assets
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
PLIs	Primary Lending Institutions
PSL	Primary Sector Lending
RO	Regional Office
RBI	Reserve Bank of India
RTA /R&TA	Registrar and Transfer Agent
RTGS	Real Time Gross Settlement
SBI	State Bank of India
SEBI	Securities and Exchange Board of India
SIDBI	Small Industries Development Bank of India
SIDBI Act	The Small Industries Development Bank of India Act, 1989 (as amended)
STOCK EXCHANGE	NSE and /or BSE, as the case may be
VCFs	Venture Capital Funds
WDM	Wholesale Debt Market
XBO	Extended Branch Office
ZO	Zonal Office

## DEFINITIONS

<b>Allot/ Allotment/ Allotted:</b>	means the allotment of the Debt Securities pursuant to this Issue.
<b>Deemed date of Allotment:</b>	means date of allotment as per relevant KID.
<b>Applicable Law:</b>	shall mean and include all applicable laws, bye-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, policies, notices, directions, judgments, decrees or other requirements or official directives of any Governmental Authority or Person acting under the authority of any Governmental Authority and/or of any statutory authority and specifically including, the RBI, SEBI and/or of a stock exchange, whether in effect on the date of this General Information Document or thereafter, including but not limited to the SCRA, the rules, regulations and circulars issued in relation to the same, applicable and binding on the Issuer.
<b>Board:</b>	shall mean and include Board of Directors of the Issuer
<b>Beneficial Owners:</b>	means holder(s) of the Debt Securities in dematerialized form as defined under Section 2 of the Depositories Act.
<b>Business Day / Working Day:</b>	shall mean and include 'Business Day' or 'Working Day' shall be a day on which commercial banks are open for business in the city of Mumbai, Maharashtra and a day (other than a Saturday or a Sunday). If the date of payment of interest/redemption of principal does not fall on a Business Day, the payment of interest/principal shall be made in accordance as per the SEBI Master Circular dated August 10, 2021 bearing reference SEBI/HO/DDHS/PoD1/P/CIR/2023/119 as may be amended / modified from time to time.
<b>Commercial Paper:</b>	means the Commercial Papers issued by the Issuer in accordance with the Master Direction – Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity upto one year) Directions, 2024, as amended from time to time, the SEBI Debt Regulations, and other Applicable Laws.
<b>Debt Securities:</b>	means debt securities as defined under Regulation No. 2 (1) (K) of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
<b>Designated Stock Exchange:</b>	shall mean and include National Stock Exchange of India Limited.
<b>Record date:</b>	means the record date fixed in compliance with regulation 60 of the SEBI (LODR) Regulations, 2015. 15 calendar days prior to each Coupon Payment / Redemption Date e.g. for payment date as June 15, 2024 Record date shall be June 1, 2024. Record date may be shifted as per Holidays Conventions.
<b>Redemption date:</b>	means the date on which the Debt Securities will be fully redeemed as more particularly.
<b>SEBI Regulations:</b>	means collectively, SEBI Act, SEBI Debt Regulations, SEBI LODR Regulations, Debenture Trustee Master Circular, Debenture Trustee Operational Circular and Debenture Trustee Regulations, each as updated, amended or modified from time to time.
<b>SEBI Debt Regulations:</b>	means the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and the SEBI Master Circular for issue and listing of Non-convertible Securities, Securitized Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper (SEBI/HO/DDHS/PoD1/P/CIR/2023/119) dated August 10, 2021 issued by SEBI, each as updated, amended or modified from time to time.
<b>Transaction Documents:</b>	means the transaction documents in relation to the Debt Securities, as defined in the Debenture Trust Deed, Debenture Trustee Agreement, this General Information Document, relevant Key Information Document and other document mutually designated as a Transaction Document by the Trustee and the Issuer.

## NOTICE TO INVESTORS & DISCLAIMERS

### 1.1. GENERAL DISCLAIMER IN RESPECT OF GID

This General Information Document has not been filed with or submitted to the SEBI. This General Information Document is neither a prospectus nor a statement in lieu of a prospectus. This General Information Document is prepared in conformity with the extant SEBI Debt Regulations. The Issuer confirms that the disclosures made in this General Information Document are in conformity with the SEBI Regulations. Further, the Issuer accepts no responsibility for statements made otherwise than in the General Information Document or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this General Information Document for investment in the Issue would be doing so at his own risk.

This General Information Document together with relevant Key Information Document ('KID') to be issued by the issuer for each issuance/tranche does not constitute and shall not be deemed to constitute an offer or an invitation to the public to subscribe to the Debt Securities and is strictly issued on private placement basis. This General Information Document is neither a prospectus nor a statement in lieu of prospectus. This General Information Document is not intended to be circulated to any person other than an Eligible Investor. This General Information Document has been prepared solely to provide general information about the Issuer to those investors who are specifically addressed ('Eligible Investors') to subscribe to the Debt Securities in respective issue documents. The person who has legitimate access to the General Information Document shall maintain confidentiality regarding its contents and shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding its contents, without the prior written consent of the Issuer, also that selling investor has a responsibility to ensure that sale, if any, does not constitute an offer to the public under applicable law.

Neither this General Information Document nor any other information supplied in connection with the Debt Securities is intended to provide the basis of any credit or other evaluation and any recipient of this General Information Document should not consider such receipt a recommendation to purchase any Debt Securities. This General Information Document does not purport to contain all the information that any Eligible Investor may require. Each Eligible Investor contemplating to purchase any Debt Securities should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer as well as the structure of the Issue. Each Eligible Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debt Securities and should possess the appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances.

By subscribing to the Issue, Eligible Investors shall be deemed to have acknowledged that the Issuer does not owe them a duty of care in this respect. Accordingly, none of the Issuer's officers (including principal officer and/or its Directors) or employees shall be held responsible for any direct or consequential losses suffered or incurred by any recipient of this General Information Document as a result of or arising from anything expressly or implicitly contained in or referred to in this General Information Document or any information received by the recipient in connection with this Issue.

Any intermediaries to the issue and their agents or advisors associated with the Issue of Non-Convertible Securities have not verified the information contained in the General Information Document and shall have not have any liability in relation to the information contained in this General Information Document or any other information provided by the Issuer in connection with the issue.

The Issuer confirms that, as of the date hereof, this General Information Document (including the documents incorporated by reference herein, if any) contains material information in the context of the issue and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein.

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this General Information Document or in any material made available by the Issuer to any potential Eligible investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer.

The Issuer does not undertake to update the General Information Document to reflect subsequent events after the date of the General Information Document and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this General Information Document nor any Issue made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

No invitation to subscribe to the Debt Securities is being made to any persons other than the Eligible Investors to whom this General Information Document has been sent. Any application by a person who has not been granted access by the issuer to the General Information Document, Key Information Document shall be rejected without assigning any reason.

The Issue of the Debt Securities will be under the electronic book mechanism as required in terms of the SEBI NCS Master Circular is only on private placement basis.

Invitations, offers, and allotment of the Debt Securities shall only be made pursuant to this General Information Document to eligible investors who fulfill their payment obligations. Save and except as otherwise provided you are not authorized to (1) deliver this General Information Document or any other information supplied in connection with this General Information Document or the Debt Securities to any other person; or (2) reproduce in part *or* full, this General Information Document in any manner whatsoever. Any distribution or reproduction of this General Information Document in whole *or* in part or any public announcement or any announcement to third parties regarding the contents of this General Information Document and other incidental document in respect of issuance of NCS by the issuer is unauthorized.

Any person who is in receipt of this General Information Document, including the Eligible Investors, shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents without the consent of the Issuer. The recipient agrees to keep confidential all of such information provided (or made available hereafter), including, without limitation, the existence and terms of such transaction, any specific pricing information related to the transaction or the amount or terms of any fees payable to parties in connection with the Debt Securities. This General Information Document may not be photocopied, reproduced, or distributed to others (other than the advisors of Eligible Investors) at any time without the prior written consent of the Issuer.

## **1.2. DISCLAIMER IN RESPECT OF JURISDICTION**

Issue of debt securities have been/will be made in India to eligible investors who have been/shall be specifically approached by the Issuer. The General Information Document is not to be construed or constituted as an offer to sell or an invitation to subscribe for debt securities offered hereby to any person to whom it is not specifically addressed. Any person into whose possession this General Information Document and the Key Information Document comes is required to inform himself or herself about, and to observe, any such restrictions. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals at Mumbai, Maharashtra. This General Information Document does not constitute an offer to sell or an invitation to subscribe to the Debt Securities herein, in any other jurisdiction or to any person to whom it is unlawful to make an offer or invitation.

## **1.3. DISCLAIMER IN RESPECT OF THE SECURITIES & EXCHANGE BOARD OF INDIA AND /OR STOCK EXCHANGES**

Issuance of Debt Securities (in one or more Tranches) on private placement basis under this General Information Document is proposed to be listed on the NSE and/ or the BSE and copy of this General Information Document will be filed with the NSE and/ or the BSE in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time. **IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE GENERAL INFORMATION DOCUMENT TO SEBI OR NSE OR BSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THE GENERAL INFORMATION DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE AND /OR BSE AND / OR SEBI; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS GENERAL INFORMATION DOCUMENT TO BE LISTED ON THE NSE AND/ OR BSE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THE ISSUER, ITS PROMOTERS, ITS MANAGEMENT.** Eligible Investor who desires to apply for or otherwise acquire Debt securities of the Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### 1.4. **DISCLAIMER OF THE ARRANGER TO THE ISSUE**

This General Information Document in respect of the Debt Securities proposed to be issued by the Issuer through EBP platform of the Stock Exchange, Issuer add arrangers registered with the Stock Exchange for the purpose and with limited role of Arranger(s) to marketing, bidding for (wherever applicable and authorized) and placement of the Debt securities of the Issuer on the basis of this General Information Document and relevant Key Information Document. The Issuer has prepared this General Information Document, and the Issuer is solely responsible for its contents and the truth, accuracy and completeness of all the information provided in this General Information Document. Arrangers is not responsible for preparing, clearing, approving, scrutinizing, or vetting this General Information Document, or the due diligence or for verification of the accuracy, truth, correctness, reliability, fairness or completeness of the contents of this General Information Document. The Arrangers have neither scrutinized or vetted nor have they conducted any due diligence, review, or verification of or inquiry on the contents of this General Information Document.

#### 1.5. **DISCLAIMER IN RESPECT OF THE CREDIT RATING AGENCY**

- I. **CARE:** The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
- II. **CRISIL RATINGS LIMITED:** A rating by CRISIL Ratings reflects its current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL Ratings. CRISIL Our ratings are based on information provided by the issuer or obtained by CRISIL ratings from sources it considers reliable. CRISIL ratings does not guarantee the completeness or accuracy of the information on which ratings is based. A rating by CRISIL Ratings is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL ratings has a practice of keeping all of its ratings under surveillance and ratings are revised as and when the circumstances so warrant. CRISIL Ratings is not responsible for any errors and specially states that it has no financial liability whatsoever to the subscriber /users/transmitter/ distributors of its ratings. CRISIL Ratings criteria are available without charge to the public on the website [www.crisiliratings.com](http://www.crisiliratings.com). CRISIL Ratings or its associates may have other commercial transactions with the company /entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpdesk at 1800-267-1301.
- III. **INDIA RATINGS:** All credit ratings assigned by India ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.indiaratings.co.in/rating-definitions>. In addition, rating definitions and the terms of use of such ratings are available on the agency's public website [www.indiaratings.co.in](http://www.indiaratings.co.in). Published ratings, criteria, and methodologies are available from this site at all times. India ratings' code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the code of conduct section of this site.

#### 1.6. **DISCLAIMER OF THE TRUSTEE**

Investors should carefully read and note the contents of the General Information Document. Each Eligible investor should make its own independent assessment of the merit of the investment in Debt Securities. Each Eligible investor should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in Debt Securities and should possess the appropriate resources to



analyze such investment and suitability of such investment to such investor's particular circumstance. Each Eligible investor is required to make their own independent evaluation and judgement before making the investment and are believed to be experienced in Investing in debt markets and are able to bear the economic risk of investing in such instruments. The Debenture Trustee does not guarantee the terms of payment regarding the issue as stated in this General Information Document and/or relevant Key Information Document and shall not be held liable for any default of the Issuer. Debenture Trustee ipso facto does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by the subscribers to the Bonds.

#### **1.7. ISSUANCE ONLY IN DEMATERIALIZED FORM**

The issuer shall issue Debt Securities in dematerialized form and has made necessary arrangements with National Securities Depository Limited (NSDL) / Centralized Depository Services Limited (CDSL) for the same. Investors shall hold the Bonds in dematerialized form and deal with the same as per the provisions of the Depositories Act, 1996 and rules made there under, as amended from time to time. Investors should, therefore, mention their Depository Participant's name, DP-ID, Client-ID and Beneficiary Account Number at the appropriate place as applicable. SIDBI shall take necessary steps to credit the Bonds allotted to the Depository Account of the investor with the amount of bonds issued. The issuer will make allotment of Bonds to Investors in due course after verification of the application form/EBP, the accompanying documents and on realization of the application money. The Bonds since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof.

#### **1.8. DISCLAIMER OF THE ISSUER**

The Issuer has confirmed that the disclosures made in this General Information Document and the relevant Key Information Document are in conformity with SEBI guidelines in force for the time being. This requirement is to facilitate Investors to take an informed decision for making an investment in the proposed Issue. The Issuer accepts no responsibility for statements made otherwise than in the General Information Document and relevant Key Information Document or any other material issued by or at the instance of the Issuer in connection with the issue of the Debt Securities and that anyone placing reliance on any other source of information would be doing so at their own risk.

#### **1.9. EACH RECIPIENT GETTING ACCESS TO THIS GENERAL INFORMATION DOCUMENT ACKNOWLEDGES THAT**

The Eligible Investors AGREE and understand that they: (i) are knowledgeable and experienced in financial and business matters, have expertise in assessing credit, market and all other relevant risk and are capable of evaluating, and have evaluated, independently the merits, risks and suitability of purchasing the Debt Securities, (ii) understand that the Issuer has not provided, and will not provide, any material or other information regarding the Debt securities except as required in terms of the Transaction Documents, (iii) have not requested the Issuer to provide it with any such material or other information except as required in terms of the Transaction Documents, (iv) have not relied on any investigation that any person acting on their behalf may have conducted with respect to the Debt Securities, (v) have made their own investment decision regarding the Debt Securities based on their own knowledge (and information they have or which is publicly available) with respect to the Debt Securities or the Issuer, (vi) have had access to such information as deemed necessary or appropriate in connection with purchase of the Debt Securities, (vii) are not relying upon, and have not relied upon, any statement, representation or warranty made by any person, other than those as set out under the Transaction Documents, and (viii) understand that, by purchase or holding of the Debt Securities, they are assuming and are capable of bearing the risk of loss that may occur with respect to the Debt Securities, including the possibility that they may lose all or a substantial portion of their investment in the Debt Securities, and they will not look to Debenture Trustee appointed for Debentures for all or part of any such loss or losses that they may suffer. Recipients shall not be entitled to use any of the information otherwise than to decide whether to invest in Debentures. No person including any employee of the Issuer has been authorized to give any information or to make any representation not contained in this General Information Document. Any information or representation not contained herein must not be relied upon as having been authorized by or on behalf of the Issuer. Neither the delivery of this General Information Document at any time nor any statement made in connection with the offering of the Debt securities shall under the circumstances imply that any information/representation contained herein is correct at any time subsequent to the date of this General Information Document. The distribution of this General Information Document and the offer, sale, pledge or disposal of the Debt Securities may be restricted by Applicable Laws in certain jurisdictions. People into whose possession this General Information Document comes are required by the Issuer to inform themselves about and observe any such restrictions. The sale or transfer of

these Debentures outside India may require regulatory approvals in India, including without limitation, the approval of the RBI.

**CONFIDENTIALITY:** The information and data contained herein is on a strictly private and confidential basis. By acquiring a copy of this General Information Document, each recipient agrees that neither it nor any of its employees, agents or advisors will use the information contained herein for any purpose other than evaluating the transactions termed herein and shall not give away to any other party any such information. This General Information Document must not be photocopied, reproduced, extracted or distributed in any manner whatsoever, in full or in part to any person other than the recipient without the prior written consent of the Issuer. If at any time any such reproduction or disclosure is made and Issuer suffers any loss, damage or incurs liability of any kind whatsoever arising out of or in connection with any such reproduction or disclosure, the recipient of this General Information Document breaching the restriction on reproduction or disclosure agrees to hold harmless and indemnify Issuer from and against any such loss, damage, or liability.

**FORCE MAJEURE:** Issuer reserves the right to withdraw the Issue at any time or any Tranche under the Issue prior to the closing date thereof in the event of any unforeseen development adversely affecting the economic and/or regulatory environment or otherwise. In such an event, the Issuer shall refund the application money, if any, collected in respect of that Tranche without assigning any reason.

**Issuer absolute responsibility:**

Issuer having made all reasonable enquiries, accepts responsibility for and confirms that this issue document contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the issue document is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

## SECTION 2: RISK FACTORS

Risk factors envisaged by the management of the Issuer are enlisted below are the principal risks inherent in investing in Debt Securities and are indicative in nature, it does not consist full list of risk factors. The order of the risk factors may not be in the order of their severity, probability of occurrence or importance. Eligible Investors should perform their own independent investigation of the financial condition and affairs of the Issuer and their own appraisal of the creditworthiness of the Issuer. Eligible Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations with respect to the Debt Securities of the Issuer. Eligible Investors should appraise independently to assess associated risk in respect of their investment decision. These risks and uncertainties are not the only issues that the Issuer faces. Additional risks and uncertainties not presently known to the Issuer or that the Issuer currently believes to be immaterial may also have a material adverse effect on its financial condition or business.

### 2.1 INTERNAL RISKS

**Credit Risk:** Issuer executes its mandates by Direct lending to MSME sectors and Indirect Lending through Banks, SFBs, NBFCs, MFIs and New Age Fintech. It carries a risk of default/losses ('**Credit Risk**') from the failure of counterparties/borrowers to honor payments obligations as and when it becomes due. Issuer acting as a lender are susceptible to default risk on all forms of its credit extension and cannot give an assurance that default may not occur. Issuer has set policies and guidelines to conduct due diligence of documents, undertaking, and submission of the documents of the Borrowers for credit appraisal, legal appraisal, technical appraisal, verification, valuation etc. Credit Appraisal is largely based on information furnished by or on behalf of its borrower's financial information, certain representations, and undertakings as to the accuracy, correctness and completeness of information and the verification of the same by agencies to which such functions are outsourced. Any such information, if materially misleading, may increase the risk of default and could adversely impact the financial condition, financial results and/or operations of the Issuer.

**Interest Rate Risk:** Interest rate risk refers to change in net interest income, impact on earnings, changes in the value of assets and liabilities due to adverse movement in the interest rates viz. hardening or softening of interest rates driven by market forces or by RBI intervention which is related to Reserve Bank of India monetary policy pertaining to interest rate. The risks could be higher interest cost on the liabilities or reduced interest yields on the assets.

**Liquidity Risk:** It is the risk of insufficient liquid assets or limited access to market financing to meet contractual maturities of liabilities, In addition, the Company needs to have enough liquidity at any point of time to manage redemptions, higher than expected disbursements, operational expenses etc.

**Operational risk:** risk of loss resulting from Flawed or failed processes, system, events, and people management may cause disruption in operation and could lead to reputational, capital, and financial losses. The issuer operational and financial growth could have an adverse impact if operational controls in place fails. Issuer endeavors to mitigate the risk by putting in place internal control systems, Business Continuity Planning, and regular monitoring mechanisms to ensure minimization of disruptions in the business operations.

### 2.2 External Risks

**Regulatory Risk:** (i). The Reserve Bank of India (RBI) (Prudential Regulations on Basel III Capital Framework, Exposure Norms, Significant Investments, Classification, Valuation and Operation of Investment Portfolio Norms and Resource Raising Norms for All India Financial Institutions) Directions, 2023 is applicable to the Issuer effective from April 1, 2024. These directions will require the Issuer to comply with Basel 3 requirements pertaining to various factor including risk weights computation, reduction in group exposure limits in respect of the Issuer's lending to a group and other bookkeeping requirements. Compliance by the Issuer with Basel 3 norms may require additional resources, expenses and necessary adjustments.

**A slowdown in economic growth in India:** The Issuer business operations is dependent on economic wellbeing of the domestic conditions and is dependent upon factors impacting our Indian economy factors causing slowdown in economic growth, investment and consumption of the domestic market will impact the performance of the

business of the Issuer. Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact the Issuer's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

**Natural Calamities/Covid/Pandemic:** India has experienced natural calamities such as earthquakes, floods, droughts and a tsunami in recent years. India has also experienced pandemics, including the outbreak of avian flu, swine flu and COVID-19. The extent and severity of these natural disasters and the lock downs due to these pandemics determine their impact on the economy and in turn their effect on the financial services sector, of which the Issuer is a part, cannot be ascertained or predicted but could adversely affect the Issuer. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the economy which in turn could adversely affect the financial results and/or operations of the Issuer.

**General Risks in relation to the non-convertible securities-** All Debt Securities being issued under this General Information Document are unsecured in nature. The claims of the investors in the Debt Securities being issued as long-term Bonds shall rank Pari Passu along with claims of other uninsured, unsecured creditors. Debentures are not redeemable at the option of the Holders and do not carry call or put option. Call or Put option in respect of the issued Debt Securities shall be reflected in respective KID.

- The Bonds are unsecured in nature and therefore, security is not required to be created. All outstanding bonds issued are unsecured in nature and hence there is no obligation on us for creation of any security.
- SIDBI is an All-India Financial Institution and is not required to create debenture redemption reserve in view of Rule 18 (7)(b)(i) of the Companies (Share Capital and Debentures) Rules, 2014. No Debenture Redemption Reserve is required to be created for the Issue. The Government of India, Ministry of Company Affairs vide General Circular No. 9/2002 No.6/3/2001-CL. V dated April 18, 2002 clarified that All India Financial Institutions need not required to create Debenture Redemption Reserve as specified under Section 117C of the Companies Act, 1956. SIDBI has appointed a Debenture Trustee to protect the interest of investors.
- Stock exchange has not refused listing of any security of the issuer during preceding three financial years and in the current financial year in India or abroad but There is no assurance that the NCDs issued pursuant to this issue may be listed on the stock exchange in a timely manner or at all.
- The Debt Securities shall be rated by the rating agencies as mentioned in the relevant Key Information Document. However, the Issuer cannot guarantee that CURRENT rating will not be downgraded, suspended or withdrawn at any time during the tenor of the Debt Securities. Any downgrade, suspension, or withdrawal in the credit rating on the Debt Securities may lower the price of the Debt Securities. The credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of Debt Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.
- These Bonds are newly issued and there is no assurance of the existence of an active market and /or liquidity in the trading market of these bonds. We do not have any obligation to maintain any such market in case it exists. The liquidity in the market is dependent upon market conditions, economic condition, and other factors.
- Government of India does not have any obligations or guarantee to honor the payment of Security Holders of the issuer, Thus Government of India does not give any Guarantee of the payments of the issued debt securities as and when it became due for the payment.
- There is no default in compliance with financial covenants and condition of outstanding debt instruments or deposits or borrowings.
- The payment on the Debt Securities will be subordinated to certain liabilities preferred by law, such as claims of the GoI on account of taxes and certain liabilities incurred in the ordinary course of our business. In an event of default, our assets will be available to meet payment obligations on the Debt Securities only after all liabilities that rank senior to the Debt Securities have been paid and, in such event, there may not be sufficient assets remaining, after paying amounts relating to these claims, to pay amounts due on the Debt Securities.



- There is no default in payment of interest, default in redemption or repayment and no penal interest is incurred on account of any default.
- Investment in non-convertible debt securities involves a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it.





### SECTION 3: DISCLOSURE FOR ISSUE OF SECURITIES

#### SCHEDULE I - IN COMPLIANCE OF REGULATION 25 (4) OF SECURITIES & EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021

**3.1** The disclosures stipulated herein are applicable to private placement of listed, unsecured, taxable, redeemable, rated, fully paid-up non-convertible debentures, including zero coupon bonds of the face value of Rs. [●] (Rupees [●] only), or such other denominations for cash, at par, premium or discount, including green shoe option to retain over subscription, as more particularly specified in the relevant key information document, and commercial papers of the face value of Rs. [●]/- (Rupees [●] only) or such other denomination as may be specified in the relevant key information document, in one or more tranches or through one or more issuances, aggregating together to Rs. ([●] crore ([●] only).

#### **3.2 ISSUER DETAILS**

<b>Issuer Details</b>	
Name of the Issuer	<b>SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)</b> [The principal financial institution established under an Act of Parliament, The Small Industries Development Bank of India Act, 1989]
Logo	
CIN	NA (SIDBI is not a Company)
LEI	3358003NTGA2D7D31E14;
PAN	AABCS3480N
Date and Place of incorporation	April 2, 1990, Lucknow
Head Office	SIDBI Tower, 15, Ashok Marg, Lucknow – 226001
Mumbai Office	Swavalamban Bhavan, Plot No. C-11, G Block, Bandra - Kurla Complex, Bandra (East), Mumbai – 400051,
Tel	(022) 67531100
Fax	NA
Website	<a href="http://www.sidbi.in">www.sidbi.in</a> ,
Email	rmd_mo@sidbi.in, & treasury_frontoffice@sidbi.in
<b>Details of Compliance Officer, Company Secretary,</b>	
Name of Compliance officer, company secretary	<b>Shri Vishnu Kumar Sah</b>
Telephone Number	(022)-67531215
Email	vishnus@sidbi.in; compliance_officer@sidbi.in
<b>Detail of Chief Financial Officer</b>	
Name of Chief Financial Officer	<b>Shri Ajit Nath Jha</b>
Telephone Number	(022)-67531213
Email	<a href="mailto:ajitjha@sidbi.in">ajitjha@sidbi.in</a>
<b>Details of Promoters</b>	
Name of Promoters	<b>President of India</b> (On Behalf of Government of India) and institutions / public sector banks / insurance companies owned or controlled by the GoI. Telephone Number and Email Id of the Promoter is not applicable.
<b>Name, addresses, logo, telephone numbers, email addresses and contact person of (wherever applicable):</b>	
<b>Debenture Trustee</b>	<b>SBICAP Trustee Company Limited</b> Mistry Bhavan, 4 <sup>th</sup> Floor, 122 Dinshaw Vachha Road Churchgate, Mumbai – 400020 Contact Person: Mr. Ardhendu Mukhopadhyay Tel: (022) 4325555 Email: corporate@sbicaptrustee.com Website: <a href="https://sbicaptrustee.com">https://sbicaptrustee.com</a> 
<b>Lead Manager(S)</b>	Not Applicable (It is applicable for public issue, and it will be mentioned in the relevant Key Information Document for public issue, if any.

<b>Credit Rating Agencies</b>	<b>CRISIL Ltd.</b> CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400076 Contact Person: Shri Ronak Rathi Tel: (022)-3342 3000 Email: Ronak.Rathi@crisil.com Website: www.crisilratings.com	 An S&P Global Company
	<b>CARE Ratings Ltd</b> 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai 400022. Contact Person: Ms. Khyati Shah Tel:(022)- 67543456, Email: Khyati.Shah@careedge.in Website: www.careratings.com	
	<b>India Ratings and Research Pvt Ltd</b> DLF Epitome, Level 16, Building No. 5, Tower B DLF Cyber City, 3Gurugram Haryana – 122002 Contact Person: Shri Pranit Patil Email: AWCAdmin@indiaratings.co.in Website: <a href="http://www.indiaratings.co.in">www.indiaratings.co.in</a>	
<b>Statutory Auditor</b>	<b>M/s J Kala &amp; Associates (FRN: 118769W)</b> 504 Rainbow Chambers, Near Kandivali Telephone Exchange, S V Road Kandiwali (W) Mumbai-400067 Contact Person: Shri Jayesh Kala, Partner Tel: (022)-28625129/5153 Email:admin@jka.co.in	
<b>Registrar &amp; Transfer Agent</b>	<b>Link Intime India Pvt. Ltd</b> C-101, 247 Park LBS Marg, Vikhroli West, Mumbai - 400083 Contact Person: Shri Ganesh Jadhav Tel:(022)-49186000, Email: debtca@linkintime.co.in Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>	

### 3.3 DISCLOSURE IN RESPECT OF COMPLIANCE OF SUB-SECTION (4) OF SECTION 26 OF COMPANIES ACT, 2013 (18 OF 2013)

Issuer is an All-India Financial Institution established under the Small Industries Development Bank of India Act, 1989 (an Act of Parliament) and is not an entity registered under the provision of the Companies Act, 2013 therefore a disclosure pertaining to filing of the issue document to the Registrar of Companies under sub-section (4) of Section 26 of Companies Act, 2013 (18 of 2013) is not applicable.

### 3.4 THE DATE OF THE ISSUE DOCUMENT AND TYPE OF ISSUE DOCUMENT

Date of the issue document	Type of issue document
As per relevant Key Information Document.	

### 3.5 THE NATURE, NUMBER, PRICE AND AMOUNT OF SECURITIES OFFERED, AND ISSUE SIZE (BASE ISSUE OR GREEN SHOE)

Nature of Issue	Number of units	Price	Amount of securities offered	Issue size base/green shoe option
As per relevant Key Information Document				

### 3.6 THE DISCLOSURE PERTAINING TO AGGREGATE AMOUNT PROPOSED TO BE RAISED THROUGH ALL THE STAGES OF OFFERS OF NON- CONVERTIBLE SECURITIES MADE

**THROUGH THE SHELF PROSPECTUS UNDER SECTION 31 OF THE COMPANIES ACT, 2013 (18 OF 2013)**

*Not applicable.*

**3.7 THE NAME, LOGO AND ADDRESS OF THE REGISTRAR TO THE ISSUE, ALONG WITH ITS TELEPHONE NUMBER, FAX NUMBER, WEBSITE ADDRESS AND E-MAIL ADDRESS.**

Details are given on the cover page.

**3.8 THE ISSUE SCHEDULE CONTAINING DISCLOSURE OF DATE OF OPENING OF THE ISSUE; DATE OF CLOSING OF THE ISSUE; DATE OF EARLIEST CLOSING OF THE ISSUE.**

The issue size for Debentures / Commercial papers proposed to be issued by Issuer in the first offer of securities and subsequent issuance shall form part of the relevant Key Information Document for each tranche, further, the date of opening of the issue; date of closing of the issue; date of earliest closing of the issue, deemed date of allotment are the issue specific data and these details will be disclosed in the respective key information documents.

<i>Bid/issue opening date</i>	<i>Bid/issue closing date</i>	<i>Pay-in date</i>	<i>Date of earliest closing of issue, if any</i>	<i>Deemed Date of allotment</i>
As specified in the relevant Key Information Document				

**3.9 THE CREDIT RATING (CROSS REFERENCE OF PRESS RELEASE TO BE PROVIDED) OF THE SECURITY ALONG WITH ALL THE RATINGS OBTAINED BY THE ISSUER FOR THAT SECURITY.**

Attached as **Annexure-I**

**3.10 NAME(S) OF THE STOCK EXCHANGES WHERE THE SECURITIES ARE PROPOSED TO BE LISTED.**

National Stock Exchange of India Limited (NSE).

**3.11 ELIGIBLE INVESTORS.**

This General Information Document and the contents hereof are restricted to only those recipients who are permitted to receive it as per extant regulations and laws and only such recipients are eligible to apply for the non-convertible securities ("eligible investors") accordingly offer made to the categories of investors identified in the relevant Key Information Document are eligible to subscribe to the securities issued under each tranche/ series based on operating guidelines of BSE-Bond EBP/ NSE EBP for issuance of securities on a private placement basis.

Each Eligible Investor(s) is required to check and comply with extant rules/ regulations/ guidelines, etc. Governing or regulating their investments as issued by their respective regulatory authorities, and SIDBI is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is SIDBI is required to check or confirm the same.

Following categories of investors for the current and proposed issuance are as under.

- Scheduled Commercial Banks/ Commercial Bank
- Urban / Central / State / District / Primary Co-operative Banks
- Regional Rural Banks, Land Development Banks
- Mutual Fund Houses
- Insurance Companies
- Public Financial Institutions
- Non-Banking Financial Companies
- Statutory Corporations, Companies, Body Corporates
- Trusts including Port Trusts and Association of Persons which are authorized to Invest in bonds



- Provident Funds, Pension Funds, Superannuation Funds and Gratuity Funds
- Other Government / Non-Government Agencies / Boards / Institutions.
- Individuals (excluding Minors & NRIs) to whom this Disclosure Document is specifically addressed
- Foreign Institutional Investors (FIIs) as per SEBI / RBI regulations

Note: The above list is only illustrative and not exhaustive. Investors should check their eligibility before making any investment. Please refer to *who can apply* section of the relevant key information document, in case of any conflict between this section in GID and relevant provision of KID, KID shall prevail.

### 3.12 COUPON/DIVIDEND RATE, COUPON/DIVIDEND PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT.

Series	Coupon and Coupon Type	Coupon Payment Frequency (If Any)	Redemption Date	Redemption Amount
As per the relevant Key Information Document				

### 3.13 DETAILS OF UNDERWRITINGS

The issue of Debt Securities proposed to be listed shall not be underwritten by the underwriters. However, in the event any issue is proposed to be underwritten, details of the underwriter shall be disclosed in the relevant KID.

### 3.14 COMPLIANCE CLAUSE IN RELATION TO ELECTRONIC BOOK MECHANISM AND DETAILS PERTAINING TO THE UPLOADING THE ISSUE DOCUMENT ON THE ELECTRONIC BOOK PROVIDER PLATFORM.

The offer of Debt Securities shall be made on the Electronic Book Building Mechanism of NSE/BSE, in compliance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time. Key Information Document pertaining to issuance of Commercial paper shall be floated on the EBP platform of the stock exchange. A copy of this GID along with relevant KID will be uploaded on the EBP platform of the respective stock exchange as specified in the relevant KID.

### 3.15 A COMPLETE PROFILE OF ALL THE PROMOTERS, INCLUDING THEIR NAME, DATE OF BIRTH, AGE, PERSONAL ADDRESSES, EDUCATIONAL QUALIFICATIONS, EXPERIENCE IN THE BUSINESS OR EMPLOYMENT, POSITIONS/POSTS HELD IN THE PAST, DIRECTORSHIPS HELD, OTHER VENTURES OF EACH PROMOTER, SPECIAL ACHIEVEMENTS, THEIR BUSINESS AND FINANCIAL ACTIVITIES, PHOTOGRAPH, PERMANENT ACCOUNTANT NUMBER

President of India (On behalf of Government of India) and institutions / public sector banks / insurance companies owned or controlled by the GoI is the promoter of the issuer and therefore complete profile of all the promoters, including their name, date of birth, age, personal addresses, educational qualifications, experience in the business or employment, positions/posts held in the past, directorships held, other ventures of each promoter, special achievements, their business and financial activities, photograph, Permanent Account Number are not Applicable.

Details of Promoters Holding as on the date of the GID.

Sr No	Name of the shareholders	Total No of Equity Shares	No of shares in demat form	Total shareholding as % of total no of equity shares	No of Shares Pledged	% of Shares pledged with respect to shares owned.
1	President of India (on behalf of the Central Government)	11,85,41,169	11,85,41,169	20.85%	0	0
	<b>Total</b>	<b>11,85,41,169</b>	<b>11,85,41,169</b>	<b>20.85%</b>	<b>0</b>	<b>0</b>

### 3.16 A DECLARATION CONFIRMING THAT THE PERMANENT ACCOUNT NUMBER, AADHAAR NUMBER, DRIVING LICENSE NUMBER, BANK ACCOUNT NUMBER(S) AND PASSPORT NUMBER OF THE PROMOTERS AND PERMANENT ACCOUNT NUMBER OF DIRECTORS HAVE BEEN SUBMITTED TO THE STOCK EXCHANGES ON WHICH THE NON-CONVERTIBLE

**SECURITIES ARE PROPOSED TO BE LISTED, AT THE TIME OF FILING THE DRAFT ISSUE DOCUMENT**

Promoters: The details of permanent account number, Aadhaar number, driving license number, bank account number(s) and passport number of the promoters are not applicable and/or required to be submitted to the Stock Exchange.

Directors: The details of the Permanent Account Number, and Director Identification number of the Directors shall form part of the relevant key information documents and will be submitted to the Stock Exchange.

**3.17 DETAILS OF CREDIT RATING, ALONG WITH THE LATEST PRESS RELEASE OF THE CREDIT RATING AGENCY IN RELATION TO THE ISSUE, AND A DECLARATION THAT THE RATING IS VALID AS ON THE DATE OF ISSUANCE AND LISTING. SUCH PRESS RELEASE SHALL NOT BE OLDER THAN ONE YEAR FROM THE DATE OF OPENING OF THE ISSUE.**

Rating Agencies	Date	Instruments	Amount (Rs. In Crore)	Rating	Rating Actions
CARE	May 22, 2024	NCD	1,12,315.00	CARE AAA, Stable	Reaffirmed
	May 22, 2024	CP/CD	1,16,000.00	CARE AAA, Stable/ CARE A1+	Reaffirmed
Crisil	May 14, 2024	NCD	70,000.00	CRISIL, AAA/Stable	Reaffirmed
India Ratings	May 10, 2024	CD	58,600.00	Ind A1+/ Ind A1+	Affirmed
	May 10, 2024	CD	30,000.00	Ind A1+/ Ind A1+	Assigned

The ratings may be subject to revision or withdrawal at any time by the assigning rating agency and should be evaluated independently of any other ratings. Any change in the credit rating or any additional credit rating shall be stipulated in the relevant key information document. The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating for the commercial paper shall be as disclosed in the relevant key information document that shall be issued by SIDBI in relation to the issuance of commercial papers.

The Issuer hereby declares the aforesaid credit rating obtained by it in relation to the Debt Securities shall be valid on the date of Issue and on the date of listing of Debt Securities.

The credit rating along with press release for the above ratings is annexed to this General Information Document as **Annexure I (Credit Rating)**.

**3.18 NAME(S) OF THE STOCK EXCHANGE(S) WHERE THE NON-CONVERTIBLE SECURITIES ARE PROPOSED TO BE LISTED AND THE DETAILS OF IN-PRINCIPLE APPROVAL FOR LISTING OBTAINED FROM THESE STOCK EXCHANGE(S).**

The Debt securities proposed to be issued will be listed on the wholesale debt market segment of the National Stock Exchange of India Limited ("NSE"). The issuer shall apply for in-principle approval and final approval of listing of debt securities to NSE and will annex the approval from NSE in relevant Key Information Documents as **Annexure-VI (Stock Exchange Approval)**.

**3.19 IF NON-CONVERTIBLE SECURITIES ARE PROPOSED TO BE LISTED ON MORE THAN ONE STOCK EXCHANGE(S) THEN THE ISSUER SHALL SPECIFY THE DESIGNATED STOCK EXCHANGE FOR THE ISSUE. THE ISSUER SHALL SPECIFY THE STOCK EXCHANGE WHERE THE RECOVERY EXPENSE FUND IS BEING OR HAS BEEN CREATED, AS SPECIFIED BY THE BOARD.**

In the event Issuer debt securities listed its debt securities in the stock exchange other than NSE, name of the stock exchange(s) where the non-convertible securities are listed and the details of in-principle approval for listing obtained from such stock exchange shall be included in the respective Key Information Document.

NSE shall be the Designated Stock Exchange for the proposed issuance during the validity period of this GID. A recovery Expense Fund has been created with the NSE with the required amount in accordance with the extant guidelines.

### 3.20 ISSUE SCHEDULE.

Particulars	
Issue Opening Date	As per the relevant Key Information Document
Issue Closing Date	
Pay-in Date	
Deemed Date of Allotment	

### 3.21 NAME, LOGO, ADDRESSES, WEBSITE URL, EMAIL ADDRESS, TELEPHONE NUMBER AND CONTACT PERSON OF:

Legal counsel, (if any)	Not Appointed/Not Applicable
Merchant banker and Co-managers to the issues, (Not applicable for private placement. However, if appointed, to be disclosed)	Not Appointed/Not Applicable
Legal advisor, (applicable in case of public issue)	Not Applicable
Bankers to the issue, (applicable in case of public issue)	Not Applicable
Sponsor bank, (applicable in case of public issue)	Not Applicable
Guarantor, if any	Not Appointed/Not Applicable
Arranger, if any	Through Electronic Bidding Platform (EBP) of BSE/NSE

### 3.22 ABOUT THE ISSUER

#### A. General Information:

Name of the Issuer	<b>SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)</b>
Mumbai Office	Swavalamban Bhavan, Plot No. C-11, G Block, Bandra - Kurla Complex, Bandra (East), Mumbai – 400051,
Tel	(022) 67531100
Fax	(022) 26505790
Website	www.sidbi.in,
Email	rmd_mo@sidbi.in, & treasury_frontoffice@sidbi.in

#### B. OVERVIEW AND A BRIEF SUMMARY OF THE BUSINESS ACTIVITIES OF THE ISSUER:

Small Industries Development Bank of India (SIDBI) is established under the Small Industries Development Bank of India Act, 1989 under an Act of Indian Parliament. SIDBI was set up on 2nd April 1990 under an Act of Indian Parliament, acts as the Principal Financial Institution for Promotion, Financing and Development of the Micro, Small and Medium Enterprise (MSME) sector as well as for co-ordination of functions of institutions engaged in similar activities.

**VISION:** To emerge as a single window for meeting the financial and developmental needs of the MSME sector to make it strong, vibrant and globally competitive, to position SIDBI Brand as the preferred and customer - friendly institution and for enhancement of share - holder wealth and highest corporate values through modern technology platform.

**MISSION:** To facilitate and strengthen credit flow to MSMEs and address both financial and developmental gaps in the MSME eco-system

#### CORE BUSINESS ACTIVITIES:

***Indirect Lending/Institutional Finance (Refinance to Banks, SFBs, SFCs etc.):*** SIDBI makes use of the network of Primary Lending Institutions [PLIs] like Banks and State Financial Corporations [SFCs], which have retail outlets. SIDBI supplements the efforts of existing institutions through its direct assistance schemes to reach financial assistance to the ultimate borrowers in the small-scale sector. Besides financial assistance, SIDBI provides appropriate support in the form of promotional and developmental services. The bank expands

PLIs' resources through refinancing activities thereby boosting the flow of credit in financing the MSME sector undertaken through Banks, SFBs, NBFCs, MFIs and New Age Fintech's.

**Direct Lending-** SIDBI aims to fill the existing credit gaps in the MSME sector and is undertaken through demonstrative and innovative lending products, which can be further scaled up by the credit delivery ecosystem. The Issuer has continued further simplifying and digitizing its MSME lending processes. This has led to a reduction in the reliance on outdated information provided by borrowers and a shift towards using up-to-date information from public databases like GST, ITR, Bank statements, and MCA database. To reach new segments in MSMEs and create innovative products, the Issuer has formed partnerships with different entities to expand its customer outreach and focus on customer acquisitions SIDBI, in its operational strategy, emphasizes Enhancement in the flow of financial assistance to MSMEs, and Enhancement in the capabilities of MSMEs at all levels, with focus on adoption of improved and modern technology. SIDBI identifies the areas of gaps in credit delivery systems and addresses them through devising appropriate schemes and implementing them. SIDBI's assistance to MSMEs broadly covers Term loans (Rupee and Foreign Currency), Working capital Assistance, Bills Discounting, Refinance to PLIs, Resource Support to NBFCs and Micro Finance Assistance to Micro Finance Institution.

**Fund of Funds-** boosts entrepreneurship culture by supporting emerging startups through the Fund of Funds channel.

**Promotion and Development-** The P&D initiatives of SIDBI have crystallized over the years and are now oriented to serve rural entrepreneurs and youth, particularly women through programs to empower them and motivate them to undertake entrepreneurial ventures, promoting entrepreneurship and handholding budding entrepreneurs for holistic development of MSME sector through credit-plus initiatives. The purpose, for which SIDBI's assistance is provided, includes financial assistance for new projects, expansion, diversification, technology upgradation, modernization, quality improvement, environmental management and marketing (domestic and international). Besides financing, SIDBI provides developmental and support services to MSMEs under its P&D schemes. The Issuer is playing a facilitator through roles like Nodal Agency for the MSME oriented schemes of the Government.

## C. STRUCTURE OF THE GROUP

### SIDBI Group Structure as on March 31, 2024

#### I. Wholly Owned Subsidiary

Micro Units Development & Refinance Agency Limited (MUDRA)  
SIDBI Venture Capital Limited (SVCL)  
SIDBI Trustee Company Limited (STCL)

#### II. Associate Company

Acuité Ratings & Research Limited (Acuité) (erstwhile SMERA) (35.73% Shareholding)  
India SME Asset Reconstruction Company Ltd. (ISARC) (15% Shareholding)  
Receivables Exchange of India Ltd. (RXIL) (30% Shareholding)  
India SME Technology Services Ltd. (ISTSL) (22.73% Shareholding)  
Online PSB Loans Ltd. (7.32% Shareholding)

#### Organizations where SIDBI is having more than 20% shareholding, are as under:

Bihar State Financial Corporation (48.43% Shareholding)  
Delhi State Financial Corporation (23.66% Shareholding)  
Gujarat State Financial Corporation (28.41% Shareholding)  
Maharashtra State Financial Corporation (39.99% Shareholding)  
Punjab State Financial Corporation (25.92% Shareholding)  
Uttar Pradesh State Financial Corporation (24.18% Shareholding)  
Canbank Factors Ltd (20% Shareholding)  
KITCO Ltd. (49.77% Shareholding)  
Bihar Industrial and Technical Consultancy Organisation Ltd. (49.25% Shareholding)  
Rajasthan Asset Management Co. Pvt. Ltd. (24.50% Shareholding)  
Rajasthan Trustee Co. Pvt. Ltd. (24.50% Shareholding)  
Hyderabad Information Technology Venture Enterprises Ltd. (24.50% Shareholding)  
Cyberabad Trustee Co. Pvt Ltd (24.50% Shareholding)

**III. SIDBI Swavalamban Foundation** - Section 8 Company, Limited by Guarantee

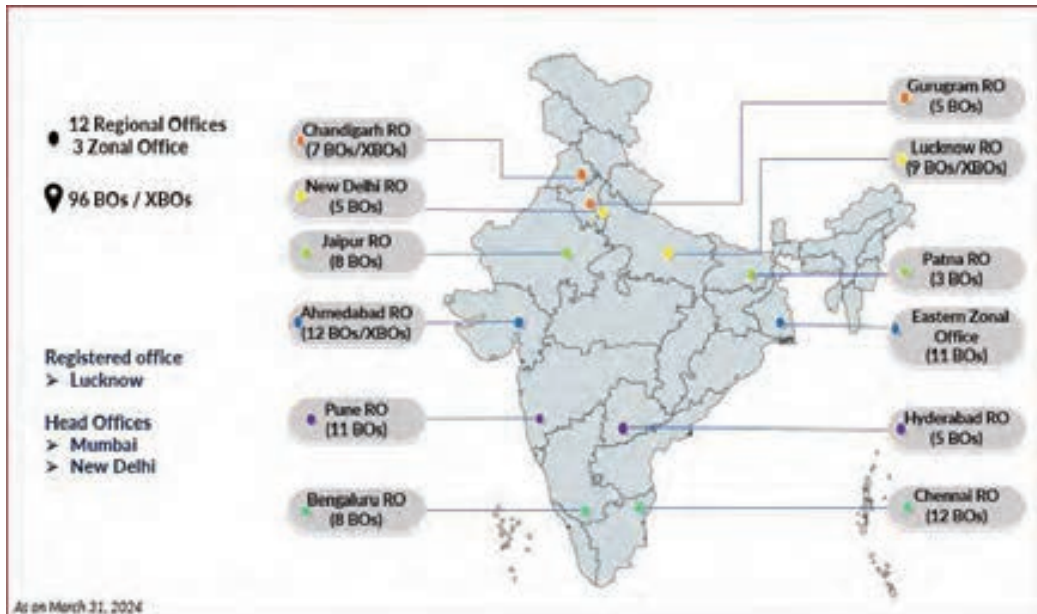
**IV. Credit Guarantee Fund Trust for Micro and Small Enterprises** (Trust Jointly set up by Ministry of MSME and SIDBI).

**D. A BRIEF SUMMARY OF THE BUSINESS ACTIVITIES OF THE SUBSIDIARIES OF THE ISSUER**

A brief summary of the business activities of subsidiaries of SIDBI are

- I. **SIDBI Venture Capital Limited (SVCL)**: SVCL has been promoted by Small Industries Development Bank of India (SIDBI) as its subsidiary. SIDBI owns 100% equity shares of SVCL. SVCL was established to carry out the business of setting up, advising and managing Venture Capital Funds (VCFs) / Alternative Investment Funds (AIFs). SVCL is currently the investment manager of the 11 VCFs/AIFs.
- II. **SIDBI Trustee Company Limited (STCL)**: STCL has been promoted by SIDBI as its wholly owned subsidiary. STCL is currently Trustee to 11 VCFs/AIFs.
- III. **Micro units Development & Refinance Agency Limited**: MUDRA has been promoted by SIDBI as its wholly owned subsidiary. It has been formed with the primary objective of developing the micro enterprise sector in the country by extending various support including financial support in the form of refinance, to achieve the goal of funding the unfunded. MUDRA is an NBFC supporting development of micro enterprise sector in the country. MUDRA provides refinance support to Banks / MFIs / NBFCs for lending to micro units having loan requirements up to Rs.10 lakh. MUDRA provides refinance support to micro business under the Scheme of Pradhan Mantri MUDRA Yojana. The other products are for development support to the sector.

**E. DETAILS OF BRANCHES OR UNITS WHERE THE ISSUER CARRIES ON ITS BUSINESS ACTIVITIES, IF ANY.**



Map not to scale.

**F. Project cost and means of financing, in case of funding of new projects.**

Not Applicable

**3.23 EXPENSES OF THE ISSUE: EXPENSES OF THE ISSUE ALONG WITH A BREAKUP FOR EACH ITEM OF EXPENSE, INCLUDING DETAILS OF THE FEES PAYABLE TO SEPARATELY AS UNDER (IN TERMS OF AMOUNT, AS A PERCENTAGE OF TOTAL ISSUE EXPENSES AND AS A PERCENTAGE OF TOTAL ISSUE SIZE), AS APPLICABLE:**

Expense Head	Amount in Rs.	Percentage of total issue expenses	Percentage of total issue size
Lead manager(s) fees	Not Appointed/Not Applicable		
Underwriting commission,			
Brokerage, selling commission and upload fees			
Fees payable to the legal Advisors			
Advertising and marketing expenses			
Expenses incurred on printing and distribution of issue stationary			
Fees payable to the regulators including stock exchanges	As set out in the Key Information Document		
NSDL			
CDSL			
NSE/BSE			
RTA	Rs.5000 Per issuance	-	-
Arrangership fee	As set out in the Key Information Document		
Core settlement guarantee fund			
Corporate Action, Credit ratings fees			
Stamp Duty			
Debenture Trustee fee	INR 23,600/-	-	-

**3.24 FINANCIAL INFORMATION:**

- A. The audited financial statements (i.e. profit and loss statement, balance sheet and cash flow statement) both on a standalone and consolidated basis for a period of three completed years, which shall not be more than six months old from the date of the issue document or issue opening date, as applicable. Such financial statements shall / should be audited and certified by the statutory auditor who hold valid certificate issued by peer review Board of the ICAI. The above financial statements shall be accompanied with the auditor's report along with the requisite schedules, footnotes, summary etc.**

The audited financial statements (i.e. profit and loss statement, balance sheet and cash flow statement) both on a standalone and consolidated basis for a period of three completed years viz. FY 2021-22; FY 2022-23 and FY 2023-24 accompanied with the auditor's report along with the requisite schedules, footnotes, summary etc. is attached as **Annexure II** of this General Information Document.

- B. Listed issuers (whose debt securities or specified securities are listed on recognized stock exchange(s)) in compliance with the listing regulations, may disclose unaudited financial information for the interim period in the format as specified therein with limited review report in the issue document, as filed with the stock exchanges, instead of audited financial statements for the interim period, subject to making necessary disclosures in this regard in issue document including risk factors.**

During the validity of this General Information documents Unaudited Financial information along with limited review report, as filed with the stock exchange, for the interim period of Q1 2024 and Q3 2024, as the case may be, shall be attached and form part of the relevant key information document. Further, Risk associated with unaudited financial information shall be disclosed therein.

- C. Key operational and financial parameters on consolidated and standalone basis (for Financial Sector Entities):**

**I. Standalone basis:**

For financial sector entities, unless otherwise specified by concerned sectoral regulator, key operational parameters shall be as per the format specified below:

<b><u>A. STANDALONE BALANCE SHEET</u></b>			
	31-Mar-24	31-Mar-23	31-Mar-22
<b><u>CAPITAL AND LIABILITIES</u></b>			
Capital	568.54	568.54	568.54
Reserves, Surplus and Funds	31,147.97	27,240.70	24,014.53
Deposits	2,06,384.21	1,65,036.15	1,40,878.43
Borrowings	2,70,545.49	2,00,657.92	75,712.44
Other Liabilities and Provisions	13,874.76	8,879.42	6,204.01
Deferred Tax Liability	0.00	0	0.75
<b>Total</b>	<b>5,22,520.97</b>	<b>4,02,382.73</b>	<b>2,47,378.70</b>
<b><u>ASSETS</u></b>			
Cash and Bank Balances	23,308.60	12,108.82	17,918.31
Investments	36,409.91	29,088.66	23,951.56
Loans & Advances	4,56,015.07	3,56,439.07	2,02,251.78
Fixed Assets	286.18	296.39	293.12
Other Assets	6,501.21	4,449.79	2,963.92
<b>Total</b>	<b>5,22,520.97</b>	<b>4,02,382.73</b>	<b>2,47,378.70</b>
<b>Contingent Liabilities</b>	<b>3,797.40</b>	<b>4,513.44</b>	<b>5,337.90</b>
<b><u>B. STANDALONE PROFIT &amp; LOSS ACCOUNT</u></b>			
	31-Mar-24	31-Mar-23	31-Mar-22
<b><u>INCOME</u></b>			
Interest and Discount	31,309.96	17,953.54	8,714.12
Other Income	632.13	531.28	425.06
<b>Total</b>	<b>31,942.09</b>	<b>18,484.82</b>	<b>9,139.18</b>
<b><u>EXPENDITURE</u></b>			
Interest & Financial charges	22,881.48	12,405.66	5,701.63
Operating Expenses	1,865.07	823.54	697.72
Provisions & Contingencies	1,905.50	858.14	351.81
<b>Total</b>	<b>26,652.05</b>	<b>14,087.34</b>	<b>6,751.16</b>
<b>Profit before Tax</b>	<b>5,290.04</b>	<b>4,397.48</b>	<b>2,388.02</b>
Provision for Income Tax	1,772.37	1,239.92	411.58
Deferred Tax Adjustment [(Asset) / Liability]	(508.63)	-186.01	-18.65
<b>Profit after Tax</b>	<b>4,026.30</b>	<b>3,343.57</b>	<b>1,957.79</b>
Profit brought forward	66.87	40	53.97
<b>Total Profit / (Loss)</b>	<b>4,093.17</b>	<b>3,383.57</b>	<b>2,011.76</b>
<b>Appropriations</b>			
Transfer to General Reserve	3,714.58	3,111.89	1800.41
Transfer to Special Reserve u/s 36(1)(viii) of The Income Tax Act, 1961	165.00	80	70
<b>Others</b>			
a) Transfer to Investment Fluctuation Reserve	2.51	0	10.97
Transfer to Staff Welfare Fund	16.85	11.11	10.56
Dividend on Shares	113.71	113.71	79.81
Tax on Dividend	0.00	0	0
Surplus in Profit & Loss account carried forward	80.52	66.86	40
<b>Total</b>	<b>4,093.17</b>	<b>3,383.57</b>	<b>2011.76</b>
<b><u>C. STANDALONE CASH FLOW STATEMENT</u></b>			

	31-Mar-24	31-Mar-23	31-Mar-22
<b>1. Cash Flow from Operating Activities</b>			
Net Profit before tax as per P & L Account	5,290.04	4,397.48	2388.02
Adjustments for:			
Depreciation	61.20	26.23	36.19
Provision for net depreciation in investments	-	26.05	5.53
Provisions made (net of write back)	2,189.80	919.41	398.32
Profit on sale of investments (net)	(86.65)	-44.63	-70.44
Profit on sale of fixed assets	(0.35)	-1.34	-0.14
Dividend Received on Investments	(44.41)	-32.37	-47.78
Cash generated from operations	7,409.63	5,290.84	2709.7
(Prior to changes in operating Assets and Liabilities)			
Adjustments for net changes in			
Current assets	(1,445.33)	-1,279.60	-38.08
Current liabilities	3,221.40	1,638.88	-1731.75
Bills of Exchange	(882.05)	-517.69	-13.45
Loans & Advances	(98,768.98)	-1,53,608.86	-45994
Net Proceeds of Bonds and Debentures & other borrowings	69,887.56	1,24,945.48	36622.25
Deposits received	41,348.06	24,157.72	16466.31
	13,360.66	-4,665.05	5,311.26
Payment of Tax	(1,869.80)	-1,260.92	-504.42
Net Cash flow from operating Activities	18,900.49	-634.14	7,516.54
<b>2. Cash flow from Investing Activities</b>			
Net (Purchase)/Sale of fixed assets	(50.64)	-28.17	-51.85
Net (Purchase)/sale/redemption of Investments	(17,805.15)	841.52	-14,232.31
Dividend Received on Investments	44.41	32.37	47.78
Net cash used in Investing Activities	(17,811.38)	845.73	-14,236.37
<b>3. Cash flow from Financing Activities</b>			
Dividend on Equity Shares & tax on Dividend	0.00	0	-106.38
Proceeds from issuance of share capital & share premium	(113.71)	-79.82	1422.8
Net cash used in Financing Activities	(113.71)	-79.82	1316.42
<b>4. Net increase/(decrease) in cash and cash equivalents</b>	<b>975.40</b>	<b>131.77</b>	<b>-5403.42</b>
<b>5. Cash and Cash Equivalents at the beginning of the period</b>	<b>2,638.20</b>	<b>2,506.43</b>	<b>7909.84</b>
<b>6. Cash and Cash Equivalents at the end of the period</b>	<b>3,613.60</b>	<b>2,638.20</b>	<b>2,506.43</b>

## II. Consolidated Basis

<b>A. Consolidated Balance Sheet</b>			
	31-Mar-24	31-Mar-23	31-Mar-22
<b>Capital</b>	568.54	568.54	568.54
Reserves, Surplus and Funds	33,578.09	28,876.87	25,062.79
Deposits	2,41,415.80	1,99,945.60	1,70,704.30
Borrowings	2,70,545.48	2,00,657.92	75,712.44
Other Liabilities and Provisions	14,478.12	9,203.25	6,831.68
Deferred Tax Liability	0.00	0.00	0.00
<b>Total</b>	<b>5,60,586.03</b>	<b>4,39,252.18</b>	<b>2,78,879.74</b>
Cash and Bank Balances	33,543.56	28,603.91	30,771.86
Investments	34,752.89	27,413.44	22,243.62
Loans & Advances	4,84,933.05	3,77,995.54	2,22,290.63
Fixed Assets	286.91	297.51	293.91
Other Assets	7,069.62	4,941.78	3,279.72
<b>Total</b>	<b>5,60,586.03</b>	<b>4,39,252.18</b>	<b>2,78,879.74</b>
<b>Contingent Liabilities</b>	<b>3,797.40</b>	<b>4,513.44</b>	<b>5,337.90</b>
<b>B. Consolidated Profit &amp; Loss Account</b>			



	31-Mar-24	31-Mar-23	31-Mar-22
Interest and Discount	33,609.95	19,482.45	9,715.64
Other Income	621.83	518.98	417.42
<b>Total</b>	<b>34,231.78</b>	<b>20,001.43</b>	<b>10,133.06</b>
Interest & Financial charges	23,900.19	13,156.49	6,363.02
Operating Expenses	1,888.84	841.67	711.78
Provisions & Contingencies	2,087.69	854.07	378.96
<b>Total</b>	<b>27,876.72</b>	<b>14,852.23</b>	<b>7,453.75</b>
<b>Profit before Tax</b>	<b>6,355.06</b>	<b>5,149.20</b>	<b>2,679.31</b>
<b>Provision for Income Tax</b>	2,096.84	1,424.28	499.84
Deferred Tax Adjustment [(Asset) / Liability]	(554.52)	(172.74)	11.68
Share of earning/(loss) in associates	(9.61)	(33.81)	5.81
<b>Profit after Tax</b>	<b>4,822.34</b>	<b>3,931.47</b>	<b>2,161.98</b>
Profit brought forward	944.61	444.99	301.46
<b>Total Profit / (Loss)</b>	<b>5,766.95</b>	<b>4,376.46</b>	<b>2,463.44</b>
Transfer to General Reserve	3,714.58	3,111.89	1,800.54
Transfer to Special reserve u/s 36(1)(viii) of The	165.00	80.00	70.00
Transfer to Statutory reserve u/s 45-IC of RBI	162.94	115.15	46.56
Others			
a) Transfer to Investment Fluctuation Reserve	0.00	0.00	10.96
Transfer to Staff Welfare Fund	16.85	11.11	10.55
Development Fund	0.00	0.00	0.00
Dividend on Shares	113.71	113.71	79.82
Tax on Dividend	0.00	0.00	0.00
Surplus in Profit & Loss account carried forward	1,593.87	944.60	444.99
<b>Total</b>	<b>5,766.95</b>	<b>4,376.46</b>	<b>2,463.44</b>
<b>C. Consolidated Cash Flow Statement</b>			
	31-Mar-24	31-Mar-23	31-Mar-22
<b>1. Cash Flow from Operating Activities</b>			
Net Profit before tax as per Consolidated P & L	6355.05	5,149.20	2,679.31
Depreciation	61.90	26.67	36.44
Provision for net depreciation investments	0.24	24.54	5.53
Provisions made (net of write back)	2371.80	916.74	425.63
Profit on sale of investments (net)	-93.40	(827.33)	(561.93)
Profit on sale of fixed assets	-0.36	(1.34)	(0.14)
Dividend/Interest Received on Investments	-1000.99	(8.00)	(19.47)
Cash generated from operations	7,694.24	5,280.48	2,565.37
Current assets	(1,448.12)	(1,493.03)	(169.74)
Current liabilities	3,295.46	6,491.98	8,168.99
Bills of Exchange	(882.05)	(517.69)	(13.45)
Loans & Advances	(1,06,108.79)	(1,55,199.51)	(52,406.31)
Net Proceeds of Bonds and Debentures & other borrowings	70,009.62	1,24,945.48	36,623.05
Deposits received	48,792.34	19,147.47	14,600.56
Payment of Tax	(2,217.10)	(1,418.16)	(595.88)
Net Cash Flow from Operating Activities	19,135.59	(2,837.85)	8,772.60
Net (Purchase)/Sale of fixed assets	(50.93)	(28.94)	(52.09)
Net (Purchase)/ sale/redemption of Investments	(17,806.46)	1,623.33	(13,741.19)
Dividend/ Interest Received on Investments	1,007.13	5.74	47.78
Net cash used in Investing Activities	(16,850.27)	1,600.13	(13,745.50)
Dividend on Equity Shares & tax on Dividend	(113.71)	(79.82)	(134.70)

Proceeds from issuance of share capital & share	0.00	0.00	1422.80
Net cash used in Financing Activities	(113.71)	(79.82)	1288.10
<b>4. Net increase / (decrease) in cash and cash</b>	<b>2,171.62</b>	<b>(1,317.54)</b>	<b>(3684.80)</b>
<b>5. Cash and Cash Equivalents at the</b>	<b>3,122.63</b>	<b>4,365.30</b>	<b>8,050.10</b>
<b>6. Cash and Cash Equivalents at the end of</b>	<b>5,294.25</b>	<b>3,122.63</b>	<b>4,365.30</b>

**3.25 THE AMOUNT OF CORPORATE GUARANTEE OR LETTER OF COMFORT ISSUED BY THE ISSUER ALONG WITH DETAILS OF THE COUNTERPARTY (VIZ. NAME AND NATURE OF THE COUNTERPARTY, WHETHER A SUBSIDIARY, JOINT VENTURE ENTITY, GROUP COMPANY ETC.) ON BEHALF OF WHOM IT HAS BEEN ISSUED.**

Not Applicable.

**3.26 A BRIEF HISTORY OF THE ISSUER SINCE ITS INCORPORATION GIVING DETAILS OF ITS FOLLOWING ACTIVITIES:**

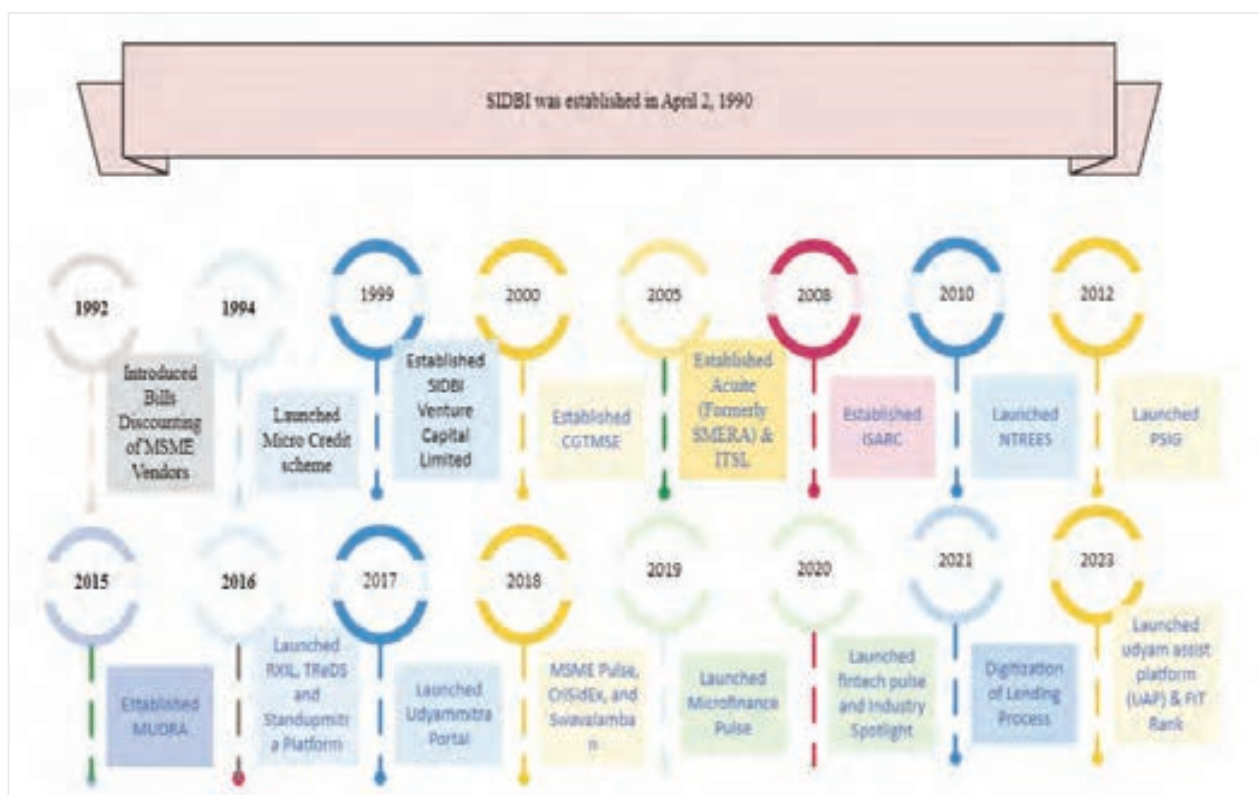
SIDBI was established on April 2, 1990, under the Small Industries Development Bank of India Act, 1989, an Act of Parliament, as a wholly owned subsidiary of Industrial Development Bank of India.

In accordance with the provisions of Section 4B of the Small Industries Development Bank of India (Amendment) Act, 2000, GoI approved transfer of Rs. 23 crore (51.11 per cent) equity shares of SIDBI subscribed and held by IDBI to State Bank of India (SBI), Life Insurance Corporation of India (LIC), and other banks / institutions owned or controlled by Central Government. GOI, vide notifications dated September 25, 2001, had specified the proportion of divestment of Rs. 23 crore SIDBI shares held by IDBI in favour of 35 institutions / public sector banks / insurance companies owned and controlled by the Central Government.

Currently, of the total paid-up equity capital of Rs. 569 crore, State Bank of India shareholding (15.65%), Government of India (20.85%), LIC of India (13.33%) and NABARD (9.36%) are the majority shareholders.

The SIDBI Act envisaged SIDBI to be the principal financial institution for the promotion, financing and development of industry in the small-scale sector and to co-ordinate the functions of the institutions engaged in the promotion and financing or developing industry in the small-scale sector and for matters connected therewith or incidental thereto.

**HISTORY OF THE SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA**



**A. Details of Share Capital as at last quarter end (March 31, 2024):**

Particulars		Amount in Rs.
<b>(A)</b>	<b>Authorized Capital</b>	
	Equity Capital- 75,00,00,000 Equity Shares of Rs.10 each	7,50,00,00,000.00
	Preference Capital-25,00,00,000 Redeemable Preference Shares of Rs.10 each	2,50,00,00,000.00
	<b>Total Authorized Capital</b>	<b>10,00,00,00,000.00</b>
<b>(B)</b>	<b>Issued, Subscribed and Paid-up Share Capital-56,85,41,169 Equity Shares of Rs.10 each</b>	<b>5,68,54,11,690.00</b>

**B. Changes in its capital structure as at last quarter end, for the preceding three financial years and current financial year:**

Except as disclosed in Para C below. No change in authorized capital structure during the last quarter and current financial year.

Date of Change (AGM/ EGM)	Particulars

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

Date of Allotment	No. of equity Shares	Face Value (In Rs.)	Issue Price	Consideration (Cash other than Cash)	Nature of Allotment	Cumulative			Remarks
						No. of equity Shares	Equity Share Capital	Equity Share Premium	
March 30, 2022	3,66,19,138	10	10	Cash	Conversion of Bonds into equity shares	56,85,41,169	568,54,11.690	378.54	Conversion of GoI Tier-I, Bonds, of Rs. 1422.80 Crore into equity shares of the Bank

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

Not Applicable

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

Type of Event	Date of Announcement	Date of Completion	Details
Not Applicable			

**F. Details of the shareholding of the company as at the latest quarter end (March 31, 2024), as per the format specified under the listing Regulations.**

Shareholding Pattern as on March 31, 2024 is enclosed separately as **Annexure-IV**

**G. List of top ten holders of equity shares of the company as at the latest quarter end i.e. March 31, 2024:**

Sl. No.	Name of the Shareholder	Total No of equity shares	No of equity shares in demat form	% of Holding
1	President of India	11,85,41,169	11,85,41,169	20.85%
2	State Bank of India	8,90,00,000	8,90,00,000	15.65%
3	Life Insurance Corporation of India	7,57,98,889	7,57,98,889	13.33%
4	The National Bank for Agriculture &	5,31,92,203	5,31,92,203	9.36%
5	Punjab National Bank	3,39,00,000	3,39,00,000	5.96%
6	Bank of Baroda	2,88,59,610	2,88,59,610	5.08%
7	National Housing Bank	2,60,00,000	2,60,00,000	4.57%
8	Canara Bank -Mumbai	2,56,59,610	2,56,59,610	4.51%
9	Union Bank of India	2,06,00,000	2,06,00,000	3.62%
10	Bank of India	1,51,00,000	1,51,00,000	2.66%

**3.27 FOLLOWING DETAILS REGARDING THE DIRECTORS OF THE COMPANY**

**A. Details of the current directors of the company as on May 22, 2024**

Name/ Designation/DIN	Age (Years)	Address	Date of appointment	details of other directorships
Shri Sudatta Mandal Dy. Managing / Executive Director DIN 00942070	55	SIDBI Swavalamban bhavan, Avenue 3, Lane 2, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	03/05/2021	Micro Units Development & Refinance Agency Limited Receivables Exchange of India Ltd. SIDBI Swavalamban Foundation RXIL Global IFSC Limited RXIL Financial Technologies Services Ltd
Shri Prakash Kumar Dy. Managing / Executive Director DIN 06758416	55	SIDBI Swavalamban bhavan, Avenue 3, Lane 2, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	07/11/2024	SIDBI Trustee Company Ltd SIDBI Venture Capital Ltd Micro Units Development & Refinance Agency Limited SIDBI Swavalamban Foundation
Dr Rajneesh Govt. Nominee /Non-Executive/Independent Director DIN : 07781942	49	Ministry of Micro, Small and Medium Enterprises, Nirman Bhawan, Maulana Azad Road, New Delhi - 110 108	22/02/2023	-
Shri Bhushan Kumar Sinha Govt. Nominee /Non-Executive/Independent Director DIN: 08135512	59	Department of Financial Services, Ministry of Finance, Jeevandeep Building, 3 <sup>rd</sup> Floor, Parliament Street, New Delhi 110 001	06/01/2023	Bank of India IIFCL National Bank for Financing Infrastructure and Development
Shri Anindya Sunder Paul SBI Nominee / Non-Executive/Independent Director DIN: NA	55	5th Floor, SMEBU Department State Bank of India State Bank Bhavan, Nariman Point, Mumbai- 400 021	03/08/2023	-
Shri Krishna Singh Nagnyal LIC Nominee / Non-Executive/Independent Director DIN 06857451	61	House no. 6, Officer's Colony, Ramadi Aan Singh, P O – Fatehpur, Near Gandhi Ashram, Kaladungi Road, Haldwani, Uttrakhand – 263 139	29/10/2021	-

Shri Manikumar S NABARD Nominee Director / Non- Executive/Independent Director DIN 06857451	54	NABARD Head Office, Secretary's Department, 8th Floor, B Wing, Plot C -24,G Block, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051	01/01/2024	Nabsamruddhi Finance Limited
Shri G. Gopalakrishna Non-Executive /Independent Director DIN 06407040	67	A2103, Lady Ratan Tower Danik Shivner Marg, Gandhinagar, Worli, Mumbai 400 018	11/08/2018	ICICI Home Finance Co. Ltd. Risk and Compliance Professionals Association (Not for profit company) ICICI Prudential Pension Funds Management Company Limited Krazybee Services Pvt Ltd Axis Mutual Fund
Smt. Nupur Garg Non-Executive /Independent Director DIN 03414074	49	Villa 72, The Palm Springs, DLF Phase V, Golf Course Road, Sector 54, Gurugram – 122 002	04/02/2019	Avyana Business Ventures Private Limited Winpe Development Forum Growx Startups LLP (Individual Partner) InnoVen Triple Blue Capital Advisors LLP (Shareholder) InnoVen Triple Blue Capital Services LLP (Shareholder) Kerala Infrastructure Fund Management Ltd Winpe Development Fund Management Ltd Kids Clinic India Ltd Edelweiss Real Assets Managers Ltd
Shri Amit Tandon Non-Executive / Independent Director DIN 01602336	63	Founder and Managing Director of Institutional Investor Advisory Services India Ltd, DGP House, Ground Floor, 88-C, Old Prabhadevi Road, Mumbai - 400 025	08/08/2021	Institutional Investor Advisory Services India Limited IIAS Research Foundation Foundation For Audit Quality Narain Family Trust IIAS Sustainability Solutions Private Ltd
Shri Jitender Kalra Non- Executive/Independent Director DIN – 08722638	57	D 6, Tower 3, New Moti Bagh, New Delhi, 110023	13/02/2024	Nab Foundations

**B. Details of change in directors in the preceding three financial years and current financial year:**

Name, Designation and DIN	Date of Appointment	Date of Cessation, if applicable	Date of Resignation, if applicable	Remarks
Shri Sivasubramanian Ramann Chairman & Managing Director DIN 07685657	19/04/2021	18/04/2024	-	expiry of the term
Shri Jitender Kalra Non-Executive/Independent Director DIN: 08722638	13/02/2024	NA		Appointment
Shri Bhushan Kumar Sinha, Govt. Nominee/Non-Executive/Independent Director DIN: 08135512	06/01/2023	NA		Appointment

Shri K. Sampath Kumar, SBI Nominee/Non-Executive/Independent Director DIN : 09706264	20/07/2022	03/08/2023		Cessation
Dr. Rajneesh Govt. Nominee/Non-Executive/Independent Director DIN : 07781942	22/02/2023	NA		Appointment
Shri Monomoy Mukherjee, NABARD Nominee/Non-Executive/Independent Director DIN: NA	29/12/2021	31/12/2023		Cessation
Shri Krishna Singh Nagnyal, LIC Nominee/ Non-Executive /Independent Director DIN – 06857451	29/10/2021	NA		Appointment
Shri Amit Tandon, Non-Executive/Independent Director DIN: 01602336	08/08/2021	NA		Appointment
Shri Sudatta Mandal, Dy. Managing/Executive Director DIN: 00942070	03/05/2021	NA		Appointment
Shri V. Satya Venkata Rao, Dy. Managing/Executive Director DIN: 00334394	05/06/2020	04/06/2023		expiry of the term
Smt. Nupur Garg, Non-Executive/Independent Director DIN: 03414074	04/02/2019	NA		Appointment
Shri G. Gopalakrishna, Non-Executive /Independent Director DIN: 06407040	11/08/2018	NA		Appointment
Shri Anindya Sunder Paul SBI- Nominee/Non-Executive /Independent Director DIN: NA	03/08/2023	NA		Appointment
Shri Prakash Kumar Deputy Managing Director/Executive Director DIN: 06758416	07/11/2023	NA		Appointment
Shri Manikumar S NABARD Nominee/Non-Executive /Independent Director DIN: NA	01/01/2024	NA		Appointment
Shri Ashish Gupta Non-Executive /Independent Director	11/08/2018	21/03/2023	21/03/2023	Resignation
Shri Lalit Kumar Chandel Non-Executive / Independent Director	01/04/2022	05/01/2023		Cessation
Shri B. Sankar Non-Executive / Independent Director	29/06/2021	19/07/2022		Cessation
Shri Devendra Kumar Singh Non-Executive / Independent Director	05/06/2020	19/06/2022		Cessation
Shri Pankaj Jain Non-Executive / Independent Director	01/01/2016	31/03/2022		Cessation
Shri L.R. Ramachandran Non-Executive / Independent Director	23/6/2020	28/12/2021		Cessation
Shri V. Sathya Kumar Non-Executive / Independent Director	16/07/2019	28/10/2021		Cessation
Shri G K Kansal Non-Executive / Independent Director	29/6/2018	28/06/2021		Cessation
Shri Manoj Mittal/ Deputy Managing Director/ Executive Director	22/01/2016	21/01/2021		expiry of the term
Shri S.K. Bansal Non-Executive / Independent Director	28/02/2019	22/06/2020		Cessation

Shri Shailesh Kumar Singh Non-Executive / Independent Director	20/06/2022	22/02/2023		Cessation
Shri Bhushan Kumar Sinha Non-Executive / Independent Director	06/01/2023	04/06/2023		Cessation
Shri V. Satya Venkata Rao Deputy Managing Director/ Executive Director	05/06/2020	04/06/2023		expiry of the term
Shri K. Sampath Kumar Non-Executive / Independent Director	20/07/2022	03/08/2023		Cessation
Shri Monomoy Mukherjee Non-Executive / Independent Director	29/12/2021	31/12/2023		Cessation

**C. Details of Directors remuneration and such particular of nature and extent of their interests in the issuer (during the current year and preceding three financial years):**

- **Remuneration payable or paid to a director by the issuer, its subsidiary or associate company; shareholding of the director in the company, its subsidiaries and associate companies on a fully diluted basis.**

F.Y. 2023-24	The remuneration of directors for F.Y. 2023-24 was Rs 131.77 lacs (Rounded off)
F.Y. 2022-23	The remuneration of directors for F.Y. 2022-23 was Rs 135.04 lacs (Rounded off)
F.Y. 2021-22	The remuneration of directors for F.Y. 2022-23 was Rs 135.84 lacs (Rounded off)

- **Appointment of any relatives to an office or place of profit of the issuer, its subsidiary or associate company**  
Not Applicable

- **Full particulars of the nature and extent of interest, if any, of every director:**

- o in the promotion of the issuer company; or
- o in any immovable property acquired by the issuer company in the two years preceding the date of the issue document or any immovable property proposed to be acquired by it; or
- o where the interest of such a director consists in being a member of a firm or company, the nature and extent of his interest in the firm or company, with a statement of all sums paid or agreed to be paid to him or to the firm or company in cash or shares or otherwise by any person either to induce him to become, or to help him qualify as a director, or otherwise for services rendered by him or by the firm or company, in connection with the promotion or formation of the issuer company shall be disclosed..

- **Contribution being made by the directors as part of the offer or separately in furtherance of such objects.**

Not Applicable

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

Not Applicable

**3.28 FOLLOWING DETAILS REGARDING THE AUDITORS OF THE ISSUER:**

**a. Details of the auditor of the Issuer**

Name	Address	Auditor Since
M/s J Kala & Associates (118768W)	504 Rainbow Chambers Near Kandivali Telephone Exchange S V Road, Kandiwali (W); Mumbai – 400 05567; Tel: (022)- 28625129	On October 2023 for FY 2023-24. Auditor is appointed based on RBI panel of the list of Auditor on Yearly Basis.

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

Name	Address	Date of Appointment	Date of Cessation, If Applicable	Date of resignation, if applicable
M/s J Kala & Associates (118768W)	504 Rainbow Chambers Near Kandivali Telephone Exchange, S V Road, Kandiwali (W) Mumbai – 400067 Contact No: 022- 28625129	On October 2023 for FY 2023-24. Auditor is appointed based on RBI panel of the list of Auditor on Yearly Basis.		
M/s Borkar & Muzumdar	21-168, Anand Nagar, Vakola, Santacruz East, Mumbai, Maharashtra 400055			M/s Borkar & Muzumdar Appointed as Statutory Auditor for FY 2020 to FY 2023 and also did the Limited Review of financial statements of the Bank for the quarter ending June 30, 2023 pending receipt of the list of Auditor by RBI and as per the approval shareholder’s approval in the 25th Annual General Meeting of SIDBI.

**3.29 DETAILS OF THE FOLLOWING LIABILITIES OF THE ISSUER, AS AT THE END OF THE PRECEDING QUARTER, OR IF AVAILABLE, A LATER DATE:**

**a. Details of outstanding secured loan facilities:**

Name of Lender	Type of facility	Amount sanctioned in Crore	Principal Amount outstanding. Rs. in Crore	Repayment date / schedule	Security	Credit rating, if applicable	Asset classification
Bank of India	TL	3000	3000	1Y Bullet	Secured by way of FD upto 10% of amount sanctioned	CARE AAA; Stable/CARE A1+’	Standard

The Bank borrows under TREPS which is an RBI approved Money Market Instrument backed by gilts as collaterals. The outstanding borrowing under TREPS window as on March 31, 2024 was Rs. 18985.00 crore.

**b. Details of outstanding unsecured loan facilities:**

Lender’s name/ Name of the Bank	Nature of facility/ instrument	Amount sanctioned	Principal Amount outstanding	Repayment date / schedule	Security, if applicable	Credit rating, if applicable	Asset classification
PNB	WCDL	19800	19300	On Demand	NA	CARE AAA; Stable/CAR	Standard
SBI	WCDL/STL	31000	31000	On Demand	NA		Standard
Union Bank	WCDL	13000	13000	On Demand	NA	E A1+’	Standard



Central Bank	WCDL	4920	4920	On Demand	NA		Standard
Canara Bank	STL	13000	13000	On Demand	NA		Standard
Indian Overseas Bank	STL	2800	2800	On Demand	NA		Standard
Bank of Baroda	STL	11000	10800	On Demand	NA		Standard
Karnataka Bank	STL	1000	1000	On Demand	NA		Standard
South Indian Bank	STL	1000	1000	On Demand	NA		Standard
Bank of India	WCTL	4000	4000	On Demand	NA		Standard
UCO Bank	WCTL	2500	2500	On Demand	NA		Standard
EXIM Bank	WCTL	1000	1000	On Demand	NA		Standard
Punjab & Sind Bank	WCTL	1000	1000	On Demand	NA		Standard
IDBI Bank	WCDL	500	499	On Demand	NA		Standard

**c. Details of outstanding non-convertible securities in the following format:**

Series of NCS	ISIN (INE556F08)	Tenor/Period of Maturity (Yrs)	Coupon	Amount Outstanding (in Cr.)	Date of Allotment	Credit rating	Secured/Unsecured	Security
4.97% SIDBI 2024-Series I of FY 2021-22	JT8	3.00	4.97	550.00	17-06-2021	AAA	Unsecured	NA
5.57% SIDBI 2025-Series III of FY 2021-22	JV4	3.01	5.57	2500.00	02-03-2022			
7.54% SIDBI 2026-Series VIII of FY 2022-23	KF5	3.12	7.54	5000.00	02-12-2022			
5.59% SIDBI 2025-Series II of FY 2021-22	JU6	3.00	5.59	2500.00	21-02-2022			
5.70% SIDBI 2025-Series V of FY 2021-22	JX0	3.00	5.7	1625.00	28-03-2022			
7.15% SIDBI 2025-Series I of FY 2022-23	JY8	3.01	7.15	2500.00	31-05-2022			
7.15% SIDBI 2025-Series II of FY 2022-23	JZ5	3.01	7.15	3000.00	18-07-2022			
7.25% SIDBI 2025-Series III of FY 2022-23	KA6	3.01	7.25	3905.00	28-07-2022			
7.23% SIDBI 2026-Series V of FY 2022-23	KC2	3.50	7.23	4000.00	08-09-2022			
7.11% SIDBI 2026-Series IV of FY 2022-23	KB4	3.53	7.11	4000.00	17-08-2022			
7.75% SIDBI 2025-Series VI of FY 2022-23	KD0	3.04	7.75	4000.00	14-10-2022			
7.47% SIDBI 2025-Series VII of FY 2022-23	KE8	3.03	7.47	4000.00	15-11-2022			
7.43% SIDBI 2027- Series I of FY 2023-24	KH1	3.28	7.43	5000.00	22-05-2023			
7.44% SIDBI 2027- Series II of FY 2023-24	KI9	3.24	7.44	6000.00	09-06-2023			
7.79% SIDBI 2027-Series IV of FY 2023-24	KK5	3.50	7.79	3022.29	19-10-2023			
7.83% SIDBI 2028-SERIES V of FY 2023-24	KL3	5.01	7.83	4887.00	24-11-2023			
7.75% SIDBI 2028-SERIES VII of FY 2023-24	KN9	3.39	7.75	4255.00	19-01-2024			
7.68% SIDBI 2028-SERIES VIII of FY2023-24	KO7	3.41	7.68	5000.00	12-02-2024			
7.68% SIDBI 2028-SERIES IX of FY 2023-24	KP4	3.38	7.68	3423.00	26-03-2024			
7.55% SIDBI 2027-Series III of FY 2023-24	KJ7	3.24	7.55	3000.00	28-06-2023			
7.79% SIDBI 2027-Series VI of FY 2023-24	KM1	3.39	7.79	4013.00	22-12-2023			
7.59% SIDBI 2026 Series IX FY 2022-23	KG3	3.07	7.59	5000.00	18-01-2023			

**d. Details of commercial paper issuances as at the end of the last quarter in the following format:**

Series of NCS	ISIN (INE556F14)	Tenor/Period of Maturity (Yrs)	Coupon	Amount Outstanding (Rs. in Crore)	Date of Allotment	Credit rating	Secured/Unsecured	Security	Other details viz. details of Issuing and Paying Agent, details of Credit Rating Agencies
CP-25-2023-24	JW0	0.22	7.65	1000.00	12-01-2024		Unsecured	NA	IPA- IDBI Bank Ltd and
CP-26-2023-24	JX8	0.24	7.65	1399.00	12-01-2024				

CP-27/2023-24	JY6	0.24	7.83	4025.00	07-02-2024	CARE A1+/ IND A1+	Rating Agencies –  CARE/  India Ratings
CP-28-2023-24	JZ3	0.25	7.83	3450.00	08-02-2024		
CP-29-2023-24	KA4	0.25	7.75	5000.00	23-02-2024		
CP-30/2023-24	KB2	0.25	7.69	5300.00	06-03-2024		
CP-31/2023-24	KC0	0.25	7.62	2350.00	22-03-2024		

**e. List of top ten holders of non-convertible securities in terms of value (on a cumulative basis) as on March 31, 2024:-**

Sl. No.	Name of the Holder	Category	Amount (in Rs. Crore)	Holding of debt Securities as a percentage of total debt securities outstanding of the issuer
1	NPS TRUST	CGV	8956.00	18.05%
2	EPFO	NIA	7160.21	14.43%
3	HDFC Mutual Fund	MF	6455.50	13.01%
4	Aditya Birla Mutual Fund	MF	5569.50	11.22%
5	ICICI Mutual Fund	MF	5092.00	10.26%
6	Bandhan MF	MF	4075.00	8.21%
7	State Bank of India	NB	3345.00	6.74%
8	SBI Mutual Fund	MF	3100.00	6.25%
9	Edelweiss Mutual Fund	MF	2990.00	6.03%
10	Kotak Mahindra Mutual Fund	MF	2875.00	5.79%

**f. List of top ten holders of Commercial Paper in terms of value (in cumulative basis): as on March 31, 2024:-**

Sl. No.	Name of the Holder	Category	Amount (in `Crore)	Holding of debt Securities as a percentage of total debt securities outstanding of the issuer
1	HDFC Mutual Fund	MF	3250	18.42%
2	ICICI Mutual Fund	MF	3095	17.54%
3	Aditya Birla Mutual Fund	MF	1990	11.28%
4	UTI Mutual Fund	MF	1781.5	10.10%
5	SBI Mutual Fund	MF	1505	8.53%
6	State Bank of India	MF	1500	8.50%
7	Nippon India Mutual Fund	MF	1500	8.50%
8	AXIS Bank Ltd	CBO	1150	6.52%
9	Bandhan Mutual Fund	MF	1000	5.67%
10	ICICI Bank Ltd	CBO	875	4.96%

- g. **Details of the bank fund-based facilities/ rest of the borrowing (if any, including hybrid debt like Foreign Currency Convertible Bonds (FCCB), Optionally Convertible Debentures/ Preference Shares) from financial institutions or financial creditors: (As on March 31, 2024)**

Name of party (In case of Facility)/name of Instrument	Type of Facility	Amount Sanctioned	Principal amount outstanding (In Cr)	Date of repayment	Credit rating	Secured/ Unsecured	Security
Fixed Deposit	FD	NA	12599.96	Various Dates	CARE AAA; Stable/CARE A1+'	Unsecured	NA
Deposit from Banks	Deposit out of PSL Shortfall		193784.25		CARE AAA; Stable/CARE A1+'	Unsecured	NA
Borrowing from GOI	IDA Loan		436.28		NA	NA	NA
Borrowing Outside India	Loans availed in foreign	--	3158.84		NA	NA	NA

- 3.30 THE AMOUNT OF CORPORATE GUARANTEE OR LETTER OF COMFORT ISSUED BY THE ISSUER ALONG WITH NAME OF THE COUNTERPARTY (LIKE NAME OF THE SUBSIDIARY, JOINT VENTURE ENTITY, GROUP COMPANY, ETC.) ON BEHALF OF WHOM IT HAS BEEN ISSUED, CONTINGENT LIABILITY INCLUDING DEBT SERVICE RESERVE ACCOUNT GUARANTEES/ ANY PUT OPTION ETC.**

NIL/Not Applicable.

- 3.31 DETAILS OF ANY OUTSTANDING BORROWINGS TAKEN/ DEBT SECURITIES ISSUED FOR CONSIDERATION OTHER THAN CASH. THIS INFORMATION SHALL BE DISCLOSED WHETHER SUCH BORROWING/ DEBT SECURITIES HAVE BEEN TAKEN/ ISSUED: IN WHOLE OR PART, AT A PREMIUM OR DISCOUNT, OR IN PURSUANCE OF AN OPTION OR NOT.**

NIL/Not Applicable.

- 3.32 WHERE THE ISSUER IS A NON-BANKING FINANCIAL CORPORATION OR HOUSING FINANCE COMPANY DISCLOSURES ON ASSET LIABILITY MANAGEMENT (ALM) FOR THE LATEST AUDITED FINANCIALS**

Not Applicable.

- 3.33 DETAILS OF ALL DEFAULT/S AND/OR DELAY IN PAYMENTS OF INTEREST AND PRINCIPAL OF ANY KIND OF TERM LOANS, DEBT SECURITIES, COMMERCIAL PAPER (INCLUDING TECHNICAL DELAY) AND OTHER FINANCIAL INDEBTEDNESS INCLUDING CORPORATE GUARANTEE OR LETTERS OF COMFORT ISSUED BY THE COMPANY, IN THE PRECEDING THREE YEARS AND THE CURRENT FINANCIAL YEAR.**

NIL

- 3.34 ANY MATERIAL EVENT/ DEVELOPMENT OR CHANGE HAVING IMPLICATIONS ON THE FINANCIALS/CREDIT QUALITY (E.G. ANY MATERIAL REGULATORY PROCEEDINGS AGAINST THE ISSUER/PROMOTERS, LITIGATIONS RESULTING IN MATERIAL LIABILITIES, CORPORATE RESTRUCTURING EVENT ETC.) AT THE TIME OF ISSUE WHICH MAY AFFECT THE ISSUE OR THE INVESTOR DECISION TO INVEST IN THE NON-CONVERTIBLE SECURITIES/ COMMERCIAL PAPER.**

Except as disclosed in public domain, no such material event/ development or change has occurred

- 3.35 ANY LITIGATION OR LEGAL ACTION PENDING OR TAKEN BY A GOVERNMENT DEPARTMENT OR A STATUTORY BODY OR REGULATORY BODY DURING THE THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF THE ISSUE OF THE ISSUE DOCUMENT AGAINST THE PROMOTER OF THE COMPANY.**

Except as disclosed in public domain, no such litigation or legal action is pending or taken by a government department or a statutory body or regulatory body.

**3.36 DETAILS OF DEFAULT AND NON-PAYMENT OF STATUTORY DUES FOR THE PRECEDING THREE FINANCIAL YEARS AND CURRENT FINANCIAL YEAR.**

Except as disclosed in public domain, no such default and non-payment of statutory dues has occurred.

**3.37 DETAILS OF PENDING LITIGATION INVOLVING THE ISSUER, PROMOTER, DIRECTOR, SUBSIDIARIES, GROUP COMPANIES OR ANY OTHER PERSON, WHOSE OUTCOME COULD HAVE MATERIAL ADVERSE EFFECT ON TO INVEST / CONTINUE TO INVEST IN THE DEBT SECURITIES AND/ OR NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES.**

Except as disclosed in public domain, no such pending litigation have material adverse effects as such.

**3.38 DETAILS OF ACTS OF MATERIAL FRAUDS COMMITTED AGAINST THE ISSUER IN THE PRECEDING THREE FINANCIAL YEARS AND CURRENT FINANCIAL YEAR, IF ANY, AND IF SO, THE ACTION TAKEN BY THE ISSUER.**

NIL

**3.39 DETAILS OF PENDING PROCEEDINGS INITIATED AGAINST THE ISSUER FOR ECONOMIC OFFENCES, IF ANY.**

NIL

**3.40 RELATED PARTY TRANSACTIONS ENTERED DURING THE PRECEDING THREE FINANCIAL YEARS AND CURRENT FINANCIAL YEAR WITH REGARD TO LOANS MADE OR, GUARANTEES GIVEN OR SECURITIES PROVIDED.**

Financial Year	Page Number	Weblink
2023-24	38-39	Attached as Annexure-II
2022-23	85-86	<a href="https://www.sidbi.in/uploads/financialreport/SIDBI-Annual-Report-2023.pdf">https://www.sidbi.in/uploads/financialreport/SIDBI-Annual-Report-2023.pdf</a>
2021-	40-41	<a href="https://www.sidbi.in/uploads/financialreport/SIDBI-AR-2021-">https://www.sidbi.in/uploads/financialreport/SIDBI-AR-2021-</a> Please refer Annexure-II

**3.41 IN CASE THE ISSUER IS A NON-BANKING FINANCE COMPANY (NBFC) AND THE OBJECTS OF THE ISSUE ENTAIL LOAN TO ANY ENTITY WHO IS A 'GROUP COMPANY' THEN.**

S. No.	Name of the Borrower (A)	Amount of Advances / exposures to such borrower (Group) (Rs. Crore) (B)	Percentage of exposure (C) = B / Total Assets under Management
Not Applicable			

**3.42 IN ORDER TO ALLOW INVESTORS TO BETTER ASSESS THE ISSUE, THE FOLLOWING ADDITIONAL DISCLOSURES TO BE MADE IN THE GENERAL INFORMATION DOCUMENT: (I) A PORTFOLIO SUMMARY WITH REGARDS TO INDUSTRIES/ SECTORS TO WHICH BORROWINGS HAVE BEEN GRANTED BY NBFCs; (II) QUANTUM AND PERCENTAGE OF SECURED VIS-À-VIS UNSECURED BORROWINGS GRANTED BY NBFC; (III) ANY CHANGE IN PROMOTERS' HOLDINGS IN NBFCs DURING THE PRECEDING FINANCIAL YEAR BEYOND THE THRESHOLD SPECIFIED BY THE**

Not Applicable

**3.43 CONSENT OF DIRECTORS, AUDITORS, BANKERS TO ISSUE, TRUSTEES, SOLICITORS OR ADVOCATES TO THE ISSUE, LEGAL ADVISORS TO THE ISSUE, LEAD MANAGERS TO THE ISSUE, REGISTRAR TO THE ISSUE, AND LENDERS (IF REQUIRED, AS PER THE TERMS OF THE AGREEMENT) AND EXPERTS**

The Board of Directors of the Issuer has authorized officers of Deputy General Manager level and above to provide the Consent for and on behalf of the Board of Directors. Consent of Trustees and Registrar and Transfer Agent has been obtained and attached as Annexure V and Annexure VI respectively. Consent from bankers to issue, solicitors or advocates to the issue, lead managers to the issue, Statutory Auditors, lenders (if required as per the terms of the agreement) and experts are not applicable for the present Issue.

**3.44 THE NAMES OF THE DEBENTURE TRUSTEE(S) SHALL BE MENTIONED WITH A STATEMENT TO THE EFFECT THAT DEBENTURE TRUSTEE(S) HAS GIVEN ITS CONSENT FOR APPOINTMENT ALONG WITH THE COPY OF THE CONSENT LETTER FROM THE DEBENTURE TRUSTEE.**

Pursuant to the SEBI NCS Regulations Issuer is required to appoint a Debenture Trustee for the benefit of debenture holders and the issuer has entered into an Agreement with SBICAP Trustee Company Limited on May 15, 2023, for FY 2024- 2026. Accordingly, SBICAP Trustee Company Limited has agreed to act as debenture Trustee for the benefit of debenture holders. Debenture Trustee is registered with the Securities and Exchange Board of India ("SEBI") as a Debenture Trustee under debenture Trustees Regulations and has a valid and subsisting registration vide a certificate of registration bearing certificate no. IND000000536 dated October 6, 2015. Debenture Trustee has also given its consent for the inclusion of its name as Debenture Trustee in this General Information Document and all subsequent periodical communications to be sent to the holders of the debt securities. The consent letter dated May 31., 2024 from debenture Trustee has been attached to this General Information Document as **Annexure V**. In the event any other trustee is appointed in relation to debentures, the same shall be disclosed in the relevant Key Information Document

**3.45 IF THE SECURITY IS BACKED BY A GUARANTEE OR LETTER OF COMFORT OR ANY OTHER DOCUMENT OF A SIMILAR NATURE, A COPY OF THE SAME SHALL BE DISCLOSED. IN CASE SUCH DOCUMENT DOES NOT CONTAIN THE DETAILED PAYMENT STRUCTURE (PROCEDURE OF INVOCATION OF GUARANTEE AND RECEIPT OF PAYMENT BY THE INVESTOR ALONG WITH TIMELINES), THE SAME SHALL BE DISCLOSED IN THE ISSUE DOCUMENT:**

Not Applicable.

**3.46 DISCLOSURE OF CASH FLOW WITH DATE OF INTEREST/DIVIDEND/ REDEMPTION PAYMENT AS PER DAY COUNT CONVENTION**

- (i) **The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made, should be disclosed.**
- (ii) **Procedure and time schedule for allotment and issue of securities should be disclosed.**
- (iii) **Cash flows emanating from the non-convertible securities shall be mentioned in the issue document, by way of an illustration.**

As per relevant key information document.

**3.47 ANY FINANCIAL OR OTHER MATERIAL INTEREST OF THE DIRECTORS, PROMOTERS OR KEY MANAGERIAL PERSONNEL IN THE OFFER / ISSUE AND THE EFFECT OF SUCH INTEREST IN SO FAR AS IT IS DIFFERENT FROM THE INTERESTS OF OTHER PERSONS.**

NIL/Not Applicable.

**3.48 OTHER DETAILS:**

- (i) **Creation of Debenture Redemption Reserve (DRR) / Capital Redemption Reserve (CRR) - relevant legislations and applicability**

No Debenture Redemption Reserve is required to be created or maintained by the issuer being an All India Financial Institution being exempted under MCA General Circular No. 9/2002 No.6/3/2001-CL.V dated April 18, 2002. The issue of Debt securities under this document is privately placed.

- (ii) **Issue/instrument specific regulations - relevant details (Companies Act, 2013 (18 of 2013), guidelines issued by the Reserve Bank of India, etc.) other Governmental Authority from time to time (applicable to the Issuer).**

The proposed issue will be governed by the provisions of the Small Industries Development Bank of India Act, 1989 (as amended), Small Industries Development Bank of India (Issue and Management of bonds) Regulations, 1990, (as amended). Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 dated August 9, 2021 and as amended from time to time, Master Circular for issue and Listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper issued vide SEBI circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021 and as updated, amended

or modified from time to time and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued vide circular no. SEBI/LAD-NRO/GN/2015-16/013 dated September 02, 2015, each as amended from time to time and any rules and regulations issued by the RBI, SEBI and/or any.

(iii) **Default in payment:**

In case of default (including delay) in payment of interest and/ or redemption of principal on the due dates for debt securities issued on private placement or public issue, additional interest of at least @ 2% p.a. over the coupon rate shall be payable by the issuer for the defaulting period. In case of default (including delay) in payment of dividend and/ or redemption of principal on the due dates for NCRPS issued on private placement or public issue, additional dividend of at least @ 2% p.a. over the rate of dividend shall be payable by the issuer for the defaulting period.

(iv) **Delay in listing**

In case of delay in listing of securities issued on privately placement basis beyond the timelines specified above, the issuer shall pay penal interest of 1% p.a. over the coupon/ dividend rate for the period of delay to the investor (i.e. from the date of allotment to the date of listing); and be permitted to utilize the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from stock exchanges.

(v) **Delay in allotment of securities**

In case of any delay in allotment of the debt securities beyond the stipulated timelines, the Issuer will comply with the applicable regulatory requirements, if any relating to such delay.

(vi) **Issue details**

As per relevant key information document.

(vii) **Application process**

**How to Apply:** Application to be made through EBP platform of NSE and /or BSE. **Disclosure required under form PAS-4 under Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any.**

Not Applicable: SIDBI is established under SIDBI Act, 1989 and is not registered as a Company under any of the provisions of the Companies Act, however details required of PAS-4 to the extent applicable is included in this GID/KID.

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

Not Applicable. The proceeds from the Debt Securities will be utilized for onward lending and for any other purposes as permissible under the SIDBI Act, 1989.

**3.49 IF THE PROCEEDS, OR ANY PART OF THE PROCEEDS, OF THE ISSUE OF THE DEBT SECURITIES/NON- CONVERTIBLE REDEEMABLE PREFERENCE SHARES ARE OR IS TO BE APPLIED DIRECTLY OR INDIRECTLY:**

(i) **in the purchase of any business; or**

(ii) **in the purchase of an interest in any business and by reason of that purchase, or anything to be done in consequence thereof, or in connection therewith, the company shall become entitled to an interest in either the capital or profits and losses or both, in such business exceeding fifty per cent. Thereof, a report made by a chartered accountant (who shall be named in the issue document) upon –**

a. **the profits or losses of the business for each of the three financial years immediately preceding the date of the issue of the issue document; and**

b. **the assets and liabilities of the business as on the latest date to which the accounts of the business were made up, being a date not more than one hundred and twenty days before the date of the issue of the issue document:**

Nil, Issuer shall utilize issue proceeds in the ordinary course of business to extend its objective.

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

(i) **the names, addresses, descriptions and occupations of the vendors.**

- (ii) the amount paid or payable in cash, to the vendor and where there is more than one vendor, or the company is a sub-purchaser, the amount so paid or payable to each vendor, specifying separately the amount, if any, paid or payable for goodwill;
- (iii) the nature of the title or interest in such property proposed to be acquired by the company; and the particulars of every transaction relating to the property completed within the two preceding years, in which any vendor of the property or any person who is or was at the time of the transaction, a promoter or a director or proposed director of the company, had any interest, direct or indirect, specifying the date of the transaction and the name of such promoter, director or proposed director and stating the amount payable by or to such vendor, promoter, director or proposed director in respect of the transaction:  
 Provided that if the number of vendors is more than five, then the disclosures as required above shall be on an aggregated basis, specifying the immovable property being acquired on a contiguous basis with mention of the location/total area and the number of vendors from whom it is being acquired and the aggregate value being paid. Details of minimum amount, the maximum amount and the average amount paid/ payable should also be disclosed for each immovable property.  
 Nil.

**3.51 If:**

- (i) the proceeds, or any part of the proceeds, of the issue of the debt securities/non-convertible redeemable preference shares are or are to be applied directly or indirectly and in any manner resulting in the acquisition by the company of shares in any other body corporate; and
- (ii) by reason of that acquisition or anything to be done in consequence thereof or in connection therewith, that body corporate shall become a subsidiary of the company, a report shall be made by a Chartered Accountant (who shall be named in the issue document) upon –
- (iii) the profits or losses of the other body corporate for each of the three financial years immediately preceding the issue of the issue document; and
- (iv) the assets and liabilities of the other body corporate as on the latest date to which its accounts were made up.  
 Nil

**3.52 The said report shall:**

- (i) indicate how the profits or losses of the other body corporate dealt with by the report would, in respect of the shares to be acquired, have concerned members of the issuer company and what allowance would have been required to be made, in relation to assets and liabilities so dealt with for the holders of the balance shares, if the issuer company had at all material times held the shares proposed to be acquired; and where the other body corporate has subsidiaries, deal with the profits or losses and the assets and liabilities of the body corporate and its subsidiaries in the manner as provided in paragraph above.  
 Nil
- (ii) The broad lending and borrowing policy including summary of the key terms and conditions of the term loans such as re-scheduling, prepayment, penalty, default; and where such lending or borrowing is between the issuer and its subsidiaries or associates, matters relating to terms and conditions of the term loans including rescheduling, prepayment, penalty, default shall be disclosed.  
 NIL/Not Applicable.
- (iii) The aggregate number of securities of the issuer company and its subsidiary companies purchased or sold by the promoter group, and by the directors of the company which is a promoter of the issuer company, and by the directors of the issuer company and their relatives, within six months immediately preceding the date of filing the issue document with the Registrar of Companies, shall be disclosed.  
 Nil/ Not Applicable

**3.53 PAGE NUMBER OF THE AUDIT REPORT WHICH SETS OUT THE DETAILS OF THE RELATED PARTY TRANSACTIONS ENTERED DURING THE THREE FINANCIAL YEARS IMMEDIATELY PRECEDING THE ISSUE OF ISSUE DOCUMENT**

<b>Financial Year</b>	<b>Page Number</b>	<b>Weblink</b>
2023-24	38-39	Attached as Annexure-II
2022-23	85-86	<a href="https://www.sidbi.in/uploads/financialreport/SIDBI-Annual-Report-2023.pdf">https://www.sidbi.in/uploads/financialreport/SIDBI-Annual-Report-2023.pdf</a>
2021-22	40-41	<a href="https://www.sidbi.in/uploads/financialreport/SIDBI-AR-2021-22_English_Part-II-for-web-upload_171022.pdf">https://www.sidbi.in/uploads/financialreport/SIDBI-AR-2021-22_English_Part-II-for-web-upload_171022.pdf</a>

Please refer Annexure-II

**3.54 THE SUMMARY OF RESERVATIONS OR QUALIFICATIONS OR ADVERSE REMARKS OF AUDITORS IN THE THREE FINANCIAL YEARS IMMEDIATELY PRECEDING THE YEAR OF ISSUE OF GENERAL INFORMATION DOCUMENT, AND OF THEIR IMPACT ON THE FINANCIAL STATEMENTS AND FINANCIAL POSITION OF THE ISSUER, AND THE CORRECTIVE STEPS TAKEN AND PROPOSED TO BE TAKEN BY THE ISSUER FOR EACH OF THE SAID RESERVATIONS OR QUALIFICATIONS OR ADVERSE REMARKS**

Nil/Not Applicable.

**3.55 THE DETAILS OF: (A) ANY INQUIRY, INSPECTIONS OR INVESTIGATIONS INITIATED OR CONDUCTED UNDER THE SECURITIES LAWS OR COMPANIES ACT, 2013 OR ANY PREVIOUS COMPANIES LAW; (B) PROSECUTIONS FILED, IF ANY (WHETHER PENDING OR NOT); AND (C) FINES IMPOSED OR OFFENCES COMPOUNDED; IN THE THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF ISSUE OF ISSUE DOCUMENT IN THE CASE OF THE ISSUER BEING A COMPANY AND ALL OF ITS SUBSIDIARIES**

Issuer is not a Company. Issuer is an all-India Financial Institution established under the SIDBI, Act, 1989.

**3.56 THE DETAILS OF ACTS OF MATERIAL FRAUDS COMMITTED AGAINST THE ISSUER IN THE PRECEDING THREE FINANCIAL YEARS AND CURRENT FINANCIAL YEAR, IF ANY, AND ACTIONS TAKEN BY THE ISSUER**

NIL/Not Applicable

**3.57 ISSUE DETAILS: SUMMARY TERM SHEET:**

As per relevant Key Information Documents



**SECTION 4: DISCLOSURE REQUIREMENTS UNDER FORM PAS-4  
(AS PRESCRIBED UNDER THE COMPANIES ACT, 2013)**

SIDBI was incorporated and established under the SIDBI Act, 1989, an act of parliament. The SIDBI Act, 1989 and SIDBI General Regulations 2000, as amended are applicable. SIDBI is not registered as a Company and therefore the provision of the Companies Act, 2013 is not applicable to SIDBI. Therefore, SIDBI is not required to submit data in form PAS-4. It may be mentioned that particulars of relevant information sought under form PAS-4 have already been incorporated under this General Information Documents and relevant key information document.

## SECTION 5: MATERIAL CONTRACTS

### PLACE OF INSPECTION OF THE MATERIAL CONTRACTS

Swavalamban Bhavan, Plot No. C-11, G Block, Bandra - Kurla Complex, Bandra (East), Mumbai – 400051

### TIMING OF INSPECTION

10.00 am to 6.00 pm on any Working Days between Issue Opening Date and Issue Closing date of the relevant issue

### MATERIAL CONTRACTS AND DOCUMENTS FOR THE ISSUE ARE AS UNDER:

List of Material Contracts and documents pertaining to the issuance of the Debt Securities not entered into the ordinary course of business of the issuer is given hereunder:

- a. The Small Industries Development Bank of India Act, 1989 and the Small Industries Development Bank of India General Regulations, 2000
- b. Certified true Copy of the resolution(s) approved by the Board approving the interim resource plan for FY 2023-24
- c. Credit Rating Letters from CARE Ratings Limited dated May 22, 2024, CRISIL Ltd. dated May 14, 2024, and India ratings & Research Ltd. dated May 10, 2024.
- d. Letter dated May 31, 2024 given by SBICAP Trustee Company Limited giving its consent to act as Debenture Trustee to debentures offered under this Issue.
- e. Certified true copy of debenture Trust Deed.
- f. Certified true copy of debenture Trustee Appointment Agreement.
- g. This General Information Document and the relevant Key Information Document, Private Placement Offer cum Application Letter.
- h. Latest Financial Statement, as approved, including Audit Report, Limited review report, as the case may be.
- i. Tripartite agreement between SIDBI, National Securities Depository Limited and Link Intime India Private Limited DATED February 10, 2012.
- j. Policy related to payment of arrangership fees

## SECTION 6: APPLICATION PROCESS

### 6.1. ISSUE OF DEBT SECURITIES IN DEMATERIALIZED FORM

The issuer shall issue Debt Securities in dematerialized form and has made necessary arrangements with National Securities Depository Limited (NSDL) / Centralized Depository Services Limited (CDSL) for the same. Investors shall hold the Bonds in dematerialized form and deal with the same as per the provisions of the Depositories Act, 1996 and rules made there under, as amended from time to time. Investors should, therefore, mention their Depository Participant's name, DP-ID, Client-ID and Beneficiary Account Number at the appropriate place as applicable. SIDBI shall take necessary steps to credit the Bonds allotted to the Depository Account of the investor with the amount of bonds issued. The issuer will make allotment of Bonds to Investors in due course after verification of the application form/EBP, the accompanying documents and on realization of the application money. The Bonds since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof.

### 6.2. DEPOSITORY ARRANGEMENT

The Issuer has entered into depository arrangements dated February 10, 2012, with the Depository (NSDL/CDSL) for the issue of the Debt Securities in dematerialized form. Debenture holder(s) who hold debentures in dematerialized form will deal with the same as per the provisions of the Depositories Act, 1996, the regulations thereunder and the rules and byelaws of the Depository.

### 6.3. EBP PLATFORM

This issuance would be as per guidelines of SEBI and under the electronic book mechanism for issuance of debt securities on private placement basis as per the Master Circular and the BSE EBP Guidelines and/or the NSE EBP Guidelines (as applicable).

### 6.4. WHO CAN APPLY

Eligible investors as per this GID and relevant KID shall apply through EBP Platform. The bidders should be registered/enrolled with the relevant EPB Platform. All the registered and eligible participants are required to update the necessary bank account and demat details before participating in the bidding process on relevant EPB Platform.

### 6.5. MINIMUM SUBSCRIPTION

INR ([●] ([●] only). lakh and in multiple of One Debt Securities thereafter. The entire subscription amount is required to be paid with the application, or as more particularly specified under issue details summary term sheet of the relevant Key Information Document. As the current issue of Debt Securities are being made on private placement basis, the requirement of minimum subscription shall not be applicable and therefore the Issuer shall not be liable to refund the issue subscription(s) / proceed (s) in the event of the total issue collection falling short of the Issue Size or certain percentage of the Issue Size.

### 6.6. APPLICANT REGISTRATION on EBP & KYC COMPLIANCE

The issuer shall comply with the KYC policy, to the extent applicable to the Issuer and required by the applicable law and as per the relevant stock exchange's electronic bidding platform. Investors, both QIB and non-QIB, as well as arrangers having a demat account with Intermediaries and accessing EBP platform without any further KYC. They can also use existing demat account credentials to access the EBP platform. In respect of users not having demat account with intermediaries, KYC will be done as per applicable KYC regulations by SEBI, as amended.

### 6.7. HOW TO APPLY/BID

All applications for Debt Securities must be done through EBP platform of the relevant stock exchange. Investor may refer operating guidelines of respective stock exchange for procedure pertaining to pre bidding, post bidding, clearing and settlement and relevant rules and guidelines in respect of bidding. The details of the Issue shall be entered on the EBP platform to be used by the Issuer for the respective Tranche or Issuance in accordance with the Operational Guidelines.

**6.8. FUNDS PAY In & PAY Out**

Successful bidders should do the funds pay-in to the bank account of clearing corporation appearing on the EBP. Successful bidders must do the funds pay-in to the Designated Bank Account upto 10:30 am on the Pay-in Date. Funds pay-out would be made by the respective Clearing Corporation to the following bank account of the issuer.

Name of the Bank	Branch Address	IFSC Code	Account number
State Bank of India	Bandra Kurla Complex, Bandra East, Mumbai-51	SBIN0004380	00000010996685010

**6.9. DEEMED DATE OF ALLOTMENT**

Deemed date of allotment will be mentioned in the relevant key information documents, as per the terms of the Bond Issue. All the benefits including payment of interest etc. under the Debt Securities will accrue to the investor(s) from the deemed date of allotment. The actual allotment of Debt Securities may take place on a date other than the Deemed Date of Allotment. In case if the issue closing date/pay-in dates is/are changed (preponed/postponed), the Deemed Date of Allotment may also be shifted at the sole and absolute discretion of the Issuer.

**6.10. RIGHT TO ACCEPT OR REJECT BIDS/APPLICATIONS**

The Issuer reserves its full, unqualified and absolute right to accept or reject any bid(s), in part or in full, without assigning any reason thereof and to make provisional / final allocations at its absolute discretion. The rejection of any application would be intimated by the Issuer along with the refund of the application money but without having to assign any reason for any rejection. The application forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money.

**6.11. MODE OF TRANSFER/ TRANSMISSION OF DEBT SECURITIES**

The Debt Securities shall be transferable freely. The Debt Security(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the applicable laws. The Debt Securities held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/ CDSL and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the register of Beneficial Owners maintained by NSDL/CDSL in accordance with the Depositories Act as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The seller should give delivery instructions containing details of the buyer's DP account to his DP. Nothing in this section shall prejudice any power of the Issuer to register as Debt Securities holder any person to whom the right to any of the Issuer has been transmitted by operation of law. Transfer of Debt Securities shall be in accordance with the rules / procedures as prescribed by NSDL / CDSL/ Depository participant and SIDBI Act, 1989 and SIDBI General Regulation 2000.

**6.12. REGISTER OF DEBENTUREHOLDERS**

R&T Agent viz Link Intime India Private Limited shall provide a list of securityholder(s) maintained by Depository as on the record date. This shall be the list which shall be considered for payment of interest and repayment of principal.

**6.13. FUTURE BORROWINGS/ISSUE**

Issuer will be entitled to borrow /raise loans or avail financial assistance in whatever form both from Domestic and International market as also issue Debt Securities /shares/ other securities in any manner having such priorities or securities and on terms and conditions as may be decided by the Issuer without consent of or intimation to Bondholders or Trustees in this connection.

**6.14. RIGHTS OF ISSUER TO PURCHASE/SALE OF DEBENTURE**

The Issuer (SIDBI) may, at any time and from time to time, purchase some or all of its Debentures at discount, at par or at premium in the open market or otherwise in the secondary markets at any time prior to the specified date of redemption. Such Debentures may, at the option of the Issuer, be cancelled, held or resold at such a price and on such terms and conditions as the Issuer may deem fit and as permitted by Applicable Laws.

**6.15. RIGHTS OF ISSUER TO RE-ISSUE DEBT SECURITIES**

Subject to the Applicable Law, the Issuer shall have and shall be deemed always to have had the right to keep such Debt Securities alive for the purpose of re-issue and in exercising such right, the Issuer shall have and shall be deemed always to have had the power to held, resold, re-issue such Debentures either by re-issuing the same Debentures or by issuing other Debentures in their place, as permitted by law. Where the Issuer has redeemed any such Debt Securities, the Issuer shall have and shall be deemed always to have had the right to keep such Debt

Securities alive for the purpose of reissue and in exercising such right, the Issuer shall have and shall be deemed always to have had the power to re-issue such Debt Securities either by reissuing the same Debt Securities or by issuing other Debt Securities in their place in either case, at such a price and on such terms and conditions (including any variations, dropping of or additions to any terms and conditions originally stipulated) as the Issuer may deem fit.

**6.16. AMENDMENT OF THE TERMS OF THE DEBT SECURITIES ISSUE**

The rights, privileges, terms and conditions attached to the Debt Securities(s) may be varied, modified or abrogated with the consent in writing of the holder(s) who hold(s) at least three-fourth of the outstanding amount of the Bond(s) or with the sanction accorded pursuant to a Special Resolution, passed at a meeting of the Bondholder(s), (by not less than 3/4<sup>th</sup> of the Bondholder(s) present and voting at the meeting); provided that nothing in such consent or resolution shall be operative against SIDBI where such consent or resolution modifies or varies the terms and conditions of the Debt Securities(s), if the same are not acceptable to SIDBI.

**6.17. FUTURE BORROWINGS / ISSUES**

The issuer be entitled to make further issue(s) of Debentures, raise further loans and advances and/or avail further deferred payment guarantees or other financial facilities from time to time from any persons/bank/financial institution/body corporate/any other agency.

**6.18. FORCE MAJEURE**

The Issuer reserves the right to withdraw the Issue prior to the Issue / Bid Closing Date in accordance with the Operational Guidelines, in the event of any unforeseen development adversely affecting the economic and regulatory environment or otherwise.

**6.19. WITHDRAWAL OF ISSUE**

The Issuer may withdraw any issue subject to conditions as specified by SEBI from time to time.

**6.20. NOTICES**

All notices to the Holder(s) required to be given by the Issuer or the Trustee from time to time, shall be deemed to have been given if sent by registered post/ by courier/by email to the sole/ first holder or the sole/ first Beneficial Owner of the Debt Securities or registered email id of such holder, as the case may be, or if published in Mumbai.

All notice(s) to be given by the Holder(s) shall be sent by registered post or by hand delivery to the Issuer to the following address:

**To**  
**DGM, TRMV**  
**SIDBI,**  
**4th Floor, Swavalamban Bhavan, Plot No. C-11, G Block, Bandra - Kurla Complex, Bandra (East),**  
**Mumbai – 400051: Tel: (022) 67531215**

**6.21. DAY COUNT CONVENTION:**

Day Count Convention: - Actual/Actual

**6.22. RECORD DATE & SHUT PERIOD**

The Record dates for corporate actions such as payment of interest, redemptions, put/call options, etc. will be 15 calendar day prior to the date of corporate actions. For instance, in case the corporate action is due on May 15, the record date will be May 1<sup>st</sup>. There will be no 'shut' period in respect of payment of interest or for part-redemptions. For redemptions, the shut period will be 15 days prior to the date of corporate action.

**6.23. EFFECT OF HOLIDAYS on**

- a. **Record date:** If the Record Date falls on a holiday it will be shifted to immediately preceding business day to maintain the gap of at least 15 calendar days from the payment date or adjusted payment date. Example: If a record date falls on April 7, 2024 which is Sunday than record date shall be shifted to preceding business day on April 5, 2024.
- b. **Interest Payment date:** If the interest payment date falls on a holiday, the payment may be made on the following working day, however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday.

- c. **Interest Payment date (last coupon payment) on redemption:** Interest payment date during redemption shall be conterminous with the redemption payment date. And in case payment date falls on holidays on redemption date, interest payment and principal payment date shall be shifted to preceding business day.
- d. **Principal Payment date on Maturity/Redemption:** If the Redemption Date of the Debt Securities falls on a holiday it will be shifted to preceding business day. Note that the redemption proceeds shall be paid by the Issuer as on the immediately preceding Business Day along with interest accrued on the Debt Securities until but excluding the date of such payment. In the event of shifting of the maturity payment date on the preceding business day, interest payment shall be conterminous with principal payment date and record date for principal and interest payment shall be shifted accordingly. Holidays shall mean and include Saturday, Sunday, National holiday, trading holiday declared by stock exchange, and holiday declared by the Govt. of Maharashtra/Central Government. Payment of interest / redemption shall be made only on the days when the money market is functioning in Mumbai.

#### **6.24. COMPUTATION OF INTEREST and PAYMENT**

- a. **Interest Computation:** The interest shall be computed on the basis of actual number of days for the interest period /actual days on outstanding principal. Debentures shall carry interest on the outstanding principal at the respective Coupon Rate, from the date of allotment till one day before the date of redemption/interest payment date (subject to deduction of tax at source at the then prevailing rates under the provisions of the Income-tax Act, 1961 or any other statutory modification or re-enactment thereof). Interest payment will be made by way of RTGS/Direct Credit/NEFT/cheque(s)/interest warrant(s)/demand draft(s). The last interest shall be paid along with the last principal repayment. When any number of days is prescribed in any document, the same shall be reckoned exclusively of the first and inclusively of the last day unless the last day does not fall on a Business Day, in which case the last day shall be the next succeeding Business Day. When any number of days is prescribed in any document, the same shall be reckoned exclusively of the first and inclusively of the last day unless the last day does not fall on a Business Day, in which case the last day shall be the next succeeding Business Day.
- a. **Interest Computation at the time of redemption:** The interest shall be computed on the basis of actual number of days for the interest period/actual days. The interest on Debentures/ would be payable on the outstanding principal till the final redemption of the instruments. In the case where the final redemption date falls on a Sunday or a day on which banks are closed for business in Mumbai, the interest payment would be made on the previous working day. Interest in such an event will be calculated on the outstanding principal from last interest payment date till & including one day prior to the previous working date i.e. the day on which redemption payment is made.

**Interest Payment Calculation during leap year:** In case of a leap year, if February 29 falls during the tenor of a security, then the number of days shall be reckoned as 366 days (Actual/Actual day count convention) for a whole one-year period, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly etc. It is thus emphasized that for a half yearly interest payment, 366 days would be reckoned twice as the denominator, for quarterly interest, four times and for monthly interest payment, twelve times.

#### **6.25. INVESTORS' RESPONSIBILITY TO KEEP RECORDS UPDATED**

The interest payments will be made to the registered debenture holders recorded in the books of the Company and / or as per the list provided by the Depository, and in case of joint holders, to the one whose name stands first in the Register of debenture holders as on the record date.

In the event of the Issuer/ Registrar not receiving any notice of transfer from the investor's Depository Participant, before the record date for payment of interest/ repayment of principal, the transferee(s) for debentures shall not have any claim against the Issuer in respect of interest/ principal paid to the registered debenture holders.

It is the sole responsibility of the investor on the record date to update and inform correct RTGS and beneficiary account details to the registrar on or before the record date. In the event of rejection of RTGS on account of incorrect details than Issuer shall not be responsible for any non-payment claimed by the investor.

#### **6.26. PAYMENT OF INTEREST/ COUPON**

In terms of the Key Information Document will be made to those debenture holders whose name(s) appear in the register of debenture holder(s) (or to the first holder in case of joint holders) as on the Record Date fixed by the Issuer for this purpose and /or as per the list provided by the Depository/R & TA to the Issuer of the beneficiaries who hold Debt securities in demat form on such Record Date, and are eligible to receive the said payments. The interest/redemption payment shall be made through electronic mode to the Holders whose names appear on the list of beneficial owners given by the depository participant to R&TA as on the record date fixed by Issuer in the bank account which is linked to the demat of the Holder.

However, in the absence of complete bank details i.e. correct/updated bank account number, IFSC/RTGS code /NEFT code etc., the Issuer shall not be liable for any additional costs or interest on account of delay. Further, in such cases the Issuer shall make payment through cheques / DDs on the due date at the sole risk of the Holders. The face value of the Debt Securities outstanding as on record date shall carry interest at the coupon rate.

**6.27. REDEMPTION AND PAYMENT ON REDEMPTION**

The Debt Securities shall be redeemed at par at the expiry of the tenor. The payment on maturity of the security will be made in the name of the sole holder or first holder (in case of joint holders) whose name appears in the list of beneficial owners provided by the depository on the Record Date. The Debt Securities shall be taken as discharged on payment of the last redemption amount by the Issuer (or the Trustee) to the beneficiaries as per the beneficiary list and the liability of SIDBI shall stand extinguished. These Debt Securities will be simultaneously extinguished through appropriate debit corporate action. On such payment being made, the Issuer will inform the Depository concerned and accordingly the account of the Securityholders with the Depository concerned will be adjusted. The Issuer's liability to the Securityholder in respect of all their rights including for payment or otherwise shall cease and stand extinguished after maturity in all events save and except the Securityholder's right of redemption as stated above if any Bond is not fully redeemed on maturity. On the Issuer dispatching the payment instrument or crediting the designated bank account operated by the Securityholder / Trustee to the Securityholder towards payment of the interest and/or of the redemption amount as specified above, the liability of the Issuer in respect of the Debt Securities shall stand extinguished.

**6.28. DISCHARGE ON PAYMENT**

Once debentures redeemed, the issuer liability towards debenture holders shall come to an end, and The Issuer's liability to debenture holders shall cease and stand extinguished. The same shall be considered as a legal discharge of the entire liability of the Issuer towards debenture Holder(s) of all principal monies and interests due upon their Debentures. On such Payment being made to the satisfaction of Debenture Trustee, upon request from Issuer, debenture Trustee will inform the Depository(ies) and accordingly the account of debenture Holder(s) with the Depository(ies) will be adjusted. The Issuer's liability to debenture holder(s) in respect of all their rights including for payments or otherwise shall cease and stand extinguished.

**6.29. DISCHARGE UPON FAILURE TO UNDERTAKE CORPORATE DEBIT ACTION**

In the event of any debenture holder(s)/ the Beneficial Owner(s) failing to undertake necessary corporate debit action, in respect of any Debentures which the Issuer is ready to pay or satisfy in accordance with the terms of these presents, to the Issuer, within thirty days (30) after the Final Settlement/Redemption Date, the Issuer shall be at liberty to deposit in a scheduled bank in the name of debenture Trustee in an account, which shall be operated by the Trustee for the purpose, an amount equal to the amount due to such Debenture holder(s)/ Beneficial Owner(s) in respect of such Debentures and upon such deposit being made debentures which the Issuer is ready to pay or satisfy as aforesaid shall be deemed to have been paid off or satisfied in accordance with the provisions hereof.

After provision for payment and satisfaction of debentures is made by the deposit in a scheduled bank as aforesaid, the Trustee may invest the same in any of the investments herein authorised.

**6.30. TAX DEDUCTION AT SOURCE**

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS exemption/lower rate of TDS, relevant certificate /document must be lodged by the Bondholders at the office of the Registrar & Transfer Agent of the Issuer at least 30 days before the interest payment becoming due and if required, be submitted afresh annually and/or as and when called upon for the same by the Issuer or its Registrar & Transfer Agent. Tax exemption certificate, if any, for non-deduction of tax at source on interest on application money, must be submitted along with the application form to the satisfaction of the Issuer. The face value of the Debt Securities outstanding as on record date shall carry interest at the coupon rate. subject to deduction of income tax, provided however the beneficiary submits a tax exemption certificate which is valid and subsisting at the time of payment of interest. Any claim of tax exemption without submitting the tax exemption certificate or the letter/notification/circulars issued by the competent authority granting the exempted status the requisite payment of interest and/or principal shall be made after deduction of tax at applicable rate. Failure to comply with the above shall entitle the Issuer to deduct tax at source as may be required under the provisions of law. Further, Security holders shall be liable to pay tax including any interest or penalty to the tax authority in the event of any discrepancy discovered withdrawing the status or invalid tax exempted status of the security holders.

**6.31. DEBENTURE HOLDERS NOT ENTITLED TO SHAREHOLDERS RIGHTS**

Except as provided in the Deed, debenture holders will not be entitled to any of the rights and privileges

available to the members of the Issuer including right to receive notices of or to attend and vote at general meetings. If, however, any resolution affecting the rights attached to debentures is placed before the members of the Issuer, the Issuer shall ensure that such resolution will first be placed before debenture holders for their consideration and not take any action in pursuance of such resolution, unless the resolution has been approved by the applicable majority of debenture holders.

#### **6.32. RIGHTS of DEBENTURE /Bond HOLDERS**

Debenture holders are entitled to receive interest and principal payments on due date. The rights and privileges available to the Bond Holders are subject to the provisions and modifications of the SIDBI Act, 1989, as amended from time to time and the SIDBI (Issue and Management of Debt Securities) Regulations 1990, as amended from time to time, the terms of this Disclosure Document and Application Form. Over and above such terms and conditions, the Bond(s) shall also be subject to the other terms and condition as may be incorporated in the Trustee's Agreement/Letters of Allotment/guidelines, notifications and regulations relating to the issue of capital/debt and listing of Securities issued from time to time by the Government of India and /or other authorities and other documents that may be executed in respect of the bond(s). The Bondholder will not be entitled to any rights and privileges of shareholders other than those available to them under statutory requirements. The Debt Securities issued under this Offer Document shall not confer upon the Bondholder the right to receive notice, or to attend and vote at the general meetings of shareholders or the holders of Debt Securities issued under any other series or issued other than under this Disclosure Document or of any other class of securities of the Issuer.

#### **6.33. PAN/GIR NUMBER**

All Applicants should mention their Permanent Account Number or the GIR Number allotted under Income Tax Act, 1961 and the Income Tax Circle/ Ward/ District. In case where neither the PAN nor the GIR Number has been allotted, the fact of such a non-allotment should be mentioned in the Application Form in the space provided.

#### **6.34. TRUSTEE TO THE BONDHOLDERS**

SIDBI has appointed SBICAP Trustee Company Ltd to act as Trustee to the Bondholders. SIDBI and the Trustee will enter into a Trustee Agreement, specifying inter alia, the powers, authorities and obligations of the Trustees and SIDBI. The bond holders shall, without further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debt Securities as the Trustees may in their absolute discretion deem necessary or require to be done in the interest of the bondholders. Any payment made by SIDBI to the trustees on behalf of the bondholders shall discharge SIDBI pro tanto to the bondholders. No bondholder shall be entitled to proceed directly against SIDBI unless the Trustees, having become bound to proceed, fail to do so.

#### **6.35. OBLIGATIONS OF TRUSTEES**

The major causes relating to the general rights, powers and discretions of the Trustees shall be as below. These are in addition to other powers conferred on the Trustees and provisions for their protection.

- The Trustees may, in relation to these presents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Bank or by the Trustees and shall not be responsible for any loss occasioned by so acting.
- The Trustees shall not be bound suo-motto to take any steps to ascertain whether any event of default has happened.
- Save as herein otherwise expressly provided the Trustees shall, as regards all trusts, powers, authorities and discretions, have absolute and uncontrolled discretion as to the exercise thereof and to the mode and time of exercise thereof;
- The Trustee shall not be responsible for bonafidely acting upon any resolution purporting to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed;
- Without prejudice to the rights to indemnity by law given to the Trustee, the Trustee and every Receiver, Attorney, Manager, Agent or other person appointed by them shall, subject to whatever stated above, be entitled to be indemnified in respect of all liabilities and expenses incurred by them or him in the execution or purported execution of the powers and trusts thereof including liabilities and expenses consequent to any bonafide mistake on the part of the Trustee or any such appointee and against all



actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way.

#### **6.36. RESIGNATION AND REMOVAL OF TRUSTEES RESIGNATION**

The Trustee may at any time, without assigning any reason and without being responsible for any loss or costs occasioned thereby, resign as the trustee, provided that they shall continue to act as Trustee until a successor trustee is appointed by SIDBI. SIDBI shall, upon receipt of notice of resignation issued by the Trustee, take prompt steps to appoint another entity competent to act as trustee for the Bondholders in place of the Trustee (the Successor Trustee).

#### **6.37. EVENTS OF DEFAULT:**

The occurrence of any one of the following events shall constitute an “**Event of Default**” by the Issuer:

- Default shall have occurred in the Redemption of debentures together with redemption premium, if any, as and when the same shall have become due and payable.
- Any default by the Issuer in the payment of any Coupon Rate of debentures, as and when the same shall have become due and payable.
- Default shall have occurred in the performance of any material covenants, or any conditions or agreements on the part of the Issuer other than any payment defaults under this Deed or the other Transaction Documents or deeds entered into between the Issuer and debenture holder(s)/Beneficial Owner(s)/ Debenture Trustee, that have not been cured within thirty (30) Business Days of having been notified in writing.
- Any default by the Issuer or its subsidiary Issuer caused by its inability to pay Financial Indebtedness, material breach of its obligations under the respective financing documents, will be considered an Event of Default.
- Any information given by the Issuer in the Disclosure Documents, the Transaction Documents and/or other information furnished and/or the representations and warranties given/deemed to have been given by the Issuer to debenture holder(s)/ Beneficial Owner(s) for availing financial assistance by way of subscription to debentures is or proves to be materially misleading or incorrect in any material respect or is found to be incorrect and prejudicially impacts debenture holders.
- It is or becomes unlawful for the Issuer to perform any of its material obligations under the Transaction Document relating to Debenture outstanding or if the Transaction Documents or any part thereof ceases, for any reason whatsoever, to be valid and binding or in full force and effect or is alleged by any party to it to be ineffective for any reason and the cessation individually or cumulatively materially and adversely affects the interests of debenture holders under the Transaction Documents;
- Any Transaction Document once executed and delivered, ceases to be in full force and effect or becomes unlawful, invalid or unenforceable or fails to provide debenture Trustee and debenture holders/ Beneficial Owners with the interests in the Receivables intended to be created thereby.

#### **6.38. MODIFICATION OF RIGHTS**

The Bondholders’ rights, privileges, terms and conditions attached to the Debt Securities may be varied, modified or abrogated with the consent, in writing, of those holders of the Debt Securities (or through the Trustee to the Bondholders) who hold at least three-fourth of the outstanding amount of the Debt Securities or with the sanction accorded pursuant to a resolution passed at a meeting of the Bondholders, provided that nothing in such consent or resolution shall be operative against or bind the Issuer (or any third party security provider) in any manner where such consent or resolution modifies or varies the terms and conditions of the Debt Securities which are not acceptable to the Issuer.

#### **6.39. LETTERS OF ALLOTMENT /BOND CERTIFICATES / REFUNDS**

The Issuer shall allot the Debt Securities in dematerialized form within the time stipulated by SEBI and ensure completion of all statutory formalities as required for such dematerialized credit within the said time period. The Debt Securities since issued in electronic (dematerialized) form, will be governed as per the provisions of the Depository Act, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof. The Debt Securities shall be allotted in dematerialized form only

**6.40. Obligation of THE ISSUER**

SIDBI shall, till the redemption of Debt Securities, submit its latest audited/ limited review half yearly financial information such as Statement of Profit & Loss, Balance Sheet and Cash Flow Statement and auditor qualifications, if any, to the Trustees within the timelines as mentioned in Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, for furnishing / publishing its half yearly/ annual result. Besides, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustees and the Trustees shall be obliged to share the details so submitted with all Qualified Institutional Buyers (“QIBs”) and other existing Bondholder(s) within two working days of their specific request.

Debt Securities being issued are ‘UNSECURED’ in nature, hence no permission of prior creditors are required. Outstanding borrowings of SIDBI do not impose any restriction on the further borrowings by SIDBI from various sources.

## UNDERTAKING OF THE ISSUER

### Issuer's Absolute Responsibility'

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

### General Risk

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

Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking a investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of Risk Factors given on Page number under the section General Risks.

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this issue document contains all information with regard to the issuer and the issue, that the information contained in the issue document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The issuer has no side letter with any debt securities holder except the one(s) disclosed in the issue document. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.

The issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, and the rules and regulations made thereunder. Compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government.

The Issuer undertakes that the monies received under the offer shall be used only for the purposes and objects indicated in the Offer document. The Issuer undertakes that whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the SIDBI Act, 1989

for **Small Industries Development Bank of India**

**Kotta Rama  
Satyanarayana** Digitally signed by Kotta  
Rama Satyanarayana  
Date: 2024.06.14 14:52:27  
+05'30'

(K. R. Satyanarayana)  
Designation: Deputy General Manager  
Treasury & Resource Management Vertical  
Date: June 14, 2024

## DECLARATION

I Rama Satyanarayana Kota, on behalf of Board of Directors, hereby declare and certify that.

- a. The issuer is in compliance with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, and the rules made thereunder.
- b. The Compliance with the Companies Act and the rules made thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government.
- c. The amount received under the offer shall be used only for the purposes and objects indicated in the Key Information Document.
- d. It is hereby declared that this General/Key Information Document contains full disclosures in accordance with the NCS Regulations, as amended from time to time and the Companies Act and the rules made thereunder.
- e. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed.
- f. The Issuer accepts no responsibility for the statements made otherwise than in the General/ Key Information Document or in any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information would be doing so at his own risk.

I am authorized by the Board of Directors of the Bank vide resolution dated May 29, 2024 (copy enclosed as Annexure-IV) to sign this form and declare that all the requirements stated in this form and the attachments thereto are true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed. It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

for **Small Industries Development Bank of India**

**Kotta Rama  
Satyanarayana**

Digitally signed by Kotta Rama  
Satyanarayana  
Date: 2024.06.14 14:53:12  
+05'30'

(K. R. Satyanarayana)

Designation: Deputy General Manager

Treasury & Resource Management Vertical

Date: June 14, 2024

**ANNEXURE I: CREDIT RATING LETTERS ALONG WITH PRESS RELEASE**

*(Enclosed separately)*

Please refer relevant KID for latest credit rating

RL/SIDBILT/333544/NCD/0624/91045/163131650  
June 13, 2024

**Mr. Ajit Nath Jha**  
General Manager  
**Small Industries Development Bank of India**  
SIDBI, C-11, Z Block, 4th Floor,  
Near Bank of Baroda, Bandra Kurla Complex,  
Bandra (E)  
Mumbai City - 400051



Dear Mr. Ajit Nath Jha,

**Re: CRISIL rating on the Rs.70000 Crore Non Convertible Debentures of Small Industries Development Bank of India.**

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

Please refer to our rating letter dated May 14, 2024 bearing Ref. no: RL/SIDBILT/333544/NCD/0524/87953/163131650

Rating outstanding on the captioned debt instruments is "CRISIL AAA/Stable" (pronounced as "CRISIL triple A rating" with Stable outlook). Securities with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such securities carry lowest credit risk..

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit [www.crisilratings.com](http://www.crisilratings.com) and search with the name of the rated entity to access the latest rating/s.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at [debtissue@crisil.com](mailto:debtissue@crisil.com). This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at [debtissue@crisil.com](mailto:debtissue@crisil.com)

Should you require any clarifications, please feel free to contact us.

With warm regards,

Yours sincerely,

Vani Ojasvi  
Associate Director - CRISIL Ratings

Nivedita Shibu  
Director - CRISIL Ratings



**Disclaimer:** A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, [www.crisilratings.com](http://www.crisilratings.com). CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit [www.crisilratings.com](http://www.crisilratings.com) or contact Customer Service Helpdesk at [CRISILratingdesk@crisil.com](mailto:CRISILratingdesk@crisil.com) or at 1800-267-1301

**CRISIL Ratings Limited**

A subsidiary of CRISIL Limited, an S&P Global Company  
Corporate Identity Number: U67100MH2019PLC326247



## Rating Rationale

December 11, 2023 | Mumbai

### Small Industries Development Bank of India

'CRISIL AAA/Stable' assigned to Non Convertible Debentures

#### Rating Action

Rs.35000 Crore Non Convertible Debentures	CRISIL AAA/Stable (Assigned)
Fixed Deposits	CRISIL AAA/Stable (Reaffirmed)
Rs.35000 Crore Non Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
Rs.2000 Crore Commercial Paper	CRISIL A1+ (Reaffirmed)

Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.  
1 crore = 10 million  
Refer to Annexure for Details of Instruments & Bank Facilities

#### Detailed Rationale

CRISIL Ratings has assigned its 'CRISIL AAA/Stable' rating to Rs.35,000 crore of Non-Convertible Debentures of Small Industries Development Bank of India (SIDBI) and reaffirmed its 'CRISIL AAA/Stable/CRISIL A1+' ratings on existing debt instruments.

The ratings continue to reflect the support the bank receives from the government of India (GoI) because its pivotal public policy role in India's micro, small and medium enterprises (MSME) sector. The ratings also factor in the robust capitalisation, and healthy resource profile. The asset quality in the direct finance portfolio, though improving, remains weaker than refinance book.

The Reserve Bank of India (RBI) had allotted Rs 15,000 crore to SIDBI under the additional special liquidity facility (SLF) – 1 for on-lending and refinancing to banks and financial entities that sanction loans to MSMEs. Furthermore, the RBI allotted Rs 15,000 crore under SLF-2 to support the liquidity of intermediaries in fiscal 2022 and another Rs 16,000 crore under SLF-3 for innovative schemes to support the short- and medium-term needs of small MSMEs in credit-deficient and aspirational districts.

#### Analytical Approach

CRISIL Ratings has combined the business and financial risk profiles of SIDBI, and its subsidiaries given the operational, managerial and financial linkages among the entities. Furthermore, the ratings continue to factor in the expectation of strong support from the government.

Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

#### Key Rating Drivers & Detailed Description

##### Strengths:

##### Continuation of strong support from the government given SIDBI's key public policy role in India's MSME sector

SIDBI plays an important role in channelling finance to MSMEs and implements government initiatives for MSMEs, which is a major driver for India's manufacturing output. In addition, Micro Units Development and Refinancing Agency (MUDRA), which lends to micro/small business entities, has been set up as a wholly owned subsidiary of SIDBI.

SIDBI played a pivotal role in implementing the different schemes of the government and the RBI to support the MSME sector after the pandemic. Since the onset of Covid-19, the RBI has allotted Rs 46,000 crore under three tranches of SLF to support MSMEs. Furthermore, SIDBI enhanced the scope of its current schemes, such as SIDBI Make in India Soft Loan Fund for Micro Small and Medium Enterprises and SIDBI Assistance to Facilitate Emergency response against Coronavirus, to support the MSMEs affected by pandemic-induced lockdowns. Subsequently, SIDBI has been instrumental in implementing schemes like EVOLVE, cluster development scheme, PM Vishwakarma, PM Swanidhi and others which were launched with the objective of supporting the growth, expansion and formalisation of the MSME sector.

The government is likely to continue to support SIDBI given its role as the nodal agency for implementing public policies and channelling credit in the MSME sector.

##### Robust capitalisation

Capitalisation is supported by sizeable standalone network of Rs 29,973 crore as on September 30, 2023, and Rs 27,810 crore as on March 31, 2023. On a consolidated basis, network was Rs 29,445 crore as on March 31, 2023. Standalone capital adequacy ratio (CAR) was healthy at 17.1% as on September 30, 2023 (19.3% as on March 31, 2023). It stood at 21.1% as on March 31, 2023, on a consolidated basis. Asset-side risks were adequately covered, with a network to net non-performing assets (NPAs) ratio of 3,272 times as on March 31, 2023 on a consolidated basis.

With growth in asset base, borrowings (including deposits) have increased against which the RBI has allowed to increase the leverage to 18 times as on March 31, 2023, from 14 times earlier to meet the refinance requirement. Gearing<sup>(1)</sup> remains within the regulatory requirement and stood at 6.8 times (consolidated) and 7.2 times (standalone) as on March 31, 2023. Including deposits, the leverage ratio stood at 13.6 times (consolidated) and 13.1 times (standalone) on the same date, respectively. As on September 30, 2023, gearing ratio was 14.3 on a standalone basis.

##### Healthy and diversified resource profile

Borrowings (including deposits), on a consolidated basis, were Rs 4,00,604 crore as on March 31, 2023 (Rs 2,46,416 crore as on March 31, 2022), of which deposits and bonds/debentures formed 50% and 12%, respectively. Borrowings (including deposits), were Rs 4,28,762 crore as on September 30, 2023. The bank has access to funds at low interest rates under the special refinance schemes of the RBI. Resource profile has been driven by increase in deposits allocated under the MSE refinance fund of SIDBI. Cost of borrowings for the bank stood at 4.1% (based on average of year-end numbers) in fiscal 2023 against 3.0% in fiscal 2022. While there was a slight uptick in the same to 5.2% during six months ended September 30, 2023, SIDBI continues to mobilise funds at competitive rates.

##### Weakness:

##### Asset quality for the direct finance portfolio, though improving, remains a monitorable

Asset quality metrics of direct finance portfolio were impacted in prior years owing to slippage of a few large ticket exposures. However, SIDBI wrote off these legacy stressed accounts in fiscal 2022 and since then, NPAs from the direct finance portfolio have been stable and low. As on September 30, 2023, GNPA for the direct finance portfolio stood at 0.29% (standalone) whereas for the indirect finance portfolio – GNPA was 0.01% (standalone) on the same date. At an overall level, GNPA stood at 0.02% on September 30, 2023 as against 0.01% and 0.10% on March 31, 2023 and March 31, 2022.

[1]As per CRISIL Ratings calculation, excluding deposits

#### **Liquidity: Superior**

The asset liability maturity profile as on September 30, 2023, is well matched across most buckets except the 0-6 months bucket where there is a negative cumulative gap. This gap is expected to be covered by uninterrupted rollover of liabilities during those respective time buckets. As on September 30, 2023, SIDBI had total liquid investments of Rs 55,121 crore in the form of cash and bank balance (Rs 23,550 crore) and investment in government and other securities (Rs 29,291 crore).

#### **Outlook: Stable**

SIDBI is likely to continue to receive operational and funding support from the government and will maintain healthy capitalisation and resource profile over the medium term.

#### **Rating Sensitivity Factors**

##### **Downward factors**

- Any change in the support philosophy of the GoI or decrease in government shareholding, directly or indirectly (through quasi-government entities), below 51%
- Sharp weakening of the asset quality affecting profitability and capital levels

#### **About the Bank**

SIDBI was incorporated as a wholly owned subsidiary of IDBI Ltd in 1990. It is the apex financial institution for the MSME sector. State Bank of India (15.65%), Government of India (20.85%), Life Insurance Corporation of India (13.33%) and National Bank for Agriculture and Rural Development (9.36%) are its majority shareholders.

SIDBI provides refinance to banks, state financial corporations and state industrial development corporations that lend to units in the MSME sector. SIDBI also provides direct finance to the MSME sector by way of long-term loans, working capital facilities and discounting/rediscouting bills of exchange. As on September 30, 2023, SIDBI had three wholly owned subsidiaries: SIDBI Venture Capital Ltd (SVCL), SIDBI Trustee Co Ltd (STCL) and MUDRA. MUDRA was established by the government through a statutory enactment and is responsible for developing and refinancing all institutions that lend to micro/small business entities engaged in manufacturing, trading and service activities.

SIDBI, on a consolidated basis, reported lower profit after tax (PAT) of Rs 3,931 crore on total income (net of interest expense) of Rs 6,845 crore in fiscal 2023, compared with Rs 2,162 crore on total income (net of interest expense) of Rs 3,770 crore in the previous fiscal, on the back of lower net interest margins. Return on assets (RoA) for fiscal 2023 stood at 1.1% (0.9% in fiscal 2023).

Growth in the asset book as well as a rising interest rate cycle benefitted profitability, resulting in higher PAT for six months ended September 30, 2023, at Rs 2,166 crore; against Rs 1,465 crore of PAT reported for the corresponding period of previous fiscal, on a standalone basis. RoA remained stable at 1.0% for the respective periods.

#### **Key Financial Indicators: SIDBI (consolidated)**

As on / for the period ended March 31	Unit	2023	2022
Total assets	Rs crore	4,39,252	2,78,880
Total income (net of interest expense)	Rs crore	6,845	3,770
Reported PAT	Rs crore	3,931	2,162
GNPAs	%	0.01	0.13
Overall CAR	%	21.1	26.1
RoA	%	1.1	0.9

#### **Key Financial Indicators: SIDBI (Standalone)**

As on/for the period ended March 31	Unit	2023	2022
Total assets	Rs crore	4,02,383	2,47,379
Total income (net of interest expense)	Rs crore	6,079	3,438
Reported PAT	Rs crore	3,344	1,958
GNPAs	%	0.01	0.11
Overall CAR	%	19.3	24.3
RoA	%	1.03	0.89

As on / for the period ended September 30	Unit	2023	2022
Total assets	Rs crore	4,68,472	3,52,599
Total income (net of interest expense)	Rs crore	4,187	2,608
Reported PAT	Rs crore	2,166	1,465
GNPAs	%	0.02	0.07
Overall CAR	%	17.1	20.6
RoA	%	1.0	1.0

**Any other information:** Not Applicable

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

CRISIL Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings' complexity levels please visit [www.crisilratings.com](http://www.crisilratings.com). Users may also call the Customer Service Helpdesk with queries on specific instruments.

#### **Annexure - Details of Instrument(s)**

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs.Crore)	Complexity level	Rating outstanding with outlook
NA	Fixed deposit programme	NA	NA	NA	NA	Simple	CRISIL AAA/Stable
NA	Commercial paper programme	NA	NA	7-365 Days	2000	Simple	CRISIL A1+
NA	Non convertible debenture*	NA	NA	NA	35,000	Simple	CRISIL AAA/Stable
INE556F08KG3	Debentures	18-Jan-2023	@7.59% PER ANNUM	10-Feb-2026	5,000	Simple	CRISIL AAA/Stable



INE556F08KH1	Debentures	22-May-2023	7.43	31-Aug-2026	5,000	Simple	CRISIL AAA/Stable
INE556F08KI9	Debentures	09-Jun-2023	7.44	04-Sep-2026	6,000	Simple	CRISIL AAA/Stable
INE556F08KJ7	Debentures	28-Jun-2023	7.55	22-Sep-2026	3,000	Simple	CRISIL AAA/Stable
INE556F08KK5	Debentures	19-Oct-2023	7.79	19-Apr-2027	3,022	Simple	CRISIL AAA/Stable
INE556F08KL3	Debentures	24-Nov-2023	7.83	24-Nov-2028	4,887	Simple	CRISIL AAA/Stable
NA	Non-Convertible debenture*	NA	NA	NA	8091	Simple	CRISIL AAA/Stable

\*Yet to be issued

**Annexure - List of Entities Consolidated**

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
MUDRA	Full	Subsidiary
SVCL	Full	Subsidiary
STCL	Full	Subsidiary

**Annexure - Rating History for last 3 Years**

Instrument	Type	Current		2023 (History)		2022		2021		2020		Start of 2020
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Bond	LT		--		--		--		--	29-12-20	Withdrawn	CRISIL AAA/Stable
Commercial Paper	ST	2000.0	CRISIL A1+	11-01-23	CRISIL A1+	28-12-22	CRISIL A1+	28-12-21	CRISIL A1+	29-12-20	CRISIL A1+	CRISIL A1+
			--		--	24-06-22	CRISIL A1+		--		--	--
Fixed Deposits	LT	0.0	CRISIL AAA/Stable	11-01-23	CRISIL AAA/Stable	28-12-22	CRISIL AAA/Stable	28-12-21	F AAA/Stable	29-12-20	F AAA/Stable	F AAA/Stable
			--		--	24-06-22	CRISIL AAA/Stable		--		--	--
Non Convertible Debentures	LT	70000.0	CRISIL AAA/Stable	11-01-23	CRISIL AAA/Stable		--		--		--	--

All amounts are in Rs.Cr.

**Criteria Details**

Links to related criteria
<a href="#">Rating Criteria for Banks and Financial Institutions</a>
<a href="#">CRISILs criteria for rating fixed deposit programmes</a>
<a href="#">CRISILs Criteria for rating short term debt</a>
<a href="#">Criteria for Notching up Stand Alone Ratings of Entities Based on Government Support</a>
<a href="#">CRISILs Criteria for Consolidation</a>

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**Shri Ajit Nath Jha**

General Manager

**Small Industries Development Bank of India**

SME Development Centre, 4th Floor, Plot C - 11, G - Block,

Bandra-Kurla Complex, Bandra East,

Mumbai

Maharashtra 400051



May 22, 2024

**Confidential**

Dear Sir,

**Credit rating for unsecured redeemable bonds**

Please refer to our letter no. CARE/HO/RL/2024-25/1113 dated April 23, 2024, and your request for revalidation of the rating assigned to the unsecured redeemable bonds of your company, for a limit of Rs.1,12,315.00 crore.

2. The following rating(s) have been reviewed:

Sr. No.	Instrument	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
1.	Unsecured Redeemable Bonds	1,12,315.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within **six months** from the date of this letter.

4. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr.)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Trustee/IP A	Details of top 10 investors
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<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and in other CARE Ratings Ltd.'s publications.

CARE Ratings Limited

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai  
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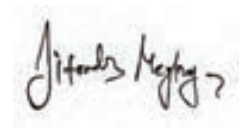
If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



**Khyati Shah**  
Lead Analyst  
[khyati.shah@careedge.in](mailto:khyati.shah@careedge.in)



**Jitendra Meghrajani**  
Assistant Director  
[jitendra.meghrajani@careedge.in](mailto:jitendra.meghrajani@careedge.in)

Encl.: As above



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4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai  
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4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai  
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## Small Industries Development Bank of India

December 29, 2023

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	27,500.00	CARE AAA; Stable	Reaffirmed
Short-term bank facilities	91,995.00 (Enhanced from 81,000.00)	CARE A1+	Reaffirmed
Issuer rating	0.00	CARE AAA; Stable	Reaffirmed
MSE/RIDF deposits	212,000.00	CARE AAA; Stable	Reaffirmed
Unsecured redeemable bonds	112,315.00 ^ (Reduced from 112,565.00)	CARE AAA; Stable	Reaffirmed
Fixed deposit	23,000.00	CARE AAA; Stable	Reaffirmed
CP/CD programme	116,000.00	CARE AAA; Stable / CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

^ Reduction on account of redemption on bonds.

### Rationale and key rating drivers

The ratings assigned to the facilities and instruments of Small Industries Development Bank of India (SIDBI) consider its position as the apex financial institution (FI) for the promotion and development of the micro, small and medium enterprises (MSME) sector in India. Furthermore, the ratings also consider SIDBI's healthy capitalisation levels, strong resource base, comfortable liquidity profile, sound asset quality and improving profitability. In addition, the ratings factor-in Government of India's (GOI's) and Reserve Bank of India (RBI) support in the form of budgetary allocation and continued access to the MSE Refinance Fund ([RIDF] Rural Infrastructure Development Fund) for strengthening the bank's refinancing capabilities. The support from GOI is also in the form of equity contribution, guarantee for foreign currency borrowings, and governance (GOI has the power to appoint the Chairman and Managing Director [CMD], two whole-time directors, and two nominated directors on the Board of SIDBI).

The continuation of SIDBI's position as the apex financial institution for the MSME sector, support from GOI and RBI, and the ownership with public sector entities are the key rating sensitivities. Also, SIDBI's healthy capitalisation levels and strong asset quality will remain key rating monitorable.

### Rating sensitivities: Factors likely to lead to rating actions

**Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:** Not applicable.

**Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:**

- Any material changes in the government support and/or strategic role played by SIDBI in supporting the MSME sector.
- Significant dilution in the ownership by GOI and public sector entities.
- Deterioration in SIDBI's asset quality with gross non-performing asset (GNPA) ratio increasing to more than 3% of the total advances.
- Deterioration in SIDBI's standalone credit profile, including its profitability, liquidity and/or capitalisation metrics.

### Analytical approach:

While CARE Ratings Limited (CARE Ratings) has adopted the standalone approach for analysing SIDBI's profile, the assessment also factors-in the expectation of support from GOI.

### Outlook: Stable

Stable outlook factors in the continued support from the GOI, and that SIDBI will maintain healthy capitalisation and resource profile going forward.

### Detailed description of the key rating drivers:

### Key strengths

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications



### **Government support and ownership by public sector entities**

SIDBI, being a nodal agency for the development of MSMEs in the country, receives continuous support from the GOI and the RBI in the form of budgetary allocation and access to the MSE Refinance Fund from shortfall in priority sector lending (PSL) by the banks. It is owned by public sector banks, financial institutions, and the GOI, with the State Bank of India (SBI; 15.65%), GOI (20.85%), the Life Insurance Corporation of India (LIC; 13.33%), and the National Bank for Agriculture and Rural Development (NABARD; 9.36%), being the major shareholders.

The GOI has appointed Sivasubramanian Ramann as the Chairman and Managing Director of SIDBI and nominated Dr Rajneesh (Additional Secretary & Development Commissioner [MSME], Ministry of MSME) and Bhushan Kumar Sinha (Joint Secretary Department of Financial Services, Ministry of Finance) as the nominee directors. CARE Ratings expects that SIDBI will continue to receive capital and managerial support from the GOI to bolster the credit to MSME sector.

### **Healthy capitalisation levels**

The capital adequacy parameters of SIDBI remained strong, with the bank reporting an overall capital adequacy ratio (CAR) of 19.29% and Tier-I CAR of 18.81% as on March 31, 2023, above the regulatory guideline of 9% and 7%, respectively. During FY23 (refers to the period April 1 to March 31), SIDBI has increased its advances base by 76.24%, thereby resulting in an increase in the risk weighted assets (RWA). However, RWA to total assets declined to 32.48% as on March 31, 2023, from 37.69% as on March 31, 2022, indicating increase in the exposure of lower risk weighted assets. As on September 30, 2023, CAR and Tier I CAR stood comfortable at 17.09% and 16.61%, respectively.

The overall gearing increased from 9.05x as on March 31, 2022, to 14.02x as on March 31, 2023, owing to increase in the borrowings done to fund the growth in advances. Gearing further increased to 14.31x as on September 30, 2023 with increase in borrowings to facilitate the increasing refinancing book. The RBI has extended the borrowing limit of SIDBI to 18x of its net-owned funds (NOF) until March 31, 2024. It has also received approval from RBI for an umbrella limit of 500% of NOF up to March 31, 2024. The 'umbrella limit' consists of five instruments, viz., term deposits, term money borrowings, certificates of deposits (CDs), commercial papers (CPs) and inter-corporate deposits (ICDs).

CARE Ratings notes that while SIDBI has been mandated to implement Basel norms III effective latest by April 01, 2024, which will result to a change in the computation method of the risk-weighted assets. However, no significant impact is anticipated on the capitalisation metrics post implementation of Basel norms III. Furthermore, Department of Financial Services and Parliament Committee have advised capital infusion of ₹10,000 crore in SIDBI through rights issue, which should be carried out in two tranches of ₹5,000 crore each. Therefore, CARE Ratings expects the overall capitalisation profile to remain strong going forward as well.

### **Strong resource profile**

SIDBI has a very strong resource profile, consisting primarily of domestic and marginally overseas borrowings. Overseas borrowings of SIDBI are guaranteed by the GOI. It also has access to the low-cost MSE Refinance Fund from scheduled commercial banks due to their shortfall in PSL targets, which forms a large portion of its resource profile. As on September 30, 2023, domestic market borrowings constituted 57.18% (FY23: 53.71%), MSE (RIDF) deposits constituted 39.27% (FY23: 42.76%) of the total borrowings, respectively, with overseas borrowings constituting 0.85% (FY23: 1.16%).

SIDBI was allotted MSE Refinance Funds of ₹75,000 crore for FY24, however, the same has been reduced to ₹65,000 crore. Out of the allocated amount, the FI has received ₹32,000 crore in Q3FY24. Allocation of MSE Refinance funds will be critical for sustaining competitive cost of funds as well as for building its refinancing business. As schedule commercial banks gradually meet their PSL targets, the overall allocation under MSE refinance funds could drop, thereby affecting the growth prospects in the long term. Also, there is competition from other financial institutions to access such low cost funds. However, being apex financial institution, CARE Ratings expects SIDBI to have continued access to funds from various sources at competitive rates.

### **Stable profitability and improving spreads**

During FY23, the bank's total income doubled on the back of significant rise in the interest income from ₹17,954 crore in FY23 to ₹8,715 crore in FY22. The interest income increased owing to increase in the lending rate resulting in higher yields along with growth in the average loan book. Furthermore, during FY22, the bank had made higher disbursements in the last quarter, the interest of which is reflected in FY23. Thus, as a result, yields increased from 4.02% in FY22 to 5.60% in FY23. Finance costs doubled in FY23 over FY22 on the back of increase in the borrowings as well as increase in the interest rates. Since increase in yields outpaced the increase in cost of funds, interest spread improved from 1.02% in FY22 to 1.34% in FY23. Correspondingly, the net interest income (NII) was 84% higher at ₹5,548 crore in FY23. Overall, the spread in the lending activity is low due to

the cap on the margin that SIDBI can charge for lending to banks and financial institutions (FIs) against MSE Refinance Funds. Resultantly, the overall profitability remained stable with return of total assets (ROTA) at 1.03% in FY23 as against 0.92% in FY22.

During H1FY24, overall profitability declined with ROTA decreasing to 0.99% (annualised), which is primarily on account of increase in the interest expenses and rise in operating expenses primarily due to employee hiring and ₹500 crore of contribution made towards CGTMSE. Given the cap on the lending margins, the earnings profile in terms of ROTA is likely to remain modest.

### Strong asset quality

The asset quality of SIDBI has been improving over the years. Currently, majority of its lending portfolio comprises indirect financing, constituting high-rated banks and other finance companies, including non-banking finance companies (NBFCs). Indirect finance constituted 94.42% (FY23: 94.40%) of the total portfolio as on September 30, 2023, while direct financing stood at 5.58% (FY23: 5.60%). Of the indirect finance portfolio, refinance to banks (including SFBs) constituted 81.23% (FY23: 83.65%) of the total portfolio of the bank, assistance to NBFCs constituted 11.41% (FY23: 9.37%) of the total portfolio, while assistance to MFIs constituted 1.79% (FY22: 1.37%). The concentration of the top 10 exposures in the total exposure remained high at 67.85% as on March 31, 2023 (70.39 % as on March 31, 2022); however, the risk is mitigated as these exposures are to the banks.

SIDBI's GNPA's have improved from ₹218 crore in FY22 to ₹33 crore in FY23 on the back of write-offs and lower incremental slippages. This, in conjunction with significant growth in the advances improved the GNPA ratio and the net NPA (NNPA) ratio to 0.01% and 0.00%, respectively, as on March 31, 2023. As on March 31, 2023, total number of restructured accounts were 1,124 and in value stood at ₹803.33 crore, which formed 0.23% of the total loans and advances. The asset quality metrics in the direct lending book is comparatively weaker than the refinance book, although the impact on the overall asset quality metrics has been limited with GNPA and NNPA of 0.02% and 0.00%, respectively, as on September 30, 2023.

CARE Ratings expects SIDBI's asset quality to remain strong as its exposure is primarily in indirect finance majorly, which comprises banks and high-rated NBFCs, and the exposure in the direct financing segment is marginal.

### Liquidity: Strong

SIDBI's liquidity profile is strong as major portion of its loan book comprises refinance book with average period being 1-1.5 year, which is largely funded through RIDF deposits and long-term borrowings of a similar maturity. However, as on September 30, 2023, the asset liability maturity (ALM) statement, exhibits negative cumulative mismatches across all time buckets till 6 months. This is primarily on account of repayment of short-term loans which will get rollover and non-receipt of MSE refinance fund's first tranche which was received post September 2023. As on September 30, 2023, it had undrawn lines of around ₹5,955 crore from banks and undrawn RIDF allocations of ₹65,000 crore. The access to capital market due to its status as an apex financial institution and owned by GoI and its entities, further strengthens its liquidity position.

### Applicable criteria

[Policy on default recognition](#)

[Factoring Linkages Government Support](#)

[Financial Ratios - Financial Sector](#)

[Issuer Rating](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Bank](#)

[Policy on Withdrawal of Ratings](#)

### About the company and industry

#### Industry classification

Macro-economic Indicator	Sector	Industry	Basic Industry
Financial services	Financial services	Finance	Financial institution

SIDBI is the apex financial institution for the MSME sector and is the nodal agency for the MSME-oriented schemes of the GOI. As on September 30, 2023, SBI (15.65%), GOI (20.85%), LIC (13.33%) and NABARD (9.36%) are the major shareholders. SIDBI provides refinance to primary lending institutions like banks (including SFBs), NBFCs, MFIs, etc, which in turn, lend to units under

the MSME sector. SIDBI also provides direct finance to the MSME sector by way of long-term loans, working-capital facilities, discounting/rediscounting bills of exchange, etc.

As on September 30, 2023, SIDBI had three wholly-owned subsidiaries, viz., SIDBI Venture Capital Limited (SVCL), SIDBI Trustee Co Limited (STCL) and Micro Units Development & Refinance Agency Limited (MUDRA). MUDRA has been set-up by GOI through a statutory enactment and is responsible for developing and refinancing all institutions that are in the business of lending to micro/small business entities engaged in the manufacturing, trading and service activities. MUDRA would partner with state-level/regional-level coordinators to provide finance to the last mile financiers of small/micro business enterprises.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	H1FY24 (UA)
Total operating income	9,139	18,485	14,611
PAT	1,958	3,344	2,166
Interest coverage (times)	1.42	1.35	1.28
Total assets	2,47,379	402,382	468,472
Net NPA (%)	0.07	0.00	0.00
ROTA (%)	0.89	1.03	0.99

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'

#### Status of non-cooperation with previous CRA:

None

#### Any other information:

Not applicable

**Rating history for last three years:** Please refer Annexure-2

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Bonds- Unsecured redeemable	INE556F08JR2	17-Dec-20	4.58%	18-Dec-23	0.00	Withdrawn
Bonds- Unsecured redeemable	INE556F08JS0	26-Mar-21	5.24%	26-Mar-24	1,900.00	CARE AAA; Stable
Bonds- Unsecured redeemable	INE556F08JT8	17-Jun-21	4.97%	17-Jun-24	550.00	CARE AAA; Stable
Bonds- Unsecured redeemable	INE556F08JU6	21-Feb-22	5.59%	21-Feb-25	2,500.00	CARE AAA; Stable

Bonds- Unsecured redeemable	INE556F08JV4	02-Mar-22	5.57%	03-Mar-25	2,500.00	CARE AAA; Stable
Bonds- Unsecured redeemable	INE556F08JW2	16-Mar-22	5.40%	17-Mar-25	1,525.00	CARE AAA; Stable
Bonds- Unsecured redeemable	INE556F08JX0	28-Mar-22	5.70%	28-Mar-25	1,625.00	CARE AAA; Stable
Bonds- Unsecured redeemable	INE556F08JY8	31-May-22	7.15%	02-Jun-25	2,500.00	CARE AAA; Stable
Bonds- Unsecured redeemable	INE556F08JZ5	10-Jul-22	7.15%	21-Jul-25	3,000.00	CARE AAA; Stable
Bonds- Unsecured redeemable	INE556F08KA6	28-Jul-22	7.25%	31-Jul-25	3,905.00	CARE AAA; Stable
Bonds- Unsecured redeemable	INE556F08KB4	17-Aug-22	7.11%	27-Feb-26	4,000.00	CARE AAA; Stable
Bonds- Unsecured redeemable	INE556F08KC2	08-Sep-22	7.23%	09-Mar-26	4,000.00	CARE AAA; Stable
Bonds- Unsecured redeemable	INE556F08KDO	14-Oct-22	7.75%	27-Oct-25	4,000.00	CARE AAA; Stable
Bonds- Unsecured redeemable	INE556F08KE8	15-Nov-22	7.47%	25-Nov-25	4,000.00	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KF5	02-Dec-22	7.54%	12-Jan-26	5,000.00	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KG3	18-Jan-23	7.59%	10-Feb-26	5,000.00	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KH1	22-May-23	7.43%	31-Aug-26	5,000.00	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KI9	09-Jun-23	7.44%	04-Sep-26	6,000.00	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KJ7	28-Jun-23	7.75%	22-Sep-26	3,000.00	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KK5	19-Oct-23	7.79%	19-Apr-27	3,022.29	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KL3	24-Nov-23	7.83%	24-Nov-28	4,887.00	CARE AAA; Stable
Bonds- Unsecured Redeemable	INE556F08KM1	22-Dec-23	7.79%	14-May-27	4,013.00	CARE AAA; Stable
Bonds- Unsecured Redeemable (Proposed)	-	-	-	-	40,387.71	CARE AAA; Stable

Fixed deposit	-	-	-	-	23,000.00	CARE AAA; Stable
Fund-based-Long-term bank facilities	-	-	-	23-Aug-25	27,500.00	CARE AAA; Stable
Fund-based-Short-term bank facilities	-	-	-	23-Aug-25	81,995.00	CARE A1+
Fund-based-Short-term bank facilities (Proposed)	-	-	-	-	10,000.00	CARE A1+
Issuer rating-Issuer ratings	-	-	-	-	0.00	CARE AAA; Stable
LT/ST instrument-CP / CD	INE556F14JB4	31-Mar-23	7.75%	15-Mar-24	2,000.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F14JJ7	21-Jun-23	7.25%	18-Dec-23	2,600.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F14JL3	19-Jul-23	7.24%	15-Feb-24	3,775.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F14JJ7	18-Sep-23	7.15%	18-Dec-23	2,200.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F14JR0	20-Sep-23	7.15%	20-Dec-23	3,000.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F14JS8	22-Sep-23	7.15%	22-Dec-23	2,900.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F14JT6	09-Oct-23	7.30%	28-Feb-24	900.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F14JU4	27-Oct-23	7.33%	25-Jan-24	5,725.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F16AE2	11-Jan-23	7.70%	11-Jan-24	4,000.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F16AF9	31-Jan-23	7.72%	31-Jan-24	2,400.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F16AG7	14-Mar-23	7.88%	14-Mar-24	2,035.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F16AH5	27-Mar-23	7.72%	27-Mar-24	2,700.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F16AI3	24-Apr-23	7.50%	24-Apr-24	2,750.00	CARE AAA; Stable / CARE A1+

LT/ST instrument-CP / CD	INE556F16AJ1	29-May-23	7.34%	29-May-24	2,275.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F16AK9	06-Jun-23	7.40%	06-Jun-24	5,500.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F16AL7	21-Jun-23	7.45%	21-Jun-24	2,850.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F16AC6	01-Dec-22	7.66%	14-Feb-24	1,600.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD	INE556F16AM5	11-Dec-23	7.90%	11-Dec-24	3,425.00	CARE AAA; Stable / CARE A1+
LT/ST instrument-CP / CD (Proposed)	-	-	-	-	63,365.00	CARE AAA; Stable / CARE A1+
MSE/RIDF deposits	-	-	-	-	212,000.00	CARE AAA; Stable

#### Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	LT/ST Instrument-CP / CD	LT/ST*	116000.00	CARE AAA; Stable / CARE A1+	1)CARE AAA; Stable / CARE A1+ (04-Oct-23) 2)CARE AAA; Stable / CARE A1+ (21-Jun-23) 3)CARE AAA; Stable / CARE A1+ (06-Jun-23)	1)CARE AAA; Stable / CARE A1+ (28-Feb-23) 2)CARE AAA; Stable / CARE A1+ (29-Nov-22) 3)CARE AAA; Stable / CARE A1+ (06-Sep-22) 4)CARE AAA;	1)CARE AAA; Stable / CARE A1+ (02-Sep-21)	1)CARE AAA; Stable / CARE A1+ (04-Sep-20)

						Stable / CARE A1+ (07-Jul- 22)		
2	Fixed deposit	LT	23000.00	CARE AAA; Stable	1)CARE AAA; Stable (04-Oct- 23)  2)CARE AAA; Stable (21-Jun- 23)  3)CARE AAA; Stable (06-Jun- 23)	1)CARE AAA; Stable (28-Feb- 23)  2)CARE AAA; Stable (29-Nov- 22)  3)CARE AAA; Stable (07-Jul- 22)	1)CARE AAA (FD); Stable (28-Feb- 22)  2)CARE AAA (FD); Stable (02-Sep- 21)	1)CARE AAA (FD); Stable (04-Sep- 20)
3	MSE/RIDF deposits	LT	212000.00	CARE AAA; Stable	1)CARE AAA; Stable (04-Oct- 23)  2)CARE AAA; Stable (21-Jun- 23)  3)CARE AAA; Stable (06-Jun- 23)	1)CARE AAA; Stable (28-Feb- 23)  2)CARE AAA; Stable (29-Nov- 22)  3)CARE AAA; Stable (07-Jul- 22)	1)CARE AAA; Stable (02-Sep- 21)	1)CARE AAA; Stable (28-Sep- 20)  2)CARE AAA; Stable (04-Sep- 20)
4	Issuer rating-Issuer ratings	Issuer rating	0.00	CARE AAA; Stable	1)CARE AAA; Stable (04-Oct- 23)  2)CARE AAA; Stable (21-Jun- 23)  3)CARE AAA; Stable (06-Jun- 23)	1)CARE AAA; Stable (28-Feb- 23)  2)CARE AAA; Stable (26-Dec- 22)  3)CARE AAA (Is); Stable (29-Nov- 22)	1)CARE AAA (Is); Stable (02-Sep- 21)	1)CARE AAA (Is); Stable (04-Sep- 20)

						4)CARE AAA (Is); Stable (07-Jul-22)		
5	Bonds-Unsecured Redeemable	LT	112315.00	CARE AAA; Stable	1)CARE AAA; Stable (04-Oct-23) 2)CARE AAA; Stable (21-Jun-23) 3)CARE AAA; Stable (06-Jun-23)	1)CARE AAA; Stable (28-Feb-23) 2)CARE AAA; Stable (29-Nov-22) 3)CARE AAA; Stable (07-Jul-22)	1)CARE AAA; Stable (28-Feb-22) 2)CARE AAA; Stable (02-Sep-21)	1)CARE AAA; Stable (04-Sep-20)
6	Fund-based-Short term	ST	6500.00	CARE A1+	1)CARE A1+ (04-Oct-23) 2)CARE A1+ (21-Jun-23) 3)CARE A1+ (06-Jun-23)	1)CARE A1+ (28-Feb-23) 2)CARE A1+ (29-Nov-22) 3)CARE A1+ (06-Sep-22) 4)CARE A1+ (07-Jul-22)	1)CARE AAA; Stable (28-Feb-22) 2)CARE AAA; Stable (02-Sep-21)	1)CARE AAA; Stable (28-Sep-20) 2)CARE AAA; Stable (04-Sep-20)
7	Fund-based-Short term	ST	85495.00	CARE A1+	1)CARE A1+ (04-Oct-23) 2)CARE A1+ (21-Jun-23) 3)CARE A1+ (06-Jun-23)	1)CARE A1+ (28-Feb-23) 2)CARE A1+ (29-Nov-22) 3)CARE A1+ (06-Sep-22)	1)CARE A1+ (28-Feb-22) 2)CARE A1+ (02-Sep-21)	1)CARE A1+ (28-Sep-20)



						4)CARE A1+ (07-Jul-22)		
8	Fund-based-Long term	LT	27500.00	CARE AAA; Stable	1)CARE AAA; Stable (04-Oct-23) 2)CARE AAA; Stable (21-Jun-23) 3)CARE AAA; Stable (06-Jun-23)	1)CARE AAA; Stable (28-Feb-23)	-	-

\*Long term/Short term.

#### Annexure-3: Detailed explanation of covenants of the rated instruments/facilities

Not applicable

#### Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Bonds-Unsecured redeemable	Simple
2	Fixed deposit	Simple
3	Fund-based-Long-term bank facilities	Simple
4	Fund-based-Short-term bank facilities	Simple
5	LT/ST instrument-CP / CD programme	Simple
6	MSE/RIDF deposits	Simple
7	Issuer rating	Not applicable

#### Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

**Note on the complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

### Contact us

<p><b>Media Contact</b></p> <p>Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Pradeep Kumar V Senior Director <b>CARE Ratings Limited</b> Phone: 91 44 2850 1001 E-mail: <a href="mailto:pradeep.kumar@careedge.in">pradeep.kumar@careedge.in</a></p>	<p><b>Analytical Contacts</b></p> <p>Sanjay Agarwal Senior Director <b>CARE Ratings Limited</b> Phone: 022- 6754 3500 E-mail: <a href="mailto:sanjay.agarwal@careedge.in">sanjay.agarwal@careedge.in</a></p> <p>Vineet Jain Senior Director <b>CARE Ratings Limited</b> Phone: 022- 6754 3456 E-mail: <a href="mailto:Vineet.Jain@careedge.in">Vineet.Jain@careedge.in</a></p> <p>Jitendra Meghrajani Assistant Director <b>CARE Ratings Limited</b> Phone: 912267543526 E-mail: <a href="mailto:Jitendra.Meghrajani@careedge.in">Jitendra.Meghrajani@careedge.in</a></p>
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#### About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

#### Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

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please visit [www.careedge.in](http://www.careedge.in)**

To  
General Manager (Treasury and Fund Management Vertical)  
Small Industries Development Bank of India  
MSME Development Centre, Plot No C-11, G-Block, Bandra-Kurla Complex,  
Bandra (E), Mumbai – 400051

June 06, 2024

*Dear Sir/Madam,*

**Re: Rating of Commercial Paper programme of Small Industries Development Bank of India**

**This is in reference to the rating action commentary released on 21 June 2023.**

India Ratings and Research (Ind-Ra) is pleased to communicate the rating of 'IND A1+' for the INR886 billion commercial paper (CP) programme of Small Industries Development Bank of India.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings, India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings' reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

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It is important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. For the purpose of issuance of captioned commercial paper programme, this letter is valid for 30 calendar days from the date of the letter. Once the instrument is issued, the above rating is valid for a maximum period of 1 year from the date of issuance. Notwithstanding the above, the rating is subject to review on a continuing basis, with formal reviews being undertaken at regular intervals of no more than 12 months. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch at any time due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at [infogrp@indiaratings.co.in](mailto:infogrp@indiaratings.co.in)

Sincerely,

India Ratings



**Dr Devendra Pant**  
Senior Director

## India Ratings Rates Small Industries Development Bank of India's Additional CPs 'IND A1+'; Affirms Existing

Jun 21, 2023 | Other Financial Services

India Ratings and Research (Ind-Ra) has taken the following rating actions on Small Industries Development Bank of India's (SIDBI) commercial papers (CPs):

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (billion)	Rating	Rating Action
CPs	-	-	7 to 365 days	INR586	IND A1+	Affirmed
CPs	-	-	7 to 365 days	INR300	IND A1+	Assigned

**Analytical Approach:** The ratings factor in SIDBI's strong linkages with the government of India (GoI) and its position as an apex policy institution and nodal agency for the development of the micro, small and medium enterprise (MSME) sector in India. Based on SIDBI's role as a public policy institution, its strategic importance, control and policy direction by the GoI and sovereign support, Ind-Ra classifies SIDBI as a dependent public sector entity of the GoI. Ind-Ra continues to take a consolidated view of SIDBI and its 100% subsidiaries: SIDBI Venture Capital Limited; SIDBI Trustee Company Limited, and Micro Units Development & Refinance Agency Limited (MUDRA; 'IND AAA'/Stable), given the financial, infrastructural, operational and technical support provided by the parent to its subsidiaries.

### Key Rating Drivers

**Public Policy Institution:** SIDBI was established in 1990 under the Act of Parliament as the apex financial institution for the promotion, financing and development of MSMEs. SIDBI extends refinance to primary lending institutions such as banks, financial institutions, non-banking finance companies, state finance corporations (SFCs), state industrial development corporations and state small industries development corporations against their MSME loan portfolio. It provides financial assistance to micro finance institutions in the form of loans and equity/quasi-equity for on-lending to the economically weaker sections of society. It also extends direct assistance such as long-term loans, working capital facilities and discounting/rediscounging bills of exchange to the MSME sector.

**Strong Sovereign Linkages and Strategic Importance:** Given SIDBI's status and strategic importance, Ind-Ra believes the funding support would be forthcoming, if required, from the GoI to expand its operations in support of the MSME sector. SIDBI has been recognised as the nodal agency for implementing several GoI-sponsored schemes. The GoI, to boost manufacturing output and spur industrial growth, continuously provides low-cost credit to MSMEs through concessional resource support to SIDBI. The MSME sector constitutes a vast network of over 63 million units, contributes around 45% to India's manufacturing output and employs around 111 million people. MUDRA was set up in April 2015 by the GoI through a statutory enactment and is a wholly owned subsidiary of SIDBI.

The direction and functioning of SIDBI is vested in the board of directors, majority of them are nominated/appointed by the GoI. The representatives from the ministries of MSME and finance are present on SIDBI's board of directors. Its statutory auditors are appointed from the panel approved by the Reserve Bank of India (RBI).

**Supervisory Body:** SIDBI, jointly with the respective state governments, acts as a supervisory and inspecting body for SFCs. SIDBI has several rights in decision making and the management of these SFCs under the SFC Act, 1951.

**Access to Captive Funding:** The resource profile of SIDBI is a healthy mix of own funds, bank loans, market borrowings and priority sector lending shortfall funds. SIDBI, as a development finance institution, has access to low-cost funds from the RBI, allocated out of deposits from scheduled commercial banks due to their shortfall in priority sector lending (PSL). On a consolidated basis, MSME/PSL shortfall deposits constituted 47.7% of SIDBI's total borrowings in FY23 (FY22: 66%). The share of PSL shortfall funds in the total borrowings averaged 60% during FY19-FY23.

The central bank has allocated INR750 billion to SIDBI from PSL shortfall lending in commercial banks to fund business operations in FY24. This strengthens Ind-Ra's assessment that SIDBI would continue to have access to PSL shortfall funds to boost its credit flow to the MSME sector.

**Improved Profitability; Strong Capitalisation:** SIDBI's consolidated net profit significantly increased 82% yoy to INR39.31 billion in FY23 (FY22: INR21.62 billion), in line with Ind-Ra's expectations, led by an uptick in lending to the MSME sector by banks and financial institutions, which was supportive of expansion in SIDBI's loan book. The credit offtake, both direct and refinance, led to robust growth in SIDBI's loans and advances in FY23. The total loans and advances increased 70% yoy to INR3,779.96 billion in FY23 (FY22: INR2,222.91 billion) due to 72% yoy growth in indirect/refinance loans to INR3,580.44 billion (FY22: INR2,079.23 billion).

On a consolidated basis, SIDBI's net interest income increased to INR63.26 billion in FY23 (FY22: INR33.53 billion), mainly due to a 101% yoy increase in the interest income to INR194.82 billion (FY22: INR97.16 billion). SIDBI is not comparable with commercial banks in terms of profitability, given its policy role and the nature of its operations, which are driven by developmental objectives rather than profit. The net interest margin (on a consolidated basis) averaged 2% during FY19-FY23. The net interest margin is likely to remain at the historical levels in the medium term.

SIDBI's consolidated capital adequacy ratio stood at 21.1% in FY23 (FY22: 26.1%). Ind-Ra expects the capital adequacy ratio to remain strong in the medium term. SIDBI is comfortably capitalised with its capital-to-risk weighted assets ratio remaining above 20% during FY19-FY23 on a consolidated basis.

**Stable Asset Quality Ratios:** Ind-Ra expects asset quality ratios to remain stable in the medium term. SIDBI has traditionally maintained minimal non-performing assets (NPAs), as the majority of its business is by way of refinancing. The share of refinance loans in the loans and advances portfolio was 94.7% in FY23 (FY22: 93.5%). The refinance exposure is primarily to large commercial banks and financial institutions, which constituted the largest share in total refinance loans (FY23: 88.1%; FY22: 88.2%).

SIDBI's NPAs mainly originate from the direct loan portfolio, which accounted for 5.3% of the total loans and advances portfolio at FYE23. SIDBI's gross NPAs (consolidated) stood at 0.01% and net NPA was nil, respectively, in FY23 (FY22: 0.13%; 0.06%).

**Liquidity Indicator – Superior:** Given SIDBI's strong linkages with the sovereign and its developmental objective, Ind-Ra believes it has a strong debt and money market access, with the ability to raise funding at competitive rates. SIDBI has established board-approved internal prudential limits and monitors cumulative mismatches across different time buckets. There was no asset-liability mismatch in the one-day and up-to-one-year period on a cumulative basis as on 31 March 2023, other than in the 29-days-three-month bucket of INR101.42 billion. Ind-Ra is of the view that SIDBI would be able to comfortably fund any asset-liability mismatch either by taking a bank line against its fixed deposits and/or borrow from the triparty repo dealing and settlement window against its sizable investments in government securities. SIDBI has investments in liquid assets such as CPs, certificate of deposits, bonds, and securities of central and state governments. SIDBI's investments in liquid assets (excluding equity shares, bonds, and debentures of industrial concerns) stood at INR258.98 billion at FYE23 (FYE22: INR206.73 billion). The cash and bank balances (including fixed deposits) on a standalone basis were INR121.09 billion in FYE23 (FYE22: INR179.18 billion).

SIDBI has access to the Clearing Corporation of India's triparty repo dealing and settlement window, where it can borrow against its stock of government securities to meet its liquidity and contingency requirements. It also has access to lines of credit from banks to cover any mismatch in the short term.

## Rating Sensitivities

**Negative:** A significant dilution in SIDBI's public policy institution role of financing and development of the MSME sector, resulting in a reduced Govt support could have a negative impact on the rating.

## ESG Issues

**ESG Factors Minimally Relevant to Rating:** Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on SIDBI, due to their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click [here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click [here](#).

## Company Profile

SIDBI is established under the Act of Parliament- SIDBI Act, 1989. It acts as the principal financial institution for the promotion, financing and development of the MSME sector and for the co-ordination of the functions of the institutions engaged in similar activities.

### CONSOLIDATED FINANCIAL SUMMARY

Particulars (INR billion)	FY22	FY23
Total assets	2,788.80	4,392.52
Net interest income	33.53	63.26
Net income	21.62	39.31
Gross non-performing assets (%)	0.13	0.01
Capital adequacy ratio (%)	26.12	21.11
Source: SIDBI; Ind-Ra		

## Non-Cooperation with previous rating agency

Not applicable

## Rating History

Instrument Type	Current Rating			Historical Rating			
	Rating Type	Rated Limit (billion)	Rating	24 March 2023	30 August 2022	7 October 2021	8 October 2020
CPs	Short-term	INR886	IND A1+	IND A1+	IND A1+	IND A1+	IND A1+

## Complexity Level of the Instruments

Instrument Type	Complexity Indicator
CPs	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

## Contact

## APPLICABLE CRITERIA

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### Rating of Public Sector Entities

### Revenue-Supported Rating Criteria

### Evaluating Corporate Governance

### The Rating Process

### Short-Term Ratings Criteria for Non-Financial Corporates

#### Primary Analyst

Anuradha Basumatari

Director

India Ratings and Research Pvt Ltd

Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai - 400051

+91 22 40356123

For queries, please contact: [infogrp@indiaratings.co.in](mailto:infogrp@indiaratings.co.in)

#### Secondary Analyst

MuraliKrishnan SR

Senior Analyst

+91 44 43401714

#### Chairperson

Dr. Sunil Kumar Sinha

Principal Economist and Senior Director Public Finance

+91 124 6687255

#### Media Relation

Ameya Bodkhe

Marketing Manager

+91 22 40356121

**About India Ratings and Research:** India Ratings and Research (Ind-Ra) is committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

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For more information, visit [www.indiaratings.co.in](http://www.indiaratings.co.in).

## Solicitation Disclosures

Additional information is available at [www.indiaratings.co.in](http://www.indiaratings.co.in). The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.



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**ANNEXURE II: FINANCIAL STATEMENTS**

<b>Financial Year</b>	<b>Weblink/Attachement</b>
FY 2023-24	Attached
FY 2022-23	<a href="https://www.sidbi.in/uploads/financialreport/SIDBI-Annual-Report-2023.pdf">https://www.sidbi.in/uploads/financialreport/SIDBI-Annual-Report-2023.pdf</a>
FY 2021-22	<a href="https://www.sidbi.in/uploads/financialreport/SIDBI-AR-2021-22_English_Part-II-for-web-upload_171022.pdf">https://www.sidbi.in/uploads/financialreport/SIDBI-AR-2021-22_English_Part-II-for-web-upload_171022.pdf</a>

*(Enclosed Below)*

## **Appendix I**

Audited Balance Sheet along with  
Profit and Loss Account  
and Cash Flow Statement of SIDBI

FY 2023-24



**SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA**  
**BALANCE SHEET AND PROFIT & LOSS ACCOUNT**  
**FOR THE YEAR ENDED MARCH 31, 2024**

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## INDEPENDENT AUDITORS' REPORT

**The Board of Directors**

**Small Industries Development Bank of India**

**Report on the Audit of the Standalone Financial Statements**

### Opinion

1. We have audited the accompanying Standalone Financial Statements of **Small Industries Development Bank of India** (the Bank"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss Account and the Statement of Cash Flows for the year then ended, and Notes to the Financial Statements including a summary of Significant Accounting Policies and other explanatory information.

In our opinion and to the best of our information and according to explanations given to us, the aforesaid Standalone Financial Statements give the information required in accordance with Regulation 14(1) of the Small Industries Development Bank of India General Regulations, 2000 in the manner so required and give a true and fair view in conformity with the Accounting Standards notified by the Institute of Chartered Accountants of India ("the ICAI") and accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2024 and its profit and its cash flows for the year ended on that date.

### Basis for Opinion

2. We conducted our audit of the Standalone Financial Statements in accordance with the Standards of Auditing ("SAs") issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibility under those standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of



our report. We are independent of the Bank in accordance with the “Code of Ethics” issued by the ICAI and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

**Emphasis of Matter**

3. We invite attention to Note No. 26 to Schedule XVI of the Standalone financial statements regarding additional provision on standard advances at rates higher than minimum stipulated under IRAC norms, as per Board approved Accelerated Provisioning Policy.
4. We invite attention to Note No. 30 to Schedule XVI of the Standalone financial statements regarding the contribution made to CGTMSE of Rs. 500 Cr.

Our opinion is not modified in respect of this matter.

**Key Audit Matters**

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matters
I. Classification of Advances,	Our audit approach / procedures towards



**Identification of Non- performing Advances, Income Recognition and Provision of Advances (Refer Schedule VIII read with Note 6 of Schedule XV to the standalone financial statements)**

Advances include Refinance loans to banks, Financial Institutions, Micro Finance Institutions and NBFCs; and Direct loans including Cash credits, Overdrafts, Loans repayable on demand and Term loans.

The Reserve Bank of India ('RBI') has prescribed the 'Prudential Norms on Income Recognition, Asset Classification and Provisioning' in respect of advances for banks ('IRACP Norms').

The identification of performing and non-performing advances (including advances restructured under applicable IRACP Norms) involves establishment of proper mechanism and the Bank is required to apply significant degree of judgement to identify and determine the amount of provision required against each advance applying both quantitative as well as qualitative factors prescribed by the regulations.

Significant judgements and estimates for NPA identification and provisioning could give rise to material misstatements

Classification of Advances, Identification of Non-performing Advances, Income Recognition and Provision on Advances included the following:

- Understanding and considering the Bank's accounting policies for NPA identification and provisioning and assessing compliance with the prudential norms prescribed by the RBI (IRACP Norms), including the additional provisions and asset classification benefit extended on restructured advances.

- Understanding the key controls (including system based automated controls) for identification and provisioning of impaired accounts based on the extant guidelines on IRACP laid down by the RBI.

- Performing other procedures including substantive audit procedures covering the identification of NPAs by the Bank. These procedures included:

- a) Considering testing of the exception reports generated from the application systems where the advances have been recorded.
- b) Considering the accounts reported by the Bank and other banks as Special Mention Accounts ("SMA") in RBI's central repository of information on



on:

- Completeness and timing of recognition of nonperforming assets in accordance with criteria as per IRACP norms;
- Measurement of the provision for non-performing assets based on loan exposure, ageing and classification of the loan, realizable value of security;
- Appropriate reversal of unrealized income on the NPAs.

Since the classification of advances, identification of NPAs and creation of provision on advances (including additional provisions on restructured advances under applicable IRACP Norms) and income recognition on advances:

- Requires proper control mechanism and significant level of estimation by the Bank;
  - Has significant impact on the overall financial statements of the Bank;
- we have ascertained this area as a Key Audit Matter

large credits (CRILC) to identify stress.

- c) Reviewing account statements, drawing power calculation, security and other related information of the borrowers selected based on quantitative and qualitative risk factors
- d) Reading of minutes of credit and risk committee meetings and performing inquiries with the Bank to ascertain if there were indicators of stress or an occurrence of an event of default in a loan account or any product.
- e) Considering key observations arising out of Internal Audits and Concurrent Audits conducted as per the policies and procedures of the Bank.
- f) Considering the RBI Financial Inspection report on the Bank, the Bank's response to the observations and other communication with RBI during the year
- g) Reviewing the report submitted by external expert appointed by the Bank to verify compliance with the RBI circular on Automation of IRACP processes through the Bank's core banking system.
- h) Examination of advances including





	<p>stressed/restructured advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines.</p> <p>i) Seeking independent confirmation of account balances for sample borrowers.</p> <p>j) Visits to branches/offices and examination of documentation and other records relating to advances.</p> <p>For Non- performing advances identified, we, based on factors including stressed sectors and account materiality, tested on a sample basis the asset classification dates, reversal of unrealized interest, value of available security and provisioning as per IRACP norms. We recomputed the provision for NPA on such samples after considering the key input factors and compared our measurement outcome to that prepared by management.</p>
<p><b>II. Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule VII read with Note 3 of Schedule XV to the standalone financial statements)</b></p> <p>Investments are categorized under Treasury operations and Business</p>	<p>Our audit approach/procedures towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non-performing investments (NPIs) and provisioning/depreciation related to</p>



Operations. Investments include investments made by the Bank in Central and State Governments Securities, Bonds, Debentures, Shares, Mutual Funds, VCFs and other approved securities. RBI Circulars and directives, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, non-recognition of income and provisioning against non-performing investments.

The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FBIL/FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc.

We identified valuation of investments and identification of NPI as a Key Audit Matter because of the management judgement involved in determining the value of certain investments (Bonds and Debentures, VCFs) based on applicable Regulatory guidelines and the Bank's policies, impairment assessment for HTM

Investments. In particular -

- We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, reversal of income on NPIs and provisioning/depreciation related to investments;
- We assessed and evaluated the process adopted for collection of information from various sources for determining market value of these investments;
- For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security;
- We carried out substantive audit procedures to recompute independently the provision to be maintained in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained and if accrual of income is in accordance with the RBI Circular for those selected sample of NPIs.



<p>book based on management judgement, the degree of regulatory focus and the overall significance to the financial results of the Bank.</p>	
<p><b>III. Information Technology (IT) and controls impacting financial Reporting</b></p> <p>The Bank's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.</p> <p>Due to the pervasive nature and complexity of the IT environment as well as its importance in relation to accurate and timely financial reporting, we have identified this area as a Key Audit Matter.</p>	<p>As a part of our audit procedures for review of the Bank's IT systems and related controls for financial reporting:</p> <ul style="list-style-type: none"> <li>- We tested the design and operating effectiveness of the Bank's IT systems and controls that are critical to financial reporting.</li> <li>- The Bank has a system in place for getting application software audits for identified Application Systems at reasonable intervals. Information System (IS) Audit is done by Bank at reasonable intervals.</li> <li>- We reviewed key observations arising out of audits conducted on the Bank's IT systems during the year.</li> </ul>
<p><b>IV. Assessment of Provisions and Contingent Liabilities (Note 10 and Note 12 of Schedule XV to the standalone financial statements):</b></p> <p>Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct Taxes, various claims filed by other parties not acknowledged</p>	<p>Our audit approach / procedures involved:</p> <ul style="list-style-type: none"> <li>- Understanding the current status of the litigations/tax assessments;</li> <li>- Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon;</li> <li>- Evaluating the merit of the subject</li> </ul>



as debt (Schedule XI to the standalone financial statements) and various employee benefits schemes (Schedule V to the standalone financial statements) was identified as a significant audit area.

There is high level of judgement involved in estimating the level of provisioning required as well as in the disclosure of both Provisions and Contingent Liabilities in respect of tax matters and other legal claims. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.

The valuations of the employee benefit liabilities are calculated with reference to multiple actuarial assumptions and inputs including discount rate, rate of inflation and mortality rates. The valuation of funded assets in respect of the same is also sensitive to changes in the assumptions.

matters identified as significant, with reference to the grounds presented therein and available independent legal / tax advice including opinion of the Bank's tax consultants;

- Review and evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and

- Ensuring completeness and accuracy of the data, the measurement of the fair value of the schemes' assets, understanding the judgements made in determining the assumptions used by management to value the employee liabilities with specific schemes and market practice.

- Our audit procedures included an assessment of some assumptions used by the actuary by comparing life expectancy assumptions with relevant mortality tables, benchmarking inflation and discount rates against external market data. We verified the value of plan assets to the statements provided by asset management companies managing the plan assets.

- Verification of disclosures related to significant litigations, taxation matters and Employee benefits liabilities in the



<p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of the matters which requires application of judgment in interpretation of law, circumstances of each case and estimates involved.</p>	<p>standalone financial statements.</p>
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**Information Other than the Standalone Financial Statements and Auditors' Report thereon**

6. The Bank's Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements and our auditors' report thereon. The Bank's annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Bank's annual report, if we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.



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

7. The Bank's Management is responsible with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flow of the Bank in accordance with the Small Industries Development Bank of India General Regulations, 2000 and accounting principles generally accepted in India including the applicable Accounting Standards issued by ICAI, and the circulars and guidelines issued by RBI from time to time. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimate that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. The Bank's Management are also responsible for overseeing the Bank's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

8. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs



will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statement made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements



represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **9. Other Matters**

- i. These Standalone Financial Results incorporate the relevant returns of 23 Branches visited /audited by us including Head office by us which covers 96.45% of Advances,





98.51% of deposits, 100% of Borrowings as on March 31, 2024 and 96.60% of Interest income on advances, 97.35% of interest expense on deposits and 99.74% of interest expense on borrowings for the period 01.04.2023 to 31.03.2024. These branches have been selected in consultation with the management of the bank. In conduct our audit, we have relied upon various information and returns received from remaining branches of the bank not visited by us, generated through centralised database at Head Office.

- ii. The opening balances as of April 1 2023 has been taken based on the financial statements for the year ended March 31, 2023 audited by the predecessor independent auditor who vide their report dated May 12, 2023 have expressed an unmodified opinion.

Our opinion is not modified in respect of above matters.

#### **Report on other Legal and Regulatory Requirements**

10. The standalone Balance Sheet and the standalone Profit and Loss Account have been drawn up in accordance with the provisions of Regulation 14 (i) of the Small Industries Development Bank of India General Regulations, 2000.

We report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
  - b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank and
  - c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
11. We further report that:



- a) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- b) The Balance Sheet and Profit and Loss account and Cash flow statement dealt with by this report are in agreement with the books of account;
- c) In our opinion, the aforesaid standalone financial statements comply with the applicable accounting standards.

**For J. Kala & Associates**  
Chartered Accountants  
FRN: 118769W

  
(Jayesh Kala)  
Partner

M. No.: 101686  
UDIN:24101686BKAJW8401



**Date: May 29, 2024**

**Place : Mumbai**

Small Industries Development Bank of India  
Balance Sheet as at March 31, 2024

	March 31, 2024	March 31, 2023
	Amount	Amount
<b>CAPITAL AND LIABILITIES</b>		
<b>SCHEDULES</b>		
I	5,68,54,11,690	5,68,54,11,690
II	3,11,47,97,41,280	2,72,40,69,75,549
III	20,63,84,20,90,591	16,50,36,14,64,621
IV	27,05,45,48,39,639	20,06,57,92,03,549
V	1,38,74,75,34,843	88,79,41,95,410
Other Liabilities and Provisions		
Deferred Tax Liability		
<b>Total</b>	<b>52,25,20,96,18,043</b>	<b>40,23,82,72,50,819</b>
<b>ASSETS</b>		
Cash and Bank Balances		
Investments	2,33,08,59,93,676	1,21,08,82,02,380
Loans & Advances	3,64,09,90,81,370	2,90,88,65,76,872
Fixed Assets	45,60,15,07,04,381	35,64,39,06,80,346
Other Assets	2,86,18,84,189	2,96,39,45,951
<b>Total</b>	<b>65,01,19,54,427</b>	<b>44,49,78,45,270</b>
Contingent Liabilities		
	52,25,20,96,18,043	40,23,82,72,50,819
	37,97,40,02,169	45,13,44,11,010

Significant Accounting Policies XV

Notes to Accounts XVI

The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date

BY ORDER OF THE BOARD

For J. Kala & Associates  
Chartered Accountants  
FRN.118769W



Jayesh Kala  
Partner  
M.No. 101686

Ajit Nath Jha  
Chief Financial Officer

Prakash Kumar  
Deputy Managing Director

G Gopalakrishna  
Director



Sudatta Mandal  
Deputy Managing Director

K.S. Naghiyal  
Director

Place: Mumbai  
Date: May 29, 2024

Small Industries Development Bank of India  
Profit & Loss Account for the March 31, 2024

		March 31, 2024	March 31, 2023
<b>INCOME</b>	<b>SCHEDULES</b>		
Interest and Discount	XII	3,13,09,96,10,081	1,79,53,53,96,172
Other Income	XIII	6,32,13,04,418	5,31,27,81,800
<b>Total</b>		<b>3,19,42,09,14,499</b>	<b>1,84,84,81,77,972</b>
<b>EXPENDITURE</b>			
Interest & Financial charges		2,28,81,47,69,951	1,24,05,66,16,459
Operating Expenses		18,65,06,99,392	8,23,53,29,635
Provisions & Contingencies	XIV	19,05,50,87,556	8,58,14,07,506
<b>Total</b>		<b>2,66,52,05,56,899</b>	<b>1,40,87,33,53,600</b>
<b>Profit before Tax</b>		<b>52,90,03,57,600</b>	<b>43,97,48,24,372</b>
Provision for Income Tax		17,72,36,61,000	12,39,91,57,313
Deferred Tax Adjustment [(Asset) / Liability]		(5,08,63,10,000)	(1,86,00,74,573)
<b>Profit after Tax</b>		<b>40,26,30,06,600</b>	<b>33,43,57,41,632</b>
Profit brought forward		66,87,00,000	40,00,00,000
<b>Total Profit / (Loss)</b>		<b>40,93,17,06,600</b>	<b>33,83,57,41,632</b>
<b>Appropriations</b>			
Transfer to General Reserve		37,14,57,71,449	31,11,88,59,294
Transfer to Special Reserve u/s 36(1)(viii) of The Income Tax Act, 1961		1,65,00,00,000	80,00,00,000
Others		2,50,52,813	-
Transfer to Investment Fluctuation Reserve		16,85,00,000	11,11,00,000
Transfer to Staff Welfare Fund		1,13,70,82,338	1,13,70,82,338
Dividend on Shares		80,53,00,000	66,87,00,000
Tax on Dividend		-	-
Surplus in Profit & Loss account carried		40,93,17,06,600	33,83,57,41,632
<b>Total</b>		<b>40,93,17,06,600</b>	<b>33,83,57,41,632</b>

58.81

70.82

Basic/Diluted Earning Per Share

XV

Significant Accounting Policies

XVI

Notes to Accounts

The Schedules referred to above form an integral part of the Profit & Loss Account.

As per our report of even date

BY ORDER OF THE BOARD

For J. Kalra & Associates  
Chartered Accountants  
FAN.118769W



Jayesh Kalra  
Partner  
M.No. 101686

Ajit Nath Jha  
Chief Financial Officer

Prakash Kumar  
Deputy Managing Director

Sudatta Mandal  
Deputy Managing Director

G Gopalakrishna  
Director

KS Nagyal  
Director

Place: Mumbai  
Date: May 29, 2024



Small Industries Development Bank of India  
Schedules to Balance Sheet

CAPITAL AND LIABILITIES		March 31, 2024	March 31, 2023
Schedule I:	Capital		
	(a) Authorized Capital	10,00,00,00,000	10,00,00,00,000
	- Equity Share Capital (75,00,00,000 Equity Shares of ₹10/- each)	7,50,00,00,000	7,50,00,00,000
	- Preference Share Capital (25,00,00,000 Redeemable Preference Shares of ₹10/- each)	2,50,00,00,000	2,50,00,00,000
	(b) Issued, Subscribed and Paid-up Capital :		
	- Equity Share Capital (56,85,41,169 Equity Shares of ₹10/- each)	5,68,54,11,690	5,68,54,11,690
	- Preference Share Capital	-	-
	Total	5,68,54,11,690	5,68,54,11,690
Schedule II:	Reserves, Surplus and Funds		
	A) Reserves		
	i) General Reserve		
	- Opening Balance	2,18,35,81,39,917	1,87,23,92,80,623
	- Additions during the year	37,14,57,71,449	31,11,88,59,294
	- Utilisations during the year	-	-
	- Closing Balance	2,55,50,39,11,366	2,18,35,81,39,917
	ii) Share Premium		
	- Opening Balance	30,54,25,88,310	30,54,25,88,310
	- Additions during the year	-	-
	- Utilisations during the year	-	-
	- Closing Balance	30,54,25,88,310	30,54,25,88,310



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<b>iii) Specific Reserves</b>			
a) Investment Reserve			
- Opening Balance	-	-	-
- Additions during the year	-	-	-
- Utilisations during the year	-	-	-
- Closing Balance	-	-	-
b) Special Reserve created and maintained u/s 36 (1) (viii) of The Income Tax Act, 1961			
- Opening Balance	18,52,00,00,000	17,72,00,00,000	
- Additions during the year	1,65,00,00,000	80,00,00,000	
- Utilisations during the year	-	-	
- Closing Balance	20,17,00,00,000	18,52,00,00,000	
c) Other Reserves			
i) Investment Fluctuation Reserve			
- Opening Balance	1,25,89,52,956	1,25,89,52,956	
- Additions during the year	2,50,52,813	-	
- Utilisations during the year	-	-	
- Closing Balance	1,28,40,05,769	1,25,89,52,956	
<b>B) Surplus In Profit and Loss account</b>			
	80,53,00,000	66,87,00,000	
<b>C) Funds</b>			
a) National Equity Fund			
- Opening Balance	2,65,61,42,832	2,65,61,42,832	
- Additions / Write back during the year	-	-	
- Utilisations during the year	-	-	
- Closing Balance	2,65,61,42,832	2,65,61,42,832	
b) Staff Welfare Fund			
- Opening Balance	40,24,51,534	32,83,53,383	
- Additions during the year	16,85,00,000	11,11,00,000	
- Utilisations during the year	5,31,58,531	3,70,01,849	
- Closing Balance	51,77,93,003	40,24,51,534	



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	c) Others	-	-
	<b>Total</b>	<b>3,11,47,97,41,280</b>	<b>2,72,40,69,75,549</b>
Schedule III	Deposits		
	A) Fixed Deposits	1,25,99,96,09,590	86,76,48,78,620
	B) From Banks		
	a) Under MSME Refinance Fund	18,91,19,34,36,000	15,28,76,15,16,000
	b) Under MSME Risk Capital Fund	-	-
	c) Others -From Foreign & Private Sector Banks	31,65,49,75,000	19,84,10,00,000
	d) Under MSME India Aspiration Fund	14,99,40,70,001	14,99,40,70,001
	e) Under Fund for Venture Capital in MSME sector 2014-15	-	-
	<b>Subtotal (B)</b>	<b>19,37,84,24,81,001</b>	<b>15,63,59,65,86,001</b>
	<b>Total</b>	<b>20,63,84,20,90,591</b>	<b>16,50,36,14,64,621</b>
Schedule IV	Borrowings		
I)	Borrowings in India		
	1. From Reserve Bank of India	-	1,59,00,00,00,000
	2. From Government of India (including Bonds subscribed by GOI)	4,36,28,02,083	5,17,27,06,344
	3. Bonds & Debentures	8,11,80,29,00,000	4,67,55,00,00,000
	4. From Other Sources		
	- Commercial Paper	2,25,24,00,00,000	3,94,25,00,00,000
	- Certificate of Deposits	3,54,90,00,00,000	2,46,35,00,00,000
	- Term Loans from Banks	10,88,19,00,00,000	5,86,43,95,28,678
	- Term Money Borrowings	-	-
	- Others	1,89,37,08,41,814	1,05,40,96,07,622
	<b>Subtotal (I)</b>	<b>26,73,86,65,43,897</b>	<b>19,64,17,18,42,644</b>



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II) Borrowings outside India			
(a) KfW, Germany	1,38,94,71,253		3,70,76,76,702
(b) Japan International Cooperation Agency (JICA)	6,07,59,66,719		10,79,57,17,856
(c) IFAD, Rome	99,22,22,858		1,05,46,39,489
(d) World Bank	22,85,75,57,273		26,31,12,58,470
(e) Others	27,30,77,639		53,80,68,387
Subtotal (II)	31,58,82,95,742		42,40,73,60,905
Total (I & II)	27,05,45,48,39,639		20,06,57,92,03,549
<b>Schedule V Other Liabilities and Provisions:</b>			
Interest Accrued	46,36,54,05,347		27,67,89,02,900
Provision for SIDBI Employees' Provident Fund	4,17,08,65,424		3,93,85,26,360
Provision for SIDBI Pension Fund	1,12,40,51,149		44,04,31,465
Provision for Employees' Other Benefit	3,35,42,75,456		1,90,38,47,208
Provisions for Exchange Rate Fluctuation	1,53,73,62,766		1,53,73,62,766
Contingent provisions against standard assets	34,43,01,42,221		17,57,93,51,338
Proposed Dividend (including tax on dividend)	1,13,70,82,338		1,13,70,82,338
Funds viz. Aspire Fund, FoF for Startups, PRIF, PRSF etc.	33,27,13,78,808		23,12,59,58,271
Floating provision	4,95,67,37,932		4,95,67,37,932
Others (including provisions)	8,40,02,33,402		6,49,59,94,832
Total	1,38,74,75,34,843		88,79,41,95,410

ASSETS		March 31, 2024	March 31, 2023
<b>Schedule VI Cash &amp; Bank Balances</b>			
1. Cash in Hand & Balances with Reserve Bank of India	5,93,895		6,02,342
2. Balances with other Banks			
(a) in India			
(i) in current accounts	1,93,95,29,201		6,25,83,58,601
(ii) in other deposit accounts	2,31,12,83,11,702		1,12,07,41,43,932

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<b>(b) Outside India</b>			
i) in current accounts	1,75,58,878		4,89,40,573
ii) in other deposit accounts			2,70,61,56,932
<b>Total</b>	<b>2,33,08,59,93,676</b>		<b>1,21,08,82,02,380</b>
<b>Schedule VII</b>			
<b>Investments</b>			
<b>[net of provisions]</b>			
<b>A) Treasury operations</b>			
1. Securities of Central and State Governments	2,69,04,48,00,772		1,48,12,97,19,214
2. Bonds & Debentures of Banks & Financial Institutions	19,53,22,74,081		21,81,08,38,302
3. Stocks, Shares, Bonds & Debentures of Industrial Concerns	51,56,74,010		84,44,58,856
4. Mutual Funds			
5. Commercial Paper	17,96,12,57,158		26,05,26,90,303
6. Certificate of Deposit	15,55,01,34,525		62,98,61,30,050
7. Others	11,00,00,00,000		
<b>Subtotal (A)</b>	<b>3,33,60,41,40,546</b>		<b>2,59,82,38,36,725</b>
<b>B) Business Operations</b>			
1. Shares of Banks & Financial Institutions	1,61,51,09,902		1,61,51,09,702
2. Bonds & Debentures of Banks & Financial Institutions			
3. Stocks, Shares, bonds & Debentures of Industrial Concerns	3,47,28,88,561		5,34,48,59,563
4. Investment in Subsidiaries	17,51,04,98,740		17,51,04,98,740
5. Investment in Venture Capital Fund - RCF	4,67,17,29,717		5,24,72,57,872
6. Others	3,22,47,13,904		1,34,50,14,270
<b>Subtotal (B)</b>	<b>30,49,49,40,824</b>		<b>31,06,27,40,147</b>
<b>Total (A+B)</b>	<b>3,64,09,90,81,370</b>		<b>2,90,88,65,76,872</b>



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Schedule VIII	Loans & Advances [Net of Provisions]		
A) Refinance to - Banks and Financial Institutions	36,31,01,26,04,304		29,81,73,24,72,128
- Micro Finance Institutions	87,71,32,31,093		48,99,64,96,339
- NBFC	5,52,05,42,45,997		3,34,14,66,70,997
- Bills Rediscounted			
<b>Subtotal (A)</b>	<b>42,70,78,00,81,394</b>		<b>33,64,87,56,39,464</b>
B) Direct Loans - Loans and Advances	2,75,09,88,63,090		1,93,97,14,30,050
- Receivable Finance Scheme			9,23,64,439
- Bills Discounted	14,27,17,59,897		5,45,12,46,393
<b>Subtotal (B)</b>	<b>2,89,37,06,22,987</b>		<b>1,99,51,50,40,882</b>
<b>Total (A+B)</b>	<b>45,60,15,07,04,381</b>		<b>35,64,39,06,80,346</b>

Schedule IX	Fixed Assets [Net of Depreciation]	March 31, 2024	March 31, 2023
1. Premises	2,81,35,50,735		2,92,87,49,254
2. Others	4,83,33,454		3,51,96,697
<b>Total</b>	<b>2,86,18,84,189</b>		<b>2,96,39,45,951</b>
Schedule X	Other Assets:		
Accrued Interest	30,65,77,13,429		15,51,50,83,888
Advance Tax. (Net of provision)	2,89,32,29,192		1,91,87,79,755
Staff Loans	2,23,69,85,494		1,95,26,21,807
Derivative Assets	4,56,03,84,977		5,41,20,83,018
Expenditure to the extent not written off	16,76,79,45,998		17,27,27,73,419
Others	7,89,56,95,337		2,42,65,03,383
<b>Total</b>	<b>65,01,19,54,427</b>		<b>44,49,78,45,270</b>



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Schedule XI	CONTINGENT LIABILITIES	March 31, 2024	March 31, 2023
	(i) Claims against the Bank not acknowledged as debts	9,89,43,47,386	9,64,85,12,907
	(ii) On account of Guarantees / Letters of Credit	67,38,62,553	42,97,75,967
	(iii) On account of Forward Contracts	72,24,92,243	16,78,26,751
	(iv) On account of Underwriting Commitments	-	-
	(v) On account of uncalled monies on partly paid shares, debentures & undrawn commitment under VCF etc.	97,00,54,081	1,27,42,87,728
	(vi) On account of derivative contracts	25,71,32,45,906	33,61,40,07,657
	(vii) Other Items for which the Bank is contingently liable	-	-
	<b>Total</b>	<b>37,97,40,02,169</b>	<b>45,13,44,11,010</b>



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**Small Industries Development Bank of India**  
**Schedules to Profit & Loss Account**

	[ ₹ ]	March 31, 2024	March 31, 2023
<b>Schedule XII</b>	<b>Interest and Discount</b>		
	1. Interest and Discount on Loans, Advances and Bills	2,71,81,93,58,227	1,51,72,88,51,545
	2. Income on Investments / Bank balances	41,28,02,51,854	27,80,65,44,627
	<b>Total</b>	<b>3,13,09,96,10,081</b>	<b>1,79,53,53,96,172</b>
<b>Schedule XIII</b>	<b>Other Income:</b>		
	1. Upfront and Processing Fees	1,16,43,48,452	78,08,41,042
	2. Commission and Brokerage	2,02,56,743	1,09,30,972
	3. Profit on sale of Investments	86,65,00,642	44,63,03,402
	4. Income earned by way of dividends etc. from Subsidiaries / Associates	34,13,05,185	27,14,88,889
	5. Provision of Earlier Years written Back	-	-
	6. Recoveries out of Bad Debts	2,27,76,44,029	2,86,91,76,097
	7. Reversal of Provisions/ERFF under FCL	-	-
	8. Others	1,65,12,49,367	93,40,41,398
	<b>Total</b>	<b>6,32,13,04,418</b>	<b>5,31,27,81,800</b>
<b>Schedule XIV</b>	<b>Operating Expenses:</b>		
	Payments to and provisions for employees	8,27,60,25,569	5,06,67,84,567
	Rent, Taxes and Lighting	22,08,27,134	18,17,03,219
	Printing & Stationery, Postage/Courier & Tele and Insurance	2,20,75,109	2,10,30,252
	Advertisement and Publicity	27,63,00,600	11,47,42,304
	Depreciation / Amortisation on Bank's Property	61,19,85,624	26,23,28,294
	Directors' fees, allowances and expenses	53,14,229	81,12,867
	Auditor's Fees	33,21,257	32,92,016
	Law Charges	1,97,89,911	2,97,91,239
	Repairs and maintenance	39,81,24,019	27,60,81,381
	Issue Expenses	7,77,36,100	5,60,22,041
	Capital Commitment, Management Fees etc.	13,37,33,616	19,79,10,602
	Input Tax Credit not Available	31,67,48,282	19,19,22,592
	Contribution to CGTMSE	5,00,00,000	-
	Other Expenditure	3,28,87,17,942	1,82,56,08,261
	<b>Total</b>	<b>18,65,06,99,392</b>	<b>8,23,53,29,635</b>

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## SCHEDULE XV – SIGNIFICANT ACCOUNTING POLICIES

### 1. BASIS OF PREPARATION

The financial statements have been prepared to comply in all material respects with the Small Industries Development Bank of India Act, 1989 and regulations thereof, prudential norms prescribed by Reserve Bank of India, applicable Accounting Standards issued by the Institute of Chartered Accountants of India and practices prevailing in the Banking Industry. The financial statements have been prepared under the historical cost convention on an accrual basis, unless otherwise stated. Except otherwise mentioned, the accounting policies that are applied by the Bank, are consistent with those used in the previous year.

#### Use of Estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as of the date of the financial statements and the reported income and expenses for the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods in accordance with the requirements of the respective accounting standard.

### 2. REVENUE RECOGNITION

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured.

#### A) INCOME:

- (i) Interest income including penal interest is accounted for on accrual basis, except in the case of non-performing assets where it is recognized upon realization.
- (ii) Income in the Profit & Loss Account is shown gross i.e. before provisions as per RBI guidelines and other provisions as per Bank's internal policy.
- (iii) Discount received in respect of bills discounted / rediscounted and on discounted instruments is recognized over the period of usage of the instruments on a constant yield basis.
- (iv) Commitment charges, service charges on seed capital / soft loan assistance and royalty income are accounted for on accrual basis in respect of standard (performing) assets.
- (v) Dividend on shares held in industrial concerns and financial institutions is recognized as income when the right to receive the dividend is established.



(vi) Income from Venture Capital funds are accounted on realization basis. Redemption of unithshares in Venture Capital fund, while in HTM category is not treated as a sale.

(vii) Recovery in non-performing assets (NPA) is to be appropriated in the following order:

- a) overdue interest upto the date of NPA,
- b) principal,
- c) cost & charges,
- d) interest and
- e) penal interest.

(viii) Gain/loss on sale of loans and advances through direct assignment is recognized in line with the extant RBI guidelines.

(ix) Amounts recovered against debts written-off in earlier years are recognized as income in the Profit and Loss account.

(x) Profit or loss on sale of investments in any category is taken to profit & loss account. However, in case of profit on sale of investments under "Held to Maturity" category an equivalent amount net of applicable taxes is appropriated to Capital Reserves.

(xi) Amount lying as unclaimed liabilities (other than statutory liabilities) for a period of more than seven years are recognized as income.

(xii) The bank has accounted for interest on income tax refunds upon receipt of such refund orders / Order giving effects issued by Income Tax Department.

(xiii) Recoveries of CGTMSE fees, Valuation charges, Advocate fee, Insurance, Upfront fee/ Processing fee etc. from Borrowers are accounted on cash basis.

(xiv) Commission on LC/ BG are recognized on accrual basis proportionately over the period.

**B) EXPENDITURE:**

(i) All expenditures are accounted for on accrual basis except Development Expenditure which is accounted for on cash basis.

(ii) Discount on Bonds and Commercial Papers issued are amortized over the tenure of Bonds and Commercial Paper. The expenses relating to issue of Bonds are amortized over the tenure of the Bonds.



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### 3. INVESTMENTS

(i) In terms of extant guidelines of the Reserve Bank of India on investment classification and valuation, the entire investment portfolio is categorized as "Held to Maturity", "Available for Sale" and "Held for Trading". Investments are valued in accordance with RBI guidelines. The investments under each category are further classified as

- a) Government Securities,
- b) Other approved securities,
- c) Shares,
- d) Debentures & Bonds,
- e) Subsidiaries/ joint ventures and
- f) Others (Commercial Paper, Mutual Fund Units, Security Receipts, Certificate of Deposits etc.)

#### (a) Held to Maturity:

Investments acquired with the intention to hold till maturity are categorized under Held to Maturity. Such investments are carried at acquisition cost unless it is more than the face value, in which case the premium is amortized over the period remaining to maturity. Investments in subsidiaries classified as Held To Maturity.

Diminution, other than temporary, in the value of investments under this category is provided for each investment individually.

#### (b) Held for Trading:

Investments acquired for resale within 90 days with the intention to take advantage of the short-term price/interest rate movements are categorized under Held for Trading. The investments in this category are revalued scrip-wise and net appreciation /depreciation is recognized in the profit & loss account, with corresponding change in the book value of the individual scrips.

In respect of traded/ quoted investments, the market price is taken from the trades/ quotes available on the stock exchanges.

#### (c) Available for Sale:

Investments which do not fall within the above two categories are categorized under Available for Sale. The individual scrip under this category is revalued and net depreciation under any of the classification mentioned above is recognized in the profit & loss account. Net appreciation under any classification is ignored. The book value of individual scrip is not changed after the revaluation.



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- (ii) An investment is classified as 'Held To Maturity', 'Available For Sale' or 'Held For Trading' at the time of its purchase and subsequent shifting amongst categories and its valuation is done in conformity with RBI guidelines.
- (iii) Treasury Bills, Commercial Papers and Certificates of Deposit being discounted instruments are valued at carrying cost.
- (iv) The quoted Government Securities are valued at market prices and unquoted/non-traded government securities are valued at prices declared by Financial Benchmark India Pvt. Ltd. (FBIL).
- (v) Investments which are made out of the Corpus or Funds provided by the Government of India and netted off from the related Fund balances are carried at cost and not subjected to RBI guidelines of valuation.
- (vi) Recording purchase and sale transactions in Investments is done following 'Settlement Date' accounting.
- (vii) The debentures / bonds / shares deemed to be in the nature of advance, are subject to the usual prudential norms applicable to loans & advances.
- (viii) Cost of investments is determined on the weighted average cost method.
- (ix) Brokerage, commission, etc. paid at the time of acquisition/ sale are recognized in the profit & loss account.
- (x) Broken period interest paid / received on debt investment is treated as interest expenses / income and is excluded from cost / sale consideration.
- (xi) In respect of unquoted investments in industrial concerns under Seed Capital Scheme, full provision has been made.
- (xii) Units of mutual fund are valued at repurchase price as per relevant RBI guidelines.
- (xiii) The unquoted fixed income securities (other than government securities) are valued on Yield to Maturity (YTM) basis with appropriate mark-up over the YTM rates for Central Government securities of equivalent maturity. Such mark-up and YTM rates applied are as per the relevant rates published by FBIL.
- (xiv) Unquoted Shares are valued at breakup value, if the latest Audited Financial Statements of the investee companies are available, or at ₹1/- per Company as per RBI guidelines.



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#### 4. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded in the books of account in respective foreign currencies at the exchange rate prevailing on the date of transaction. Accounting for transactions involving foreign exchange is done in accordance with Accounting Standard (AS)-11 issued by Institute of Chartered Accountants of India, as per following provisions:

- (i) Contingent liability in respect of outstanding forward exchange contracts, guarantees; acceptances, endorsements and other obligations are calculated at the closing exchange rates notified by Foreign Exchange Dealers' Association of India ('FEDAI').
- (ii) Foreign currency Assets and Liabilities are translated at the closing exchange rates notified by FEDAI as at the Balance Sheet date
- (iii) Foreign currency Income and Expenditure items are translated at monthly intervals through actual sale/purchase and recognized in the profit & loss account accordingly.
- (iv) The revaluation difference on foreign currency LoC is adjusted and recorded in a special account opened and maintained, in consultation with GOI for managing exchange risk.
- (v) The Bank follows hedge accounting in respect of foreign exchange contracts and derivative transactions as per RBI guidelines.
- (vi) Exchange differences arising on the settlement of monetary items are recognized as income or expense in the period in which they arise.
- (vii) Outstanding Forward Exchange Contracts which are not intended for trading are revalued at exchange rates notified by FEDAI.

#### 5. DERIVATIVES

The Bank presently deals in currency derivatives viz., Cross Currency Interest Rate Swaps for hedging its foreign currency liabilities. Based on RBI guidelines, the above derivatives undertaken for hedging purposes are accounted on an accrual basis. Contingent Liabilities on account of derivative contracts at contracted rupee amount are reported on the Balance Sheet date.

#### 6. LOANS AND ADVANCES

- i. Assets representing loan and other assistance portfolios are classified as performing and non-performing based on the RBI guidelines. Provision for non-performing assets is made in accordance with the RBI guidelines.



- ii. Advances stated in the Balance Sheet are net of provisions made for non-performing advances, and restructured NPA assets.
- iii. General provision on Standard Assets is made as per RBI guidelines.
- iv. Floating provision is made and utilized as per RBI guidelines and Board approved policy.

## 7. TAXATION

- (i) Tax expense comprises both current tax and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS).
- (ii) Deferred income taxes reflect the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.
- (iii) Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.
- (iv) Disputed taxes not provided for including departmental appeals are included under Contingent Liabilities.

## 8. SECURITISATION

- i. The Bank purchases credit rated Micro, Small and Medium Enterprises Asset pools from Banks / Non-Banking Finance Companies by way of pass-through certificates issued by the Special Purpose Vehicle. Such securitization transactions are classified as Investments under Held for Trading / Available for Sale category depending upon the investment objective.
- ii. The Bank purchases credit rated pool of Micro, Small and Medium Enterprises assets under bilateral direct assignment. Such direct assignment transactions are accounted for as 'advances' by the Bank.
- iii. The Bank enters into sale of Loans & Advances through direct assignment. In most of the cases, the Bank continues to service the Loans & Advances sold under these transactions and is entitled to the Residual interest on the Loans & Advances sold. Assets sold under direct assignment are derecognized in the books of the Bank based on the principle of surrender of control over the assets.



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- iv. The residual income on the Loans & Advances sold is being recognized over the life of the underlying Loans & Advances.
- v. Security Receipts issued by the asset reconstruction companies are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time.

**9. SALE OF FINANCIAL ASSETS TO ASSET RECONSTRUCTION COMPANIES (ARCs) :**

- i. The sale of NPA's is on cash basis or investment in Security Receipt (SR) basis. In case of sale on SR basis, the sale consideration or part thereof is treated as investment in the form of SRs.
- ii. The assets if sold at a price below the Net Book Value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit & Loss A/c. In case the sale value is higher than NBV, the excess provision held can be reversed to profit & loss account in the year the amounts are received. Reversal of excess provision is limited to the extent to which cash received exceeds the NBV of the asset.

**10. PROVISIONING FOR STAFF BENEFITS**

**A] Post retirement benefits:**

- i. Provident Fund is a defined contribution scheme administered by the Bank and the contributions are charged to the Profit & Loss Account.
- ii. Gratuity liability and Pension liability are defined benefit obligations and other long-term employee benefits like compensated absences, post-retirement medical benefits etc. are provided based on the independent actuarial valuation as at the Balance Sheet date using the projected unit credit method as per AS 15 (Revised 2005) - Employee Benefits.
- iii. Actuarial gains or losses are recognized in the profit & loss account based on actuarial valuations for the period in which they occur.
- iv. New Pension Scheme is a defined contribution scheme and is applicable to employees who have joined bank on or after December 01, 2011. Bank pays fixed contribution at pre-determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit & Loss Account.

- v. Payments made under the Voluntary Retirement Scheme are charged to the Profit & Loss account in the year of expenses incurred.



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### **B] Benefits (Short – term) while in service**

Liability on account of Short-term benefits are determined on an undiscounted basis and recognized over the period of service, which entitles the employees to such benefits.

### **11. FIXED ASSETS AND DEPRECIATION**

- i) Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any.
- ii) Cost of asset includes purchase cost and all expenditure incurred on the asset before put to use. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefits from such assets or their functioning capability.
- iii) Depreciation for the full year, irrespective of date of capitalization, is provided on:
  - (a) Furniture and fixture: For assets owned by Bank @ 100 percent
  - (b) Computer and Computer Software @ 100 percent
  - (c) Building @ 5 percent on WDV basis
  - (d) Electrical Installations: For assets owned by Bank @ 50 percent on WDV basis.
  - (e) Motor Car - Straight Line Method @ 50 percent.
- iv) Depreciation on additions is provided for full year and no depreciation is provided in the year of sale/disposal.
- v) Leasehold land is amortized over the period of lease.

### **12. PROVISION FOR CONTINGENT LIABILITIES AND CONTINGENT ASSETS.**

In accordance with AS-29 Provisions, Contingent Liabilities and Contingent Assets, the Bank recognizes provisions involving substantial degree of estimation in measurement when it has a present obligation as a result of past event, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are not provided for and are disclosed in the balance sheet and details given by way of Schedule to the Balance Sheet. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

### **13. GRANTS AND SUBSIDIES**

Grants and subsidies from the Government and other agencies are accounted as per the terms and conditions of the agreement.



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#### 14. OPERATING LEASE

Lease rentals is recognized as an expense/income in the Profit & Loss Account on a straight line basis over the lease term in accordance with AS-19.

#### 15. IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/external factors, to recognize,

- a) the provision for impairment loss, if any required; or
  - b) the reversal, if any, required for impairment loss recognized in the previous periods.
- Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

#### 16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with RBI, balances with other banks, money at call and short notice and investment in Mutual Fund with an original maturity of three months or less.



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SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA  
SCHEDULE III - NOTES TO ACCOUNTS

1. Implementation of Ind-AS:  
As per SBIR letter dated May 15, 2015 issued to the Bank, implementation of Ind-AS for AIFs has been delayed till further notice. Accordingly, financial statements of the Bank are continued to be prepared under GAAP.

2.1. As per the Accounting Standard 20, Accounting for Taxes on Income, the Bank has reversed Deferred Tax Assets / Liabilities and recognized an amount of ₹ 15,08,63,10,000/- as Deferred Tax Assets (Previous year - Deferred Tax Assets were ₹ 18,00,74,513) in the Profit & Loss Account for the year ended March 31, 2024.

2.2. The Break up of Deferred Tax Assets (Liability) as on March 31, 2024 is as under :

	March 31, 2024	March 31, 2023
Trading Difference		
Provision for depreciation on fixed assets		
Special Reserve as per Section 115JC of the Income Tax Act 1961	9,00,90,331	2,96,73,254
Provision for non performing assets	16,47,76,42,42	14,87,84,85,148
Provision for Restructuring of Accounts	24,11,88,222	8,23,85,887
Provision for Non Performing Investments		68,12,875
Provision for Standard Issues	75,81,91,478	83,40,08,148
Others	8,68,13,78,194	4,42,43,68,372
Net deferred tax Assets (Liability)	1,44,48,52,952	57,85,55,532
	6,61,89,25,043	1,85,26,18,888

	March 31, 2024	March 31, 2023
Provision for income tax includes:		
Provision for Current Income Tax Provision	17,72,58,81,000	12,28,45,17,343
Provision for Short-Term Income Tax Provision of Earlier Years		
The Tax liability has been settled by the Tax consultant.		

4. Contingent Liabilities referred to in Schedule III  
Contingent liabilities include "Claims against the Bank not acknowledged as debt" of ₹ 2,49,43,47,205 (Previous Year ₹ 5,64,85,12,907). These represent claims filed against the Bank in the normal course of business relating to various legal cases currently in progress and demands raised by income tax and other statutory authorities. These is being disputed by the Bank and based on expert's opinion, the provision is not considered necessary.

5. Bonds and Debentures under Borrowings in schedule IV includes the following :

	March 31, 2024	March 31, 2023
a) Unsecured Bonds	₹ 8,11,80,24,00,000	4,67,55,00,00,000
b) Expenses to the extent not written off under Other Assets in schedule X includes the following:		
Interest Paid in Advance - Government	34,43,53,12,876	51,82,78,31,482
Interest Paid in Advance - Capital Gains Deposit	3,26,43,45,898	4,80,88,13,232
Interest Paid in Advance - Government Paper	3,79,40,174	1,88,28,795
Expansures on Interest of Unsecured Bonds	18,78,79,45,688	17,27,20,73,429
Total		

7. Interest and Financial Charges

a) Interest on Borrowings	1,41,98,14,76,296	68,87,67,60,468
b) Interest on Deposits	48,68,21,67,079	51,78,58,58,268
c) Financial Charges	1,13,62,94,518	2,29,08,87,765
Total	2,28,81,47,86,892	1,24,05,06,14,499

8. Estimated amount of contracts remaining to be executed on Capital Account not provided for (net of advance paid)

9. Provision in Schedule X include advances towards acquisition of Provision III (Previous Year ₹ 11,65,88,890) since then received & provision created in earlier year has been written back and Capital Bank in Progress ₹ 83,261,64 (Previous Year ₹ 42,422,411.82).

10. The borrowing of ₹ 811.80 million from Govt. of India under the JICA IV loan is carried forward in the Schedule IV - Borrowings to the Balance Sheet as its historic net value since SDB's liability towards principal repayment under the agreement, is not expected to exceed the aggregate of rupee borrowings and the balance in the ERF maintained for this loan. Applicable interest at 8% is credited to the ERF account and interest payable in JPI (amounted to equivalent INR) is debited out of this account. The balance as at March 31, 2024 is ₹ 811.80 million for the loan ₹ 811.80 million (Previous Year ₹ 12,00,00,000).

11. The Bank has contracted a line of credit for ₹ 500 crore from SBI for scaling up Sustainable and Responsible Micro Finance Project including ICA provision aggregating ₹ 85.5 million (equivalent of USD 130 million) under DA line Govt. of India to the borrower and rupee funds are lent to SDB by GO through the exchange rate on the underlying is required to be borne by SDB as per the terms of the agreement. Thus, through GO released rupee funds to SDB, the same was recorded as SDB liability in the books of SDB to depict correct position in that realisation difference fund. Subsidy reflected in the year end figures. Accordingly, the amount advanced under the above aggregating ₹ 85.5 million (equivalent to ₹ 428.35 Crore) as on March 31, 2024 (Previous Year ₹ 82.425 million) (equivalent to ₹ 173.66 Crore) from GO is recorded as SDB liability and the underlying liability has been hedged by way of Cross Currency Interest Rate Swap. The same has been grouped under 'Schedule IV - Borrowings in India'.

12. (a) ASPIRE Fund is a ₹ 500 crore Fund of Funds, allocated by Ministry of Micro, Small & Medium Enterprises, Government of India, to be managed by SDB. The Fund is being allowed to make investments in Venture Capital Funds targeting Start Ups/ early stage enterprises promoting innovation, Entrepreneurship, Forward Backward linkage with multiple value chain of manufacturing and service delivery, accelerator support, etc. in the Agri based industry and sectors to promote the rural economy. The investments (out of ASPIRE fund) are held by SDB in fiduciary capacity. The balance of ASPIRE Fund, net of investment is provided under "Other liabilities" in the Balance Sheet and all related transactions/structure are the part of the Fund. The balance in the fund is ₹ 1293.25,96,780 as on March 31, 2024 (Previous year ₹ 7,25,67,36,600).

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- B) Government of India has formulated a Scheme for Fund of Funds for Start-ups (FFSF) with the principal objective of enhancing the equity availability to start-ups. Under the Scheme, an amount of ₹25,000 crore has been approved as FFSF to be managed by SEBI. The Government has since released an amount of ₹5000.29,84,000 and also permitted to take further commitments under FFSF. During the year, Government has advised SEBI to continue to make contribution to the Alternative Investment Fund (AIF). These investments (out of FFSF) are held by SEBI in fiduciary capacity. The fund balance of FFSF, out of investment is grouped under "Other Liabilities" in the Balance Sheet and all gains/losses/income/expenditure are the part of this fund. The balance in the fund is ₹20,05,35,85,803 as on March 31, 2024 (Previous year: ₹11,30,51,32,352).
- C) Under the UP IT & Start-up Policy 2021, the Government of Uttar Pradesh shall establish an initial corpus of ₹65,00,000 crore to promote start-ups to establish and flourish in the state. The fund shall be in the form of fund of funds. In this model, the fund shall not be invested directly into start-up companies, rather it shall participate in SEBI approved funds. The funds shall be professionally managed by SEBI - the Fund Manager. The Government of Uttar Pradesh has since released an amount of ₹225 crore. These investments (out of UP Startup Fund) are held by SEBI in fiduciary capacity. The fund balance of UP Startup Fund, out of investment is grouped under "Other Liabilities" in the Balance Sheet and all gains/losses/income/expenditure are the part of this fund. The balance in the fund is ₹74,75,58,298 as on March 31, 2024 (Previous year: ₹1,33,02,28,364).
- D) MOEF Department of the Government of Odisha shall establish an initial corpus of ₹200 crore for long-term support for startups. The fund shall be in the form of fund of funds. In this model, the fund shall not be invested directly into start-up companies, rather it shall participate in SEBI approved funds. The funds shall be professionally managed by SEBI, the fund manager. The Government of Odisha has since released an amount of ₹25 crore. These investments (out of Odisha Startup Growth Fund) are held by SEBI in fiduciary capacity. The fund balance of Odisha Startup Growth Fund, out of investment is grouped under "Other Liabilities" in the Balance Sheet and all gains/losses/income/expenditure are the part of this fund. The balance in the fund is ₹14,713,36,2665 as on March 31, 2024 (Previous Year: Nil).

13 The Bank has pledged Government Securities aggregating to face value ₹ 212,490,000,000 (Book value ₹ 2,89,59,48,00,717.81) (Previous Year ₹ 1,45,95,06,00,000) (book value ₹ 1,40,69,92,11,805) with Chequing Corporation of India Ltd. for "Priority Repo Dealing and Settlement (TRERPS).

14 (a) had extended a foreign currency loan to SCS of ₹28,16.35 million, vide loan agreement dated February 28, 2002. As per the terms of loan agreement, if/so fund disbursed upto in USD and it is to be repaid in USD equivalent to USD. The Bank has accounted accordingly in the books of account. The balance as on March 31, 2024 for this loan is ₹98,22,22,808 (Previous Year ₹ 1,05,46,39,489)

25 Employee Benefits  
In accordance with the Accounting Standard on "Employee Benefits" (AS 15) (Revised 2002) issued by the Institute of Chartered Accountants of India, the Bank has classified the various benefits provided to the employees as under:

(a) Defined contribution plan  
The Bank has recognized the following amounts in Profit & Loss Account:

	March 31, 2024	March 31, 2023
Surplus/Shortfall	12,65,65,883	6,18,33,963
Employer's contribution to Provident Fund	12,84,87,882	6,56,40,365
Employer's contribution to New Pension Scheme		

(b) The Bank is having defined benefit Provident Fund and Gratuity Scheme which are managed by the Trust.

	Previous Year		FY 2024	FY 2023
	FY 2024	FY 2023		
<b>1. Appropriations</b>				
Discount Rate	7.20%	7.50%	7.20%	7.40%
Sum of Return on Risk Assets	7.20%	7.50%	7.20%	7.40%
Salary Escalation	5.50%	5.50%	5.50%	5.50%
Mortality rate	2.30%	2.00%	2.00%	2.00%
<b>2. Table showing change in Benefits Obligations</b>				
Liability at the beginning of the year	679.80	516.93	507.40	388.95
Interest Cost	25.30	24.80	2.37	7.82
Current Service Cost	34.45	12.49	0.96	0.56
Post Service Cost (Plan Vested Benefits)	0.00	0.00	0.00	0.00
Post Service Cost (Unvested Benefits)	0.00	0.00	0.00	0.00
Liability Transferred to	0.00	0.00	0.00	0.00
Liability Transferred from	0.00	0.00	0.00	0.00
Benefits Paid	(13.97)	(3.00)	(13.97)	(13.44)
Actuarial gain / (loss) on obligations	47.53	64.74	4.30	(2.72)
Liability at the end of the year	267.70	679.80	127.88	397.40
<b>3. Tables of Fair value of Plan Assets</b>				
Fair value of Plan Assets at the beginning of the year	625.76	589.63	592.30	390.32
Expected Return on Plan Assets	47.66	42.75	7.41	7.38
Contributions	0.00	0.00	0.61	0.04
Transfer from other company/ (to other company)	0.00	0.00	0.00	0.00
Transfer to other company/ (from other company)	0.00	0.00	0.00	0.00
Actuarial gain / (loss) on plan Assets	0.00	0.00	(13.97)	(12.44)
Fair value of Plan Assets at the end of the year	692.42	679.76	626.39	395.38

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14. Table of Recognition of Actual/ Greater Losses	Particulars				
	Actual/ Greater Losses on account for the period	Actual/ Greater Losses recognized in Income & Expense Statement	Actual Return on Prior Assets	Expected Return on Prior Assets	Actual Return on Prior Assets
Actual/ Greater Losses on account for the period	47.53	64.74	4.50		13.22
Actual/ Greater Losses recognized in Income & Expense Statement	1.27	(3.42)	0.38		(1.76)
Actual Return on Prior Assets	48.80	61.34	5.26		(0.82)
Expected Return on Prior Assets	47.48	43.75	3.41		1.08
Actual Return on Prior Assets	1.32	7.59	1.85		1.39
Actual Return on Prior Assets	48.41	48.13	7.85		8.78
5. Amount Recognized in the Balance Sheet					
Liability at the end of the year	(162.37)	(678.80)	(811.88)		(1267.40)
Year Initial of Prior Assets at the end of the year	692.17	676.76	95.76		100.30
Difference	(854.54)	(144.04)	(186.48)		(65.14)
Recognized Part Service Cost at the end of the year	0.00	0.00	0.00		0.00
Unrecognized Transnational Liability at the end of the year	0.00	0.00	0.00		0.00
Net Amount recognized in the Balance Sheet	(854.54)	(144.04)	(186.48)		(65.14)
7. Expenses Recognized in the Income Statement					
Current Services Cost	14.46	13.40	5.86		5.90
Intrinsic Cost	25.52	24.63	7.57		7.09
Expected Return on Prior Assets	(47.28)	(42.75)	(7.41)		(7.08)
Part Service Cost (Non-vested Benefits) recognized during the year	0.00	0.00	0.00		0.00
Part Service Cost (Vested Benefits) recognized during the year	0.00	0.00	0.00		0.00
Recognition of Transnational Liability during the year	0.00	0.00	0.00		0.00
Actual/ Greater Loss	48.80	43.34	5.26		1.39
Expense Recognized in Profit & Loss account	41.50	58.72	11.40		2.11
8. Balance Sheet Reconciliation					
Opening Net Liability	44.04	(12.60)	5.16		3.63
Expense as above	41.50	58.72	11.40		2.11
Employer's Contributions	0.00	0.00	(0.00)		(0.00)
Amount recognized in the Balance Sheet	85.54	44.04	16.49		5.30
9. Other Details					
Salary accrual is considered in line with the industry practice considering promotion, demand and supply of the employees.					
10. Category of Assets					
Government of India Assets	0.00	0.00	0.00		0.00
Corporate Bonds	0.00	0.00	0.00		0.00
Social Deposits Schemes	0.00	0.00	0.00		0.00
Equity Shares of Listed Companies	0.00	0.00	0.00		0.00
Property	0.00	0.00	0.00		0.00
Income Managed Funds	482.17	676.76	85.26		202.30
Other	692.17	633.76	95.36		102.30
Total	1174.34	1310.52	180.62		304.60
11. Experience Adjustment					
On Plan Liability (Transitions)	17.24	40.35	13.73		21.62
On Plan Asset (Transition)	1.27	3.40	53.76		51.29
Net	15.97	36.95	(40.03)		(29.67)
12. Particulars					
Ordinary (Share Encumbrance)	31.81	31.81	45.17		45.17
Part Loan	4.38	4.38	3.48		3.48
Recognition Encumbrance	0.00	0.00	0.00		0.00
Part Investment Medical Scheme Encumbrance	9.21	9.21	8.79		8.79
13. Earnings Per Share (EPS) (AS 20)					
Basic EPS	1.00	1.00	1.00		1.00
Diluted EPS	1.00	1.00	1.00		1.00

14) The following are the amount charged to Profit & Loss Account relating to other long term benefits plan based on the actuarial valuation provided by independent actuary.

Sl. No	Particulars	March 31, 2024		March 31, 2023	
		2024	2023	2023	2022
1	Ordinary (Share Encumbrance)	31.81	31.81	45.17	45.17
2	Part Loan	4.38	4.38	3.48	3.48
3	Recognition Encumbrance	0.00	0.00	0.00	0.00
4	Part Investment Medical Scheme Encumbrance	9.21	9.21	8.79	8.79
15	Earnings Per Share (EPS) (AS 20)				
The Basic EPS and diluted EPS are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding at the year end.					
Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the period. Diluted Earnings per Share is computed by dividing the net profit after tax by the sum of the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end.					
Net Profit considered for EPS calculation (₹)		40,265,30,36,620	35,43,57,41,552	58,85,41,169	58,85,41,169
Weighted Average Number of Equity Shares of face value ₹ 10 each		58,85,41,169	58,85,41,169	58,85,41,169	58,85,41,169

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27. The proposed dividend, if any, is accounted as liability in the books of accounts under Schedule V.

28. As per the opinion of the Management, there is no material impairment of the fixed assets of the Bank in terms of Accounting Standard 28 - Impairment of Assets.

29. Disclosures under Accounting Standard 29 for provisions in contingencies: The salary & allowances of the employees of the Bank are reviewed every five years. Such review is over from November 01, 2020.

Particulars	FY 2024		FY 2023	
	Wage Arrears / Incentive ₹	Wage Arrears / Incentive ₹	Wage Arrears / Incentive ₹	Wage Arrears / Incentive ₹
Opening Balance	23,54,78,825	1,38,13,00,000		
Arrears	1,17,21,21,007	85,86,32,194		
Provisions	1,71,87,511	1,81,37,31,668		
Other Items				
Closing Balance	1,38,13,00,000	23,54,78,825		

30. The Bank has put in place a mechanism to manage credit risk arising out of uncollateralized foreign currency exposures (UPCI) of its borrowers. A review of the UPCE account is possible as underlies by the Bank on periodic basis in terms of RBI circular (RD00/16), SF/BC/65/21/06/2002/01/14 dated 15.01.2014 & subsequent clarification vide circular (RD00/16/09/BC/15/021/08/2002/01/14 dated 15.01.2014. Based on available data, the provision for UPCI stands out to ₹13,72 crore as on March 31, 2024 (Previous year ₹1.48 crore) which has been included under provisions for standard assets under Schedule V.

31. As per the practice consistently followed, redemption in Venture Capital Funds is accounted as per the distribution letter received from Venture Capital Funds, irrespective of the appropriation policy as specified in the contribution agreement.

32. Investor's Complaints: As on 31st April, 2023 the Bank had "0" pending investor's complaints for disposal. During the current financial year "18" complaints were received from investors and "08" complaints were disposed off during the year. Accordingly "08" complaint was pending for disposal as on March 31, 2024.

33. Divergence in Asset Classification and Provisioning for NRI's: As per RBI circular No. 598/99 BC, No.32/01/04/15/2014-15 dated April 1, 2015, in case the additional provisioning for NRI exceeds 10% of the reported profit before provisions and contingencies and/or additional Gross NPAs identified by RBI exceeds 10% of published incremental Gross NPAs for the reference period, then banks are required to disclose divergences from prudential norms as income recognition, asset classification and provisioning. There is no Divergence from prudential norms assessed by RBI for the year ended 31st March 2023.

34. Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances for MSME Borrowers registered under Goods and Services Tax (GST): As per RBI circular dated February 11, 2020 restructuring of advances was done for Micro, Small and Medium Enterprises (MSME) Borrowers registered under Goods and Services Tax (GST). The RBI, vide its Circular dated August 06, 2020 on "Micro, Small and Medium Enterprises (MSME) Sector - Restructuring of Advances" extended the above scheme to support the viable MSME entities on account of the impact of COVID-19. Further RBI vide circular (RD00/21/2021/009/378/48C/11/01/04/04/02/01/22 dated May 5, 2021 has advised restructuring framework 2.0 - Restructuring of COVID-19 related stress of Micro, Small and Medium Enterprises (MSMEs). The MSME accounts restructured under these guidelines are as under:

No. of accounts restructured	Amount (₹ in Crore)
MSME	58331

35. Disclosure relating to Resolution Plans implemented during the year in terms of RBI Circular (RD00/16/09/BC/05/21/04/04/02/01/19 dated June 7, 2019:

No. of entities	Balance Outstanding Amount (₹ in Crore)
MSME <td>08</td>	08

36. Details of Securities acquired due to conversion of debt to equity during a restructuring process:

Particulars	No. of Shares/Units	Face Value per Share/Unit	Book Value (₹)
MS	08	₹ 10	₹ 80

37. Details of resolution plans implemented under the RBI Restructuring Framework for COVID-19 related stress as per RBI circular dated 08 August, 2020 (Resolution Framework 1.0) and 26 May 2021 (Resolution Framework 2.0) as at March 31, 2024 are given below:

Type of borrower	Exposure to accounts classified as non-performing assets consequent to implementation of resolution plan - Position as at the end of the half year (₹)	Of (A), aggregate stress that slipped into NPA during the half year	Of (B) amount written off during the half year	Of (A) amount paid by the borrowers during the half year ₹	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the half year
Personal Loans	24.86	—	—	15.54	9.32
Corporate persons	24.86	—	—	15.54	9.32
Of which MSMEs	—	—	—	—	—
Others	24.86	—	—	15.54	9.32
Total	49.72	—	—	31.08	18.64

38. Repossession not allowed in balance restructuring.

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26 The number of dormant accounts which Resolution Plan is implemented in terms of RBI circular no. DOR.SFR.BEC.11.01.04.0402021-22 dated May 5, 2021, on resolutions Framework - 2.15 Resolution of COVID-19 related stress of Individuals and Small Businesses is nil. Further no modifications were sanctioned and implemented in respect of accounts which were sanctioned under Resolution Framework 1.4.

26 During the year ended March 31, 2024, the Bank has made an additional provision on standard advances at rates higher than minimum stipulated under BAC norms, as per Board approved Accounting Provisioning Policy. Accordingly, the Bank has additional provision on standard advances (including restructured accounts) of ₹1,528.90 crore as at March 31, 2024.

27 Details of loans transferred / acquired during the year ended March 31, 2024 under the NB Mutual Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

1. Details of loans not in default acquired through assignment are given below:

Particulars	2023-24	2022-23
Agg. acquire amount of loans acquired (₹ in crore)	48.54	—
Weighted average residual maturity (in months)	106.68	—
Weighted average bidding period by the assignee (in months)	13.31	—
Percentage of non-performing accounts in the portfolio	40%	—
Transferable security coverage along with distribution of rated	268.87%	—

₹ in crore

Particulars	To: ARCs	To: permitted transferees	To: other transferees
Size of accounts	2	—	—
Appropriate principle subsuming of loans transferred	658	—	—
Weighted average residual maturity of the loans transferred	NA	—	—
Net book value of loans transferred at the time of transfer	—	—	—
Appropriate consideration	625	—	—
Additional consideration realized in respect of accounts transferred in earlier years	—	—	—

During the year ended March 31, 2024, investment made in Security Receipts (SRs) was ₹51.77 crore. The Security Receipts are provided for and hence the net book value is nil. Excess provisions transferred to the profit and loss account on account of sale of excess loans was nil.

28 In accordance with NB Mutual Direction 889/06/2021 dated 06/06/2021, 22485 DOR.SFR.BEC.5.0311.04.17/2021-22 dated September 24, 2021 - (Specification of Standard Assets) Directions, 2021, the outstanding amount of securitized assets to the tune of ₹754 and total amount of exposures retained by the originator as on the date of balance sheet to comply with the RBI's NB for Year ended March 31, 2024.

29 In accordance with RBI Circular no. RB9/2023-24 dated 04/04/2023-24 dated December 18, 2023, investments in Alternative Investment Funds (AIFs) and subsequent clarifications vide circular no. RB9/2023-24 dated 04/04/2023-24 dated March 20, 2024, the Bank has made provision of ₹3,120.64 Cr. for the quarter and year ended March 31, 2024.

30 Schedule "XIV-Operating Expenses" includes the contribution of "CIRL" crore made to CDFMSK by the Bank.

31 Regulation 24 of Small Industries Development Bank of India General Regulations, 2000 prescribes separate format for presentation of accounts under Small Industries Development Assistance Fund (SIDAF) and General Fund. As the regulator SIDAF has been notified by the Central Government, the same is not being maintained by SIDAF.

32 Previous year's figures have been re-grouped and re-classified wherever necessary to make them comparable with the current year's figures.



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SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA  
Additional disclosures as per RBI guidelines

1. Capital adequacy (As per Basel II)		(₹ Crores)	
Sr. No.	Particulars	FY 2023-24	FY 2022-23
i)	Common Equity*	Not Applicable	Not Applicable
ii)	Additional Tier 1 capital*	Not Applicable	Not Applicable
iii)	Total Tier 1 capital	28,034.52	24,569.43
iv)	Tier 2 capital	1027.00	623.95
v)	Total Capital ( Tier 1+Tier 2)	29,061.52	25,193.38
vi)	Total Risk Weighted Assets (RWAs)	1,82,277.73	1,30,691.61
vii)	Common Equity Ratio (Common Equity as a percentage of RWAs) *	Not Applicable	Not Applicable
viii)	Tier 1 Ratio ( Tier 1 capital as a percentage of RWAs)	15.37%	18.51%
ix)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	15.94%	19.29%
x)	Percentage of the shareholding of the Government of India	20.85	20.85
xi)	Amount of equity capital raised	-	-
xii)	Amount of Additional Tier 1 capital raised, of which	-	-
	a.) Perpetual/Non-Cumulative Preference Shares (PNCPS):	-	-
	b.) Repurchasable Debt Instruments (RDI)	-	-
xiii)	Amount of Tier 2 capital raised, of which	-	-
	a.) Debt capital instruments:	-	-
	b.) Perpetual Cumulative Preference Shares (PCPS)	-	-
	c.) Redeemable Non-Cumulative Preference Shares (RNCPS)	-	-
	d.) Redeemable Cumulative Preference Shares (RCPS)	-	-

\* The figures are not being calculated at present, since BASEL-III is not applicable.

2. Free Reserves and Provisions

(a) Provision on Standard Assets		(₹ Crores)	
Particulars	FY 2023-24	FY 2022-23	1757.94
Provisions towards Standard Assets (cumulative)	3,443.01		
(b) Floating Provisions		(₹ Crores)	
Particulars	FY 2023-24	FY 2022-23	
Opening balance in the floating provisions account	495.67	495.67	495.67
The quantum of floating provisions made in the accounting year	0.00	0.00	0.00
Amount of draw down made during the accounting year*	0.00	0.00	0.00
Closing balance in the floating provisions account	495.67	495.67	495.67

\* Amount utilised for making NPA provision in terms of RBI circular dated May 05, 2021 and as per Bank's Board approved policy on floating provision.

3. Asset Quality and specific provisions

(a) Non-Performing Advances		(₹ Crores)	
Particulars	FY 2023-24	FY 2022-23	
(i) Net NPAs to Net Advances (N)	0.00%	0.00%	0.00%
(ii) Movement of NPAs (Gross)			
(a) Opening balance	33.35	33.35	217.52
(b) Additions during the year	129.38	93.35	93.35
(c) Reductions during the year	62.91	277.66	277.66
(d) Closing balance	99.82	33.35	33.35



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(iii) Movement of Net NPAs *			
(a)	Opening balance	8.56	132.80
(b)	Additions during the year	(1.29)	(82.85)
(c)	Reductions during the year	7.27	40.88
(d)	Closing balance	(0.00)	8.56
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)			
(a)	Opening balance	24.79	85.52
(b)	Provisions made during the year	130.66	176.05
(c)	Write off / write back of excess provisions	55.53	238.78
(d)	Closing balance	99.92	24.79

\*The Net NPA will be Nil for the previous year, if the amount of floating provision is adjusted against the same.

(b) Non-Performing Investments

Particulars	FY 2023-24	FY 2022-23
(i) Net NPAs to Net Investments (%)	0.00%	0.00%
(ii) Movement of NPAs (Gross)		
(a)	Opening balance	331.38
(b)	Additions during the year	350.31
(c)	Reductions during the year	0.80
(d)	Closing balance	680.89
(iii) Movement of Net NPAs		
(a)	Opening balance	0.00
(b)	Additions during the year	0.00
(c)	Reductions during the year	0.00
(d)	Closing balance	0.00
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	331.38
(b)	Provisions made during the year*	350.31
(c)	Write off / write back of excess provisions	0.80
(d)	Closing balance	680.89

\*Includes Optionally Convertible Debentures of ₹297.76 crore, Security Receipt of ₹52.44 crore (net investment of ₹350.20 crore) and Equity Shares of ₹0.01 crore acquired by way of conversion of debt, in line with extant RBI guidelines.

(c) Non-Performing Assets (n/a)

Particulars	FY 2023-24	FY 2022-23
(i) Net NPAs to Net Assets (Advanced + Investment) (%)	0.00%	0.00%
(ii) Movement of NPAs (Gross Advances + Gross Investments)		
(a)	Opening balance	364.74
(b)	Additions during the year	479.69
(c)	Reductions during the year	63.71
(d)	Closing balance	780.72
(iii) Movement of Net NPAs		
(a)	Opening balance	8.56
(b)	Additions during the year	(1.29)
(c)	Reductions during the year	7.27
(d)	Closing balance	0.00



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Sl	Type of Restructuring - Asset Classification - Details	Under CDR Mechanisms										Under SRE Debt Restructuring Mechanisms										Others			Total		
		Standard		Sub-Standard		Doubtful		Loss		Total		Sub-Standard		Doubtful		Loss		Total		Sub-Standard		Doubtful		Loss		Total	
		No. of Borrowers	Amount outstanding (₹ Lakhs)	No. of Borrowers	Amount outstanding (₹ Lakhs)	No. of Borrowers	Amount outstanding (₹ Lakhs)	No. of Borrowers	Amount outstanding (₹ Lakhs)	No. of Borrowers	Amount outstanding (₹ Lakhs)	No. of Borrowers	Amount outstanding (₹ Lakhs)	No. of Borrowers	Amount outstanding (₹ Lakhs)	No. of Borrowers	Amount outstanding (₹ Lakhs)	No. of Borrowers	Amount outstanding (₹ Lakhs)	No. of Borrowers	Amount outstanding (₹ Lakhs)	No. of Borrowers	Amount outstanding (₹ Lakhs)	No. of Borrowers			Amount outstanding (₹ Lakhs)
1	Restructured Accounts as on April 1 of the FY (opening figures)*																										
2	Fresh restructuring during the year																										
3	Upgradations to restructured standard category during the FY																										
4	Restructured standard advances which cease to attract higher provisioning and additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY																										
5	Downgradations of restructured accounts during the FY																										
6	Write-offs of restructured accounts during the FY																										
7	Restructured Accounts as on March 31 of the FY (closing figures)*																										

\* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).  
 Note: Figures at 3: No. 5 includes increase in outstanding net of reduction / recovery of ₹ 25 crore in respect of existing restructured accounts.



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(iv) Movement of provisions for NPAs (excluding provisions on standard assets)	
(a) Opening balance	356.18
(b) Provisions made during the year	490.96
(c) Write off / write back of excess provisions	56.44
(d) Closing balance	790.72

(v) Movement of Non-performing assets		
Particulars	FY 2023-24	FY 2022-23
Gross NPAs as on April 01	33.35	217.62
Additions (Fresh NPAs) during this year	1,09.36	63.36
Sub total (A)	142.71	281.01
Less :-		
(i) Upgradations	6.72	35.01
(ii) Recoveries (excluding recoveries made from upgraded accounts)	1.84	23.94
(iii) Technical / Prudential Write offs	54.35	211.42
(iv) Write offs other than those under (ii) above	-	7.39
Sub-total (B)	62.91	277.66
Gross NPAs as on March 31 (A-B)	89.82	33.35

(vi) Write-offs and recoveries		
Particulars	FY 2023-24	FY 2022-23
Opening balance of Technical / Prudential written off accounts as at April 01	2,768.23	3,389.19
Add : Technical / Prudential write offs during the year	54.35	211.42
Sub total (A)	2,822.58	3,600.61
Less : Actual write off	906.49	543.57
Less : Recoveries made from previously technical / prudential written off accounts during the year	228.19	268.81
Sub total (B)	1,687.90	832.38
Closing balance as at March 31 (A-B)	1,134.61	2,768.23

(vii) Overseas Assets, NPAs and Revenue		
Particulars	FY 2023-24	FY 2022-23
Total Assets	Nil	Nil
Total NPAs	Nil	Nil
Total Revenue	Nil	Nil

(viii) Depreciation and provisions on investments		
Particulars	FY 2023-24	FY 2022-23
(1) Investments		
(a) Gross Investments	37,518.30	25,450.89
(b) In India	37,518.30	29,450.89
(c) Outside India	-	-
(2) Provisions for Depreciation	708.39	362.23
(a) In India	708.39	362.23
(b) Outside India	-	-



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(9) Net Investments	26,409.91	25,868.66
(a) In India	26,409.91	25,868.66
(b) Outside India	-	-
(10) Movement of provisions held towards depreciation on investments	-	-
(i) Opening balance	30.85	4.80
(ii) Add: Provisions made during the year	-	26.05
(iii) Appropriation, if any, from Investment Fluctuation Reserve Account during the year	-	-
(iv) Less: Write off / write back of excess provisions during the year*	5.35	-
(v) Less: Transfer, if any, to Investment Fluctuation Reserve Account	-	-
(vi) Closing balance	27.60	30.85

\*The Bank has appropriated ₹2.31 crore (net of applicable taxes) to Investment Fluctuation Reserve Account in FY 2024.

(i) Provisions and Contingencies	FY 2023-24	FY 2022-23
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		
Provisions for depreciation/NPI on Investment	(8.58)	7.27
Provision towards MPA	129.23 @	157.78 @
Provision made towards Income tax (including Deferred Tax Assets/Liability)	1283.74	1053.91
Other Provision and Contingencies (with details)	1784.65 \$	693.09 \$

@ net of restructuring provision

\$ includes provision for standard asset.

(j) Provisioning Coverage Ratio (PCR)	FY 2023-24	FY 2022-23
Provisioning Coverage Ratio (PCR)*	100.00%	99.69%

\* Floating provision has not been considered while calculating PCR.

(k) Provisioning pertaining to Frauds	FY 2023-24	FY 2022-23
No. of frauds reported during the year	2	8
Amount involved in fraud	17.33	32.54
Amount involved in fraud net of recoveries/with off/unrealised interest as at the end of this year	46.79	26.72
Provision made during the year	0.00	1.13
Provision held as at the end of the year for the above accounts	16.79	26.72
Amount of unmitigated provision debited from "other reserves" as at the end of the year	-	-

4. Investment portfolio: constitution and operations

(a) Repo Transactions

	Minimum outstanding during the year FY 2024	Maximum outstanding during the year FY 2024	Daily Average outstanding during the year FY 2024	Outstanding as on March 31, 2024
Securities sold under repo				
i. Government securities	-	23,510.00	7,494.65	18,985.00
ii. Corporate debt securities	-	-	-	-
Securities purchased under reverse repo				
i. Government securities	-	22,746.00	961.13	500.00
ii. Corporate debt securities	-	-	-	-



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	Minimum outstanding during the year FY 2023	Maximum outstanding during the year FY 2023	Daily Average outstanding during the year FY 2023	Outstanding as on March 31, 2023
Securities sold under repo				
i. Government securities	-	13,573.20	27,20.26	105,43.96
ii. Corporate debt securities	-	-	-	-
Securities purchased under reverse repo				
i. Government securities	-	14,594.39	1,632.35	1,966.85
ii. Corporate debt securities	-	-	-	-

(b) Disclosure of Issuer Composition for Investment in Debt Securities

Issuer	Amount	Amount as on March 31, 2024			
		Investment made through private placement	Below Investment Grade Securities Held	Unrated securities held	Unlisted securities
(1)	(2)	(3)	(4)	(5)	(6)
(i) PSB's	49.56	-	-	-	-
(ii) FIs	2,861.89	2,861.89	-	189.84	189.84
(iii) Banks	3,833.19	3,833.19	-	103.50	103.50
(iv) Private Corporates	754.61	754.61	-	754.61	746.57
(v) Subsidiaries/Joint ventures	1,751.05	1,751.05	-	1,751.05	1,751.05
(vi) Others	963.52	963.52	-	963.52	963.52
(vii) Provision held towards depreciation	-708.39	-	-	-	-
<b>Total</b>	<b>9,566.43</b>	<b>10,164.26</b>	-	<b>3,762.52</b>	<b>3,764.48</b>

(c) Sales & transfers of securities to/from HTM category: During the FY2024, the Bank shifted investments in Venture Capital Funds from HTM to AFS category in accordance with latest RBI guidelines. Except for the above, there was no shifting on investments to/from HTM category.

5. Details of Financial Assets purchased/sold

(a) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

(i) Details of Sales

Particulars	FY 2023-24		FY 2022-23	
(i) No. of accounts		2		Nil
(ii) Aggregate value (net of provisions) of accounts sold to SCRC		0.00		Nil
(iii) Aggregate consideration		455.30		Nil
(iv) Additional consideration realized in respect of accounts transferred in earlier years		Nil		Nil
(v) Aggregate gain / loss over net book value		Nil		Nil



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(g) Details of Book Value of Investments in Security Receipts

Particulars	Book value of investments in security receipts	
	FY 2023-24	FY 2022-23
(i) Backed by MPEs sold by the AFI as underlying	52.71	0.27
(ii) Backed by MPEs sold by banks / other financial institutions / non-banking financial companies as underlying	-	-
<b>Total</b>	<b>52.71</b>	<b>0.27</b>

(h) Details of Non Performing Financial Assets Purchased / Sold

Particulars	(₹ Crores)	
	FY 2023-24	FY 2022-23
1. (a) No. of accounts purchased during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil
2. (a) Of these, number of accounts re-structured during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil

(i) Details of non performing financial assets sold:

Particulars	(₹ Crores)	
	FY 2023-24	FY 2022-23
1. No. of accounts sold	2	Nil
2. Aggregate outstanding	995.14	Nil
3. Aggregate consideration received	455.30	Nil

6. Operating Results

Particulars	FY 2023-24	FY 2022-23
(i) Interest income as a percentage to average working funds(%)	6.74	5.37
(ii) Non-interest income as a percentage to average working funds(%)	0.16	0.16
(iii) Operating profit as a percentage to average working funds (before provisions)(%)	1.65	1.57
(iv) Return on average assets (before provisions for taxation)(%)	1.44	1.32
(v) Net profit per employee (₹ crore)	3.72	3.22

7. Credit Concentration risk

Particulars	(₹ Crores)	
	FY 2023-24	FY 2022-23
(a) Capital market exposures	585.32	300.03
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	-	-
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds.	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	-	-



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(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances.			
(v) secured and unsecured advances to stockbrokers and guarantee issued on behalf of stockbrokers and market makers.			
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.			
(vii) bridge loans to companies against expected equity flows / issues.			
(viii) underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.			
(ix) financing to stockbrokers for margin trading.			
(x) all exposures to Venture Capital Funds (both registered and unregistered)	1,060.53	1,173.59	
<b>Total Exposure to Capital Market</b>	<b>1,646.85</b>	<b>1,453.62</b>	

(b) Exposure to Country risk

Risk Category	FY 2023-24		FY 2022-23	
	Net Funded Exposure	Provision held	Net Funded	Provision held
Significant	17,792.87	43.80	10,902.89	26.40
Low	1,048.84	-	1,018.09	-
Moderate	30.90	-	15.90	-
High	5.96	-	8.84	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
<b>Total</b>	<b>19,888.57</b>	<b>43.80</b>	<b>11,942.92</b>	<b>26.40</b>

(c.) Prudential Exposure Limits - Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded.

(i) The number and amount of exposures in excess of the prudential exposure limits during the year.

Sl. No.	PAN Number	Borrower Name	Industry Code	Industry Name	Sector	Amount Funded	Amount Non-Funded	Exposure as % to capital Funds
	NI	NI	NI	NI	NI	NI	NI	NI



3) Credit exposure as percentage to capital funds and as percentage to total assets, in respect of :-

Sr. No.	Particulars	FY 2023-24		FY 2022-23	
		As % to Total Assets	As % to Capital funds	As % to Total Assets	As % to Capital funds
1	The largest single borrower The largest borrower group	13.52%	250.51%	14.85%	237.41%
		As large borrowers are Primary lending institutions, the concept of borrower group is not applicable			
2	The 20 largest single borrowers The 20 largest borrower group	59.75%	1254.53%	70.88%	1127.93%
		As large borrowers are Primary lending institutions the concept of borrower group is not applicable.			

4) Credit exposure to the five largest industrial sectors as percentage to total loan assets :-

FY 2023-24				(₹ Crore)
Name of Industry	Credit Exposure	% to total loan assets		
TEXTILES	4179.00	0.52		
METAL PRODUCTS	3498.00	0.77		
PLASTIC PRODUCTS	2446.00	0.54		
TRANSPORT EQUIPMENT	2155.00	0.47		
CHEMICAL & CHEMICAL PRODUCTS	1648.00	0.36		

FY 2022-23				(₹ Crore)
Name of Industry	Credit Exposure	% to total loan assets		
TEXTILE PRODUCTS	1373.15	0.39		
AUTO ANCILLARIES	1300.56	0.37		
METAL PRODUCTS N.E.C.	1258.56	0.35		
PLASTIC MOULDED GOODS	767.12	0.20		
METAL PRODUCTS PARTS EXCEPT MACHINERY	548.03	0.15		

(iv) Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is 'Nil'.

(v) The bank had taken factoring exposure amounting ₹1424.89 crore in FY 2024 and ₹545.12 crore in FY 2023 under TRFG.

(vi) The bank had not exceeded the Prudential Exposure Limits during the current year and previous year.

(vii) Concentration of borrowings lines of credit, credit exposures and NFAs

(i) Concentration of borrowings and lines of credit

Particulars	FY 2023-24		FY 2022-23	
	(₹ Crore)	%	(₹ Crore)	%
Total borrowings from twenty largest lenders	3,75,323.76	78.70%	2,86,908.23	78.46%
Percentage of borrowings from twenty largest lenders to total borrowings				



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(R) Concentration of Exposures

Particulars	FY 2023-24	FY 2022-23
Total advances to twenty largest borrowers	3,52,318.00	2,83,905.00
Percentage of advances to twenty largest borrowers to Total Advances	77.28%	78.65%
Total Exposure to twenty largest borrowers / customers	3,69,107.65	3,03,645.04
Percentage of exposures to twenty largest borrowers / customers to Total Exposure	71.33%	74.30%

(R) Sector-wise concentration of exposures and NPAs

Sr. No.	Sector	FY 2023-24		FY 2022-23	
		Outstanding Total Advances	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Percentage of Gross NPAs to Total Advances in that sector
I.	Industrial sector	3,92,119.53	0.02%	3,18,130.93	0.00%
1	Central Government	-	-	-	-
2	Central PSUs	-	-	-	-
3	State Governments	2,111.20	-	1,541.53	-
4	State PSUs	-	-	-	-
5	Scheduled Commercial Banks	3,52,506.42	-	2,97,498.25	-
6	Regional Rural Banks	530.12	-	605.00	-
7	Co-operative banks	64.72	-	100.00	-
8	Private sector (excluding banks)	26,907.87	0.30%	18,416.05	0.08%
II.	Micro-finance sector	9,789.94	0.21%	4,918.26	0.38%
III.	Others*	55,205.42	-	33,414.87	-
	Total (I+II+III)	4,56,114.89	0.02%	3,56,453.06	0.01%

\* includes advances to NBFCs

8. Derivatives

(a) Forward Rate Agreement / Interest Rate Swap

Sr. No.	Particulars	FY 2023-24		FY 2022-23	
		Notional Principal	Benchmark	Notional Principal	Terms
i)	The notional principal of swap agreements	Nil	Nil	123.72	
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Nil	Nil	(1.91)	
iii)	Collateral required by the bank upon entering into swaps	Nil	Nil	Nil	
iv)	Concentration of credit risk arising from the swaps	Nil	Nil	0.00	
v)	The fair value of the swap book	Nil	Nil	(1.91)	

The nature and terms of the IRS as on March 31, 2024 are set out below:

SL no/Nature	Mos.	Notional Principal	Benchmark	Terms
1 Hedging	Nil	Nil	Nil	Nil

The nature and terms of the IRS as on March 31, 2023 are set out below:

SL no/Nature	Mos.	Notional Principal	Benchmark	Terms
1 Hedging	1	INR 123.72.25.000.00/6 M USD LIBOR/Forward receivable Vs floating payable		



(b) Exchange Traded Interest Rate Derivatives

(₹ Crores)

Sr. No.	Particulars	FY 2023-24	FY 2022-23
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (net/asset - side)	NIL	NIL
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on March 31 (instrument - side)	NIL	NIL
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument - side)	NIL	NIL
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument - side)	NIL	NIL

(c) Disclosures on risk exposures in derivatives

(i) Qualitative Disclosures

(1) The Bank uses Derivatives for hedging of interest rate and exchange risk arising out of mismatch in the assets and liabilities. All derivatives undertaken by Bank are for hedging purposes with underlying as Foreign Currency borrowings, which are not MTM, but only translated. The Bank does not undertake trading in Derivatives.

(2) Internal Control guidelines and accounting policies are framed and approved by the Board. The derivative structure is undertaken only after approval of the competent authority. The particulars of derivative details undertaken are also reported to ALCO/Board

(3) The Bank has put systems in place for mitigating the risk arising out of derivative deals. The Bank follows the accrual method for accounting the transactions arising out of derivative deals.

(ii) Disclosures on Credit default swap - Bank has not undertaken any credit default swap during the year.

(B) Quantitative Disclosures

(₹ Crores)

Sr. No.	Particulars	FY 2023-24			FY 2022-23		
		Currency Derivatives	Interest rate Derivatives	Commodity Derivatives	Currency Derivatives	Interest rate Derivatives	Commodity Derivatives
1	Derivatives (Notional Principal Amount)	2,571.32	-	3,361.40	2,571.32	-	3,361.40
(i)	For hedging	2,571.32	-	3,361.40	2,571.32	-	3,361.40
(ii)	For trading	-	-	-	-	-	-
2	Marked to Market Positions (1)	431.60	-	535.51	431.60	-	535.51
(i)	Asset (+)	431.60	-	535.51	431.60	-	535.51
(ii)	Liability (-)	-	-	-	-	-	-
3	Credit Exposure (2)	544.65	-	730.12	544.65	-	730.12
4	Likely impact of one percentage change in interest rate (100* P/V01)	24.44	-	1,681.43	24.44	-	1,681.43
(i)	On hedging derivatives	24.44	-	1,681.43	24.44	-	1,681.43
(ii)	On trading derivatives	-	-	-	-	-	-
5	Maximum and Minimum of 100*P/V01 observed during the year	479.62/24.44	-	1912.87/0.56	479.62/24.44	-	1912.87/0.56
(i)	On hedging	-	-	-	-	-	-
(ii)	On trading	-	-	-	-	-	-



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9. Disclosure of Letters of Comfort (LoCs) issued.

The particulars of Letters of Comfort (LoCs) issued during the year, assessed financial impact, and assessed cumulative financial obligations under the LoCs issued in the past and outstanding is as under.

LoCs outstanding as on April 01, 2023		LoC issued during the year		LoCs redeemed during the year		LoCs outstanding as on March 31, 2024	
No of LoC	Amount	No of LoC	Amount	No of LoC	Amount	No of LoC	Amount
-	-	-	-	-	-	-	-

10. Asset Liability Management

	LoC issued during the year				LoCs redeemed during the year				LoCs outstanding as on March 31, 2024				Total	
	1 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months	Over 6 months & up	Over 1 year & up	Over 3 years &	Over 5 years &	No of LoC	Amount	No of LoC	Amount		
Deposits	76.89	40.44	495.63	11,872.74	40,440.96	1,46,694.30	3,935.01	2,828.24	2,06,384.21					2,06,384.21
Advances	6,871.41	1,596.48	34,500.10	70,623.42	37,188.75	2,43,482.65	15,360.78	2,381.51	4,56,015.10					4,56,015.10
Investments	5,216.61	5,971.86	17,640.19	25,719.07	3,072.63	883.60	1,500.00	3,110.49	59,024.40					59,024.40
Borrowings	21,336.08	12,250.00	77,850.82	26,885.08	56,073.23	50,431.07	25,348.64	368.57	2,79,545.45					2,79,545.45
Foreign Currency Assets	5.03	8.45	1,453.75	73.32	1,482.21	490.20	303.82	0.92	3,817.70					3,817.70
Foreign Currency Liabilities	1.08	7.47	1,058.84	66.81	408.60	880.64	602.93	259.50	3,306.65					3,306.65

11. Draw Down from Reserves

There is no draw down from Reserves during the current year and previous year.

12. Business Ratios

Particulars	FY 2023-24	FY 2022-23
Return on average Equity (before provisions for taxation)(%)	17.96	16.98
Return on average assets (before provisions for taxation)(%)	1.14	1.32
Net Profit per employee (₹ crore)	3.72	3.22

13. Disclosure of Penalties imposed by RBI

RBI had not imposed any penalty on the Bank during the current year and previous year.

14. Customer Complaints

1. Complaints received by the bank from its customers		FY 2023-24		FY 2022-23	
Particulars					
1	No. of complaints pending at the beginning of the year	1	1	1	1
2	No. of complaints received during the year	953	230	230	230
3	No. of complaints disposed during the year	161	161	161	161
3(a)	Of which, number of complaints rejected by the Bank	48	48	48	48
4	No. of complaints pending at the end of the year	3	3	1	1



*[Handwritten signature]*



2. Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year		Number of complaints received during the year		% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year		Of 5, number of complaints pending beyond 30 days
	1	2	3	4		5	6	
Loans and advances	-	-	30	(14.25)	-	-	-	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	-	22	(37.14)	-	-	-	-
Other	1	-	48	(13.21)	-	-	-	-
			FY2023					
Loans and advances	-	-	35	(19.65)	-	-	-	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	-	35	34.82	-	-	-	-
Other	1	-	53	(67.56)	1	-	-	-

REI vide their Circular CEPO 00 P9D, Dt: No.11/13.01.01/32023-21 dated 27.01.2021 on Strengthening of Grievance Redress Mechanism in Banks had categorized grievances under 16 categories and had advised Banks to make disclosures accordingly.

15. Off-Balance Sheet SPI's Sponsored

The Bank had no Off-balance sheet SPI's sponsored during the current year and previous year.

16. Disclosure as per specific accounting standards

(a) Accounting Standard 5 - Net Profit or Loss for the period, prior period items and changes in accounting policies  
Income in schedule XIII - 'other income' includes Prior Period Income of ₹49,48,292 for FY 2023-24 [Previous Year ₹10,06,72,058] and Other Operating Expenses for FY 2023-24 includes Prior Period Expenditure of ₹3,55,13,145 [Previous Year ₹1,22,71,198]

(b) Accounting Standard 17 - Segment Reporting

As required under REI master directions and Accounting Standard-17 'Segment Reporting' the Bank has disclosed 'Business segment' as the Primary Segment. Since the Bank operates in India, there are no reportable geographical segments. Under Business Segment, the Bank has identified Wholesale Operations (Direct Lending), Wholesale Operations (Refinance) and Treasury as its three reporting segments. These segments have been identified after considering the nature and risk profile of the products and services, the organization structure and the internal reporting system of the Bank. Previous year's figures have been regrouped and reclassified to conform to the current year's methodology.

Part A: BUSINESS SEGMENTS

Business Segments	Wholesale Operations (Direct Lending)		Wholesale Operations (Refinance)		Treasury		Total	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
Particulars								
1 Segment Revenue	2,314.39	1,554.09	25,392.82	14,088.67	4,735.10	2,842.05	31,842.11	18,484.81
Exceptional Items								
Total							31,842.11	18,484.81



*[Handwritten signature]*







<b>Placement of deposits#</b>	-	-	-	-
Outstanding at the year end	-	-	-	-
Maximum during the year	-	-	-	-
<b>Advances#</b>	-	-	-	-
Outstanding at the year end	-	-	-	-
Maximum during the year	-	-	-	-
<b>Investments#</b>	-	-	-	-
Outstanding at the year end	1,751.05	36.10	-	1,787.15
Maximum during the year	1,751.05	36.10	-	1,787.15
<b>Non funded commitments#</b>	-	-	-	-
Outstanding at the year end	-	-	-	-
Maximum during the year	-	-	-	-
<b>Leasing arrangements availed#</b>	-	-	-	-
Outstanding at the year end	-	-	-	-
Maximum during the year	-	-	-	-
<b>Leasing arrangements provided#</b>	-	-	-	-
Outstanding at the year end	-	-	-	-
Maximum during the year	-	-	-	-
Purchase of fixed assets	-	-	-	-
Sale of fixed assets	-	-	-	-
Interest paid	-	1.32	-	1.32
Interest received	-	-	-	-
Dividend received	33.52	0.61	-	34.13
Dividend paid	-	-	-	-
Rendering of services*	10.46	1.71	-	12.17
Receiving of services**	-	2.04	-	2.04
Management contracts**	-	-	1.32	1.32

@Whole time directors of the Board

# The outstanding at the year end and the maximum during the year are to be disclosed

\* Contract services etc. and not services like remittance facilities, locker facilities etc.

\*\* Remuneration to Key Management Personnel.

**17. Unamortised Pension and Gratuity Liabilities:**

The pension and gratuity liability are provided for on the basis of an actuarial valuation made at the end of each financial year based on the projected unit credit method. The actuarial gains/ losses are taken to the profit & loss account and are not amortized.

As per our report of even date

For J. Kala & Associates  
Chartered Accountants  
FRN.118769W



Jayesh Kala  
Partner  
M.No. 101686

BY ORDER OF THE BOARD

*Sudatta Mandad*

Sudatta Mandal  
Deputy Managing Director

*Prakash Kumar*

Prakash Kumar  
Deputy Managing Director

*Gopalakrishna*

Gopalakrishna  
Director

*K.S. Naghyal*

K.S. Naghyal  
Director



Place: Mumbai  
Date: May 29, 2024

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SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA  
Cash Flow Statement for the Year ended March 31, 2024

Particulars	31.03.2023	31.03.2024	31.03.2024
<b>1. Cash Flow from Operating Activities</b>			
Net Profit before tax as per P & L Account	43,97,48,24,372		52,90,03,57,600
Adjustments for:			
Depreciation	26,23,28,294	81,19,85,824	
Provision for net depreciation in investments	26,05,25,926	(5,00,33,594)	
Provisions made (net of write back)	9,19,41,00,782	21,94,83,87,591	
Profit on sale of investments (net)	(44,63,03,452)	(96,65,00,642)	
Profit on sale of fixed assets	(1,33,74,836)	(35,10,094)	
Income Received on Investments	(32,37,29,322)	(44,40,80,907)	
<b>Cash generated from operations</b>	<b>82,90,83,65,816</b>		<b>21,19,99,97,978</b>
(Prior to changes in operating Assets and Liabilities)			<b>74,09,63,26,578</b>
Adjustments for net changes in:			
Current assets	(12,79,59,57,756)	(14,45,33,49,720)	
Current liabilities	16,38,89,72,497	32,21,40,51,206	
Bills of Exchange	(5,17,89,19,134)	(9,82,05,13,503)	
Loans & Advances	(15,38,09,88,06,820)	(9,87,68,98,47,660)	
Net Proceeds of Bonds and Debentures & other borrowings	12,49,45,48,36,350	6,58,87,55,36,092	
Deposits received	2,41,57,71,89,722	4,13,45,05,25,570	
	<b>(46,64,84,95,120)</b>		<b>1,31,60,66,02,363</b>
	6,26,79,70,695		2,07,70,29,27,641
	<b>(12,60,92,47,571)</b>	<b>(18,69,81,10,436)</b>	<b>(1,89,00,48,17,265)</b>
	<b>(8,34,13,76,876)</b>		
<b>2. Cash Flow from Investing Activities</b>			
Net (Purchase)/Sale of fixed assets	(28,16,59,010)	(50,64,13,769)	
Net (Purchase)/Sale/Redemption of Investments	8,41,52,41,728	(1,79,05,14,54,078)	
Income Received on investments	32,37,59,323	44,40,80,908	
<b>Net cash used in Investing Activities</b>	<b>8,45,73,22,038</b>		<b>(1,78,11,37,86,939)</b>
<b>3. Cash flow from Financing Activities</b>			
Proceeds from issuance of share capital & share premium			
Dividend on Equity Shares & tax on Dividend	(79,81,84,026)		
<b>Net cash used in Financing Activities</b>	<b>(79,81,84,026)</b>		<b>(1,13,79,92,338)</b>
<b>4. Net increase/(decrease) in cash and cash equivalents</b>	<b>1,31,77,61,136</b>		<b>9,75,39,48,228</b>
<b>5. Cash and Cash Equivalents at the beginning of the period</b>	<b>25,06,42,64,206</b>		<b>26,26,26,45,444</b>
<b>6. Cash and Cash Equivalents at the end of the period</b>	<b>26,38,20,45,444</b>		<b>36,13,95,93,672</b>
<b>7. Cash and cash equivalents at the end of the period includes</b>			
Cash in Hand	6,82,342		5,93,865
Current account balance with Bank	6,50,72,99,170		1,95,70,88,075
Mutual Funds			0
Deposits	20,07,41,43,932		34,17,83,11,732

Note: Cash Flow statement has been prepared as per the indirect method prescribed in AS-3 (Revised) Cash Flow Statement issued by the Institute of Chartered Accountants of India (ICAI)

Significant Accounting Policies  
Notes to Accounts

As per our report of even date

For J. Kalia & Associates  
Chartered Accountants  
FRN/118769W



Jyoti Kalia  
Partner  
M.No. 1001696

*Sudhita Handal*  
Sudhita Handal  
Deputy Managing Director

*Prakash Kumar*  
Prakash Kumar  
Deputy Managing Director

*G. Gopalakrishna*  
G. Gopalakrishna  
Director

BY ORDER OF THE BOARD

Place: Mumbai  
Date: May 29, 2024







## **Appendix II**

Consolidated Balance Sheet along  
with Profit and Loss Account and  
Cash Flow Statement of SIDBI



**SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA**  
**CONSOLIDATED BALANCE SHEET AND PROFIT &  
LOSS ACCOUNT**  
**FOR THE YEAR ENDED MARCH 31, 2024**



## INDEPENDENT AUDITORS' REPORT

**The Board of Directors**

**Small Industries Development Bank of India**

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

1. We have audited the accompanying consolidated financial statements of Small Industries Development Bank of India (hereinafter referred as the 'the Bank') and its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group') and its associates which comprise the consolidated Balance Sheet as at March 31, 2024, the consolidated Profit and Loss Account and the consolidated Cash Flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited and unaudited financial statements of Subsidiaries, the unaudited financial statements and the other financial information of the Associates as furnished by the management, the aforesaid consolidated financial statements give the information required in accordance with Regulation 14(1) of the Small Industries Development Bank of India General Regulations, 2000 and give a true and fair view, in conformity with the Accounting Standards notified by the Institute of Chartered Accountants of India ("the ICAI") and accounting principles generally accepted in India, of the state of affairs of the Group and its associates as at March 31, 2024, of its consolidated profit and consolidated cash flows for the year ended on that date.



### **Basis for Opinion**

2. We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the consolidated Financial Statements' section of our report. We are independent of the Group and its associates in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Emphasis of Matter**

3. We invite attention to the following:
- a) Note No. 14 to Annexure- I of the consolidated financial statements regarding additional provision on standard advances at rates higher than minimum stipulated under IRAC norms, as per Board approved Accelerated Provisioning Policy.
  - b) Note No 20. to Annexure-I of the consolidated financial statements regarding one time contribution made to CGTMSE of Rs. 500 crores.

Our opinion on the consolidated financial statements is not modified in respect of above matters.

### **Key Audit Matters**

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters



Key Audit Matter	How our audit addressed the Key Audit Matters
<p><b>I. Classification of Advances, Identification of non-performing Advances , Income Recognition and Provision on Advances (Refer Schedule VIII read with Note 6 of Schedule XV to the consolidated financial statements)</b></p> <p>Advances include Refinance loans to banks, Financial Institutions, Micro Finance Institutions and NBFCs; and Direct loans including Cash credits, Overdrafts, Loans repayable on demand and Term loans.</p> <p>The Reserve Bank of India ('RBI') has prescribed the 'Prudential Norms on Income Recognition, Asset Classification and Provisioning' in respect of advances for banks ('IRACP Norms').</p> <p>The identification of performing and non-performing advances (including advances restructured under applicable IRACP Norms) involves establishment of proper mechanism and the Bank is required to apply significant degree of judgement to identify and determine the amount of provision required against each advance applying both quantitative as well as</p>	<p>Our audit approach / procedures towards Classification of Advances, Identification of Non-performing Advances, Income Recognition and Provision on Advances included the following:</p> <ul style="list-style-type: none"> <li>- Understanding and considering the Bank's accounting policies for NPA identification and provisioning and assessing compliance with the prudential norms prescribed by the RBI (IRACP Norms), including the additional provisions and asset classification benefit extended on restructured advances.</li> <li>- Understanding the key controls (including system based automated controls) for identification and provisioning of impaired accounts based on the extant guidelines on IRACP laid down by the RBI.</li> <li>- Performing other procedures including substantive audit procedures covering the identification of NPAs by the Bank. These procedures included: <ul style="list-style-type: none"> <li>a) Considering testing of the exception reports generated from the application systems where the advances have</li> </ul> </li> </ul>





qualitative factors prescribed by the regulations.

Significant judgements and estimates for NPA identification and provisioning could give rise to material misstatements on:

- Completeness and timing of recognition of non-performing assets in accordance with criteria as per IRACP norms;
- Measurement of the provision for non-performing assets based on loan exposure, ageing and classification of the loan, realizable value of security;
- Appropriate reversal of unrealized income on the NPAs.

Since the classification of advances, identification of NPAs and creation of provision on advances (including additional provisions on restructured advances under applicable IRACP Norms) and income recognition on advances:

- Requires proper control mechanism and significant level of estimation by the Bank;
  - Has significant impact on the overall financial statements of the Bank;
- we have ascertained this area as a Key Audit Matter

been recorded.

- b) Considering the accounts reported by the Bank and other banks as Special Mention Accounts ("SMA") in RBI's central repository of information on large credits (CRILC) to identify stress.
- c) Reviewing account statements, drawing power calculation, security and other related information of the borrowers selected based on quantitative and qualitative risk factors
- d) Reading of minutes of credit and risk committee meetings and performing inquiries with the Bank to ascertain if there were indicators of stress or an occurrence of an event of default in a loan account or any product.
- e) Considering key observations arising out of Internal Audits and Concurrent Audits conducted as per the policies and procedures of the Bank.
- f) Considering the RBI Financial Inspection report on the Bank, the Bank's response to the observations and other communication with RBI during the year
- g) Reviewing the report submitted by external expert appointed by the Bank



	<p>to verify compliance with the RBI circular on Automation of IRACP processes through the Bank's core banking system.</p> <ul style="list-style-type: none"> <li>h) Examination of advances including stressed/restructured advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines.</li> <li>i) Seeking independent confirmation of account balances for sample borrowers.</li> <li>j) Visits to branches/offices and examination of documentation and other records relating to advances.</li> </ul> <p>For Non- performing advances identified, we, based on factors including stressed sectors and account materiality, tested on a sample basis the asset classification dates, reversal of unrealized interest, value of available security and provisioning as per IRACP norms. We recomputed the provision for NPA on such samples after considering the key input factors and compared our measurement outcome to that prepared by management.</p>
<p><b>II. Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule VII read with Note 3 of</b></p>	<p>Our audit approach/procedures towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and</p>



**Schedule XV to the consolidated financial statements)**

Investments are categorized under Treasury operations and Business Operations. Investments include investments made by the Bank in Central and State Governments Securities, Bonds, Debentures, Shares, Mutual Funds, VCFs and other approved securities. RBI Circulars and directives, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, non-recognition of income and provisioning against non-performing investments.

The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FBIL/FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc.

We identified valuation of investments and identification of NPI as a Key Audit Matter because of the management judgement involved in determining the

substantive audit procedures in relation to valuation, classification, identification of non-performing investments (NPIs) and provisioning/depreciation related to Investments. In particular -

- We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, reversal of income on NPIs and provisioning/depreciation related to investments;

- We assessed and evaluated the process adopted for collection of information from various sources for determining market value of these investments;

- For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security;

- We carried out substantive audit procedures to recompute independently the provision to be maintained in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained and if accrual of income is in



<p>value of certain investments (Bonds and Debentures, VCFs) based on applicable Regulatory guidelines and the Bank's policies, impairment assessment for HTM book based on management judgement, the degree of regulatory focus and the overall significance to the financial results of the Bank.</p>	<p>accordance with the RBI Circular for those selected sample of NPIs.</p>
<p><b>III. Information Technology (IT) and controls impacting financial Reporting</b></p> <p>The Bank's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.</p> <p>Due to the pervasive nature and complexity of the IT environment as well as its importance in relation to accurate and timely financial reporting, we have identified this area as a Key Audit Matter.</p>	<p>As a part of our audit procedures for review of the Bank's IT systems and related controls for financial reporting:</p> <ul style="list-style-type: none"> <li>- We tested the design and operating effectiveness of the Bank's IT systems and controls that are critical to financial reporting.</li> <li>- The Bank has a system in place for getting application software audits for identified Application Systems at reasonable intervals. Information System (IS) Audit is done by Bank at reasonable intervals.</li> <li>- We reviewed key observations arising out of audits conducted on the Bank's IT systems during the year.</li> </ul>
<p><b>IV. Assessment of Provisions and Contingent Liabilities (Note 10 and Note 12 of Schedule XV to the consolidated financial statements):</b></p> <p>Assessment of Provisions and Contingent</p>	<p>Our audit approach / procedures involved:</p> <ul style="list-style-type: none"> <li>- Understanding the current status of the litigations/tax assessments;</li> <li>- Examining recent orders and/or communication received from various tax</li> </ul>



liabilities in respect of certain litigations including Direct Taxes, various claims filed by other parties not acknowledged as debt (Schedule XI to the consolidated financial statements) and various employee benefits schemes (Schedule V to the consolidated financial statements) was identified as a significant audit area.

There is high level of judgement involved in estimating the level of provisioning required as well as in the disclosure of both Provisions and Contingent Liabilities in respect of tax matters and other legal claims. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.

The valuations of the employee benefit liabilities are calculated with reference to multiple actuarial assumptions and inputs including discount rate, rate of inflation and mortality rates. The valuation of

authorities/ judicial forums and follow up action thereon;

- Evaluating the merit of the subject matters identified as significant, with reference to the grounds presented therein and available independent legal / tax advice including opinion of the Bank's tax consultants;

- Review and evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and

- Ensuring completeness and accuracy of the data, the measurement of the fair value of the schemes' assets, understanding the judgements made in determining the assumptions used by management to value the employee liabilities with specific schemes and market practice.

- Our audit procedures included an assessment of some assumptions used by the actuary by comparing life expectancy assumptions with relevant mortality tables, benchmarking inflation and discount rates against external market data. We verified the value of plan assets to the statements provided by asset management companies managing the plan assets.



<p>funded assets in respect of the same is also sensitive to changes in the assumptions.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of the matters which requires application of judgment in interpretation of law, circumstances of each case and estimates involved.</p>	<p>- Verification of disclosures related to significant litigations, taxation matters and Employee benefits liabilities in the consolidated financial statements.</p>
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**Information Other than the Consolidated Financial Statements and Auditors' Report thereon**

5. The Bank's Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated Financial Statements and our auditors' report thereon. The Bank's annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Bank's annual report, if we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.



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

6. The Bank's Management is responsible with respect to the preparation and presentation of these consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with, Small Industries Development Bank of India General Regulations, 2000 and accounting principles generally accepted in India including the applicable Accounting Standards issued by ICAI and the circulars and guidelines issued by RBI from time to time. The respective Management of the entities included in the Group and of its associates are responsible for maintenance of adequate accounting records for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimate that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Management of the entities included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so. The respective Management of the entities included in the Group and of its associates are also responsible for overseeing the financial reporting process of Group and of its associates.

## **Auditors' Responsibilities for the Audit of the consolidated Financial Statements**

7. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud



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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Banks Internal Control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.





- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of the Bank included in consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described under 'Other Matters' in this audit report.

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

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

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



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

#### **8. Other Matters**

These consolidated Financial Results incorporate the relevant returns of 23 Branches visited /audited by us including Head Office, which covers 96.45% of Advances, 98.51% of deposits, 100% of Borrowings as on March 31, 2024 and 96.60% of Interest income on advances, 97.35% of interest expense on deposits and 99.74% of interest expense on borrowings for the period 01.04.2023 to 31.03.2024. These branches have been selected in consultation with the management of the bank. In conduct of our audit, we have relied upon various information and returns received from remaining branches of the bank not visited by us, generated through centralised database at Head Office.

The consolidated Financial Results include the audited Financial Results of One Subsidiary, whose financial statements/financial results/financial information reflect total assets of Rs. 39,681 Crores as at 31st March 2024, total revenues of Rs. 2,318 Crores and total net profit after tax of Rs. 815 Crores for the year ended 31st March 2024 and net cash inflow amounting to Rs. 1,196 Crores for the year ended on that date, as considered in the consolidated financial statements, which have been audited by other independent auditor, whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report is based solely on the report of the other auditors.

The consolidated Financial Statements include the unaudited financial results of 2 subsidiaries whose Financial Statements/Financial Results/ financial information reflect total assets of Rs. 69 Crores as at 31<sup>st</sup> March, 2024, total revenue of Rs. 14 Crores, total net profit after tax of Rs. 5 Crores for the year ended on 31<sup>st</sup> March, 2024 and net cash



outflow amounting to Rs. 0.17 Crores for the year ended on that date and 5 associates whose Financial Statements/Financial Results/ financial information reflect the Group's share of net profit of Rs. 9.61 Crores for the year ended 31<sup>st</sup> March, 2024, as considered in the consolidated Financial Results, have not been audited by us. These unaudited Financial Statements / financial results/ financial information have been furnished to us by the Bank's Management and our opinion on the consolidated Financial statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on such unaudited Financial Statements/financial results/financial information. We have relied on the management's written representation to us that the effect of the changes / adjustments, if any, required to be made to the reported numbers of these subsidiaries and associates consequent to their audit would not be material for the Group.

Further, associates that are non-performing have not been included in the consolidation. Additionally, one associate that has been excluded from consolidation as it is planned for divestment as informed by the Bank.

The opening balances of April 1, 2023 has been taken based on the consolidated financial statements for the year ended March 31, 2023 audited by the predecessor independent auditor who vide their report dated May 12, 2023 have expressed an unmodified opinion.

Our opinion on the consolidated financial statements and our Report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters and with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

#### **Report on other Legal and Regulatory Requirements**

9. The consolidated financial statements have been prepared by the Bank's Management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements", Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.



We report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Bank so far as it appears from our examination of those books and the reports of the other auditors;
- c) The consolidated Balance Sheet, the consolidated Profit and Loss Account, the consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the applicable Accounting Standards.

**For J. Kala & Associates**

Chartered Accountants

**FRN: 118769W**

  
**(Jayesh Kala)**  
Partner

M. No.: 101686

UDIN:24101686BKAJVX9031



**Date: May 29, 2024**

**Place : Mumbai**

Small Industries Development Bank of India  
Consolidated Balance Sheet as at March 31, 2024

	March 31, 2024	March 31, 2023
<b>CAPITAL AND LIABILITIES</b>		
<b>SCHEDULES</b>		
Capital	5,68,54,11,689	5,68,54,11,689
Reserves, Surplus and Funds	3,35,78,09,65,126	2,88,76,87,36,216
Deposits	24,14,15,79,65,591	19,99,45,59,64,621
Borrowings	27,05,45,48,39,639	20,06,57,92,03,549
Other Liabilities and Provisions	1,44,78,11,73,660	92,03,25,03,830
Deferred Tax Liability		
<b>Total</b>	<b>56,05,86,03,55,705</b>	<b>43,92,52,18,19,905</b>
<b>ASSETS</b>		
Cash and Bank Balances	3,35,43,55,85,397	2,86,03,90,96,059
Investments	3,47,52,87,63,365	2,74,13,43,84,869
Loans & Advances	48,49,33,05,27,317	37,79,95,53,86,671
Fixed Assets	2,86,90,71,156	2,97,51,82,162
Other Assets	70,69,64,08,470	49,41,77,70,144
<b>Total</b>	<b>56,05,86,03,55,705</b>	<b>43,92,52,18,19,905</b>
Contingent Liabilities	XI	45,13,44,11,010

Consolidated Significant Accounting Policies (Schedule XV) and Notes to Accounts (Annexure I)  
The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date

For J. Kala & Associates  
Chartered Accountants  
FRN.118769W



Jayesh Kala  
Partner  
M.No. 101686

Ajit Nath Jha  
Chief Financial Officer

Prakash Kumar  
Deputy Managing Director

G Gopalakrishna  
Director

BY ORDER OF THE BOARD

Sudatta Mandal  
Deputy Managing Director

Sudatta Mandal  
Deputy Managing Director

K.S. Nagayal  
Director

Place: Mumbai  
Date: May 29, 2024



Small Industries Development Bank of India  
Consolidated Profit & Loss Account for the year ended March 31, 2024

	March 31, 2024	March 31, 2023
<b>INCOME</b>		
<b>SCHEDULES</b>		
Interest and Discount	3,36,09,94,87,811	1,94,82,44,81,207
Other Income	6,21,82,95,820	5,18,98,24,386
<b>Total</b>	<b>3,42,31,77,83,631</b>	<b>2,00,01,43,05,543</b>
<b>EXPENDITURE</b>		
Interest & Financial charges	2,39,00,18,87,873	1,31,96,49,02,718
Operating Expenses	18,88,84,43,685	8,41,66,87,379
Provisions & Contingencies	20,87,89,45,401	8,54,07,24,817
<b>Total</b>	<b>2,78,76,72,56,759</b>	<b>1,48,52,22,74,914</b>
Profit before Tax	63,55,05,26,872	51,49,20,30,629
Provision for Income Tax	20,96,84,14,972	34,24,27,84,676
Deferred Tax Adjustments (Assets) / Liability	(5,54,57,09,931)	(3,72,73,59,844)
Share of investments in associates	(9,60,75,875)	(33,81,07,081)
Profit after Tax	48,22,33,97,710	39,31,47,12,878
Profit brought forward	9,44,60,87,264	4,44,99,11,872
<b>Total Profit / (Loss)</b>	<b>57,66,94,84,974</b>	<b>43,76,46,24,750</b>
<b>Appropriations</b>		
Transfer to General Reserve	37,14,57,71,448	31,11,88,59,294
Transfer to Special reserve (as per provision of The Income Tax Act, 1961)	1,65,00,00,000	80,00,00,000
Transfer to Statutory Reserve (as per Section 45-C of RBI Act, 1934)	1,62,83,94,375	1,35,14,95,854
Others		
Transfer to Investment Fluctuation Reserve	2,50,52,813	-
Transfer to Staff Welfare Fund	36,85,00,000	31,11,00,000
Development Fund		
Dividend on Shares	1,13,70,82,338	1,33,79,82,338
Tax on Dividend		
Surplus in Profit & Loss account carried forward	15,91,36,04,000	9,44,60,87,264
<b>Total</b>	<b>57,66,94,84,974</b>	<b>43,76,46,24,750</b>

Basic/Dividend Earning Per Share  
Consolidated Significant Accounting Policies (Schedule XIV) and Notes to Accounts (Annexure I)  
The Schedules referred to above form an integral part of the Profit & Loss Account.

84.82

69.15

As per our report of even date



Ajit Neeth Jha  
Chief Financial Officer



Prakash Kumar  
Deputy Managing Director



G. Gopalakrishna  
Director



Sudatta Mandal  
Deputy Managing Director



K.S. Shinde  
Director

BY ORDER OF THE BOARD



Place: Mumbai  
Date: May 29, 2024

For J. Kalle & Associates  
Chartered Accountants

FRN: 115123W



Jayesh Kalia

Partner

M.No. 101685



Small Industries Development Bank of India  
Schedules to Consolidated Balance Sheet

CAPITAL AND LIABILITIES		March 31, 2024	March 31, 2023
Schedule I:	Capital		
	(a) Authorized Capital		
	- Equity Share Capital (75,00,00,000 Equity Shares of ₹ 10/- each)	7,50,00,00,000	7,50,00,00,000
	- Preference Share Capital (25,00,00,000 Redeemable Preference Shares of ₹ 10/- each)	2,50,00,00,000	2,50,00,00,000
	(b) Issued, Subscribed and Paid-up Capital :		
	- Equity Share Capital (56,85,41,169 Equity Shares of ₹ 10/- each)	5,68,54,11,689	5,68,54,11,689
	- Preference Share Capital	-	-
	<b>Total</b>	<b>5,68,54,11,689</b>	<b>5,68,54,11,689</b>
Schedule II:	Reserves, Surplus and Funds		
	A) Reserves		
	i) General Reserve		
	- Opening Balance	2,22,62,88,82,397	1,91,50,74,63,293
	- Additions during the year	37,12,48,43,518	31,12,14,19,104
	- Utilisations during the year	-	-
	- Closing Balance	2,59,75,37,25,915	2,22,62,88,82,397
	ii) Share Premium		
	- Opening Balance	30,54,25,88,310	30,54,25,88,310
	- Additions during the year	-	-
	- Utilisations during the year	-	-
	- Closing Balance	30,54,25,88,310	30,54,25,88,310
	iii) Specific Reserves		
	a) Investment Reserve		
	- Opening Balance	-	-
	- Additions during the year	-	-
	- Utilisations during the year	-	-
	- Closing Balance	-	-



*(Handwritten signature)*



	b) Special Reserve created and maintained u/s 36 (1) (viii) of The Income Tax Act, 1961			
	- Opening Balance	18,52,00,00,000		17,72,00,00,000
	- Additions during the year	1,65,00,00,000		80,00,00,000
	- Utilisations during the year	-		-
	- Closing Balance	20,17,00,00,000		18,52,00,00,000
	c) Statutory Reserve created u/s 45-IC of Reserve Bank of India Act.			
	- Opening Balance	3,29,59,67,359		2,14,44,71,505
	- Additions during the year	1,62,70,57,940		1,14,91,59,419
	- Utilisations during the year			
	- Closing Balance	4,92,30,25,299		3,29,36,30,924
	d) Other Reserves			
	i) Investment Fluctuation Reserve			
	- Opening Balance	1,25,89,52,955		1,25,89,52,955
	- Additions during the year	2,50,52,813		-
	- Utilisations during the year			
	- Closing Balance	1,28,40,05,768		1,25,89,52,955
	B) Surplus in Profit and Loss account	15,91,36,84,000		9,44,60,87,264
	C) Funds			
	a) National Equity Fund			
	- Opening Balance	2,65,61,42,832		2,65,61,42,832
	- Additions / Write back during the year	-		-
	- Utilisations during the year			
	- Closing Balance	2,65,61,42,832		2,65,61,42,832
	b) Staff Welfare Fund			
	- Opening Balance	40,24,51,534		32,83,53,383
	- Additions during the year	16,85,00,000		11,11,00,000
	- Utilisations during the year	5,31,58,531		3,70,01,849
	- Closing Balance	51,77,93,003		40,24,51,534
	c) Others	2,00,00,000		2,00,00,000
	Total	3,35,78,09,65,126		2,88,76,87,36,216



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Schedule III	Deposits	March 31, 2024	March 31, 2023
	A) Fixed Deposits	1,25,99,96,09,590	86,76,48,78,620
	B) From Banks		
	a) Under MSME Refinance Fund	18,91,19,34,36,000	15,28,76,15,16,000
	b) Under MSME Risk Capital Fund	-	-
	c) Others - From Foreign & Private Sector Banks	31,65,49,75,000	19,84,10,00,000.00
	d) Under MSME India Aspiration Fund	14,99,40,70,001	14,99,40,70,001
	e) Under Fund for Venture Capital in MSME sector 2014-15	-	-
	f) Under Priority Sector Shortfall	3,50,31,58,75,000	3,49,09,45,00,000
	Subtotal (B)	22,88,15,83,56,001	19,12,69,10,86,001
	Total	24,14,15,79,65,591	19,99,45,59,64,621
Schedule IV	Borrowings		
i)	Borrowings in India		
	1. From Reserve Bank of India	-	1,59,00,00,00,000
	2. From Government of India (including Bonds subscribed by GOI)	4,36,28,02,083	5,17,27,06,344
	3. Bonds & Debentures	8,11,80,29,00,000	4,67,55,00,00,000
	4. From Other Sources		
	- Commercial Paper	2,25,24,00,00,000	3,94,25,00,00,000
	- Certificate of Deposits	3,54,90,00,00,000	2,46,35,00,00,000
	- Term Loans from Banks	10,88,19,00,00,000	5,86,43,95,28,678
	- Term Money Borrowings	-	-
	- Others	1,89,37,08,41,814	1,05,40,96,07,622
	Subtotal (i)	26,73,86,65,43,897	19,64,17,18,42,644



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III)	Borrowings outside India			
	(a) KFW, Germany	1,38,94,71,253		3,70,76,76,702
	(b) Japan International Cooperation Agency (JICA)	6,07,59,66,719		10,79,57,17,856
	(c) IFAD, Rome	99,22,22,858		1,05,46,39,489
	(d) World Bank	22,85,75,57,273		26,31,12,58,470
	(e) Others	27,30,77,639		53,80,68,388
	Subtotal (II)	31,58,82,95,742		42,40,73,60,905
	Total (I & II)	27,05,45,48,39,639		20,06,57,92,03,549
Schedule V	Other Liabilities and Provisions:			
	Interest Accrued	49,41,12,91,618		29,94,99,68,457
	Provision for SIDBI Employees' Provident Fund	4,17,08,65,424		3,93,85,26,360
	Provision for SIDBI Pension Fund	1,12,40,51,149		44,04,31,465
	Provision for Employees' Other Benefit	3,36,22,20,869		1,93,80,18,213
	Provisions for Exchange Rate Fluctuation	1,53,73,62,767		1,53,73,62,767
	Contingent provisions against standard assets	37,32,89,29,259		18,44,16,10,163
	Proposed Dividend (including tax on dividend)	1,13,70,82,338		1,13,70,82,338
	Funds viz. Aspire Fund, FoF for Startups, PRF, PRSF etc.	33,27,13,78,808		23,12,59,58,271
	Floating provision	4,95,67,37,932		4,95,67,37,932
	Others (including provisions)	8,48,12,53,496		6,56,68,07,864
	Total	1,44,78,11,73,660		92,03,25,03,830
	ASSETS	March 31, 2024		March 31, 2023
Schedule VI	Cash & Bank Balances			
	1. Cash in Hand & Balances with Reserve Bank of India	6,06,479		6,14,370
	2. Balances with Other Banks			
	(a) In India			
	(i) in current accounts	1,93,97,47,338		6,25,86,02,252
	(ii) in other deposit accounts	3,33,47,76,70,702		2,77,02,47,81,932
	(b) Outside India			
	(i) in current accounts	1,75,58,878		4,89,40,573
	(ii) in other deposit accounts	-		2,70,61,56,932
	Total	3,35,43,55,85,397		2,86,03,90,96,059



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Schedule VII	Investments [net of provisions]		
	A) Treasury operations		
	1. Securities of Central and State Governments	2,69,04,48,00,772	1,48,12,97,19,214
	2. Bonds & Debentures of Banks & Financial Institutions	19,53,22,74,081	21,81,08,38,302
	3. Stocks, Shares, bonds & Debentures of Industrial Concerns	51,56,74,010	84,44,58,856
	4. Mutual Funds	-	-
	5. Commercial Paper	17,96,12,57,158	26,05,26,90,303
	6. Certificate of Deposit	15,55,01,34,525	62,98,61,30,050
	7. Others	11,00,00,00,000	-
	Subtotal (A)	3,33,60,41,40,546	2,59,82,38,36,725
	B) Business Operations		
	1. Shares of Banks & Financial Institutions	1,61,51,09,902	1,61,51,09,702
	2. Bonds & Debentures of Banks & Financial Institutions	30,06,000	5,65,33,000
	3. Stocks, Shares, bonds & Debentures of Industrial Concerns	3,48,01,67,561	5,45,48,59,563
	4. Investment in Subsidiaries	11,00,00,000	-
	5. Investment in Venture Capital Fund - RCF	4,67,17,29,716	5,24,72,57,872
	6. Others	4,04,46,09,640	1,93,67,88,007
	Subtotal (B)	13,92,46,22,819	14,31,05,48,144
	Total (A+B)	3,47,52,87,63,365	2,74,13,43,84,869
Schedule VIII	Loans & Advances [Net of Provisions]		
	A) Refinance to		
	- Banks and Financial Institutions	38,70,61,09,04,304	31,54,51,92,29,538
	- Micro Finance Institutions	1,10,09,89,88,118	65,35,57,66,859
	- NBFC	5,72,99,80,45,997	3,57,13,84,30,997
	- Bills Rediscounted	-	-
	- Others [Subscription to Pass Through Certificate (PTC)]	6,25,19,65,911	3,42,69,18,395
	Subtotal (A)	45,59,95,99,04,330	35,80,44,03,45,789



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Small Industries Development Bank of India  
Schedules to Consolidated Profit & Loss Account

	March 31, 2024	March 31, 2023
<b>Schedule XII</b>		
Interest and Discount		
1. Interest and Discount on Loans, Advances and Bills	2,84,85,05,93,418	1,59,18,31,07,149
2. Income on Investments / Bank balances	51,24,88,94,393	35,64,13,74,058
<b>Total</b>	<b>3,36,09,94,87,811</b>	<b>1,94,82,44,81,207</b>
<b>Schedule XIII</b>		
Other Income:		
1. Uplift and Processing Fees	1,37,32,98,452	89,51,11,922
2. Commission and Brokerage	2,02,56,743	1,09,30,972
3. Profit on sale of Investments	86,71,24,405	46,10,52,617
4. Income earned by way of dividends etc. from Subsidiaries / Associates	61,19,996	51,00,000
5. Provision of Earlier Years written Back	-	-
6. Recoveries out of Bad Debts	2,27,76,44,029	2,86,91,76,047
7. Reversal of Provisions: ERF under FCL	-	-
8. Others	1,67,38,52,195	94,84,52,728
<b>Total</b>	<b>6,21,82,95,820</b>	<b>5,18,98,24,336</b>
<b>Schedule XIV</b>		
Operating Expenses:		
Payments to and provisions for employees	8,34,28,60,344	5,12,63,88,812
Rent, Taxes and Lighting	21,93,44,266	18,07,59,949
Printing & Stationery, Postages/Courier & Tele and Insurance	2,30,92,315	2,26,92,930
Advertisement and Publicity	29,63,67,789	11,70,55,493
Depreciation / Amortisation on Bank's Property	61,89,71,613	26,67,08,148
Directors' fees, allowances and expenses	78,59,229	1,01,32,867
Auditor's Fees	46,35,257	44,86,316
Law Charges	2,54,79,948	3,57,41,963
Repairs and maintenance	41,67,10,875	28,98,84,637
Issue Expenses	7,77,36,100	5,60,22,041
Capital Commitment, Management Fees etc.	13,37,33,616	19,79,10,602
Input Tax Credit not Available	31,67,48,282	19,19,22,592
Other Expenditure	8,40,49,04,051	1,91,69,41,029
<b>Total</b>	<b>18,88,84,43,685</b>	<b>8,41,66,47,379</b>




## SCHEDULE XV – CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES

### 1. BASIS OF PREPARATION

The consolidated financial statements (CFS) have been prepared to comply in all material respects with the Small Industries Development Bank of India Act, 1989 (Parent) and regulations thereof, applicable prudential norms prescribed by Reserve Bank of India, applicable provisions of the Companies Act, 2013, applicable Accounting Standards issued by the Institute of Chartered Accountants of India and practices prevailing in the Banking Industry. The consolidated financial statements have been prepared under the historical cost convention on an accrual basis, unless otherwise stated. Except otherwise mentioned, the accounting policies that are applied by the Small Industries Development Bank of India ("the Bank" or "SIDBI"), are consistent with those used in the previous year.

### Use of Estimates:

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as on the date of the consolidated financial statements and the reported income and expenses for the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods in accordance with the requirements of the respective accounting standard.

### Consolidation Procedures:

Subsidiaries included in consolidated financial statements for FY 2023-24 are:

- 1) Micro Units Development & Refinance Agency (MUDRA)
- 2) SIDBI Venture Capital Limited (SVCL).
- 3) SIDBI Trustee Company Limited (STCL).

Associates included in consolidated financial statements for FY 2023-24 are:

- 1) Acuite Ratings Pvt Ltd (Erstwhile SMERA)
- 2) India SME Asset Reconstruction Company Limited (ISARC)
- 3) Delhi Financial Corporation (DFC)
- 4) Receivables Exchange of India Limited (RXIL)
- 5) KITCO Limited



Consolidated financial statements of the Group (comprising of 3 subsidiaries, 5 associates as per details given above) have been prepared on the basis of:

- a. Accounts of SIDBI (Parent).
- b. Line by line aggregation of each item of asset/ liability/income/expense of 3 subsidiaries with the respective item of the Parent and after eliminating all material intra-group balances / transactions, unrealised profit/loss as per AS 21 (Consolidated Financial Statements) issued by the Institute of Chartered Accountants of India (ICAI).
- c. Investments in Associates are accounted for under the Equity Method as per AS 23 (Accounting for Investments in Associates in Consolidated Financial Statements) issued by ICAI based on the audited Financial Statements of the associates.
- d. In case of difference in Accounting Policies, the Financial Statements of Subsidiaries are adjusted, wherever necessary and practicable, to conform to the Accounting Policies of the Parent. In case of difference in Accounting Policies, the Financial Statements of associates, adjustments have not been made as in the opinion of Management of the Bank the same are not material.

## 2. REVENUE RECOGNITION

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured.

### A) INCOME:

- i. Interest income is accounted for on accrual basis, except in the case of non-performing assets where it is recognized upon realization.
- ii. Income in the Profit & Loss Account is shown gross i.e. before provisions as per RBI guidelines and other provisions as per Bank's internal policy.
- iii. Discount received in respect of bills discounted / rediscounted and on discounted instruments is recognised over the period of usance of the instruments on a constant yield basis.
- iv. Commitment charges, service charges on seed capital / soft loan assistance and royalty income are accounted for on accrual basis in respect of standard (performing) assets.
- v. Dividend on shares held in industrial concerns and financial institutions is recognized as income when the right to receive the dividend is established.



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- vi. Income from Venture Capital funds are accounted on realization basis. Redemption of unit/shares in Venture Capital fund, while in HTM category is not treated as a sale.
- vii. Recovery in non-performing assets (NPA) is to be appropriated in the following order:
- a) overdue interest upto the date of NPA,
  - b) principal,
  - c) cost & charges,
  - d) interest and
  - e) penal charges.
- viii. Gain/loss on sale of loans and advances through direct assignment is recognized in line with the extant RBI guidelines.
- ix. Amounts recovered against debts written-off in earlier years are recognized as income in the Profit & Loss account.
- x. Profit or loss on sale of investments in any category is taken to profit & loss account. However, in case of profit on sale of investments under "Held to Maturity" category an equivalent amount net of applicable taxes is appropriated to Capital Reserves.
- xi. Amount lying as unclaimed liabilities (other than statutory liabilities) for a period of more than seven years are recognized as income.
- xii. The bank has accounted for interest on income tax refunds upon receipt of such refund orders / Order giving effects issued by Income Tax Department.
- xiii. Recoveries of CGTMSE fees, Valuation charges, Advocate fee, Insurance, Upfront fee/ Processing fee etc. from Borrowers are accounted on cash basis.
- xiv. Commission on LC/ BG are recognized on accrual basis proportionately over the period.
- xv. Income from units of mutual funds shall be recognized on cash basis.
- xvi. SVCL - Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is not recognized where drawdowns in respective venture capital funds / alternative investments funds are not received as there is no certainty that economic benefits will flow to the Company and in such cases it will be accounted on receipt basis as and when received.





The Company accrues income by way of management fee on a quarterly basis / annual basis (as stipulated in the respective funds documents) from the Venture Capital Funds / Alternative Investments Funds managed by it.

The Company recognizes income @ 5% of the net profits received from sale of investments assigned by IIBI

xvii. STCL - Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The Company accrues income by way of trusteeship fee on a quarterly basis / annual basis (as stipulated in the agreements with respective funds) from the venture capital funds / alternative investments funds managed by it.

#### B) EXPENDITURE:

i. All expenditures are accounted for on accrual basis except Development Expenditure which is accounted for on cash basis.

ii. Discount on Bonds and Commercial papers issued are amortized over the tenure of Bonds and Commercial Paper. The expenses relating to issue of Bonds are amortized over the tenure of the Bonds.

#### 3. INVESTMENTS:

(i) In terms of extant guidelines of the Reserve Bank of India on investment classification and valuation, the entire investment portfolio is categorized as "Held to Maturity", "Available for Sale" and "Held for Trading". Investments are valued in accordance with RBI guidelines. The investments under each category are further classified as:

- a) Government Securities,
- b) Other approved securities,
- c) Shares,
- d) Debentures & Bonds,
- e) Subsidiaries/ joint ventures and
- f) Others (Commercial Paper, Mutual Fund Units, Security Receipts, Certificate of Deposits etc.)

(a) Held to Maturity:



Investments acquired with the intention to hold till maturity are categorized under Held to Maturity. Such investments are carried at acquisition cost unless it is more than the face value, in which case the premium is amortized over the period remaining to maturity. Investments in subsidiaries are classified as Held To Maturity. Diminution, other than temporary, in the value of investments under this category is provided for each investment individually.

**(b) Held for Trading:**

Investments acquired for resale within 90 days with the intention to take advantage of the short-term price/interest rate movements are categorized under Held for Trading. The investments in this category are revalued scrip-wise and net appreciation /depreciation is recognized in the profit & loss account, with corresponding change in the book value of the individual scrips. In respect of traded/ quoted investments, the market price is taken from the trades/ quotes available on the stock exchanges.

**(c) Available for Sale:**

Investments which do not fall within the above two categories are categorized under Available for Sale. The individual scrip under this category is revalued and net depreciation under any of the classification mentioned above is recognized in the profit & loss account. Net appreciation under any classification is ignored. The book value of individual scrip is not changed after the revaluation.

(ii) An investment is classified as Held To Maturity, Available For Sale or Held For Trading at the time of its purchase and subsequent shifting amongst categories and its valuation is done in conformity with RBI guidelines.

(iii) Treasury Bills, Commercial Papers and Certificates of Deposit, being discounted instruments, are valued at carrying cost.

(iv) The quoted Government Securities are valued at market prices and unquoted/non-traded government securities are valued at prices declared by Financial Benchmark India Pvt. Ltd.(FBIL).

(v) Investments which are made out of the Corpus or Funds provided by the Government of India (GOI) and netted off from the related Fund balances are carried at cost and not subject to RBI guidelines of valuation.

(vi) Recording purchase and sale transactions in Investments is done following 'Settlement Date' accounting

(vii) The debentures / bonds / shares deemed to be in the nature of advance, are subject to the usual prudential norms applicable to loans & advances.



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- (viii) Cost of investments is determined on the weighted average cost method.
- (ix) Brokerage, commission, etc. paid at the time of acquisition/ sale are recognized in the profit & loss account.
- (x) Broken period interest paid / received on debt investment is treated as interest expenses / income and is excluded from cost / sale consideration. In respect of investments in government securities the broken period interest paid to the seller as part of cost is not capitalized and treated it as an item of expenditure under Profit & Loss Account.
- (xi) In respect of unquoted investments in industrial concerns under Seed Capital Scheme, full provision has been made.
- (xii) Units of mutual fund are valued at repurchase price as per relevant RBI guidelines.
- (xiii) The unquoted fixed income securities (other than government securities) are valued on Yield to Maturity (YTM) basis with appropriate mark-up over the YTM rates for Central Government securities of equivalent maturity. Such mark-up and YTM rates applied are as per the relevant rates published by FBIL.
- (xiv) Unquoted Shares are valued at breakup value, if the latest Audited Financial Statements of the investee companies are available, or at ₹1/- per Company as per RBI guidelines.

#### 4. FOREIGN CURRENCY TRANSACTIONS

- Foreign currency transactions are recorded in the books of account in respective foreign currencies at the exchange rate prevailing on the date of transaction. Accounting for transactions involving foreign exchange is done in accordance with Accounting Standard (AS)-11 issued by Institute of Chartered Accountants of India, as per following provisions:
- i. Contingent liability in respect of outstanding forward exchange contracts, guarantees; acceptances, endorsements and other obligations are calculated at the closing exchange rates notified by Foreign Exchange Dealers' Association of India ('FEDAI').
  - ii. Foreign currency Assets and Liabilities are translated at the closing exchange rates notified by FEDAI as at the Balance sheet date.
  - iii. Foreign currency Income and Expenditure items are translated at monthly intervals through actual sale/purchase and recognized in the profit & loss account accordingly.




- iv. The revaluation difference on foreign currency LoC is adjusted and recorded in a special account opened and maintained, in consultation with GOI for managing exchange risk.
- v. The Bank follows hedge accounting in respect of foreign exchange contracts and derivative transactions as per RBI guidelines.
- vi. Exchange differences arising on the settlement of monetary items are recognized as income or expense in the period in which they arise.
- vii. Outstanding Forward Exchange Contracts which are not intended for trading are revalued at exchange rates notified by FEDAI.

#### 5. DERIVATIVES

The Bank presently deals in currency derivatives viz., Cross Currency Interest Rate swaps for hedging its foreign currency liabilities. Based on RBI guidelines, the above derivatives undertaken for hedging purposes are accounted on an accrual basis. Contingent Liabilities on account of derivative contracts at contracted rupee amount are reported on the Balance Sheet date.

#### 6. LOANS AND ADVANCES

- i. Assets representing loan and other assistance portfolios are classified as performing and non-performing based on the RBI guidelines. Provision for non-performing assets is made in accordance with the RBI guidelines.
- ii. Advances stated in the Balance Sheet are net of provisions made for non-performing advances and restructured NPA assets.
- iii. General provision on Standard Assets is made as per RBI guidelines.
- iv. Floating provision is made and utilized as per RBI guidelines and Board approved policy.

v. MUDRA: MUDRA has been subscribing to Pass Through Certificates backed by loans receivables originated by various MFIs / Banks / Non-Banking Finance Companies. Such securitization transactions are classified as Loans and Advances and



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are shown in the Balance Sheet on gross basis, which at are Book value and provisions are shown separately. However, provision on Standard Assets are made as per RBI guidelines.

## 7. TAXATION

- (i) Tax expense comprises both current tax and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS).
- (ii) Deferred income taxes reflects the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.
- (iii) Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.
- (iv) Disputed taxes not provided for including departmental appeals are included under Contingent Liabilities.

## 8. SECURITISATION

- (i) The Bank purchases credit rated Micro, Small and Medium Enterprises Asset pools from Banks / Non-Banking Finance Companies by way of pass-through certificates issued by the Special Purpose Vehicle. Such securitisation transactions are classified as investments under Held for Trading / Available for Sale category depending upon the investment objective.
- (ii) The Bank purchases credit rated pool of Micro, Small and Medium Enterprises assets under bilateral direct assignment. Such direct assignment transactions are accounted for as 'advances' by the Bank.
- (iii) The Bank enters into sale of Loans & Advances through direct assignment. In most of the cases, the Bank continues to service the Loans & Advances sold under these transactions and is entitled to the Residual interest on the Loans & Advances sold. Assets sold under direct assignment are derecognized in the books of the Bank based on the principle of surrender of control over the assets.



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(iv) The residual income on the Loans & Advances sold is being recognised over the life of the underlying Loans & Advances.

(v) Security Receipts issued by the asset reconstruction companies are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time.

#### 9. SALE OF FINANCIAL ASSETS TO ASSET RECONSTRUCTION COMPANIES (ARCs):

(i) The sale of NPA's is on cash basis or investment in Security Receipt (SR) basis. In case of sale on SR basis, the sale consideration or part thereof is treated as investment in the form of SRs.

(ii) The assets if sold at a price below the Net Book Value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit & Loss A/c. In case the sale value is higher than NBV, the excess provision held can be reversed to profit & loss account in the year the amounts are received. Reversal of excess provision is limited to the extent to which cash received exceeds the NBV of the asset.

#### 10. PROVISIONING FOR STAFF BENEFITS:

##### AJ Post retirement benefits:

(i) Provident Fund is a defined contribution scheme administered by the Bank and the contributions are charged to the Profit & Loss Account.

(ii) Gratuity liability and Pension liability are defined benefit obligations and other long-term employee benefits like compensated absences, post-retirement medical benefits etc. are provided based on the independent actuarial valuation as at the Balance Sheet date using the projected unit credit method as per AS 15 (Revised 2005) - Employee Benefits

(iii) Actuarial gains or losses are recognized in the profit & loss account based on actuarial valuations for the period in which they occur.

(iv) New Pension Scheme is a defined contribution scheme and is applicable to employees who have joined bank on or after December 01, 2011. Bank pays fixed contribution at pre-determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit & Loss Account.

(v) Payments made under the Voluntary Retirement Scheme are charged to the Profit & Loss account in the year of expenses incurred.



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**BJ Benefits (Short – term) while in service**

Liability on account of Short term benefits are determined on an undiscounted basis and recognised over the period of service, which entitles the employees to such benefits.

**SVCL:**

**Employee Benefits**

**Defined Contribution Schemes:**

Company's Contribution to Provident Fund, etc. is charged to the Statement of Profit-and Loss as and when incurred.

**Defined Benefit Plans:**

The Company also provides for retirement benefits in the form of gratuity. Such benefits are provided for based on valuation, as at the balance sheet date, made by an independent actuary. Incremental liability based on actuarial valuation as per the projected unit credit method as at the reporting date is charged as expense to the Statement of Profit and loss. The company has taken a group gratuity policy with Life Insurance Corporation of India ("LIC") and is funded.

**Performance Pay:**

Performance Pay is an annual incentive to employees based on the Company's financial performance and employee's performance.

**Exit Incentive:**

Exit Incentive is incentive to employees for effecting accelerated exits from the Funds under management of the Company.

**Leave Encashment:**

The Company provides for retirement benefits in the form of leave encashment. Such benefits are provided for based on valuation, as at the balance sheet date, made by an independent actuary. The short term and long term leave have been valued on actuarial basis as per the projected unit credit method. Further, employees can also encash 15 days of their accumulated leave every financial year.

**11. FIXED ASSETS AND DEPRECIATION**

i) Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any.



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ii) Cost of asset includes purchase cost and all expenditure incurred on the asset before put to use. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefits from such assets or their functioning capability.

iii) Depreciation for the full year, irrespective of date of capitalization, is provided on:

- a) Furniture and fixture: For assets owned by Bank @ 100 percent
- b) Computer and Computer Software @ 100 percent
- c) Building @ 5 percent on WDV basis
- d) Electrical Installations: For assets owned by Bank @ 50 percent on WDV basis.
- e) Motor Car - Straight Line Method @ 50 percent.

iv) Depreciation on additions is provided for full year and no depreciation is provided in the year of sale/disposal.  
v) Leasehold land is amortised over the period of lease.

#### MUDRA

Fixed assets are stated at cost of acquisition including incidental expenses. All costs directly attributable to bringing the asset to the working condition for its intended use including financing costs are also capitalized. Depreciation is provided on Straight Line Method on the basis of useful life under Schedule II to the Companies Act, 2013 which as under:

- a) Office Equipment's -5 years
- b) Computer and hardware - 3 years
- c) Electrical installation -10 years

The useful life of Servers and networks are taken at 3 years as per Management estimates. In respect of Computer Software, the cost is amortized based on accounting standard 26 issued by ICAI which are as under:

- a) Computer software - 3 years.
  - b) Computer License - 1 - 3 years as per tenure of license
- Assets costing ₹5,000/- or less have been depreciated over a period of one year.

#### SVCL

Fixed Assets are stated at cost of acquisition less accumulated depreciation. The Company capitalises all costs relating to the acquisition and installation of fixed assets. Depreciation on Fixed Assets is provided on Written down Value Method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013. Cost of mobile / telephone instruments / tablet devices purchased are capitalized and being highly technologically obsolete, charged to 100% depreciation, in the year of purchase, subject to invoice is in the name of the Company. In case, the invoice is not in the name of the Company, same is being charged to Revenue Expenditure. Depreciation on assets whose actual cost is not more than five thousand rupees has been provided at the rate of 100%.





## 12. PROVISION FOR CONTINGENT LIABILITIES AND CONTINGENT ASSETS.

In accordance with AS-29 Provisions, Contingent Liabilities and Contingent Assets, the Bank recognizes provisions involving substantial degree of estimation in measurement when it has a present obligation as a result of past event, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent Assets are neither recognized nor disclosed in the consolidated financial statements. Contingent liabilities are not provided for and are disclosed in the balance sheet and details given by way of Schedule to the Balance Sheet. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

## 13. GRANTS AND SUBSIDIES

Grants and subsidies from the Government and other agencies are accounted as per the terms and conditions of the agreement.

## 14. OPERATING LEASE

Lease rentals is recognized as an expense/income in the Profit & Loss Account on a straight line basis over the lease term in accordance with AS-19.

## 15. IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/external factors, to recognize,

- a) the provision for impairment loss, if any required; or
- b) the reversal, if any, required for impairment loss recognized in the previous periods.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

## 16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with RBI, balances with other banks, money at call and short notice and investment in Mutual Fund with an original maturity of three months or less.

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SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA  
Additional Notes to Consolidated Accounts

Annexure - I

1. Details of Subsidiaries included in consolidated financial statements are:

Sr. No.	Name of the subsidiary	Country of incorporation	Proportion of ownership*	Profits/Loss for the year ended	
				31-Mar-24	31-Mar-23
1	SIDBI Venture Capital Ltd (SVCL)	India	100%	4,58,51,269	8,03,09,242
2	SIDBI Trustee Company Ltd (STCL)	India	100%	66,77,258	54,64,545
3	MICRO UNITS Development & Refinance Agency Ltd (Mudra Ltd)	India	100%	8,14,69,71,873	5,75,74,79,272
Total				8,19,95,00,419	5,80,72,53,058

Financial statements of SIDBI are audited for the FY 2024 and with respect to SVCL and STCL, financials are unaudited for FY 2024.

\*As per shares of the subsidiaries are owned by SIDBI directly or indirectly, no separate disclosure relating to minority interest is reflected.

Note: As SIDBI Sankatbandhan Foundation (SBF) is a Not-for-Profit Company (incorporated under section 8 of Companies Act, 2013), SBF is not being considered for consolidation in preparation of Consolidated Financial statements as per Accounting Standard 21.

2.A Details of Associates included in consolidated financial statements in current and previous year are as follows:

Sr. No.	Name of the Associate	Country of incorporation	Proportion of ownership	Description	Investment (Face Value)		Share of Profit/(Loss) for the year ended (in)			Share in reserves as at	
					31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	
1	Acute Ratings Pvt Ltd (Ratable SMEBA) (i)	India	35.73	Credit Rating Agency for SME's	5,10,00,000	5,10,00,000	4,14,13,214	5,77,58,387	25,25,03,553	21,10,90,339	
2	India SME Asset Reconstruction Company Limited (ii)	India	26.00	Asset Reconstruction Company	15,00,00,000	15,00,00,000	2,44,67,399	27,63,98,516	33,71,75,200	31,27,07,888	
3	Debi Finance Corporation (iii)	India	23.75	State Financial Corporation	6,27,75,000	3,13,87,500	-	(89,47,164)	(5,23,15,435)	(3,13,87,500)	
4	Receivables Exchange of India Limited (iv)	India	30.00	Online platform for factoring / discounting of Trade Receivables (TRADOS)	15,00,00,000	15,00,00,000	8,48,67,000	2,62,95,270	3,28,99,800	(5,19,67,200)	
5	KITCO LIMITED (v)	India	49.77	Technical consultancy Organisation	4,90,00,000	24,95,296	24,95,296	(1,58,49,938)	5,66,59,620	15,13,31,338	
	<b>Total</b>				<b>38,48,82,796</b>	<b>38,48,82,796</b>	<b>9,60,75,879</b>	<b>33,81,07,081</b>	<b>66,69,22,807</b>	<b>59,17,74,865</b>	

1 (i) Share of Profit/(Loss) of ₹5,60,75,879/- (Previous Year ₹33,81,07,081/-) is credited to Consolidated Profit & Loss statement under the head "Share of (earnings/loss in associates)" for year ending March 2024.

(ii) Share in Reserves of Associates of ₹16,69,22,807/- (Previous Year ₹ 59,17,74,865/-) is included in Schedule 1 - Reserve, Surplus and Funds of the Consolidated Balance Sheet for year ending March 2024.

2. Acute Ratings Pvt. Ltd figures are based on unaudited financial statements for year ending March 2024.

3. India SME Asset Reconstruction Company Limited's figures are based on audited financial statements for year ending March 2024.

4. Debi Finance Corporation figures are based on audited financial statements for the year ending March 31, 2023.

5. Receivables Exchange of India Limited's figures are based on audited financial statements as per IAS for the year ending March 2024 and KITCO Ltd. Financials figures are based on provisional as on March 31, 2024.

6. One of the associate viz. STSL is under liquidation and therefore, not being considered for consolidation in preparation of Consolidated Financial Statements as per Accounting Standard 21. SIDBI has made full provision on investment in this associate in its financial statements for year ending March 2022.



B. The results of the following associates are not included in the consolidated financial statements. However, full provision has been made in the financial statements for diminution in value of investment. (₹)

Sr. No.	Name of the Associate	(% Holding)		Description	Investment	Diminution in value of Investment	
		31-Mar-24	31-Mar-23			31-Mar-24	31-Mar-23
1	BSFC	48.43	48.43	State Financial Corporation	12,01,25,000	(12,01,25,000)	(12,01,25,000)
2	GSFC	28.41	28.41	State Financial Corporation	12,66,00,000	(12,66,00,000)	(12,66,00,000)
3	MSFC	39.99	39.99	State Financial Corporation	12,57,41,750	(12,57,41,750)	(12,57,41,750)
4	FFC	25.92	25.92	State Financial Corporation	5,23,51,850	(5,23,51,850)	(5,23,51,850)
5	UPSCFC	24.18	24.18	State Financial Corporation	17,27,50,000	(17,27,50,000)	(17,27,50,000)
	<b>Total</b>				<b>59,70,68,600</b>	<b>(59,70,68,600)</b>	<b>(59,70,68,600)</b>

The figures for GSFC are based on audited results for the year ended March 31, 2023. Regarding FFC, BSFC, MSFC and UPSCFC figures are based on audited results for the year ended March 31, 2020, March 31, 2015, March 31, 2016 and March 31, 2024 respectively.

C. In case of following entities, though the bank holds more than 20% of voting power, they are not treated as investment in associate under AS 23 "Accounting for Investment in Associates in Consolidated Financial Statements", as they are classified as JFI and accordingly book value of investment is taken at Rs.1/- each.

Sr. No.	Name of the Associate	(% Holding)		Description	Investment	
		31-Mar-24	31-Mar-23		31-Mar-24	31-Mar-23
1	Bihar Industrial and Technical Consultancy Organization	49.25	49.25	Technical Consultancy Organisation	1	1

3. There are no significant transactions with Associates during the current year and previous year.

4. As against depreciation policy of SGBI whereby assets are depreciated on SUM/WDV at pre-determined rates, the subsidiaries and associates compute depreciation on SUM/WDV basis as per Schedule II of the Companies Act, 2013. Thus, out of the total depreciation of ₹51,89,71,613/- (Previous Year ₹28,87,88,148/-) included in Consolidated Financial Statements, ₹63,85,989/- being 1.13% (Previous Year ₹43,79,854/- being 1.64%) of the amount is disallowed based on Depreciation provided as per the Companies Act, 2013.

5. Employee Benefits

(i) SGBI  
In accordance with the Accounting Standard on "Employee Benefits" (AS 15) (Revised 2005) issued by the Institute of Chartered Accountants of India, the Bank has classified the various benefits provided to the employees as under:

(a) Defined contribution plan  
The Bank has recognised the following amounts in Profit & Loss Account:

Particulars	₹ Crore	
	31-Mar-24	31-Mar-23
Employee's contribution to Provident fund	12,15,49,983	9,18,53,963
Employee's contribution to New Pension Scheme	12,81,87,062	8,95,82,393

(b) The Bank is having defined benefit Pension Plans and Gratuity Schemes which are managed by the Trust.

1. Assumptions	₹ Crore		
	FY 2024	FY 2023	FY 2022
Discount Rate	7.20%	7.50%	7.40%
Rate of Return on Plan Assets	7.20%	7.50%	7.40%
Salary Escalation	5.50%	5.50%	5.50%
Mortality rate	2.00%	2.00%	2.00%



*[Handwritten signature]*



	FY 2024		FY 2023		FY 2024		FY 2023	
	Provision	Gratuity	Provision	Gratuity	Provision	Gratuity	Provision	Gratuity
<b>2. Table showing change in Benefits Obligation</b>								
Liability at the beginning of the year	675.80	107.40	576.93	107.40	108.95			
Interest Cost	25.92	7.57	24.65	7.57	7.99			
Current Service Cost	34.45	5.98	13.48	5.98	5.52			
Past Service Cost (Non Vested Benefits)	0.00	0.00	0.00	0.00	0.00			
Past Service Cost (Vested Benefits)	0.00	0.00	0.00	0.00	0.00			
Liability Transferred in	0.00	0.00	0.00	0.00	0.00			
(Liability Transferred out)	0.00	0.00	0.00	0.00	0.00			
(Benefit Paid)	0.00	(13.97)	0.00	(13.97)	(12.44)			
Actuarial gain/ / loss on obligations	47.53	4.90	64.74	4.90	(2.12)			
Liability at the end of the year	767.70	112.89	679.80	112.89	107.40			
<b>3. Tables of Fair value of Plan Assets</b>								
Fair Value of Plan Assets at the beginning of the year	635.76	102.30	589.61	102.30	305.92			
Expected Return on Plan Assets	47.68	7.41	42.75	7.41	7.08			
Contributions	0.00	0.00	0.00	0.00	0.04			
Transfer from other company	0.00	0.00	0.00	0.00	0.00			
(Transfer to other company)	0.00	0.00	0.00	0.00	0.00			
(Benefit Paid)	0.00	(13.97)	0.00	(13.97)	(12.44)			
Actuarial gain / (loss) on Plan Assets	(1.27)	0.36	3.40	0.36	1.70			
Fair Value of Plan Assets at the end of the year	682.17	95.39	635.76	95.39	100.30			
<b>4. Table of Recognition of Actuarial Gains/ Losses</b>								
Actuarial (Gains)/ Losses on obligation for the period	47.53	4.90	64.74	4.90	(2.12)			
Actuarial (Gains)/ Losses as asset for the period	1.27	0.36	(3.40)	0.36	(1.70)			
Actuarial (Gains)/ Losses recognized in Income & Expense Statement	48.80	5.26	61.34	5.26	(3.82)			
<b>5. Actual Return on Plan Assets</b>								
Expected Return on Plan Assets	47.68	7.41	42.75	7.41	7.08			
Actual Gain / (Loss) on Plan Assets	(1.27)	(0.36)	3.40	(0.36)	1.70			
Actual Return on Plan Assets	46.41	7.05	46.15	7.05	8.78			
<b>6. Amount Recognized in the Balance Sheet</b>								
Liability at the end of the year	(767.70)	(112.89)	(679.80)	(112.89)	(107.40)			
Fair Value of Plan Assets at the end of the year	682.17	95.39	635.76	95.39	102.30			
Difference	(85.53)	(16.49)	(144.04)	(16.49)	(5.10)			
Unrecognized Past Service Cost at the end of the year	0.00	0.00	0.00	0.00	0.00			
Unrecognized Transitional Liability at the end of the year	0.00	0.00	0.00	0.00	0.00			
Net Amount recognized in the Balance Sheet	(85.53)	(16.49)	(144.04)	(16.49)	(5.10)			
<b>7. Expenses Recognized in the Income Statement</b>								
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
Current Service Cost	34.45	13.48	34.45	13.48	5.98	5.92		
Interest Cost	25.92	24.65	25.92	24.65	7.57	7.09		
Expected Return on Plan Assets	(47.68)	(42.75)	(47.68)	(42.75)	(7.41)	(7.08)		
Past Service Cost (Non Vested Benefits) recognized during the year	0.00	0.00	0.00	0.00	0.00	0.00		
Past Service Cost (Vested Benefits) recognized during the year	0.00	0.00	0.00	0.00	0.00	0.00		
Recognition of Transitional Liability during the year	0.00	0.00	0.00	0.00	0.00	0.00		
Actuarial (Gain) / Loss	48.80	61.34	48.80	61.34	5.26	(3.82)		
Expense Recognized in Profit & Loss account	41.59	56.72	41.59	56.72	11.40	2.11		

B. Balance Sheet Reconciliation		FY 2024		FY 2023		FY 2024		FY 2023	
Opening Net Liability		44.84	(12.68)		5.10		3.63		
Expense as above		41.50	56.72		11.49		2.11		
Employers Contribution		-	0.00		(0.01)		(0.04)		
Amount recognized in the Balance Sheet		85.54	44.84		15.49		5.50		

3. Other Details  
Salary escalation is considered in line with the industry practice considering promotion, demand and supply of the employees.

10. Category of Assets	FY 2024		FY 2023		FY 2024		FY 2023	
	Pension	Gratuity	Pension	Gratuity	Pension	Gratuity	Pension	Gratuity
Government of India Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Corporate Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Special Deposits Scheme	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equity Shares of Listed Companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Property	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Insurer Managed Funds	662.17	635.76	635.76	182.30	662.17	95.39	182.30	662.17
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	662.17	635.76	635.76	182.30	662.17	95.39	182.30	662.17

11. Experience Adjustment- Particular	FY 2024		FY 2023		FY 2024		FY 2023	
	Pension	Gratuity	Pension	Gratuity	Pension	Gratuity	Pension	Gratuity
On Plan Liability (Gain)/Loss	17.32	85.05	15.71	(3.14)	16.67	46.87	3.44	0.65
On Plan Asset (Loss)/Gain	1.27	3.40	53.76	(3.15)	25.17	(0.22)	1.70	(0.13)

(c) The following are the amount charged to Profit & Loss Account relating to other long term benefits plan based on the actuarial valuation provided by independent actuary.

Sr. No	Particulars	As on March 31, 2024	As on March 31, 2023
1	Ordinary Leave Encashment	31.62	40.57
2	Sick Leave	0.09	1.86
3	Retirement Expenses	0.75	0.48
4	Post Retirement Medical Scheme Facilities	9.12	0.79

(d) SVCL

During the period, the Company has contributed a sum of ₹5,17,640/- (previous year - ₹3,47,753/-) to the SVCL Venture Capital Limited Employees' Group Gratuity Assurance Scheme (Trust) for its employees comprising ₹52/- (previous year - ₹2,26,660/-) for old employees and ₹4,87,508/- (previous year - ₹1,21,093/-) for new employees.

Details	Pre-Employment Benefits		Post-Employment Benefits	
	FY 2024	FY 2023	FY 2024	FY 2023
Nature of benefits				
Assets & liabilities recognized in balance sheet				
Present value of unfunded defined benefit obligations				
Present value of funded or partly funded defined benefit obligations				
Fair value of plan assets				
Part service cost not recognized in balance sheet				
Fair value of any reimbursement rights recognized as asset				
Other amounts, if any, recognized in balance sheet				



*[Handwritten signatures and initials]*



Amounts included in fair value of plan assets:	
Own financial instruments	Nil
Property or other assets held	Nil
Insurer managed funds	₹ 71,60,191
Investment in net liability:	
Opening net liability	(₹ 53,67,474)
Expenses	₹ 1,36,063
Contribution	(₹ 47,37,474)
Closing net liability	(₹ 35,85,383)
Expenses recognised in statement of profit & loss	
Current service cost	₹ 1,45,245
Interest cost	₹ 5,09,410
Expected return on plan assets	₹ 5,37,014
Expected return on reimbursement rights	N/A
Actuarial gains / losses	₹ 4,84,351
Total expenses recognised in statement of profit & loss	₹ 1,36,063
Fast service cost	Nil
Effect of curtailment / settlement	Nil
Effect of limit in para 59(b)	N/A
Actual return of plan assets (net of reimbursement rights recognised as asset)	657640
Actuarial Assumptions	
Discount rates	7.50%
Expected rate of returns on plan assets	7.50%
Expected rate of returns on reimbursement rights	Nil
Expected rate of salary increase	5.00%
Statistical cost trends	N/A
Mortality	Indian Assured Lives Mortality (2012-14) (Forfeited)
Disability	Nil
Attrition	3.00%
Retirement age	50 Years

(a) MCDRA

(a) For the employees who are in deputation from Small Industrial Development Bank of India (SIDBI), Gratuity, Leave Encashment and Arrears of Salary are taken care by the employer, who have deposited the employees to this company. Further, MCDRA has provided an amount of ₹29.97 lakh (March 2023: ₹30.32 lakh) to FSL A/c during the current FY. The same would be paid to SIDBI, when such costs are demanded by SIDBI. With respect to contract employees there is no post employment benefits which are applicable.

(b) Therefore no disclosures are required under 'Revised AS 15- Employees Benefit' issued under Companies Accounting Standard Rules, 2006

6 Earning Per Share (EPS)\*:

	March 31, 2024 (₹)	March 31, 2023 (₹)
Net Profit considered for EPS calculation	48,22,33,97,705	59,31,47,72,878
Weighted Average Number of Equity Shares of face value ₹10 each	56,85,41,165	56,95,41,165
Earning per share	84.82	104.13

\*Basic & Diluted EPS are same as there are no dilutive potential Equity Shares.

7. As per the Accounting Standard 22, Accounting for Taxes on Income, the Bank has reviewed Deferred Tax Assets / Liabilities and recognised an amount of ₹5,54,52,09,931/- as Deferred Tax Liability (Previous year - Deferred Tax Asset was ₹1,72,73,59,844/-) in the Profit & Loss Account for the year ended March 31, 2024.  
The Break up of Deferred Tax Asset/ Liability) as on March 31, 2024 is as under:

Sr. No.	Timing Difference	FY 2023-24 (₹)		FY 2022-23 (₹)	
		Deferred Tax Asset/(Liability)	Deferred Tax Asset/(Liability)	Deferred Tax Asset/(Liability)	Deferred Tax Asset/(Liability)
1	Provision for Depreciation on fixed assets	9,96,08,673	2,98,66,556		
2	Secular Reserve-GS 360 (Vidil of the Income Tax Act 1961)	(4,47,85,79,412)	(4,07,64,80,364)		
3	Provision for non performing assets	25,11,98,222	11,79,13,878		
4	Provision for Restructuring of Accounts	107	60,705		
5	Provision for Non Performing Investment	81,27,67,668	83,40,85,746		
6	Provision for Standard Assets	9,34,03,67,925	4,64,33,82,523		
7	Others	1,85,24,58,516	58,56,97,558		
	Net deferred tax Asset/(Liability)	7,67,68,39,942	2,33,36,10,013		
	Estimated amount of contracts remaining to be executed on Capital Account net provided for (net of advance paid)		73,41,097		

8. Disclosure relating to Resolution Plans implemented during the year in terms of RBI Circular DOR No.BP BC 45/21.04.048/2018-19 dated June 7, 2019:  
RPs Successfully implemented during the year ended March 31, 2024

No. of cases	Balance Outstanding*
Nil	Nil

9. Details of Securities acquired due to conversion of debt to equity during a restructuring process:

Particulars	No of Shares/Units		Face Value per share/Unit (in ₹)		Book Value (in ₹)	
	Nil	Nil	Nil	Nil	Nil	Nil
Nil						

10. Details of resolution plans implemented under the RBI Resolution Framework for COVID-19 related stress as per RBI circular dated 08 August, 2020 (Resolution Framework 1.0) and 05th May 2021 (Resolution Framework 2.0) as at March 31, 2024 are given below:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	Of (A), aggregate debt not slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year \$	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal Loans					
Corporate borrowers	24.66			15.54	9.12
Of which MSMEs	24.66			15.54	9.12
Others					
Total	24.66			15.54	9.12

\$ Represents net movement in balance outstanding.

11. The number of borrower accounts where Resolution Plan is implemented in terms of RBI circular no. DOR-STR REC.11/01.04.048/2021-22 dated May 5, 2021 on Resolution Framework - 2.0; Resolution of COVID-19 related stress of Individually and Small Businesses is nil. Further no modifications were sanctioned and implemented in respect of accounts which were implemented under Resolution Framework 1.0

12. Contingent Liabilities referred to in Schedule XI

Contingent liabilities include Claims against the Bank not acknowledged as debt of ₹ 9,83,43,47,386 (Previous Year ₹9,64,95,12,907). These represents claims filed against the Bank in the normal course of business pending to various cases currently in progress and demands raised by income tax and other statutory authorities. These is being discussed by the Bank and based on expert's opinion, the provision is not considered necessary.

13. In the opinion of the Management, there is no material impairment of the fixed assets of the Bank in terms of Accounting Standard 28- Impairment of Assets





12: Disclosures under Accounting Standard 29 for provisions in contingencies. The salary & allowances of the employees of the Bank are reviewed every five years. Such review is due from November 01, 2022.

Particulars	FY 2024		FY 2023	
	Wage Arrears / Incassive ₹	Wage Arrears / Incassive ₹	Wage Arrears / Incassive ₹	Wage Arrears / Incassive ₹
Opening Balance	23,64,78,635	23,64,78,635	1,38,13,00,000	1,38,13,00,000
Arrears:				
Arrears	1,17,22,27,552	1,17,22,27,552	65,88,31,794	65,88,31,794
Provision				
Provision	1,71,67,511	1,71,67,511	1,81,17,53,668	1,81,17,53,668
Write back				
Closing Balance	1,39,15,33,678	1,39,15,33,678	23,64,78,635	23,64,78,635

13: Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances for MSME Borrowers registered under Goods and Services Tax (GST):  
 As per RBI circular dated February 11, 2020 restructuring of advances was done for Micro, Small and Medium Enterprises (MSME) Borrowers registered under Goods and Services Tax (GST). The RBI, vide its Circular dated August 06, 2020 on 'Micro, Small and Medium Enterprises (MSME) Sector - Restructuring of Advances' extended the above scheme to support the viable MSME entities on account of the fallout of COVID-19. Further RBI vide circular RBI/2021-22/32 DOR.STB.REC.13/21.04.048/2021-22 dated May 5, 2021 has advised Resolution Framework 2.0 - Revival of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs). The MSME accounts restructured under these guidelines are as under:

No. of accounts restructured	Amount (₹ in Crore)
915	554.34

14: During the year ended March 31, 2024, the Bank has made an additional provision on standard advances of rates higher than minimum stipulated under IRAC norms, as per Board approved Accelerated Provisioning Policy. Accordingly, the Bank holds additional provision on standard advances (including restructured accounts) of ₹1,538.90 crore at March 31, 2024.

15: Details of loans transferred / acquired during the Year ended March 31, 2024 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

Particulars	2023-24	2022-23
Aggregate amount of loans acquired (₹ in crore)	49.94	—
Weighted average residual maturity (in months)	106.64	—
Weighted average holding period by the originator (in months)	13.31	—
Subsidiary of beneficial economic interest by the originator	20%	—
Tangible security coverage	266.45%	—
rating-wise distribution of rated loans	—	—

i. Details of non-performing assets (NPAs) transferred

Particulars	₹ in crore		
	To ARCs	To portfolio transfers	To other transferees
No. of accounts	2	—	—
Aggregate principal subsuming of loans transferred	939	—	—
Weighted average residual tenor of the loans transferred	NA	—	—
Net book value of loans transferred (at the time of transfer)	—	—	—
Aggregate consideration	435	—	—
Additional consideration received in respect of accounts transferred in earlier years	—	—	—

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- During the year ended March 31, 2024, investment made in Security Receipts (SRs) was ₹56.77 crore. The Security Receipts are provided for and hence the net book value is nil. Excess provisions reversed to the profit and loss account on account of sale of stressed loans was nil.
  - iii. The bank has not transferred any loan not to default./ Special Mention Accounts (SMA).
  - iv. The Bank has not acquired any stressed loan.
16. In accordance with RBI Master Direction RBI/DOB/2021-22/085 DOB.STR.BEC.53/21.04.17/0021-22 dated September 24, 2021 - (Securitisation of Standard Assets) Directions, 2021, the outstanding amount of securitized assets as per books of the SFEs and total amount of exposures retained by the originator as on the date of balance sheet to comply with the MRR & NII for year ended March 31, 2024.
  17. Additional statutory information disclosed in separate financial statements of the parent and the subsidiaries have no bearing on the true and fair view of the Consolidated Financial Statements and also the information pertaining to the items which are not material have not been disclosed in the Consolidated Financial Statements in view of the general clarification issued by the Institute of Chartered Accountants of India (ICAI).
  18. Implementation of Ind-AS :  
As per RBI letter dated May 15, 2019 issued to the Bank, implementation of Ind-AS for AIFs has been deferred till further notice. Accordingly, financial statements of the Bank are continued to be prepared under GAAP.
  19. In accordance with RBI Circular no. RBI/2023-24/50 DOB.STR.BEC.58/21.04.04/0023-24 dated December 19, 2023- Investments in Alternative Investment Funds (AIFs) and subsequent clarification vide circular no. RBI/2023-24/40 DOB.STR.BEC.85/21.04.04/0023-24 dated March 27, 2024, the Bank has made Provision of Rs 110.64 Cr. for the Quarter and Year ended March 31, 2024.
  20. Schedule "20A-Operating Expenses" includes the contribution of ₹500 crore made to CGTMSE by the Bank.
  21. Regulation 14 of Small Industries Development, Bank of India (Conduct) Regulations, 2000 prescribes separate format for presentation of accounts under Small Industries Development Assistance Fund (SIDAF) and General Fund. As no separate SIDAF has been notified by the Central Government, the same is not being maintained by SDBI.
  22. Previous year's figures have been re-grouped and re-classified wherever necessary to make them comparable with the current year's figures.



  
 R. L. K. &



Small Industries Development Bank of India  
Additional consolidated disclosures as per RBI guidelines

(₹ Crores)

Capital adequacy (As per Basel I)		Particulars		FY 2023-24		FY 2022-23	
Sr. No.							
i)	Common Equity		Not Applicable		Not Applicable		Not Applicable
ii)	Additional Tier 1 capital*		Not Applicable		Not Applicable		Not Applicable
(iii)	Total Tier 1 capital		31,260.02		26,958.57		
(iv)	Tier 2 capital		2,192.44		1,585.69		
(v)	Total Capital (Tier 1+Tier 2)		33,452.46		28,544.26		
(vi)	Total Risk Weighted Assets (RWAs)		187,300.47		1,35,214.71		
(vii)	Common Equity Ratio (Common Equity as a percentage of RWAs)*		Not Applicable		Not Applicable		
(viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)		16.86%		19.94%		
(ix)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)		17.86%		21.11%		
(x)	Percentage of the shareholding of the Government of India		20.85		20.85		
(xi)	Amount of equity capital raised		-		-		
(xii)	Amount of Additional Tier 1 capital raised, of which		-		-		
	a.) Perpetual Non-Cumulative Preference Shares (RNCPs):		-		-		
	b.) Perpetual Debt Instruments (FDI)		-		-		
(xiii)	Amount of Tier 2 capital raised, of which		-		-		
	a.) Debt capital instruments:		-		-		
	b.) Perpetual Cumulative Preference Shares (PCPS)		-		-		
	c.) Redeemable Non-Cumulative Preference Shares (RNCPs)		-		-		
	d.) Redeemable Cumulative Preference Shares (RCPS)		-		-		

\* The figures are not being calculated at present, since BASEL-III is not applicable.

2. Free Reserves and Provisions

(₹ Crores)

Provision on Standard Assets		Particulars		FY 2023-24		FY 2022-23	
(a)	Provisions towards Standard Assets (cumulative)		3,711.20		1,844.17		

(₹ Crores)

Floating Provisions		Particulars		FY 2023-24		FY 2022-23	
(b)	Operating balance in the floating provisions account		455.67		455.67		
	The quantum of floating provisions made in the accounting year		0.00		0.00		
	Amount of draw down made during the accounting year *		0.00		0.00		
	Closing balance in the floating provisions account		455.67		455.67		

\* Amount utilised for making NPA provision in terms of RBI circular dated May 05, 2021 and as per Bank's Board approved policy on floating provision.



3.

## Asset Quality and specific provisions

## (a) Non-Performing Advances

Particulars	FY 2023-24	FY 2022-23	(₹ Crore)
(i) Net NPAs to Net Advances (%)	0.00%	0.00%	0.00%
(ii) Movement of NPAs (Gross)			
(a) Opening balance	55.05	299.60	299.60
(b) Additions during the year	129.38	93.38	93.38
(c) Reductions during the year	62.93	337.94	337.94
(d) Closing balance	121.50	55.05	55.05
(iii) Movement of Net NPAs *			
(a) Opening balance	8.56	132.10	132.10
(b) Additions during the year	(1.29)	(82.66)	(82.66)
(c) Reductions during the year	7.26	40.88	40.88
(d) Closing balance	0.90	8.56	8.56
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)			
(a) Opening balance	48.49	167.50	167.50
(b) Provisions made during the year	130.66	176.65	176.65
(c) Write off / write back of excess provisions	55.65	297.05	297.05
(d) Closing balance	121.50	48.48	48.48

\*This Net NPA will be Nil for the previous year, if the amount of floating provision is adjusted against the same.

## (b) Non-Performing Investments

Particulars	FY 2023-24	FY 2022-23	(₹ Crore)
(i) Net NPIs to Net Investments (%)	0.00%	0.00%	0.00%
(ii) Movement of NPIs (Gross)			
(a) Opening balance	331.38	350.16	350.16
(b) Additions during the year	350.31	-	-
(c) Reductions during the year	0.60	18.78	18.78
(d) Closing balance	680.89	331.38	331.38
(iii) Movement of Net NPIs			
(a) Opening balance	0.00	0.00	0.00
(b) Additions during the year	0.00	0.00	0.00
(c) Reductions during the year	0.00	0.00	0.00
(d) Closing balance	0.00	0.00	0.00
(iv) Movement of provisions for NPIs (excluding provisions on standard assets)			
(a) Opening balance	331.38	350.16	350.16
(b) Provisions made during the year	350.31	0.00	0.00
(c) Write off / write back of excess provisions	0.60	18.78	18.78
(d) Closing balance	680.89	331.38	331.38

\*Includes Optionally Convertible Debentures of ₹297.76 crore, Security Receipt of ₹52.44 crore (initial investment of ₹56.77 crore) and Equity Share of ₹0.01 crore acquired by way of conversion of debt, in line with extant RBI guidelines.



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(c) Non-Performing Assets (a+b)

Particulars	FY 2023-24	FY 2022-23
(i) Net NPAs to Net Assets (Advanced + investments) (%)	0.00%	0.00%
(ii) Movement of NPAs (Gross Advances + Gross investments)		
(a) Opening balance	386.43	649.76
(b) Additions during the year	479.69	93.39
(c) Reductions during the year	63.73	356.72
(d) Closing balance	802.38	386.43
(iii) Movement of Net NPAs		
(a) Opening balance	8.56	132.10
(b) Additions during the year	(1.29)	(82.66)
(c) Reductions during the year	7.27	40.88
(d) Closing balance	0.00	8.56
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	377.87	517.66
(b) Provisions made during the year	480.98	176.05
(c) Write of / write back of excess provisions	56.46	315.84
(d) Closing balance	802.38	377.87

(e) Movement of Non-performing assets

Particulars	FY 2023-24	FY 2022-23
Gross NPAs as on opening date of accounting period (Opening Balance)	55.05	298.60
Additions (Fresh NPAs) during the year	129.38	93.39
Sub total (A)	184.43	392.99
Less :-		
(i) Upgradations	6.72	35.01
(ii) Recoveries (excluding recoveries made from upgraded accounts)	1.86	32.79
(iii) Technical / Prudential Write offs	54.35	211.42
(iv) Write offs other than those under (iii) above	-	58.72
Sub-total (B)	62.93	337.94
Gross NPAs as on 31st March of following year (Closing Balance) (A-B)	121.50	55.05



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3 (d) Accounts Restructured

Sl	Type of Restructuring -- Asset Classification -- Details	Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total
		Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	
1	Restructured Accounts as No. of Borrowers on April 1 of the FY (opening figures)*	0	0	-	-	8.00	27.09	0.00	0.00	8.00	27.09	0.00	0.00	8.00
2	Fresh restructuring during the year	-	-	-	-	8.00	0.00	0.00	0.00	8.00	0.00	0.00	0.00	8.00
3	Upgradations to standard restructured category during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract highest provisioning	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures)*	-	-	-	-	16.00	27.09	0.00	0.00	16.00	27.09	0.00	0.00	16.00
						(1.00)	(5.00)	(7.00)	(7.00)	(1.00)	(5.00)	(7.00)	(7.00)	(1.00)
						(3.37)	(7.13)	(0.01)	(0.01)	(3.37)	(7.13)	(0.01)	(0.01)	(3.37)
						(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
						2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
						14.99	14.99	14.99	14.99	14.99	14.99	14.99	14.99	14.99
						(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
						4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
						31.59	31.59	31.59	31.59	31.59	31.59	31.59	31.59	31.59
						(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
						24.55	24.55	24.55	24.55	24.55	24.55	24.55	24.55	24.55

\* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).  
Note: Figures at Sr. No.6 includes increase in outstanding / recovery / net of reduction / recovery of 3.25 crore in respect of existing restructured accounts.



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**(f) Write-offs and recoveries**

Particulars	FY 2023-24	FY 2022-23
Opening balance of Technical / Prudential written off accounts as at April 1	2,768.23	3,389.19
Add : Technical / Prudential write offs during the year	54.35	262.75
<b>Sub total (A)</b>	<b>2,822.58</b>	<b>3,651.94</b>
Less : Actual write off	966.48	594.90
Less : Recoveries made from previously technical / prudential written off accounts during the year	228.13	288.81
<b>Sub total (B)</b>	<b>1,194.61</b>	<b>883.71</b>
Closing balance as at March 31 (A-B)	<b>1,627.97</b>	<b>2,768.23</b>

\*Includes Optionally Convertible Debentures of ₹297.76 crore, Security Receipt of ₹52.44 crore/initial investment of ₹56.77 crore) and Equity Share of ₹0.01 crore acquired by way of conversion of debt in line with extent RBI guidelines.

**(g) Overseas Assets, NPAs and Revenue**

Particulars	FY 2023-24	FY 2022-23
Total Assets	Nil	Nil
Total NPAs	Nil	Nil
Total Revenue	Nil	Nil

**(h) Depreciation and provisions on investments**

Particulars	FY 2023-24	FY 2022-23
(1) Investments		
(i) Gross Investments	37,145.88	27,775.69
(a) In India	37,145.88	27,775.69
(b) Outside India		
(ii) Provisions for Depreciation	708.64	362.25
(a) In India	708.64	362.25
(b) Outside India		
(iii) Net Investments	36,437.24	27,413.44
(a) In India	36,437.24	27,413.44
(b) Outside India		
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	30.87	6.33
(ii) Add: Provisions made during the year	0.23	26.05
(iii) Appropriation, if any, from Investment Fluctuation Reserve Account during the year	-	-
(iv) Less: Write off / write back of excess provisions during the year*	3.35	1.51
(v) Less: Transfer, if any, to Investment Fluctuation Reserve Account	-	-
(vi) Closing balance	<b>27.75</b>	<b>30.87</b>

\*The Bank has appropriated ₹2.54 crore (net of applicable taxes) to Investment Fluctuation Reserve Account in FY 2024.



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(j) Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	FY 2023-24	FY 2022-23
Provisions for depreciation/WPI on Investment	(8.15)	5.76
Provision towards NPA	129.21	149.53
Provision made towards income tax (including Deferred Tax Assets/Liability)	1542.20	1251.54
Other Provision and Contingencies (with details)\$	1966.62	689.49

\$ net of restructuring provision  
\$ includes provision for standard asset.

(j) Provisioning Coverage Ratio (PCR)

Provisioning Coverage Ratio (PCR)*	FY 2023-24	FY 2022-23
	100.00%	99.70%

\* Floating provision has not been considered while calculating PCR.

(k) Provisioning pertaining to Fraud Accounts

	FY 2023-24	FY 2022-23
No. of frauds reported during the year	2	9
Amount involved in fraud (₹ in crore)	17.33	36.87
Amount involved in fraud net of recoveries/write off/unrealised interest as at the end of the year (₹ in crore)	16.79	31.06
Provision made during the year (₹ in crore)	0.00	1.13
Provision held as at the end of the year for the above accounts (₹ in crore)	16.79	31.06
Amount of unamortised provision debited from 'other reserves' as at the end of the year (₹ in crore)	-	-

4. Investment portfolio: constitution and operations

(a) Repo Transactions

	Minimum outstanding during the year FY 2024	Maximum outstanding during the year FY 2024	Daily Average outstanding during the year FY 2024	Outstanding as on March 31, 2024
Securities sold under repo				
i. Government securities	-	23,510.00	7,494.65	18,965.00
ii. Corporate debt securities	-	-	-	-
Securities purchased under reverse repo				
i. Government securities	-	22,746.00	961.13	500.00
ii. Corporate debt securities	-	-	-	-



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	(₹ Crore)			
	Minimum outstanding during the year FY 2023	Maximum outstanding during the year FY 2023	Daily Average outstanding during the year FY 2023	Outstanding as on March 31, 2023
Securities sold under repo				
i. Government securities	-	13,673.20	2,720.28	10,543.96
ii. Corporate debt securities	-	-	-	-
Securities purchased under reverse repo				
i. Government securities	-	14,994.39	1,632.35	1,998.89
ii. Corporate debt securities	-	-	-	-

**(b) Disclosure of Issuer Composition for Investment in Debt Securities**

Issuer	Amount	Amount of			
		Investment made through private placement	Below Investment Grade Securities Held	Unrated securities held	Unlisted securities
(1)	(2)	(3)	(4)	(5)	(6)
PSUs	49.56	0.00	-	-	-
FIs	2861.89	2861.89	-	189.84	189.84
Banks	3833.19	3833.19	-	103.50	103.50
Private Corporates	821.30	754.61	-	754.61	746.57
Subsidiaries/Joint ventures	0.00	1,751.05	-	1,751.05	1,751.05
Others	963.52	963.52	-	963.52	963.52
Provision held towards depreciation	(708.39)	-	-	-	-
<b>Total</b>	<b>7821.07</b>	<b>10164.26</b>	<b>0.00</b>	<b>3762.52</b>	<b>3754.47</b>

**(c) Sale & transfers of securities to/from HTM category:**

During the FY2024, the Bank shifted investments in Venture Capital Funds from HTM to AFS category in accordance with extant RBI guidelines. Except for the above, there was no shifting on investments to/from HTM category.

**5. Details of Financial Assets purchased/ sold**

**(a) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction**

**(i) Details of Sales**

Particulars	FY 2023-24	FY 2022-23
(i) No. of accounts (borrower)	2	Nil
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	-	Nil
(iii) Aggregate consideration (₹ crore)	455.30	Nil
(iv) Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v) Aggregate gain / loss over net book value	Nil	Nil

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(ii) Details of Book Value of Investments in Security Receipts

Particulars	Book value of investments in security receipts (₹ Crore)	
	FY 2023-24	FY 2022-23
(i) Backed by NPAs sold by the AFI as underlying	52.71	0.27
(ii) Backed by MPAs sold by banks / other financial institutions / non-banking financial companies as underlying	0.00	0.00
<b>Total</b>	<b>52.71</b>	<b>0.27</b>

(b) Details of Non Performing Financial Assets Purchased / Sold

(i) Details of non performing financial assets purchased:

Particulars	(₹ Crore)	
	FY 2023-24	FY 2022-23
1. (a) No. of accounts purchased during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil
2. (a) Of these, number of accounts restructured during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil

(ii) Details of non performing financial assets sold:

Particulars	(₹ Crore)	
	FY 2023-24	FY 2022-23
No. of accounts sold	2	Nil
Aggregate outstanding (₹ crore)	939.14	Nil
Aggregate consideration received (₹ crore)	455.30	Nil

6. Operating Results

Particulars	FY 2023-24	FY 2022-23
(i) Interest income as a percentage to average working funds	6.74	5.30
(ii) Non-interest income as a percentage to average working funds	0.14	0.14
(iii) Operating profit as a percentage to average working funds (before provisions)	1.55	1.53
(iv) Return on average assets (before provisions for taxation)	1.14	1.40
(v) Net Profit per employee (₹ crore)	3.72	3.66



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7.

## Credit Concentration risk

(a) Capital market exposure	(₹ Crore)	
Particulars	FY 2023-24	FY 2022-23
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	568.52	320.03
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances.	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	-	-
(vii) bridge loans to companies against expected equity flows / issues.	-	-
(viii) underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.	-	-
(ix) financing to stockbrokers for margin trading.	-	-
(x) all exposures to Venture Capital Funds (both registered and unregistered)	1071.44	1,173.61
<b>Total Exposure to Capital Market</b>	<b>1,667.76</b>	<b>1,493.63</b>



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(b) Exposure to Country risk

Risk Category	FY 2023-24		FY 2022-23	
	Net Funded Exposure	Provision held	Net Funded Exposure	Provision held
Insignificant	17,782.87	43.80	10,902.69	26.40
Low	1,049.54	-	1,018.09	-
Moderate	30.90	-	15.90	-
High	5.96	-	5.64	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
<b>Total</b>	<b>18,869.37</b>	<b>43.80</b>	<b>11,942.32</b>	<b>26.40</b>

(c) Prudential Exposure Limits - Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded.

(i) The number and amount of exposures in excess of the prudential exposure limits during the year.

Sl. No.	PAN Number	Borrower Name	Industry Code	Industry Name	Sector	Amount Funded	Amount Non-Funded	Exposure as % to capital Funds
1	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

ii) Credit exposure as percentage to capital funds and as percentage to total assets, in respect of :

Sr. No.	Particulars	FY 2023-24		FY 2022-23	
		As % to Total Assets	As % to Capital funds	As % to Total Assets	As % to Capital funds
1	The largest single borrower	13.80	231.18	13.63	209.72
	The largest borrower group	As large borrowers are Primary lending institutions, the concept of borrower group is not applicable.			
2	The 20 largest single borrowers	63.99	1071.75	67.94	1045.64
	The 20 largest borrower group	As large borrowers are Primary lending Institutions the concept of borrower group is not applicable.			

iii) Credit exposure to the five largest industrial sectors as percentage to total loan assets :

Name of Industry	FY 2023-24		FY 2022-23	
	Amount Outstanding	% to total loan assets	Amount Outstanding	% to total loan assets
TEXTILE PRODUCTS	4,179.00	0.92	1,373.15	0.36
AUTO ANCILLARIES	3,490.00	0.77	1,303.56	0.34
METAL PRODUCTS N.E.C.	2,446.00	0.54	1,298.56	0.34
PLASTIC MOULDED GOODS	2,155.00	0.47	707.12	0.19
METAL PRODUCTS PARTS EXCEPT MACHINERY	1,649.00	0.36	648.03	0.17



- (iv) Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is 'Nil'.  
 (v) The bank had taken factoring exposure amounting ₹1424.89 crore in FY 2024 and ₹545.12 crore in FY 2023 under TReDS.  
 (vi) The bank had not exceeded the Prudential Exposure Limits during the current year and previous year.

(d) Concentration of borrowings /lines of credit, credit exposures and NPAs

(i) Concentration of borrowings and lines of credit

Particulars	FY 2023-24	FY 2022-23
Total borrowings from twenty largest lenders	4,03,811.75	3,16,623.42
Percentage of borrowings from twenty largest lenders to total borrowings	79.81%	79.04%

(ii) Concentration of Exposures

Particulars	FY 2023-24	FY 2022-23
Total advances to twenty largest borrowers	3,56,526.52	2,98,449.36
Percentage of advances to twenty largest borrowers to Total Advances	73.93%	74.56%
Total Exposure to twenty largest borrowers / customers	3,89,132.18	3,33,833.93
Percentage of exposures to twenty largest borrowers / customers to Total Exposure	69.91%	73.38%

(iii) Sector-wise concentration of exposures and NPAs

Sr. No.	Sector	FY 2023-24		FY 2022-23		Percentage of Gross NPAs to Total Advances in that sector
		Outstanding Total Advances	Gross NPAs	Outstanding Total Advances	Gross NPAs	
I.	Industrial sector	4,16,079.36	81.21	3,35,409.61	14.74	0.00%
1	Central Government	-	-	-	-	-
2	Central PSUs	-	-	-	-	-
3	State Governments	2,111.20	-	1,541.63	-	-
4	State PSUs	-	-	-	-	0.00
5	Scheduled Commercial Banks	3,85,286.86	-	3,14,619.21	-	0.00
6	Regional Rural Banks	1,709.51	-	832.72	-	-
7	Co-operative banks	64.72	-	-	-	-
8	Private sector (excluding banks)	26,907.07	81.21	18,416.05	14.74	0.08%
II.	Micro-finance sector	11,026.51	40.29	6,575.89	40.31	0.61%
III.	Others*	57,925.00	-	36,056.54	-	0.00%
	Total (I+II+III)	4,95,032.87	121.50	3,78,042.04	55.05	0.01%

\* includes advances to NBFCs.



8. Derivatives

(a) Forward Rate Agreement / Interest Rate Swap

(R Crores)

Sr. No	Particulars	FY 2023-24	FY 2022-23
i)	The notional principal of swap agreements	Nil	123.72
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Nil	-1.91
iii)	Collateral required by the bank upon entering into swaps	Nil	Nil
iv)	Concentration of credit risk arising from the swaps	Nil	Nil
v)	The fair value of the swap book.	Nil	-1.91

The nature and terms of the IRS as on March 31, 2024 are set out below:

Sl. no.	Nature	Nos.	Notional Principal	Benchmark	Terms
1	/hedging	Nil	Nil	Nil	Nil

The nature and terms of the IRS as on March 31, 2023 are set out below:

Sl. no.	Nature	Nos.	Notional Principal	Benchmark	Terms
1	Hedging	1	INR 123,72,020.00	6 M USD LIBOR	Fixed receivable Vs floating payable

(b) Exchange Traded Interest Rate Derivatives

Sr. No	Particulars	FY 2023-24	FY 2022-23
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument - wise)	Nil	Nil
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on March 31 (instrument - wise)	Nil	Nil
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument - wise)	Nil	Nil
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument - wise)	Nil	Nil

(c) Disclosures on risk exposure in derivatives

(i) Qualitative Disclosures

- (1) The Bank uses Derivatives for hedging of interest rate and exchange risk arising out of mismatch in the assets and liabilities. All derivatives undertaken by Bank are for hedging purposes with underlying as Foreign Currency borrowings, which are not MTM, but only translated. The Bank does not undertake trading in Derivatives.
- (2) Internal Control guidelines and accounting policies are framed and approved by the Board. The derivative structure is undertaken only after approval of the competent authority. The particulars of derivative details undertaken are also reported to ALCO/Board.
- (3) The Bank has put systems in place for mitigating the risk arising out of derivative deals. The Bank follows the accrual method for accounting the transactions arising out of derivative deals.

*[Handwritten signature]*



(d) Disclosure on Credit default swap - Bank has not undertaken any credit default swap during the year.

(f) Quantitative Disclosures (₹ Crores)

Sr. No.	Particulars	FY 2023-24		FY 2022-23	
		Currency Derivatives	Interest rate Derivatives	Currency Derivatives	Interest rate Derivatives
1	Derivatives ( Notional Principal Amount )				
(i)	For hedging	2,571.32	-	3,361.40	123.72
(ii)	For trading	2,571.32	-	3,361.40	123.72
2	Marked to Market Positions [1]				
(i)	Asset (+)	431.60	-	535.51	-1.91
(ii)	Liability (-)	431.60	-	535.51	-
3	Credit Exposure [2]				
(i)	3	544.66	-	730.12	-
4	Likely impact of one percentage change in interest rate ( 100* P/101)				
(i)	On hedging derivatives	24.44	-	1,681.43	(0.72)
(ii)	On trading derivatives	24.44	-	1,681.43	(0.72)
5	Maximum and Minimum of 100*P/V01 observed during the year				
(i)	On hedging	479.52/24.44	-	1912.87/0.56	(0.72)/(2.47)
(ii)	On trading	-	-	-	-

9. Disclosure of Letters of Comfort (LoCs) issued by AIFs

The particulars of Letters of Comfort (LoCs) issued during the year, assessed financial impact, and assessed cumulative financial obligations under the LoCs issued in the past and outstanding is as under.

(₹ Crores)

LoCs outstanding as on April 01, 2023	LoC issued during the year		LoCs redeemed during the year		LoCs outstanding as on March 31, 2024	
	Amount	No of LoC	Amount	No of LoC	Amount	No of LoC
	-	-	-	-	-	-

10. Asset Liability Management

(₹ Crores)

	1 to 14 days		15 to 28 days		29 days to 3 months		Over 3 months & up to 6 months		Over 6 month & up to 1 year		Over 1 year & up to 3 years		Over 3 years & up to 5 years		Over 5 years		Total	
	Amount	No of LoC	Amount	No of LoC	Amount	No of LoC	Amount	No of LoC	Amount	No of LoC	Amount	No of LoC	Amount	No of LoC	Amount	No of LoC	Amount	
Deposits	76.90	2,516.77	495.83	16,829.21	47,881.29	1,66,852.59	3,935.01	2,628.24	2,411.51	2,381.51	4,84,933.00	1,359.44	67,476.43	3,668.57	2,70,545.49	0.92	3,817.70	3,326.65
Advances	7,155.63	1,843.76	36,631.61	75,346.00	86,814.64	2,55,559.63	19,400.02	19,400.02	86,814.64	2,55,559.63	1,500.00	1,359.44	1,359.44	1,359.44	1,359.44	1,359.44	1,359.44	1,359.44
Investments	6,519.73	9,195.12	19,174.71	25,961.21	3,072.63	853.60	1,500.00	1,500.00	3,072.63	853.60	50,431.07	25,348.54	25,348.54	25,348.54	25,348.54	25,348.54	25,348.54	25,348.54
Borrowings	21,336.06	12,250.00	77,852.82	26,885.06	56,073.23	1,482.21	490.20	490.20	1,482.21	490.20	880.64	602.93	602.93	602.93	602.93	602.93	602.93	602.93
Foreign Currency assets	5.03	8.45	1,453.75	73.32	1,482.21	490.20	490.20	490.20	1,482.21	490.20	880.64	602.93	602.93	602.93	602.93	602.93	602.93	602.93
Foreign Currency liabilities	1.06	7.47	1,099.54	66.81	408.50	880.64	602.93	602.93	408.50	880.64	602.93	602.93	602.93	602.93	602.93	602.93	602.93	602.93

ALM includes figures of SIDBI and MUDRA only

*[Handwritten signature]*



11. **Draw Down from Reserves**

There is no draw down from Reserves during the current year and previous year.

12. **Business Ratios**

Particulars	FY 2023-24	FY 2022-23
Return on average Equity (before provisions for taxation) (%)	20.14	18.91
Return on average assets (before provisions for taxation) (%)	1.27	1.40
Net Profit per employee (₹ crore)	4.31	3.66

13. **Disclosure of Penalties imposed by RBI**

RBI had not imposed any penalty on the Bank during the current year and previous year.

14. **Customer Complaints**

1. **Complaints received by the bank from its customers**

Particulars	FY 2023-24	FY 2022-23
1 No. of complaints pending at the beginning of the year	1	1
2 No. of complaints received during the year	163	230
3 No. of complaints redressed during the year	161	230
3(i) Of which, number of complaints rejected by the Bank	48	83
4 No. of complaints pending at the end of the year	3	1

2. **Top five grounds of complaints received by the bank from customers**

Grounds of complaints, (i.e. complaints relating to)	FY 2024		% Increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
	2	3			
Loans and advances	-	30.00	(14.29)	-	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	22.00	(37.14)	-	-
Others	1.00	46.00	(13.21)	-	-
	FY 2023				
Loans and advances	-	35	(18.60)	-	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	35	34.62	-	-
Others	1	53	(67.88)	1	0

RBI vide their Circular CEPD.CO.PRD.Cir.No.01/13.01.013/2020-21 dated 27.01.2021 on Strengthening of Grievance Redress Mechanism in Banks had categorized grievances under 16 categories and had advised Banks to make disclosures accordingly.



*[Handwritten signature]*



15. Off-Balance Sheet SPVs Sponsored

The Bank had no Off-balance sheet SPVs sponsored during the current year and previous year.

16. Disclosure as per specific accounting standards

(a) Accounting Standard 5 – Net Profit or Loss for the period, prior period items and changes in accounting policies

Income in schedule XIII - 'Other Income' includes Prior Period Income of ₹49,48,292 for FY 2023-24 [Previous Year ₹10,08,72,058] and Other expenditure in schedule XIV - 'Operating Expenses' for FY 2023-24 includes Prior Period Expenditure of ₹3,55,13,145 [Previous Year ₹1,22,71,798].

(b) Accounting Standard 17 – Segment Reporting

As required under RBI master directions and Accounting Standard-17 'Segment Reporting' the Bank has disclosed 'Business segment' as the Primary Segment. Since the Bank operates in India, there are no reportable geographical segments. Under Business Segment, the Bank has identified Whole Sale Operations (Direct Lending), Wholesale Operations (Refinance) and Treasury as its three reporting segments. These segments have been identified after considering the nature and risk profile of the products and services, the organization structure and the internal reporting system of the Bank. Previous year's figures have been regrouped and reclassified to conform to the current year's methodology.

Part A: BUSINESS SEGMENTS

(₹ Crores)

Business Segments	Wholesale Operations (Direct Lending)		Wholesale Operations (Refinance)		Treasury		Total	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
1								
Segment Revenue	2,314.39	1,554.09	27,701.55	15,619.60	4,214.91	2,827.74	34,230.86	20,001.43
Exceptional Items								
Total							34,230.86	20,001.43
2								
Segment Results	82.83	378.01	5,493.66	3,878.35	1,815.91	1,219.55	7,392.40	5,475.91
Exceptional Items							(500.00)	--
Total							6,892.40	5,475.91
Unallocable Expenses							537.35	326.70
Operating profit							6,355.05	5,149.21
Income Tax (Net of write back)							1,542.33	1,251.54
Share of profit in associates							(9.61)	33.61
Net profit							4,822.34	3,931.48
3								
Other information								
Segment Assets	25,089.78	20,655.91	4,69,014.38	3,78,514.65	58,682.44	39,426.65	5,56,796.60	4,35,697.21
Unallocated Assets							3,789.44	3,255.31
Total Assets							5,60,586.04	4,39,252.52
Segment Liabilities	24,107.47	15,683.66	4,40,489.41	3,51,767.20	58,037.55	39,121.93	5,22,634.43	4,06,772.79
Unallocated Liabilities							4,122.03	3,340.17
Total							5,26,756.46	4,10,112.96
Capital / Reserves	4,815.95	4,155.25	27,972.00	24,308.26	1,041.63	658.05	33,829.58	29,139.56
Total							33,829.58	29,139.56
Total Liabilities							5,60,586.04	4,39,252.52

Part B: GEOGRAPHIC SEGMENTS - The operations of the Bank is confined to India only, hence no reportable geographic segments.



*[Handwritten signature]*



(c) Accounting Standard 18 – Related Party Disclosures

(i) Key management personnel

SIDBI Trustee Company Ltd	Chairman & Managing Director
Micro Units Development & Refinance Agency Ltd	Deputy Managing Director
India SME Technology Services Limited	Deputy Managing Director

(ii) Significant transactions with related parties

Items / Related Party	Key Management Personnel @	Relatives of Key Management Personnel	Total
<b>Borrowings#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Deposit#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Placement of deposits#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Advances#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Investments#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Non funded commitments#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Leasing arrangements availed#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Leasing arrangements provided#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
Purchase of fixed assets	-	-	-
Sale of fixed assets	-	-	-
Interest paid	-	-	-
Interest received	-	-	-
Dividend received	-	-	-
Dividend paid	-	-	-
Rendering of services*	-	-	-
Receiving of services*	-	-	-
Management contracts**	1.32	-	1.32

*(Handwritten signature)*



@Whole time directors of the Board

- # The outstanding at the year end and the maximum during the year are to be disclosed
- \* Contract services etc. and not services like remittance facilities, locker facilities etc.
- \*\* Remuneration to Key Management Personnel

17. **Unamortised Pension and Gratuity Liabilities**

The pension and gratuity liability are provided for on the basis of an actuarial valuation made at the end of each financial year based on the projected unit credit method. The actuarial gains/ losses are taken to the profit & loss account and are not amortized.

As per our report of even date


For J. Kalia & Associates  
Chartered Accountants  
FRN.118769W

  
Jayesh Kalia  
Partner  
M.No. 101686




  
Ajit Nath Jha  
Chief Financial Officer

  
Prakash Kumar  
Deputy Managing Director

  
G Gopalakrishna  
Director

  
K.S. Mahiyat  
Director

BY ORDER OF THE BOARD

  
Sudatta Mandal  
Deputy Managing Director



Place: Mumbai  
Date: May 29, 2024

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA  
Consolidated Cash Flow Statement for the year ended March 31, 2024

Particulars	March 31, 2023 (₹)	March 31, 2024 (₹)	March 31, 2024 (₹)
1. Cash Flow from Operating Activities			
Net Profit before tax as per P & L Account	51,49,20,30,632		63,55,95,26,872
Adjustments for:			
Depreciation	26,67,08,148	61,88,71,613	
Provision for net depreciation in investments	24,53,96,517	23,53,948	
Provisions made (net of write back)	9,18,74,09,694	23,71,86,43,474	
Profit on sale of investments (net)	(9,27,32,54,343)	(93,40,45,679)	
Profit on sale of fixed assets	(1,33,74,838)	(5,85,730)	
Income Received on investments	(7,59,78,141)	(10,00,93,51,810)	
Cash generated from operations	52,80,48,37,875	13,39,18,85,614	
(Prior to changes in operating Assets and Liabilities)		79,94,34,12,486	
Adjustments for net changes in:			
Current assets	(14,50,00,26,041)	(14,48,12,30,097)	
Current liabilities	64,91,97,74,553	52,96,45,60,348	
Bills of Exchange	(5,17,69,18,133)	(8,82,05,13,509)	
Loans & Advances	(15,51,98,51,48,710)	(10,61,08,78,38,978)	
Net Proceeds of Bonds and Debentures & other borrowings	12,49,45,48,36,350	7,00,09,82,36,680	
Deposits received	1,31,47,45,99,722	4,87,92,32,85,970	
	(86,25,36,83,259)	1,26,59,44,78,830	
	(13,44,81,45,584)	2,13,52,68,91,316	
	(74,18,16,41,591)	(22,17,89,56,152)	
	(27,62,97,87,578)	1,91,36,59,38,164	
Payment of Tax			
Net Cash flow from operating Activities			
2. Cash Flow from Investing Activities			
Net (Purchase)/Sale of fixed assets	(28,94,14,378)	(50,92,74,876)	
Net (Purchase)/sale/redemption of investments	16,23,33,23,888	(1,78,36,46,43,874)	
Income Received on investments	5,73,50,433	10,87,12,89,195	
Net cash used in Investing Activities	16,06,12,89,948	(1,68,80,35,51,559)	
3. Cash Flow from Financing Activities			
Proceeds from issuance of share capital & share premium			
Dividend on Equity Shares & tax on Dividend	(79,81,94,025)		
Net cash used in Financing Activities	(79,81,94,025)		
4. Net increase/(decrease) in cash and cash equivalents	(12,42,67,11,256)	(1,13,70,82,338)	
5. Cash and Cash Equivalents at the beginning of the period	40,65,29,72,381	21,71,82,01,271	
6. Cash and Cash Equivalents at the end of the period	31,22,62,61,125	31,22,62,61,125	
7. Cash and cash equivalents at the end of the period includes			
Cash in Hand	6,14,370	6,08,479	
Current account balances with Bank	6,30,75,42,823	1,95,73,06,212	
Mutual Funds		3	
Deposits	24,91,81,83,532	59,89,45,47,702	

Note: Cash Flow statement has been prepared as per the indirect Method prescribed in AS-3 (Revised) 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India (ICAI)

Significant Accounting Policies  
Notes to Accounts

As per our report of even date

For, Kals & Associates  
Chartered Accountants  
FRN 118793W

Jagdeep Kals  
Partner  
M.M.N. 101686



XV  
Annexure 1

*Mr. A. H. Jha*  
A. H. Jha  
Chief Financial Officer

*Prakash Kumar*  
Prakash Kumar  
Deputy Managing Director

*G. Gopalakrishna*  
G. Gopalakrishna  
Director

BY ORDER OF THE BOARD

*Sudatta Mandali*  
Sudatta Mandali  
Deputy Managing Director

*S. S. Srinivasan*  
S. S. Srinivasan  
Director



Place: Mumbai  
Date: May 29, 2024

## **Appendix I**

Audited Balance Sheet along with  
Profit and Loss Account  
and Cash Flow Statement of SIDBI  
FY 2022-23

# Independent Auditor's Report

The Board of Directors

Small Industries Development Bank of India

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **Small Industries Development Bank of India** ('the Bank'), which comprise the standalone Balance Sheet as at March 31, 2023, the standalone Profit and Loss Account, the standalone Cash Flow statement for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required in accordance with Regulation 14(1) of the Small Industries Development Bank of India General Regulations, 2000 and give a true and fair view, in conformity with the Accounting Standards notified by the Institute of Chartered Accountants of India ("the ICAI") and accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2023, and its profit and its cash flows for the year ended on that date.

### Description of Key Audit Matters

Key Audit Matter	How our audit addressed the Key Audit Matters
<p><b>Classification of Advances, Identification of Non-Performing Advances, Income Recognition and Provision on Advances (Schedule VIII read with Note 6 of Schedule XV to the standalone financial statements)</b></p> <p>(i) Advances include Refinance loans to banks, Financial Institutions, Micro Finance Institutions and NBFCs; and Direct loans including Cash credits, Overdrafts, Loans repayable on demand and Term loans.</p> <p>The Reserve Bank of India ('RBI') has prescribed the 'Prudential Norms on Income Recognition, Asset Classification and Provisioning' in respect of advances for banks ('IRACP Norms').</p> <p>The identification of performing and non-performing advances (including advances restructured under applicable IRACP Norms) involves establishment of proper mechanism and the Bank is required to apply significant degree of judgement to identify and determine the amount of provision required against each advance applying both quantitative as well as qualitative factors prescribed by the regulations.</p>	<p>Our audit approach / procedures towards Classification of Advances, Identification of Non-performing Advances, Income Recognition and Provision on Advances included the following:</p> <ul style="list-style-type: none"> <li>- Understanding and considering the Bank's accounting policies for NPA identification and provisioning and assessing compliance with the prudential norms prescribed by the RBI (IRACP Norms), including the additional provisions and asset classification benefit extended on restructured advances.</li> <li>- Understanding the key controls (including system based automated controls) for identification and provisioning of impaired accounts based on the extant guidelines on IRACP laid down by the RBI.</li> </ul>

### Basis for Opinion

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

### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key Audit Matter	How our audit addressed the Key Audit Matters
<p>Significant judgements and estimates for NPA identification and provisioning could give rise to material misstatements on:</p> <ul style="list-style-type: none"> <li>- Completeness and timing of recognition of non-performing assets in accordance with criteria as per IRACP norms;</li> <li>- Measurement of the provision for non-performing assets based on loan exposure, ageing and classification of the loan, realizable value of security;</li> <li>- Appropriate reversal of unrealized income on the NPAs.</li> </ul> <p>Since the classification of advances, identification of NPAs and creation of provision on advances (including additional provisions on restructured advances under applicable IRACP Norms) and income recognition on advances:</p> <ul style="list-style-type: none"> <li>- Requires proper control mechanism and significant level of estimation by the Bank;</li> <li>- Has significant impact on the overall financial statements of the Bank;</li> </ul> <p>we have ascertained this area as a Key Audit Matter.</p>	<ul style="list-style-type: none"> <li>- Performing other procedures including substantive audit procedures covering the identification of NPAs by the Bank. These procedures included: <ul style="list-style-type: none"> <li>(a) Considering testing of the exception reports generated from the application systems where the advances have been recorded.</li> <li>(b) Considering the accounts reported by the Bank and other banks as Special Mention Accounts ("SMA") in RBI's central repository of information on large credits (CRILC) to identify stress.</li> <li>(c) Reviewing account statements, drawing power calculation, security and other related information of the borrowers selected based on quantitative and qualitative risk factors</li> <li>(d) Reading of minutes of credit and risk committee meetings and performing inquiries with the Bank to ascertain if there were indicators of stress or an occurrence of an event of default in a loan account or any product.</li> <li>(e) Considering key observations arising out of Internal Audits and Concurrent Audits conducted as per the policies and procedures of the Bank.</li> <li>(f) Considering the RBI Financial Inspection report on the Bank, the Bank's response to the observations and other communication with RBI during the year</li> <li>(g) Reviewing the report submitted by external expert appointed by the Bank to verify compliance with the RBI circular on Automation of IRACP processes through the Bank's core banking system.</li> <li>(h) Examination of advances including stressed/ restructured advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines.</li> <li>(i) Seeking independent confirmation of account balances for sample borrowers.</li> <li>(j) Visits to branches/offices and examination of documentation and other records relating to advances.</li> </ul> </li> </ul> <p>For Non- performing advances identified, we, based on factors including stressed sectors and account materiality, tested on a sample basis the asset classification dates, reversal of unrealized interest, value of available security and provisioning as per IRACP norms. We recomputed the provision for NPA on such samples after considering the key input factors and compared our measurement outcome to that prepared by management.</p>

Key Audit Matter	How our audit addressed the Key Audit Matters
<p>(ii) <b>Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule VII read with Note 3 of Schedule XV to the standalone financial statements)</b></p> <p>Investments are categorized under Treasury operations and Business Operations. Investments include investments made by the Bank in Central and State Governments Securities, Bonds, Debentures, Shares, Mutual Funds, VCFs and other approved securities. RBI Circulars and directives, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, non-recognition of income and provisioning against non-performing investments.</p> <p>The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FBIL/FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc.</p> <p>We identified valuation of investments and identification of NPI as a Key Audit Matter because of the management judgement involved in determining the value of certain investments (Bonds and Debentures, VCFs) based on applicable Regulatory guidelines and the Bank's policies, impairment assessment for HTM book based on management judgement, the degree of regulatory focus and the overall significance to the financial results of the Bank.</p>	<p>Our audit approach/procedures towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non-performing investments (NPIs) and provisioning/depreciation related to Investments. In particular -</p> <ul style="list-style-type: none"> <li>- We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, reversal of income on NPIs and provisioning/depreciation related to investments;</li> <li>- We assessed and evaluated the process adopted for collection of information from various sources for determining market value of these investments;</li> <li>- For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security;</li> <li>- We carried out substantive audit procedures to recompute independently the provision to be maintained in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained and if accrual of income is in accordance with the RBI Circular for those selected sample of NPIs.</li> </ul>
<p>(iii) <b>Information Technology ('IT') Systems and Controls for financial reporting</b></p> <p>The Bank's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.</p> <p>Due to the pervasive nature and complexity of the IT environment as well as its importance in relation to accurate and timely financial reporting, we have identified this area as a Key Audit Matter.</p>	<p>As a part of our audit procedures for review of the Bank's IT systems and related controls for financial reporting:</p> <ul style="list-style-type: none"> <li>- We tested the design and operating effectiveness of the Bank's IT systems and controls that are critical to financial reporting.</li> <li>- The Bank has a system in place for getting application software audits for identified Application Systems at reasonable intervals. Information System (IS) Audit is done by Bank at reasonable intervals.</li> <li>- We reviewed key observations arising out of audits conducted on the Bank's IT systems during the year</li> </ul>

Key Audit Matter	How our audit addressed the Key Audit Matters
<p>(iv) <b>Assessment of Provisions and Contingent Liabilities (Note 10 and Note 12 of Schedule XV to the standalone financial statements)</b></p> <p>Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct Taxes, various claims filed by other parties not acknowledged as debt (Schedule XI to the standalone financial statements) and various employee benefits schemes (Schedule V to the standalone financial statements) was identified as a significant audit area.</p> <p>There is high level of judgement involved in estimating the level of provisioning required as well as in the disclosure of both Provisions and Contingent Liabilities in respect of tax matters and other legal claims. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.</p> <p>The valuations of the employee benefit liabilities are calculated with reference to multiple actuarial assumptions and inputs including discount rate, rate of inflation and mortality rates. The valuation of funded assets in respect of the same is also sensitive to changes in the assumptions.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of the matters which requires application of judgment in interpretation of law, circumstances of each case and estimates involved.</p>	<p>Our audit approach / procedures involved:</p> <ul style="list-style-type: none"> <li>- Understanding the current status of the litigations/ tax assessments;</li> <li>- Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon;</li> <li>- Evaluating the merit of the subject matters identified as significant, with reference to the grounds presented therein and available independent legal / tax advice including opinion of the Bank's tax consultants;</li> <li>- Review and evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and</li> <li>- Ensuring completeness and accuracy of the data, the measurement of the fair value of the schemes' assets, understanding the judgements made in determining the assumptions used by management to value the employee liabilities with specific schemes and market practice.</li> <li>- Our audit procedures included an assessment of some assumptions used by the actuary by comparing life expectancy assumptions with relevant mortality tables, benchmarking inflation and discount rates against external market data. We verified the value of plan assets to the statements provided by asset management companies managing the plan assets.</li> <li>- Verification of disclosures related to significant litigations, taxation matters and Employee benefits liabilities in the standalone financial statements.</li> </ul>

### Information other than the standalone Financial Statements and Auditor's Report Thereon

The Bank's Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Bank's annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the

standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Bank's annual report, if we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

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

The Bank's Management is responsible with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the Small Industries Development Bank of India General Regulations, 2000, and accounting principles generally accepted in India including the Accounting Standards issued



by ICAI, and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Bank's Management are also responsible for overseeing the Bank's financial reporting process.

### **Auditor's Responsibilities for the audit of the standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the

purpose of expressing an opinion on the effectiveness.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse

consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

These standalone Financial Results incorporate the relevant returns of 26 branches visited/audited by us including Head Office which covers 96.30% of Advances, 99.30% of deposits and 100% of Borrowings as on 31st March 2023 and 95.09% of Interest income on advances, 99.19% of interest expense on deposits and 100% of interest expense on borrowings for the year ended 31st March 2023. These branches have been selected in consultation with the management of the Bank. In conduct of our audit, we have relied upon various information and returns received from remaining branches of the Bank not visited by us and generated through centralized database at Head Office.

Our opinion is not modified in respect of the above matter.

### Report on Other Legal and Regulatory Requirements

The standalone Balance Sheet and the standalone Profit and Loss Account have been drawn up in accordance with the provisions of Regulation 14 (i) of the Small Industries Development Bank of India General Regulations, 2000.

We report that:

- (a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

- (b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
- (c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
- (d) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- (e) The standalone Balance Sheet, the standalone Profit and Loss Account, the standalone Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (f) In our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards.

For **Borkar & Muzumdar**  
Chartered Accountants  
Firm's Registration No. 101569W

**Darshit Doshi**  
Partner

Membership No. 133755  
UDIN: 23133755BGQTYO2276

Place: Mumbai  
Date: May 12, 2023

# Balance Sheet

as at March 31, 2023

(Amount in ₹)

		March 31, 2023	March 31, 2022
<b>CAPITAL AND LIABILITIES</b>			
	<b>Schedules</b>		
Capital	I	5,68,54,11,690	5,68,54,11,690
Reserves, Surplus and Funds	II	2,72,40,69,75,549	2,40,14,53,18,104
Deposits	III	16,50,36,14,64,621	14,08,78,42,74,899
Borrowings	IV	20,06,57,92,03,549	7,57,12,43,67,199
Other Liabilities and Provisions	V	88,79,41,95,410	62,04,01,28,691
Deferred Tax Liability		-	74,55,585
<b>Total</b>		<b>40,23,82,72,50,819</b>	<b>24,73,78,69,56,168</b>
<b>ASSETS</b>			
Cash and Bank Balances	VI	1,21,08,82,02,380	1,79,18,31,07,719
Investments	VII	2,90,88,65,76,872	2,39,51,55,92,224
Loans & Advances	VIII	35,64,39,06,80,346	20,22,51,78,47,539
Fixed Assets	IX	2,96,39,45,951	2,93,12,40,397
Other Assets	X	44,49,78,45,270	29,63,91,68,289
<b>Total</b>		<b>40,23,82,72,50,819</b>	<b>24,73,78,69,56,168</b>
Contingent Liabilities	XI	45,13,44,11,010	53,37,90,27,297
Significant Accounting Policies	XV		
Notes to Accounts	XVI		
The Schedules referred to above form an integral part of the Balance Sheet.			

As per our report of even date

BY ORDER OF THE BOARD

For **Borkar & Muzumdar**  
Chartered Accountants  
FRN.101569W

**Ajit Nath Jha**  
Chief Financial Officer

**Sudatta Mandal**  
Deputy Managing Director

**V. Satya Venkata Rao**  
Deputy Managing Director

**Sivasubramanian Ramann**  
Chairman & Managing Director

**Darshit Doshi**  
Partner  
M.No. 133755

**G Gopalakrishna**  
Director

**Amit Tandon**  
Director

Place: Mumbai  
Date: May 12, 2023

# Profit & Loss Account

for the year ended March 31, 2023

(Amount in ₹)

		March 31, 2023	March 31, 2022
<b>INCOME</b>	<b>Schedules</b>		
Interest and Discount	XII	1,79,53,53,96,172	87,14,12,26,980
Other Income	XIII	5,31,27,81,800	4,25,05,99,071
<b>Total</b>		<b>1,84,84,81,77,972</b>	<b>91,39,18,26,051</b>
<b>EXPENDITURE</b>			
Interest & Financial charges		1,24,05,66,16,459	57,01,62,91,566
Operating Expenses	XIV	8,23,53,29,635	6,97,72,15,759
Provisions & Contingencies		8,58,14,07,506	3,51,81,16,045
<b>Total</b>		<b>1,40,87,33,53,600</b>	<b>67,51,16,23,370</b>
<b>Profit before Tax</b>		<b>43,97,48,24,372</b>	<b>23,88,02,02,681</b>
Provision for Income Tax		12,39,91,57,313	4,11,57,81,000
Deferred Tax Adjustment [(Asset) / Liability]		(1,86,00,74,573)	18,65,33,000
<b>Profit after Tax</b>		<b>33,43,57,41,632</b>	<b>19,57,78,88,681</b>
Profit brought forward		40,00,00,000	53,97,00,680
<b>Total Profit / (Loss)</b>		<b>33,83,57,41,632</b>	<b>20,11,75,89,361</b>
<b>Appropriations</b>			
Transfer to General Reserve		31,11,88,59,294	18,00,41,43,423
Transfer to Special reserve u/s 36(1)(viii) of The Income Tax Act, 1961		80,00,00,000	70,00,00,000
<b>Others</b>			
Transfer to Investment Fluctuation Reserve		-	10,96,07,912
Transfer to Staff Welfare Fund		11,11,00,000	10,56,54,000
Dividend on Shares		1,13,70,82,338	79,81,84,026
Tax on Dividend		-	-
Surplus in Profit & Loss account carried forward		66,87,00,000	40,00,00,000
<b>Total</b>		<b>33,83,57,41,632</b>	<b>20,11,75,89,361</b>
Basic/Diluted Earning Per Share		58.81	36.79
Significant Accounting Policies	XV		
Notes to Accounts	XVI		
The Schedules referred to above form an integral part of the Profit & Loss Account.			

As per our report of even date

BY ORDER OF THE BOARD

For **Borkar & Muzumdar**  
Chartered Accountants  
FRN.101569W

**Ajit Nath Jha**  
Chief Financial Officer

**Sudatta Mandal**  
Deputy Managing Director

**V. Satya Venkata Rao**  
Deputy Managing Director

**Sivasubramanian Ramann**  
Chairman & Managing Director

**Darshit Doshi**  
Partner  
M.No. 133755

**G Gopalakrishna**  
Director

**Amit Tandon**  
Director

Place: Mumbai  
Date: May 12, 2023

## Schedules to Balance Sheet

### Capital and Liabilities

(Amount in ₹)

Schedule I: Capital	March 31, 2023	March 31, 2022
<b>(a) Authorized Capital</b>	10,00,00,00,000	10,00,00,00,000
- Equity Share Capital (75,00,00,000 Equity Shares of ₹10/- each)	7,50,00,00,000	7,50,00,00,000
- Preference Share Capital (25,00,00,000 Redeemable Preference Shares of ₹10/- each)	2,50,00,00,000	2,50,00,00,000
<b>(b) Issued, Subscribed and Paid-up Capital :</b>	5,68,54,11,690	5,68,54,11,690
- Equity Share Capital (56,85,41,169 Equity Shares of ₹10/- each)	5,68,54,11,690	5,68,54,11,690
- Preference Share Capital	-	-
<b>Total</b>	<b>5,68,54,11,690</b>	<b>5,68,54,11,690</b>

(Amount in ₹)

Schedule II: Reserves, Surplus and Funds	March 31, 2023	March 31, 2022
<b>A) Reserves</b>		
<b>i) General Reserve</b>		
- Opening Balance	1,87,23,92,80,623	1,69,23,51,37,200
- Additions during the year	31,11,88,59,294	18,00,41,43,423
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>2,18,35,81,39,917</b>	<b>1,87,23,92,80,623</b>
<b>ii) Share Premium</b>		
- Opening Balance	30,54,25,88,310	16,68,07,79,690
- Additions during the year	-	13,86,18,08,620
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>30,54,25,88,310</b>	<b>30,54,25,88,310</b>
<b>iii) Specific Reserves</b>		
a) Investment Reserve		
- Opening Balance	-	-
- Additions during the year	-	-
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>-</b>	<b>-</b>
b) Special Reserve created and maintained u/s 36 (1) (viii) of The Income Tax Act, 1961		
- Opening Balance	17,72,00,00,000	17,02,00,00,000
- Additions during the year	80,00,00,000	70,00,00,000
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>18,52,00,00,000</b>	<b>17,72,00,00,000</b>
c) Other Reserves		
i) Investment Fluctuation Reserve		
- Opening Balance	1,25,89,52,956	1,14,93,45,044
- Additions during the year	-	10,96,07,912
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>1,25,89,52,956</b>	<b>1,25,89,52,956</b>

## Schedules to Balance Sheet

(Amount in ₹)

<b>Schedule II: Reserves, Surplus and Funds</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>B) Surplus in Profit and Loss Accounts</b>	<b>66,87,00,000</b>	<b>40,00,00,000</b>
<b>C) Funds</b>		
a) National Equity Fund		
- Opening Balance	2,65,61,42,832	2,65,61,42,832
- Additions / Write back during the year	-	-
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>2,65,61,42,832</b>	<b>2,65,61,42,832</b>
b) Staff Welfare Fund		
- Opening Balance	32,83,53,383	28,17,87,187
- Additions during the year	11,11,00,000	10,56,54,000
- Utilisations during the year	3,70,01,849	5,90,87,804
- <b>Closing Balance</b>	<b>40,24,51,534</b>	<b>32,83,53,383</b>
c) Others	-	-
<b>Total</b>	<b>2,72,40,69,75,549</b>	<b>2,40,14,53,18,104</b>

(Amount in ₹)

<b>Schedule III: Deposits</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>A) Fixed Deposits</b>	<b>86,76,48,78,620</b>	<b>86,10,40,72,379</b>
<b>B) From Banks</b>		
a) Under MSME Refinance Fund	15,28,76,15,16,000	12,74,31,35,25,000
b) Under MSME Risk Capital Fund	-	5,00,00,00,000
c) Others -From Foreign & Private Sector Banks	19,84,10,00,000	7,93,64,00,000
d) Under MSME India Aspiration Fund	14,99,40,70,001	10,43,02,77,520
e) Under Fund for Venture Capital in MSME sector 2014-15	-	25,00,00,00,000
<b>Subtotal (B)</b>	<b>15,63,59,65,86,001</b>	<b>13,22,68,02,02,520</b>
<b>Total</b>	<b>16,50,36,14,64,621</b>	<b>14,08,78,42,74,899</b>

(Amount in ₹)

<b>Schedule IV: Borrowings</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>I) Borrowings in India</b>		
1. From Reserve Bank of India	1,59,00,00,00,000	1,44,20,00,00,000
2. From Government of India (including Bonds subscribed by GOI)	5,17,27,06,344	5,62,06,57,105
3. Bonds & Debentures	4,67,55,00,00,000	1,62,85,00,00,000
4. From Other Sources		
- Commercial Paper	3,94,25,00,00,000	50,00,00,00,000
- Certificate of Deposits	2,46,35,00,00,000	1,49,00,00,00,000
- Term Loans from Banks	5,86,43,95,28,678	1,68,89,90,51,099
- Term Money Borrowings	-	-
- Others	1,05,40,96,07,622	25,66,91,30,100
<b>Subtotal (I)</b>	<b>19,64,17,18,42,644</b>	<b>7,06,23,88,38,304</b>

## Schedules to Balance Sheet

(Amount in ₹)

<b>Schedule IV: Borrowings</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>II) Borrowings outside India</b>		
(a) KFW, Germany	3,70,76,76,702	5,60,16,04,462
(b) Japan International Cooperation Agency (JICA)	10,79,57,17,856	14,92,77,01,680
(c) IFAD, Rome	1,05,46,39,489	1,05,67,31,387
(d) World Bank	26,31,12,58,470	28,29,18,43,248
(e) Others	53,80,68,387	1,00,76,48,118
<b>Subtotal (II)</b>	<b>42,40,73,60,905</b>	<b>50,88,55,28,895</b>
<b>Total (I &amp; II)</b>	<b>20,06,57,92,03,549</b>	<b>7,57,12,43,67,199</b>

(Amount in ₹)

<b>Schedule V: Other Liabilities and Provisions:</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Interest Accrued	27,67,89,02,900	15,72,51,17,292
Provision for SIDBI Employees' Provident Fund	3,93,85,26,360	3,61,97,08,540
Provision for SIDBI Pension Fund	44,04,31,465	16,01,409
Provision for Employees' Other Benefit	1,90,38,47,208	2,85,12,10,104
Provisions for Exchange Rate Fluctuation	1,53,73,62,766	1,53,73,62,766
Contingent provisions against standard assets	17,57,93,51,338	10,64,84,57,633
Proposed Dividend (including tax on dividend)	1,13,70,82,338	79,81,84,026
Funds viz. Aspire Fund, FoF for Startups, PRF, PRSF etc.	23,12,59,58,271	15,15,42,51,789
Floating provision	4,95,67,37,932	4,95,67,37,932
Others (including provisions)	6,49,59,94,832	6,74,74,97,200
<b>Total</b>	<b>88,79,41,95,410</b>	<b>62,04,01,28,691</b>

## Schedules to Balance Sheet

### Assets

(Amount in ₹)

<b>Schedule VI: Cash &amp; Bank Balances</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
1. Cash in Hand & Balances with Reserve Bank of India	6,02,342	7,18,409
2. Balances with other Banks		
<b>(a) In India</b>		
i) in current accounts	6,25,83,58,601	91,24,22,715
ii) in other deposit accounts	1,12,07,41,43,932	1,75,01,86,87,955
<b>(b) Outside India</b>		
i) in current accounts	4,89,40,573	1,63,27,034
ii) in other deposit accounts	2,70,61,56,932	3,23,49,51,606
<b>Total</b>	<b>1,21,08,82,02,380</b>	<b>1,79,18,31,07,719</b>

(Amount in ₹)

<b>Schedule VII: Investments [net of provisions]</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>A) Treasury operations</b>		
1. Securities of Central and State Governments	1,48,12,97,19,214	39,90,00,85,004
2. Bonds & Debentures of Banks & Financial Institutions	21,81,08,38,302	31,31,54,82,382
3. Stocks, Shares, Bonds & Debentures of Industrial Concerns	84,44,58,856	1,98,08,42,613
4. Mutual Funds	-	19,99,90,00,050
5. Commercial Paper	26,05,26,90,303	50,04,99,24,399
6. Certificate of Deposit	62,98,61,30,050	56,46,67,59,624
7. Others	-	9,00,00,00,000
<b>Subtotal (A)</b>	<b>2,59,82,38,36,725</b>	<b>2,08,71,20,94,072</b>
<b>B) Business Operations</b>		
1. Shares of Banks & Financial Institutions	1,61,51,09,702	1,84,97,71,142
2. Bonds & Debentures of Banks & Financial Institutions	-	-
3. Stocks, Shares, bonds & Debentures of Industrial Concerns	5,34,48,59,563	3,82,86,98,845
4. Investment in Subsidiaries	17,51,04,98,740	17,51,04,98,740
5. Investment in Venture Capital Fund - RCF	5,24,72,57,872	6,31,40,45,945
6. Others	1,34,50,14,270	1,30,04,83,480
<b>Subtotal (B)</b>	<b>31,06,27,40,147</b>	<b>30,80,34,98,152</b>
<b>Total (A+B)</b>	<b>2,90,88,65,76,872</b>	<b>2,39,51,55,92,224</b>

(Amount in ₹)

<b>Schedule VIII: Loans &amp; Advances [Net of Provisions]</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>A) Refinance to</b>		
- Banks and Financial Institutions	29,81,73,24,72,128	16,68,31,69,50,653
- Micro Finance Institutions	48,99,64,96,339	31,17,68,62,498
- NBFC	3,34,14,66,70,997	1,79,35,18,01,997
- Bills Rediscounted	-	-
<b>Subtotal (A)</b>	<b>33,64,87,56,39,464</b>	<b>18,78,84,56,15,148</b>
<b>B) Direct Loans</b>		
- Loans and Advances	1,93,97,14,30,050	1,43,30,55,40,693
- Receivable Finance Scheme	9,23,64,439	3,07,84,956
- Bills Discounted	5,45,12,46,393	33,59,06,742
<b>Subtotal (B)</b>	<b>1,99,51,50,40,882</b>	<b>1,43,67,22,32,391</b>
<b>Total (A+B)</b>	<b>35,64,39,06,80,346</b>	<b>20,22,51,78,47,539</b>



## Schedules to Balance Sheet

(Amount in ₹)

<b>Schedule IX: Fixed Assets [Net of Depreciation]</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
1. Premises	2,92,87,49,254	2,89,84,36,991
2. Others	3,51,96,697	3,28,03,406
<b>Total</b>	<b>2,96,39,45,951</b>	<b>2,93,12,40,397</b>

(Amount in ₹)

<b>Schedule X: Other Assets:</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Accrued Interest	15,51,50,83,888	14,76,59,58,673
Advance Tax (Net of provision)	1,91,87,79,755	1,70,86,89,498
Staff Loans	1,95,26,21,807	1,79,12,15,676
Derivative Assets	5,41,20,83,018	4,29,61,53,456
Expenditure to the extent not written off	17,27,27,73,419	6,61,38,10,576
Others	2,42,65,03,383	46,33,40,410
<b>Total</b>	<b>44,49,78,45,270</b>	<b>29,63,91,68,289</b>

(Amount in ₹)

<b>Schedule XI: Contingent Liabilities</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
i) Claims against the Bank not acknowledged as debts	9,64,85,12,907	6,56,25,72,519
ii) On account of Guarantees / Letters of Credit	42,97,75,967	31,50,24,390
iii) On account of Forward Contracts	16,78,26,751	6,51,81,80,889
iv) On account of Underwriting Commitments	-	-
v) On account of uncalled monies on partly paid shares, debentures & undrawn commitment under VCF etc.	1,27,42,87,728	95,64,22,740
vi) On account of derivative contracts	33,61,40,07,657	39,02,68,26,759
vii) Other items for which the Bank is contingently liable	-	-
<b>Total</b>	<b>45,13,44,11,010</b>	<b>53,37,90,27,297</b>

## Schedules to Profit & Loss Account

(Amount in ₹)

<b>Schedule XII: Interest and Discount</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
1. Interest and Discount on Loans, Advances and Bills	1,51,72,88,51,545	74,74,57,32,819
2. Income on Investments / Bank balances	27,80,65,44,627	12,39,54,94,161
<b>Total</b>	<b>1,79,53,53,96,172</b>	<b>87,14,12,26,980</b>

(Amount in ₹)

<b>Schedule XIII: Other Income:</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
1. Upfront and Processing Fees	78,08,41,042	45,49,25,710
2. Commission and Brokerage	1,09,30,972	78,19,049
3. Profit on sale of Investments	44,63,03,402	70,43,74,178
4. Income earned by way of dividends etc. from Subsidiaries / Associates	27,14,88,889	28,62,08,148
5. Provision of Earlier Years written Back	-	-
6. Recoveries out of Bad Debts	2,86,91,76,097	2,03,12,69,846
7. Reversal of Provisions/ERFF under FCL	-	-
8. Others	93,40,41,398	76,60,02,140
<b>Total</b>	<b>5,31,27,81,800</b>	<b>4,25,05,99,071</b>

(Amount in ₹)

<b>Schedule XIV: Operating Expenses:</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Payments to and provisions for employees	5,06,67,84,567	3,69,97,48,021
Rent, Taxes and Lighting	18,17,03,219	15,78,39,382
Printing & Stationery, Postage/Courier & Tele and Insurance	2,10,30,252	1,33,07,053
Advertisement and Publicity	11,47,42,304	3,14,36,689
Depreciation / Amortisation on Bank's Property	26,23,28,294	36,18,71,759
Directors' fees, allowances and expenses	81,12,867	42,12,767
Auditor's Fees	32,92,016	44,59,176
Law Charges	2,97,91,239	2,31,71,360
Repairs and maintenance	27,60,81,381	12,04,79,601
Issue Expenses	5,60,22,041	1,21,01,863
Capital Commitment, Management Fees etc.	19,79,10,602	8,09,48,867
Input Tax Credit not Available	19,19,22,592	10,30,52,881
Other Expenditure	1,82,56,08,261	2,36,45,86,340
<b>Total</b>	<b>8,23,53,29,635</b>	<b>6,97,72,15,759</b>

## SCHEDULE XV – SIGNIFICANT ACCOUNTING POLICIES

### 1. Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Small Industries Development Bank of India Act, 1989 and regulations thereof, prudential norms prescribed by Reserve Bank of India, applicable Accounting Standards issued by the Institute of Chartered Accountants of India and practices prevailing in the Banking Industry. The financial statements have been prepared under the historical cost convention on an accrual basis, unless otherwise stated. Except otherwise mentioned, the accounting policies that are applied by the Bank, are consistent with those used in the previous year.

#### Use of Estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as of the date of the financial statements and the reported income and expenses for the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods in accordance with the requirements of the respective accounting standard.

### 2. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured.

#### A) Income:

- (i) Interest income including penal interest is accounted for on accrual basis, except in the case of non-performing assets where it is recognized upon realization.
- (ii) Income in the Profit & Loss Account is shown gross i.e. before provisions as per RBI guidelines and other provisions as per Bank's internal policy.
- (iii) Discount received in respect of bills discounted / rediscounted and on discounted instruments is recognized over the period of usage of the instruments on a constant yield basis.
- (iv) Commitment charges, service charges on seed capital / soft loan assistance and royalty income are accounted for on accrual basis in respect of standard (performing) assets.

- (v) Dividend on shares held in industrial concerns and financial institutions is recognized as income when the right to receive the dividend is established.
  - (vi) Income from Venture Capital funds are accounted on realization basis. Redemption of unit/shares in Venture Capital fund, while in HTM category is not treated as a sale.
  - (vii) Recovery in non-performing assets (NPA) is to be appropriated in the following order:
    - a) overdue interest upto the date of NPA,
    - b) principal,
    - c) cost & charges,
    - d) interest and
    - e) penal interest.
  - (viii) Gain/loss on sale of loans and advances through direct assignment is recognized in line with the extant RBI guidelines.
  - (ix) Amounts recovered against debts written-off in earlier years are recognized as income in the Profit and Loss account.
  - (x) Profit or loss on sale of investments in any category is taken to profit & loss account. However, in case of profit on sale of investments under "Held to Maturity" category an equivalent amount net of applicable taxes is appropriated to Capital Reserves.
  - (xi) Amount lying as unclaimed liabilities (other than statutory liabilities) for a period of more than seven years are recognized as income.
  - (xii) The bank has accounted for interest on income tax refunds upon receipt of such refund orders / Order giving effects issued by Income Tax Department.
  - (xiii) Recoveries of CGTMSE fees, Valuation charges, Advocate fee, Insurance, Upfront fee/ Processing fee etc. from Borrowers are accounted on cash basis.
  - (xiv) Commission on LC/ BG are recognized on accrual basis proportionately over the period.
- #### B) Expenditure:
- (i) All expenditures are accounted for on accrual basis except Development Expenditure which is accounted for on cash basis.
  - (ii) Discount on Bonds and Commercial Papers issued are amortized over the tenure of Bonds and Commercial Paper. The expenses relating to issue of Bonds are amortized over the tenure of the Bonds.

### 3. Investments

(i) In terms of extant guidelines of the Reserve Bank of India on investment classification and valuation, the entire investment portfolio is categorized as "Held to Maturity", "Available for Sale" and "Held for Trading". Investments are valued in accordance with RBI guidelines. The investments under each category are further classified as

- a) Government Securities,
- b) Other approved securities,
- c) Shares,
- d) Debentures & Bonds,
- e) Subsidiaries/ joint ventures and
- f) Others (Commercial Paper, Mutual Fund Units, Security Receipts, Certificate of Deposits etc.)

#### (a) Held to Maturity:

Investments acquired with the intention to hold till maturity are categorized under Held to Maturity. Such investments are carried at acquisition cost unless it is more than the face value, in which case the premium is amortized over the period remaining to maturity. Investments in subsidiaries classified as Held To Maturity.

Diminution, other than temporary, in the value of investments under this category is provided for each investment individually.

#### (b) Held for Trading:

Investments acquired for resale within 90 days with the intention to take advantage of the short-term price/ interest rate movements are categorized under Held for Trading. The investments in this category are revalued scrip-wise and net appreciation /depreciation is recognized in the profit & loss account, with corresponding change in the book value of the individual scrips.

In respect of traded/ quoted investments, the market price is taken from the trades/ quotes available on the stock exchanges.

#### (c) Available for Sale:

Investments which do not fall within the above two categories are categorized under Available for Sale. The individual scrip under this category is revalued and net depreciation under any of

the classification mentioned above is recognized in the profit & loss account. Net appreciation under any classification is ignored. The book value of individual scrip is not changed after the revaluation.

- (ii) An investment is classified as 'Held To Maturity', 'Available For Sale' or 'Held For Trading' at the time of its purchase and subsequent shifting amongst categories and its valuation is done in conformity with RBI guidelines.
- (iii) Treasury Bills, Commercial Papers and Certificates of Deposit being discounted instruments are valued at carrying cost.
- (iv) The quoted Government Securities are valued at market prices and unquoted/non-traded government securities are valued at prices declared by Financial Benchmark India Pvt. Ltd. (FBIL).
- (v) Investments which are made out of the Corpus or Funds provided by the Government of India and netted off from the related Fund balances are carried at cost and not subjected to RBI guidelines of valuation.
- (vi) Recording purchase and sale transactions in Investments is done following 'Settlement Date' accounting.
- (vii) The debentures / bonds / shares deemed to be in the nature of advance, are subject to the usual prudential norms applicable to loans & advances.
- (viii) Cost of investments is determined on the weighted average cost method.
- (ix) Brokerage, commission, etc. paid at the time of acquisition/ sale are recognized in the profit & loss account.
- (x) Broken period interest paid / received on debt investment is treated as interest expenses / income and is excluded from cost / sale consideration.
- (xi) In respect of unquoted investments in industrial concerns under Seed Capital Scheme, full provision has been made. (xii) Units of mutual fund are valued at repurchase price as per relevant RBI guidelines.
- (xiii) The unquoted fixed income securities (other than government securities) are valued on Yield to Maturity (YTM) basis with appropriate mark-up over the YTM rates for Central Government securities of equivalent maturity. Such mark-up and YTM rates applied are as per the relevant rates published by FBIL.
- (xiv) Unquoted Shares are valued at breakup value, if the latest Audited Financial Statements of the investee companies are available, or at ₹1/- per Company as per RBI guidelines.

#### 4. Foreign Currency Transactions

Foreign currency transactions are recorded in the books of account in respective foreign currencies at the exchange rate prevailing on the date of transaction. Accounting for transactions involving foreign exchange is done in accordance with Accounting Standard (AS)-11 issued by Institute of Chartered Accountants of India, as per following provisions:

- (i) Contingent liability in respect of outstanding forward exchange contracts, guarantees; acceptances, endorsements and other obligations are calculated at the closing exchange rates notified by Foreign Exchange Dealers' Association of India ('FEDAI').
- (ii) Foreign currency Assets and Liabilities are translated at the closing exchange rates notified by FEDAI as at the Balance Sheet date
- (iii) Foreign currency Income and Expenditure items are translated at monthly intervals through actual sale/purchase and recognized in the profit & loss account accordingly.
- (iv) The revaluation difference on foreign currency LoC is adjusted and recorded in a special account opened and maintained, in consultation with GOI for managing exchange risk.
- (v) The Bank follows hedge accounting in respect of foreign exchange contracts and derivative transactions as per RBI guidelines.
- (vi) Exchange differences arising on the settlement of monetary items are recognized as income or expense in the period in which they arise.
- (vii) Outstanding Forward Exchange Contracts which are not intended for trading are revalued at exchange rates notified by FEDAI.

#### 5. DERIVATIVES

The Bank presently deals in currency derivatives viz., Cross Currency Interest Rate Swaps for hedging its foreign currency liabilities. Based on RBI guidelines, the above derivatives undertaken for hedging purposes are accounted on an accrual basis. Contingent Liabilities on account of derivative contracts at contracted rupee amount are reported on the Balance Sheet date.

#### 6. LOANS AND ADVANCES

- i. Assets representing loan and other assistance portfolios are classified as performing and non-performing based on the RBI guidelines. Provision for non-performing assets is made in accordance with the RBI guidelines.
- ii. Advances stated in the Balance Sheet are net of provisions made for non-performing advances, and restructured NPA assets.

- iii. General provision on Standard Assets is made as per RBI guidelines.
- iv. Floating provision is made and utilized as per RBI guidelines and Board approved policy.

#### 7. Taxation

- (i) Tax expense comprises both current tax and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS).
- (ii) Deferred income taxes reflect the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.
- (iii) Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.
- (iv) Disputed taxes not provided for including departmental appeals are included under Contingent Liabilities.

#### 8. Securitisation

- i. The Bank purchases credit rated Micro, Small and Medium Enterprises Asset pools from Banks / Non-Banking Finance Companies by way of pass-through certificates issued by the Special Purpose Vehicle. Such securitization transactions are classified as Investments under Held for Trading / Available for Sale category depending upon the investment objective.
- ii. The Bank purchases credit rated pool of Micro, Small and Medium Enterprises assets under bilateral direct assignment. Such direct assignment transactions are accounted for as 'advances' by the Bank.
- iii. The Bank enters into sale of Loans & Advances through direct assignment. In most of the cases, the Bank continues to service the Loans & Advances sold under these transactions and is entitled to the Residual interest on the Loans & Advances sold. Assets sold under direct assignment are derecognized in the books of the Bank based on the principle of surrender of control over the assets.

- iv. The residual income on the Loans & Advances sold is being recognized over the life of the underlying Loans & Advances.
- v. Security Receipts issued by the asset reconstruction companies are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time.

#### 9. Sale of Financial Assets to Asset Reconstruction Companies (ARCs) :

- i. The sale of NPA's is on cash basis or investment in Security Receipt (SR) basis. In case of sale on SR basis, the sale consideration or part thereof is treated as investment in the form of SRs.
- ii. The assets if sold at a price below the Net Book Value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit & Loss A/c. In case the sale value is higher than NBV, the excess provision held can be reversed to profit & loss account in the year the amounts are received. Reversal of excess provision is limited to the extent to which cash received exceeds the NBV of the asset.

#### 10. Provisioning for Staff Benefits

##### A] Post retirement benefits:

- i. Provident Fund is a defined contribution scheme administered by the Bank and the contributions are charged to the Profit & Loss Account.
- ii. Gratuity liability and Pension liability are defined benefit obligations and other long-term employee benefits like compensated absences, post-retirement medical benefits etc. are provided based on the independent actuarial valuation as at the Balance Sheet date using the projected unit credit method as per AS 15 (Revised 2005) - Employee Benefits.
- iii. Actuarial gains or losses are recognized in the profit & loss account based on actuarial valuations for the period in which they occur.
- iv. New Pension Scheme is a defined contribution scheme and is applicable to employees who have joined bank on or after December 01, 2011. Bank pays fixed contribution at pre-determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit & Loss Account.
- v. Payments made under the Voluntary Retirement Scheme are charged to the Profit & Loss account in the year of expenses incurred.

##### B] Benefits (Short – term) while in service

Liability on account of Short-term benefits are determined on an undiscounted basis and recognized over the period of service, which entitles the employees to such benefits.

#### 11. Fixed Assets and Depreciation

- i) Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any.
- ii) Cost of asset includes purchase cost and all expenditure incurred on the asset before put to use. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefits from such assets or their functioning capability.
- iii) Depreciation for the full year, irrespective of date of capitalization, is provided on:
  - (a) Furniture and fixture: For assets owned by Bank @ 100 percent
  - (b) Computer and Computer Software @ 100 percent
  - (c) Building @ 5 percent on WDV basis
  - (d) Electrical Installations: For assets owned by Bank @ 50 percent on WDV basis.
  - (e) Motor Car - Straight Line Method @ 50 percent.
- iv) Depreciation on additions is provided for full year and no depreciation is provided in the year of sale/ disposal.
- v) Leasehold land is amortized over the period of lease.

#### 12. Provision for Contingent Liabilities and Contingent Assets.

In accordance with AS-29 Provisions, Contingent Liabilities and Contingent Assets, the Bank recognizes provisions involving substantial degree of estimation in measurement when it has a present obligation as a result of past event, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are not provided for and are disclosed in the balance sheet and details given by way of Schedule to the Balance Sheet. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

### 13. Grants and Subsidies

Grants and subsidies from the Government and other agencies are accounted as per the terms and conditions of the agreement.

### 14. Operating Lease

Lease rentals is recognized as an expense/income in the Profit & Loss Account on a straight line basis over the lease term in accordance with AS-19.

### 15. Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/external factors, to recognize,

- the provision for impairment loss, if any required; or
- the reversal, if any, required for impairment loss recognized in the previous periods.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

### 16. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with RBI, balances with other banks, money at call and short notice and investment in Mutual Fund with an original maturity of three months or less.

## Schedule XVI - Notes to Accounts

### 1 Implementation of Ind-AS :

As per RBI letter dated May 15, 2019 issued to the Bank, implementation of Ind-AS for AIFIs has been deferred till further notice. Accordingly, financial statements of the Bank are continued to be prepared under IGAAP. However, the Bank would continue to submit Proforma Ind AS financial statements on half-yearly basis to RBI as hitherto as advised in RBI letter dated May 15, 2019. At present, SIDBI is making use of Excel Sheets for conversion of IGAAP financial statements into Proforma Ind-AS Financial Statements.

- 2.1** As per the Accounting Standard 22, Accounting for Taxes on Income, the Bank has reviewed Deferred Tax Assets / Liabilities and recognized an amount of ₹1,86,00,74,573 as Deferred Tax Assets (Previous year - Deferred Tax Liability was ₹18,65,33,000) in the Profit & Loss Account for the year ended March 31, 2023.

### 2.2 The Break up of Deferred Tax Asset/ (Liability) as on March 31, 2023 is as under :

(Amount in ₹)

Timing Difference	March 31, 2023	March 31, 2022
	Deferred Tax Asset/ (Liability)	Deferred Tax Asset/ (Liability)
a) Provision for Depreciation on fixed assets	2,96,73,234	2,79,20,651
b) Special Reserve u/s 36(1)(viii) of the Income Tax Act 1961	(4,07,64,80,346)	(3,87,65,37,167)
c) Provision for Non performing assets	6,23,93,197	45,75,76,825
d) Provision for Restructuring of Accounts	60,105	30,66,284
e) Provision for Non Performing Investment	83,40,09,746	-
f) Provision for Standard Assets	4,42,43,69,221	2,68,00,01,893
g) Others	57,85,93,831	70,05,16,219
<b>Net deferred tax Asset/(Liability)</b>	<b>1,85,26,18,988</b>	<b>(74,55,295)</b>

### 3 Provision for Income Tax includes:

(Amount in ₹)

Sr. No.	Particulars	March 31, 2023	March 31, 2022
(i)	Current Income Tax Provision	12,39,91,57,313	4,11,57,81,000
(ii)	Short/(Excess) Income Tax Provision of Earlier Years	-	-

The Tax Liability has been vetted by the Tax consultant.

**4 Contingent Liabilities referred to in Schedule XI**

Contingent liabilities include "Claims against the Bank not acknowledged as debts" of ₹9,64,85,12,907 (Previous Year ₹6,56,25,72,519). These represents claims filed against the Bank in the normal course of business relating to various legal cases currently in progress and demands raised by income tax and other statutory authorities. These is being disputed by the Bank and based on expert's opinion, the provision is not considered necessary.

**5 Bonds and Debentures' under Borrowings in schedule IV includes the following :**

(Amount in ₹)

	March 31, 2023	March 31, 2022
a) Unsecured Bonds	4,67,55,00,00,000	1,62,85,00,00,000

**6 Expenditure to the extent not written off under Other Assets in schedule X includes the following:**

(Amount in ₹)

Particulars	March 31, 2023	March 31, 2022
a) Interest Paid In Advance On Borrowings	-	59,83,56,164
b) Discount paid in Advance - Certificate of Deposit	11,22,78,31,482	5,65,04,43,605
c) Discount paid in Advance - Commercial Paper	6,02,69,13,232	35,82,12,235
d) Expenditure on Issuance of Unsecured Bonds	1,80,28,705	67,98,571
<b>Total</b>	<b>17,27,27,73,419</b>	<b>6,61,38,10,575</b>

**7 Interest and Financial Charges**

(Amount in ₹)

Particulars	March 31, 2023	March 31, 2022
a) Interest on Borrowings	68,47,97,90,498	12,20,11,85,354
b) Interest on Deposits	53,28,58,38,256	41,39,59,35,526
c) Financial Charges	2,29,09,87,705	3,41,91,70,686
<b>Total</b>	<b>1,24,05,66,16,459</b>	<b>57,01,62,91,566</b>

(Amount in ₹)

	March 31, 2023	March 31, 2022
Estimated amount of contracts remaining to be executed on Capital Account not provided for (net of advance paid)	73,41,057	1,89,87,686

**9** Premises in Schedule IX include advances towards acquisition of Premises ₹11,06,68,896 (Previous Year ₹11,06,68,896) and Capital Work in Progress ₹1,63,402,411.58(Previous Year ₹1,10,66,907). The advance of ₹11,06,68,896 was paid towards acquisition of office premises which was subsequently cancelled due to delay in implementation of the project. The Bank is in correspondence with the Agency for refund of the advance amount. The issue has been taken up with the concerned Govt. Department and as per the proposal given by agency for adjusting this amount against some other acceptable property at the same location, the Bank has identified the new property and proposal has been sent to the agency. However, as a prudential measure, full provision of ₹11,06,68,896 had already been made against this amount in FY 2020.

**10** The borrowing of ₹43,60,88,890 (Previous Year ₹87,21,77,772) from Govt. of India under the JICA IV loan is carried forward in the 'Schedule IV - Borrowings' to the Balance Sheet at its historic rupee value since SIDBI's liability towards principal repayment under the agreement, is not expected to exceed the aggregate of rupee borrowings and the balance in the ERFF maintained for this loan. Applicable interest at 8% is credited to this ERFF account and interest payable in JPY (converted to equivalent INR) is debited out of this account. The balance as on March 31, 2023 in ERFF maintained for this loan is ₹12,80,09,250 (Previous Year ₹55,46,12,637).



- 11** The Bank has contracted a line of credit for USD 300 million from World Bank for scaling up Sustainable and Responsible Micro Finance Project including IDA portion aggregating SDR 65.9 million (equivalent of USD 100 million). Under IDA line, Govt. of India is the borrower and rupee funds are lent to SIDBI by GOI though the exchange risk on the underlying is required to be borne by SIDBI as per the terms of the agreement. Thus, though GOI released rupee funds to SIDBI, the same was recorded as SDR liability in the books of SIDBI to depict correct position so that revaluation difference gets suitably reflected in the year end figures. Accordingly, the drawl effected under the above line aggregating SDR 42.83 million (equivalent to ₹473.66 Crore) as on March 31, 2023 [Previous Year SDR 45.31 million (equivalent to ₹474.85 Crore)] from GOI is recorded as SDR liability and the underlying liability has been hedged by way of Cross Currency Interest Rate Swaps. The same has been grouped under Schedule IV - 'Borrowings in India'.
- 12** (a) ASPIRE Fund is a ₹310 crore Fund of Funds, allocated by Ministry of Micro, Small & Medium Enterprises, Government of India, to be managed by SIDBI. The Fund is being utilized to make investment in Venture Capital Funds targeting Start Ups/ early stage enterprises promoting Innovation, Entrepreneurship, Forward Backward linkage with multiple value chain of manufacturing and service delivery, accelerator support, etc. in the Agro based Industry and sectors to galvanize the rural economy. The investments (out of ASPIRE fund) are held by SIDBI in fiduciary capacity. The balance of ASPIRE Fund, net of investment is grouped under "Other Liabilities" in the Balance Sheet and all gains/ losses/income/expenditure are the part of the fund. The balance in the fund is ₹2,85,32,30,682 as on March 31, 2023 (Previous year ₹2,73,39,83,039).
- b) Government of India has formulated a Scheme for Fund of Funds for Start-ups (FFS) with the principal objective of enhancing the equity availability to Start-ups. Under the Scheme, an amount of ₹10,000 crore has been proposed as FFS to be managed by SIDBI. The Government has since released an amount of ₹27,91,29,44,000 and also permitted to take further commitments under FFS. During the year, Government has advised SIDBI to continue to make commitment to the Alternative Investment Fund (AIF). These investments (out of FFS) are held by SIDBI in fiduciary capacity. The fund balance of FFS, net of investment is grouped under "Other Liabilities" in the Balance Sheet and all gains/losses/income/expenditure are the part of the fund. The balance in the fund is ₹11,50,51,12,191 as on March 31, 2023 (Previous year ₹7,13,38,30,407).
- c) Under the UP IT & Start-Up Policy 2017, the Government of Uttar Pradesh shall establish an initial Corpus of INR 1,000 crore to promote start-ups to establish and flourish in the state. The fund shall be in the form of fund of funds. In this model, the fund shall not be invested directly into start-up companies, rather it shall participate in SEBI approved funds. The funds shall be professionally managed by SIDBI, the Fund Manager. The Government of Uttar Pradesh has since release an amount of ₹125 crore. These investments (out of UP Startup Fund) are/shall be held by SIDBI in fiduciary capacity. The fund balance of UP Startup Fund, net of investment is grouped under "Other Liabilities" in the Balance Sheet and all gains/losses/income/expenditure are the part of the fund. The balance in the fund is ₹1,19,10,28,364 as on March 31, 2023 (Previous year ₹17,72,80,628).
- 13** The Bank has pledged Government Securities aggregating to face value ₹1,45,95,00,00,000 (book value ₹1,43,69,82,11,825) [Previous Year ₹40,41,63,00,000 (book value ₹39,90,00,15,423 )] with Clearing Corporation of India Ltd. for Triparty Repo Dealing and Settlement (TREPS).
- 14** IFAD had extended a foreign currency loan to SIDBI of SDR 16.35 million, vide loan agreement dated February 18, 2002. As per the terms of loan agreement, IFAD had disbursed loan in USD and it is to be repaid in USD equivalent to SDR. The Bank has accounted accordingly in the books of account. The balance as on March 31, 2023 for this loan is ₹1,05,46,39,489 (Previous Year ₹1,05,67,31,387)

## 15 Employee Benefits

In accordance with the Accounting Standard on "Employee Benefits" (AS 15) (Revised 2005) issued by the Institute of Chartered Accountants of India, the Bank has classified the various benefits provided to the employees as under:

### (a) Defined contribution plan

The Bank has recognized the following amounts in Profit & Loss Account:

(Amount in ₹)

Particulars	March 31, 2023	March 31, 2022
Employer's contribution to Provident fund	9,18,53,963	7,68,83,415
Employer's contribution to New Pension Scheme	8,95,82,393	3,17,67,054

(b) The Bank is having defined benefit Pension Plans and Gratuity Scheme which are managed by the Trust.

(₹ Crore)

	Pension		Gratuity	
	FY 2023	FY 2022	FY 2023	FY 2022
<b>1. Assumptions</b>				
Discount Rate	7.50%	7.25%	7.40%	6.90%
Rate of Return on Plan Assets	7.50%	7.25%	7.40%	6.90%
Salary Escalation	5.50%	5.50%	5.50%	5.50%
Attrition rate	2.00%	2.00%	2.00%	2.00%
<b>2. Table showing change in Benefit Obligation</b>				
Liability at the beginning of the year	576.93	553.50	108.95	106.70
Interest Cost	24.65	22.69	7.09	6.56
Current Service Cost	13.48	14.97	5.92	5.97
Past Service Cost (Non Vested Benefit)	0.00	0.00	0.00	0.00
Past Service Cost ( Vested Benefit)	0.00	0.00	0.00	0.00
Liability Transferred in	0.00	0.00	0.00	0.00
(Liability Transferred out)	0.00	0.00	0.00	0.00
(Benefit Paid)	0.00	0.00	(12.44)	(6.61)
Actuarial (gain) / loss on obligations	64.74	(14.23)	(2.12)	(3.67)
<b>Liability at the end of the year</b>	<b>679.80</b>	<b>576.93</b>	<b>107.40</b>	<b>108.95</b>
<b>3. Tables of Fair value of Plan Assets</b>				
Fair Value of Plan Assets at the beginning of the year	589.61	501.50	105.92	105.73
Expected Return on Plan Assets	42.75	34.35	7.08	6.69
Contributions	0.00	0.00	0.04	0.33
Transfer from other company	0.00	0.00	0.00	0.00
(Transfer to other company)	0.00	0.00	0.00	0.00
(Benefit Paid)	0.00	0.00	(12.44)	(6.61)
Actuarial gain / (loss) on Plan Assets	3.40	53.76	1.70	(0.22)
Fair Value of Plan Assets at the end of the year	<b>635.76</b>	<b>589.61</b>	<b>102.30</b>	<b>105.92</b>
<b>4. Table of Recognition of Actuarial Gains/ Losses</b>				
Actuarial (Gains)/ Losses on obligation for the period	64.74	(14.23)	(2.12)	(3.67)
Actuarial (Gains)/ Losses on asset for the period	(3.40)	(53.76)	(1.70)	0.22
Actuarial (Gains)/ Losses recognized in Income & Expense Statement	<b>61.34</b>	<b>(67.99)</b>	<b>(3.82)</b>	<b>(3.45)</b>
<b>5. Actual Return on Plan Assets</b>				
Expected Return on Plan Assets	42.75	34.35	7.08	6.69
Actuarial Gain / (Loss) on Plan Assets	3.40	53.76	1.70	(0.22)
Actual Return on Plan Assets	<b>46.15</b>	<b>88.11</b>	<b>8.78</b>	<b>6.47</b>
<b>6. Amount Recognised in the Balance Sheet</b>				
Liability at the end of the year	(679.80)	(576.93)	(107.40)	(108.95)
Fair Value of Plan Assets at the end of the year	635.76	589.61	102.30	105.92
Difference	(44.04)	12.68	(5.10)	(3.03)
Unrecognised Past Service Cost at the end of the year	0.00	0.00	0.00	0.00
Unrecognised Transitional Liability at the end of the year	0.00	0.00	0.00	0.00
<b>Net Amount recognised in the Balance Sheet</b>	<b>(44.04)</b>	<b>12.68</b>	<b>(5.10)</b>	<b>(3.03)</b>

(₹ Crore)

	Pension		Gratuity	
	FY 2023	FY 2022	FY 2023	FY 2022
<b>7. Expenses Recognised in the Income Statement</b>				
Current Service Cost	13.48	14.97	5.92	5.97
Interest Cost	24.65	22.69	7.09	6.56
Expected Return on Plan Assets	(42.75)	(34.35)	(7.08)	(6.69)
Past Service Cost (Non Vested Benefit) recognised during the year	0.00	0.00	0.00	0.00
Past Service Cost (Vested Benefit) recognised during the year	0.00	0.00	0.00	0.00
Recognition of Transition Liability during the year	0.00	0.00	0.00	0.00
Actuarial (Gain) / Loss	61.34	(67.99)	(3.82)	(3.45)
<b>Expense Recognised in Profit &amp; Loss account</b>	<b>56.72</b>	<b>(64.68)</b>	<b>2.11</b>	<b>2.39</b>
<b>8. Balance Sheet Reconciliation</b>				
Opening Net Liability	(12.68)	52.00	3.03	0.97
Expense as above	56.72	(64.68)	2.11	2.39
Employers Contribution	0.00	0.00	(0.04)	(0.33)
<b>Amount recognised in the Balance Sheet</b>	<b>44.04</b>	<b>(12.68)</b>	<b>5.10</b>	<b>3.03</b>
<b>9. Other Details</b>				
Salary escalation is considered in line with the industry practice considering promotion, demand and supply of the employees.				
<b>10. Category of Assets</b>				
Government of India Assets	0.00	0.00	0.00	0.00
Corporate Bonds	0.00	0.00	0.00	0.00
Special Deposits Scheme	0.00	0.00	0.00	0.00
Equity Shares of Listed Companies	0.00	0.00	0.00	0.00
Property	0.00	0.00	0.00	0.00
Insurer Managed Funds	635.76	589.61	102.30	105.92
Other	0.00	0.00	0.00	0.00
<b>Total</b>	<b>635.76</b>	<b>589.61</b>	<b>102.30</b>	<b>105.92</b>

**11. Experience Adjustment:**

	Pension					Gratuity				
	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
On Plan Liability (Gain)/ Loss	85.05	15.71	(1.14)	46.87	(22.03)	1.60	0.65	(0.43)	3.28	(19.7)
On Plan Asset (Loss)/ Gain	3.40	53.76	(1.15)	25.17	(2.32)	1.70	(0.22)	(0.13)	0.09	0.35

- (c) The following are the amount charged to Profit & Loss Account relating to other long term benefits plan based on the actuarial valuation provided by independent actuary.

(₹ Crore)

Sr. No	Particulars	March 31, 2023	March 31, 2022
1	Ordinary Leave Encashment	40.97	12.97
2	Sick Leave	1.86	0.47
3	Resettlement Expenses	0.46	0.30
4	Post Retirement Medical Scheme Facilities	0.79	9.84

**16 Earnings Per Share(EPS) (AS-20):**

The Bank reports basic and diluted Earnings Per Share in accordance with AS 20. Basic Earnings per Share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding at the year end. Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the period. Diluted Earnings per Share is computed by dividing the net profit after tax by the sum of the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end.

(Amount in ₹)

	March 31, 2023	March 31, 2022
Net Profit considered for EPS calculation (₹)	33,43,57,41,632	19,57,78,88,681
Weighted Average Number of equity shares of face value ₹10 each	56,85,41,169	53,21,22,684
Earning per share (₹)	58.81	36.79

\* Basic & Diluted EPS are same as there are no dilutive potential Equity Shares.

**17** The proposed dividend, if any, is accounted as liability in the books of accounts under Schedule V.

**18** In the opinion of the Management, there is no material impairment of the fixed assets of the Bank in terms of Accounting Standard 28- Impairment of Assets.

**19** Disclosures under Accounting Standard 29 for provisions in contingencies. The salary & allowances of the employees of the Bank are reviewed every five years. Such review is due from November 01, 2022.

(Amount in ₹)

Particulars	March 31, 2023	March 31, 2022
	Wage Arrears / Incentive	Wage Arrears / Incentive
<b>Opening Balance</b>	1,39,13,00,000	1,07,63,00,000
Additions:		
Arrears	65,69,31,704	31,50,00,000
Incentive		
Utilisations:	1,81,17,53,069	
Write back		
<b>Closing Balance</b>	<b>23,64,78,635</b>	<b>1,39,13,00,000</b>

**20** The Bank has put in place a mechanism to manage credit risk arising out of unhedged foreign currency exposures (UFCE) of its borrowers. A review of the UFCE across its portfolio is undertaken by the Bank on periodic basis. In terms of RBI circular DBOD No. BP.BC.85/21.06.200/2013-14 dated 15.01.2014 & subsequent clarification vide circular DBOD NO.BP. BC. 116/21.06.200/2013-14 dated 03.06.2014, based on available data, the provision for UFCE works out to ₹9.48 crore as on March 31, 2023 (Previous year ₹1.65 crore) which has been included under provisions for standard assets under Schedule V.

**21** As per the practice consistently followed, redemption in Venture Capital Funds is accounted as per the distribution letter received from Venture Capital Funds, irrespective of the appropriation policy as specified in the contribution agreement.

**22 Investor's Complaints:**

As on 1st April, 2022 the Bank had "01" pending investor's complaints for disposal, which was later on resolved on April 08, 2022. During the current financial year "17" complaints were received from Investors and "18" complaints (including the complaint pending on April 01, 2022) were disposed off during the year. Accordingly "Nil" complaint was pending for disposal as on March 31, 2023.

**23 Divergence in Asset Classification and Provisioning for NPAs**

As per RBI circular No. DBR.BP.BC. No.32/21.04.018/2018-19 dated April 1, 2019, in case the additional provisioning for NPAs assessed by RBI exceeds 10% of the reported profit before provisions and contingencies and/or additional Gross NPAs identified by RBI exceeds 15% of published incremental Gross NPAs for the reference period then banks are required to disclose divergences from prudential norms on income recognition, asset classification and provisioning. Divergence from prudential norms assessed by the RBI for the year ended 31st March 2022 are within threshold limits specified above hence the need for additional disclosure does not apply.

**24** Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances for MSME Borrowers registered under Goods and Services Tax (GST):

As per RBI circular dated February 11, 2020 restructuring of advances was done for Micro, Small and Medium Enterprises (MSME) Borrowers registered under Goods and Services Tax (GST). The RBI, vide its Circular dated August 06, 2020 on 'Micro, Small and Medium Enterprises (MSME) Sector - Restructuring of Advances' extended the above scheme to support the viable MSME entities on account of the fallout of Covid19. Further RBI vide circular RBI/2021-22/32 DOR.STR. REC.12/21.04.048/2021-22 dated May 5, 2021 has advised Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs). The MSME accounts restructured under these guidelines are as under:

No. of accounts restructured	Amount (₹ in Crore)
1124	803.33

**25** Disclosure relating to Resolution Plans implemented during the year in terms of RBI Circular DBR.No.BP. BC.45/21.04.048/2018-19 dated June 7, 2019:

i) RPs Successfully implemented during the year ended March 31, 2023

No. of cases	Balance Outstanding* Amount (₹ in Crore)
1	380.04

\*The account was technically written off as on the date of restructuring and was closed thereafter during the year.

ii) Details of Securities acquired due to conversion of debt to equity during a restructuring process:

Particulars	No of Shares/units	Face Value per share (in ₹)	Book Value(in ₹)
Compulsory Convertible Debentures (CCDs).	53045	1,00,000.00	1.00

iii) Details of resolution plans implemented under the RBI Resolution Framework for COVID-19 related stress as per RBI circular dated 6th August, 2020 (Resolution Framework 1.0) and 5th May 2021 (Resolution Framework 2.0) as at March 31, 2023 are given below :

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year \$	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	---	---	---	---	---
Corporate persons	31.09	---	0	3.07	28.02
Of which MSMEs	31.09	---	0	3.07	28.02
Others	---	---	---	---	---
<b>Total</b>	<b>31.09</b>	<b>---</b>	<b>0</b>	<b>3.07</b>	<b>28.02</b>

\$ Represents net movement in balance outstanding.

iv) The number of borrower accounts where Resolution Plan is implemented in terms of RBI circular no. DOR.STR. REC.11/21.04.048/2021-22 dated May 5, 2021 on Resolution Framework – 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses is nil. Further no modifications were sanctioned and implemented in respect of accounts which were implemented under Resolution Framework 1.0

- 26** The extent to which the COVID19 pandemic will impact the Bank's results will depend on ongoing as well as future developments.
- 27** During the year ended March 31, 2023, the Bank has made an additional provision on standard advances at rates higher than minimum stipulated under IRAC norms, as per Board approved Accelerated Provisioning Policy. Accordingly, the Bank holds additional provision on standard advances of ₹253.38 crore at March 31, 2023.
- 28** Details of loans transferred / acquired during the Year ended March 31, 2023 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:
- During the quarter and Year ended March 31, 2023:
- i. the Bank has not acquired any loan not in default through assignment.
  - ii. the Bank has not transferred any non-performing assets (NPAs) to Asset Reconstruction Companies (ARCs)/ to permitted transferees/ to other transferees
  - iii. the bank has not acquired any stressed loans and not transferred any loan not in default / Special Mention Accounts (SMA).
  - iv. the bank has not invested in Security Receipts (SR) issued by Asset Reconstruction Companies (ARC) in respect of stressed loans transferred to ARCs.
- 29** In accordance with RBI Master Direction RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021 – (Securitisation of Standard Assets) Directions, 2021, the outstanding amount of securitised assets as per books of the SPEs and total amount of exposures retained by the originator as on the date of balance sheet to comply with the MRR is NIL for Year ended March 31, 2023.
- 30** Regulation 14 of Small Industries Development Bank of India General Regulations, 2000 prescribes separate format for presentation of accounts under Small Industries Development Assistance Fund(SIDAF) and General Fund. As no separate SIDAF has been notified by the Central Government, the same is not being maintained by SIDBI.
- 31** Previous year's figures have been re-grouped and re-classified wherever necessary to make them comparable with the current year's figures.

## Additional disclosures

as per RBI guidelines

### 1. Capital adequacy (As per Basel I)

(₹ Crore)

Sr. No.	Particulars	FY 2022-23	FY 2021-22
i)	Common Equity*	Not Applicable	Not Applicable
ii)	Additional Tier 1 capital*	Not Applicable	Not Applicable
(iii)	Total Tier 1 capital	24,589.43	22,621.82
(iv)	Tier 2 capital	623.95	15.41
v)	Total Capital ( Tier 1+Tier 2)	25,213.38	22,637.23
vi)	Total Risk Weighted Assets (RWAs)	1,30,691.61	93,239.24
vii)	Common Equity Ratio ( Common Equity as a percentage of RWAs) *	Not Applicable	Not Applicable
viii)	Tier 1 Ratio ( Tier 1 capital as a percentage of RWAs)	18.81%	24.26%
ix)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	19.29%	24.28%
x)	Percentage of the shareholding of the Government of India	20.85	20.85
xi)	Amount of equity capital raised	-	-
xii)	Amount of Additional Tier 1 capital raised; of which	-	-
a.)	Perpetual Non-Cumulative Preference Shares (PNCPS):	-	-
b.)	Perpetual Debt Instruments (PDI)	-	-
xiii)	Amount of Tier 2 capital raised; of which	-	-
a.)	Debt capital instruments:	-	-
b.)	Perpetual Cumulative Preference Shares (PCPS)	-	-
c.)	Redeemable Non-Cumulative Preference Shares (RNCPS)	-	-
d.)	Redeemable Cumulative Preference Shares (RCPS)	-	-

\* The figures are not being calculated at present, since BASEL-III is not applicable.

### 2. Free Reserves and Provisions

#### (a) Provision on Standard Assets

(₹ Crore)

Particulars	FY 2022-23	FY 2021-22
Provisions towards Standard Assets (cumulative)	1,757.94	1064.85

#### (b) Floating Provisions

(₹ Crore)

Particulars	FY 2022-23	FY 2021-22
Opening balance in the floating provisions account	495.67	1,099.96
The quantum of floating provisions made in the accounting year	0.00	0.00
Amount of draw down made during the accounting year*	0.00	604.29
Closing balance in the floating provisions account	495.67	495.67

\* Amount utilised for making NPA provision in terms of RBI circular dated May 05, 2021 and as per Bank's Board approved policy on floating provision.

## 3. Asset Quality and specific provisions

## (a) Non-Performing Advances

(₹ Crore)		
Particulars	FY 2022-23	FY 2021-22
<b>(i) Net NPAs to Net Advances (%)</b>	<b>0.00%</b>	<b>0.07%</b>
<b>(ii) Movement of NPAs (Gross)</b>		
(a) Opening balance	217.62	282.31
(b) Additions during the year	93.39	1,030.59
(c) Reductions during the year	277.66	1,095.28
(d) Closing balance	<b>33.35</b>	<b>217.62</b>
<b>(iii) Movement of Net NPAs *</b>		
(a) Opening balance	132.10	185.25
(b) Additions during the year	(82.66)	5.90
(c) Reductions during the year	40.88	59.05
(d) Closing balance	<b>8.56</b>	<b>132.10</b>
<b>(iv) Movement of provisions for NPAs (excluding provisions on standard assets)</b>		
(a) Opening balance	85.52	97.05
(b) Provisions made during the year	176.05	1,024.70
(c) Write of / write back of excess provisions	236.78	1,036.23
(d) Closing balance	<b>24.79</b>	<b>85.52</b>

\*The Net NPA will be NIL for the current year and previous year, if the amount of floating provision is adjusted against the same.

## (b) Non-Performing Investments

(₹ Crore)		
Particulars	FY 2022-23	FY 2021-22
<b>(i) Net NPIs to Net Investments (%)</b>	<b>0.00%</b>	<b>0.00%</b>
<b>(ii) Movement of NPIs (Gross)</b>		
(a) Opening balance	350.16	344.62
(b) Additions during the year	0.00	5.54
(c) Reductions during the year	18.78	0.00
(d) Closing balance	<b>331.38</b>	<b>350.16</b>
<b>(iii) Movement of Net NPIs</b>		
(a) Opening balance	0.00	0.00
(b) Additions during the year	0.00	0.00
(c) Reductions during the year	0.00	0.00
(d) Closing balance	<b>0.00</b>	<b>0.00</b>
<b>(iv) Movement of provisions for NPIs (excluding provisions on standard assets)</b>		
(a) Opening balance	350.16	344.62
(b) Provisions made during the year	0.00	5.54
(c) Write of / write back of excess provisions	18.78	0.00
(d) Closing balance	<b>331.38</b>	<b>350.16</b>

\*Includes security (Book Value stated at ₹1/-) acquired by way of conversion of debt in line with extent RBI guidelines and the same has been fully redeemed in the same year.

## (c) Non-Performing Assets (a+b)

(₹ Crore)		
Particulars	FY 2022-23	FY 2021-22
<b>(i) Net NPAs to Net Assets (Advanced + investments) (%)</b>	<b>0.00</b>	<b>0.06%</b>
<b>(ii) Movement of NPAs (Gross Advances + Gross investments)</b>		
(a) Opening balance	567.79	626.93
(b) Additions during the year	93.39	1,036.14
(c) Reductions during the year	296.44	1,095.28
(d) Closing balance	<b>364.74</b>	<b>567.79</b>
<b>(iii) Movement of Net NPAs</b>		
(a) Opening balance	132.10	185.25
(b) Additions during the year	(82.66)	5.90
(c) Reductions during the year	40.88	59.05
(d) Closing balance	<b>8.56</b>	<b>132.10</b>
<b>(iv) Movement of provisions for NPAs (excluding provisions on standard assets)</b>		
(a) Opening balance	435.69	441.68
(b) Provisions made during the year	176.05	1,030.24
(c) Write of / write back of excess provisions	255.56	1,036.23
(d) Closing balance	<b>356.18</b>	<b>435.69</b>



(d) Disclosure of Restructured Accounts

(₹ Crore)

Sl	Type of Restructuring → Asset Classification → Details ↓	Under CDR Mechanism			Under SME Debt Restructuring Mechanism			
		Standard	Sub- Standard	Loss	Standard	Sub- Standard	Loss	Total
1	Restructured Accounts as on April 1 of the FY (opening figures)*	0	0	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-
2	Fresh restructuring during the year	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the FY	0	0	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	-	-	-	-	-	-	-
	No. of Borrowers	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures)*	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-

## (d) Disclosure of Restructured Accounts

(₹ Crore)

Sl	Type of Restructuring →	Others				Total					
		Standard	Sub- Standard	Doubtful	Loss	Standard	Sub- Standard	Doubtful	Loss	Total	
1	Restructured Accounts as on April 1 of the FY (opening figures)*	14	2	10	-	26	14	2	10	-	26
		69.95	6.36	32.68	-	108.99	69.95	6.36	32.68	-	108.99
	Provision thereon	0.18	0.02	0.05	-	0.25	0.18	0.02	0.05	-	0.25
2	Fresh restructuring during the year	1	3	-	-	4.00	1	3	-	-	4
	Amount outstanding	0.27	4.18	-	-	4.45	0.27	4.18	-	-	4.45
	Provision thereon	0.01	-	-	-	0.01	0.01	-	-	-	0.01
3	Upgradations to restructured standard category during the FY	1	(1)	-	-	-	1	(1)	-	-	-
	Amount outstanding	5.03	(5.03)	-	-	-	5.03	(5.03)	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	(4)	-	-	-	(4)	(4)	-	-	-	(4)
	Amount outstanding	(19.58)	-	-	-	(19.58)	(19.58)	-	-	-	(19.58)
	Provision thereon	(0.17)	-	-	-	(0.17)	(0.17)	-	-	-	(0.17)
5	Downgradations of restructured accounts during the FY	-	-	-	-	-	-	-	-	0	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	(4)	(4)	(10)	-	(18)	(4)	(4)	(10)	-	(18)
	Amount outstanding	(28.58)	(5.50)	(32.69)	-	(66.77)	(28.58)	(5.50)	(32.69)	-	(66.77)
	Provision thereon	-	(0.02)	(0.05)	-	(0.07)	-	(0.02)	(0.05)	-	(0.07)
7	Restructured Accounts as on March 31 of the FY (closing figures)*	8	-	-	-	8	8	0	0	-	8
	Amount outstanding	27.09	-	0.00	-	27.09	27.09	-	0.00	-	27.09
	Provision thereon	0.02	0.00	(0.00)	-	0.02	0.02	0.00	(0.00)	-	0.02

\* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

Note: Figures at Sr. No.6 includes increase in outstanding net of reduction / recovery of ₹6.76 crore in respect of existing restructured accounts and closure of 7 borrower amounting to ₹33.01 crore and provision of ₹0.05 crore. Further, during FY 2023 one account amounting to ₹0.27 crore and provision of ₹0.01 crore upgraded from writeoff to standard category and showing under addition.

(e) Movement of Non-performing assets

(₹ Crore)

Particulars	FY 2022-23	FY 2021-22
Gross NPAs as on April 01	217.62	282.31
Additions (Fresh NPAs) during the year	93.39	1,030.59
<b>Sub total (A)</b>	<b>311.01</b>	<b>1,312.90</b>
Less :-		
(i) Upgradations	35.01	37.62
(ii) Recoveries (excluding recoveries made from upgraded accounts)	23.84	46.93
(iii) Technical / Prudential Write offs	211.42	1,005.06
(iv) Write offs other than those under (iii) above	7.39	5.67
<b>Sub-total (B)</b>	<b>277.66</b>	<b>1,095.28</b>
<b>Gross NPAs as on March 31 (A-B)</b>	<b>33.35</b>	<b>217.62</b>

(f) Write-offs and recoveries

(₹ Crore)

Particulars	FY 2022-23	FY 2021-22
Opening balance of Technical / Prudential written off accounts as at April 01	3,389.19	2,624.88
Add : Technical / Prudential write offs during the year	211.42	1,005.06
<b>Sub total (A)</b>	<b>3,600.61</b>	<b>3,629.94</b>
Less : Actual write off	543.57	37.83
Less : Recoveries made from previously technical / prudential written off accounts during the year	288.81	202.92
<b>Sub total (B)</b>	<b>832.38</b>	<b>240.75</b>
<b>Closing balance as at March 31 (A-B)</b>	<b>2,768.23</b>	<b>3,389.19</b>

(g) Overseas Assets, NPAs and Revenue

Particulars	FY 2022-23	FY 2021-22
Total Assets	Nil	Nil
Total NPAs	Nil	Nil
Total Revenue	Nil	Nil

**(h) Depreciation and provisions on investments**

	(₹ Crore)	
Particulars	FY 2022-23	FY 2021-22
<b>(1) Investments</b>		
(i) Gross Investments	<b>29,450.89</b>	<b>24,306.52</b>
(a) In India	29,450.89	24,306.52
(b) Outside India	-	-
(ii) Provisions for Depreciation	<b>362.23</b>	<b>354.96</b>
(a) In India	362.23	354.96
(b) Outside India	-	-
(iii) Net Investments	<b>29,088.66</b>	<b>23,951.56</b>
(a) In India	29,088.66	23,951.56
(b) Outside India	-	-
<b>(2) Movement of provisions held towards depreciation on investments</b>		
(i) Opening balance	<b>4.80</b>	<b>19.45</b>
(ii) Add: Provisions made during the year	26.05	-
(iii) Appropriation, if any, from Investment Fluctuation Reserve Account during the year	-	-
(iv) Less: Write off / write back of excess provisions during the year*	-	14.65
(v) Less: Transfer, if any, to Investment Fluctuation Reserve Account	-	-
(vi) Closing balance	<b>30.85</b>	<b>4.80</b>

\*The Bank has appropriated ₹10.96 crore (net of applicable taxes) to Investment Fluctuation Reserve Account in FY 2022.

**(i) Provisions and Contingencies**

	(₹ Crore)	
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	FY 2022-23	FY 2021-22
Provisions for depreciation/NPI on Investment	7.27	(9.11)
Provision towards NPA	157.78 @	402.58 @#
Provision made towards Income tax (Including Deferred Tax Assets/Liability)	1053.91	430.23
Other Provision and Contingencies (with details)	693.09 \$	(41.65)\$

@ net of restructuring provision

# Net of write back of floating provision.

\$ includes provision for standard asset.

**(j) Provisioning Coverage Ratio (PCR)**

Particulars	FY 2022-23	FY 2021-22
Provisioning Coverage Ratio (PCR)*	99.69%	96.22%

\* Floating provision has not been considered while calculating PCR.

**(k) Provisioning pertaining to Frauds**

	(₹ Crore)	
Particulars	FY 2022-23	FY 2021-22
No. of frauds reported during the year	8	1
Amount involved in fraud	32.54	6.67
Amount involved in fraud net of recoveries/write offs/unrealised interest as at the end of the year	26.73	6.47
Provision made during the year	1.13	-
Provision held as at the end of the year for the above accounts	26.73	6.47
Amount of unamortised provision debited from "other reserves" as at the end of the year	-	-

#### 4. Investment portfolio: constitution and operations

##### (a) Repo Transactions

(₹ Crore)

	Minimum outstanding during the year FY 2023	Maximum outstanding during the year FY 2023	Daily Average outstanding during the year FY 2023	Outstanding as on March 31, 2023
Securities sold under repo				
i. Government securities	-	13,673.20	2,720.28	10543.96
ii. Corporate debt securities	-	-	-	-
Securities purchased under reverse repo				
i. Government securities	-	14,994.39	1,632.35	1,998.89
ii. Corporate debt securities	-	-	-	-

(₹ Crore)

	Minimum outstanding during the year FY 2022	Maximum outstanding during the year FY 2022	Daily Average outstanding during the year FY 2022	Outstanding as on March 31, 2022
Securities sold under repo				
i. Government securities	-	3,735.68	348.89	2568.91
ii. Corporate debt securities	-	-	-	-
Securities purchased under reverse repo				
i. Government securities	-	21,610.09	6,450.69	299.89
ii. Corporate debt securities	-	-	-	-

##### (b) Disclosure of Issuer Composition for Investment in Debt Securities

(₹ Crore)

Issuer	Amount	Amount as on March 31, 2023			
		Investment made through private placement	Below Investment Grade Securities Held	Unrated securities held	Unlisted securities
(1)	(2)	(3)	(4)	(5)	(6)
(i) PSUs	363.31	278.25	-	-	-
(ii) FIs	2,795.10	2,795.10	-	189.83	189.83
(iii) Banks	8,302.72	8,302.72	-	103.50	103.50
(iv) Private Corporates	379.93	379.93	-	379.93	371.30
(v) Subsidiaries/Joint ventures	1,751.05	1,751.05	-	1,751.05	1,751.05
(vi) Others	1,045.81	1,045.81	-	1,045.81	1,045.81
(vii) Provision held towards depreciation	-362.23	-	-	-	-
<b>Total</b>	<b>14,275.69</b>	<b>14,552.86</b>	<b>-</b>	<b>3,470.12</b>	<b>3,461.49</b>

##### (c) Sale & transfers of securities to /from HTM category :

During the FY2023, the Bank shifted investments in Venture Capital Funds from HTM to AFS category in accordance with extant RBI guidelines. Except for the above, there was no shifting on investments to/from HTM category.

## 5. Details of Financial Assets purchased/ sold

### (a) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

#### (i) Details of Sales

(₹ Crore)

Particulars	FY 2022-23	FY 2021-22
(i) No. of accounts	Nil	Nil
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	Nil	Nil
(iii) Aggregate consideration	Nil	Nil
(iv) Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v) Aggregate gain / loss over net book value	Nil	Nil

#### (ii) Details of Book Value of Investments in Security Receipts

(₹ Crore)

Particulars	Book value of investments in security receipts	
	FY 2022-23	FY 2021-22
(i) Backed by NPAs sold by the AIFI as underlying	0.27	0.27
(ii) Backed by NPAs sold by banks / other financial institutions / non-banking financial companies as underlying	-	-
<b>Total</b>	<b>0.27</b>	<b>0.27</b>

### (b) Details of Non Performing Financial Assets Purchased / Sold

#### (i) Details of non performing financial assets purchased:

(₹ Crore)

Particulars	FY 2022-23	FY 2021-22
1. (a) No. of accounts purchased during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil
2. (a) Of these, number of accounts restructured during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil

#### (ii) Details of non performing financial assets sold:

(₹ Crore)

Particulars	FY 2022-23	FY 2021-22
1. No. of accounts sold	Nil	Nil
2. Aggregate outstanding	Nil	Nil
3. Aggregate consideration received	Nil	Nil

## 6. Operating Results

Particulars	FY 2022-23	FY 2021-22
(i) Interest income as a percentage to average working funds(%)	5.37	4.28
(ii) Non-interest income as a percentage to average working funds(%)	0.16	0.21
(iii) Operating profit as a percentage to average working funds (before provisions)(%)	1.57	1.35
(iv) Return on average assets (before provisions for taxation)(%)	1.32	1.17
(v) Net Profit per employee (₹ crore)	3.22	1.99

## 7. Credit Concentration risk

### (a) Capital market exposure

(₹ Crore)

Particulars	FY 2022-23	FY 2021-22
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	320.03	456.70
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
(ix) financing to stockbrokers for margin trading;	-	-
(x) all exposures to Venture Capital Funds (both registered and unregistered)	1,173.59	1,022.18
<b>Total Exposure to Capital Market</b>	<b>1,493.62</b>	<b>1,478.88</b>

### (b) Exposure to Country risk

(₹ Crore)

Risk Category	FY 2022-23		FY 2021-22	
	Net Funded Exposure	Provision held	Net Funded Exposure	Provision held
Insignificant	10,902.69	26.40	11,269.51	27.66
Low	1,018.09	-	998.70	-
Moderate	15.90	-	1.00	-
High	5.64	-	-	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
<b>Total</b>	<b>11,942.32</b>	<b>26.40</b>	<b>12,269.21</b>	<b>27.66</b>

### (c) Prudential Exposure Limits - Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded.

(i) The number and amount of exposures in excess of the prudential exposure limits during the year.

S.I. No.	PAN Number	Borrower Name	Industry Code	Industry Name	Sector	Amount Funded	Amount Non-Funded	Exposure as % to capital Funds
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

ii) **Credit exposure as percentage to capital funds and as percentage to total assets, in respect of :**

S r. No.	Particulars	FY 2022-23		FY 2021-22	
		As % to Total Assets	As % to Capital funds	As % to Total Assets	As % to Capital funds
1	The largest single borrower	14.88%	237.41%	17.51%	191.31%
	The largest borrower group	As large borrowers are Primary lending Institutions, the concept of borrower group is not applicable.			
2	The 20 largest single borrowers	70.68%	1127.93%	65.53%	716.11%
	The 20 largest borrower group	As large borrowers are Primary lending Institutions the concept of borrower group is not applicable.			

iii) **Credit exposure to the five largest industrial sectors as percentage to total loan assets :**

(₹ Crore)

Name of Industry	FY 2022-23		FY 2021-22	
	Credit Exposure	% to total loan assets	Credit Exposure	% to total loan assets
TEXTILE PRODUCTS	1373.15	0.39	821.55	0.41
AUTO ANCILLARIES	1303.56	0.37	871.11	0.43
METAL PRODUCTS N.E.C.	1298.56	0.36	1072.24	0.53
PLASTIC MOULDED GOODS	707.12	0.20	601.17	0.30
METAL PRODUCTS PARTS EXCEPT MACHINERY	648.03	0.18	580.84	0.29

(iv) Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is 'Nil'.

(v) The bank had no factoring exposure during the current year and previous year.

(vi) The bank had not exceeded the Prudential Exposure Limits during the current year and previous year.

(d) **Concentration of borrowings /lines of credit, credit exposures and NPAs**

(i) **Concentration of borrowings and lines of credit**

(₹ Crore)

Particulars	FY 2022-23	FY 2021-22
Total borrowings from twenty largest lenders	2,86,928.23	1,81,350.77
Percentage of borrowings from twenty largest lenders to total borrowings	78.46%	83.73%

(ii) **Concentration of Exposures**

(₹ Crore)

Particulars	FY 2022-23	FY 2021-22
Total advances to twenty largest borrowers	2,83,925.02	1,61,623.21
Percentage of advances to twenty largest borrowers to Total Advances	79.65%	79.88%
Total Exposure to twenty largest borrowers / customers	3,09,645.04	1,75,921.47
Percentage of exposures to twenty largest borrowers / customers to Total Exposure	74.35%	68.02%



(iii) Sector-wise concentration of exposures and NPAs

(₹ Crore)

Sr. No.	Sector	FY 2022-23			FY 2021-22		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
I.	Industrial sector	3,18,130.93	14.74	0.00%	1,81,265.82	199.00	0.11%
1	Central Government	-	-	-	-	-	-
2	Central PSUs	-	-	-	-	-	-
3	State Governments	1,541.63	-	-	180.83	-	-
4	State PSUs	-	-	-	-	-	-
5	Scheduled Commercial Banks	2,98,173.25	-	-	1,66,831.69	-	-
6	Regional Rural Banks	-	-	-	-	-	-
7	Co-operative banks	-	-	-	-	-	-
8	Private sector (excluding banks)	18,416.05	14.74	0.08%	14,253.30	199.00	1.38%
II.	Micro-finance sector	4,918.26	18.61	0.38%	3,136.30	18.62	0.01
III.	Others*	33,414.67	-	-	17,935.18	-	-
<b>Total (I+II+III)</b>		<b>3,56,463.86</b>	<b>33.35</b>	<b>0.01%</b>	<b>2,02,337.30</b>	<b>217.62</b>	<b>0.11%</b>

\* includes advances to NBFCs

8. Derivatives

(a) Forward Rate Agreement / Interest Rate Swap

(₹ Crore)

Sr. No	Particulars	FY 2022-23	FY 2021-22
i)	The notional principal of swap agreements	123.72	185.58
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	(1.91)	2.29
iii)	Collateral required by the bank upon entering into swaps	Nil	Nil
iv)	Concentration of credit risk arising from the swaps	-	3.25
v)	The fair value of the swap book	(1.91)	2.29

The nature and terms of the IRS as on March 31, 2023 are set out below:

Sl. no.	Nature	Nos.	Notional Principal	Benchmark	Terms
1	Hedging	1	INR 123,72,29,020.00	6 M USD LIBOR	Fixed receivable V/s floating payable

The nature and terms of the IRS as on March 31, 2022 are set out below:

Sl. no.	Nature	Nos.	Notional Principal	Benchmark	Terms
1	Hedging	1	INR 185,58,43,530.00	6 M USD LIBOR	Fixed receivable V/s floating payable

(b) Exchange Traded Interest Rate Derivatives

(₹ Crore)

Sr. No	Particulars	FY 2022-23	FY 2021-22
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument - wise)	NIL	NIL
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on March 31 (instrument - wise)	NIL	NIL
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument - wise)	NIL	NIL
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument - wise)	NIL	NIL

**(c) Disclosures on risk exposure in derivatives****(i) Qualitative Disclosures**

- (1) The Bank uses Derivatives for hedging of interest rate and exchange risk arising out of mismatch in the assets and liabilities. All derivatives undertaken by Bank are for hedging purposes with underlying as Foreign Currency borrowings, which are not MTM, but only translated. The Bank does not undertake trading in Derivatives.
- (2) Internal Control guidelines and accounting policies are framed and approved by the Board. The derivative structure is undertaken only after approval of the competent authority. The particulars of derivative details undertaken are also reported to ALCO/Board.
- (3) The Bank has put systems in place for mitigating the risk arising out of derivative deals. The Bank follows the accrual method for accounting the transactions arising out of derivative deals.

**(d) Disclosure on Credit default swap - Bank has not undertaken any credit default swap during the year.****(ii) Quantitative Disclosures**

(₹ Crore)

S r. No.	Particulars	FY 2022-23		FY 2021-22	
		Currency Derivatives	Interest rate Derivatives	Currency Derivatives	Interest rate Derivatives
1	Derivatives ( Notional Principal Amount )	3,361.40	123.72	3,902.68	185.58
	(i) For hedging	3,361.40	123.72	3,902.68	185.58
	(ii) For trading	-	-	-	-
2	Marked to Market Positions [1]	535.51	(1.91)	296.35	2.29
	(i) Asset (+)	535.51		296.35	2.29
	(ii) Liability (-)	-	1.91	-	-
3	Credit Exposure [2]	730.12	-	557.49	3.25
4	Likely impact of one percentage change in interest rate (100* PV01)	1,681.43	(0.72)	56.18	(0.02)
	(i) On hedging derivatives	1,681.43	(0.72)	56.18	(0.02)
	(ii) On trading derivatives	-	-	-	-
5	Maximum and Minimum of 100*PV01 observed during the year				
	(i) On hedging	1912.87/0.56	(0.72)/(2.47)	88.26/56.18	(2.37)/(4.82)
	(ii) On trading	-	-	-	-

**9. Disclosure of Letters of Comfort (LoCs) issued.**

The particulars of Letters of Comfort (LoCs) issued during the year, assessed financial impact, and assessed cumulative financial obligations under the LoCs issued in the past and outstanding is as under:

(₹ Crore)

LoCs outstanding as on April 01, 2022		LoC issued during the year		LoCs redeemed during the year		LoCs outstanding as on March 31, 2023	
No of LoC	Amount	No of LoC	Amount	No of LoC	Amount	No of LoC	Amount
-	-	-	-	-	-	-	-

**10. Asset Liability Management**

(₹ Crore)

	1 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & up to 6 months	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	34.63	28.75	1,616.06	375.23	40,178.28	1,17,330.89	2,791.15	2,681.16	1,65,036.15
Advances	6,997.81	3,988.66	50,914.03	65,123.20	65,005.05	1,50,447.99	12,202.58	1,759.75	3,56,439.07
Investments	12,067.13	893.26	9,319.83	10,471.73	-	266.20	2,082.81	3,218.56	38,319.52
Borrowings	15,640.96	3,600.00	73,581.99	26,684.22	34,913.39	44,652.76	836.77	747.83	2,00,657.92
Foreign Currency Assets	6.87	8.03	911.60	32.72	364.03	2,253.17	367.78	-	3,944.20
Foreign Currency Liabilities	13.20	6.43	530.98	47.71	482.50	2,051.84	693.42	563.67	4,389.75

## 11. Draw Down from Reserves

There is no draw down from Reserves during the current year and previous year.

## 12. Business Ratios

Particulars	(₹ Crore)	
	FY 2022-23	FY 2021-22
Return on average Equity (before provisions for taxation)(%)	16.98	10.55
Return on average assets (before provisions for taxation)(%)	1.32	1.17
Net Profit per employee (₹ crore)	3.22	1.99

## 13. Disclosure of Penalties imposed by RBI

RBI had not imposed any penalty on the Bank during the current year and previous year.

## 14. Customer Complaints

### 1. Complaints received by the bank from its customers

Particulars	(₹ Crore)	
	FY 2022-23	FY 2021-22
1 No. of complaints pending at the beginning of the year	1	7
2 No. of complaints received during the year	230	234
3 No. of complaints disposed during the year	230	240
3(i) Of which, number of complaints rejected by the Bank	83	19
4 No. of complaints pending at the end of the year	1	1

### 2. Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
(1)	(2)	(3)	(4)	(5)	(6)
<b>FY 2023</b>					
Loans and advances	-	35	(18.60)	-	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	35	34.62	-	-
Others	1	53	(67.88)	1	-
<b>FY2022</b>					
Loans and advances	-	43	(27.12)	-	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	26	160	-	-
Others	7	165	(42.71)	1	-

RBI vide their Circular CEPD.CO.PRD.Cir.No.01/13.01.013/2020-21 dated 27.01.2021 on Strengthening of Grievance Redress Mechanism in Banks had categorized grievances under 16 categories and had advised Banks to make disclosures accordingly.

## 15. Off-Balance Sheet SPVs Sponsored

The Bank had no Off-balance sheet SPVs sponsored during the current year and previous year.

## 16. Disclosure as per specific accounting standards

### (a) Accounting Standard 5 – Net Profit or Loss for the period, prior period items and changes in accounting policies

Income in schedule XIII - 'other income' includes Prior Period Income of ₹10,08,72,058 for FY 2022-23 [Previous Year ₹4,66,88,641] and Other expenditure in schedule XIV - 'Operating Expenses' for FY 2022-23 includes Prior Period Expenditure of ₹1,22,71,798 [Previous Year (₹2,58,64,368)].

**(b) Accounting Standard 17 – Segment Reporting**

As required under RBI master directions and Accounting Standard-17 'Segment Reporting' the Bank has disclosed "Business segment" as the Primary Segment. Since the Bank operates in India, there are no reportable geographical segments. Under Business Segment, the Bank has identified Whole Sale Operations (Direct Lending), Whole Sale Operations (Refinance) and Treasury as its three reporting segments. These segments have been identified after considering the nature and risk profile of the products and services, the organization structure and the internal reporting system of the Bank. Previous year's figures have been regrouped and reclassified to conform to the current year's methodology.

**Part A: BUSINESS SEGMENTS**

(Amount in ₹)

Business Segments	Wholesale Operations (Direct Lending)		Wholesale Operations (Refinance)		Treasury		Total	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
<b>1 Segment Revenue</b>	1,554.09	1,209.25	14,088.67	6,587.11	2,842.05	1,342.82	18,484.81	9,139.18
Exceptional Items							-	-
<b>Total</b>							<b>18,484.81</b>	<b>9,139.18</b>
<b>2 Segment Results</b>	379.02	340.18	3,109.40	1,689.44	1,238.47	600.94	4,725.89	2,629.56
Exceptional Items							-	-
<b>Total</b>							<b>4,725.89</b>	<b>2,629.56</b>
Unallocable Expenses							328.41	241.73
<b>Operating profit</b>							<b>4,397.48</b>	<b>2,388.33</b>
Income Tax (Net of write back)							1,053.91	430.23
<b>Net profit after Tax</b>							<b>3,343.57</b>	<b>1,958.10</b>
<b>3 Other information</b>								
<b>Segment Assets</b>	20,055.91	14,432.35	3,37,995.11	1,89,084.40	41,111.89	42,082.79	3,99,162.91	2,45,598.55
Unallocated Assets							3,219.82	1,779.14
<b>Total Assets</b>							<b>4,02,382.73</b>	<b>2,47,377.69</b>
<b>Segment Liabilities</b>	15,883.66	10,616.77	3,16,857.75	1,74,444.45	39,112.64	35,888.26	3,71,854.05	2,20,949.48
Unallocated Liabilities							3,025.62	2,144.58
<b>Total</b>							<b>3,74,879.67</b>	<b>2,23,094.06</b>
<b>Capital / Reserves</b>	4,155.25	3,752.69	21,028.09	14,472.02	2,319.03	6,059.92	27,502.37	24,284.63
<b>Total</b>							<b>27,502.37</b>	<b>24,284.63</b>
<b>Total Liabilities</b>							<b>4,02,382.73</b>	<b>2,47,378.69</b>

**Part B: GEOGRAPHIC SEGMENTS - The operations of the Bank is confined to India only, hence no reportable geographic segments.**

**(c) Accounting Standard 18 – Related Party Disclosures****(i) Details of Related Parties**

Name of the entity	Nature of Relationship
SIDBI Venture Capital Ltd	Subsidiary
SIDBI Trustee Company Ltd	Subsidiary
Micro Units Development & Refinance Agency Ltd	Subsidiary
India SME Technology Services Limited	Associate
Acuite Ratings Pvt Ltd	Associate
Receivables Exchange of India Limited	Associate
India SME Asset Reconstruction Company Limited	Associate
APITCO LIMITED*	Associate
KITCO LIMITED	Associate

\*Investment sold on November 20, 2021

**(ii) Key management personnel**

Shri Sivasubramanian Ramann	Chairman & Managing Director
Shri V. Satya Venkata Rao	Deputy Managing Director
Shri Sudatta Mandal	Deputy Managing Director

(iii) Significant transactions with related parties

(₹ Crore)

Items / Related Party	Sub-sidiaries	Associates/ Joint ventures	Key Management Personnel <sup>@</sup>	Relatives of Key Management Personnel	Total
<b>Borrowings<sup>#</sup></b>	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
<b>Deposit<sup>#</sup></b>	-	-	-	-	-
Outstanding at the year end	-	11.50	-	-	11.50
Maximum during the year	-	11.50	-	-	11.50
<b>Placement of deposits<sup>#</sup></b>	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
<b>Advances<sup>#</sup></b>	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
<b>Investments<sup>#</sup></b>	-	-	-	-	-
Outstanding at the year end	1,751.05	36.10	-	-	1,787.15
Maximum during the year	1,751.05	36.10	-	-	1,787.15
<b>Non funded commitments<sup>#</sup></b>	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
<b>Leasing arrangements availed<sup>#</sup></b>	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
<b>Leasing arrangements provided<sup>#</sup></b>	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-
<b>Interest paid</b>	-	0.45	-	-	0.45
<b>Interest received</b>	-	-	-	-	-
<b>Dividend received</b>	26.64	0.51	-	-	27.15
<b>Dividend paid</b>	-	-	-	-	-
<b>Rendering of services<sup>*</sup></b>	11.76	2.75	-	-	14.51
<b>Receiving of services<sup>*</sup></b>	-	-	-	-	-
<b>Management contracts<sup>**</sup></b>	-	-	1.35	-	1.35

<sup>@</sup>Whole time directors of the Board

<sup>#</sup> The outstanding at the year end and the maximum during the year are to be disclosed

<sup>\*</sup> Contract services etc. and not services like remittance facilities, locker facilities etc.

<sup>\*\*</sup> Remuneration to Key Management Personnel.

**17. Unamortised Pension and Gratuity Liabilities**

The pension and gratuity liability are provided for on the basis of an actuarial valuation made at the end of each financial year based on the projected unit credit method. The actuarial gains/ losses are taken to the profit & loss account and are not amortized.

As per our report of even date

BY ORDER OF THE BOARD

For **Borkar & Muzumdar**  
Chartered Accountants  
FRN.101569W

**Ajit Nath Jha**  
Chief Financial Officer

**Sudatta Mandal**  
Deputy Managing Director

**V. Satya Venkata Rao**  
Deputy Managing Director

**Sivasubramanian Ramann**  
Chairman & Managing Director

**Darshit Doshi**  
Partner  
M.No. 133755

**G Gopalakrishna**  
Director

**Amit Tandon**  
Director

Place: Mumbai  
Date: May 12, 2023

# Cash Flow Statement

for the year ended March 31, 2023

(Amount in ₹)

31.03.2022	Particulars	31.03.2023	31.03.2023
	<b>1. Cash Flow from Operating Activities</b>		
23,88,02,02,681	Net Profit before tax as per P & L Account		43,97,48,24,372
	Adjustments for :		
36,18,71,759	Depreciation	26,23,28,294	
5,53,33,454	Provision for net depreciation in investments	26,05,29,926	
3,98,31,68,645	Provisions made (net of write back)	9,19,41,00,782	
(70,43,74,178)	Profit on sale of investments (net)	(44,63,03,402)	
(14,25,891)	Profit on sale of fixed assets	(1,33,74,835)	
(47,78,14,759)	Income Received on Investments	(32,37,39,322)	8,93,35,41,443
<b>27,09,69,61,711</b>	<b>Cash generated from operations</b>		<b>52,90,83,65,815</b>
	(Prior to changes in operating Assets and Liabilities)		
	Adjustments for net changes in :		
(38,08,83,847)	Current assets	(12,79,59,67,735)	
(17,31,75,47,708)	Current liabilities	16,38,89,72,497	
(13,44,52,273)	Bills of Exchange	(5,17,69,19,134)	
(4,59,94,00,35,099)	Loans & Advances	(15,36,08,86,06,820)	
3,66,22,24,58,973	Net Proceeds of Bonds and Debentures & other borrowings	12,49,45,48,36,350	
1,64,66,31,03,814	Deposits received	2,41,57,71,89,722	
<b>53,11,26,43,861</b>			<b>(46,64,04,95,120)</b>
80,20,96,05,572			6,26,78,70,695
(5,04,41,76,103)	Payment of Tax	(12,60,92,47,571)	(12,60,92,47,571)
<b>75,16,54,29,469</b>	<b>Net Cash flow from operating Activities</b>		<b>(6,34,13,76,876)</b>
	<b>2. Cash Flow from Investing Activities</b>		
(51,84,59,830)	Net (Purchase)/Sale of fixed assets	(28,16,59,013)	
(1,42,32,30,93,515)	Net (Purchase)/sale/redemption of Investments	8,41,52,41,728	
47,78,14,759	Income Received on Investments	32,37,39,323	
<b>(1,42,36,37,38,586)</b>	<b>Net cash used in Investing Activities</b>		<b>8,45,73,22,038</b>
	<b>3. Cash flow from Financing Activities</b>		
14,22,80,00,000	Proceeds from issuance of share capital & share premium	-	
(1,06,38,44,062)	Dividend on Equity Shares & tax on Dividend	(79,81,84,026)	
<b>13,16,41,55,938</b>	<b>Net cash used in Financing Activities</b>		<b>(79,81,84,026)</b>
<b>(54,03,41,53,179)</b>	<b>4. Net increase/(decrease) in cash and cash equivalents</b>		<b>1,31,77,61,136</b>
<b>79,09,84,37,487</b>	<b>5. Cash and Cash Equivalents at the beginning of the period</b>		<b>25,06,42,84,308</b>
<b>25,06,42,84,308</b>	<b>6. Cash and Cash Equivalents at the end of the period</b>		<b>26,38,20,45,444</b>
	<b>7. Cash and cash equivalents at the end of the period includes</b>		
7,18,409	Cash in Hand		6,02,342
92,87,49,749	Current account balance with Bank		6,30,72,99,170
19,99,90,00,050	Mutual Funds		-
4,13,58,16,100	Deposits		20,07,41,43,932

Note : Cash Flow statement has been prepared as per the Indirect Method prescribed in AS-3 (Revised) 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India (ICAI)

Significant Accounting Policies XV

Notes to Accounts XVI

As per our report of even date

BY ORDER OF THE BOARD

For **Borkar & Muzumdar**  
Chartered Accountants  
FRN.101569W

**Ajit Nath Jha**  
Chief Financial Officer

**Sudatta Mandal**  
Deputy Managing Director

**V. Satya Venkata Rao**  
Deputy Managing Director

**Sivasubramanian Ramann**  
Chairman & Managing Director

**Darshit Doshi**  
Partner  
M.No. 133755

**G Gopalakrishna**  
Director

**Amit Tandon**  
Director

Place: Mumbai  
Date: May 12, 2023



## **Appendix II**

Consolidated Balance Sheet along  
with Profit and Loss Account and  
Cash Flow Statement of SIDBI

# Independent Auditor's Report

The Board of Directors

Small Industries Development Bank of India

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of **Small Industries Development Bank of India** (hereinafter referred as the 'the Bank') and its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group') and its associates which comprise the consolidated Balance Sheet as at March 31, 2023, the consolidated Profit and Loss Account and the consolidated Cash Flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of Subsidiaries, the unaudited financial statements and the other financial information of the Associates as furnished by the management, the aforesaid consolidated financial statements give the information required in accordance with Regulation 14(1) of the Small Industries Development Bank of India General Regulations, 2000 and give a true and fair view, in conformity with the Accounting Standards notified by the Institute of Chartered Accountants of India ("the ICAI") and accounting principles generally accepted in India, of the state of affairs of the Group and its associates as at March 31, 2023, of its consolidated profit and consolidated cash flows for the year ended on that date.

### Description of Key Audit Matters

Key Audit Matter	How our audit addressed the Key Audit Matters
<b>Classification of Advances, Identification of Non-Performing Advances, Income Recognition and Provision on Advances (Schedule VIII read with Note 6 of Schedule XV to the consolidated financial statements)</b>	
(i) Advances include Refinance loans to banks, Financial Institutions, Micro Finance Institutions and NBFCs; and Direct loans including Cash credits, Overdrafts, Loans repayable on demand and Term loans.  The Reserve Bank of India ('RBI') has prescribed the 'Prudential Norms on Income Recognition, Asset Classification and Provisioning' in respect of advances for banks ('IRACP Norms').	Our audit approach / procedures towards Classification of Advances, Identification of Non-performing Advances, Income Recognition and Provision on Advances included the following: <ul style="list-style-type: none"> <li>- Understanding and considering the Bank's accounting policies for NPA identification and provisioning and assessing compliance with the prudential norms prescribed by the RBI (IRACP Norms) including the additional provisions and asset classification benefit extended on restructured advances.</li> </ul>

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the consolidated Financial Statements' section of our report. We are independent of the Group and its associates in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Emphasis of Matter

We draw attention to Note Nos 2A (7), 2B and 2C of "Annexure I- Additional Notes" to Consolidated Financial Statements with regard to non-consolidation of 7 associates wherein as per the management the carrying amount of the investments are not realisable and are fully provided for.

Our opinion on the consolidated financial statements is not modified in respect of above matter.

### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



Key Audit Matter	How our audit addressed the Key Audit Matters
<p>The identification of performing and non-performing advances (including advances restructured under applicable IRACP Norms) involves establishment of proper mechanism and the Bank is required to apply significant degree of judgement to identify and determine the amount of provision required against each advance applying both quantitative as well as qualitative factors prescribed by the regulations.</p> <p>Significant judgements and estimates for NPA identification and provisioning could give rise to material misstatements on:</p> <ul style="list-style-type: none"> <li>- Completeness and timing of recognition of non-performing assets in accordance with criteria as per IRACP norms;</li> <li>- Measurement of the provision for non-performing assets based on loan exposure, ageing and classification of the loan, realizable value of security;</li> <li>- Appropriate reversal of unrealized income on the NPAs.</li> </ul> <p>Since the classification of advances, identification of NPAs and creation of provision on advances (including additional provisions on restructured advances under applicable IRACP Norms) and income recognition on advances:</p> <ul style="list-style-type: none"> <li>- Requires proper control mechanism and significant level of estimation by the Bank;</li> <li>- Has significant impact on the overall financial statements of the Bank;</li> </ul> <p>we have ascertained this area as a Key Audit Matter.</p>	<ul style="list-style-type: none"> <li>- Understanding the key controls (including system based automated controls) for identification and provisioning of impaired accounts based on the extant guidelines on IRACP laid down by the RBI.</li> <li>- Performing other procedures including substantive audit procedures covering the identification of NPAs by the Bank. These procedures included:               <ol style="list-style-type: none"> <li>i. Considering testing of the exception reports generated from the application systems where the advances have been recorded.</li> <li>ii. Considering the accounts reported by the Bank and other banks as Special Mention Accounts ("SMA") in RBI's central repository of information on large credits (CRILC) to identify stress.</li> <li>iii. Reviewing account statements, drawing power calculation, security and other related information of the borrowers selected based on quantitative and qualitative risk factors</li> <li>iv. Reading of minutes of credit and risk committee meetings and performing inquiries with the credit department to ascertain if there were indicators of stress or an occurrence of an event of default in a loan account or any product.</li> <li>v. Considering key observations arising out of Internal Audits and Concurrent Audits conducted as per the policies and procedures of the Bank.</li> <li>vi. Considering the RBI Financial Inspection report on the Bank, the Bank's response to the observations and other communication with RBI during the year</li> <li>vii. Reviewing the report submitted by external expert appointed by the Bank to verify compliance with the RBI circular on Automation of IRACP processes through the Bank's core banking system.</li> <li>viii. Examination of advances including stressed/restructured advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines.</li> <li>ix. Seeking independent confirmation of account balances for sample borrowers</li> <li>x. Visits to branches/offices and examination of documentation and other records relating to advances.</li> </ol> </li> </ul> <p>For Non- performing advances identified, we, based on factors including stressed sectors and account materiality, tested on a sample basis the asset classification dates, reversal of unrealized interest, value of available security and provisioning as per IRACP norms. We recomputed the provision for NPA on such samples after considering the key input factors and compared our measurement outcome to that prepared by management.</p>

Key Audit Matter	How our audit addressed the Key Audit Matters
<p>(ii) <b>Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule VII read with Note 3 of Schedule XV to the consolidated financial statements)</b></p> <p>Investments are categorized under Treasury operations and Business Operations. Investments include investments made by the Bank in Central and State Governments Securities, Bonds, Debentures, Shares, Mutual Funds, VCFs and other approved securities. RBI Circulars and directives, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, non-recognition of income and provisioning against non-performing investments.</p> <p>The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FBIL/FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc.</p> <p>We identified valuation of investments and identification of NPI as a Key Audit Matter because of the management judgement involved in determining the value of certain investments (Bonds and Debentures, VCFs) based on applicable Regulatory guidelines and the Bank's policies, impairment assessment for HTM book based on management judgement, the degree of regulatory focus and the overall significance to the financial results of the Bank.</p>	<p>Our audit approach/procedures towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non-performing investments (NPIs) and provisioning/depreciation related to Investments. In particular -</p> <ul style="list-style-type: none"> <li>- We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, reversal of income on NPIs and provisioning/depreciation related to investments;</li> <li>- We assessed and evaluated the process adopted for collection of information from various sources for determining market value of these investments;</li> <li>- For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security;</li> <li>- We carried out substantive audit procedures to recompute independently the provision to be maintained in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained and if accrual of income is in accordance with the RBI Circular for those selected sample of NPIs;</li> </ul>
<p>(iii) <b>Information Technology ('IT') Systems and Controls for financial reporting</b></p> <p>The Bank's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.</p> <p>Due to the pervasive nature and complexity of the IT environment as well as its importance in relation to accurate and timely financial reporting, we have identified this area as a Key Audit Matter.</p>	<p>As a part of our audit procedures for review of the Bank's IT systems and related controls for financial reporting:</p> <ul style="list-style-type: none"> <li>- We tested the design and operating effectiveness of the Bank's IT systems and controls that are critical to financial reporting.</li> <li>- The Bank has a system in place for getting application software audits for identified Application Systems at reasonable intervals. Information System (IS) Audit is done by the Bank at reasonable intervals.</li> <li>- We reviewed key observations arising out of audits conducted on the Bank's IT systems during the year.</li> </ul>

Key Audit Matter	How our audit addressed the Key Audit Matters
<p>(iv) <b>Assessment of Provisions and Contingent Liabilities (Note 10 and Note 12 of Schedule XV to the consolidated financial statements)</b></p> <p>Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct Taxes, various claims filed by other parties not acknowledged as debt (Schedule XI to the consolidated financial statements) and various employee benefits schemes (Schedule V to the consolidated financial statements) was identified as a significant audit area.</p> <p>There is high level of judgement involved in estimating the level of provisioning required as well as in the disclosure of both Provisions and Contingent Liabilities in respect of tax matters and other legal claims. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.</p> <p>The valuations of the employee benefit liabilities are calculated with reference to multiple actuarial assumptions and inputs including discount rate, rate of inflation and mortality rates. The valuation of funded assets in respect of the same is also sensitive to changes in the assumptions.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of the matters which requires application of judgment in interpretation of law, circumstances of each case and estimates involved.</p>	<p>Our audit approach / procedures involved:</p> <ul style="list-style-type: none"> <li>- Understanding the current status of the litigations/ tax assessments;</li> <li>- Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon;</li> <li>- Evaluating the merit of the subject matters identified as significant, with reference to the grounds presented therein and available independent legal / tax advice including opinion of the Bank's tax consultants;</li> <li>- Review and evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and</li> <li>- Ensuring completeness and accuracy of the data, the measurement of the fair value of the schemes' assets, understanding the judgements made in determining the assumptions used by management to value the employee liabilities with specific schemes and market practice.</li> <li>- Our audit procedures included an assessment of some assumptions used by the actuary by comparing life expectancy assumptions with relevant mortality tables, benchmarking inflation and discount rates against external market data. We verified the value of plan assets to the statements provided by asset management companies managing the plan assets.</li> <li>- Verification of disclosures related to significant litigations, taxation matters and Employee benefits liabilities in the consolidated financial statements.</li> </ul>

### Information other than the consolidated Financial Statements and Auditor's Report Thereon

The Bank's Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Bank's annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the

consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Bank's annual report, if we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

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

The Bank's Management is responsible with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with the Small Industries Development Bank of India General Regulations, 2000, and accounting principles

generally accepted in India including the Accounting Standards issued by ICAI, and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. The respective Management of the entities included in the Group and of its associates are responsible for maintenance of adequate accounting records for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Management of the entities included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Management of the entities included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

### **Auditor's Responsibilities for the audit of the consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's Internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial statements made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of the Bank included in consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described under 'Other Matters' in this audit report.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and

timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

- I. These Consolidated Financial Results incorporate the relevant returns of 26 branches of the Bank visited/ audited by us including Bank's Head Office which covers 96.30% of Advances, 99.30% of deposits and 100% of Borrowings of the Bank as on 31st March 2023 and 95.09% of Interest income on advances, 99.19% of interest expense on deposits and 100% of interest expense on borrowings of the Bank for the year ended 31st March 2023. These branches have been selected in consultation with the management of the Bank. In conduct of our audit, we have relied upon various information and returns received from remaining branches of the Bank not visited by us and generated through centralized data base at Bank's Head Office.
- II. We did not audit the financial statements of the Three Subsidiaries, whose financial statements reflect total assets of Rs 38,585.53 crore as at 31st March 2023, total revenues of Rs 1,553.98 crore and total net profit after tax of Rs 580.73 crore for the year ended 31st March 2023 and net cash outflow amounting to Rs 291.85 crore for the year ended on that date, as considered in the consolidated financial statements, which have been audited by other independent auditors, whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report is based solely on the report of the other auditors.
- III. The consolidated financial statements also include the Group's share of net profit of Rs. 33.81 crore for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of associates whose financial statements have not been audited by us. These

financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of these associates, is based solely on such unaudited financial statements/financial information. We have relied on the management's written representation to us that the effect of the changes / adjustments, if any, required to be made to the reported numbers of these Associates consequent to their audit would not be material for the Group.

Our opinion on the consolidated financial statements and our Report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters and with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

The consolidated financial statements have been prepared by the Bank's Management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements", Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

We report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Bank so far as it appears from our examination of those books and the reports of the other auditors;
- c) The consolidated Balance Sheet, the consolidated Profit and Loss Account, the consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the applicable Accounting Standards.

For **Borkar & Muzumdar**  
Chartered Accountants  
Firm's Registration No. 101569W

**Darshit Doshi**  
Partner

Place: Mumbai  
Date: May 12, 2023

Membership No. 133755  
UDIN: 23133755BGQTYP7110

# Consolidated Balance Sheet

as at March 31, 2023

(Amount in ₹)

		March 31, 2023	March 31, 2022
<b>CAPITAL AND LIABILITIES</b>			
	<b>Schedules</b>		
Capital	I	5,68,54,11,689	5,68,54,11,689
Reserves, Surplus and Funds	II	2,88,76,87,36,216	2,50,62,78,84,150
Deposits	III	19,99,45,59,64,621	17,07,04,29,74,899
Borrowings	IV	20,06,57,92,03,549	7,57,12,43,67,200
Other Liabilities and Provisions	V	92,03,25,03,830	68,31,68,04,164
Deferred Tax Liability		-	-
<b>Total</b>		<b>43,92,52,18,19,905</b>	<b>27,88,79,74,42,102</b>
<b>ASSETS</b>			
Cash and Bank Balances	VI	2,86,03,90,96,059	3,07,71,86,06,790
Investments	VII	2,74,13,43,84,869	2,22,43,61,70,888
Loans & Advances	VIII	37,79,95,53,86,671	22,22,90,63,21,987
Fixed Assets	IX	2,97,51,82,162	2,93,91,01,100
Other Assets	X	49,41,77,70,144	32,79,72,41,337
<b>Total</b>		<b>43,92,52,18,19,905</b>	<b>27,88,79,74,42,102</b>
Contingent Liabilities	XI	45,13,44,11,010	53,37,90,27,297

Consolidated Significant Accounting Policies (Schedule XV) and Notes to Accounts (Annexure I)  
The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date

BY ORDER OF THE BOARD

For **Borkar & Muzumdar**  
Chartered Accountants  
FRN.101569W

**Ajit Nath Jha**  
Chief Financial Officer

**Sudatta Mandal**  
Deputy Managing Director

**V. Satya Venkata Rao**  
Deputy Managing Director

**Sivasubramanian Ramann**  
Chairman & Managing Director

**Darshit Doshi**  
Partner  
M.No. 133755

**G Gopalakrishna**  
Director

**Amit Tandon**  
Director

Place: Mumbai  
Date: May 12, 2023

## Consolidated Profit & Loss Account

for the year ended March 31, 2023

(Amount in ₹)

	Schedules	March 31, 2023	March 31, 2022
<b>INCOME</b>			
Interest and Discount	XII	1,94,82,44,81,207	97,15,63,76,643
Other Income	XIII	5,18,98,24,336	4,17,42,36,689
<b>Total</b>		<b>2,00,01,43,05,543</b>	<b>1,01,33,06,13,332</b>
<b>EXPENDITURE</b>			
Interest & Financial charges		1,31,56,49,02,718	63,63,01,56,138
Operating Expenses	XIV	8,41,66,47,379	7,11,77,65,894
Provisions & Contingencies		8,54,07,24,817	3,78,96,12,908
<b>Total</b>		<b>1,48,52,22,74,914</b>	<b>74,53,75,34,940</b>
<b>Profit before Tax</b>			
		<b>51,49,20,30,629</b>	<b>26,79,30,78,392</b>
Provision for Income Tax		14,24,27,84,676	4,99,84,22,319
Deferred Tax Adjustment [(Asset) / Liability]		(1,72,73,59,844)	11,67,75,995
Share of (earning)/loss in associates		(33,81,07,081)	5,80,86,505
<b>Profit after Tax</b>		<b>39,31,47,12,878</b>	<b>21,61,97,93,573</b>
Profit brought forward		4,44,99,11,872	3,01,46,01,008
<b>Total Profit / (Loss)</b>		<b>43,76,46,24,750</b>	<b>24,63,43,94,581</b>
<b>Appropriations</b>			
Transfer to General Reserve		31,11,88,59,294	18,00,54,03,423
Transfer to Special reserve u/s 36(1)(viii) of The Income Tax Act, 1961		80,00,00,000	70,00,00,000
Transfer to Statutory Reserve u/s 45-IC of RBI Act, 1934		1,15,14,95,854	46,56,33,348
<b>Others</b>			
a) Transfer to Investment Fluctuation Reserve		-	10,96,07,912
Transfer to Staff Welfare Fund		11,11,00,000	10,56,54,000
Development Fund		-	-
Dividend on Shares		1,13,70,82,338	79,81,84,026
Tax on Dividend		-	-
Surplus in Profit & Loss account carried forward		9,44,60,87,264	4,44,99,11,872
<b>Total</b>		<b>43,76,46,24,750</b>	<b>24,63,43,94,581</b>
Basic/Diluted Earning Per Share		69.15	40.63

Consolidated Significant Accounting Policies (Schedule XV) and Notes to Accounts (Annexure I)

The Schedules referred to above form an integral part of the Profit & Loss Account.

As per our report of even date

BY ORDER OF THE BOARD

For **Borkar & Muzumdar**

**Ajit Nath Jha**

**Sudatta Mandal**

**V. Satya Venkata Rao**

**Sivasubramanian Ramann**

Chartered Accountants  
FRN.101569W

Chief Financial Officer

Deputy Managing Director

Deputy Managing Director

Chairman & Managing Director

**Darshit Doshi**

Partner  
M.No. 133755

**G Gopalakrishna**

Director

**Amit Tandon**

Director

Place: Mumbai

Date: May 12, 2023

## Schedules to Consolidated Balance Sheet

### Capital and Liabilities

(Amount in ₹)

Schedule I: Capital	March 31, 2023	March 31, 2022
<b>(a) Authorized Capital :</b>		
- Equity Share Capital (75,00,00,000 Equity Shares of ₹10/- each)	7,50,00,00,000	7,50,00,00,000
- Preference Share Capital (25,00,00,000 Redeemable Preference Shares of ₹10/- each)	2,50,00,00,000	2,50,00,00,000
<b>(b) Issued, Subscribed and Paid-up Capital :</b>		
- Equity Share Capital (56,85,41,169 Equity Shares of ₹10/- each)	5,68,54,11,689	5,68,54,11,689
- Preference Share Capital	-	-
<b>Total</b>	<b>5,68,54,11,689</b>	<b>5,68,54,11,689</b>

(Amount in ₹)

Schedule II: Reserves, Surplus and Funds	March 31, 2023	March 31, 2022
<b>A) Reserves</b>		
<b>i) General Reserve</b>		
- Opening Balance	1,91,50,74,63,293	1,73,49,59,28,207
- Additions during the year	31,12,14,19,104	18,01,15,35,086
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>2,22,62,88,82,397</b>	<b>1,91,50,74,63,293</b>
<b>ii) Share Premium</b>		
- Opening Balance	30,54,25,88,310	16,68,07,79,690
- Additions during the year	-	13,86,18,08,620
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>30,54,25,88,310</b>	<b>30,54,25,88,310</b>
<b>iii) Specific Reserves</b>		
a) Investment Reserve		
- Opening Balance	-	-
- Additions during the year	-	-
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>-</b>	<b>-</b>
b) Special Reserve created and maintained u/s 36 (1) (viii) of The Income Tax Act, 1961		
- Opening Balance	17,72,00,00,000	17,02,00,00,000
- Additions during the year	80,00,00,000	70,00,00,000
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>18,52,00,00,000</b>	<b>17,72,00,00,000</b>
c) Statutory Reserve created u/s 45-IC of Reserve Bank of India Act.		
- Opening Balance	2,14,44,71,505	1,67,88,38,157
- Additions during the year	1,14,91,59,419	46,56,33,348
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>3,29,36,30,924</b>	<b>2,14,44,71,505</b>
d) Other Reserves		
i) Investment Fluctuation Reserve		
- Opening Balance	1,25,89,52,955	1,14,93,45,043
- Additions during the year	-	10,96,07,912
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>1,25,89,52,955</b>	<b>1,25,89,52,955</b>



## Schedules to Consolidated Balance Sheet

(Amount in ₹)

<b>Schedule II: Reserves, Surplus and Funds</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>B) Surplus in Profit and Loss account</b>	<b>9,44,60,87,264</b>	<b>4,44,99,11,872</b>
<b>C) Funds</b>		
a) National Equity Fund		
- Opening Balance	2,65,61,42,832	2,65,61,42,832
- Additions / Write back during the year	-	-
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>2,65,61,42,832</b>	<b>2,65,61,42,832</b>
b) Staff Welfare Fund		
- Opening Balance	32,83,53,383	28,17,87,187
- Additions during the year	11,11,00,000	10,56,54,000
- Utilisations during the year	3,70,01,849	5,90,87,804
- <b>Closing Balance</b>	<b>40,24,51,534</b>	<b>32,83,53,383</b>
c) Others	2,00,00,000	2,00,00,000
<b>Total</b>	<b>2,88,76,87,36,216</b>	<b>2,50,62,78,84,150</b>

(Amount in ₹)

<b>Schedule III: Deposits</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>A) Fixed Deposits</b>	<b>86,76,48,78,620</b>	<b>86,10,40,72,379</b>
<b>B) From Banks</b>		
a) Under MSME Refinance Fund	15,28,76,15,16,000	12,74,31,35,25,000
b) Under MSME Risk Capital Fund	-	5,00,00,00,000
c) Others -From Foreign & Private Sector Banks	19,84,10,00,000	7,93,64,00,000
d) Under MSME India Aspiration Fund	14,99,40,70,001	10,43,02,77,520
e) Under Fund for Venture Capital in MSME sector 2014-15	-	25,00,00,00,000
f) Under Priority Sector Shortfall	3,49,09,45,00,000	2,98,25,87,00,000
<b>Subtotal (B)</b>	<b>19,12,69,10,86,001</b>	<b>16,20,93,89,02,520</b>
<b>Total</b>	<b>19,99,45,59,64,621</b>	<b>17,07,04,29,74,899</b>

(Amount in ₹)

<b>Schedule IV: Borrowings</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>I) Borrowings in India</b>		
1. From Reserve Bank of India	1,59,00,00,00,000	1,44,20,00,00,000
2. From Government of India (including Bonds subscribed by GOI)	5,17,27,06,344	5,62,06,57,105
3. Bonds & Debentures	4,67,55,00,00,000	1,62,85,00,00,000
4. From Other Sources		
- Commercial Paper	3,94,25,00,00,000	50,00,00,00,000
- Certificate of Deposits	2,46,35,00,00,000	1,49,00,00,00,000
- Term Loans from Banks	5,86,43,95,28,678	1,68,89,90,51,099
- Term Money Borrowings	-	-
- Others	1,05,40,96,07,622	25,66,91,30,100
<b>Subtotal (I)</b>	<b>19,64,17,18,42,644</b>	<b>7,06,23,88,38,304</b>

## Schedules to Consolidated Balance Sheet

(Amount in ₹)

<b>Schedule IV: Borrowings</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>II) Borrowings outside India</b>		
(a) KFW, Germany	3,70,76,76,702	5,60,16,04,462
(b) Japan International Cooperation Agency (JICA)	10,79,57,17,856	14,92,77,01,680
(c) IFAD, Rome	1,05,46,39,489	1,05,67,31,387
(d) World Bank	26,31,12,58,470	28,29,18,43,248
(e) Others	53,80,68,388	1,00,76,48,119
<b>Subtotal (II)</b>	<b>42,40,73,60,905</b>	<b>50,88,55,28,896</b>
<b>Total (I &amp; II)</b>	<b>20,06,57,92,03,549</b>	<b>7,57,12,43,67,200</b>

(Amount in ₹)

<b>Schedule V: Other Liabilities and Provisions</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Interest Accrued	29,94,99,68,457	17,19,38,84,962
Provision for SIDBI Employees' Provident Fund	3,93,85,26,360	3,61,97,08,540
Provision for SIDBI Pension Fund	44,04,31,465	16,01,409
Provision for Employees' Other Benefit	1,93,80,18,213	2,85,85,20,654
Provisions for Exchange Rate Fluctuation	1,53,73,62,767	1,53,73,62,768
Contingent provisions against standard assets	18,44,16,10,163	11,44,67,32,156
Proposed Dividend (including tax on dividend)	1,13,70,82,338	79,81,84,026
Funds viz. Aspire Fund, FoF for Startups, PRF, PRSF etc.	23,12,59,58,271	15,15,42,51,789
Floating provision	4,95,67,37,932	4,95,67,37,932
Others (including provisions)	6,56,68,07,864	10,74,98,19,928
<b>Total</b>	<b>92,03,25,03,830</b>	<b>68,31,68,04,164</b>

## Schedules to Consolidated Balance Sheet

### Assets

(Amount in ₹)

<b>Schedule VI: Cash &amp; Bank Balances</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
1. Cash in Hand & Balances with Reserve Bank of India	6,14,370	7,23,087
2. Balances with other Banks		
<b>(a) In India</b>		
i) in current accounts	6,25,86,02,252	91,26,88,841
ii) in other deposit accounts	2,77,02,47,81,932	3,03,55,39,16,222
<b>(b) Outside India</b>		
i) in current accounts	4,89,40,573	1,63,27,034
ii) in other deposit accounts	2,70,61,56,932	3,23,49,51,606
<b>Total</b>	<b>2,86,03,90,96,059</b>	<b>3,07,71,86,06,790</b>

(Amount in ₹)

<b>Schedule VII: Investments [net of provisions]</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>A) Treasury operations</b>		
1. Securities of Central and State Governments	1,48,12,97,19,214	39,90,00,85,004
2. Bonds & Debentures of Banks & Financial Institutions	21,81,08,38,302	31,31,54,82,382
3. Stocks, Shares, Bonds & Debentures of Industrial Concerns	84,44,58,856	1,98,08,42,613
4. Mutual Funds	-	19,99,90,00,050
5. Commercial Paper	26,05,26,90,303	50,04,99,24,399
6. Certificate of Deposit	62,98,61,30,050	56,46,67,59,624
7. Others	-	9,00,00,00,000
<b>Subtotal (A)</b>	<b>2,59,82,38,36,725</b>	<b>2,08,71,20,94,072</b>
<b>B) Business Operations</b>		
1. Shares of Banks & Financial Institutions	1,61,51,09,702	1,84,97,71,142
2. Bonds & Debentures of Banks & Financial Institutions	5,65,33,000	5,65,33,000
3. Stocks, Shares, Bonds & Debentures of Industrial Concerns	5,45,48,59,563	3,93,64,98,845
4. Investment in Subsidiaries	-	-
5. Investment in Venture Capital Fund - RCF	5,24,72,57,872	6,31,40,45,945
6. Others	1,93,67,88,007	1,56,72,27,884
<b>Subtotal (B)</b>	<b>14,31,05,48,144</b>	<b>13,72,40,76,816</b>
<b>Total (A+B)</b>	<b>2,74,13,43,84,869</b>	<b>2,22,43,61,70,888</b>

(Amount in ₹)

<b>Schedule VIII: Loans &amp; Advances [Net of Provisions]</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>A) Refinance to</b>		
- Banks and Financial Institutions	31,54,51,92,29,538	18,32,97,60,08,903
- Micro Finance Institutions	65,35,57,66,859	42,11,55,15,973
- NBFC	3,57,13,84,30,997	2,03,61,89,01,279
- Bills Rediscounted	-	-
- Others (Subscription to Pass Through Certificate (PTC))	3,42,69,18,395	52,36,63,441
<b>Subtotal (A)</b>	<b>35,80,44,03,45,789</b>	<b>20,79,23,40,89,596</b>
<b>B) Direct Loans</b>		
- Loans and Advances	1,93,97,14,30,050	1,43,30,55,40,693
- Receivable Finance Scheme	9,23,64,439	3,07,84,956
- Bills Discounted	5,45,12,46,393	33,59,06,742
<b>Subtotal (B)</b>	<b>1,99,51,50,40,882</b>	<b>1,43,67,22,32,391</b>
<b>Total (A+B)</b>	<b>37,79,95,53,86,671</b>	<b>22,22,90,63,21,987</b>

## Schedules to Consolidated Balance Sheet

(Amount in ₹)

<b>Schedule IX: Fixed Assets [Net of Depreciation]</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
1. Premises	2,92,87,49,254	2,89,84,36,991
2. Others	4,64,32,908	4,06,64,109
<b>Total</b>	<b>2,97,51,82,162</b>	<b>2,93,91,01,100</b>

(Amount in ₹)

<b>Schedule X: Other Assets</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Accrued Interest	20,06,49,05,484	17,14,85,64,429
Advance Tax (Net of provision)	1,94,01,91,139	1,71,25,78,669
Staff Loans	1,95,26,21,807	1,79,12,15,676
Derivative Assets	5,41,20,83,018	4,29,61,53,456
Expenditure to the extent not written off	17,27,27,73,418	6,61,38,10,576
Others	2,77,51,95,278	1,23,49,18,531
<b>Total</b>	<b>49,41,77,70,144</b>	<b>32,79,72,41,337</b>

(Amount in ₹)

<b>Schedule XI: Contingent Liabilities</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
i) Claims against the Bank not acknowledged as debts	9,64,85,12,907	6,56,25,72,519
ii) On account of Guarantees / Letters of Credit	42,97,75,967	31,50,24,390
iii) On account of Forward Contracts	16,78,26,751	6,51,81,80,889
iv) On account of Underwriting Commitments	-	-
v) On account of uncalled monies on partly paid shares, debentures & undrawn commitment under VCF etc.	1,27,42,87,728	95,64,22,740
vi) On account of derivative contracts	33,61,40,07,657	39,02,68,26,759
vii) Other items for which the Bank is contingently liable	-	-
<b>Total</b>	<b>45,13,44,11,010</b>	<b>53,37,90,27,297</b>

## Schedules to Consolidated Profit & Loss Account

(Amount in ₹)

<b>Schedule XII: Interest and Discount</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
1. Interest and Discount on Loans, Advances and Bills	1,59,18,31,07,149	79,90,41,21,266
2. Income on Investments / Bank balances	35,64,13,74,058	17,25,22,55,377
<b>Total</b>	<b>1,94,82,44,81,207</b>	<b>97,15,63,76,643</b>

(Amount in ₹)

<b>Schedule XIII: Other Income</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
1. Upfront and Processing Fees	89,51,11,922	56,15,83,560
2. Commission and Brokerage	1,09,30,972	78,19,049
3. Profit on sale of Investments	46,10,52,617	77,17,94,503
4. Income earned by way of dividends etc. from Subsidiaries / Associates	51,00,000	30,60,000
5. Provision of Earlier Years written Back	-	75,00,000
6. Recoveries out of Bad Debts	2,86,91,76,097	2,03,12,69,846
7. Reversal of Provisions/ERFF under FCL	-	-
8. Others	94,84,52,728	79,12,09,731
<b>Total</b>	<b>5,18,98,24,336</b>	<b>4,17,42,36,689</b>

(Amount in ₹)

<b>Schedule XIV: Operating Expenses</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Payments to and provisions for employees	5,12,63,88,812	3,73,19,04,827
Rent, Taxes and Lighting	18,07,59,949	15,68,56,386
Printing & Stationery, Postage/Courier & Tele and Insurance	2,26,92,930	1,41,95,518
Advertisement and Publicity	11,70,55,493	3,19,63,215
Depreciation / Amortisation on Bank's Property	26,67,08,148	36,43,50,321
Directors' fees, allowances and expenses	1,01,32,867	63,77,767
Auditor's Fees	44,86,516	52,87,176
Law Charges	3,57,41,963	4,06,12,250
Repairs and maintenance	28,98,84,437	13,04,14,423
Issue Expenses	5,60,22,041	1,21,01,863
Capital Commitment, Management Fees etc.	19,79,10,602	8,09,48,867
Input Tax Credit not Available	19,19,22,592	10,30,52,881
Other Expenditure	1,91,69,41,029	2,43,97,00,400
<b>Total</b>	<b>8,41,66,47,379</b>	<b>7,11,77,65,894</b>

## Schedule XV – Consolidated Significant Accounting Policies

### 1. Basis of Preparation

The consolidated financial statements (CFS) have been prepared to comply in all material respects with the Small Industries Development Bank of India Act, 1989 (Parent) and regulations thereof, applicable prudential norms prescribed by Reserve Bank of India, applicable provisions of the Companies Act, 2013, applicable Accounting Standards issued by the Institute of Chartered Accountants of India and practices prevailing in the Banking Industry. The consolidated financial statements have been prepared under the historical cost convention on an accrual basis, unless otherwise stated. Except otherwise mentioned, the accounting policies that are applied by the Small Industries Development Bank of India ("the Bank" or "SIDBI"), are consistent with those used in the previous year.

#### Use of Estimates:

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as on the date of the consolidated financial statements and the reported income and expenses for the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods in accordance with the requirements of the respective accounting standard.

#### Consolidation Procedures:

Subsidiaries included in consolidated financial statements for FY 2022-23 and 2021-22 are:

- 1) Micro Units Development & Refinance Agency (MUDRA)
- 2) SIDBI Venture Capital Limited (SVCL)
- 3) SIDBI Trustee Company Limited (STCL)

Associates included in consolidated financial statements for FY 2022-23 are:

- 1) Acuite Ratings Pvt Ltd (Erstwhile SMERA)
- 2) India SME Asset Reconstruction Company Limited (ISARC)
- 3) Delhi Financial Corporation (DFC)
- 4) Receivables Exchange of India Limited (RXIL)
- 5) KITCO Limited

Associates included in consolidated financial statements for FY 2021-22 are:

- 1) Acuite Ratings Pvt Ltd (Erstwhile SMERA)
- 2) India SME Asset Reconstruction Company Limited (ISARC)
- 3) Delhi Financial Corporation (DFC)
- 4) Receivables Exchange of India Limited (RXIL)
- 5) KITCO Limited

Consolidated financial statements of the Group (comprising of 3 subsidiaries, 5 associates as per details given above) have been prepared on the basis of:

- a. Accounts of SIDBI (Parent).
- b. Line by line aggregation of each item of asset/liability/income/expense of 3 subsidiaries with the respective item of the Parent and after eliminating all material intra-group balances / transactions, unrealised profit/loss as per AS 21 (Consolidated Financial Statements) issued by the Institute of Chartered Accountants of India (ICAI).
- c. Investments in Associates are accounted for under the Equity Method as per AS 23 (Accounting for Investments in Associates in Consolidated Financial Statements) issued by ICAI based on the audited Financial Statements of the associates.
- d. In case of difference in Accounting Policies, the Financial Statements of Subsidiaries are adjusted, wherever necessary and practicable, to conform to the Accounting Policies of the Parent. In case of difference in Accounting Policies, the Financial Statements of associates, adjustments have not been made as in the opinion of Management of the Bank the same are not material.

### 2. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured.

#### A) Income:

- i. Interest income including penal interest is accounted for on accrual basis, except in the case of non-performing assets where it is recognized upon realization.
- ii. Income in the Profit & Loss Account is shown gross i.e. before provisions as per RBI guidelines and other provisions as per Bank's internal policy.
- iii. Discount received in respect of bills discounted / rediscounted and on discounted instruments is recognised over the period of usance of the instruments on a constant yield basis.

- iv. Commitment charges, service charges on seed capital / soft loan assistance and royalty income are accounted for on accrual basis in respect of standard (performing) assets.
- v. Dividend on shares held in industrial concerns and financial institutions is recognized as income when the right to receive the dividend is established.
- vi. Income from Venture Capital funds are accounted on realization basis. Redemption of unit/shares in Venture Capital fund, while in HTM category is not treated as a sale.
- vii. Recovery in non-performing assets (NPA) is to be appropriated in the following order :
  - a) overdue interest upto the date of NPA,
  - b) principal,
  - c) cost & charges,
  - d) interest and
  - e) penal interest.
- viii. Gain/loss on sale of loans and advances through direct assignment is recognized in line with the extant RBI guidelines.
- ix. Amounts recovered against debts written-off in earlier years are recognized as income in the Profit & Loss account.
- x. Profit or loss on sale of investments in any category is taken to profit & loss account. However, in case of profit on sale of investments under "Held to Maturity" category an equivalent amount net of applicable taxes is appropriated to Capital Reserves.
- xi. Amount lying as unclaimed liabilities (other than statutory liabilities) for a period of more than seven years are recognized as income.
- xii. The bank has accounted for interest on income tax refunds upon receipt of such refund orders / Order giving effects issued by Income Tax Department.
- xiii. Recoveries of CGTMSE fees, Valuation charges, Advocate fee, Insurance, Upfront fee/ Processing fee etc. from Borrowers are accounted on cash basis.
- xiv. Commission on LC/ BG are recognized on accrual basis proportionately over the period.
- xv. SVCL - Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably

measured. Revenue is not recognized where drawdowns in respective venture capital funds / alternative investments funds are not received as there is no certainty that economic benefits will flow to the Company and in such cases it will be accounted on receipt basis as and when received.

The Company accrues income by way of management fee on a quarterly basis / annual basis (as stipulated in the respective funds documents) from the Venture Capital Funds / Alternative Investments Funds managed by it.

The Company recognizes income @ 5% of the net profits received from sale of investments assigned by IIBI

- xvi. STCL - Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The Company accrues income by way of trusteeship fee on a quarterly basis / annual basis (as stipulated in the agreements with respective funds) from the venture capital funds / alternative investments funds managed by it.

#### **B) Expenditure:**

- i. All expenditures are accounted for on accrual basis except Development Expenditure which is accounted for on cash basis.
- ii. Discount on Bonds and Commercial papers issued are amortized over the tenure of Bonds and Commercial Paper. The expenses relating to issue of Bonds are amortized over the tenure of the Bonds.

### **3. Investments:**

- (i) In terms of extant guidelines of the Reserve Bank of India on investment classification and valuation, the entire investment portfolio is categorized as "Held to Maturity", "Available for Sale" and "Held for Trading". Investments are valued in accordance with RBI guidelines. The investments under each category are further classified as:
  - a) Government Securities,
  - b) Other approved securities,
  - c) Shares,
  - d) Debentures & Bonds,
  - e) Subsidiaries/ joint ventures and
  - f) Others (Commercial Paper, Mutual Fund Units, Security Receipts, Certificate of Deposits etc.)

**(a) Held to Maturity:**

Investments acquired with the intention to hold till maturity are categorized under Held to Maturity. Such investments are carried at acquisition cost unless it is more than the face value, in which case the premium is amortized over the period remaining to maturity. Investments in subsidiaries are classified as Held To Maturity. Diminution, other than temporary, in the value of investments under this category is provided for each investment individually.

**(b) Held for Trading:**

Investments acquired for resale within 90 days with the intention to take advantage of the short-term price/interest rate movements are categorized under Held for Trading. The investments in this category are revalued scrip-wise and net appreciation /depreciation is recognized in the profit & loss account, with corresponding change in the book value of the individual scrips. In respect of traded/quoted investments, the market price is taken from the trades/ quotes available on the stock exchanges.

**(c) Available for Sale:**

Investments which do not fall within the above two categories are categorized under Available for Sale. The individual scrip under this category is revalued and net depreciation under any of the classification mentioned above is recognized in the profit & loss account. Net appreciation under any classification is ignored. The book value of individual scrip is not changed after the revaluation.

- (ii) An investment is classified as Held To Maturity, Available For Sale or Held For Trading at the time of its purchase and subsequent shifting amongst categories and its valuation is done in conformity with RBI guidelines.
- (iii) Treasury Bills, Commercial Papers and Certificates of Deposit, being discounted instruments, are valued at carrying cost.
- (iv) The quoted Government Securities are valued at market prices and unquoted/non-traded government securities are valued at prices declared by Financial Benchmark India Pvt. Ltd.(FBIL).
- (v) Investments which are made out of the Corpus or Funds provided by the Government of India (GOI) and netted off from the related Fund balances are carried at cost and not subject to RBI guidelines of valuation.

- (vi) Recording purchase and sale transactions in Investments is done following 'Settlement Date' accounting.
- (vii) The debentures / bonds / shares deemed to be in the nature of advance, are subject to the usual prudential norms applicable to loans & advances.
- (viii) Cost of investments is determined on the weighted average cost method.
- (ix) Brokerage, commission, etc. paid at the time of acquisition/ sale are recognized in the profit & loss account.
- (x) Broken period interest paid / received on debt investment is treated as interest expenses / income and is excluded from cost / sale consideration.
- (xi) In respect of unquoted investments in industrial concerns under Seed Capital Scheme, full provision has been made.
- (xii) Units of mutual fund are valued at repurchase price as per relevant RBI guidelines.
- (xiii) The unquoted fixed income securities (other than government securities) are valued on Yield to Maturity (YTM) basis with appropriate mark-up over the YTM rates for Central Government securities of equivalent maturity. Such mark-up and YTM rates applied are as per the relevant rates published by FBIL.
- (xiv) Unquoted Shares are valued at breakup value, if the latest Audited Financial Statements of the investee companies are available, or at ₹1/- per Company as per RBI guidelines.

**4. Foreign Currency Transactions**

Foreign currency transactions are recorded in the books of account in respective foreign currencies at the exchange rate prevailing on the date of transaction. Accounting for transactions involving foreign exchange is done in accordance with Accounting Standard (AS)-11 issued by Institute of Chartered Accountants of India, as per following provisions:

- i. Contingent liability in respect of outstanding forward exchange contracts, guarantees; acceptances, endorsements and other obligations are calculated at the closing exchange rates notified by Foreign Exchange Dealers' Association of India ('FEDAI').
- ii. Foreign currency Assets and Liabilities are translated at the closing exchange rates notified by FEDAI as at the Balance sheet date.
- iii. Foreign currency Income and Expenditure items are translated at monthly intervals through actual sale/purchase and recognized in the profit & loss account accordingly.



- iv. The revaluation difference on foreign currency LoC is adjusted and recorded in a special account opened and maintained, in consultation with GOI for managing exchange risk.
- v. The Bank follows hedge accounting in respect of foreign exchange contracts and derivative transactions as per RBI guidelines.
- vi. Exchange differences arising on the settlement of monetary items are recognized as income or expense in the period in which they arise.
- vii. Outstanding Forward Exchange Contracts which are not intended for trading are revalued at exchange rates notified by FEDAI.

## 5. Derivatives

The Bank presently deals in currency derivatives viz., Cross Currency Interest Rate swaps for hedging its foreign currency liabilities. Based on RBI guidelines, the above derivatives undertaken for hedging purposes are accounted on an accrual basis. Contingent Liabilities on account of derivative contracts at contracted rupee amount are reported on the Balance Sheet date.

## 6. Loans and Advances

- i. Assets representing loan and other assistance portfolios are classified as performing and non-performing based on the RBI guidelines. Provision for non-performing assets is made in accordance with the RBI guidelines.
- ii. Advances stated in the Balance Sheet are net of provisions made for non-performing advances and restructured NPA assets.
- iii. General provision on Standard Assets is made as per RBI guidelines.
- iv. Floating provision is made and utilized as per RBI guidelines and Board approved policy.
- v. MUDRA: MUDRA has been subscribing to Pass Through Certificates backed by loans receivables originated by various MFIs / Banks / Non-Banking Finance Companies. Such securitization transactions are classified as Loans and Advances and are shown in the Balance Sheet on gross basis, which at are Book value and provisions are shown separately. However, provision on Standard Assets are made as per RBI guidelines.

## 7. Taxation

- (i) Tax expense comprises both current tax and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS).

- (ii) Deferred income taxes reflects the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.
- (iii) Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.
- (iv) Disputed taxes not provided for including departmental appeals are included under Contingent Liabilities.

## 8. Securitisation

- (i) The Bank purchases credit rated Micro, Small and Medium Enterprises Asset pools from Banks / Non-Banking Finance Companies by way of pass-through certificates issued by the Special Purpose Vehicle. Such securitisation transactions are classified as investments under Held for Trading / Available for Sale category depending upon the investment objective.
- (ii) The Bank purchases credit rated pool of Micro, Small and Medium Enterprises assets under bilateral direct assignment. Such direct assignment transactions are accounted for as 'advances' by the Bank.
- (iii) The Bank enters into sale of Loans & Advances through direct assignment. In most of the cases, the Bank continues to service the Loans & Advances sold under these transactions and is entitled to the Residual interest on the Loans & Advances sold. Assets sold under direct assignment are derecognized in the books of the Bank based on the principle of surrender of control over the assets.
- (iv) The residual income on the Loans & Advances sold is being recognised over the life of the underlying Loans & Advances.
- (v) Security Receipts issued by the asset reconstruction companies are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time.

## 9. SALE OF FINANCIAL ASSETS TO ASSET RECONSTRUCTION COMPANIES (ARCS):

- (i) The sale of NPA's is on cash basis or investment in Security Receipt (SR) basis. In case of sale on SR basis, the sale consideration or part thereof is treated as investment in the form of SRs.
- (ii) The assets if sold at a price below the Net Book Value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit & Loss A/c. In case the sale value is higher than NBV, the excess provision held can be reversed to profit & loss account in the year the amounts are received. Reversal of excess provision is limited to the extent to which cash received exceeds the NBV of the asset.

## 10. PROVISIONING FOR STAFF BENEFITS:

### A] Post retirement benefits:

- (i) Provident Fund is a defined contribution scheme administered by the Bank and the contributions are charged to the Profit & Loss Account.
- (ii) Gratuity liability and Pension liability are defined benefit obligations and other long-term employee benefits like compensated absences, post-retirement medical benefits etc. are provided based on the independent actuarial valuation as at the Balance Sheet date using the projected unit credit method as per AS 15 (Revised 2005) - Employee Benefits
- (iii) Actuarial gains or losses are recognized in the profit & loss account based on actuarial valuations for the period in which they occur.
- (iv) New Pension Scheme is a defined contribution scheme and is applicable to employees who have joined bank on or after December 01, 2011. Bank pays fixed contribution at pre-determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit & Loss Account.
- (v) Payments made under the Voluntary Retirement Scheme are charged to the Profit & Loss account in the year of expenses incurred.

### B] Benefits (Short – term) while in service

Liability on account of Short term benefits are determined on an undiscounted basis and recognised over the period of service, which entitles the employees to such benefits.

## SVCL:

### Employee Benefits

#### Defined Contribution Schemes:

Company's Contribution to Provident Fund, etc. is charged to the Statement of Profit & Loss as and when incurred.

#### Defined Benefit Plans:

The Company also provides for retirement benefits in the form of gratuity. Such benefits are provided for based on valuation, as at the balance sheet date, made by an independent actuary. Incremental liability based on actuarial valuation as per the projected unit credit method as per the reporting date is charged as expense to the Statement of Profit and Loss. The company has taken a group gratuity policy with Life Insurance Corporation of India ("LIC") and is funded.

#### Performance Pay:

Performance Pay is an annual incentive to employees based on the Company's financial performance and employees performance.

#### Leave Encashment:

The Company provides for retirement benefits in the form of leave encashment. Such benefits are provided for based on valuation, as at the balance sheet date, made by an independent actuary. The leave balance is classified as short term and long term based on the leave policy. The short term and long term leave have been valued on actuarial basis as per the projected unit credit method. Further, employees can also encash 15 days of their accumulated leave every financial year.

## 11. FIXED ASSETS AND DEPRECIATION

- i) Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any.
- ii) Cost of asset includes purchase cost and all expenditure incurred on the asset before put to use. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefits from such assets or their functioning capability.
- iii) Depreciation for the full year, irrespective of date of capitalization, is provided on:
  - a) Furniture and fixture: For assets owned by Bank @ 100 percent
  - b) Computer and Computer Software @ 100 percent

- c) Building @ 5 percent on WDV basis
- d) Electrical Installations: For assets owned by Bank @ 50 percent on WDV basis.
- e) Motor Car - Straight Line Method @ 50 percent.
- iv) Depreciation on additions is provided for full year and no depreciation is provided in the year of sale/disposal.
- v) Leasehold land is amortised over the period of lease.

#### **MUDRA**

Fixed assets are stated at cost of acquisition including incidental expenses. All costs directly attributable to bringing the asset to the working condition for its intended use including financing costs are also capitalized. Depreciation is provided on Straight Line Method on the basis of useful life under Schedule II to the Companies Act, 2013. In respect of computer software and software the cost is amortised based on accounting standard 26 issued by ICAI. Assets costing ₹5,000/- or less have been depreciated over period of one year.

#### **SVCL**

Fixed Assets are stated at cost of acquisition less accumulated depreciation. Depreciation on Fixed Assets is provided on Written down Value Method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013. Cost of mobile / telephone instruments / tablet devices purchased are fully charged to revenue in the year of purchase. Depreciation on assets whose actual cost is not more than five thousand rupees has been provided at the rate of 100%.

#### **12. PROVISION FOR CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

In accordance with AS-29 Provisions, Contingent

Liabilities and Contingent Assets, the Bank recognizes provisions involving substantial degree of estimation in measurement when it has a present obligation as a result of past event, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent Assets are neither recognized nor disclosed in the consolidated financial statements. Contingent liabilities are not provided for and are disclosed in the balance sheet and details given by way of Schedule to the Balance Sheet. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

#### **13. GRANTS AND SUBSIDIES**

Grants and subsidies from the Government and other agencies are accounted as per the terms and conditions of the agreement.

#### **14. OPERATING LEASE**

Lease rentals is recognized as an expense/income in the Profit & Loss Account on a straight line basis over the lease term in accordance with AS-19.

#### **15. IMPAIRMENT OF ASSETS**

The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/external factors, to recognize,

- a) the provision for impairment loss, if any required; or
- b) the reversal, if any, required for impairment loss recognized in the previous periods.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

#### **16. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with RBI, balances with other banks, money at call and short notice and investment in Mutual Fund with an original maturity of three months or less.

## Additional Notes to Consolidated Accounts

### Annexure - I

1 Details of Subsidiaries included in consolidated financial statements are:

(Amount in ₹)

Sr. No.	Name of the subsidiary	Country of Incorporation	Proportion of ownership*	Profit/Loss for the year ended	
				31-Mar-23	31-Mar-22
1	SIDBI Venture Capital Ltd.(SVCL)	India	100%	4,43,09,242	5,03,20,749
2	SIDBI Trustee Company Ltd.(STCL)	India	100%	54,64,545	46,52,056
3	Micro Units Development & Refinance Agency Ltd (Mudra Ltd)	India	100%	5,75,74,79,271	2,32,81,66,742
<b>Total</b>				<b>5,80,72,53,058</b>	<b>2,38,31,39,547</b>

Financial statements of all the subsidiaries are audited for FY 2023.

\*As all shares of the subsidiaries are owned by SIDBI directly or indirectly, no separate disclosure relating to minority interest is reflected.

Note: As SIDBI Swavalamban Foundation (SSF) is a Not-for-Profit Company [incorporated under section 8 of Companies Act, 2013], SSF is not being considered for consolidation in preparation of Consolidated Financial statements as per Accounting Standard 21.

2.A Details of Associates included in consolidated financial statements in current and previous year are as follows :

(Amount in ₹)

Sr. No.	Name of the Associate	(% ) Holding		Description	Investment (Face Value)	Investment		Share of Profit/(loss) for the year ended <sup>[1]</sup>		Share in reserves as at <sup>[1]</sup>	
		31-Mar-23	31-Mar-22			31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
1	Acuité Ratings Pvt Ltd (Erstwhile SMERA) <sup>[2]</sup>	35.73	35.73	Credit Rating Agency for SME's	5,10,00,000	5,10,00,000	5,10,00,000	5,72,58,397	5,18,19,174	21,10,90,339	15,36,09,345
2	India SME Asset Reconstruction Company Limited <sup>[3]</sup>	26.00 <sup>[3]</sup>	26.00 <sup>[3]</sup>	Asset Reconstruction Company	26,00,00,000	26,00,00,000	26,00,00,000	27,93,50,516	72,192	31,27,07,888	3,33,57,371
3	Delhi Finance Corporation <sup>[4]</sup>	23.76	23.66	State Financial Corporation	6,27,75,000	3,13,87,500	3,13,87,500	\$(89,47,164)	(2,20,74,735)	(3,13,87,500)	(2,24,41,109)
4	Receivables Exchange of India Limited <sup>[5]</sup>	30.00	30.00	Online platform for factoring / discounting of Trade Receivables (TReDS)	15,00,00,000	15,00,00,000	15,00,00,000	2,62,95,270	(7,04,071)	(5,19,67,200)	(7,82,62,470)
5	APITCO LIMITED <sup>[6]</sup>	0.00	0.00	Technical consultancy Organisation	-	-	-	-	(3,45,22,441)	-	-
6	KITCO LIMITED <sup>[6]</sup>	49.77	49.77	Technical consultancy Organisation	4,90,00,000	24,95,296	24,95,296	(1,58,49,938)	(5,26,76,624)	15,13,31,338	16,71,81,276
<b>Total</b>						<b>49,48,82,796</b>	<b>49,48,82,796</b>	<b>33,81,07,081</b>	<b>(5,80,86,505)</b>	<b>59,17,74,865</b>	<b>25,34,44,413</b>

1 (i) Share of Profit/(loss) of ₹33,81,07,081/- (Previous Year ₹5,80,86,505/-) is debited to Consolidated Profit & Loss statement under the head "Share of (earning)/loss in associates" for year ending March 2023.

(ii) Share in Reserves of Associates of ₹59,17,74,865/- (Previous Year ₹25,34,44,413/-) is Included in Schedule II - Reserve, Surplus and Funds of the Consolidated Balance Sheet for year ending March 2023.

2. Acuite Ratings Pvt. Ltd. figures are based on unaudited financial statements for year ending March 2023.
3. India SME Asset Reconstruction Company Limited's figures are based on unaudited financial statements for year ending March 2023. Includes 11% holding by SVCL (100% subsidiary of SIDBI).
4. Delhi Finance Corporation figures are based on audited financial statements for the year ending March 31, 2022.

\* Share of loss of ₹89,47,164/- for the year ended March 2023 is calculated to the extent of book value of investment in the associate.

5. Receivables Exchange of India Limited's and KITCO Ltd. figures are based on unaudited financial statements as per IND AS for the year ending March 2023 and March 2022 respectively.
6. APITCO Ltd. which was considered for consolidation of accounts during FY 2021 has been disinvested during FY 2022.
7. One of the associate viz. ISTSL is under liquidation and therefore, not being considered for consolidation in preparation of Consolidated Financial Statements as per Accounting Standard 21. SIDBI has made full provision on investment in this associate in its financial statements for year ending March 2021.

- B.** The results of the following associates are not included in the consolidated financial statements. However, full provision has been made in the financial statements for diminution in value of investment.

(Amount in ₹)

Sr. No.	Name of the Associate	(% ) Holding		Description	Investment	Diminution in value of Investment	
		31-Mar-23	31-Mar-22			31-Mar-23	31-Mar-22
1	BSFC	48.43	48.43	State Financial Corporation	12,01,25,000	(12,01,25,000)	(18,84,88,500)
2	GSFC	28.41	28.41	State Financial Corporation	12,66,00,000	(12,66,00,000)	(12,66,00,000)
3	MSFC	39.99	39.99	State Financial Corporation	12,52,41,750	(12,52,41,750)	(12,52,41,750)
4	PFC	25.92	25.92	State Financial Corporation	5,23,51,850	(5,23,51,850)	(5,23,51,850)
5	UPSFC	24.18	24.18	State Financial Corporation	17,27,50,000	(17,27,50,000)	(21,67,59,000)
<b>Total</b>					<b>59,70,68,600</b>	<b>(59,70,68,600)</b>	<b>(70,94,41,100)</b>

The figures for GSFC are based on audited results for the year ended March 31, 2022. Regarding PFC, BSFC and MSFC figures are based on audited results for the year ended March 31, 2020, March 31, 2019 and March 31, 2016 respectively. In respect of UPSFC, audited results are available for the year ended March 31, 2014.

- C.** In case of following entities, though the bank holds more than 20% of voting power, they are not treated as investment in associate under AS 23 'Accounting for Investment in Associates in Consolidated Financial Statements', as they are classified as NPI and accordingly book value of investment is taken at ₹1/- each.

(Amount in ₹)

Sr. No.	Name of the Associate	(% ) Holding		Description	Investment	
		31-Mar-23	31-Mar-22		31-Mar-23	31-Mar-22
1	Bihar Industrial and Technical Consultancy Organisation Ltd.	49.25	49.25	Technical Consultancy Organisation	1	1

- 3 There are no significant transactions with Associates during the current year and previous year.
- 4 As against depreciation policy of SIDBI whereby assets are depreciated on SLM / WDV at pre-determined rates, the subsidiaries and associates compute depreciation on SLM/ WDV basis as per Schedule II of the Companies Act, 2013. Thus, out of the total depreciation of ₹26,67,08,148/- (Previous Year ₹36,43,50,321/-) included in Consolidated Financial Statements, ₹43,79,854/- being 1.64% (Previous Year ₹24,78,562/- being 0.68%) of the amount is determined based on Depreciation provided as per the Companies Act, 2013.

## 5 Employee Benefits

### (i) SIDBI

In accordance with the Accounting Standard on "Employee Benefits" (AS 15) (Revised 2005) issued by the Institute of Chartered Accountants of India, the Bank has classified the various benefits provided to the employees as under:

#### (a) Defined contribution plan

The Bank has recognized the following amounts in Profit & Loss Account:

(Amount in ₹)

Particulars	31-Mar-23	31-Mar-22
Employer's contribution to Provident fund	9,18,53,963	7,68,83,415
Employer's contribution to New Pension Scheme	8,95,82,393	3,17,67,054

#### (b) The Bank is having defined benefit Pension Plans and Gratuity Scheme which are managed by the Trust.

₹ crore

	Pension		Gratuity	
	FY 2023	FY 2022	FY 2023	FY 2022
<b>1. Assumptions</b>				
Discount Rate	7.50%	7.25%	7.40%	6.90%
Rate of Return on Plan Assets	7.50%	7.25%	7.40%	6.90%
Salary Escalation	5.50%	5.50%	5.50%	5.50%
Attrition rate	2.00%	2.00%	2.00%	2.00%
<b>2. Table showing change in Benefit Obligation</b>				
Liability at the beginning of the year	576.93	553.50	108.95	106.70
Interest Cost	24.65	22.69	7.09	6.56
Current Service Cost	13.48	14.97	5.92	5.97
Past Service Cost (Non Vested Benefit)	0.00	0.00	0.00	0.00
Past Service Cost ( Vested Benefit)	0.00	0.00	0.00	0.00
Liability Transferred in	0.00	0.00	0.00	0.00
(Liability Transferred out)	0.00	0.00	0.00	0.00
(Benefit Paid)	0.00	0.00	(12.44)	(6.61)
Actuarial (gain) / loss on obligations	64.74	(14.23)	(2.12)	(3.67)
<b>Liability at the end of the year</b>	<b>679.80</b>	<b>576.93</b>	<b>107.40</b>	<b>108.95</b>
<b>3. Tables of Fair value of Plan Assets</b>				
Fair Value of Plan Assets at the beginning of the year	589.61	501.50	105.92	105.73
Expected Return on Plan Assets	42.75	34.35	7.08	6.69
Contributions	0.00	0.00	0.04	0.33
Transfer from other company	0.00	0.00	0.00	0.00
(Transfer to other company)	0.00	0.00	0.00	0.00
(Benefit Paid)	0.00	0.00	(12.44)	(6.61)
Actuarial gain / (loss) on Plan Assets	3.40	53.76	1.70	(0.22)
Fair Value of Plan Assets at the end of the year	<b>635.76</b>	<b>589.61</b>	<b>102.30</b>	<b>105.92</b>

₹ crore

	Pension		Gratuity	
	FY 2023	FY 2022	FY 2023	FY 2022
<b>4. Table of Recognition of Actuarial Gains/ Losses</b>				
Actuarial (Gains)/ Losses on obligation for the period	64.74	(14.23)	(2.12)	(3.67)
Actuarial (Gains)/ Losses on asset for the period	(3.40)	(53.76)	(1.70)	0.22
Actuarial (Gains)/ Losses recognized in Income & Expense Statement	<b>61.34</b>	<b>(67.99)</b>	<b>(3.82)</b>	<b>(3.45)</b>
<b>5. Actual Return on Plan Assets</b>				
Expected Return on Plan Assets	42.75	34.35	7.08	6.69
Actuarial Gain / (Loss) on Plan Assets	3.40	53.76	1.70	(0.22)
Actual Return on Plan Assets	<b>46.15</b>	<b>88.11</b>	<b>8.78</b>	<b>6.47</b>
<b>6. Amount Recognised in the Balance Sheet</b>				
Liability at the end of the year	(679.80)	(576.93)	(107.40)	(108.95)
Fair Value of Plan Assets at the end of the year	635.76	589.61	102.30	105.92
Difference	(44.04)	12.68	(5.10)	(3.03)
Unrecognised Past Service Cost at the end of the year	0.00	0.00	0.00	0.00
Unrecognised Transitional Liability at the end of the year	0.00	0.00	0.00	0.00
<b>Net Amount recognised in the Balance Sheet</b>	<b>(44.04)</b>	<b>12.68</b>	<b>(5.10)</b>	<b>(3.03)</b>
<b>7. Expenses Recognised in the Income Statement</b>				
Current Service Cost	13.48	14.97	5.92	5.97
Interest Cost	24.65	22.69	7.09	6.56
Expected Return on Plan Assets	(42.75)	(34.35)	(7.08)	(6.69)
Past Service Cost (Non Vested Benefit) recognised during the year	0.00	0.00	0.00	0.00
Past Service Cost (Vested Benefit) recognised during the year	0.00	0.00	0.00	0.00
Recognition of Transition Liability during the year	0.00	0.00	0.00	0.00
Actuarial (Gain) / Loss	61.34	(67.99)	(3.82)	(3.45)
<b>Expense Recognised in Profit &amp; Loss account</b>	<b>56.72</b>	<b>(64.68)</b>	<b>2.11</b>	<b>2.39</b>
<b>8. Balance Sheet Reconciliation</b>				
Opening Net Liability	(12.68)	52.00	3.03	0.97
Expense as above	56.72	(64.68)	2.11	2.39
Employers Contribution	0.00	0.00	(0.04)	(0.33)
<b>Amount recognised in the Balance Sheet</b>	<b>44.04</b>	<b>(12.68)</b>	<b>5.10</b>	<b>3.03</b>

**9. Other Details**

Salary escalation is considered in line with the industry practice considering promotion, demand and supply of the employees.

₹ crore

	Pension		Gratuity	
	FY 2023	FY 2022	FY 2023	FY 2022
<b>10. Category of Assets</b>				
Government of India Assets	0.00	0.00	0.00	0.00
Corporate Bonds	0.00	0.00	0.00	0.00
Special Deposits Scheme	0.00	0.00	0.00	0.00
Equity Shares of Listed Companies	0.00	0.00	0.00	0.00
Property	0.00	0.00	0.00	0.00
Insurer Managed Funds	635.76	589.61	102.30	105.92
Other	0.00	0.00	0.00	0.00
<b>Total</b>	<b>635.76</b>	<b>589.61</b>	<b>102.30</b>	<b>105.92</b>

**11. Experience Adjustment:**

Particular	Pension					Gratuity				
	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
On Plan Liability (Gain)/Loss	85.05	15.71	(1.14)	46.87	(22.03)	1.60	0.65	(0.43)	3.28	(19.71)
On Plan Asset (Loss)/ Gain	3.40	53.76	(1.15)	25.17	(2.32)	1.70	(0.22)	(0.13)	0.09	0.35

**(c) The following are the amount charged to Profit & Loss Account relating to other long term benefits plan based on the actuarial valuation provided by independent actuary.**

₹ crore

Sr. No	Particulars	As on	As on
		March 31, 2023	March 31, 2022
1	Ordinary Leave Encashment	40.97	12.97
2	Sick Leave	1.86	0.47
3	Resettlement Expenses	0.46	0.30
4	Post Retirement Medical Scheme Facilities	0.79	9.84

**(ii) SVCL**

During the period, the Company has contributed a sum of ₹3,47,753/- (previous year – ₹6,20,896/-) to the SIDBI Venture Capital Limited Employees' Group Gratuity Assurance Scheme (Trust) for its employees comprising ₹2,26,660/- (previous year – ₹6,20,896/-) for old employees and ₹1,21,093/- (previous year – NIL) for new employees

(Amount in ₹)

Details	Post Employment Benefits	Post Employment Benefits
	FY 2023	FY 2022
Nature of benefit	Gratuity	Gratuity
<b>Assets &amp; liabilities recognized in balance sheet</b>		
Present value of unfunded defined benefit obligations	Nil	Nil
Present value of funded or partly funded defined benefit obligations	₹67,94,806	₹64,60,592
Fair value of plan assets	₹71,60,191	₹66,14,266
Past service cost not recognized in balance sheet	Nil	Nil
Any amount nor recognized as asset	Nil	Nil
Fair value of any reimbursement rights recognized as asset	Nil	Nil
Other amounts, if any, recognized in balance sheet	Nil	Nil
<b>Amounts included in fair value of plan assets</b>		
Own financial instruments	Nil	Nil
Property or other assets used	Nil	Nil
Insurer managed funds	₹71,60,191	₹66,14,266



(Amount in ₹)

Details	Post Employment Benefits	Post Employment Benefits
	FY 2023	FY 2022
<b>Movement in net liability</b>		
Opening net liability	(₹1,53,674)	₹1,70,938
Expenses	₹1,36,063	₹2,96,284
Contribution	(₹3,47,774)	(₹6,20,896)
Closing net liability	(₹3,65,385)	(₹1,53,674)
<b>Expenses recognized in statement of profit &amp; loss</b>		
Current service cost	₹1,45,246	₹3,19,723
Interest cost	₹4,49,011	₹5,32,617
Expected return on plan assets	(₹4,59,691)	(₹5,20,908)
Expected return on reimbursement rights	N.A.	N.A.
Actuarial gains / (losses)	₹1,497	(₹35,148)
Total expenses recognized in statement of profit & loss	₹1,36,063	₹2,96,284
Past service cost	Nil	Nil
Effect of curtailment / settlement	Nil	Nil
Effect of limit in para 59(b)	N.A.	N.A.
Actual return of plan assets and on reimbursement rights recognized as asset	Nil	Nil
<b>Actuarial Assumptions</b>		
Discount rates	6.95%	6.85%
Expected rate of returns on plan assets	6.95%	6.85%
Expected rate of returns on reimbursement rights	Nil	Nil
Expected rate of salary increase	5.00%	5.00%
Medical cost trends	N.A.	N.A.
Mortality	Indian Assured Lives Mortality (2012-14) (Urban)	Indian Assured Lives Mortality (2006-08) (Urban)
Disability	Nil	Nil
Attrition	3.00%	3.00%
Retirement age	60 Years	60 Years

**(iii) MUDRA**

- (a) All the employees are on deputation from Small Industrial Development Bank of India (SIDBI), Gratuity, Leave Encashment and Arrears of Salary in respect of employees deputed to MUDRA are taken care by the employer, who have deputed the employees to this company except few employees which are on contract basis. Further, MUDRA has provided an amount of ₹30.32 Lakh (March 2022 : ₹12.18 Lakh) to P & L A/c during the current Year. The same would be paid to SIDBI, when such costs are demanded by the said companies. With respect to contract employees no post employees benefits are applicable.
- (b) Therefore no disclosures are required under 'Revised AS 15- Employees Benefit' issued under Companies Accounting Standard Rules, 2006'

**6 Earning Per Share (EPS)\*:**

(Amount in ₹)

	March 31, 2023	March 31, 2022
Net Profit considered for EPS calculation	39,31,47,12,877	21,61,97,93,573
Weighted Average Number of equity shares of face value ₹10 each	56,85,41,169	53,21,22,684
Earning per share	69.15	40.63

\*Basic &amp; Diluted EPS are same as there are no dilutive potential Equity Shares.

- 7 As per the Accounting Standard 22, Accounting for Taxes on Income, the Bank has reviewed Deferred Tax Assets / Liabilities and recognized an amount of ₹172,73,59,844/- as Deferred Tax Liability (Previous year - Deferred Tax Asset was ₹11,67,75,995/-) in the Profit & Loss Account for the year ended March 31, 2023.

The Break up of Deferred Tax Asset/ (Liability) as on March 31, 2023 is as under :

Sr. No	Timing Difference	FY 2022-23 (₹)	FY 2021-22 (₹)
		Deferred Tax Asset/ (Liability)	Deferred Tax Asset/ (Liability)
1	Provision for Depreciation on fixed assets	2,99,66,550	2,79,93,040
2	Special Reserve u/s 36(1)(viii) of the Income Tax Act 1961	(4,07,64,80,346)	(3,87,65,37,167)
3	Provision for Non performing assets	11,70,13,876	66,39,15,061
4	Provision for Restructuring of Accounts	60,105	30,66,284
5	Provision for Non Performing Investment	83,40,09,746	-
6	Provision for Standard Assets	4,64,13,82,523	2,88,09,11,626
7	Others	58,56,57,558	70,49,01,616
<b>Net deferred tax Asset/(Liability)</b>		<b>2,13,16,10,012</b>	<b>40,42,50,460</b>

- 8 (i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advance paid) is ₹73,41,057/- (Previous year ₹1,89,87,686/-).

9 **Disclosure relating to Resolution Plans implemented during the year in terms of RBI Circular DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019:**

- i) RPs Successfully implemented during the year ended March 31, 2023

No. of cases	Balance Outstanding*
1	380.04

\*The account was technically written off as on the date of restructuring and was closed thereafter during the year.

- ii) Details of Securities acquired due to conversion of debt to equity during a restructuring process:

Particulars	No of Shares/units	Face Value per share (in ₹)	Book Value(in ₹)
Compulsory Convertible Debentures (CCDs).	53045	1,00,000.00	1.00

- iii) Details of resolution plans implemented under the RBI Resolution Framework for COVID-19 related stress as per RBI circular dated 6th August, 2020 (Resolution Framework 1.0) and 5th May 2021 (Resolution Framework 2.0) as at March 31, 2023 are given below :

₹crore

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year \$	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	---	---	---	---	---
Corporate persons	31.09	---	0	3.07	28.02
Of which MSMEs	31.09	---	0	3.07	28.02
Others	---	---	---	---	---
<b>Total</b>	<b>31.09</b>	<b>---</b>	<b>0</b>	<b>3.07</b>	<b>28.02</b>

\$ Represents net movement in balance outstanding.

- iv. The number of borrower accounts where Resolution Plan is implemented in terms of RBI circular no. DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 on Resolution Framework – 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses is nil. Further no modifications were sanctioned and implemented in respect of accounts which were implemented under Resolution Framework 1.0.

#### 10 Contingent Liabilities referred to in Schedule XI

Contingent liabilities include "Claims against the Bank not acknowledged as debts" of ₹9,64,85,12,907 (Previous Year ₹6,56,25,72,519). These represents claims filed against the Bank in the normal course of business relating to various legal cases currently in progress and demands raised by income tax and other statutory authorities. These is being disputed by the Bank and based on expert's opinion, the provision is not considered necessary.

- 11 In the opinion of the Management, there is no material impairment of the fixed assets of the Bank in terms of Accounting Standard 28- Impairment of Assets.
- 12 Disclosures under Accounting Standard 29 for provisions in contingencies. The salary & allowances of the employees of the Bank are reviewed every five years. Such review is due from November 01, 2022.

(Amount in ₹)

Particulars	FY 2023 Wage Arrears / Incentive	FY 2022 Wage Arrears / Incentive
<b>Opening Balance</b>	<b>1,39,13,00,000</b>	<b>1,07,63,00,000</b>
Additions:		
Arrears	65,69,31,704	31,50,00,000
Incentive	-	-
Utilisations	1,81,17,53,069	-
Write back	-	-
<b>Closing Balance</b>	<b>23,64,78,635</b>	<b>1,39,13,00,000</b>

#### 13 Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances for MSME Borrowers registered under Goods and Services Tax (GST):

As per RBI circular dated February 11, 2020 restructuring of advances was done for Micro, Small and Medium Enterprises (MSME) Borrowers registered under Goods and Services Tax (GST). The RBI, vide its Circular dated August 06, 2020 on 'Micro, Small and Medium Enterprises (MSME) Sector - Restructuring of Advances' extended the above scheme to support the viable MSME entities on account of the fallout of Covid-19. Further RBI vide circular RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 has advised Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs). The MSME accounts restructured under these guidelines are as under:

No. of accounts restructured	Amount (₹ in crore)
1,124	803.33

- 14 The extent to which the Covid-19 pandemic will continue to impact the Bank's results will depend on ongoing as well as future developments.
- 15 During the year ended March 31, 2023, the Bank has made an additional provision on standard advances at rates higher than minimum stipulated under IRAC norms, as per Board approved Accelerated Provisioning Policy. Accordingly, the Bank holds additional provision on standard advances of ₹253.38 crore at March 31, 2023.
- 16 In accordance with RBI Master Direction RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021 – (Securitisation of Standard Assets) Directions, 2021, the outstanding amount of securitised assets as per books of the SPEs and total amount of exposures retained by the originator as on the date of balance sheet to comply with the MRR is NIL for Year ended March 31, 2023.

- 17 MUDRA India Microfinance Equity Fund (IMEF):** Government of India (GOI) has created "India Microfinance Equity Fund(IMEF)" with SIDBI with a corpus of ₹300 crore. The fund shall be utilised for extending equity or any other form of capital to Tier-II and Tier-III NBFC MFIs and all Non-NBFC MFIs, with a focus on smaller socially oriented MFIs with the objective of poverty alleviation and achieving long term sustainability of operations in unserved and underserved parts of the country. During FY 2019-20 the corpus fund of IMEF has been transferred from SIDBI to MUDRA. The fund was operated / managed by MUDRA for which 1% per annum administrative fee on the drawn amount charged to the fund and is received by MUDRA. Further, the inflows and outflows was credited / debited to the fund. The balance in the fund was ₹310,80,74,899/- as on March 31, 2023. The entire fund was transferred back to SIDBI on April 04, 2022.
- 18** Details of loans transferred / acquired during the Year ended March 31, 2023 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:
- During the quarter and Year ended March 31, 2023:
- i. the Bank has not acquired any loan not in default through assignment.
  - ii. the Bank has not transferred any non-performing assets (NPAs) to Asset Reconstruction Companies (ARCs)/ to permitted transferees/ to other transferees
  - iii. the bank has not acquired any stressed loans and not transferred any loan not in default / Special Mention Accounts (SMA).
  - iv. the bank has not invested in Security Receipts (SR) issued by Asset Reconstruction Companies (ARC) in respect of stressed loans transferred to ARCs.
- 19** Additional statutory information disclosed in separate financial statements of the parent and the subsidiaries have no bearing on the true and fair view of the Consolidated Financial Statements and also the information pertaining to the items which are not material have not been disclosed in the Consolidated Financial Statements in view of the general clarification issued by the Institute of Chartered Accountants of India (ICAI).
- 20 Implementation of Ind-AS :**
- As per RBI letter dated May 15, 2019 issued to the Bank, implementation of Ind-AS for AIFIs has been deferred till further notice. Accordingly, financial statements of the Bank are continued to be prepared under IGAAP. However, the Bank would continue to submit Proforma Ind AS financial statements on half-yearly basis to RBI as hitherto as advised in RBI letter dated May 15, 2019. At present, SIDBI is making use of Excel Sheets for conversion of IGAAP financial statements into Proforma Ind-AS Financial Statements.
- 21** Regulation 14 of Small Industries Development Bank of India General Regulations, 2000 prescribes separate format for presentation of accounts under Small Industries Development Assistance Fund(SIDAF) and General Fund. As no separate SIDAF has been notified by the Central Government, the same is not being maintained by SIDBI.
- 22** Previous year's figures have been re-grouped and re-classified wherever necessary to make them comparable with the current year's figures.

## Additional consolidated disclosures

as per RBI guidelines

### 1. Capital adequacy (As per Basel I)

(₹ crore)

Sr. No	Particulars	FY 2022-23	FY 2021-22
i)	Common Equity*	Not Applicable	Not Applicable
ii)	Additional Tier 1 capital*	Not Applicable	Not Applicable
(iii)	Total Tier 1 capital	26,956.57	24,425.84
(iv)	Tier 2 capital	1,585.69	1,007.56
v)	Total Capital ( Tier 1+Tier 2)	28,542.26	25,433.40
vi)	Total Risk Weighted Assets (RWAs)	1,35,214.71	97,386.78
vii)	Common Equity Ratio ( Common Equity as a percentage of RWAs) *	Not Applicable	Not Applicable
viii)	Tier 1 Ratio ( Tier 1 capital as a percentage of RWAs)	19.94%	25.08%
ix)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	21.11%	26.12%
x)	Percentage of the shareholding of the Government of India	20.85	20.85
xi)	Amount of equity capital raised	-	-
xii)	Amount of Additional Tier 1 capital raised; of which	-	-
	a.) Perpetual Non-Cumulative Preference Shares (PNCPS)	-	-
	b.) Perpetual Debt Instruments (PDI)	-	-
xiii)	Amount of Tier 2 capital raised; of which	-	-
	a.) Debt capital instruments	-	-
	b.) Perpetual Cumulative Preference Shares (PCPS)	-	-
	c.) Redeemable Non-Cumulative Preference Shares (RNCPS)	-	-
	d.) Redeemable Cumulative Preference Shares (RCPS)	-	-

\* The figures are not being calculated at present, since BASEL-III is not applicable.

### 2. Free Reserves and Provisions

#### (a) Provision on Standard Assets

(₹ crore)

Particulars	FY 2022-23	FY 2021-22
Provisions towards Standard Assets (cumulative)	1,844.17	1,144.68

#### (b) Floating Provisions

(₹ crore)

Particulars	FY 2022-23	FY 2021-22
Opening balance in the floating provisions account	495.67	1,099.96
The quantum of floating provisions made in the accounting year	0.00	0.00
Amount of draw down made during the accounting year *	0.00	604.29
Closing balance in the floating provisions account	495.67	495.67

\* Amount utilised for making NPA provision in terms of RBI circular dated May 05, 2021 and as per Bank's Board approved policy on floating provision.

### 3. Asset Quality and specific provisions

#### (a) Non-Performing Advances

(₹ crore)

Particulars	FY 2022-23	FY 2021-22
<b>(i) Net NPAs to Net Advances (%)</b>	<b>0.00%</b>	<b>0.06%</b>
<b>(ii) Movement of NPAs (Gross)</b>		
(a) Opening balance	299.60	358.68
(b) Additions during the year	93.39	1,036.20
(c) Reductions during the year	337.94	1,095.28
(d) Closing balance	<b>55.05</b>	<b>299.60</b>
<b>(iii) Movement of Net NPAs</b>		
(a) Opening balance	132.10	185.25
(b) Additions during the year	(82.66)	11.51
(c) Reductions during the year	40.88	64.66
(d) Closing balance	<b>8.56</b>	<b>132.10</b>
<b>(iv) Movement of provisions for NPAs (excluding provisions on standard assets)</b>		
(a) Opening balance	167.50	173.42
(b) Provisions made during the year	176.05	1030.31
(c) Write of / write back of excess provisions	297.06	1036.23
(d) Closing balance	<b>46.49</b>	<b>167.50</b>

\*The Net NPA will be NIL for the current year and previous year, if the amount of floating provision is adjusted against the same.

#### (b) Non-Performing Investments

(₹ crore)

Particulars	FY 2022-23	FY 2021-22
<b>(i) Net NPI to Net Advances (%)</b>	<b>0.00%</b>	<b>0.00%</b>
<b>(ii) Movement of NPI (Gross)</b>		
(a) Opening balance	350.16	344.62
(b) Additions during the year	0.00	5.54
(c) Reductions during the year	18.78	0.00
(d) Closing balance	<b>331.38</b>	<b>350.16</b>
<b>(iii) Movement of Net NPI</b>		
(a) Opening balance	0.00	0.00
(b) Additions during the year	0.00	0.00
(c) Reductions during the year	0.00	0.00
(d) Closing balance	<b>0.00</b>	<b>0.00</b>
<b>(iv) Movement of provisions for NPI (excluding provisions on standard assets)</b>		
(a) Opening balance	350.16	344.62
(b) Provisions made during the year	0.00	5.54
(c) Write of / write back of excess provisions	18.78	0.00
(d) Closing balance	<b>331.38</b>	<b>350.16</b>

Includes security (Book Value stated at ₹1/-) acquired by way of conversion of debt in line with extent RBI guidelines and the same has been fully redeemed in the same year.

(c) Non-Performing Assets (a+b)

(₹ crore)

Particulars	FY 2022-23	FY 2021-22
<b>(i) Net NPAs to Net Assets (Advanced + investments) (%)</b>	<b>0.00%</b>	<b>0.05%</b>
<b>(ii) Movement of NPAs (Gross Advances + Gross investments)</b>		
(a) Opening balance	649.76	703.31
(b) Additions during the year	93.39	1,041.73
(c) Reductions during the year	356.72	1,095.28
(d) Closing balance	<b>386.43</b>	<b>649.76</b>
<b>(iii) Movement of Net NPAs</b>		
(a) Opening balance	132.10	185.25
(b) Additions during the year	(82.66)	11.51
(c) Reductions during the year	40.88	64.66
(d) Closing balance	<b>8.56</b>	<b>132.10</b>
<b>(iv) Movement of provisions for NPAs (excluding provisions on standard assets)</b>		
(a) Opening balance	517.66	518.05
(b) Provisions made during the year	176.05	1,035.84
(c) Write of / write back of excess provisions	315.84	1,036.23
(d) Closing balance	<b>377.87</b>	<b>517.66</b>

## (d) Disclosure of Restructured Accounts

(₹ Crore)

Sr. No.	Type of Restructuring →	Others					Total			
		Standard	Sub-Standard	Doubtful	Loss	Total Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1 of the FY (opening figures)*	14	2	10	-	26	2	10	-	26
	Amount outstanding	69.95	6.36	32.68	-	108.99	6.36	32.68	-	108.99
	Provision thereon	0.18	0.02	0.05	-	0.25	0.02	0.05	-	0.25
2	Fresh restructuring during the year	1	3	-	-	4	3	-	-	4.00
	Amount outstanding	0.27	4.18	-	-	4.45	4.18	-	-	4.45
	Provision thereon	0.01	-	-	-	0.01	0.01	-	-	0.01
3	Upgradations to restructured standard category during the FY	1	(1.00)	-	-	-	1	(1.00)	-	-
	Amount outstanding	5.03	(5.03)	-	-	-	5.03	(5.03)	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	(4)	-	-	-	(4)	-	-	-	(4)
	Amount outstanding	(19.58)	-	-	-	(19.58)	-	-	-	(19.58)
	Provision thereon	(0.17)	-	-	-	(0.17)	-	-	-	(0.17)
5	Downgradations of restructured accounts during the FY	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY#	(4)	(4)	(10)	-	(18)	(4)	(10)	-	(18)
	Amount outstanding	(28.58)	(5.50)	(32.69)	-	(66.77)	(5.50)	(32.69)	-	(66.77)
	Provision thereon	-	(0.02)	(0.05)	-	(0.07)	-	(0.05)	-	(0.07)
7	Restructured Accounts as on March 31 of the FY (closing figures)*	8	-	-	-	8	-	-	-	8
	Amount outstanding	27.09	-	0.00	-	27.09	-	0.00	-	27.09
	Provision thereon	0.02	0.00	(0.00)	-	0.02	0.00	(0.00)	-	0.02

\* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

Note: Figures at Sr. No.6 includes increase in outstanding net of reduction / recovery of ₹6.76 crore in respect of existing restructured accounts and closure of 7 borrower amounting to ₹33.01 crore and provision of ₹0.05 crore. Further, during FY 2023 one account amounting to ₹0.27 crore and provision of ₹0.01 crore upgraded from writeoff to standard category and showing under addition.



(e) Movement of Non-performing assets

(₹ crore)

Particulars	FY 2022-23	FY 2021-22
Gross NPAs as on opening date of accounting period (Opening Balance)	299.60	358.68
Additions (Fresh NPAs) during the year	93.39	1,036.20
<b>Sub total (A)</b>	<b>392.99</b>	<b>1,394.88</b>
Less :-		
(i) Upgradations	35.01	37.62
(ii) Recoveries (excluding recoveries made from upgraded accounts)	32.79	46.93
(iii) Technical / Prudential Write offs	211.42	1,005.06
(iv) Write offs other than those under (iii) above	58.72	5.67
<b>Sub-total (B)</b>	<b>337.94</b>	<b>1,095.28</b>
<b>Gross NPAs as on 31st March of following year (Closing Balance) (A-B)</b>	<b>55.05</b>	<b>299.60</b>

(f) Write-offs and recoveries

(₹ crore)

Particulars	FY 2022-23	FY 2021-22
Opening balance of Technical / Prudential written off accounts as at April 1	3,389.19	2,624.88
Add : Technical / Prudential write offs during the year	262.75	1,005.06
<b>Sub total (A)</b>	<b>3,651.94</b>	<b>3,629.94</b>
Less : Actual write off	594.90	37.83
Less : Recoveries made from previously technical / prudential written off accounts during the year	288.81	202.92
<b>Sub total (B)</b>	<b>883.71</b>	<b>240.75</b>
<b>Closing balance as at March 31 (A-B)</b>	<b>2,768.23</b>	<b>3,389.19</b>

(g) Overseas Assets, NPAs and Revenue

(₹ crore)

Particulars	FY 2022-23	FY 2021-22
Total Assets	Nil	Nil
Total NPAs	Nil	Nil
Total Revenue	Nil	Nil

**(h) Depreciation and provisions on investments**

(₹ crore)

Particulars	FY 2022-23	FY 2021-22
<b>(1) Investments</b>		
(i) Gross Investments	<b>27,775.69</b>	<b>22,574.77</b>
(a) In India	27,775.69	22,574.77
(b) Outside India		
(ii) Provisions for Depreciation	<b>362.25</b>	<b>356.49</b>
(a) In India	362.25	356.49
(b) Outside India		
(iii) Net Investments	<b>27,413.44</b>	<b>22,218.28</b>
(a) In India	27,413.44	22,218.28
(b) Outside India		
<b>(2) Movement of provisions held towards depreciation on investments</b>		
(i) Opening balance	<b>6.33</b>	<b>20.76</b>
(ii) Add: Provisions made during the year	26.05	0.22
(iii) Appropriation, if any, from Investment Fluctuation Reserve Account during the year	-	-
(iv) Less: Write off / write back of excess provisions during the year*	1.51	14.65
(v) Less: Transfer, if any, to Investment Fluctuation Reserve Account	-	-
(vi) Closing balance	<b>30.87</b>	<b>6.33</b>

\*The Bank has appropriated ₹10.96 crore (net of applicable taxes) to Investment Fluctuation Reserve Account in FY 2022.

**(i) Provisions and Contingencies**

(₹ crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	FY 2022-23	FY 2021-22
Provisions for depreciation/NPI on Investment	5.76	(8.89)
Provision towards NPA	148.83 @	408.19 @#
Provision made towards Income tax (Including Deferred Tax Assets/Liability)	1251.54	511.52
Other Provision and Contingencies (with details) <sup>§</sup>	699.49 <sup>§</sup>	(20.33) <sup>§</sup>

@ net of restructuring provision

§ includes provision for standard asset.

#Net of write back of floating provision.

**(j) Provisioning Coverage Ratio (PCR)**

Particulars	FY 2022-23	FY 2021-22
Provisioning Coverage Ratio (PCR)*	99.70%	96.30%

\* Floating provision has not been considered while calculating PCR.

**(k) Provisioning pertaining to Fraud Accounts**

(₹ crore)

Particulars	FY 2022-23	FY 2021-22
No. of frauds reported during the year	9	1
Amount involved in fraud (₹ in crore)	36.87	6.67
Amount involved in fraud net of recoveries/write offs/unrealised interest as at the end of the year (₹ in crore)	31.06	6.47
Provision made during the year (₹ in crore)	1.13	-
Provision held as at the end of the year for the above accounts (₹ in crore)	31.06	6.47
Amount of unamortised provision debited from "other reserves" as at the end of the year (₹ in crore)	-	-

#### 4. Investment portfolio: constitution and operations

##### (a) Repo Transactions

(₹ crore)

Particulars	Minimum outstanding during the year FY 2023	Maximum outstanding during the year FY 2023	Daily Average outstanding during the year FY 2023	Outstanding as on March 31, 2023
Securities sold under repo				
i. Government securities	-	13,673.20	2,720.28	10,543.96
ii. Corporate debt securities	Nil	Nil	Nil	Nil
Securities purchased under reverse repo				
i. Government securities	-	14,994.39	1,632.35	1,998.89
ii. Corporate debt securities	Nil	Nil	Nil	Nil

(₹ crore)

Particulars	Minimum outstanding during the year FY 2022	Maximum outstanding during the year FY 2022	Daily Average outstanding during the year FY 2022	Outstanding as on March 31, 2022
Securities sold under repo				
i. Government securities	-	3,735.68	348.89	2,568.91
ii. Corporate debt securities	Nil	Nil	Nil	Nil
Securities purchased under reverse repo				
i. Government securities	-	21,610.09	6,450.69	299.89
ii. Corporate debt securities	Nil	Nil	Nil	Nil

##### (b) Disclosure of Issuer Composition for Investment in Debt Securities

(₹ crore)

Issuer	Amount	Amount of			
		Investment made through private placement	Below Investment Grade Securities Held	Unrated securities held	Unlisted securities
(1)	(2)	(3)	(4)	(5)	(6)
PSUs	368.96	278.25	-	-	-
FIs	2,795.10	2,795.10	-	189.83	189.83
Banks	8,302.72	8,302.72	-	103.50	103.50
Private Corporates	450.11	450.11	-	450.11	441.48
Subsidiaries/Joint ventures	0	0	-	0	0
Others	1,045.81	1,045.81	-	1,045.81	1,045.81
Provision held towards depreciation	(362.23)	-	-	-	-
<b>Total</b>	<b>12,600.47</b>	<b>12,871.99</b>	<b>-</b>	<b>1,789.25</b>	<b>1,780.62</b>

##### (c) Sale & transfers of securities to /from HTM category:

During the current FY, the Bank shifted investments in Venture Capital Funds from HTM to AFS category in accordance with extant RBI guidelines. Except for the above, there was no shifting on investments to/from HTM category.

## 5. Details of Financial Assets purchased/ sold

### (a) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

#### (i) Details of Sales

(₹ crore)

Particulars	FY 2022-23	FY 2021-22
(i) No. of accounts (borrower)	Nil	Nil
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	Nil	Nil
(iii) Aggregate consideration	Nil	Nil
(iv) Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v) Aggregate gain / loss over net book value	Nil	Nil

#### (ii) Details of Book Value of Investments in Security Receipts

(₹ crore)

Particulars	Book value of investments in security receipts	
	FY 2022-23	FY 2021-22
(i) Backed by NPAs sold by the AIFI as underlying	0.27	0.27
(ii) Backed by NPAs sold by banks / other financial institutions / non-banking financial companies as underlying	0.00	0.00
<b>Total</b>	<b>0.27</b>	<b>0.27</b>

### (b) Details of Non Performing Financial Assets Purchased / Sold

#### (i) Details of non performing financial assets purchased:

(₹ crore)

Particulars	FY 2022-23	FY 2021-22
1. (a) No. of accounts purchased during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil
2. (a) Of these, number of accounts restructured during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil

#### (ii) Details of non performing financial assets sold:

(₹ crore)

Particulars	FY 2022-23	FY 2021-22
No. of accounts sold	Nil	Nil
Aggregate outstanding	Nil	Nil
Aggregate consideration received	Nil	Nil

## 6. Operating Results

Particulars	FY 2022-23	FY 2021-22
(i) Interest income as a percentage to average working funds	5.30	4.21
(ii) Non-interest income as a percentage to average working funds	0.14	0.18
(iii) Operating profit as a percentage to average working funds (before provisions)	1.63	1.33
(iv) Return on average assets (before provisions for taxation)	1.40	1.16
(v) Net Profit per employee (₹ crore)	3.66	2.13

## 7. Credit Concentration risk

### (a) Capital market exposure

(₹ crore)

Particulars	FY 2022-23	FY 2021-22
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	320.03	456.70
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
(ix) financing to stockbrokers for margin trading;	-	-
(x) all exposures to Venture Capital Funds (both registered and unregistered)	1,173.61	1,024.82
<b>Total Exposure to Capital Market</b>	<b>1,493.64</b>	<b>1,481.52</b>

### (b) Exposure to Country risk

(₹ crore)

Risk Category	FY 2022-23		FY 2021-22	
	Net Funded Exposure	Provision held	Net Funded Exposure	Provision held
Insignificant	10,902.69	26.40	11,269.51	27.66
Low	1,018.09	-	998.70	-
Moderate	15.90	-	1.00	-
High	5.64	-	-	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
<b>Total</b>	<b>11,942.32</b>	<b>26.40</b>	<b>12,269.21</b>	<b>27.66</b>

### (c) Prudential Exposure Limits - Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded.

(i) The number and amount (not the name of the borrower) of exposures in excess of the prudential exposure limits during the year.

Sr. No.	PAN Number	Borrower Name	Industry Code	Industry Name	Sector	Amount Funded	Amount Non-Funded	Exposure as % to capital Funds
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## ii) Credit exposure as percentage to capital funds and as percentage to total assets, in respect of :

Sr. No.	Particulars	FY 2022-23		FY 2021-22	
		As % to Total Assets	As % to Capital funds	As % to Total Assets	As % to Capital funds
1	The largest single borrower	13.63	209.72	15.53	170.28
	The largest borrower group	As large borrowers are Primary lending Institutions, the concept of borrower group is not applicable.			
2	The 20 largest single borrowers	67.94	1,045.64	61.06	669.47
	The 20 largest borrower group	As large borrowers are Primary lending Institutions the concept of borrower group is not applicable.			

## iii) Credit exposure to the five largest industrial sectors as percentage to total loan assets :

(₹ crore)

Name of Industry	FY 2022-23		FY 2021-22	
	Amount. Outstanding	% to total loan assets	Amount. Outstanding	% to total loan assets
TEXTILE PRODUCTS	1,373.15	0.36	821.55	0.37
AUTO ANCILLARIES	1,303.56	0.34	871.11	0.39
METAL PRODUCTS N.E.C.	1,298.56	0.34	1,072.24	0.48
PLASTIC MOULDED GOODS	707.12	0.19	601.17	0.27
METAL PRODUCTS PARTS EXCEPT MACHINERY	648.03	0.17	580.84	0.26

- (iv) Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is 'Nil'.
- (v) The bank had no factoring exposure during the current year and previous year.
- (vi) The bank had not exceeded the Prudential Exposure Limits during the current year and previous year..

## (d) Concentration of borrowings /lines of credit, credit exposures and NPAs

## (i) Concentration of borrowings and lines of credit

(₹ crore)

Particulars	FY 2022-23	FY 2021-22
Total borrowings from twenty largest lenders	3,16,623.42	2,07,923.53
Percentage of borrowings from twenty largest lenders to total borrowings	79.04%	84.38%

## (ii) Concentration of Exposures

(₹ crore)

Particulars	FY 2022-23	FY 2021-22
Total advances to twenty largest borrowers	2,98,449.36	1,69,786.49
Percentage of advances to twenty largest borrowers to Total Advances	74.56%	76.35%
Total Exposure to twenty largest borrowers / customers	3,33,833.93	2,06,873.95
Percentage of exposures to twenty largest borrowers / customers to Total Exposure	73.38%	70.82%

(iii) Sector-wise concentration of exposures and NPAs

(₹ crore)

Sr. No.	Sector	FY 2022-23			FY 2021-22		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
I.	Industrial sector	3,35,409.61	14.74	0.00%	1,97,731.72	199.00	0.10%
1	Central Government	-	-	-	-	-	-
2	Central PSUs	-	-	-	-	-	-
3	State Governments	1,541.63	-	-	-	-	-
4	State PSUs	-	-	-	-	-	-
5	Scheduled Commercial Banks	3,14,619.21	-	-	1,82,705.34	-	-
6	Regional Rural Banks	832.72	-	-	592.25	-	-
7	Co-operative banks	-	-	-	-	-	-
8	Private sector (excluding banks)	18,416.05	14.74	0.08%	14,434.13	199.00	1.38%
II.	Micro-finance sector	6,575.89	40.31	0.61%	4,230.17	40.32	0.95%
III.	Others*	36,056.54	-	-	20,414.26	60.28	0.30%
<b>Total (I+II+III)</b>		<b>3,78,042.04</b>	<b>55.05</b>	<b>0.01%</b>	<b>2,22,376.15</b>	<b>299.60</b>	<b>0.13%</b>

\* includes advances to NBFCs

8. Derivatives

(a) Forward Rate Agreement / Interest Rate Swap

(₹ crore)

Sr. No	Particulars	FY 2022-23	FY 2021-22
i)	The notional principal of swap agreements	123.72	185.58
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	(1.91)	2.29
iii)	Collateral required by the bank upon entering into swaps	Nil	Nil
iv)	Concentration of credit risk arising from the swaps	Nil	3.25
v)	The fair value of the swap book	(1.91)	2.29

The nature and terms of the IRS as on March 31, 2023 are set out below:

Sr. No.	Nature	Nos.	Notional Principal	Benchmark	Terms
1	Hedging	1	INR 123,72,29,020.00	6 M USD LIBOR	Fixed receivable V/s floating payable

The nature and terms of the IRS as on March 31, 2022 are set out below:

Sr. No.	Nature	Nos.	Notional Principal	Benchmark	Terms
1	Hedging	1	INR 185,58,43,530.00	6 M USD LIBOR	Fixed receivable V/s floating payable

(b) Exchange Traded Interest Rate Derivatives

(₹ crore)

Sr. No	Particulars	FY 2022-23	FY 2021-22
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument - wise)	NIL	NIL
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on March 31 (instrument - wise)	NIL	NIL
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument - wise)	NIL	NIL
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument - wise)	NIL	NIL

**(c) Disclosures on risk exposure in derivatives****(i) Qualitative Disclosures**

- (1) The Bank uses Derivatives for hedging of interest rate and exchange risk arising out of mismatch in the assets and liabilities. All derivatives undertaken by Bank are for hedging purposes with underlying as Foreign Currency borrowings, which are not MTM, but only translated. The Bank does not undertake trading in Derivatives.
- (2) Internal Control guidelines and accounting policies are framed and approved by the Board. The derivative structure is undertaken only after approval of the competent authority. The particulars of derivative details undertaken are also reported to ALCO/Board.
- (3) The Bank has put systems in place for mitigating the risk arising out of derivative deals. The Bank follows the accrual method for accounting the transactions arising out of derivative deals.

**(d) Disclosure on Credit default swap - Bank has not undertaken any credit default swap during the year.****(ii) Quantitative Disclosures**

(₹ crore)

Sr. No.	Particulars	FY 2022-23		FY 2021-22	
		Currency Derivatives	Interest rate Derivatives	Currency Derivatives	Interest rate Derivatives
1	Derivatives ( Notional Principal Amount )	3,361.40	123.72	3,902.68	185.58
	(i) For hedging	3,361.40	123.72	3,902.68	185.58
	(ii) For trading	-	-	-	-
2	Marked to Market Positions [1]	535.51	(1.91)	296.35	2.29
	(i) Asset (+)	535.51	-	296.35	2.29
	(ii) Liability (-)	-	1.91	-	-
3	Credit Exposure [2]	730.12	-	557.49	3.25
4	Likely impact of one percentage change in interest rate (100* PV01)	1,681.43	(0.72)	56.18	(0.02)
	(i) On hedging derivatives	1,681.43	(0.72)	56.18	(0.02)
	(ii) On trading derivatives	-	-	-	-
5	Maximum and Minimum of 100*PV01 observed during the year	-	-	-	-
	(i) On hedging	1912.87/0.56	(0.72)/(2.47)	88.26/56.18	(2.37)/(4.82)
	(ii) On trading	-	-	-	-

**9. Disclosure of Letters of Comfort (LoCs) issued by AIFs**

The particulars of Letters of Comfort (LoCs) issued during the year, assessed financial impact, and assessed cumulative financial obligations under the LoCs issued in the past and outstanding is as under:

(₹ crore)

LoCs outstanding as on April 01, 2022		LoC issued during the year		LoCs redeemed during the year		LoCs outstanding as on March 31, 2023	
No of LoC	Amount	No of LoC	Amount	No of LoC	Amount	No of LoC	Amount
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**10. Asset Liability Management**

(₹ crore)

Particulars	1 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & up to 6 months	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	34.63	28.75	1,636.46	5,354.83	45,130.93	1,42,287.69	2,791.15	2,681.16	1,99,945.60
Advances	6,997.81	4,269.79	52,090.15	68,561.71	70,644.41	1,61,467.47	12,204.45	1,759.75	3,77,995.54
Investments	12,067.13	1,368.00	10,402.43	15,454.58	4,956.77	5,220.20	2,082.81	1,467.51	53,019.43
Borrowings	15,640.96	3,600.00	73,581.99	26,684.22	34,913.39	44,652.76	836.77	747.83	2,00,657.92
Foreign Currency assets	6.87	8.03	911.60	32.72	364.03	2,253.17	367.78	-	3,944.20
Foreign Currency liabilities	13.20	6.43	530.98	47.71	482.50	2,051.84	693.42	563.67	4,389.75

ALM includes figures of SIDBI and MUDRA only.



### 11. Draw Down from Reserves

There is no draw down from Reserves during the current year and previous year.

### 12. Business Ratios

Particulars	FY 2022-23	FY 2021-22
Return on average Equity (before provisions for taxation) (%)	18.91	11.47
Return on average assets (before provisions for taxation) (%)	1.40	1.16
Net Profit per employee (₹ crore)	3.66	2.13

### 13. Disclosure of Penalties imposed by RBI

RBI had not imposed any penalty on the Bank during the current year and previous year.

### 14. Customer Complaints

#### 1. Complaints received by the bank from its customers

Particulars	FY 2022-23	FY 2021-22
1 No. of complaints pending at the beginning of the year	1	7
2 No. of complaints received during the year	230	234
3 No. of complaints redressed during the year	230	240
3(i) Of which, number of complaints rejected by the Bank	83	19
4 No. of complaints pending at the end of the year	1	1

#### 2. Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>FY 2023</b>					
Loans and advances	-	35	(18.60)	-	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	35	34.62	-	-
Others	1	53	(67.88)	1	-
<b>FY 2022</b>					
Loans and advances	-	43	(27.12)	-	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	26	160.00	-	-
Others	7	165	(42.71)	1	-

RBI vide their Circular CEPD.CO.PRD.Cir.No.01/13.01.013/2020-21 dated 27.01.2021 on Strengthening of Grievance Redress Mechanism in Banks had categorized grievances under 16 categories and had advised Banks to make disclosures accordingly.

### 15. Off-Balance Sheet SPVs Sponsored

The Bank had no Off-balance sheet SPVs sponsored during the current year and previous year.

### 16. Disclosure as per specific accounting standards

#### (a) Accounting Standard 5 – Net Profit or Loss for the period, prior period items and changes in accounting policies

Income in schedule XIII - 'other income' includes Prior Period Income of ₹10,08,72,058 for FY 2022-23 [Previous Year ₹4,66,88,641] and Other expenditure in schedule XIV - 'Operating Expenses' for FY 2022-23 includes Prior Period Expenditure of ₹1,22,71,798 [Previous Year (₹2,58,64,368)].

**(b) Accounting Standard 17 – Segment Reporting**

As required under RBI master directions and Accounting Standard-17 'Segment Reporting' the Bank has disclosed "Business segment" as the Primary Segment. Since the Bank operates in India, there are no reportable geographical segments. Under Business Segment, the Bank has identified Whole Sale Operations (Direct Lending), Whole Sale Operations (Refinance) and Treasury as its three reporting segments. These segments have been identified after considering the nature and risk profile of the products and services, the organization structure and the internal reporting system of the Bank. Previous year's figures have been regrouped and reclassified to conform to the current year's methodology.

**Part A: BUSINESS SEGMENTS**

Business Segments	Wholesale Operations (Direct Lending)		Wholesale Operations (Refinance)		Treasury		Total	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
<b>1 Segment Revenue</b>	1,554.09	1,209.26	15,619.60	7,597.02	2,827.74	1,327.28	20,001.43	10,132.56
Exceptional Items							-	-
<b>Total</b>							<b>20,001.43</b>	<b>10,132.56</b>
<b>2 Segment Results</b>	378.01	338.88	3,878.35	2,000.18	1,219.55	580.48	5,475.91	2,919.54
Exceptional Items							-	-
<b>Total</b>							<b>5,475.91</b>	<b>2,919.44</b>
Unallocable Expenses							326.70	240.58
<b>Operating profit</b>							5,149.21	2,678.86
Income Tax (Net of write back)							1,251.54	511.42
Share of profit in associates							33.81	(5.91)
<b>Net profit</b>							<b>3,931.48</b>	<b>2,161.53</b>
<b>3 Other information</b>								
<b>Segment Assets</b>	20,055.91	14,433.10	3,76,514.65	2,22,253.25	39,426.65	40,390.79	4,35,997.21	2,77,077.14
Unallocated Assets							3,255.31	1,803.30
<b>Total Assets</b>							<b>4,39,252.52</b>	<b>2,78,880.44</b>
<b>Segment Liabilities</b>	15,883.66	10,617.77	3,51,767.20	2,04,270.42	39,121.93	35,894.26	4,06,772.79	2,50,782.45
Unallocated Liabilities							3,340.17	2,764.61
<b>Total</b>							<b>4,10,112.96</b>	<b>2,53,546.80</b>
<b>Capital / Reserves</b>	4,155.25	3,752.69	24,326.26	17,193.94	658.05	4,385.75	29,139.56	
<b>Total</b>							<b>29,139.56</b>	<b>25,333.38</b>
<b>Total Liabilities</b>							<b>4,39,252.52</b>	<b>2,78,880.44</b>

**Part B: GEOGRAPHIC SEGMENTS - The operations of the Bank is confined to India only, hence no reportable geographic segments.**

**(c) Accounting Standard 18 – Related Party Disclosures****(i) Key management personnel**

Shri Sivasubramanian Ramann	Chairman & Managing Director
Shri V. Satya Venkata Rao	Deputy Managing Director
Shri Sudatta Mandal	Deputy Managing Director

(ii) Significant transactions with related parties

(₹ crore)

Items / Related Party	Key Management Personnel @	Relatives of Key Management Personnel	Total
<b>Borrowings#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Deposit#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Placement of deposits#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Advances#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Investments#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Non funded commitments#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Leasing arrangements availed#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Leasing arrangements provided#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
Purchase of fixed assets	-	-	-
Sale of fixed assets	-	-	-
<b>Interest paid</b>	-	-	-
<b>Interest received</b>	-	-	-
<b>Dividend received</b>	-	-	-
<b>Dividend paid</b>	-	-	-
<b>Rendering of services*</b>	-	-	-
<b>Receiving of services*</b>	-	-	-
<b>Management contracts**</b>	1.35	-	1.35

@Whole time directors of the Board

# The outstanding at the year end and the maximum during the year are to be disclosed

\* Contract services etc. and not services like remittance facilities, locker facilities etc.

\*\* Remuneration to Key Management Personnel.

## 17. Unamortised Pension and Gratuity Liabilities

The pension and gratuity liability are provided for on the basis of an actuarial valuation made at the end of each financial year based on the projected unit credit method. The actuarial gains/ losses are taken to the profit & loss account and are not amortized.

As per our report of even date

BY ORDER OF THE BOARD

For **Borkar & Muzumdar** **Ajit Nath Jha**

Chartered Accountants Chief Financial Officer  
FRN.101569W

**Sudatta Mandal**

Deputy Managing Director

**V. Satya Venkata Rao**

Deputy Managing Director

**Sivasubramanian Ramann**

Chairman & Managing Director

**Darshit Doshi**

Partner  
M.No. 133755

**G Gopalakrishna**

Director

**Amit Tandon**

Director

Place: Mumbai

Date: May 12, 2023

# Consolidated Cash Flow Statement

for the year ended March 31, 2023

March 31, 2022	Particulars	March 31, 2023	March 31, 2023
	<b>1. Cash Flow from Operating Activities</b>		
26,79,30,78,392	Net Profit before tax as per P & L Account		51,49,20,30,632
	Adjustments for :		
36,43,50,321	Depreciation	26,67,08,148	
5,53,33,454	Provision for net depreciation in investments	24,53,96,517	
4,25,62,57,499	Provisions made (net of write back)	9,16,74,09,694	
(5,61,92,51,814)	Profit on sale of investments (net)	(8,27,32,54,340)	
(14,17,772)	Profit on sale of fixed assets	(1,33,74,835)	
(19,46,66,611)	Income Received on Investments	(7,99,78,141)	1,31,29,07,043
<b>25,65,36,83,469</b>	<b>Cash generated from operations</b>		<b>52,80,49,37,675</b>
	(Prior to changes in operating Assets and Liabilities)		
	Adjustments for net changes in :		
(1,69,73,67,138)	Current assets	(14,93,03,26,041)	
81,68,99,06,362	Current liabilities	64,91,97,74,553	
(13,44,52,273)	Bills of Exchange	(5,17,69,19,133)	
(5,24,06,31,06,808)	Loans & Advances	(15,51,99,51,48,710)	
3,66,23,05,27,707	Net Proceeds of Bonds and Debentures & other borrowings	12,49,45,48,36,350	
1,46,00,55,73,814	Deposits received	2,02,30,06,99,722	
<b>68,03,10,81,664</b>			<b>(55,42,70,83,259)</b>
93,68,47,65,133			(2,62,21,45,584)
(5,95,87,95,346)	Payment of Tax	(14,18,16,41,591)	(14,18,16,41,591)
<b>87,72,59,69,787</b>	<b>Net Cash flow from operating Activities</b>		<b>(16,80,37,87,175)</b>
	<b>2. Cash Flow from Investing Activities</b>		
(52,08,63,542)	Net (Purchase)/Sale of fixed assets	(28,94,14,376)	
(1,37,41,19,14,844)	Net (Purchase)/sale/redemption of Investments	16,23,33,23,888	
47,78,14,760	Income Received on Investments	5,73,50,433	
<b>(1,37,45,49,63,626)</b>	<b>Net cash used in Investing Activities</b>		<b>16,00,12,59,945</b>
	<b>3. Cash flow from Financing Activities</b>		
14,22,80,00,000	Proceeds from issuance of share capital & share premium	-	
(1,34,69,92,211)	Dividend on Equity Shares & tax on Dividend	(79,81,84,026)	
<b>12,88,10,07,789</b>	<b>Net cash used in Financing Activities</b>		<b>(79,81,84,026)</b>
<b>(36,84,79,86,050)</b>	<b>4. Net increase/(decrease) in cash and cash equivalents</b>		<b>(1,60,07,11,256)</b>
<b>80,50,09,58,431</b>	<b>5. Cash and Cash Equivalents at the beginning of the period</b>		<b>43,65,29,72,381</b>
<b>43,65,29,72,381</b>	<b>6. Cash and Cash Equivalents at the end of the period</b>		<b>42,05,22,61,125</b>
	<b>7. Cash and cash equivalents at the end of the period includes</b>		
7,23,087	Cash in Hand		6,14,370
92,90,15,875	Current account balance with Bank		6,30,75,42,823
19,99,90,00,050	Mutual Funds		-
22,72,42,33,369	Deposits		35,74,41,03,932

Note : Cash Flow statement has been prepared as per the Indirect Method prescribed in AS-3 (Revised) 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India (ICAI)

Significant Accounting Policies XV

Notes to Accounts Annexure 1

As per our report of even date

BY ORDER OF THE BOARD

For **Borkar & Muzumdar** **Ajit Nath Jha** **Sudatta Mandal** **V. Satya Venkata Rao** **Sivasubramanian Ramann**  
Chartered Accountants Chief Financial Officer Deputy Managing Director Deputy Managing Director Chairman & Managing Director  
FRN.101569W

**Darshit Doshi**  
Partner  
M.No. 133755

**G Gopalakrishna**  
Director


**Amit Tandon**  
Director

Place: Mumbai  
Date: May 12, 2023



Small Industries Development Bank of India

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

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## **Appendix I**

Audited Balance Sheet along with  
Profit and Loss Account  
and Cash Flow Statement of SIDBI

FY 2021-22

# Independent Auditor's Report

**The Board of Directors**  
**Small Industries Development Bank of India**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **Small Industries Development Bank of India** ('the Bank'), which comprise the standalone Balance Sheet as at March 31, 2022, the standalone Profit and Loss Account, the standalone Cash Flow statement for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required in accordance with Regulation 14(1) of the Small Industries Development Bank of India General Regulations, 2000 and give a true and fair view, in conformity with the Accounting Standards notified by the Institute of Chartered Accountants of India ("the ICAI") and accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2022, and its profit and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ('SAs') issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further

described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Bank in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Emphasis of Matter

We draw attention to Note No. 27 of Schedule XVI to the Standalone financial statements, regarding the impact of COVID-19 pandemic on the Bank's operations and asset quality for the year ended 31st March 2022. As stated therein, in view of continuing uncertainties, the extent of impact of the pandemic on the Bank's operations and financial position would depend on ongoing as well as future developments.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

### Description of Key Audit Matters

Key Audit Matter	How our audit addressed the Key Audit Matters
<p><b>Classification of Advances, Identification of Non-Performing Advances, Income Recognition and Provision on Advances (Schedule VIII read with Note 6 of Schedule XV to the standalone financial statements)</b></p> <p>(i) Advances include Refinance loans to banks, Financial Institutions, Micro Finance Institutions and NBFCs; and Direct loans including Cash credits, Overdrafts, Loans repayable on demand and Term loans.</p> <p>The Reserve Bank of India ('RBI') has prescribed the 'Prudential Norms on Income Recognition, Asset Classification and Provisioning' in respect of advances for banks ('IRACP Norms'), including circulars in relation to COVID-19 Regulatory Package – Asset Classification and Provisioning.</p>	<p>Our audit approach / procedures towards Classification of Advances, Identification of Non-performing Advances, Income Recognition and Provision on Advances included the following:</p> <ul style="list-style-type: none"> <li>Understanding and considering the Bank's accounting policies for NPA identification and provisioning and assessing compliance with the prudential norms prescribed by the RBI (IRACP Norms), including the additional provisions and asset classification benefit extended on restructured advances under RBI's COVID-19 Regulatory Package.</li> </ul>

Key Audit Matter	How our audit addressed the Key Audit Matters
<p>The identification of performing and non-performing advances (including advances restructured under applicable IRACP Norms) involves establishment of proper mechanism and the Bank is required to apply significant degree of judgement to identify and determine the amount of provision required against each advance applying both quantitative as well as qualitative factors prescribed by the regulations.</p> <p>Significant judgements and estimates for NPA identification and provisioning could give rise to material misstatements on:</p> <ul style="list-style-type: none"> <li>• Completeness and timing of recognition of non-performing assets in accordance with criteria as per IRACP norms;</li> <li>• Measurement of the provision for non-performing assets based on loan exposure, ageing and classification of the loan, realizable value of security;</li> <li>• Appropriate reversal of unrealized income on the NPAs.</li> </ul> <p>Since the classification of advances, identification of NPAs and creation of provision on advances (including additional provisions on restructured advances under applicable IRACP Norms) and income recognition on advances:</p> <ul style="list-style-type: none"> <li>• Requires proper control mechanism and significant level of estimation by the Bank;</li> <li>• Required to be aligned with changes in IRACP Norms during the year arising out of the COVID 19 pandemic</li> <li>• Has significant impact on the overall financial statements of the Bank;</li> </ul> <p>we have ascertained this area as a Key Audit Matter.</p>	<ul style="list-style-type: none"> <li>• Understanding the key controls (including system based automated controls) for identification and provisioning of impaired accounts based on the extant guidelines on IRACP laid down by the RBI.</li> <li>• Performing other procedures including substantive audit procedures covering the identification of NPAs by the Bank. These procedures included: <ul style="list-style-type: none"> <li>(a) Considering testing of the exception reports generated from the application systems where the advances have been recorded.</li> <li>(b) Considering the accounts reported by the Bank and other banks as Special Mention Accounts ("SMA") in RBI's central repository of information on large credits (CRILC) to identify stress.</li> <li>(c) Reviewing account statements, drawing power calculation, security and other related information of the borrowers selected based on quantitative and qualitative risk factors</li> <li>(d) Reading of minutes of credit and risk committee meetings and performing inquiries with the credit department to ascertain if there were indicators of stress or an occurrence of an event of default in a loan account or any product.</li> <li>(e) Considering Internal Audit and Concurrent Audit as per the policies and procedures of the Bank.</li> <li>(f) Reviewing the report submitted by external expert appointed by the Bank to verify compliance with the RBI circular on Automation of IRACP processes through the Bank's core banking system.</li> <li>(g) Examination of advances including stressed/restructured advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines.</li> </ul> </li> </ul>
	<p>For Non-performing advances identified, we, based on factors including stressed sectors and account materiality, tested on a sample basis the asset classification dates, reversal of unrealized interest, value of available security and provisioning as per IRACP norms. We recomputed the provision for NPA on such samples after considering the key input factors and compared our measurement outcome to that prepared by management.</p>



Key Audit Matter	How our audit addressed the Key Audit Matters
<p>(ii) <b>Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule VII read with Note 3 of Schedule XV to the standalone financial statements)</b></p> <p>Investments are categorized under Treasury operations and Business Operations. Investments include investments made by the Bank in Central and State Governments Securities, Bonds, Debentures, Shares, Mutual Funds, VCFs and other approved securities. RBI Circulars and directives, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, non-recognition of income and provisioning against non-performing investments.</p> <p>The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FBIL/FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc.</p> <p>We identified valuation of investments and identification of NPI as a Key Audit Matter because of the management judgement involved in determining the value of certain investments (Bonds and Debentures, VCFs) based on applicable Regulatory guidelines and the Bank's policies, impairment assessment for HTM book based on management judgement, the degree of regulatory focus and the overall significance to the financial results of the Bank.</p>	<p>Our audit approach/procedures towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non-performing investments (NPIs) and provisioning/depreciation related to Investments. In particular -</p> <ul style="list-style-type: none"> <li>• We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, reversal of income on NPIs and provisioning/depreciation related to investments;</li> <li>• We assessed and evaluated the process adopted for collection of information from various sources for determining market value of these investments;</li> <li>• For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security;</li> <li>• We carried out substantive audit procedures to recompute independently the provision to be maintained in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained and if accrual of income is in accordance with the RBI Circular for those selected sample of NPIs.</li> </ul>
<p>(iii) <b>Information Technology ('IT') Systems and Controls for financial reporting</b></p> <p>The Bank's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.</p> <p>Due to the pervasive nature and complexity of the IT environment as well as its importance in relation to accurate and timely financial reporting, we have identified this area as a Key Audit Matter.</p>	<p>As a part of our audit procedures for review of the Bank's IT systems and related controls for financial reporting:</p> <ul style="list-style-type: none"> <li>• We tested the design and operating effectiveness of the Bank's IT systems and controls that are critical to financial reporting.</li> <li>• The Bank has a system in place for getting application software audits for identified Application Systems at reasonable intervals. Information System (IS) Audit is done at Branches by officers of the Bank at reasonable intervals.</li> <li>• We have reviewed and relied on the Application Systems Audits carried by external consultants and IS audits done at the branches.</li> </ul>

Key Audit Matter	How our audit addressed the Key Audit Matters
<p>(iv) <b>Assessment of Provisions and Contingent Liabilities (Note 10 and Note 12 of Schedule XV to the standalone financial statements)</b></p> <p>Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct Taxes, various claims filed by other parties not acknowledged as debt (Schedule XI to the standalone financial statements) and various employee benefits schemes (Schedule V to the standalone financial statements) was identified as a significant audit area.</p> <p>There is high level of judgement involved in estimating the level of provisioning required as well as in the disclosure of both Provisions and Contingent Liabilities in respect of tax matters and other legal claims. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.</p> <p>The valuations of the employee benefit liabilities are calculated with reference to multiple actuarial assumptions and inputs including discount rate, rate of inflation and mortality rates. The valuation of funded assets in respect of the same is also sensitive to changes in the assumptions.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of the matters which requires application of judgment in interpretation of law, circumstances of each case and estimates involved.</p>	<p>Our audit approach / procedures involved:</p> <ul style="list-style-type: none"> <li>• Understanding the current status of the litigations/tax assessments;</li> <li>• Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon;</li> <li>• Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of the Bank's tax consultants;</li> <li>• Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and</li> <li>• Ensuring completeness and accuracy of the data, the measurement of the fair value of the schemes' assets, understanding the judgements made in determining the assumptions used by management to value the employee liabilities with specific schemes and market practice.</li> <li>• Our audit procedures included an assessment of the assumptions used by the actuary by comparing life expectancy assumptions with relevant mortality tables, benchmarking inflation and discount rates against external market data. We verified the value of plan assets to the statements provided by asset management companies managing the plan assets.</li> <li>• Verification of disclosures related to significant litigations, taxation matters and Employee benefits liabilities in the standalone financial statements.</li> </ul>

### Information other than the standalone Financial Statements and Auditor's Report Thereon

The Bank's Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Bank's annual report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Bank's annual report, if we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

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

The Bank's Management is responsible with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the Small Industries Development Bank of India General Regulations, 2000, and accounting principles generally accepted in India including the Accounting Standards issued by ICAI, and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Bank and for preventing

and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Bank's Management are also responsible for overseeing the Bank's financial reporting process.

### **Auditor's Responsibilities for the audit of the standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates

and related disclosures in the standalone financial statements made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

- (i) These standalone Financial Results incorporate the relevant returns of 26 branches visited/audited by us including Head Office which covers 95.50% of Advances, 99.22% of deposits and 100% of Borrowings as on 31st March 2022 and 91.95% of Interest income on advances, 98.28% of interest expense on deposits and 100% of interest expense on borrowings for the year ended 31st March 2022. These branches have

been selected in consultation with the management of the Bank. In conduct of our audit, we have relied upon various information and returns received from remaining branches of the Bank not visited by us and generated through centralized database at Head Office.

Our opinion is not modified in respect of the above matter.

### Report on Other Legal and Regulatory Requirements

The standalone Balance Sheet and the standalone Profit and Loss Account have been drawn up in accordance with the provisions of Regulation 14 (i) of the Small Industries Development Bank of India General Regulations, 2000.

We report that:

- (a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
- (b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
- (c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

- (d) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- (e) The standalone Balance Sheet, the standalone Profit and Loss Account, the standalone Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (f) In our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards.

For **Borkar & Muzumdar**  
Chartered Accountants  
Firm's Registration No. 101569W

**Darshit Doshi**  
Partner  
Membership No. 133755  
UDIN: 22133755AJCJPP5778

Place: Mumbai  
Date: May 17, 2022

# Balance Sheet

as at March 31, 2022

(Amount in ₹)

		March 31, 2022	March 31, 2021
<b>CAPITAL AND LIABILITIES</b>			
	<b>Schedules</b>		
Capital	I	5,68,54,11,690	5,31,92,20,310
Reserves, Surplus and Funds	II	2,40,14,53,18,104	2,07,56,28,92,633
Deposits	III	14,08,78,42,74,899	12,44,12,11,71,085
Borrowings	IV	7,57,12,43,67,199	3,90,90,19,08,226
Other Liabilities and Provisions	V	62,04,01,28,691	75,31,92,47,651
Deferred Tax Liability		74,55,585	-
<b>Total</b>		<b>24,73,78,69,56,168</b>	<b>19,23,22,44,39,905</b>
<b>ASSETS</b>			
Cash and Bank Balances	VI	1,79,18,31,07,719	1,38,07,95,68,421
Investments	VII	2,39,51,55,92,224	1,91,53,46,78,481
Loans & Advances	VIII	20,22,51,78,47,539	15,62,32,79,99,814
Fixed Assets	IX	2,93,12,40,397	2,77,32,26,435
Other Assets	X	29,63,91,68,289	28,50,89,66,754
<b>Total</b>		<b>24,73,78,69,56,168</b>	<b>19,23,22,44,39,905</b>
Contingent Liabilities	XI	53,37,90,27,297	59,50,61,36,098
Significant Accounting Policies	XV		
Notes to Accounts	XVI		

The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date

BY ORDER OF THE BOARD

For **Borkar & Muzumdar**  
Chartered Accountants  
FRN.101569W

**Rajendra Agrawal**  
Chief Financial Officer

**Sudatta Mandal**  
Deputy Managing Director

**V. Satya Venkata Rao**  
Deputy Managing Director

**Sivasubramanian Ramann**  
Chairman & Managing Director

**Darshit Doshi**  
Partner  
M.No. 133755

**G Gopalakrishna**  
Director

**Ashish Gupta**  
Director

Place: Mumbai  
Date: May 17, 2022

# Profit & Loss Account

for the year ended March 31, 2022

(Amount in ₹)

		March 31, 2022	March 31, 2021
<b>INCOME</b>	<b>Schedules</b>		
Interest and Discount	XII	87,14,12,26,980	1,02,21,35,67,271
Other Income	XIII	4,25,05,99,071	9,44,26,93,251
<b>Total</b>		<b>91,39,18,26,051</b>	<b>1,11,65,62,60,522</b>
<b>EXPENDITURE</b>			
Interest & Financial charges		57,01,62,91,566	65,42,87,64,888
Operating Expenses	XIV	6,97,72,15,759	5,60,00,42,556
Provisions & Contingencies		3,51,81,16,045	9,15,23,84,536
<b>Total</b>		<b>67,51,16,23,370</b>	<b>80,18,11,91,980</b>
<b>Profit before Tax</b>		<b>23,88,02,02,681</b>	<b>31,47,50,68,542</b>
Provision for Income Tax		4,11,57,81,000	7,68,66,09,000
Deferred Tax Adjustment [(Asset) / Liability]		18,65,33,000	(19,43,10,130)
Profit after Tax		<b>19,57,78,88,681</b>	<b>23,98,27,69,672</b>
Profit brought forward		53,97,00,680	96,17,75,070
<b>Total Profit / (Loss)</b>		<b>20,11,75,89,361</b>	<b>24,94,45,44,742</b>
<b>Appropriations</b>			
Transfer to General Reserve		18,00,41,43,423	22,50,00,00,000
Transfer to Special reserve u/s 36(1)(viii) of The Income Tax Act, 1961		70,00,00,000	80,00,00,000
<b>Others</b>			
Transfer to Investment Fluctuation Reserve		10,96,07,912	-
Transfer to Staff Welfare Fund		10,56,54,000	4,10,00,000
Dividend on Shares		79,81,84,026	1,06,38,44,062
Tax on Dividend		-	-
Surplus in Profit & Loss account carried forward		40,00,00,000	53,97,00,680
<b>Total</b>		<b>20,11,75,89,361</b>	<b>24,94,45,44,742</b>
Basic/Diluted Earning Per Share		36.79	45.09
Significant Accounting Policies	XV		
Notes to Accounts	XVI		
The Schedules referred to above form an integral part of the Profit & Loss Account.			

As per our report of even date

BY ORDER OF THE BOARD

For **Borkar & Muzumdar**  
Chartered Accountants  
FRN.101569W

**Rajendra Agrawal**  
Chief Financial Officer

**Sudatta Mandal**  
Deputy Managing Director

**V. Satya Venkata Rao**  
Deputy Managing Director

**Sivasubramanian Ramann**  
Chairman & Managing Director

**Darshit Doshi**  
Partner  
M.No. 133755

**G Gopalakrishna**  
Director

**Ashish Gupta**  
Director

Place: Mumbai  
Date: May 17, 2022

## Schedules to Balance Sheet

### Capital and Liabilities

(Amount in ₹)

Schedule I: Capital	March 31, 2022	March 31, 2021
<b>(a) Authorized Capital</b>	10,00,00,00,000	10,00,00,00,000
- Equity Share Capital (75,00,00,000 Equity Shares of ₹10/- each)	7,50,00,00,000	7,50,00,00,000
- Preference Share Capital (25,00,00,000 Redeemable Preference Shares of ₹10/- each)	2,50,00,00,000	2,50,00,00,000
<b>(b) Issued, Subscribed and Paid-up Capital :</b>	5,68,54,11,690	5,31,92,20,310
- Equity Share Capital (56,85,41,169 Equity Shares of ₹10/- each)	5,68,54,11,690	5,31,92,20,310
- Preference Share Capital	-	-
<b>Total</b>	<b>5,68,54,11,690</b>	<b>5,31,92,20,310</b>

(Amount in ₹)

Schedule II: Reserves, Surplus and Funds	March 31, 2022	March 31, 2021
<b>A) Reserves</b>		
<b>i) General Reserve</b>		
- Opening Balance	1,69,23,51,37,200	1,46,73,51,37,200
- Additions during the year	18,00,41,43,423	22,50,00,00,000
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>1,87,23,92,80,623</b>	<b>1,69,23,51,37,200</b>
<b>ii) Share Premium</b>		
- Opening Balance	16,68,07,79,690	16,68,07,79,690
- Additions during the year	13,86,18,08,620	-
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>30,54,25,88,310</b>	<b>16,68,07,79,690</b>
<b>iii) Specific Reserves</b>		
a) Investment Reserve		
- Opening Balance	-	-
- Additions during the year	-	-
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>-</b>	<b>-</b>
b) Special Reserve created and maintained u/s 36 (1) (viii) of The Income Tax Act, 1961		
- Opening Balance	17,02,00,00,000	16,22,00,00,000
- Additions during the year	70,00,00,000	80,00,00,000
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>17,72,00,00,000</b>	<b>17,02,00,00,000</b>
c) Other Reserves		
i) Investment Fluctuation Reserve		
- Opening Balance	1,14,93,45,044	1,14,93,45,044
- Additions during the year	10,96,07,912	-
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>1,25,89,52,956</b>	<b>1,14,93,45,044</b>

## Schedules to Balance Sheet

(Amount in ₹)

<b>Schedule II: Reserves, Surplus and Funds</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>B) Surplus in Profit and Loss account</b>	<b>40,00,00,000</b>	<b>53,97,00,680</b>
<b>C) Funds</b>		
a) National Equity Fund		
- Opening Balance	2,65,61,42,832	2,65,61,42,832
- Additions / Write back during the year	-	-
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>2,65,61,42,832</b>	<b>2,65,61,42,832</b>
b) Staff Welfare Fund		
- Opening Balance	28,17,87,187	25,22,07,485
- Additions during the year	10,56,54,000	4,10,00,000
- Utilisations during the year	5,90,87,804	1,14,20,298
- <b>Closing Balance</b>	<b>32,83,53,383</b>	<b>28,17,87,187</b>
c) Others	-	-
<b>Total</b>	<b>2,40,14,53,18,104</b>	<b>2,07,56,28,92,633</b>

(Amount in ₹)

<b>Schedule III: Deposits</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>A) Fixed Deposits</b>	<b>86,10,40,72,379</b>	<b>50,04,64,96,085</b>
<b>B) From Banks</b>		
a) Under MSME Refinance Fund	12,74,31,35,25,000	11,26,05,11,50,000
b) Under MSME Risk Capital Fund	5,00,00,00,000	10,00,00,00,000
c) Others -From Foreign & Private Sector Banks	7,93,64,00,000	-
d) Under MSME India Aspiration Fund	10,43,02,77,520	8,02,35,25,000
e) Under Fund for Venture Capital in MSME sector 2014-15	25,00,00,00,000	50,00,00,00,000
<b>Subtotal (B)</b>	<b>13,22,68,02,02,520</b>	<b>11,94,07,46,75,000</b>
<b>Total</b>	<b>14,08,78,42,74,899</b>	<b>12,44,12,11,71,085</b>

(Amount in ₹)

<b>Schedule IV: Borrowings</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>I) Borrowings in India</b>		
1. From Reserve Bank of India	1,44,20,00,00,000	-
2. From Government of India (including Bonds subscribed by GOI)	5,62,06,57,105	20,40,09,88,429
3. Bonds & Debentures	1,62,85,00,00,000	1,70,87,50,00,000
4. From Other Sources		
- Commercial Paper	50,00,00,00,000	38,75,00,00,000
- Certificate of Deposits	1,49,00,00,00,000	42,85,00,00,000
- Term Loans from Banks	1,68,89,90,51,099	48,14,20,83,006
- Term Money Borrowings	-	-
- Others	25,66,91,30,100	4,99,94,82,245
<b>Subtotal (I)</b>	<b>7,06,23,88,38,304</b>	<b>3,26,01,75,53,680</b>



## Schedules to Balance Sheet

(Amount in ₹)

<b>Schedule IV: Borrowings</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>II) Borrowings outside India</b>		
(a) KFW, Germany	5,60,16,04,462	7,92,50,08,344
(b) Japan International Cooperation Agency (JICA)	14,92,77,01,680	20,87,89,58,963
(c) IFAD, Rome	1,05,67,31,387	1,10,10,79,766
(d) World Bank	28,29,18,43,248	33,21,79,18,293
(e) Others	1,00,76,48,118	1,76,13,89,180
<b>Subtotal (II)</b>	<b>50,88,55,28,895</b>	<b>64,88,43,54,546</b>
<b>Total (I &amp; II)</b>	<b>7,57,12,43,67,199</b>	<b>3,90,90,19,08,226</b>

(Amount in ₹)

<b>Schedule V: Other Liabilities and Provisions</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Interest Accrued	15,72,51,17,292	20,83,21,62,892
Provision for SIDBI Employees' Provident Fund	3,61,97,08,540	3,26,55,18,260
Provision for SIDBI Pension Fund	16,01,409	13,50,36,000
Provision for Employees' Other Benefit	2,85,12,10,104	2,48,86,71,702
Provisions for Exchange Rate Fluctuation	1,53,73,62,766	1,53,73,62,766
Contingent provisions against standard assets	10,64,84,57,633	11,06,49,47,151
Proposed Dividend (including tax on dividend)	79,81,84,026	1,06,38,44,062
Funds viz. Aspire Fund, FoF for Startups, PRF, PRSF etc.	15,15,42,51,789	12,33,11,61,527
Floating provision	4,95,67,37,932	10,99,96,00,000
Others (including provisions)	6,74,74,97,200	11,60,09,43,291
<b>Total</b>	<b>62,04,01,28,691</b>	<b>75,31,92,47,651</b>

## Schedules to Balance Sheet

### Assets

(Amount in ₹)

<b>Schedule VI: Cash &amp; Bank Balances</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
1. Cash in Hand & Balances with Reserve Bank of India	7,18,409	6,54,935
2. Balances with other Banks		
<b>(a) In India</b>		
i) in current accounts	91,24,22,715	92,06,46,927
ii) in other deposit accounts	1,75,01,86,87,955	1,34,15,99,19,330
<b>(b) Outside India</b>		
i) in current accounts	1,63,27,034	1,90,00,930
ii) in other deposit accounts	3,23,49,51,606	2,97,93,46,299
<b>Total</b>	<b>1,79,18,31,07,719</b>	<b>1,38,07,95,68,421</b>

(Amount in ₹)

<b>Schedule VII: Investments [net of provisions]</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>A) Treasury operations</b>		
1. Securities of Central and State Governments	39,90,00,85,004	36,25,12,72,542
2. Bonds & Debentures of Banks & Financial Institutions	31,31,54,82,382	5,24,16,82,049
3. Stocks, Shares, Bonds & Debentures of Industrial Concerns	1,98,08,42,613	1,98,08,42,613
4. Mutual Funds	19,99,90,00,050	37,50,81,24,592
5. Commercial Paper	50,04,99,24,399	65,68,39,65,908
6. Certificate of Deposit	56,46,67,59,624	13,97,08,63,310
7. Others	9,00,00,00,000	-
<b>Subtotal (A)</b>	<b>2,08,71,20,94,072</b>	<b>1,60,63,67,51,014</b>
<b>B) Business Operations</b>		
1. Shares of Banks & Financial Institutions	1,84,97,71,142	1,84,97,71,142
2. Bonds & Debentures of Banks & Financial Institutions	-	-
3. Stocks, Shares, bonds & Debentures of Industrial Concerns	3,82,86,98,845	4,46,46,49,681
4. Investment in Subsidiaries	17,51,04,98,740	17,51,04,98,740
5. Investment in Venture Capital Fund - RCF	6,31,40,45,945	6,42,18,48,997
6. Others	1,30,04,83,480	65,11,58,907
<b>Subtotal (B)</b>	<b>30,80,34,98,152</b>	<b>30,89,79,27,467</b>
<b>Total (A+B)</b>	<b>2,39,51,55,92,224</b>	<b>1,91,53,46,78,481</b>

(Amount in ₹)

<b>Schedule VIII: Loans &amp; Advances [Net of Provisions]</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>A) Refinance to</b>		
- Banks and Financial Institutions	16,68,31,69,50,653	13,16,64,02,14,298
- Micro Finance Institutions	31,17,68,62,498	16,72,32,44,874
- NBFC	1,79,35,18,01,997	1,12,92,14,25,624
- Bills Rediscounted	-	-
<b>Subtotal (A)</b>	<b>18,78,84,56,15,148</b>	<b>14,46,28,48,84,796</b>
<b>B) Direct Loans</b>		
- Loans and Advances	1,43,30,55,40,693	1,15,81,08,75,592
- Receivable Finance Scheme	3,07,84,956	23,22,39,426
- Bills Discounted	33,59,06,742	-
<b>Subtotal (B)</b>	<b>1,43,67,22,32,391</b>	<b>1,16,04,31,15,018</b>
<b>Total (A+B)</b>	<b>20,22,51,78,47,539</b>	<b>15,62,32,79,99,814</b>

## Schedules to Balance Sheet

(Amount in ₹)

<b>Schedule IX: Fixed Assets [Net of Depreciation]</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
1. Premises	2,89,84,36,991	2,75,92,83,828
2. Others	3,28,03,406	1,39,42,607
<b>Total</b>	<b>2,93,12,40,397</b>	<b>2,77,32,26,435</b>

(Amount in ₹)

<b>Schedule X: Other Assets:</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Accrued Interest	14,76,59,58,673	17,39,56,29,640
Advance Tax (Net of provision)	1,70,86,89,498	78,02,94,395
Staff Loans	1,79,12,15,676	1,69,52,27,467
Derivative Assets	4,29,61,53,456	5,83,74,04,868
Expenditure to the extent not written off	6,61,38,10,576	1,94,24,53,524
Others	46,33,40,410	85,79,56,860
<b>Total</b>	<b>29,63,91,68,289</b>	<b>28,50,89,66,754</b>

(Amount in ₹)

<b>Schedule XI: Contingent Liabilities</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
i) Claims against the Bank not acknowledged as debts	6,56,25,72,519	5,06,41,82,735
ii) On account of Guarantees / Letters of Credit	31,50,24,390	20,23,30,137
iii) On account of Forward Contracts	6,51,81,80,889	21,81,77,727
iv) On account of Underwriting Commitments	-	-
v) On account of uncalled monies on partly paid shares, debentures & undrawn commitment under VCF etc.	95,64,22,740	17,46,36,734
vi) On account of derivative contracts	39,02,68,26,759	53,84,68,08,765
vii) Other items for which the Bank is contingently liable	-	-
<b>Total</b>	<b>53,37,90,27,297</b>	<b>59,50,61,36,098</b>

## Schedules to Profit and Loss Account

(Amount in ₹)

<b>Schedule XII: Interest and Discount</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
1. Interest and Discount on Loans, Advances and Bills	74,74,57,32,819	90,55,19,84,990
2. Income on Investments / Bank balances	12,39,54,94,161	11,66,15,82,281
<b>Total</b>	<b>87,14,12,26,980</b>	<b>1,02,21,35,67,271</b>

(Amount in ₹)

<b>Schedule XIII: Other Income</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
1. Upfront and Processing Fees	45,49,25,710	35,38,16,367
2. Commission and Brokerage	78,19,049	83,89,829
3. Profit on sale of Investments	70,43,74,178	1,25,88,60,175
4. Income earned by way of dividends etc. from Subsidiaries / Associates	28,62,08,148	25,39,38,889
5. Provision of Earlier Years written Back	-	-
6. Recoveries out of Bad Debts	2,03,12,69,846	1,42,52,18,289
7. Reversal of Provisions/ERFF under FCL	-	5,17,85,60,369
8. Others	76,60,02,140	96,39,09,333
<b>Total</b>	<b>4,25,05,99,071</b>	<b>9,44,26,93,251</b>

(Amount in ₹)

<b>Schedule XIV: Operating Expenses:</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Payments to and provisions for employees	3,69,97,48,021	3,87,77,13,208
Rent, Taxes and Lighting	15,78,39,382	14,97,56,156
Printing & Stationery, Postage/Courier & Tele and Insurance	1,33,07,053	1,23,90,186
Advertisement and Publicity	3,14,36,689	2,84,12,385
Depreciation / Amortisation on Bank's Property	36,18,71,759	24,03,93,728
Directors' fees, allowances and expenses	42,12,767	36,23,666
Auditor's Fees	44,59,176	28,66,387
Law Charges	2,31,71,360	1,41,97,202
Repairs and maintenance	12,04,79,601	11,20,92,010
Issue Expenses	1,21,01,863	42,82,499
Capital Commitment, Management Fees etc.	8,09,48,867	1,49,78,690
Input Tax Credit not Available	10,30,52,881	9,30,45,281
Other Expenditure	2,36,45,86,340	1,04,62,91,158
<b>Total</b>	<b>6,97,72,15,759</b>	<b>5,60,00,42,556</b>

## Schedule XV: Significant Accounting Policies

### 1. Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Small Industries Development Bank of India Act, 1989 and regulations thereof, prudential norms prescribed by Reserve Bank of India, applicable Accounting Standards issued by the Institute of Chartered Accountants of India and practices prevailing in the Banking Industry. The financial statements have been prepared under the historical cost convention on an accrual basis, unless otherwise stated. Except otherwise mentioned, the accounting policies that are applied by the Bank, are consistent with those used in the previous year.

#### Use of Estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as of the date of the financial statements and the reported income and expenses for the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods in accordance with the requirements of the respective accounting standard.

### 2. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured.

#### A) Income:

- (i) Interest income including penal interest is accounted for on accrual basis, except in the case of non-performing assets where it is recognized upon realization.
- (ii) Income in the Profit & Loss Account is shown gross i.e. before provisions as per RBI guidelines and other provisions as per Bank's internal policy.
- (iii) Discount received in respect of bills discounted / rediscounted and on discounted instruments is recognized over the period of usance of the instruments on a constant yield basis.
- (iv) Commitment charges, service charges on seed capital / soft loan assistance and royalty income are accounted for on accrual basis in respect of standard (performing) assets.

- (v) Dividend on shares held in industrial concerns and financial institutions is recognized as income when the right to receive the dividend is established.
  - (vi) Income from Venture Capital funds are accounted on realization basis. Redemption of unit/shares in Venture Capital fund, while in HTM category is not treated as a sale.
  - (vii) Recovery in non-performing assets (NPA) is to be appropriated in the following order:
    - a) overdue interest upto the date of NPA,
    - b) principal,
    - c) cost & charges,
    - d) interest and
    - e) penal interest.
  - (viii) Gain/loss on sale of loans and advances through direct assignment is recognized in line with the extant RBI guidelines.
  - (ix) Amounts recovered against debts written-off in earlier years are recognized as income in the Profit and Loss account.
  - (x) Profit or loss on sale of investments in any category is taken to profit & loss account. However, in case of profit on sale of investments under "Held to Maturity" category an equivalent amount net of applicable taxes is appropriated to Capital Reserves.
  - (xi) Amount lying as unclaimed liabilities (other than statutory liabilities) for a period of more than seven years are recognized as income.
  - (xii) The bank has accounted for interest on income tax refunds upon receipt of such refund orders / Order giving effects issued by Income Tax Department.
  - (xiii) Recoveries of CGTMSE fees, Valuation charges, Advocate fee, Insurance, Upfront fee/ Processing fee etc. from Borrowers are accounted on cash basis.
  - (xiv) Commission on LC/ BG are recognized on accrual basis proportionately over the period.
- #### B) Expenditure:
- (i) All expenditures are accounted for on accrual basis except Development Expenditure which is accounted for on cash basis.
  - (ii) Discount on Bonds and Commercial Papers issued are amortized over the tenure of Bonds and Commercial Paper. The expenses relating to issue of Bonds are amortized over the tenure of the Bonds.

### 3. Investments

- (i) In terms of extant guidelines of the Reserve Bank of India on investment classification and valuation, the entire investment portfolio is categorized as "Held to Maturity", "Available for Sale" and "Held for Trading". Investments are valued in accordance with RBI guidelines. The investments under each category are further classified as
- Government Securities,
  - Other approved securities,
  - Shares,
  - Debentures & Bonds,
  - Subsidiaries/ joint ventures and
  - Others (Commercial Paper, Mutual Fund Units, Security Receipts, Certificate of Deposits etc.)
- (a) Held to Maturity:**  
Investments acquired with the intention to hold till maturity are categorized under Held to Maturity. Such investments are carried at acquisition cost unless it is more than the face value, in which case the premium is amortized over the period remaining to maturity. Investments in subsidiaries classified as Held To Maturity.
- Diminution, other than temporary, in the value of investments under this category is provided for each investment individually.
- (b) Held for Trading:**  
Investments acquired for resale within 90 days with the intention to take advantage of the short-term price/ interest rate movements are categorized under Held for Trading. The investments in this category are revalued scrip-wise and net appreciation /depreciation is recognized in the profit & loss account, with corresponding change in the book value of the individual scrips.
- In respect of traded/ quoted investments, the market price is taken from the trades/ quotes available on the stock exchanges.
- (c) Available for Sale:**  
Investments which do not fall within the above two categories are categorized under Available for Sale. The individual scrip under this category is revalued and net depreciation under any of the classification mentioned above is
- recognized in the profit & loss account. Net appreciation under any classification is ignored. The book value of individual scrip is not changed after the revaluation.
- An investment is classified as 'Held To Maturity', 'Available For Sale' or 'Held For Trading' at the time of its purchase and subsequent shifting amongst categories and its valuation is done in conformity with RBI guidelines.
  - Treasury Bills, Commercial Papers and Certificates of Deposit being discounted instruments are valued at carrying cost.
  - The quoted Government Securities are valued at market prices and unquoted/non-traded government securities are valued at prices declared by Financial Benchmark India Pvt. Ltd. (FBIL).
  - Investments which are made out of the Corpus or Funds provided by the Government of India and netted off from the related Fund balances are carried at cost and not subjected to RBI guidelines of valuation.
  - Recording purchase and sale transactions in Investments is done following 'Settlement Date' accounting.
  - The debentures / bonds / shares deemed to be in the nature of advance, are subject to the usual prudential norms applicable to loans & advances.
  - Cost of investments is determined on the weighted average cost method.
  - Brokerage, commission, etc. paid at the time of acquisition/ sale are recognized in the profit & loss account.
  - Broken period interest paid / received on debt investment is treated as interest expenses / income and is excluded from cost / sale consideration.
  - In respect of unquoted investments in industrial concerns under Seed Capital Scheme, full provision has been made.
  - Units of mutual fund are valued at repurchase price as per relevant RBI guidelines.
  - The unquoted fixed income securities (other than government securities) are valued on Yield to Maturity (YTM) basis with appropriate mark-up over the YTM rates for Central Government securities of equivalent maturity. Such mark-up and YTM rates applied are as per the relevant rates published by FBIL.

- (xiv) Unquoted Shares are valued at breakup value, if the latest Audited Financial Statements of the investee companies are available, or at ₹1/- per Company as per RBI guidelines.

#### 4. Foreign Currency Transactions

Foreign currency transactions are recorded in the books of account in respective foreign currencies at the exchange rate prevailing on the date of transaction. Accounting for transactions involving foreign exchange is done in accordance with Accounting Standard (AS)-11 issued by Institute of Chartered Accountants of India, as per following provisions:

- (i) Contingent liability in respect of outstanding forward exchange contracts, guarantees; acceptances, endorsements and other obligations are calculated at the closing exchange rates notified by Foreign Exchange Dealers' Association of India ('FEDAI').
- (ii) Foreign currency Assets and Liabilities are translated at the closing exchange rates notified by FEDAI as at the Balance Sheet date
- (iii) Foreign currency Income and Expenditure items are translated at monthly intervals through actual sale/purchase and recognized in the profit & loss account accordingly.
- (iv) The revaluation difference on foreign currency LoC is adjusted and recorded in a special account opened and maintained, in consultation with GOI for managing exchange risk.
- (v) The Bank follows hedge accounting in respect of foreign exchange contracts and derivative transactions as per RBI guidelines.
- (vi) Exchange differences arising on the settlement of monetary items are recognized as income or expense in the period in which they arise.
- (vii) Outstanding Forward Exchange Contracts which are not intended for trading are revalued at exchange rates notified by FEDAI.

#### 5. Derivatives

The Bank presently deals in currency derivatives viz., Cross Currency Interest Rate Swaps for hedging its foreign currency liabilities. Based on RBI guidelines, the above derivatives undertaken for hedging purposes are accounted on an accrual basis. Contingent Liabilities on account of derivative contracts at contracted rupee amount are reported on the Balance Sheet date.

#### 6. Loans and Advances

- i. Assets representing loan and other assistance portfolios are classified as performing and non-performing based on the RBI guidelines. Provision

for non-performing assets is made in accordance with the RBI guidelines.

- ii. Advances stated in the Balance Sheet are net of provisions made for non-performing advances, and restructured NPA assets.
- iii. General provision on Standard Assets is made as per RBI guidelines.
- iv. Floating provision is made and utilized as per RBI guidelines and Board approved policy.

#### 7. Taxation

- (i) Tax expense comprises both current tax and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS).
- (ii) Deferred income taxes reflect the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.
- (iii) Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.
- (iv) Disputed taxes not provided for including departmental appeals are included under Contingent Liabilities.

#### 8. Securitisation

- i. The Bank purchases credit rated Micro, Small and Medium Enterprises Asset pools from Banks / Non-Banking Finance Companies by way of pass-through certificates issued by the Special Purpose Vehicle. Such securitization transactions are classified as Investments under Held for Trading / Available for Sale category depending upon the investment objective.
- ii. The Bank purchases credit rated pool of Micro, Small and Medium Enterprises assets under bilateral direct assignment. Such direct assignment transactions are accounted for as 'advances' by the Bank.

- iii. The Bank enters into sale of Loans & Advances through direct assignment. In most of the cases, the Bank continues to service the Loans & Advances sold under these transactions and is entitled to the Residual interest on the Loans & Advances sold. Assets sold under direct assignment are derecognized in the books of the Bank based on the principle of surrender of control over the assets.
  - iv. The residual income on the Loans & Advances sold is being recognized over the life of the underlying Loans & Advances.
  - v. Security Receipts issued by the asset reconstruction companies are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time.
2011. Bank pays fixed contribution at pre-determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit & Loss Account.
- v. Payments made under the Voluntary Retirement Scheme are charged to the Profit & Loss account in the year of expenses incurred.

#### **B] Benefits (Short – term) while in service**

Liability on account of Short-term benefits are determined on an undiscounted basis and recognized over the period of service, which entitles the employees to such benefits.

### **9. Sale of Financial Assets to Asset Reconstruction Companies (ARCs) :**

- i. The sale of NPA's is on cash basis or investment in Security Receipt (SR) basis. In case of sale on SR basis, the sale consideration or part thereof is treated as investment in the form of SRs.
- ii. The assets if sold at a price below the Net Book Value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit & Loss A/c. In case the sale value is higher than NBV, the excess provision held can be reversed to profit & loss account in the year the amounts are received. Reversal of excess provision is limited to the extent to which cash received exceeds the NBV of the asset.

### **10. Provisioning for Staff Benefits**

#### **A] Post retirement benefits:**

- i. Provident Fund is a defined contribution scheme administered by the Bank and the contributions are charged to the Profit & Loss Account.
- ii. Gratuity liability and Pension liability are defined benefit obligations and other long-term employee benefits like compensated absences, post-retirement medical benefits etc. are provided based on the independent actuarial valuation as at the Balance Sheet date using the projected unit credit method as per AS 15 (Revised 2005) - Employee Benefits.
- iii. Actuarial gains or losses are recognized in the profit & loss account based on actuarial valuations for the period in which they occur.
- iv. New Pension Scheme is a defined contribution scheme and is applicable to employees who have joined bank on or after December 01,

### **11. Fixed Assets and Depreciation**

- i) Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any.
- ii) Cost of asset includes purchase cost and all expenditure incurred on the asset before put to use. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefits from such assets or their functioning capability.
- iii) Depreciation for the full year, irrespective of date of capitalization, is provided on:
  - (a) Furniture and fixture: For assets owned by Bank @ 100 percent
  - (b) Computer and Computer Software @100 percent
  - (c) Building @ 5 percent on WDV basis
  - (d) Electrical Installations: For assets owned by Bank @ 50 percent on WDV basis.
  - (e) Motor Car - Straight Line Method @50 percent.
- iv) Depreciation on additions is provided for full year and no depreciation is provided in the year of sale/ disposal.
- v) Leasehold land is amortized over the period of lease.

### **12. Provision For Contingent Liabilities and Contingent Assets.**

In accordance with AS-29 Provisions, Contingent Liabilities and Contingent Assets, the Bank recognizes provisions involving substantial degree of estimation in measurement when it has a present obligation as a result of past event, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent Assets



are neither recognized nor disclosed in the financial statements. Contingent liabilities are not provided for and are disclosed in the balance sheet and details given by way of Schedule to the Balance Sheet. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

### 13. Grants and Subsidies

Grants and subsidies from the Government and other agencies are accounted as per the terms and conditions of the agreement.

### 14. Operating Lease

Lease rentals is recognized as an expense/income in the Profit & Loss Account on a straight line basis over the lease term in accordance with AS-19.

### 15. Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/external factors, to recognize,

- the provision for impairment loss, if any required; or
- the reversal, if any, required for impairment loss recognized in the previous periods.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

### 16. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with RBI, balances with other banks, money at call and short notice and investment in Mutual Fund with an original maturity of three months or less.

## Schedule XVI: Notes to Accounts

### 1. Implementation of Ind-AS :

As per RBI letter dated May 15, 2019 issued to the Bank, implementation of Ind-AS for AIFIs has been deferred till further notice. Accordingly, financial statements of the Bank are continued to be prepared under IGAAP. However, the Bank would continue to submit Proforma Ind AS financial statements on half-yearly basis to RBI as hitherto as advised in RBI letter dated May 15, 2019. At present, SIDBI is making use of Excel Sheets for conversion of IGAAP financial statements into Ind-AS Financial Statements. The Bank has already submitted IGAAP converted proforma Ind AS financial statements to RBI up to HYE September 30, 2021 as per the above circular.

**2.1** As per the Accounting Standard 22, Accounting for Taxes on Income, the Bank has reviewed Deferred Tax Assets / Liabilities and recognized an amount of ₹ 18,65,33,000 as Deferred Tax Liability (Previous year - Deferred Tax Asset was ₹ 19,43,10,130) in the Profit & Loss Account for the year ended March 31, 2022.

### 2.2 The Break up of Deferred Tax Asset/ (Liability) as on March 31, 2022 is as under :

(Amount in ₹)

Timing Difference	March 31, 2022	March 31, 2021
	Deferred Tax Asset/(Liability)	Deferred Tax Asset/(Liability)
a) Provision for Depreciation	2,79,20,651	63,32,997
b) Special Reserve u/s 36(1)(viii) of the Income Tax Act 1961	(3,87,65,37,167)	(3,71,54,81,342)
c) Provisions for Bad & Doubtful Debts	45,75,76,825	46,46,70,676
d) Amortisation of Premium on GOI Bonds	-	(1,06,49,427)
e) Provision for Restructuring of Accounts	30,66,284	54,95,443
f) Brought Forward Long Term Capital Loss	-	-
g) Provision for Non Performing Investment	-	-
h) Provision for Standard Assets	2,68,00,01,893	2,78,48,23,976
i) Others	70,05,16,219	64,38,85,092
<b>Net deferred tax Asset/(Liability)</b>	<b>(74,55,295)</b>	<b>17,90,77,415</b>

**3 Provision for Income Tax includes:**

(Amount in ₹)

Sr. No.	Particulars	March 31, 2022	March 31, 2021
(i)	Current Income Tax Provision	4,11,57,81,000	7,68,66,09,000
(ii)	Short/(Excess) Income Tax Provision of Earlier Years	-	-

The Tax Liability has been vetted by the Tax consultant.

**4 Contingent Liabilities referred to in Schedule XI**

Contingent liabilities include "Claims against the Bank not acknowledged as debts" of ₹ 6,56,25,72,519 (Previous Year ₹ 5,06,41,82,735). These represents claims filed against the Bank in the normal course of business relating to various legal cases currently in progress and demands raised by income tax and other statutory authorities. These is being disputed by the Bank and based on expert's opinion, the provision is not considered necessary.

**5 Bonds and Debentures' under Borrowings in schedule IV includes the following :**

(Amount in ₹)

	March 31, 2022	March 31, 2021
a) Unsecured Bonds	1,62,85,00,00,000	1,70,87,50,00,000

**6 Expenditure to the extent not written off under Other Assets in schedule X includes the following:**

(Amount in ₹)

Particulars	March 31, 2022	March 31, 2021
a) Premium on transfer of RBI NIC(LTO) to GoI Bonds	-	4,23,13,364
b) Interest Paid In Advance On Borrowings	59,83,56,164	-
c) Discount paid in Advance - Certificate of Deposit	5,65,04,43,605	1,64,39,75,891
d) Discount paid in Advance - Commercial Paper	35,82,12,235	24,13,15,527
e) Expenditure on Issuance of Unsecured Bonds	67,98,571	1,48,48,742
<b>Total</b>	<b>6,61,38,10,575</b>	<b>1,94,24,53,524</b>

**7 Interest and Financial Charges**

(Amount in ₹)

Particulars	March 31, 2022	March 31, 2021
a) Interest on Borrowings	12,20,11,85,354	15,86,39,50,186
b) Interest on Deposits	41,39,59,35,526	45,38,88,60,026
c) Financial Charges	3,41,91,70,686	4,17,59,54,676
<b>Total</b>	<b>57,01,62,91,566</b>	<b>65,42,87,64,888</b>

**8**

(Amount in ₹)

	March 31, 2022	March 31, 2021
Estimated amount of contracts remaining to be executed on Capital Account not provided for (net of advance paid)	1,89,87,686	75,66,907

- 9** Premises in Schedule IX include advances towards acquisition of Premises ₹ 11,06,68,896 (Previous Year ₹ 11,06,68,896) and Capital Work in Progress ₹ 1,10,66,907(Previous Year ₹ 75,66,907). The advance of ₹ 11,06,68,896 was paid towards acquisition of office premises which was subsequently cancelled due to delay in implementation of the project. The Bank is in correspondence with the Agency for refund of the advance amount. The issue has been taken up with the concerned Govt. Department. However, as a prudential measure, full provision of ₹ 11,06,68,896 had already been made against this amount in FY 2020.

- 10** The borrowing of ₹ 87,21,77,772 (Previous Year ₹ 1,30,82,66,654) from Govt. of India under the JICA IV loan is carried forward in the 'Schedule IV - Borrowings' to the Balance Sheet at its historic rupee value since SIDBI's liability towards principal repayment under the agreement, is not expected to exceed the aggregate of rupee borrowings and the balance in the ERFF maintained for this loan. Applicable interest at 8% is credited to this ERFF account and interest payable in JPY (converted to equivalent INR) is debited out of this account. The balance as on March 31, 2022 in ERFF maintained for this loan is ₹ 55,46,12,637 (Previous Year ₹ 1,05,25,55,521).
- 11** The Bank has contracted a line of credit for USD 300 million from World Bank for scaling up Sustainable and Responsible Micro Finance Project including IDA portion aggregating SDR 65.9 million (equivalent of USD 100 million). Under IDA line, Govt. of India is the borrower and rupee funds are lent to SIDBI by GOI though the exchange risk on the underlying is required to be borne by SIDBI as per the terms of the agreement. Thus, though GOI released rupee funds to SIDBI, the same was recorded as SDR liability in the books of SIDBI to depict correct position so that revaluation difference gets suitably reflected in the year end figures. Accordingly, the drawl effected under the above line aggregating SDR 45.31 million (equivalent to ₹ 474.85 crore) as on March 31, 2022 [Previous Year SDR 46.95 million (equivalent to ₹ 486.47 crore)] from GOI is recorded as SDR liability and the underlying liability has been hedged by way of Cross Currency Interest Rate Swaps. The same has been grouped under Schedule IV - 'Borrowings in India'.
- 12** (a) ASPIRE Fund is a ₹ 310 crore Fund of Funds, allocated by Ministry of Micro, Small & Medium Enterprises, Government of India, to be managed by SIDBI. The Fund is being utilized to make investment in Venture Capital Funds targeting Start Ups/ early stage enterprises promoting Innovation, Entrepreneurship, Forward Backward linkage with multiple value chain of manufacturing and service delivery, accelerator support, etc. in the Agro based Industry and sectors to galvanize the rural economy. The investments (out of ASPIRE fund) are held by SIDBI in fiduciary capacity. The balance of ASPIRE Fund, net of investment is grouped under "Other Liabilities" in the Balance Sheet and all gains/losses/income/expenditure are the part of the fund. The balance in the fund is ₹ 2,73,39,83,039 as on March 31, 2022 (Previous year ₹ 2,72,83,53,833).
- b) Government of India has formulated a Scheme for Fund of Funds for Start-ups (FFS) with the principal objective of enhancing the equity availability to Start-ups. Under the Scheme, an amount of ₹ 10,000 crore has been proposed as FFS to be managed by SIDBI. The Government has since released an amount of ₹ 27,91,29,44,000 and also permitted to take further commitments under FFS. During the year, Government has advised SIDBI to continue to make commitment to the Alternative Investment Fund (AIF). These investments (out of FFS) are held by SIDBI in fiduciary capacity. The fund balance of FFS, net of investment is grouped under "Other Liabilities" in the Balance Sheet and all gains/losses/income/expenditure are the part of the fund. The balance in the fund is ₹ 7,13,38,30,407 as on March 31, 2022 (Previous year ₹ 1,69,55,48,687).
- c) Under the UP IT & Start-Up Policy 2017, the Government of Uttar Pradesh shall establish an initial Corpus of INR 1,000 crore to promote start-ups to establish and flourish in the state. The fund shall be in the form of fund of funds. In this model, the fund shall not be invested directly into start-up companies, rather it shall participate in SEBI approved funds. The funds shall be professionally managed by SIDBI, the Fund Manager. The Government of Uttar Pradesh has since released an amount of ₹ 15 crore. These investments (out of UP Startup Fund) are/shall be held by SIDBI in fiduciary capacity. The fund balance of UP Startup Fund, net of investment is grouped under "Other Liabilities" in the Balance Sheet and all gains/losses/income/expenditure are the part of the fund. The balance in the fund is ₹ 17,72,80,628 as on March 31, 2022 (Previous year ₹ 13,55,51,948).
- 13** The Bank has pledged Government Securities aggregating to face value ₹ 40,41,63,00,000 (book value ₹ 39,90,00,15,423) [Previous Year ₹ 30,32,82,00,000 (book value ₹ 30,00,18,54,173)] with Clearing Corporation of India Ltd. for Triparty Repo Dealing and Settlement (TREPS).
- 14** IFAD had extended a foreign currency loan to SIDBI of SDR 16.35 million, vide loan agreement dated February 18, 2002. As per the terms of loan agreement, IFAD had disbursed loan in USD and it is to be repaid in USD equivalent to SDR. The Bank has accounted accordingly in the books of account. The balance as on March 31, 2022 for this loan is ₹ 1,05,67,31,387 (Previous Year ₹ 1,10,10,79,766)
- 15** Tier-1 capital Bonds of SIDBI held by Government of India (GOI) for ₹ 14,22,80,00,000 has been converted in Equity Share Capital of SIDBI as on March 30, 2022. Accordingly, 3,66,19,138 equity shares were issued to GOI at book value of ₹ 388.54 per share. Consequently, the paid-up share capital of the bank has increased to ₹ 5,68,54,11,690. The difference between the face value and Book value aggregating ₹ 13,86,18,08,620 has been credited to Share Premium (Reserve) Account.

## 16 Employee Benefits

In accordance with the Accounting Standard on "Employee Benefits" (AS 15) (Revised 2005) issued by the Institute of Chartered Accountants of India, the Bank has classified the various benefits provided to the employees as under:

### (a) Defined contribution plan

The Bank has recognized the following amounts in Profit & Loss Account:

(Amount in ₹)

Particulars	March 31, 2022	March 31, 2021
Employer's contribution to Provident fund	7,68,83,415	7,90,27,233
Employer's contribution to New Pension Scheme	3,17,67,054	2,69,44,564

### (b) The Bank is having defined benefit Pension Plans and Gratuity Scheme which are managed by the Trust.

₹ crore

	Pension		Gratuity	
	FY 2022	FY 2021	FY 2022	FY 2021
<b>1. Assumptions</b>				
Discount Rate	7.25%	6.85%	6.90%	6.35%
Rate of Return on Plan Assets	7.25%	6.85%	6.90%	6.35%
Salary Escalation	5.50%	5.50%	5.50%	5.50%
Attrition rate	2.00%	2.00%	2.00%	2.00%
<b>2. Table showing change in Benefit Obligation</b>				
Liability at the beginning of the year	553.50	529.88	106.70	99.64
Interest Cost	22.69	30.78	6.56	6.54
Current Service Cost	14.97	14.92	5.97	5.68
Past Service Cost (Non Vested Benefit)	0.00	0.00	0.00	0.00
Past Service Cost ( Vested Benefit)	0.00	0.00	0.00	0.00
Liability Transferred in	0.00	0.00	0.00	0.00
(Liability Transferred out)	0.00	0.00	0.00	0.00
(Benefit Paid)	0.00	(32.86)	(6.61)	(9.75)
Actuarial (gain) / loss on obligations	(14.23)	10.78	(3.67)	4.59
<b>Liability at the end of the year</b>	<b>576.93</b>	<b>553.50</b>	<b>108.95</b>	<b>106.70</b>
<b>3. Tables of Fair value of Plan Assets</b>				
Fair Value of Plan Assets at the beginning of the year	501.50	468.69	105.73	108.15
Expected Return on Plan Assets	34.35	33.96	6.69	7.24
Contributions	0.00	32.86	0.33	0.22
Transfer from other company	0.00	0.00	0.00	0.00
(Transfer to other company)	0.00	0.00	0.00	0.00
(Benefit Paid)	0.00	(32.86)	(6.61)	(9.75)
Actuarial gain / (loss) on Plan Assets	53.76	(1.15)	(0.22)	(0.13)
Fair Value of Plan Assets at the end of the year	<b>589.61</b>	<b>501.50</b>	<b>105.92</b>	<b>105.73</b>
<b>4. Table of Recognition of Actuarial Gains/ Losses</b>				
Actuarial (Gains)/ Losses on obligation for the period	(14.23)	10.78	(3.67)	4.59
Actuarial (Gains)/ Losses on asset for the period	(53.76)	1.15	0.22	0.13
Actuarial (Gains)/ Losses recognized in Income & Expense Statement	<b>(67.99)</b>	<b>11.93</b>	<b>(3.45)</b>	<b>4.72</b>
<b>5. Actual Return on Plan Assets</b>				
Expected Return on Plan Assets	34.35	33.96	6.69	7.24
Actuarial Gain / (Loss) on Plan Assets	53.76	(1.15)	(0.22)	(0.13)
Actual Return on Plan Assets	<b>88.11</b>	<b>32.81</b>	<b>6.47</b>	<b>7.11</b>

₹ crore

	Pension		Gratuity	
	FY 2022	FY 2021	FY 2022	FY 2021
<b>6. Amount Recognised in the Balance Sheet</b>				
Liability at the end of the year	(576.93)	(553.50)	(108.95)	(106.70)
Fair Value of Plan Assets at the end of the year	589.61	501.50	105.92	105.73
Difference	12.68	(52.00)	(3.03)	(0.97)
Unrecognised Past Service Cost at the end of the year	0.00	0.00	0.00	0.00
Unrecognised Transitional Liability at the end of the year	0.00	0.00	0.00	0.00
Net Amount recognised in the Balance Sheet	<b>12.68</b>	<b>(52.00)</b>	<b>(3.03)</b>	<b>(0.97)</b>
<b>7. Expenses Recognised in the Income Statement</b>				
Current Service Cost	14.97	14.92	5.97	5.68
Interest Cost	22.69	30.78	6.56	6.54
Expected Return on Plan Assets	(34.35)	(33.96)	(6.69)	(7.24)
Past Service Cost (Non Vested Benefit) recognised during the year	0.00	0.00	0.00	0.00
Past Service Cost (Vested Benefit) recognised during the year	0.00	0.00	0.00	0.00
Recognition of Transition Liability during the year	0.00	0.00	0.00	0.00
Actuarial (Gain) / Loss	(67.99)	11.93	(3.45)	4.72
<b>Expense Recognised in Profit &amp; Loss account</b>	<b>(64.68)</b>	<b>23.67</b>	<b>2.39</b>	<b>9.70</b>
<b>8. Balance Sheet Reconciliation</b>				
Opening Net Liability	52.00	61.19	0.97	(8.51)
Expense as above	(64.68)	23.67	2.39	9.70
Employers Contribution	0.00	(32.86)	(0.33)	(0.22)
Amount recognised in the Balance Sheet	<b>(12.68)</b>	<b>52.00</b>	<b>3.03</b>	<b>0.97</b>
<b>9. Other Details</b>				
Salary escalation is considered in line with the industry practice considering promotion, demand and supply of the employees.				
<b>10. Category of Assets</b>				
Government of India Assets	0.00	0.00	0.00	0.00
Corporate Bonds	0.00	0.00	0.00	0.00
Special Deposits Scheme	0.00	0.00	0.00	0.00
Equity Shares of Listed Companies	0.00	0.00	0.00	0.00
Property	0.00	0.00	0.00	0.00
Insurer Managed Funds	589.61	501.50	105.92	105.73
Other	0.00	0.00	0.00	0.00
<b>Total</b>	<b>589.61</b>	<b>501.50</b>	<b>105.92</b>	<b>105.73</b>

**11. Experience Adjustment:**

	Pension					Gratuity				
	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
On Plan Liability (Gain)/ Loss	15.71	(1.14)	46.87	(22.03)	66.81	0.65	(0.43)	3.28	(19.71)	10.18
On Plan Asset (Loss)/ Gain	(53.76)	(1.15)	25.17	(2.32)	0.32	0.22	0.13	(0.09)	(0.35)	(0.10)

- (c) The following are the amount charged to Profit & Loss Account relating to other long term benefits plan based on the actuarial valuation provided by independent actuary.

(Amount in ₹)

Sr. No	Particulars	March 31, 2022	March 31, 2021
1	Ordinary Leave Encashment	12.97	25.26
2	Sick Leave	0.47	0.34
3	Resettlement Expenses	0.30	(0.29)
4	Post Retirement Medical Scheme Facilities	9.84	4.16

**17 Earnings Per Share(EPS) (AS-20):**

The Bank reports basic and diluted Earnings Per Share in accordance with AS 20. Basic Earnings per Share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding at the year end.

Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the period. Diluted Earnings per Share is computed by dividing the net profit after tax by the sum of the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end.

	(Amount in ₹)	
	March 31, 2022	March 31, 2021
Net Profit considered for EPS calculation (₹)	19,57,78,88,681	23,98,27,69,672
Weighted Average Number of equity shares of face value ₹ 10 each	53,21,22,684	53,19,22,031
Earning per share (₹)	36.79	45.09

\* Basic & Diluted EPS are same as there are no dilutive potential Equity Shares.

**18** The proposed dividend, if any, is accounted as liability in the books of accounts under Schedule V.

**19** In the opinion of the Management, there is no material impairment of the fixed assets of the Bank in terms of Accounting Standard 28- Impairment of Assets.

**20** Disclosures under Accounting Standard 29 for provisions in contingencies. The salary & allowances of the employees of the Bank are reviewed every five years. Such review is due from November 01, 2017.

Particulars	(Amount in ₹)	
	FY 2022 Wage Arrears / Incentive ₹	FY 2021 Wage Arrears / Incentive ₹
<b>Opening Balance</b>	<b>1,07,63,00,000</b>	<b>76,00,00,000</b>
Additions:		
Arrears	31,50,00,000	31,63,00,000
Incentive		
Utilisations:		
Write back		
<b>Closing Balance</b>	<b>1,39,13,00,000</b>	<b>1,07,63,00,000</b>

**21** The Bank has put in place a mechanism to manage credit risk arising out of unhedged foreign currency exposures (UFCE) of its borrowers. A review of the UFCE across its portfolio is undertaken by the Bank on periodic basis. In terms of RBI circular DBOD No. BPBC.85/21.06.200/2013-14 dated 15.01.2014 & subsequent clarification vide circular DBOD NO.BPBC. 116/21.06.200/2013-14 dated 03.06.2014, based on available data, the provision for UFCE works out to ₹ 1.65 crore as on March 31, 2022 (Previous year ₹ 0.02 crore) which has been included under provisions for standard assets under Schedule V.

**22** As per the practice consistently followed, redemption in Venture Capital Funds is accounted as per the distribution letter received from Venture Capital Funds, irrespective of the appropriation policy as specified in the contribution agreement.

**23 Investor's Complaints:**

As on 1st April, 2021 the Bank had "No" pending investor's complaints for disposal. During the current financial year "21" complaints were received from Investors and "20" complaints (including the complaint pending on April 01, 2021) were disposed off during the year. Accordingly "01" complaint was pending for disposal as on March 31, 2022, which was later on resolved on April 08, 2022.

**24 Divergence in Asset Classification and Provisioning for NPAs**

As required under RBI Circulars DBR.BPBC.No.63/21.04.018/2016-17 dated April 18, 2017 and DBR.BPBC.No.32/21.04.018/2018-19 dated April 1, 2019 on 'Divergence in the asset classification and provisioning', there has been no divergence in 'Gross NPA and Provisions' observed by RBI for FY 2020.

**25** Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances for MSME Borrowers registered under Goods and Services Tax (GST):

As per RBI circular dated February 11, 2020 restructuring of advances was done for Micro, Small and Medium Enterprises (MSME) Borrowers registered under Goods and Services Tax (GST). The RBI, vide its Circular dated August 06, 2020 on 'Micro, Small and Medium Enterprises (MSME) Sector - Restructuring of Advances' extended the above scheme to support the viable MSME entities on account of the fallout of Covid19. Further RBI vide circular RBI/2021-22/32 DOR.STR. REC.12/21.04.048/2021-22 dated May 5, 2021 has advised Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs). The MSME accounts restructured under these guidelines are as under:

No. of accounts restructured	Amount (₹ in crore)
1189	844.51

**26 Prudential Framework for Resolution of Stressed Assets:**

- i) The number of cases where the Bank has implemented the Resolution Plan (RP) as per RBI circular dated June 7, 2019 for Prudential Framework for Resolution of Stressed Assets is "NIL". Further there is "Nil" acquisition of shares due to conversion of debt to equity during a restructuring process, which would have been otherwise exempted from regulatory ceilings/restrictions on Capital Market Exposures, investment in Para-Banking activities and intra-group exposure.
- ii) In terms of RBI Circular dated August 06, 2020 on "Resolution Framework for COVID-19-related Stress" where the Bank has implemented resolution plan, disclosures as per the format prescribed in Format-B of said circular for the half year ending March 31, 2022 is as below:-

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A) *	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year \$	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	---	---	---	---	---
Corporate persons*	32.81	---	0	(0.18)	32.99
Of which MSMEs	32.81	---	0	(0.18)	32.99
Others	---	---	---	---	---
<b>Total</b>	<b>32.81</b>	<b>---</b>	<b>0</b>	<b>(0.18)</b>	<b>32.99</b>

\* Includes restructuring done in respect of requests received as of September 30,2021 processed subsequently

\$ Represents net movement in balance outstanding.

- iii) The number of borrower accounts where Resolution Plan is implemented in terms of RBI circular no. DOR.STR. REC.11/21.04.048/2021-22 dated May 5, 2021 on Resolution Framework – 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses is nil. Further no modifications were sanctioned and implemented in respect of accounts which were implemented under Resolution Framework 1.0

**27** The extent to which the COVID19 pandemic will continue to impact the Bank's results will depend on ongoing as well as future developments.

**28** In view of the above, the Bank, as a prudent measure has made additional standard assets provisions for FY 2022 of ₹ 150.11 crore (previous year ₹ 174 crore) on certain segments of the portfolio which were considered as stressed based on its internal assessment.

**29** Details of loans transferred / acquired during the Year ended March 31, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

During the quarter and Year ended March 31, 2022:

- i. the Bank has not acquired any loan not in default through assignment.
  - ii. the Bank has not transferred any non-performing assets (NPAs) to Asset Reconstruction Companies (ARCs)/ to permitted transferees/ to other transferees
  - iii. the bank has not acquired any stressed loans and not transferred any loan not in default / Special Mention Accounts (SMA).
  - iv. the bank has not invested in Security Receipts (SR) issued by Asset Reconstruction Companies (ARC) in respect of stressed loans transferred to ARCs.
- 30** In accordance with RBI Master Direction RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021 – (Securitisation of Standard Assets) Directions, 2021, the outstanding amount of securitised assets as per books of the SPEs and total amount of exposures retained by the originator as on the date of balance sheet to comply with the MRR is NIL for Year ended March 31, 2022.
- 31** Regulation 14 of Small Industries Development Bank of India General Regulations, 2000 prescribes separate format for presentation of accounts under Small Industries Development Assistance Fund(SIDAF) and General Fund. As no separate SIDAF has been notified by the Central Government, the same is not being maintained by SIDBI.
- 32** Previous year's figures have been re-grouped and re-classified wherever necessary to make them comparable with the current year's figures.



## Additional disclosures

as per RBI guidelines

### 1. Capital adequacy (As per Basel I)

(₹ crore)

Sr. No	Particulars	FY 2021-22	FY 2020-21
i)	Common Equity*	Not Applicable	Not Applicable
ii)	Additional Tier 1 capital*	Not Applicable	Not Applicable
(iii)	Total Tier 1 capital	22,621.82	21,021.12
(iv)	Tier 2 capital	15.41	0.00
v)	Total Capital (Tier 1+Tier 2)	22,637.23	21,021.12
vi)	Total Risk Weighted Assets (RWAs)	93,239.24	76,473.15
vii)	Common Equity Ratio ( Common Equity as a percentage of RWAs) *	Not Applicable	Not Applicable
viii)	Tier 1 Ratio ( Tier 1 capital as a percentage of RWAs)	24.26%	27.49%
ix)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	24.28%	27.49%
x)	Percentage of the shareholding of the Government of India	20.85	15.40
xi)	Amount of equity capital raised	-	-
xii)	Amount of Additional Tier 1 capital raised; of which	-	-
	a.) Perpetual Non-Cumulative Preference Shares (PNCPS):	-	-
	b.) Perpetual Debt Instruments (PDI)	-	-
xiii)	Amount of Tier 2 capital raised; of which	-	-
	a.) Debt capital instruments:	-	-
	b.) Perpetual Cumulative Preference Shares (PCPS)	-	-
	c.) Redeemable Non-Cumulative Preference Shares (RNCPS)	-	-
	d.) Redeemable Cumulative Preference Shares (RCPS)	-	-

\* The figures are not being calculated at present, since BASEL-III is not applicable.

### 2. Free Reserves and Provisions

#### (a) Provision on Standard Assets

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
Provisions towards Standard Assets (cumulative)	1,064.85	1,106.49

#### (b) Floating Provisions

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
Opening balance in the floating provisions account	1,099.96	1,099.96
The quantum of floating provisions made in the accounting year	0.00	0.00
Amount of draw down made during the accounting year*	604.29	0.00
Closing balance in the floating provisions account	495.67	1,099.96

\* Amount was utilised for making NPA provision in terms of RBI circular dated May 05, 2021 and as per Bank's Board approved policy on floating provision.

### 3. Asset Quality and specific provisions

#### (a) Non-Performing Advances

			(₹ crore)	
Particulars	FY 2021-22	FY 2020-21		
<b>(i) Net NPAs to Net Advances (%)</b>	<b>0.07%</b>	<b>0.12%</b>		
<b>(ii) Movement of NPAs (Gross)</b>				
(a) Opening balance	282.31	1,040.84		
(b) Additions during the year	1,030.59	135.11		
(c) Reductions during the year	1,095.28	893.64		
(d) Closing balance	<b>217.62</b>	<b>282.31</b>		
<b>(iii) Movement of Net NPAs *</b>				
(a) Opening balance	185.25	658.64		
(b) Additions during the year	5.90	(354.78)		
(c) Reductions during the year	59.05	118.61		
(d) Closing balance	<b>132.10</b>	<b>185.25</b>		
<b>(iv) Movement of provisions for NPAs (excluding provisions on standard assets)</b>				
(a) Opening balance	97.05	382.19		
(b) Provisions made during the year	1,024.70	489.89		
(c) Write of / write back of excess provisions	1,036.23	775.03		
(d) Closing balance	<b>85.52</b>	<b>97.05</b>		

\*The Net NPA will be NIL for the current year and previous year, if the amount of floating provision is adjusted against the same.

#### (b) Non-Performing Investments

			(₹ crore)	
Particulars	FY 2021-22	FY 2020-21		
<b>(i) Net NPIs Investment to Net Advances (%)</b>	<b>0.00%</b>	<b>0.00%</b>		
<b>(ii) Movement of NPIs (Gross)</b>				
(a) Opening balance	344.62	343.62		
(b) Additions during the year	5.54	1.00		
(c) Reductions during the year	0.00	0.00		
(d) Closing balance	<b>350.16</b>	<b>344.62</b>		
<b>(iii) Movement of Net NPIs</b>				
(a) Opening balance	0.00	0.00		
(b) Additions during the year	0.00	0.00		
(c) Reductions during the year	0.00	0.00		
(d) Closing balance	<b>0.00</b>	<b>0.00</b>		
<b>(iv) Movement of provisions for NPIs (excluding provisions on standard assets)</b>				
(a) Opening balance	344.62	343.62		
(b) Provisions made during the year	5.54	1.00		
(c) Write of / write back of excess provisions	0.00	0.00		
(d) Closing balance	<b>350.16</b>	<b>344.62</b>		

#### (c) Non-Performing Assets (a+b)

			(₹ crore)	
Particulars	FY 2021-22	FY 2020-21		
<b>(i) Net NPAs to Net Assets (Advanced + investments) (%)</b>	<b>0.06%</b>	<b>0.11%</b>		
<b>(ii) Movement of NPAs (Gross Advances + Gross investments)</b>				
(a) Opening balance	626.93	1,384.46		
(b) Additions during the year	1,036.14	136.11		
(c) Reductions during the year	1,095.28	893.64		
(d) Closing balance	<b>567.79</b>	<b>626.93</b>		
<b>(iii) Movement of Net NPAs</b>				
(a) Opening balance	185.25	658.64		
(b) Additions during the year	5.90	(354.78)		
(c) Reductions during the year	59.05	118.61		
(d) Closing balance	<b>132.10</b>	<b>185.25</b>		
<b>(iv) Movement of provisions for NPAs (excluding provisions on standard assets)</b>				
(a) Opening balance	441.68	725.82		
(b) Provisions made during the year	1,030.24	490.89		
(c) Write of / write back of excess provisions	1,036.23	775.03		
(d) Closing balance	<b>435.69</b>	<b>441.68</b>		

**(d) Disclosure of Restructured Accounts**

(₹ crore)

Sl	Type of Restructuring →	Asset Classification →	Others				Total						
			Standard	Sub-Standard	Doubtful	Loss	Total Standard	Sub-Standard	Doubtful	Loss	Total		
1	Restructured Accounts as on April 1 of the FY (opening figures)*		No. of Borrowers	11	9	11	-	31	11	9	11	-	31
			Amount outstanding	52.45	22.35	76.58	-	151.38	52.45	22.35	76.58	-	151.38
			Provision thereon	0.01	1.10	0.53	-	1.64	0.01	1.10	0.53	-	1.64
2	Fresh restructuring during the year		No. of Borrowers	1	2	-	-	3	1	2	-	-	3
			Amount outstanding	3.30	6.36	-	-	9.66	3.30	6.36	-	-	9.66
			Provision thereon	-	0.02	-	-	0.02	-	0.02	-	-	0.02
3	Upgradations to restructured standard category during the FY		No. of Borrowers	6	(5)	(1)	-	-	6	(5)	(1)	-	-
			Amount outstanding	24.92	(12.87)	(12.05)	-	-	24.92	(12.87)	(12.05)	-	-
			Provision thereon	1.03	(0.97)	(0.06)	-	-	1.03	(0.97)	(0.06)	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY		No. of Borrowers	(3)	-	(3)	(3)	(3)	(3)	-	-	-	(3)
			Amount outstanding	(8.93)	-	(8.93)	(8.93)	(8.93)	(8.93)	-	-	-	(8.93)
			Provision thereon	(0.01)	-	(0.01)	(0.01)	(0.01)	(0.01)	-	-	-	(0.01)
5	Downgradations of restructured accounts during the FY		No. of Borrowers	-	(3)	3	-	-	-	(3)	3	-	-
			Amount outstanding	-	(4.53)	4.53	-	-	-	(4.53)	4.53	-	-
			Provision thereon	-	(0.01)	0.01	-	-	-	(0.01)	0.01	-	-
6	Write-offs of restructured accounts during the FY		No. of Borrowers	(1)	(1)	(3)	(5)	(5)	(1)	(1)	(3)	-	(5)
			Amount outstanding	(1.79)	(4.95)	(36.38)	(43.12)	(43.12)	(1.79)	(4.95)	(36.38)	-	(43.12)
			Provision thereon	(0.85)	(0.12)	(0.43)	(1.40)	(1.40)	(0.85)	(0.12)	(0.43)	-	(1.40)
7	Restructured Accounts as on March 31 of the FY (closing figures)*		No. of Borrowers	14	2	10	-	26	14	2	10	-	26
			Amount outstanding	69.95	6.36	32.68	-	108.99	69.95	6.36	32.68	-	108.99
			Provision thereon	0.18	0.02	0.05	-	0.25	0.18	0.02	0.05	-	0.25

\* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

Note: Figures at Sr. No.6 includes increase in outstanding net of reduction / recovery of ₹ 2.20 crore and provision of (₹ 0.84 crore) in respect of existing restructured accounts and closure of 3 borrower amounting to ₹ 4.21 crore and provision of ₹ 0.01 crore.

## (e) Movement of Non-performing assets

(₹ crore)		
Particulars	FY 2021-22	FY 2020-21
Gross NPAs as on April 01	282.31	1,040.84
Additions (Fresh NPAs) during the year	1,030.59	135.11
<b>Sub total (A)</b>	<b>1,312.90</b>	<b>1,175.95</b>
Less :-		
(i) Upgradations	37.62	20.04
(ii) Recoveries (excluding recoveries made from upgraded accounts)	46.93	112.98
(iii) Technical / Prudential Write offs	1,005.06	760.62
(iv) Write offs other than those under (iii) above	5.67	-
<b>Sub-total (B)</b>	<b>1,095.28</b>	<b>893.64</b>
<b>Gross NPAs as on March 31 (A-B)</b>	<b>217.62</b>	<b>282.31</b>

## (f) Write-offs and recoveries

(₹ crore)		
Particulars	FY 2021-22	FY 2020-21
Opening balance of Technical / Prudential written off accounts as at April 01	2,624.88	2,007.01
Add : Technical / Prudential write offs during the year	1,005.06	760.62
<b>Sub total (A)</b>	<b>3,629.94</b>	<b>2,767.63</b>
Less : Actual write off	37.83	0.00
Less : Recoveries made from previously technical / prudential written off accounts during the year	202.92	142.75
<b>Sub total (B)</b>	<b>240.75</b>	<b>142.75</b>
<b>Closing balance as at March 31 (A-B)</b>	<b>3,389.19</b>	<b>2,624.88</b>

## (g) Overseas Assets, NPAs and Revenue

(₹ crore)		
Particulars	FY 2021-22	FY 2020-21
Total Assets	Nil	Nil
Total NPAs	Nil	Nil
Total Revenue	Nil	Nil

#### (h) Depreciation and provisions on investments

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
<b>(1) Investments</b>		
(i) Gross Investments	<b>24,306.52</b>	<b>19,517.54</b>
(a) In India	24,306.52	19,517.54
(b) Outside India	-	-
(ii) Provisions for Depreciation	<b>354.96</b>	<b>364.07</b>
(a) In India	354.96	364.07
(b) Outside India	-	-
(iii) Net Investments	<b>23,951.56</b>	<b>19,153.47</b>
(a) In India	23,951.56	19,153.47
(b) Outside India	-	-
<b>(2) Movement of provisions held towards depreciation on investments</b>		
(i) Opening balance	<b>19.45</b>	<b>4.83</b>
(ii) Add: Provisions made during the year	-	14.62
(iii) Appropriation, if any, from Investment Fluctuation Reserve Account during the year	-	-
(iv) Less: Write off / write back of excess provisions during the year*	14.65	-
(v) Less: Transfer, if any, to Investment Fluctuation Reserve Account	-	-
(vi) Closing balance	<b>4.80</b>	<b>19.45</b>

\*The Bank has appropriated ₹ 10.96 crore (net of applicable taxes) to Investment Fluctuation Reserve Account.

#### (i) Provisions and Contingencies

(₹ crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	FY 2021-22	FY 2020-21
Provisions for depreciation/NPI on Investment	(9.11)	15.62
Provision towards NPA	402.58 <sup>@</sup>	434.14
Provision made towards Income tax (Including Deferred Tax Assets/ Liability)	430.23	749.23
Other Provision and Contingencies (with details)	(41.65) <sup>§</sup>	465.48

@ net of restructuring provision

# Net of write back of floating provision.

§ includes provision for standard asset.

#### (j) Provisioning Coverage Ratio (PCR)

Particulars	FY 2021-22	FY 2020-21
Provisioning Coverage Ratio (PCR)*	96.22%	93.24%

\* Floating provision has not been considered while calculating PCR.

#### (k) Provisioning pertaining to Fraud Accounts

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
No. of frauds reported during the year	1	5
Amount involved in fraud	6.67	323.54
Amount involved in fraud net of recoveries/write offs/unrealised interest as at the end of the year	6.47	285.28
Provision made during the year	-	183.60
Provision held as at the end of the year for the above accounts	6.47	285.28
Amount of unamortised provision debited from "other reserves" as at the end of the year	-	-

#### 4. Investment portfolio: constitution and operations

##### (a) Repo Transactions

(₹ crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2022
Securities sold under repo				
i. Government securities	-	3,735.68	348.89	2568.91
ii. Corporate debt securities	Nil	Nil	Nil	Nil
Securities purchased under reverse repo				
i. Government securities	-	21,610.09	6,450.69	299.89
ii. Corporate debt securities	Nil	Nil	Nil	Nil

(₹ crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2021
Securities sold under repo				
i. Government securities	-	1,024.92	59.11	499.95
ii. Corporate debt securities	Nil	Nil	Nil	Nil
Securities purchased under reverse repo				
i. Government securities	-	17,677.11	5,132.33	4,054.99
ii. Corporate debt securities	Nil	Nil	Nil	Nil

##### (b) Disclosure of Issuer Composition for Investment in Debt Securities

(₹ crore)

Issuer	Amount	Amount as on March 31, 2022			
		Investment made through private placement	Below Investment Grade Securities Held	Unrated securities held	Unlisted securities
(1)	(2)	(3)	(4)	(5)	(6)
(i) PSUs	1,255.53	995.52	-	-	-
(ii) FIs	7,774.07	7,391.18	-	78.55	1,497.08
(iii) Banks	5,901.64	5,798.13	10.00*	103.50	5,256.10
(iv) Private Corporates	642.88	424.02	-	373.50	364.61
(v) Subsidiaries/Joint ventures	1,751.05	1,751.05	-	1,751.05	1,751.05
(vi) Others	2,991.35	2,991.35	-	991.45	2,991.36
(vii) Provision held towards depreciation	(354.96)	-	-	-	-
<b>Total</b>	<b>19,961.56</b>	<b>19,351.25</b>	<b>10.00</b>	<b>3,298.05</b>	<b>11,860.20</b>

\* Due to rating downgrade subsequent to the date of investment.

##### (c) Sale & transfers of securities to /from HTM category:

During the current FY, the Bank shifted investments in Venture Capital Funds from HTM to AFS category in accordance with extant RBI guidelines. Except for the above, there was no shifting on investments to/from HTM category.

## 5. Details of Financial Assets purchased/ sold

### (a) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

#### (i) Details of Sales

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
(i) No. of accounts	Nil	Nil
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	Nil	Nil
(iii) Aggregate consideration	Nil	Nil
(iv) Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v) Aggregate gain / loss over net book value	Nil	Nil

#### (ii) Details of Book Value of Investments in Security Receipts

(₹ crore)

Particulars	Book value of investments in security receipts	
	FY 2021-22	FY 2020-21
(i) Backed by NPAs sold by the AIFI as underlying	0.27	0.27
(ii) Backed by NPAs sold by banks / other financial institutions / non-banking financial companies as underlying	0.00	0.00
<b>Total</b>	<b>0.27</b>	<b>0.27</b>

### (b) Details of Non Performing Financial Assets Purchased / Sold

#### (i) Details of non performing financial assets purchased:

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
1. (a) No. of accounts purchased during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil
2. (a) Of these, number of accounts restructured during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil

#### (ii) Details of non performing financial assets sold:

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
1. No. of accounts sold	Nil	Nil
2. Aggregate outstanding	Nil	Nil
3. Aggregate consideration received	Nil	Nil

## 6. Operating Results

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
(i) Interest income as a percentage to average working funds(%)	4.28	5.67
(ii) Non-interest income as a percentage to average working funds(%)	0.21	0.52
(iii) Operating profit as a percentage to average working funds (before provisions)(%)	1.35	2.25
(iv) Return on average assets (before provisions for taxation)(%)	1.17	1.74
(v) Net Profit per employee (₹ crore)	1.99	2.37

## 7. Credit Concentration risk

### (a) Capital market exposure

Particulars	(₹ crore)	
	FY 2021-22	FY 2020-21
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	456.70	457.59
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
(ix) financing to stockbrokers for margin trading;	-	-
(x) all exposures to Venture Capital Funds (both registered and unregistered)	1,022.18	1,136.61
<b>Total Exposure to Capital Market</b>	<b>1,478.88</b>	<b>1,594.20</b>

### (b) Exposure to Country risk

Risk Category	(₹ crore)	
	FY 2021-22	
	Net Funded Exposure	Provision held
Insignificant	11,269.51	27.66
Low	998.70	-
Moderate	1.00	-
High	-	-
Very High	-	-
Restricted	-	-
Off-credit	-	-
<b>Total</b>	<b>12,269.21</b>	<b>27.66</b>

### (c) Prudential Exposure Limits - Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded.

(i) The number and amount of exposures in excess of the prudential exposure limits during the year.

Sl. No.	PAN Number	Borrower Name	Industry Code	Industry Name	Sector	Amount Funded	Amount Non-Funded	Exposure as % to capital Funds
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil



ii) Credit exposure as percentage to capital funds and as percentage to total assets, in respect of :

Sr. No.	Particulars	FY 2021-22		FY 2020-21	
		As % to Total Assets	As % to Capital funds	As % to Total Assets	As % to Capital funds
1	The largest single borrower	17.51%	191.31%	9.20%	84.16%
	The largest borrower group	As large borrowers are Primary lending Institutions, the concept of borrower group is not applicable.			
2	The 20 largest single borrowers	65.53%	716.11%	61.24%	560.26%
	The 20 largest borrower group	As large borrowers are Primary lending Institutions the concept of borrower group is not applicable.			

iii) Credit exposure to the five largest industrial sectors as percentage to total loan assets :

(₹ crore)

Name of Industry	FY 2021-22		FY 2020-21	
	Credit Exposure	% to total loan assets	Credit Exposure	% to total loan assets
METAL PRODUCTS N.E.C.	1072.24	0.53	977.27	0.63
AUTO ANCILLARIES	871.11	0.43	694.96	0.44
PLASTIC MOULDED GOODS	601.17	0.30	537.01	0.34
METAL PRODUCTS PARTS EXCEPT MACHINERY	580.84	0.29	515.72	0.33
TEXTILE PRODUCTS	821.55	0.41	475.59	0.30

(iv) Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is 'Nil'.

(v) The bank had no factoring exposure during the current year and previous year.

(vi) The bank had not exceeded the Prudential Exposure Limits during the current year and previous year.

(d) Concentration of borrowings /lines of credit, credit exposures and NPAs

(i) Concentration of borrowings and lines of credit

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
Total borrowings from twenty largest lenders	1,81,350.77	1,33,870.69
Percentage of borrowings from twenty largest lenders to total borrowings	83.73%	81.88%

(ii) Concentration of Exposures

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
Total advances to twenty largest borrowers	1,61,623.21	1,17,479.65
Percentage of advances to twenty largest borrowers to Total Advances	79.88%	75.15%
Total Exposure to twenty largest borrowers / customers	1,75,921.47	1,17,855.32
Percentage of exposures to twenty largest borrowers / customers to Total Exposure	68.02%	68.99%

## (iii) Sector-wise concentration of exposures and NPAs

(₹ crore)

Sr. No.	Sector	FY 2021-22			FY 2020-21		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
I.	Industrial sector	1,81,265.82	199.00	0.11%	1,43,365.40	282.31	0.20%
	1 Central Government	-	-	-	-	-	-
	2 Central PSUs	-	-	-	-	-	-
	3 State Governments	-	-	-	-	-	-
	4 State PSUs	-	-	-	31.92	-	-
	5 Scheduled Commercial Banks	1,66,831.69	-	-	1,31,632.10	-	-
	6 Regional Rural Banks	-	-	-	-	-	-
	7 Co-operative banks	-	-	-	-	-	-
	8 Private sector (excluding banks)	14,434.13	199.00	1.38%	11,701.38	282.31	2.41%
II.	Micro-finance sector	3,136.30	18.62	0.59%	1,672.32	-	-
III.	Others*	17,935.18	-	-	11,292.14	-	-
	<b>Total (I+II+III)</b>	<b>2,02,337.30</b>	<b>217.62</b>	<b>0.11%</b>	<b>1,56,329.86</b>	<b>282.31</b>	<b>0.18%</b>

\* includes advances to NBFCs

## 8. Derivatives

## (a) Forward Rate Agreement / Interest Rate Swap

(₹ crore)

Sr. No	Particulars	FY 2021-22	FY 2020-21
i)	The notional principal of swap agreements	185.58	215.67
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	2.29	9.73
iii)	Collateral required by the bank upon entering into swaps	Nil	Nil
iv)	Concentration of credit risk arising from the swaps	3.25	10.97
v)	The fair value of the swap book	2.29	9.73

The nature and terms of the IRS as on March 31, 2022 are set out below:

Sl. No.	Nature	Nos.	Notional Principal	Benchmark	Terms
1	Hedging	1	INR 185,58,43,530.00	6 M USD LIBOR	Fixed receivable V/s floating payable

The nature and terms of the IRS as on March 31, 2021 are set out below

Sl. No.	Nature	Nos.	Notional Principal	Benchmark	Terms
1	Hedging	1	INR 215,66,65,938.00	6 M USD LIBOR	Fixed receivable V/s floating payable

## (b) Exchange Traded Interest Rate Derivatives

(₹ crore)

Sr. No	Particulars	FY 2021-22	FY 2020-21
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument - wise)	NIL	NIL
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on March 31 (instrument - wise)	NIL	NIL
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument - wise)	NIL	NIL
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument - wise)	NIL	NIL

**(c) Disclosures on risk exposure in derivatives**

**(i) Qualitative Disclosures**

- (1) The Bank uses Derivatives for hedging of interest rate and exchange risk arising out of mismatch in the assets and liabilities. All derivatives undertaken by Bank are for hedging purposes with underlying as Foreign Currency borrowings, which are not MTM, but only translated. The Bank does not undertake trading in Derivatives.
  - (2) Internal Control guidelines and accounting policies are framed and approved by the Board. The derivative structure is undertaken only after approval of the competent authority. The particulars of derivative details undertaken are also reported to ALCO/Board.
  - (3) The Bank has put systems in place for mitigating the risk arising out of derivative deals. The Bank follows the accrual method for accounting the transactions arising out of derivative deals.
- (d) Disclosure on Credit default swap - Bank has not undertaken any credit default swap during the year.

**(ii) Quantitative Disclosures**

(₹ crore)

Sr. No.	Particulars	FY 2021-22		FY 2020-21	
		Currency Derivatives	Interest rate Derivatives	Currency Derivatives	Interest rate Derivatives
1	Derivatives ( Notional Principal Amount )	3,902.68	185.58	5,384.68	215.67
	(i) For hedging	3,902.68	185.58	5,384.68	215.67
	(ii) For trading	-	-	-	-
2	Marked to Market Positions [1]	296.35	2.29	360.81	9.73
	(i) Asset (+)	296.35	2.29	423.85	9.73
	(ii) Liability (-)	-	-	(63.04)	-
3	Credit Exposure [2]	557.49	3.25	635.21	10.96
4	Likely impact of one percentage change in interest rate (100* PV01)	56.18	(0.02)	86.83	(4.75)
	(i) On hedging derivatives	56.18	(0.02)	86.83	(4.75)
	(ii) On trading derivatives	-	-	-	-
5	Maximum and Minimum of 100*PV01 observed during the year				
	(i) On hedging	88.26/56.18	(2.37)/(4.82)	467.38/1.09	(4.75)/(7.99)
	(ii) On trading	-	-	-	-

**9. Disclosure of Letters of Comfort (LoCs) issued**

The particulars of Letters of Comfort (LoCs) issued during the year, assessed financial impact, and assessed cumulative financial obligations under the LoCs issued in the past and outstanding is as under:

(₹ crore)

LoCs outstanding as on April 01, 2021		LoC issued during the year		LoCs redeemed during the year		LoCs outstanding as on March 31, 2022	
No of LoC	Amount	No of LoC	Amount	No of LoC	Amount	No of LoC	Amount
-	-	-	-	-	-	-	-

**10. Asset Liability Management**

(₹ crore)

	1 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & up to 6 months	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	24	357	2,278	21,136	26,849	88,439	1,227	568	1,40,878
Advances	4,958	119	28,100	22,701	51,876	90,688	3,260	550	2,02,252
Investments	3,348	3,127	4,813	14,759	10,855	58	844	3,284	41,088
Borrowings	6,567	3,865	28,593	3,008	17,812	13,817	1,010	1,040	75,712
Foreign Currency Assets	12	5	600	645	728	3,569	130	18	5,707
Foreign Currency Liabilities	6	5	523	54	606	2,357	872	808	5,231

**11. Draw Down from Reserves**

There is no draw down from Reserves during the current year and previous year.

**12. Business Ratios**

Particulars	FY 2021-22	FY 2020-21
Return on average Equity (before provisions for taxation)(%)	10.55	15.86
Return on average assets (before provisions for taxation)(%)	1.17	1.74
Net Profit per employee (₹ crore)	1.99	2.37

**13. Disclosure of Penalties imposed by RBI**

RBI had not imposed any penalty on the Bank during the current year and previous year.

**14. Customer Complaints****1. Complaints received by the bank from its customers**

Particulars	FY 2021-22	FY 2020-21
1 No. of complaints pending at the beginning of the year	7	3
2 No. of complaints received during the year	234	357
3 No. of complaints disposed during the year	240	353
3(i) Of which, number of complaints rejected by the Bank	19	27
4 No. of complaints pending at the end of the year	1	7

**2. Top five grounds of complaints received by the bank from customers**

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>Current Year</b>					
Loans and advances	-	43	(27.12)	-	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	26	160	-	-
Others	7	165	(42.71)	1	-
<b>Previous Year</b>					
Loans and advances	-	59	126.92	-	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	10	42.86	-	-
Others	3	288	57.38	7	4

RBI vide their Circular CEPD.CO.PRD.Cir.No.01/13.01.013/2020-21 dated 27.01.2021 on Strengthening of Grievance Redress Mechanism in Banks had categorized grievances under 16 categories and had advised Banks to make disclosures accordingly. For this purpose, grievances received during FY 2020-21 and FY 2021-22 have been reclassified as per the RBI guidelines.

**15. Off-Balance Sheet SPVs Sponsored**

The Bank had no Off-balance sheet SPVs sponsored during the current year and previous year.

**16. Disclosure as per specific accounting standards****(a) Accounting Standard 5 – Net Profit or Loss for the period, prior period items and changes in accounting policies**

Income in schedule XIII - 'other income' includes Prior Period Income of ₹ 4,66,88,641 for FY 2021-22 [Previous Year ₹ 517,47,91,918] and Other expenditure in schedule XIV - 'Operating Expenses' for FY 2021-22 includes Prior Period Expenditure of (₹ 2,58,64,368) [Previous Year (₹ 3,48,09,052)].

**(b) Accounting Standard 17 – Segment Reporting**

As required under RBI master directions and Accounting Standard-17 'Segment Reporting' the Bank has disclosed "Business segment" as the Primary Segment. Since the Bank operates in India, there are no reportable geographical segments. Under Business Segment, the Bank has identified Whole Sale Operations (Direct Lending), Whole Sale Operations (Refinance) and Treasury as its three reporting segments. These segments have been identified after considering the nature and risk profile of the products and services, the organization structure and the internal reporting system of the Bank. Previous year's figures have been regrouped and reclassified to conform to the current year's methodology.

**Part A: BUSINESS SEGMENTS**

(₹ crore)

Business Segments	Wholesale Operations (Direct Lending)		Wholesale Operations (Refinance)		Treasury		Total	
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
<b>1 Segment Revenue</b>	1,209	1,162	6,587	8,580	1,343	906	9,139	10,648
Exceptional Items							-	518
<b>Total</b>							<b>9,139</b>	<b>11,166</b>
<b>2 Segment Results</b>	340	190	1,689	2,391	601	276	2,630	2,857
Exceptional Items							-	518
<b>Total</b>							<b>2,630</b>	<b>3,375</b>
Unallocable Expenses							242	227
<b>Operating profit</b>							<b>2,388</b>	<b>3,148</b>
Income Tax (Net of write back)							430	750
<b>Net profit</b>							<b>1,958</b>	<b>2,398</b>
<b>3 Other information</b>								
<b>Segment Assets</b>	14,432	11,678	1,89,084	1,46,141	42,083	33,116	2,45,599	1,90,935
Unallocated Assets							1,780	1,387
<b>Total Assets</b>							<b>2,47,379</b>	<b>1,92,322</b>
<b>Segment Liabilities</b>	10,617	8,387	1,74,444	1,34,556	35,888	26,501	2,20,949	1,69,444
Unallocated Liabilities							2,145	1,884
<b>Total</b>							<b>2,23,094</b>	<b>1,71,328</b>
<b>Capital / Reserves</b>	3,753	3,261	14,472	11,414	6,060	6,319	24,285	20,994
<b>Total</b>							<b>24,285</b>	<b>20,994</b>
<b>Total Liabilities</b>							<b>2,47,379</b>	<b>1,92,322</b>

**Part B: GEOGRAPHIC SEGMENTS - The operations of the Bank is confined to India only, hence no reportable geographic segments.**

**(c) Accounting Standard 18 – Related Party Disclosures**

**(i) Details of Related Parties**

Name of the entity	Nature of Relationship
SIDBI Venture Capital Ltd	Subsidiary
SIDBI Trustee Company Ltd	Subsidiary
Micro Units Development & Refinance Agency Ltd	Subsidiary
India SME Technology Services Limited	Associate
Acuite Ratings Pvt Ltd	Associate
Receivables Exchange of India Limited	Associate
India SME Asset Reconstruction Company Limited	Associate
APITCO LIMITED*	Associate
KITCO LIMITED	Associate

\*Investment sold on November 20, 2021

**(ii) Key management personnel**

Shri Sivasubramanian Ramann	Chairman & Managing Director
Shri V. Satya Venkata Rao	Deputy Managing Director
Shri Sudatta Mandal	Deputy Managing Director

## (iii) Significant transactions with related parties

(₹ crore)

Items / Related Party	Sub-sidiaries	Associates/ Joint ventures	Key Management Personnel @	Relatives of Key Management Personnel	Total
<b>Borrowings#</b>	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
<b>Deposit#</b>	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	4.00	1.00	-	5.00
<b>Placement of deposits#</b>	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
<b>Advances#</b>	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
<b>Investments#</b>	-	-	-	-	-
Outstanding at the year end	1,751.05	36.10	-	-	1,787.15
Maximum during the year	1,751.05	36.10	-	-	1,787.15
<b>Non funded commitments#</b>	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
<b>Leasing arrangements availed#</b>	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
<b>Leasing arrangements provided#</b>	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-
<b>Interest paid</b>	-	0.06	0.04	-	0.10
<b>Interest received</b>	-	-	-	-	-
<b>Dividend received</b>	28.31	0.31	-	-	28.62
<b>Dividend paid</b>	-	-	-	-	-
<b>Rendering of services*</b>	7.25	2.13	-	-	9.38
<b>Receiving of services*</b>	0.66	0.15	-	-	0.81
<b>Management contracts**</b>	-	-	1.36	-	1.36

@Whole time directors of the Board

# The outstanding at the year end and the maximum during the year are to be disclosed

\* Contract services etc. and not services like remittance facilities, locker facilities etc.

\*\* Remuneration to Key Management Personnel.

**17. Unamortised Pension and Gratuity Liabilities**

The pension and gratuity liability are provided for on the basis of an actuarial valuation made at the end of each financial year based on the projected unit credit method. The actuarial gains/ losses are taken to the profit & loss account and are not amortized.

As per our report of even date

BY ORDER OF THE BOARD

For **Borkar & Muzumdar**  
Chartered Accountants  
FRN.101569W

**Rajendra Agrawal**  
Chief Financial Officer

**Sudatta Mandal**  
Deputy Managing Director

**V. Satya Venkata Rao**  
Deputy Managing Director

**Sivasubramanian Ramann**  
Chairman & Managing Director

**Darshit Doshi**  
Partner  
M.No. 133755

**G Gopalakrishna**  
Director

**Ashish Gupta**  
Director

Place: Mumbai  
Date: May 17, 2022

# Cash Flow Statement

for the year ended March 31, 2022

		(Amount in ₹)	
31.03.2021	Particulars	31.03.2022	31.03.2022
	<b>1. Cash Flow from Operating Activities</b>		
31,47,50,68,542	Net Profit before tax as per P & L Account		23,88,02,02,681
	Adjustments for :		
24,03,93,728	Depreciation	36,18,71,759	
15,61,67,178	Provision for net depreciation in investments	5,53,33,454	
9,69,17,38,961	Provisions made (net of write back)	3,98,31,68,645	
(1,25,88,60,175)	Profit on sale of investments (net)	(70,43,74,178)	
(7,63,220)	Profit on sale of fixed assets	(14,25,891)	
(4,53,97,66,761)	Dividend Received on Investments	(47,78,14,759)	3,21,67,59,030
<b>35,76,39,78,253</b>	<b>Cash generated from operations</b>		<b>27,09,69,61,711</b>
	(Prior to changes in operating Assets and Liabilities)		
	Adjustments for net changes in :		
10,85,76,16,887	Current assets	(38,08,83,847)	
(6,94,89,88,288)	Current liabilities	(17,31,75,47,708)	
1,39,26,20,479	Bills of Exchange	(13,44,52,273)	
93,34,65,07,455	Loans & Advances	(4,59,94,00,35,099)	
(1,66,13,19,29,316)	Net Proceeds of Bonds and Debentures & other borrowings	3,66,22,24,58,973	
1,84,40,47,31,854	Deposits received	1,64,66,31,03,814	
<b>1,16,92,05,59,071</b>			<b>53,11,26,43,861</b>
1,52,68,45,37,324			80,20,96,05,572
(4,57,94,32,771)	Payment of Tax	(5,04,41,76,103)	(5,04,41,76,103)
<b>1,48,10,51,04,553</b>	<b>Net Cash flow from operating Activities</b>		<b>75,16,54,29,469</b>
	<b>2. Cash Flow from Investing Activities</b>		
(14,57,41,774)	Net (Purchase)/Sale of fixed assets	(51,84,59,830)	
(1,54,33,87,55,349)	Net (Purchase)/sale/redemption of Investments	(1,42,32,30,93,515)	
4,53,97,66,761	Dividend Received on Investments	47,78,14,759	
<b>(1,49,94,47,30,362)</b>	<b>Net cash used in Investing Activities</b>		<b>(1,42,36,37,38,586)</b>
	<b>3. Cash flow from Financing Activities</b>		
-	Proceeds from issuance of share capital & share premium	14,22,80,00,000	
-	Dividend on Equity Shares & tax on Dividend	(1,06,38,44,062)	
-	<b>Net cash used in Financing Activities</b>		<b>13,16,41,55,938</b>
<b>(1,83,96,25,809)</b>	<b>4. Net increase/(decrease) in cash and cash equivalents</b>		<b>(54,03,41,53,179)</b>
<b>80,93,80,63,296</b>	<b>5. Cash and Cash Equivalents at the beginning of the period</b>		<b>79,09,84,37,487</b>
<b>79,09,84,37,487</b>	<b>6. Cash and Cash Equivalents at the end of the period</b>		<b>25,06,42,84,308</b>
	<b>7. Cash and cash equivalents at the end of the period includes</b>		
6,54,935	Cash in Hand		7,18,409
93,96,47,857	Current account balance with Bank		92,87,49,749
37,50,81,24,592	Mutual Funds		19,99,90,00,050
40,65,00,10,103	Deposits		4,13,58,16,100

Note : Cash Flow statement has been prepared as per the Indirect Method prescribed in AS-3 (Revised) 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India (ICAI)

Significant Accounting Policies XV

Notes to Accounts XVI

As per our report of even date

BY ORDER OF THE BOARD

For **Borkar & Muzumdar**  
Chartered Accountants  
FRN.101569W

**Rajendra Agrawal**  
Chief Financial Officer

**Sudatta Mandal**  
Deputy Managing Director

**V. Satya Venkata Rao**  
Deputy Managing Director

**Sivasubramanian Ramann**  
Chairman & Managing Director

**Darshit Doshi**  
Partner  
M.No. 133755

**G Gopalakrishna**  
Director

**Ashish Gupta**  
Director

Place: Mumbai  
Date: May 17, 2022



## **Appendix II**

Consolidated Balance Sheet along  
with Profit and Loss Account and  
Cash Flow Statement of SIDBI



# Independent Auditor's Report

**The Board of Directors**  
**Small Industries Development Bank of India**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of **Small Industries Development Bank of India** (hereinafter referred as the 'the Bank') and its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group') and its associates which comprise the consolidated Balance Sheet as at March 31, 2022, the consolidated Profit and Loss Account and the consolidated Cash Flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of Subsidiaries, the unaudited financial statements and the other financial information of the Associates as furnished by the management, the aforesaid consolidated financial statements give the information required in accordance with Regulation 14(1) of the Small Industries Development Bank of India General Regulations, 2000 and give a true and fair view, in conformity with the Accounting Standards notified by the Institute of Chartered Accountants of India ("the ICAI") and accounting principles generally accepted in India, of the state of affairs of the Group and its associates as at March 31, 2022, of its consolidated profit and consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further

described in the 'Auditor's Responsibilities for the Audit of the consolidated Financial Statements' section of our report. We are independent of the Group and its associates in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Emphasis of Matter

- I. We draw attention to Note No. 14 of "Annexure I- Additional Notes" to the consolidated financial statements, regarding the impact of COVID-19 pandemic in the accounts for the year ended 31st March 2022. As stated therein, in view of continuing uncertainties, the extent of impact of the pandemic on the Bank's operations and financial position would depend on ongoing as well as future developments.
- II. We draw attention to Note Nos 2A(7), 2B and 2C of "Annexure I- Additional Notes" to Consolidated Financial Statements with regard to non-consolidation of 7 associates wherein as per the management the carrying amount of the investments are not realisable and are fully provided for.

Our opinion on the consolidated financial statements is not modified in respect of above matters.

### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

### Description of Key Audit Matters

Key Audit Matters	How our audit addressed the Key Audit Matters
<b>Classification of Advances, Identification of Non-Performing Advances, Income Recognition and Provision on Advances (Schedule VIII read with Note 6 of Schedule XV to the consolidated financial statements)</b>	
<p>(i) Advances include Refinance loans to banks, Financial Institutions, Micro Finance Institutions and NBFCs; and Direct loans including Cash credits, Overdrafts, Loans repayable on demand and Term loans.</p> <p>The Reserve Bank of India ('RBI') has prescribed the 'Prudential Norms on Income Recognition, Asset Classification and Provisioning' in respect of advances for banks ('IRACP Norms'), including circulars in relation to COVID-19 Regulatory Package – Asset Classification and Provisioning.</p>	<p>Our audit approach / procedures towards Classification of Advances, Identification of Non-performing Advances, Income Recognition and Provision on Advances included the following:</p> <ul style="list-style-type: none"> <li>• Understanding and considering the Bank's accounting policies for NPA identification and provisioning and assessing compliance with the prudential norms prescribed by the RBI (IRACP Norms) including the additional provisions and asset classification benefit extended on restructured advances under RBI's COVID-19 Regulatory Package.</li> </ul>

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>The identification of performing and non-performing advances (including advances restructured under applicable IRACP Norms) involves establishment of proper mechanism and the Bank is required to apply significant degree of judgement to identify and determine the amount of provision required against each advance applying both quantitative as well as qualitative factors prescribed by the regulations.</p> <p>Significant judgements and estimates for NPA identification and provisioning could give rise to material misstatements on:</p> <ul style="list-style-type: none"> <li>• Completeness and timing of recognition of non-performing assets in accordance with criteria as per IRACP norms;</li> <li>• Measurement of the provision for non-performing assets based on loan exposure, ageing and classification of the loan, realizable value of security;</li> <li>• Appropriate reversal of unrealized income on the NPAs.</li> </ul> <p>Since the classification of advances, identification of NPAs and creation of provision on advances (including additional provisions on restructured advances under applicable IRACP Norms) and income recognition on advances:</p> <ul style="list-style-type: none"> <li>• Requires proper control mechanism and significant level of estimation by the Bank;</li> <li>• Has significant impact on the overall financial statements of the Bank;</li> <li>• Required to be aligned with changes in IRACP Norms during the year arising out of the COVID 19 pandemic;</li> </ul> <p>we have ascertained this area as a Key Audit Matter.</p>	<ul style="list-style-type: none"> <li>• Understanding the key controls (including system based automated controls) for identification and provisioning of impaired accounts based on the extant guidelines on IRACP laid down by the RBI.</li> <li>• Performing other procedures including substantive audit procedures covering the identification of NPAs by the Bank. These procedures included: <ul style="list-style-type: none"> <li>i. Considering testing of the exception reports generated from the application systems where the advances have been recorded.</li> <li>ii. Considering the accounts reported by the Bank and other banks as Special Mention Accounts ("SMA") in RBI's central repository of information on large credits (CRILC) to identify stress.</li> <li>iii. Reviewing account statements, drawing power calculation, security and other related information of the borrowers selected based on quantitative and qualitative risk factors</li> <li>iv. Reading of minutes of credit and risk committee meetings and performing inquiries with the credit department to ascertain if there were indicators of stress or an occurrence of an event of default in a loan account or any product.</li> <li>v. Considering Internal Audit and Concurrent Audit as per the policies and procedures of the Bank.</li> <li>vi. Reviewing the report submitted by external expert appointed by the Bank to verify compliance with the RBI circular on Automation of IRACP processes through the Bank's core banking system.</li> <li>vii. Examination of advances including stressed/restructured advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines.</li> </ul> </li> </ul> <p>For Non- performing advances identified, we, based on factors including stressed sectors and account materiality, tested on a sample basis the asset classification dates, reversal of unrealized interest, value of available security and provisioning as per IRACP norms. We recomputed the provision for NPA on such samples after considering the key input factors and compared our measurement outcome to that prepared by management.</p>
<p><b>(ii) Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule VII read with Note 3 of Schedule XV to the consolidated financial statements)</b></p>	
<p>Investments are categorized under Treasury operations and Business Operations. Investments include investments made by the Bank in Central and State Governments Securities, Bonds, Debentures, Shares, Mutual Funds, VCFs and other approved securities. RBI Circulars and directives, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, non-recognition of income and provisioning against non-performing investments.</p>	<p>Our audit approach/procedures towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non-performing investments (NPIs) and provisioning/ depreciation related to Investments. In particular -</p> <ul style="list-style-type: none"> <li>• We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, reversal of income on NPIs and provisioning/ depreciation related to investments;</li> </ul>

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FBIL/FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc.</p> <p>We identified valuation of investments and identification of NPI as a Key Audit Matter because of the management judgement involved in determining the value of certain investments (Bonds and Debentures, VCFs) based on applicable Regulatory guidelines and the Bank's policies, impairment assessment for HTM book based on management judgement, the degree of regulatory focus and the overall significance to the financial results of the Bank.</p>	<ul style="list-style-type: none"> <li>• We assessed and evaluated the process adopted for collection of information from various sources for determining market value of these investments;</li> <li>• For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security;</li> <li>• We carried out substantive audit procedures to recompute independently the provision to be maintained in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained and if accrual of income is in accordance with the RBI Circular for those selected sample of NPIs</li> </ul>
<p><b>(iii) Information Technology ('IT') Systems and Controls for financial reporting</b></p>	
<p>The Bank's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.</p> <p>Due to the pervasive nature and complexity of the IT environment as well as its importance in relation to accurate and timely financial reporting, we have identified this area as a Key Audit Matter.</p>	<p>As a part of our audit procedures for review of the Bank's IT systems and related controls for financial reporting:</p> <ul style="list-style-type: none"> <li>• We tested the design and operating effectiveness of the Bank's IT systems and controls that are critical to financial reporting.</li> <li>• The Bank has a system in place for getting application software audits for identified Application Systems at reasonable intervals. Information System (IS) Audit is done at Branches by officers of the Bank at reasonable intervals.</li> <li>• We have reviewed and relied on the Application Systems Audits carried by external consultants and IS audits done at the branches.</li> </ul>
<p><b>(iv) Assessment of Provisions and Contingent Liabilities (Note 10 and Note 12 of Schedule XV to the consolidated financial statements)</b></p>	
<p>Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct Taxes, various claims filed by other parties not acknowledged as debt (Schedule XI to the consolidated financial statements) and various employee benefits schemes (Schedule V to the consolidated financial statements) was identified as a significant audit area.</p> <p>There is high level of judgement involved in estimating the level of provisioning required as well as in the disclosure of both Provisions and Contingent Liabilities in respect of tax matters and other legal claims. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.</p>	<p>Our audit approach / procedures involved:</p> <ul style="list-style-type: none"> <li>• Understanding the current status of the litigations/tax assessments;</li> <li>• Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon;</li> <li>• Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of the Bank's tax consultants;</li> <li>• Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and</li> </ul>

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>The valuations of the employee benefit liabilities are calculated with reference to multiple actuarial assumptions and inputs including discount rate, rate of inflation and mortality rates. The valuation of funded assets in respect of the same is also sensitive to changes in the assumptions.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of the matters which requires application of judgment in interpretation of law, circumstances of each case and estimates involved.</p>	<ul style="list-style-type: none"> <li>Ensuring completeness and accuracy of the data, the measurement of the fair value of the schemes' assets, understanding the judgements made in determining the assumptions used by management to value the employee liabilities with specific schemes and market practice.</li> <li>Our audit procedures included an assessment of the assumptions used by the actuary by comparing life expectancy assumptions with relevant mortality tables, benchmarking inflation and discount rates against external market data. We verified the value of plan assets to the statements provided by asset management companies managing the plan assets.</li> <li>Verification of disclosures related to significant litigations, taxation matters and Employee benefits liabilities in the consolidated financial statements.</li> </ul>

### Information other than the consolidated Financial Statements and Auditor's Report Thereon

The Bank's Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Bank's annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Bank's annual report, if we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

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

The Bank's Management is responsible with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with the Small Industries Development Bank of India General Regulations, 2000, and accounting principles generally accepted in India including the Accounting Standards issued by ICAI, and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. The respective Management of the entities included in the Group and of its associates are responsible for maintenance of

adequate accounting records for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Management of the entities included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Management of the entities included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

### Auditor's Responsibilities for the audit of the consolidated Financial Statements

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

decisions of users taken on the basis of these consolidated financial statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's Internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial statements made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We

remain solely responsible for our audit opinion. Our responsibilities in this regard are further described under 'Other Matters' in this audit report.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

- I. These Consolidated Financial Results incorporate the relevant returns of 26 branches of the Bank visited/ audited by us including Bank's Head Office which covers 95.50% of Advances, 99.22% of deposits and 100% of Borrowings of the Bank as on 31st March 2022 and 91.95% of Interest income on advances, 98.28% of interest expense on deposits and 100% of interest expense on borrowings of the Bank for the year ended 31st March 2022. These branches have been selected in consultation with the management of the Bank. In conduct of our audit, we have relied upon various information and returns received from remaining branches of the Bank not visited by us and generated through centralized data base at Bank's Head Office.
- II. We did not audit the financial statements of the Three Subsidiaries, whose financial statements reflect total assets of ₹ 33,227.90 crore as at 31st March 2022, total revenues of ₹ 1,031.01 crore and total net profit after tax of ₹ 238.31 crore for the year ended 31st March 2022 and net cash inflow amounting to ₹ 1,718.18 crore for the year ended on that date, as considered in the consolidated financial statements, which have been audited by other independent auditors, whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report is based solely on the report of the other auditors.

III. The consolidated financial statements also include the Group's share of Net loss of ₹ 5.80 crore for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of associates whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of these associates, is based solely on such unaudited financial statements/financial information. We have relied on the management's written representation to us that the effect of the changes / adjustments, if any, required to be made to the reported numbers of these Associates consequent to their audit would not be material for the Group.

Our opinion on the consolidated financial statements and our Report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters and with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

#### **Report on Other Legal and Regulatory Requirements**

The consolidated financial statements have been prepared by the Bank's Management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements", Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

We report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Bank so far as it appears from our examination of those books and the reports of the other auditors;
- c) The consolidated Balance Sheet, the consolidated Profit and Loss Account, the consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the applicable Accounting Standards.

For **Borkar & Muzumdar**  
Chartered Accountants  
Firm's Registration No. 101569W

**Darshit Doshi**  
Partner

Place: Mumbai  
Date: May 17, 2022

Membership No. 133755  
UDIN: 22133755AJCKLZ9767

# Consolidated Balance Sheet

as at March 31, 2022

(Amount in ₹)

		March 31, 2022	March 31, 2021
<b>CAPITAL AND LIABILITIES</b>	<b>SCHEDULES</b>		
Capital	I	5,68,54,11,689	5,31,92,20,310
Reserves, Surplus and Funds	II	2,50,62,78,84,150	2,15,99,74,22,124
Deposits	III	17,07,04,29,74,899	14,43,64,76,71,085
Borrowings	IV	7,57,12,43,67,200	3,90,90,19,08,226
Other Liabilities and Provisions	V	68,31,68,04,164	81,04,70,88,307
Deferred Tax Liability		-	-
<b>Total</b>		<b>27,88,79,74,42,102</b>	<b>21,36,91,33,10,052</b>
<b>ASSETS</b>			
Cash and Bank Balances	VI	3,07,71,86,06,790	2,30,76,75,40,365
Investments	VII	2,22,43,61,70,888	1,74,51,74,80,720
Loans & Advances	VIII	22,22,90,63,21,987	16,98,59,34,02,553
Fixed Assets	IX	2,93,91,01,100	2,78,11,70,106
Other Assets	X	32,79,72,41,337	30,25,37,16,308
<b>Total</b>		<b>27,88,79,74,42,102</b>	<b>21,36,91,33,10,052</b>
Contingent Liabilities	XI	53,37,90,27,297	59,50,61,36,098

Consolidated Significant Accounting Policies (Schedule XV) and Notes to Accounts (Annexure I)

The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date

BY ORDER OF THE BOARD

For **Borkar & Muzumdar**  
Chartered Accountants  
FRN.101569W

**Rajendra Agrawal**  
Chief Financial Officer

**Sudatta Mandal**  
Deputy Managing Director

**V. Satya Venkata Rao**  
Deputy Managing Director

**Sivasubramanian Ramann**  
Chairman & Managing Director

**Darshit Doshi**  
Partner  
M.No. 133755

**G Gopalakrishna**  
Director

**Ashish Gupta**  
Director

Place: Mumbai  
Date: May 17, 2022

# Consolidated Profit & Loss Account

for the year ended March 31, 2022

(Amount in ₹)

		March 31, 2022	March 31, 2021
<b>INCOME</b>	<b>SCHEDULES</b>		
Interest and Discount	XII	97,15,63,76,643	1,12,14,30,74,986
Other Income	XIII	4,17,42,36,689	9,29,57,83,352
<b>Total</b>		<b>1,01,33,06,13,332</b>	<b>1,21,43,88,58,338</b>
<b>EXPENDITURE</b>			
Interest & Financial charges		63,63,01,56,138	71,90,88,70,723
Operating Expenses	XIV	7,11,77,65,894	5,71,33,89,306
Provisions & Contingencies		3,78,96,12,908	9,43,00,01,542
<b>Total</b>		<b>74,53,75,34,940</b>	<b>87,05,22,61,571</b>
<b>Profit before Tax</b>		<b>26,79,30,78,392</b>	<b>34,38,65,96,767</b>
Provision for Income Tax		4,99,84,22,319	7,82,66,84,203
Deferred Tax Adjustment [(Asset) / Liability]		11,67,75,995	33,54,64,587
Share of (earning)/loss in associates		5,80,86,505	14,89,71,485
<b>Profit after Tax</b>		<b>21,61,97,93,573</b>	<b>26,07,54,76,492</b>
Profit brought forward		3,01,46,01,008	1,83,56,07,154
<b>Total Profit / (Loss)</b>		<b>24,63,43,94,581</b>	<b>27,91,10,83,646</b>
<b>Appropriations</b>			
Transfer to General Reserve		18,00,54,03,423	22,50,12,00,000
Transfer to Special reserve u/s 36(1)(viii) of The Income Tax Act, 1961		70,00,00,000	80,00,00,000
Transfer to Statutory Reserve u/s 45-IC of RBI Act, 1934		46,56,33,348	49,04,38,576
<b>Others</b>			
a) Transfer to Investment Fluctuation Reserve		10,96,07,912	-
Transfer to Staff Welfare Fund		10,56,54,000	4,10,00,000
Development Fund		-	-
Dividend on Shares		79,81,84,026	1,06,38,44,062
Tax on Dividend		-	-
Surplus in Profit & Loss account carried forward		4,44,99,11,872	3,01,46,01,008
<b>Total</b>		<b>24,63,43,94,581</b>	<b>27,91,10,83,646</b>
Basic/Diluted Earning Per Share		40.63	49.02
Consolidated Significant Accounting Policies (Schedule XV) and Notes to Accounts (Annexure I)			
The Schedules referred to above form an integral part of the Profit & Loss Account.			

As per our report of even date

BY ORDER OF THE BOARD

For **Borkar & Muzumdar**  
Chartered Accountants  
FRN.101569W

**Rajendra Agrawal**  
Chief Financial Officer

**Sudatta Mandal**  
Deputy Managing Director

**V. Satya Venkata Rao**  
Deputy Managing Director

**Sivasubramanian Ramann**  
Chairman & Managing Director

**Darshit Doshi**  
Partner  
M.No. 133755

**G Gopalakrishna**  
Director

**Ashish Gupta**  
Director

Place: Mumbai  
Date: May 17, 2022



## Schedules to Consolidated Balance Sheet

### Capital and Liabilities

(Amount in ₹)

Schedule I: Capital	March 31, 2022	March 31, 2021
<b>(a) Authorized Capital</b>		
- Equity Share Capital (75,00,00,000 Equity Shares of ₹10/- each)	7,50,00,00,000	7,50,00,00,000
- Preference Share Capital (25,00,00,000 Redeemable Preference Shares of ₹10/- each)	2,50,00,00,000	2,50,00,00,000
<b>(b) Issued, Subscribed and Paid-up Capital :</b>		
- Equity Share Capital (56,85,41,169 Equity Shares of ₹10/- each)	5,68,54,11,689	5,31,92,20,310
- Preference Share Capital	-	-
<b>Total</b>	<b>5,68,54,11,689</b>	<b>5,31,92,20,310</b>

(Amount in ₹)

Schedule II: Reserves, Surplus and Funds	March 31, 2022	March 31, 2021
<b>A) Reserves</b>		
<b>i) General Reserve</b>		
- Opening Balance	1,73,49,59,28,207	1,50,99,47,28,207
- Additions during the year	18,01,15,35,086	22,50,12,00,000
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>1,91,50,74,63,293</b>	<b>1,73,49,59,28,207</b>
<b>ii) Share Premium</b>		
- Opening Balance	16,68,07,79,690	16,68,07,79,690
- Additions during the year	13,86,18,08,620	-
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>30,54,25,88,310</b>	<b>16,68,07,79,690</b>
<b>iii) Specific Reserves</b>		
a) Investment Reserve		
- Opening Balance	-	-
- Additions during the year	-	-
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>-</b>	<b>-</b>
b) Special Reserve created and maintained u/s 36 (1) (viii) of The Income Tax Act, 1961		
- Opening Balance	17,02,00,00,000	16,22,00,00,000
- Additions during the year	70,00,00,000	80,00,00,000
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>17,72,00,00,000</b>	<b>17,02,00,00,000</b>
c) Statutory Reserve created u/s 45-IC of Reserve Bank of India Act.		
- Opening Balance	1,67,88,38,157	1,18,83,99,581
- Additions during the year	46,56,33,348	49,04,38,576
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>2,14,44,71,505</b>	<b>1,67,88,38,157</b>
d) Other Reserves		
i) Investment Fluctuation Reserve		
- Opening Balance	1,14,93,45,043	1,14,93,45,043
- Additions during the year	10,96,07,912	-
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>1,25,89,52,955</b>	<b>1,14,93,45,043</b>

## Schedules to Consolidated Balance Sheet

(Amount in ₹)		
<b>B) Surplus in Profit and Loss account</b>	<b>4,44,99,11,872</b>	<b>3,01,46,01,008</b>
<b>C) Funds</b>		
a) National Equity Fund		
- Opening Balance	2,65,61,42,832	2,65,61,42,832
- Additions / Write back during the year	-	-
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>2,65,61,42,832</b>	<b>2,65,61,42,832</b>
b) Staff Welfare Fund		
- Opening Balance	28,17,87,187	25,22,07,485
- Additions during the year	10,56,54,000	4,10,00,000
- Utilisations during the year	5,90,87,804	1,14,20,298
- <b>Closing Balance</b>	<b>32,83,53,383</b>	<b>28,17,87,187</b>
c) Others	2,00,00,000	2,00,00,000
<b>Total</b>	<b>2,50,62,78,84,150</b>	<b>2,15,99,74,22,124</b>

(Amount in ₹)		
<b>Schedule III: Deposits</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>A) Fixed Deposits</b>	<b>86,10,40,72,379</b>	<b>50,04,64,96,085</b>
<b>B) From Banks</b>		
a) Under MSME Refinance Fund	12,74,31,35,25,000	11,26,05,11,50,000
b) Under MSME Risk Capital Fund	5,00,00,00,000	10,00,00,00,000
c) Others -From Foreign & Private Sector Banks	7,93,64,00,000	-
d) Under MSME India Aspiration Fund	10,43,02,77,520	8,02,35,25,000
e) Under Fund for Venture Capital in MSME sector 2014-15	25,00,00,00,000	50,00,00,00,000
f) Under Priority Sector Shortfall	2,98,25,87,00,000	1,99,52,65,00,000
<b>Subtotal (B)</b>	<b>16,20,93,89,02,520</b>	<b>13,93,60,11,75,000</b>
<b>Total</b>	<b>17,07,04,29,74,899</b>	<b>14,43,64,76,71,085</b>

(Amount in ₹)		
<b>Schedule IV: Borrowings</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>I) Borrowings in India</b>		
1. From Reserve Bank of India	1,44,20,00,00,000	-
2. From Government of India (including Bonds subscribed by GOI)	5,62,06,57,105	20,40,09,88,429
3. Bonds & Debentures	1,62,85,00,00,000	1,70,87,50,00,000
4. From Other Sources		
- Commercial Paper	50,00,00,00,000	38,75,00,00,000
- Certificate of Deposits	1,49,00,00,00,000	42,85,00,00,000
- Term Loans from Banks	1,68,89,90,51,099	48,14,20,83,006
- Term Money Borrowings	-	-
- Others	25,66,91,30,100	4,99,94,82,245
<b>Subtotal (I)</b>	<b>7,06,23,88,38,304</b>	<b>3,26,01,75,53,680</b>

## Schedules to Consolidated Balance Sheet

(Amount in ₹)

<b>Schedule IV: Borrowings</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>II) Borrowings outside India</b>		
(a) KFW, Germany	5,60,16,04,462	7,92,50,08,344
(b) Japan International Cooperation Agency (JICA)	14,92,77,01,680	20,87,89,58,963
(c) IFAD, Rome	1,05,67,31,387	1,10,10,79,766
(d) World Bank	28,29,18,43,248	33,21,79,18,293
(e) Others	1,00,76,48,119	1,76,13,89,180
<b>Subtotal (II)</b>	<b>50,88,55,28,896</b>	<b>64,88,43,54,546</b>
<b>Total (I &amp; II)</b>	<b>7,57,12,43,67,200</b>	<b>3,90,90,19,08,226</b>

(Amount in ₹)

<b>Schedule V: Other Liabilities and Provisions</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Interest Accrued	17,19,38,84,962	22,14,73,99,407
Provision for SIDBI Employees' Provident Fund	3,61,97,08,540	3,26,55,18,260
Provision for SIDBI Pension Fund	16,01,409	13,50,36,000
Provision for Employees' Other Benefit	2,85,85,20,654	2,50,67,34,898
Provisions for Exchange Rate Fluctuation	1,53,73,62,768	1,53,73,62,766
Contingent provisions against standard assets	11,44,67,32,156	11,65,00,62,425
Proposed Dividend (including tax on dividend)	79,81,84,026	1,06,38,44,062
Funds viz. Aspire Fund, FoF for Startups, PRF, PRSF etc.	15,15,42,51,789	12,33,11,61,527
Floating provision	4,95,67,37,932	10,99,96,00,000
Others (including provisions)	10,74,98,19,928	15,41,03,68,962
<b>Total</b>	<b>68,31,68,04,164</b>	<b>81,04,70,88,307</b>

## Schedules to Consolidated Balance Sheet

### Assets

(Amount in ₹)

<b>Schedule VI: Cash &amp; Bank Balances</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
1. Cash in Hand & Balances with Reserve Bank of India	7,23,087	6,63,600
2. Balances with other Banks		
<b>(a) In India</b>		
i) in current accounts	91,26,88,841	93,19,80,206
ii) in other deposit accounts	3,03,55,39,16,222	2,26,83,65,49,330
<b>(b) Outside India</b>		
i) in current accounts	1,63,27,034	1,90,00,930
ii) in other deposit accounts	3,23,49,51,606	2,97,93,46,299
<b>Total</b>	<b>3,07,71,86,06,790</b>	<b>2,30,76,75,40,365</b>

(Amount in ₹)

<b>Schedule VII: Investments [net of provisions]</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>A) Treasury operations</b>		
1. Securities of Central and State Governments	39,90,00,85,004	36,25,12,72,542
2. Bonds & Debentures of Banks & Financial Institutions	31,31,54,82,382	5,24,16,82,049
3. Stocks, Shares, bonds & Debentures of Industrial Concerns	1,98,08,42,613	1,98,08,42,613
4. Mutual Funds	19,99,90,00,050	37,50,81,24,592
5. Commercial Paper	50,04,99,24,399	65,68,39,65,908
6. Certificate of Deposit	56,46,67,59,624	13,97,08,63,310
7. Others	9,00,00,00,000	-
<b>Subtotal (A)</b>	<b>2,08,71,20,94,072</b>	<b>1,60,63,67,51,014</b>
<b>B) Business Operations</b>		
1. Shares of Banks & Financial Institutions	1,84,97,71,142	1,84,97,71,142
2. Bonds & Debentures of Banks & Financial Institutions	5,65,33,000	5,65,33,000
3. Stocks, Shares, bonds & Debentures of Industrial Concerns	3,93,64,98,845	4,46,46,49,681
4. Investment in Subsidiaries	-	-
5. Investment in Venture Capital Fund - RCF	6,31,40,45,945	6,42,18,48,997
6. Others	1,56,72,27,884	1,08,79,26,886
<b>Subtotal (B)</b>	<b>13,72,40,76,816</b>	<b>13,88,07,29,706</b>
<b>Total (A+B)</b>	<b>2,22,43,61,70,888</b>	<b>1,74,51,74,80,720</b>

(Amount in ₹)

<b>Schedule VIII: Loans &amp; Advances [Net of Provisions]</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>A) Refinance to</b>		
- Banks and Financial Institutions	18,32,97,60,08,903	14,31,27,54,73,388
- Micro Finance Institutions	42,11,55,15,973	26,99,06,19,241
- NBFC	2,03,61,89,01,279	1,24,28,41,94,906
- Bills Rediscounted	-	-
- Others (Subscription to Pass Through Certificate (PTC))	52,36,63,441	-
<b>Subtotal (A)</b>	<b>20,79,23,40,89,596</b>	<b>15,82,55,02,87,535</b>
<b>B) Direct Loans</b>		
- Loans and Advances	1,43,30,55,40,693	1,15,81,08,75,592
- Receivable Finance Scheme	3,07,84,956	23,22,39,426
- Bills Discounted	33,59,06,742	-
<b>Subtotal (B)</b>	<b>1,43,67,22,32,391</b>	<b>1,16,04,31,15,018</b>
<b>Total (A+B)</b>	<b>22,22,90,63,21,987</b>	<b>16,98,59,34,02,553</b>

## Schedules to Consolidated Balance Sheet

(Amount in ₹)

<b>Schedule IX: Fixed Assets [Net of Depreciation]</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
1. Premises	2,89,84,36,991	2,75,92,83,828
2. Others	4,06,64,109	2,18,86,278
<b>Total</b>	<b>2,93,91,01,100</b>	<b>2,78,11,70,106</b>

(Amount in ₹)

<b>Schedule X: Other Assets:</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Accrued Interest	17,14,85,64,429	18,48,06,59,934
Advance Tax (Net of provision)	1,71,25,78,669	78,40,01,791
Staff Loans	1,79,12,15,676	1,69,52,27,467
Derivative Assets	4,29,61,53,456	5,83,74,04,868
Expenditure to the extent not written off	6,61,38,10,576	1,94,24,53,524
Others	1,23,49,18,531	1,51,39,68,724
<b>Total</b>	<b>32,79,72,41,337</b>	<b>30,25,37,16,308</b>

(Amount in ₹)

<b>Schedule XI: Contingent Liabilities</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
i) Claims against the Bank not acknowledged as debts	6,56,25,72,519	5,06,41,82,735
ii) On account of Guarantees / Letters of Credit	31,50,24,390	20,23,30,137
iii) On account of Forward Contracts	6,51,81,80,889	21,81,77,727
iv) On account of Underwriting Commitments	-	-
v) On account of uncalled monies on partly paid shares, debentures & undrawn commitment under VCF etc.	95,64,22,740	17,46,36,734
vi) On account of derivative contracts	39,02,68,26,759	53,84,68,08,765
vii) Other items for which the Bank is contingently liable	-	-
<b>Total</b>	<b>53,37,90,27,297</b>	<b>59,50,61,36,098</b>

## Schedules to Consolidated Profit and Loss Account

(Amount in ₹)

<b>Schedule XII: Interest and Discount</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
1. Interest and Discount on Loans, Advances and Bills	79,90,41,21,266	95,55,49,76,984
2. Income on Investments / Bank balances	17,25,22,55,377	16,58,80,98,002
<b>Total</b>	<b>97,15,63,76,643</b>	<b>1,12,14,30,74,986</b>

(Amount in ₹)

<b>Schedule XIII: Other Income</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
1. Upfront and Processing Fees	56,15,83,560	40,28,86,367
2. Commission and Brokerage	78,19,049	83,89,829
3. Profit on sale of Investments	77,17,94,503	1,27,43,88,726
4. Income earned by way of dividends etc. from Subsidiaries / Associates	30,60,000	25,50,000
5. Provision of earlier years written back	75,00,000	5,96,524
6. Recoveries out of Bad Debts	2,03,12,69,846	1,42,52,18,289
7. Reversal of Provisions/ERFF under FCL	-	5,17,85,60,369
8. Others	79,12,09,731	1,00,31,93,248
<b>Total</b>	<b>4,17,42,36,689</b>	<b>9,29,57,83,352</b>

(Amount in ₹)

<b>Schedule XIV: Operating Expenses:</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Payments to and provisions for employees	3,73,19,04,827	3,90,39,87,544
Rent, Taxes and Lighting	15,68,56,386	15,10,55,154
Printing & Stationery, Postage/Courier & Telephone and Insurance	1,41,95,518	1,39,17,644
Advertisement and Publicity	3,19,63,215	2,91,30,216
Depreciation / Amortisation on Bank's Property	36,43,50,321	24,08,96,441
Directors' fees, allowances and expenses	63,77,767	56,65,658
Auditor's Fees	52,87,176	36,96,387
Law Charges	4,06,12,250	1,90,74,526
Repairs and maintenance	13,04,14,423	12,09,70,459
Issue Expenses	1,21,01,863	42,82,499
Capital Commitment, Management Fees etc.	8,09,48,867	1,49,78,690
Input Tax Credit not Available	10,30,52,881	9,30,45,281
Other Expenditure	2,43,97,00,400	1,11,26,88,807
<b>Total</b>	<b>7,11,77,65,894</b>	<b>5,71,33,89,306</b>

## Schedule XV – Consolidated Significant Accounting Policies

### 1. Basis of Preparation

The consolidated financial statements (CFS) have been prepared to comply in all material respects with the Small Industries Development Bank of India Act, 1989 (Parent) and regulations thereof, applicable prudential norms prescribed by Reserve Bank of India, applicable provisions of the Companies Act, 2013, applicable Accounting Standards issued by the Institute of Chartered Accountants of India and practices prevailing in the Banking Industry. The consolidated financial statements have been prepared under the historical cost convention on an accrual basis, unless otherwise stated. Except otherwise mentioned, the accounting policies that are applied by the Small Industries Development Bank of India ("the Bank" or "SIDBI"), are consistent with those used in the previous year.

#### Use of Estimates:

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as on the date of the consolidated financial statements and the reported income and expenses for the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods in accordance with the requirements of the respective accounting standard.

#### Consolidation Procedures:

Subsidiaries included in consolidated financial statements for FY 2021-22 and 2020-21 are:

- 1) Micro Units Development & Refinance Agency (MUDRA)
- 2) SIDBI Venture Capital Limited (SVCL).
- 3) SIDBI Trustee Company Limited (STCL).

Associates included in consolidated financial statements for FY 2021-22 are:

- 1) Acuité Ratings Pvt Ltd (Erstwhile SMERA)
- 2) India SME Asset Reconstruction Company Limited (ISARC)
- 3) Delhi Financial Corporation (DFC)
- 4) Receivables Exchange of India Limited (RXIL)
- 5) KITCO Limited

Associates included in consolidated financial statements for FY 2020-21 are:

- 1) Acuité Ratings Pvt Ltd (Erstwhile SMERA)
- 2) India SME Asset Reconstruction Company Limited (ISARC)
- 3) Delhi Financial Corporation (DFC)
- 4) Receivables Exchange of India Limited (RXIL)
- 5) KITCO Limited
- 6) APITCO Limited (De-invested during FY 2022)

Consolidated financial statements of the Group (comprising of 3 subsidiaries, 5 associates as per details given above) have been prepared on the basis of:

- a. Accounts of SIDBI (Parent).
- b. Line by line aggregation of each item of asset/liability/income/expense of 3 subsidiaries with the respective item of the Parent and after eliminating all material intra-group balances / transactions, unrealised profit/loss as per AS 21 (Consolidated Financial Statements) issued by the Institute of Chartered Accountants of India (ICAI).
- c. Investments in Associates are accounted for under the Equity Method as per AS 23 (Accounting for Investments in Associates in Consolidated Financial Statements) issued by ICAI based on the audited Financial Statements of the Associates.
- d. In case of difference in Accounting Policies, the Financial Statements of Subsidiaries are adjusted, wherever necessary and practicable, to conform to the Accounting Policies of the Parent. In case of difference in Accounting Policies, the Financial Statements of Associates, adjustments have not been made as in the opinion of Management of the Bank the same are not material.

### 2. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured.

#### A) Income:

- i. Interest income including penal interest is accounted for on accrual basis, except in the case of non-performing assets where it is recognized upon realization.
- ii. Income in the Profit & Loss Account is shown gross i.e., before provisions as per RBI guidelines and other provisions as per Bank's internal policy.
- iii. Discount received in respect of bills discounted / rediscounted and on discounted instruments is recognised over the period of usage of the instruments on a constant yield basis.

- iv. Commitment charges, service charges on seed capital / soft loan assistance and royalty income are accounted for on accrual basis in respect of standard (performing) assets.
- v. Dividend on shares held in industrial concerns and financial institutions is recognized as income when the right to receive the dividend is established.
- vi. Income from Venture Capital funds are accounted on realization basis. Redemption of unit/shares in Venture Capital fund, while in HTM category is not treated as a sale.
- vii. Recovery in non-performing assets (NPA) is to be appropriated in the following order :
  - a) overdue interest upto the date of NPA,
  - b) principal,
  - c) cost & charges,
  - d) interest and
  - e) penal interest.
- viii. Gain/loss on sale of loans and advances through direct assignment is recognized in line with the extant RBI guidelines.
- ix. Amounts recovered against debts written-off in earlier years are recognized as income in the Profit & Loss account.
- x. Profit or loss on sale of investments in any category is taken to profit & loss account. However, in case of profit on sale of investments under "Held to Maturity" category an equivalent amount net of applicable taxes is appropriated to Capital Reserves.
- xi. Amount lying as unclaimed liabilities (other than statutory liabilities) for a period of more than seven years is recognized as income.
- xii. The bank has accounted for interest on income tax refunds upon receipt of such refund orders / Order giving effects issued by Income Tax Department.
- xiii. Recoveries of CGTMSE fees, Valuation charges, Advocate fee, Insurance, Upfront fee/ Processing fee etc. from Borrowers are accounted on cash basis.
- xiv. Commission on LC/ BG are recognized on accrual basis proportionately over the period.
- xv. MUDRA - Administrative income on Interest Subvention Scheme is accounted for on accrual basis as percentage of work completed.
- xvi. SVCL - Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably

measured. Revenue is not recognized where drawdowns in respective venture capital funds / alternative investments funds are not received as there is no certainty that economic benefits will flow to the Company and in such cases it will be accounted on receipt basis as and when received.

The Company accrues income by way of management fee on a quarterly basis / annual basis (as stipulated in the respective funds documents) from the Venture Capital Funds / Alternative Investments Funds managed by it.

The Company recognizes income @ 5% of the net profits received from sale of investments assigned by IIBI

- xvii. STCL - Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The Company accrues income by way of trusteeship fee on a quarterly basis / annual basis (as stipulated in the agreements with respective funds) from the venture capital funds / alternative investments funds managed by it.

#### **B) Expenditure:**

- i. All expenditures are accounted for on accrual basis except Development Expenditure which is accounted for on cash basis.
- ii. Discount on Bonds and Commercial papers issued are amortized over the tenure of Bonds and Commercial Paper. The expenses relating to issue of Bonds are amortized over the tenure of the Bonds.

#### **3. Investments:**

- (i) In terms of extant guidelines of the Reserve Bank of India on investment classification and valuation, the entire investment portfolio is categorized as "Held to Maturity", "Available for Sale" and "Held for Trading". Investments are valued in accordance with RBI guidelines. The investments under each category are further classified as:
  - a) Government Securities,
  - b) Other approved securities,
  - c) Shares,
  - d) Debentures & Bonds,
  - e) Subsidiaries/ joint ventures and
  - f) Others (Commercial Paper, Mutual Fund Units, Security Receipts, Certificate of Deposits etc.)



**(a) Held to Maturity:**

Investments acquired with the intention to hold till maturity are categorized under Held to Maturity. Such investments are carried at acquisition cost unless it is more than the face value, in which case the premium is amortized over the period remaining to maturity. Investments in subsidiaries are classified as Held To Maturity. Diminution, other than temporary, in the value of investments under this category is provided for each investment individually.

**(b) Held for Trading:**

Investments acquired for resale within 90 days with the intention to take advantage of the short-term price/interest rate movements are categorized under Held for Trading. The investments in this category are revalued scrip-wise and net appreciation /depreciation is recognized in the profit & loss account, with corresponding change in the book value of the individual scrips. In respect of traded/quoted investments, the market price is taken from the trades/ quotes available on the stock exchanges.

**(c) Available for Sale:**

Investments which do not fall within the above two categories are categorized under Available for Sale. The individual scrip under this category is revalued and net depreciation under any of the classification mentioned above is recognized in the profit & loss account. Net appreciation under any classification is ignored. The book value of individual scrip is not changed after the revaluation.

- (ii) An investment is classified as Held To Maturity, Available For Sale or Held For Trading at the time of its purchase and subsequent shifting amongst categories and its valuation is done in conformity with RBI guidelines.
- (iii) Treasury Bills, Commercial Papers and Certificates of Deposit, being discounted instruments, are valued at carrying cost.
- (iv) The quoted Government Securities are valued at market prices and unquoted/non-traded government securities are valued at prices declared by Financial Benchmark India Pvt. Ltd.(FBIL).
- (v) Investments which are made out of the Corpus or Funds provided by the Government of India (GOI) and netted off from the related Fund balances are carried at cost and not subject to RBI guidelines of valuation.
- (vi) Recording purchase and sale transactions in Investments is done following 'Settlement Date' accounting.
- (vii) The debentures / bonds / shares deemed to be in the nature of advance, are subject to the usual prudential norms applicable to loans & advances.
- (viii) Cost of investments is determined on the weighted average cost method.
- (ix) Brokerage, commission, etc. paid at the time of acquisition/ sale are recognized in the profit & loss account.
- (x) Broken period interest paid / received on debt investment is treated as interest expenses / income and is excluded from cost / sale consideration.
- (xi) In respect of unquoted investments in industrial concerns under Seed Capital Scheme, full provision has been made.
- (xii) Units of mutual fund are valued at repurchase price as per relevant RBI guidelines.
- (xiii) The unquoted fixed income securities (other than government securities) are valued on Yield to Maturity (YTM) basis with appropriate mark-up over the YTM rates for Central Government securities of equivalent maturity. Such mark-up and YTM rates applied are as per the relevant rates published by FBIL.
- (xiv) Unquoted Shares are valued at breakup value, if the latest Audited Financial Statements of the investee companies are available, or at ₹ 1/- per Company as per RBI guidelines.

**4. Foreign Currency Transactions**

Foreign currency transactions are recorded in the books of account in respective foreign currencies at the exchange rate prevailing on the date of transaction. Accounting for transactions involving foreign exchange is done in accordance with Accounting Standard (AS)-11 issued by Institute of Chartered Accountants of India, as per following provisions:

- i. Contingent liability in respect of outstanding forward exchange contracts, guarantees; acceptances, endorsements and other obligations are calculated at the closing exchange rates notified by Foreign Exchange Dealers' Association of India ('FEDAI').
- ii. Foreign currency Assets and Liabilities are translated at the closing exchange rates notified by FEDAI as at the Balance sheet date.
- iii. Foreign currency Income and Expenditure items are translated at monthly intervals through actual sale/purchase and recognized in the profit & loss account accordingly.

- iv. The revaluation difference on foreign currency LoC is adjusted and recorded in a special account opened and maintained, in consultation with GOI for managing exchange risk.
- v. The Bank follows hedge accounting in respect of foreign exchange contracts and derivative transactions as per RBI guidelines.
- vi. Exchange differences arising on the settlement of monetary items are recognized as income or expense in the period in which they arise.
- vii. Outstanding Forward Exchange Contracts which are not intended for trading are revalued at exchange rates notified by FEDAI.

#### 5. Derivatives

The Bank presently deals in currency derivatives viz., Cross Currency Interest Rate swaps for hedging its foreign currency liabilities. Based on RBI guidelines, the above derivatives undertaken for hedging purposes are accounted on an accrual basis. Contingent Liabilities on account of derivative contracts at contracted rupee amount are reported on the Balance Sheet date.

#### 6. Loans and Advances

- i. Assets representing loan and other assistance portfolios are classified as performing and non-performing based on the RBI guidelines. Provision for non-performing assets is made in accordance with the RBI guidelines.
- ii. Advances stated in the Balance Sheet are net of provisions made for non-performing advances and restructured NPA assets.
- iii. General provision on Standard Assets is made as per RBI guidelines.
- iv. Floating provision is made and utilized as per RBI guidelines and Board approved policy.
- v. MUDRA: MUDRA has been subscribing to Pass Through Certificates backed by loans receivables originated by various MFIs / Banks / Non-Banking Finance Companies. Such securitization transactions are classified as Loans and Advances and are shown in the Balance Sheet on gross basis, which are at Book value and provisions are shown separately. However, provision on Standard Assets are made as per RBI guidelines.

#### 7. TAXATION

- (i) Tax expense comprises both current tax and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS).

- (ii) Deferred income taxes reflects the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.
- (iii) Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.
- (iv) Disputed taxes not provided for including departmental appeals are included under Contingent Liabilities.

#### 8. SECURITISATION

- (i) The Bank purchases credit rated Micro, Small and Medium Enterprises Asset pools from Banks / Non-Banking Finance Companies by way of pass-through certificates issued by the Special Purpose Vehicle. Such securitisation transactions are classified as investments under Held for Trading / Available for Sale category depending upon the investment objective.
- (ii) The Bank purchases credit rated pool of Micro, Small and Medium Enterprises assets under bilateral direct assignment. Such direct assignment transactions are accounted for as 'advances' by the Bank.
- (iii) The Bank enters into sale of Loans & Advances through direct assignment. In most of the cases, the Bank continues to service the Loans & Advances sold under these transactions and is entitled to the Residual interest on the Loans & Advances sold. Assets sold under direct assignment are derecognized in the books of the Bank based on the principle of surrender of control over the assets.
- (iv) The residual income on the Loans & Advances sold is being recognised over the life of the underlying Loans & Advances.
- (v) Security Receipts issued by the asset reconstruction companies are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time.

#### 9. SALE OF FINANCIAL ASSETS TO ASSET RECONSTRUCTION COMPANIES (ARCS):

- (i) The sale of NPA's is on cash basis or investment in Security Receipt (SR) basis. In case of sale on

SR basis, the sale consideration or part thereof is treated as investment in the form of SRs.

- (ii) The assets if sold at a price below the Net Book Value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit & Loss A/c. In case the sale value is higher than NBV, the excess provision held can be reversed to profit & loss account in the year the amounts are received. Reversal of excess provision is limited to the extent to which cash received exceeds the NBV of the asset.

## 10. PROVISIONING FOR STAFF BENEFITS :

### A] Post retirement benefits:

- (i) Provident Fund is a defined contribution scheme administered by the Bank and the contributions are charged to the Profit & Loss Account.
- (ii) Gratuity liability and Pension liability are defined benefit obligations and other long-term employee benefits like compensated absences, post-retirement medical benefits etc. are provided based on the independent actuarial valuation as at the Balance Sheet date using the projected unit credit method as per AS 15 (Revised 2005) - Employee Benefits
- (iii) Actuarial gains or losses are recognized in the profit & loss account based on actuarial valuations for the period in which they occur.
- (iv) New Pension Scheme is a defined contribution scheme and is applicable to employees who have joined bank on or after December 01, 2011. Bank pays fixed contribution at pre determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit & Loss Account.
- (v) Payments made under the Voluntary Retirement Scheme are charged to the Profit & Loss account in the year of expenses incurred.

### B] Benefits (Short – term) while in service

Liability on account of Short term benefits are determined on an undiscounted basis and recognised over the period of service, which entitles the employees to such benefits.

#### SVCL:

#### Employee Benefits

#### Defined Contribution Schemes:

Company's Contribution to Provident Fund, etc. is charged to the Statement of Profit & Loss as and when incurred.

#### Defined Benefit Plans:

The Company also provides for retirement benefits in the form of gratuity. Such benefits are provided for based on valuation, as at the balance sheet date, made by an independent actuary. Incremental liability based on actuarial valuation as per the projected unit credit method as per the reporting date is charged as expense to the Statement of Profit and Loss. The company has taken a group gratuity policy with Life Insurance Corporation of India ("LIC") and is funded.

#### Performance Pay:

Performance Pay is an annual incentive to employees based on the Company's financial performance and employees' performance.

#### Leave Encashment:

The Company provides for retirement benefits in the form of leave encashment. Such benefits are provided for based on valuation, as at the balance sheet date, made by an independent actuary. The leave balance is classified as short term and long term based on the leave policy. The short term and long term leave have been valued on actuarial basis as per the projected unit credit method. Further, employees can also encash 15 days of their accumulated leave every financial year.

## 11. FIXED ASSETS AND DEPRECIATION

- i) Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any.
- ii) Cost of asset includes purchase cost and all expenditure incurred on the asset before put to use. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefits from such assets or their functioning capability.
- iii) Depreciation for the full year, irrespective of date of capitalization, is provided on:
  - a) Furniture and fixture: For assets owned by Bank @ 100 percent
  - b) Computer and Computer Software @ 100 percent
  - c) Building @ 5 percent on WDV basis
  - d) Electrical Installations: For assets owned by Bank @ 50 percent on WDV basis.
  - e) Motor Car - Straight Line Method @ 50 percent.
- iv) Depreciation on additions is provided for full year and no depreciation is provided in the year of sale/disposal.

- v) Leasehold land is amortised over the period of lease.

#### **MUDRA**

Fixed assets are stated at cost of acquisition including incidental expenses. All costs directly attributable to bringing the asset to the working condition for its intended use including financing costs are also capitalized. Depreciation is provided on Straight Line Method on the basis of useful life under Schedule II to the Companies Act, 2013. In respect of computer software the cost is amortised based on accounting standard 26 issued by ICAI. Assets costing ₹ 5,000/- or less have been depreciated over period of one year.

#### **SVCL**

Fixed Assets are stated at cost of acquisition less accumulated depreciation. Depreciation on Fixed Assets is provided on Written down Value Method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013. Cost of mobile / telephone instruments / tablet devices purchased are fully charged to revenue in the year of purchase. Depreciation on assets whose actual cost is not more than five thousand rupees has been provided at the rate of 100%.

### **12. PROVISION FOR CONTINGENT LIABILITIES AND CONTINGENT ASSETS.**

In accordance with AS-29 Provisions, Contingent Liabilities and Contingent Assets, the Bank recognizes provisions involving substantial degree of estimation in measurement when it has a present obligation as a result of past event, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent Assets are neither

recognized nor disclosed in the consolidated financial statements. Contingent liabilities are not provided for and are disclosed in the balance sheet and details given by way of Schedule to the Balance Sheet. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

### **13. GRANTS AND SUBSIDIES**

Grants and subsidies from the Government and other agencies are accounted as per the terms and conditions of the agreement.

### **14. OPERATING LEASE**

Lease rentals is recognized as an expense/income in the Profit & Loss Account on a straight line basis over the lease term in accordance with AS-19.

### **15. IMPAIRMENT OF ASSETS**

The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/external factors, to recognize,

- a) the provision for impairment loss, if any required; or
- b) the reversal, if any, required for impairment loss recognized in the previous periods.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

### **16. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with RBI, balances with other banks, money at call and short notice and investment in Mutual Fund with an original maturity of three months or less.

## Additional Notes to Consolidated Accounts

### Annexure - I

1. Details of Subsidiaries included in consolidated financial statements are:

(Amount in ₹)

Sl. No.	Name of the subsidiary	Country of Incorporation	Proportion of ownership*	Profit/Loss for the year ended	
				31-Mar-22	31-Mar-21
1	SIDBI Venture Capital Ltd.(SVCL)	India	100%	5,03,20,749	4,75,54,472
2	SIDBI Trustee Company Ltd.(STCL)	India	100%	46,52,056	50,02,018
3	Micro Units Development & Refinance Agency Ltd (Mudra Ltd)	India	100%	2,32,81,66,742	2,45,21,92,879
<b>Total</b>				<b>2,38,31,39,547</b>	<b>2,50,47,49,369</b>

Financial statements of all the subsidiaries are audited for FY 2022 .

\*As all shares of the subsidiaries are owned by SIDBI directly or indirectly, no separate disclosure relating to minority interest is reflected.

2.A Details of Associates included in consolidated financial statements in current and previous year are as follows :

(Amount in ₹)

Sl. No.	Name of the Associate	(% ) Holding		Description	Investment (Face Value)	Investment		Share of Profit/(loss) for the year ended <sup>(i)</sup>		Share in reserves as at <sup>(i)</sup>	
		31-Mar-22	31-Mar-21			31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
1	Acuité Ratings Pvt Ltd (Erstwhile SMERA) <sup>(ii)</sup>	35.73	35.73	Credit Rating Agency for SME's	5,10,00,000	5,10,00,000	5,10,00,000	5,18,19,174	3,60,22,888	15,36,09,345	9,56,58,508
2	India SME Asset Reconstruction Company Limited <sup>(iii)</sup>	26.00 <sup>(iii)</sup>	26.00 <sup>(iii)</sup>	Asset Reconstruction Company	26,00,00,000	26,00,00,000	26,00,00,000	72,192	16,43,292	3,33,57,371	3,32,85,178
3	Delhi Finance Corporation <sup>(iv)</sup>	23.66	23.71	State Financial Corporation	6,27,75,000	3,13,87,500	3,13,87,500	(2,20,74,735)	(10,04,72,015)	(2,24,41,109)	(3,66,375)
4	Receivables Exchange of India Limited <sup>(v)</sup>	30.00	30.00	Online platform for factoring / discounting of Trade Receivables (TReDS)	15,00,00,000	15,00,00,000	15,00,00,000	(7,04,071)	(1,64,89,459)	(7,82,62,470)	(7,75,58,399)
5	APITCO LIMITED <sup>(vi)</sup>	0.00	41.29	Technical consultancy Organisation	-	-	54,70,975	(3,45,22,441)	(52,08,453)	-	3,45,22,441
6	KITCO LIMITED <sup>(vi)</sup>	49.77	49.77	Technical consultancy Organisation	4,90,00,000	24,95,296	24,95,296	(5,26,76,624)	(5,56,93,535)	16,71,81,276	21,98,57,900
7	India SME Technology Services Limited	22.73	22.73	Technology Support to SME's	1,00,00,000	1	1	-	(87,74,203)	-	-
<b>Total</b>						<b>49,48,82,797</b>	<b>50,03,53,772</b>	<b>(5,80,86,505)</b>	<b>(14,89,71,485)</b>	<b>25,34,44,413</b>	<b>30,53,99,253</b>

- Share of Profit/(loss) of (₹ 5,80,86,505) (Previous Year (₹ 14,89,71,485/-)) is debited to Consolidated Profit & Loss statement under the head "Share of (earning)/loss in associates" for year ending March 2022.
  - Share in Reserves of Associates of ₹ 25,34,44,413- (Previous Year ₹ 30,53,99,253/-) is Included in Schedule II - Reserve, Surplus and Funds of the Consolidated Balance Sheet for year ending March 2022.
- Acuité Ratings Pvt. Ltd figures are based on unaudited financial statements for year ending March 2022.
- India SME Asset Reconstruction Company Limited's figures are based on unaudited financial statements for year ending March 2022. Includes 11% holding by SVCL (100% subsidiary of SIDBI).

4. Delhi Finance Corporation figures are based on audited financial statements for the year ending March 31, 2021.
  5. Receivables Exchange of India Limited's and KITCO Ltd. figures are based on unaudited financial statements as per IND AS for the year ending March 2022.
  6. APITCO Ltd. which was considered for consolidation of accounts during FY 2021 has been disinvested during FY 2022.
  7. One of the associates viz. ISTSL is under liquidation and therefore, not being considered for consolidation in preparation of Consolidated Financial Statements as per Accounting Standard 21. SIDBI has made full provision on investment in this associate in its financial statements for year ending March 2021. Further, as a matter of prudence, the carried forward Share of reserves in this associate of ₹ 87,74,203 is debited to Consolidated Profit & Loss statement for year ending March 2021.
- B.** The results of the following associates are not included in the consolidated financial statements. However, full provision has been made in the financial statements for diminution in value of investment.

(Amount in ₹)

Sl. No.	Name of the Associate	(% ) Holding		Description	Investment	Diminution in value of Investment	
		31-Mar-22	31-Mar-21			31-Mar-22	31-Mar-21
1	BSFC	48.43	48.43	State Financial Corporation	18,84,88,500	(18,84,88,500)	(18,84,88,500)
2	GSFC	28.41	28.41	State Financial Corporation	12,66,00,000	(12,66,00,000)	(12,66,00,000)
3	MSFC	39.99	39.99	State Financial Corporation	12,52,41,750	(12,52,41,750)	(12,52,41,750)
4	PFC	25.92	25.92	State Financial Corporation	5,23,51,850	(5,23,51,850)	(5,23,51,850)
5	UPSFC	24.18	24.18	State Financial Corporation	21,67,59,000	(21,67,59,000)	(21,67,59,000)
<b>Total</b>					<b>70,94,41,100</b>	<b>(70,94,41,100)</b>	<b>(70,94,41,100)</b>

The figures for GSFC are based on audited results for the year ended March 31, 2021. Regarding PFC, BSFC and MSFC figures are based on audited results for the year ended March 31, 2020, March 31, 2019 and March 31, 2016 respectively. In respect of UPSFC, audited results are available for the year ended March 31, 2014.

- C.** In case of following entities, though the bank holds more than 20% of voting power, they are not treated as investment in associate under AS 23 'Accounting for Investment in Associates in Consolidated Financial Statements', as they are classified as NPI and accordingly book value of investment is taken at ₹ 1/- each.

(Amount in ₹)

Sl. No.	Name of the Associate	(% ) Holding		Description	Investment	
		31-Mar-22	31-Mar-21		31-Mar-22	31-Mar-21
1	Bihar Industrial and Technical Consultancy Organisation Ltd.	49.25	49.25	Technical Consultancy Organisation	1	1
2	North Eastern Industrial and Technical Consultancy Organisation Ltd.\$	-	43.44	Technical Consultancy Organisation	-	1
3	Orissa Industrial and Technical Consultancy Organisation Ltd.\$	-	49.67	Technical Consultancy Organisation	-	1
					<b>1</b>	<b>3</b>

\$ SIDBI's entire stake in above 2 TCOs viz. NEITCO & ORITCO were sold during 2022.

- 3 There are no significant transactions with Associates during the current year and previous year.
- 4 As against depreciation policy of SIDBI whereby assets are depreciated on SLM / WDV at pre-determined rates, the subsidiaries and associates compute depreciation on SLM/ WDV basis as per Schedule II of the Companies Act, 2013. Thus, out of the total depreciation of ₹ 36,43,50,321/- (Previous Year ₹ 24,08,96,441/-) included in Consolidated Financial Statements, ₹ 24,78,562/- being 0.68% (Previous Year ₹ 5,02,713/- being 0.21%) of the amount is determined based on Depreciation provided as per the Companies Act, 2013.

## 5 Employee Benefits

### (i) SIDBI

In accordance with the Accounting Standard on "Employee Benefits" (AS 15) (Revised 2005) issued by the Institute of Chartered Accountants of India, the Bank has classified the various benefits provided to the employees as under:

#### (a) Defined contribution plan

The Bank has recognized the following amounts in Profit & Loss Account:

(Amount in ₹)

Particulars	March 31, 2022	March 31, 2021
Employer's contribution to Provident fund	7,68,83,415	7,90,27,233
Employer's contribution to New Pension Scheme	3,17,67,054	2,69,44,564

#### (b) The Bank is having defined benefit Pension Plans and Gratuity Scheme which are managed by the Trust.

₹ crore

	Pension		Gratuity	
	FY 2022	FY 2021	FY 2022	FY 2021
<b>1. Assumptions</b>				
Discount Rate	7.25%	6.85%	6.90%	6.35%
Rate of Return on Plan Assets	7.25%	6.85%	6.90%	6.35%
Salary Escalation	5.50%	5.50%	5.50%	5.50%
Attrition rate	2.00%	2.00%	2.00%	2.00%
<b>2. Table showing change in Benefit Obligation</b>				
Liability at the beginning of the year	553.50	529.88	106.70	99.64
Interest Cost	22.69	30.78	6.56	6.54
Current Service Cost	14.97	14.92	5.97	5.68
Past Service Cost (Non Vested Benefit)	0.00	0.00	0.00	0.00
Past Service Cost ( Vested Benefit)	0.00	0.00	0.00	0.00
Liability Transferred in	0.00	0.00	0.00	0.00
(Liability Transferred out)	0.00	0.00	0.00	0.00
(Benefit Paid)	0.00	(32.86)	(6.61)	(9.75)
Actuarial (gain) / loss on obligations	(14.23)	10.78	(3.67)	4.59
<b>Liability at the end of the year</b>	<b>576.93</b>	<b>553.50</b>	<b>108.95</b>	<b>106.70</b>
<b>3. Tables of Fair value of Plan Assets</b>				
Fair Value of Plan Assets at the beginning of the year	501.50	468.69	105.73	108.15
Expected Return on Plan Assets	34.35	33.96	6.69	7.24
Contributions	0.00	32.86	0.33	0.22
Transfer from other company	0.00	0.00	0.00	0.00
(Transfer to other company)	0.00	0.00	0.00	0.00
(Benefit Paid)	0.00	(32.86)	(6.61)	(9.75)
Actuarial gain / (loss) on Plan Assets	53.76	(1.15)	(0.22)	(0.13)
Fair Value of Plan Assets at the end of the year	<b>589.61</b>	<b>501.50</b>	<b>105.92</b>	<b>105.73</b>

₹ crore

	Pension		Gratuity	
	FY 2022	FY 2021	FY 2022	FY 2021
<b>4. Table of Recognition of Actuarial Gains/ Losses</b>				
Actuarial (Gains)/ Losses on obligation for the period	(14.23)	10.78	(3.67)	4.59
Actuarial (Gains)/ Losses on asset for the period	(53.76)	1.15	0.22	0.13
Actuarial (Gains)/ Losses recognized in Income & Expense Statement	<b>(67.99)</b>	<b>11.93</b>	<b>(3.45)</b>	<b>4.72</b>
<b>5. Actual Return on Plan Assets</b>				
Expected Return on Plan Assets	34.35	33.96	6.69	7.24
Actuarial Gain / (Loss) on Plan Assets	53.76	(1.15)	(0.22)	(0.13)
Actual Return on Plan Assets	<b>88.11</b>	<b>32.81</b>	<b>6.47</b>	<b>7.11</b>
<b>6. Amount Recognised in the Balance Sheet</b>				
Liability at the end of the year	(576.93)	(553.50)	(108.95)	(106.70)
Fair Value of Plan Assets at the end of the year	589.61	501.50	105.92	105.73
Difference	12.68	(52.00)	(3.03)	(0.97)
Unrecognised Past Service Cost at the end of the year	0.00	0.00	0.00	0.00
Unrecognised Transitional Liability at the end of the year	0.00	0.00	0.00	0.00
<b>Net Amount recognised in the Balance Sheet</b>	<b>12.68</b>	<b>(52.00)</b>	<b>(3.03)</b>	<b>(0.97)</b>
<b>7. Expenses Recognised in the Income Statement</b>				
Current Service Cost	14.97	14.92	5.97	5.68
Interest Cost	22.69	30.78	6.56	6.54
Expected Return on Plan Assets	(34.35)	(33.96)	(6.69)	(7.24)
Past Service Cost (Non Vested Benefit) recognised during the year	0.00	0.00	0.00	0.00
Past Service Cost (Vested Benefit) recognised during the year	0.00	0.00	0.00	0.00
Recognition of Transition Liability during the year	0.00	0.00	0.00	0.00
Actuarial (Gain) / Loss	(67.99)	11.93	(3.45)	4.72
<b>Expense Recognised in Profit &amp; Loss account</b>	<b>(64.68)</b>	<b>23.67</b>	<b>2.39</b>	<b>9.70</b>
<b>8. Balance Sheet Reconciliation</b>				
Opening Net Liability	52.00	61.19	0.97	(8.51)
Expense as above	(64.68)	23.67	2.39	9.70
Employer's Contribution	0.00	(32.86)	(0.33)	(0.22)
<b>Amount recognised in the Balance Sheet</b>	<b>(12.68)</b>	<b>52.00</b>	<b>3.03</b>	<b>0.97</b>

**9. Other Details**

Salary escalation is considered in line with the industry practice considering promotion, demand and supply of the employees.



₹ crore

	Pension		Gratuity	
	FY 2022	FY 2021	FY 2022	FY 2021
<b>10. Category of Assets</b>				
Government of India Assets	0.00	0.00	0.00	0.00
Corporate Bonds	0.00	0.00	0.00	0.00
Special Deposits Scheme	0.00	0.00	0.00	0.00
Equity Shares of Listed Companies	0.00	0.00	0.00	0.00
Property	0.00	0.00	0.00	0.00
Insurer Managed Funds	589.61	501.50	105.92	105.73
Other	0.00	0.00	0.00	0.00
<b>Total</b>	<b>589.61</b>	<b>501.50</b>	<b>105.92</b>	<b>105.73</b>

**11. Experience Adjustment:**

	Pension					Gratuity				
	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
On Plan Liability (Gain)/ Loss	15.71	(1.14)	46.87	(22.03)	66.81	0.65	(0.43)	3.28	(19.71)	10.18
On Plan Asset (Loss)/ Gain	(53.76)	(1.15)	25.17	(2.32)	0.32	0.22	0.13	(0.09)	(0.35)	(0.10)

- (c) The following are the amount charged to Profit & Loss Account relating to other long term benefits plan based on the actuarial valuation provided by independent actuary.

₹ crore

Sr. No	Particulars	March 31, 2022	March 31, 2021
1	Ordinary Leave Encashment	12.97	25.26
2	Sick Leave	0.47	0.34
3	Resettlement Expenses	0.30	(0.29)
4	Post Retirement Medical Scheme Facilities	9.84	4.16

(ii) SVCL

During the year, the Company has contributed a sum of ₹ 6,20,896/- (previous year - ₹ 4,21,596/-) to SIDBI Venture Capital Limited Employees' Group Gratuity Assurance Scheme (Trust) for its employees.

(Amount in ₹)

Details	Post Employment Benefits	Post Employment Benefits
	FY 2022	FY 2021
Nature of benefit	Gratuity	Gratuity
<b>Assets &amp; liabilities recognized in balance sheet</b>		
Present value of unfunded defined benefit obligations	Nil	Nil
Present value of funded or partly funded defined benefit obligations	64,60,592	77,75,429
Fair value of plan assets	66,14,266	76,04,491
Past service cost not recognized in balance sheet	Nil	Nil
Any amount not recognized as asset	Nil	Nil
Fair value of any reimbursement rights recognized as asset	Nil	Nil
Other amounts, if any, recognized in balance sheet	Nil	Nil
<b>Amounts included in fair value of plan assets:</b>		
Own financial instruments	Nil	Nil
Property or other assets used	Nil	Nil
Insurer managed funds	66,14,266	76,04,491

(Amount in ₹)

Details	Post Employment Benefits	Post Employment Benefits
	FY 2022	FY 2021
<b>Movement in net liability:</b>		
Opening net liability	1,70,938	(1,00,882)
Expenses	2,96,284	6,93,416
Contribution	(6,20,896)	(4,21,596)
Closing net liability	1,53,674	1,70,938
<b>Expenses recognized in statement of profit &amp; loss</b>		
Current service cost	3,19,723	3,16,508
Interest cost	5,32,617	4,80,353
Expected return on plan assets	(5,20,908)	(4,87,344)
Expected return on reimbursement rights	N.A.	N.A.
Actuarial gains / (losses)	(35,148)	(3,83,899)
Total expenses recognized in statement of profit & loss	2,96,284	6,93,416
Past service cost	Nil	Nil
Effect of curtailment / settlement	Nil	Nil
Effect of limit in para 59(b)	N.A.	N.A.
Actual return of plan assets and on reimbursement rights recognized as asset	Nil	Nil
<b>Actuarial Assumptions</b>		
Discount rates	6.85%	6.93%
Expected rate of returns on plan assets	6.85%	6.93%
Expected rate of returns on reimbursement rights	Nil	Nil
Expected rate of salary increase	5.00%	5.00%
Medical cost trends	N.A.	N.A.
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Disability	Nil	Nil
Attrition	3.00%	2.00%
Retirement age	60 Years	60 Years

**(iii) MUDRA**

- (a) All the employees are on deputation from Small Industries Development Bank of India (SIDBI), Gratuity, Leave Encashment and Arrears of Salary in respect of employees deputed to MUDRA are taken care by the employer, who have deputed the employees to this company except few employees, which are on contract basis. Further, MUDRA has provided an amount of ₹ 12.18 Lakh (March 2021: ₹ 19.61 Lakh) to P& L A/c during the current Year. The same would be paid to SIDBI, when such costs are demanded by the said companies. With respect to contract employees no post employees benefits are applicable.
- (b) Therefore no disclosures are required under 'Revised AS 15- Employees Benefit' issued under Companies Accounting Standard Rules, 2006'

**6 Earning Per Share (EPS)\*:**

(Amount in ₹)

	March 31, 2022	March 31, 2021
Net Profit considered for EPS calculation	21,61,97,93,573	26,07,54,76,492
Weighted Average Number of equity shares of face value ₹ 10 each	53,21,22,684	53,19,22,031
Earning per share	40.63	49.02

\*Basic &amp; Diluted EPS are same as there are no dilutive potential Equity Shares.

- 7 As per the Accounting Standard 22, Accounting for Taxes on Income, the Bank has reviewed Deferred Tax Assets / Liabilities and recognized an amount of ₹ 11,67,75,995/- as Deferred Tax Liability (Previous year - Deferred Tax Asset was ₹ 33,54,64,587/-) in the Profit & Loss Account for the year ended March 31, 2022.

The Break up of Deferred Tax Asset/ (Liability) as on March 31, 2022 is as under :

Sr. No	Timing Difference	FY 2021-22 (₹)	FY 2020-21 (₹)
		Deferred Tax Asset/ (Liability)	Deferred Tax Asset/ (Liability)
1	Provision for Depreciation	2,79,93,040	67,00,765
2	Special Reserve u/s 36(1)(viii) of the Income Tax Act 1961	(3,87,65,37,167)	(3,71,54,81,342)
3	Provisions for Bad & Doubtful Debts	66,39,15,061	65,68,80,198
4	Amortisation of Premium on GOI Bonds	-	(1,06,49,427)
5	Provision for Restructuring of Accounts	30,66,284	54,95,443
6	Brought Forward Long Term Capital Loss	-	-
7	Provision for Non Performing Investment	-	-
8	Provision for Standard Assets	2,88,09,11,626	2,93,20,85,788
9	Others	70,49,01,616	64,59,94,738
<b>Net deferred tax Asset/(Liability)</b>		<b>40,42,50,460</b>	<b>52,10,26,163</b>

- 8 (i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advance paid) is ₹ 1,89,87,686/- (Previous year ₹ 75,66,907/-). (ii) MUDRA The company has a capital commitment towards development of intangible capital assets of ₹ 0.14 crore.

#### 9 Prudential Framework for Resolution of Stressed Assets:

- i) The number of cases where the Bank has implemented the Resolution Plan (RP) as per RBI circular dated June 7, 2019 for Prudential Framework for Resolution of Stressed Assets is "NIL". Further there is "Nil" acquisition of shares due to conversion of debt to equity during a restructuring process, which would have been otherwise exempted from regulatory ceilings/restrictions on Capital Market Exposures, investment in Para-Banking activities and intra-group exposure.
- ii) In terms of RBI Circular dated August 06, 2020 on "Resolution Framework for COVID-19-related Stress" where the Bank has implemented resolution plan, disclosures as per the format prescribed in Format-B of said circular for the half year ending March 31, 2022 is as below:-

₹ crore

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A) *	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year \$	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	---	---	---	---	---
Corporate persons*	32.81	---	0	(0.18)	32.99
<i>Of which MSMEs</i>	<i>32.81</i>	---	<i>0</i>	<i>(0.18)</i>	<i>32.99</i>
Others	---	---	---	---	---
<b>Total</b>	<b>32.81</b>	<b>---</b>	<b>0</b>	<b>(0.18)</b>	<b>32.99</b>

\* Includes restructuring done in respect of requests received as of September 30, 2021 processed subsequently

\$ Represents net movement in balance outstanding.

- iii. The number of borrower accounts where Resolution Plan is implemented in terms of RBI circular no. DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 on Resolution Framework – 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses is nil. Further no modifications were sanctioned and implemented in respect of accounts which were implemented under Resolution Framework 1.0

#### 10 Contingent Liabilities referred to in Schedule XI

Contingent liabilities include "Claims against the Bank not acknowledged as debts" of ₹ 6,56,25,72,519 (Previous Year ₹ 5,06,41,82,735). These represents claims filed against the Bank in the normal course of business relating to various legal cases currently in progress and demands raised by income tax and other statutory authorities. These are being disputed by the Bank and based on expert's opinion, the provision is not considered necessary.

- 11 In the opinion of the Management, there is no material impairment of the fixed assets of the Bank in terms of Accounting Standard 28- Impairment of Assets.
- 12 Disclosures under Accounting Standard 29 for provisions in contingencies. The salary & allowances of the employees of the Bank are reviewed every five years. Such review is due from November 01, 2017.

Particulars	(Amount in ₹)	
	FY 2022 Wage Arrears / Incentive	FY 2021 Wage Arrears / Incentive
<b>Opening Balance</b>	<b>1,07,63,00,000</b>	<b>76,00,00,000</b>
Additions:		
Arrears	31,50,00,000	31,63,00,000
Incentive		
Utilisations:		
Write back		
<b>Closing Balance</b>	<b>1,39,13,00,000</b>	<b>1,07,63,00,000</b>

#### 13 Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances for MSME Borrowers registered under Goods and Services Tax (GST):

As per RBI circular dated February 11, 2020 restructuring of advances was done for Micro, Small and Medium Enterprises (MSME) Borrowers registered under Goods and Services Tax (GST). The RBI, vide its Circular dated August 06, 2020 on 'Micro, Small and Medium Enterprises (MSME) Sector - Restructuring of Advances' extended the above scheme to support the viable MSME entities on account of the fallout of Covid19. Further RBI vide circular RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 has advised Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs). The MSME accounts restructured under these guidelines are as under:

No. of accounts restructured	Amount (₹ in crore)
1189	844.51

- 14 The extent to which the COVID19 pandemic will continue to impact the Bank's results will depend on ongoing as well as future developments.
- 15 In view of the above, the Bank, as a prudent measure has made additional standard assets provisions for FY 2022 of ₹ 150.11 crore (previous year ₹ 174 crore) on certain segments of the portfolio which were considered as stressed based on its internal assessment.
- 16 Tier-1 capital Bonds of SIDBI held by Government of India (GOI) for ₹ 14,22,80,00,000 has been converted in Equity Share Capital of SIDBI as on March 30, 2022. Accordingly, 3,66,19,138 equity shares were issued to GOI at book value of ₹ 388.54 per share. Consequently, the paid-up share capital of the bank has increased to ₹ 5,68,54,11,690. The difference between the face value and Book value aggregating ₹ 13,86,18,08,620 has been credited to Share Premium (Reserve) Account.
- 17 In accordance with RBI Master Direction RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021 – (Securitisation of Standard Assets) Directions, 2021, the outstanding amount of securitised assets as per books of the SPEs and total amount of exposures retained by the originator as on the date of balance sheet to comply with the MRR is NIL for Year ended March 31, 2022.

**18 MUDRA India Microfinance Equity Fund (IMEF) :** Government of India (GOI) has created "India Microfinance Equity Fund(IMEF)" with SIDBI with a corpus of ₹ 300 crore. The fund shall be utilised for extending equity or any other form of capital to Tier-II and Tier-III NBFC MFIs and all Non-NBFC MFIs, with a focus on smaller socially oriented MFIs with the objective of poverty alleviation and achieving long term sustainability of operations in unserved and underserved parts of the country. During FY 2019-20 the corpus fund of IMEF has been transferred from SIDBI to MUDRA. The fund has been operated / managed by MUDRA for which 1% per annum administrative fee on the drawn amount has been charged to the fund and is received by MUDRA. Further, the inflows and outflows are credited / debited to the fund. Hence, fund balance of IMEF, net of investment is grouped under "Other Current Liabilities" in the Balance Sheet. The balance in the fund is ₹ 3,10,80,74,899/- as on March 31, 2022. The entire fund is transferred back to SIDBI on April 04, 2022

**19** Details of loans transferred / acquired during the Year ended March 31, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

During the quarter and Year ended March 31, 2022:

- i. the Bank has not acquired any loan not in default through assignment.
- ii. the Bank has not transferred any non-performing assets (NPAs) to Asset Reconstruction Companies (ARCs)/ to permitted transferees/ to other transferees
- iii. the Bank has not acquired any stressed loans and not transferred any loan not in default / Special Mention Accounts (SMA).
- iv. the Bank has not invested in Security Receipts (SR) issued by Asset Reconstruction Companies (ARC) in respect of stressed loans transferred to ARCs.

**20** Additional statutory information disclosed in separate financial statements of the parent and the subsidiaries have no bearing on the true and fair view of the Consolidated Financial Statements and also the information pertaining to the items which are not material have not been disclosed in the Consolidated Financial Statements in view of the general clarification issued by the Institute of Chartered Accountants of India (ICAI).

**21 Implementation of Ind-AS :**

As per RBI letter dated May 15, 2019 issued to the Bank, implementation of Ind-AS for AIFIs has been deferred till further notice. Accordingly, financial statements of the Bank are continued to be prepared under IGAAP. However, the Bank would continue to submit Proforma Ind AS financial statements on half-yearly basis to RBI as hitherto as advised in RBI letter dated May 15, 2019. At present, SIDBI is making use of Excel Sheets for conversion of IGAAP financial statements into Ind-AS Financial Statements. The Bank has already submitted IGAAP converted proforma Ind AS financial statements to RBI up to HYE September 30, 2021 as per the above circular.

**22** Regulation 14 of Small Industries Development Bank of India General Regulations, 2000 prescribes separate format for presentation of accounts under Small Industries Development Assistance Fund(SIDAF) and General Fund. As no separate SIDAF has been notified by the Central Government, the same is not being maintained by SIDBI.

**23** Previous year's figures have been re-grouped and re-classified wherever necessary to make them comparable with the current year's figures.

# Additional consolidated disclosures

as per RBI guidelines

## 1. Capital adequacy (As per Basel I)

(₹ crore)

Sr. No	Particulars	FY 2021-22	FY 2020-21
i)	Common Equity*	Not Applicable	Not Applicable
ii)	Additional Tier 1 capital*	Not Applicable	Not Applicable
iii)	Total Tier 1 capital	24,425.84	22,650.64
iv)	Tier 2 capital	1,007.56	740.56
v)	Total Capital (Tier 1+Tier 2)	25,433.40	23,391.20
vi)	Total Risk Weighted Assets (RWAs)	97,386.78	78,712.08
vii)	Common Equity Ratio ( Common Equity as a percentage of RWAs) *	Not Applicable	Not Applicable
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	25.08%	28.78%
ix)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	26.12%	29.72%
x)	Percentage of the shareholding of the Government of India	20.85	15.40
xi)	Amount of equity capital raised	-	-
xii)	Amount of Additional Tier 1 capital raised; of which	-	-
	a.) Perpetual Non-Cumulative Preference Shares (PNCPS):	-	-
	b.) Perpetual Debt Instruments (PDI)	-	-
xiii)	Amount of Tier 2 capital raised; of which	-	-
	a.) Debt capital instruments:	-	-
	b.) Perpetual Cumulative Preference Shares (PCPS)	-	-
	c.) Redeemable Non-Cumulative Preference Shares (RNCPS)	-	-
	d.) Redeemable Cumulative Preference Shares (RCPS)	-	-

\* The figures are not being calculated at present, since BASEL-III is not applicable.

## 2. Free Reserves and Provisions

### (a) Provision on Standard Assets

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
Provisions towards Standard Assets (cumulative)	1,144.68	1,165.01

### (b) Floating Provisions

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
Opening balance in the floating provisions account	1,099.96	1,099.96
The quantum of floating provisions made in the accounting year	0.00	0.00
Amount of draw down made during the accounting year *	604.29	0.00
Closing balance in the floating provisions account	495.67	1,099.96

\* Amount was utilised for making NPA provision in terms of RBI circular dated May 05, 2021 and as per Bank's Board approved policy on floating provision.

### 3. Asset Quality and specific provisions

#### (a) Non-Performing Advances

(₹ crore)		
Particulars	FY 2021-22	FY 2020-21
<b>(i) Net NPAs to Net Advances (%)</b>	<b>0.06%</b>	<b>0.11%</b>
<b>(ii) Movement of NPAs (Gross)</b>		
(a) Opening balance	358.68	1,111.91
(b) Additions during the year	1,036.20	147.11
(c) Reductions during the year	1,095.28	900.34
(d) Closing balance	<b>299.60</b>	<b>358.68</b>
<b>(iii) Movement of Net NPAs *</b>		
(a) Opening balance	185.25	729.71
(b) Additions during the year	11.51	(413.85)
(c) Reductions during the year	64.66	130.61
(d) Closing balance	<b>132.10</b>	<b>185.25</b>
<b>(iv) Movement of provisions for NPAs (excluding provisions on standard assets)</b>		
(a) Opening balance	173.42	453.26
(b) Provisions made during the year	1,030.31	495.19
(c) Write of / write back of excess provisions	1,036.23	775.03
(d) Closing balance	<b>167.50</b>	<b>173.42</b>

\*The Net NPA will be NIL for the current year and previous year, if the amount of floating provision is adjusted against the same.

#### (b) Non-Performing Investments

(₹ crore)		
Particulars	FY 2021-22	FY 2020-21
<b>(i) Net NPAs to Net Advances (%)</b>	<b>0.00%</b>	<b>0.00%</b>
<b>(ii) Movement of NPAs (Gross)</b>		
(a) Opening balance	344.62	628.62
(b) Additions during the year	5.54	1.00
(c) Reductions during the year	0.00	285.00
(d) Closing balance	<b>350.16</b>	<b>344.62</b>
<b>(iii) Movement of Net NPAs</b>		
(a) Opening balance	0.00	285.00
(b) Additions during the year	0.00	0.00
(c) Reductions during the year	0.00	285.00
(d) Closing balance	<b>0.00</b>	<b>0.00</b>
<b>(iv) Movement of provisions for NPAs (excluding provisions on standard assets)</b>		
(a) Opening balance	344.62	628.62
(b) Provisions made during the year	5.54	1.00
(c) Write of / write back of excess provisions	0.00	285.00
(d) Closing balance	<b>350.16</b>	<b>344.62</b>

## (c) Non-Performing Assets (a+b)

Particulars	(₹ crore)	
	FY 2021-22	FY 2020-21
<b>(i) Net NPAs to Net Assets (Advanced + investments) (%)</b>	<b>0.05%</b>	<b>0.10%</b>
<b>(ii) Movement of NPAs (Gross Advances + Gross investments)</b>		
(a) Opening balance	703.31	1,740.54
(b) Additions during the year	1041.73	148.11
(c) Reductions during the year	1,095.28	1,185.34
(d) Closing balance	<b>649.76</b>	<b>703.31</b>
<b>(iii) Movement of Net NPAs *</b>		
(a) Opening balance	185.25	1,014.70
(b) Additions during the year	11.51	(698.84)
(c) Reductions during the year	64.66	130.61
(d) Closing balance	<b>132.10</b>	<b>185.25</b>
<b>(iv) Movement of provisions for NPAs (excluding provisions on standard assets)</b>		
(a) Opening balance	518.05	1,081.89
(b) Provisions made during the year	1,035.84	502.89
(c) Write of / write back of excess provisions	1,036.23	1,066.73
(d) Closing balance	<b>517.66</b>	<b>518.05</b>



**(d) Disclosure of Restructured Account**

(₹ crore)

Sl	Type of Restructuring →	Others					Total			
		Standard	Sub-Standard	Doubtful	Loss	Total Standard	Sub-Standard	Doubtful	Loss	Total
Asset Classification →		Standard	Sub-Standard	Doubtful	Loss	Total Standard	Sub-Standard	Doubtful	Loss	Total
Details ↓										
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of Borrowers	11	9	11	-	31	11	-	31
		Amount outstanding	52.45	22.35	76.58	-	151.38	76.58	-	151.38
		Provision thereon	0.01	1.10	0.53	-	1.64	1.10	-	1.64
2	Fresh restructuring during the year	No. of Borrowers	1	2	-	-	3	2	0	3
		Amount outstanding	3.30	6.36	-	-	9.66	6.36	-	9.66
		Provision thereon	-	0.02	-	-	0.02	-	-	0.02
3	Upgradations to restructured standard category during the FY	No. of Borrowers	6	(5)	(1)	(1)	-	6	(1)	-
		Amount outstanding	24.92	(12.87)	(12.05)	(12.05)	-	24.92	(12.87)	(12.05)
		Provision thereon	1.03	(0.97)	(0.06)	(0.06)	-	1.03	(0.97)	(0.06)
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers	(3)				(3)			(3)
		Amount outstanding	(8.93)				(8.93)			(8.93)
		Provision thereon	(0.01)				(0.01)			(0.01)
5	Downgradations of restructured accounts during the FY	No. of Borrowers	-	(3)	3	-	-	(3)	3	-
		Amount outstanding	-	(4.53)	4.53	-	-	(4.53)	4.53	-
		Provision thereon	-	(0.01)	0.01	-	-	(0.01)	0.01	-
6	Write-offs of restructured accounts during the FY#	No. of Borrowers	(1)	(1)	(3)	(1)	(5)	(1)	(3)	(5)
		Amount outstanding	(1.79)	(4.95)	(36.38)	(1.79)	(43.12)	(4.95)	(36.38)	(43.12)
		Provision thereon	(0.85)	(0.12)	(0.43)	(0.85)	(1.40)	(0.12)	(0.43)	(1.40)
7	Restructured Accounts as on March 31 of the FY (closing figures)*	No. of Borrowers	14	2	10	-	26	14	2	26
		Amount outstanding	69.95	6.36	32.68	-	108.99	6.36	32.68	108.99
		Provision thereon	0.18	0.02	0.05	-	0.25	0.18	0.05	0.25

\* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

Note: Figures at Sr. No.6 includes increase in outstanding net of reduction / recovery of ₹ 2.20 crore and provision of (₹ 0.84 crore) in respect of existing restructured accounts and closure of 3 borrower amounting to ₹ 4.21 crore and provision of ₹ 0.01 crore.

## (e) Movement of Non-performing assets

(₹ crore)		
Particulars	FY 2021-22	FY 2020-21
Gross NPAs as on opening date of accounting period (Opening Balance)	358.68	1,396.91
Additions (Fresh NPAs) during the year	1,036.20	147.11
<b>Sub total (A)</b>	<b>1,394.88</b>	<b>1,544.02</b>
Less :-		
(i) Upgradations	37.62	20.04
(ii) Recoveries (excluding recoveries made from upgraded accounts)	46.93	119.68
(iii) Technical / Prudential Write offs	1,005.06	760.62
(iv) Write offs other than those under (iii) above	5.67	285.00
<b>Sub-total (B)</b>	<b>1,095.28</b>	<b>1,185.34</b>
<b>Gross NPAs as on 31st March of following year (Closing Balance) (A-B)</b>	<b>299.60</b>	<b>358.68</b>

## (f) Write-offs and recoveries

(₹ crore)		
Particulars	FY 2021-22	FY 2020-21
Opening balance of Technical / Prudential written off accounts as at April 1	2,624.88	2,007.01
Add : Technical / Prudential write offs during the year	1,005.06	760.62
<b>Sub total (A)</b>	<b>3,629.94</b>	<b>2,767.63</b>
Less : Actual write off	37.83	0.00
Less : Recoveries made from previously technical / prudential written off accounts during the year	202.92	142.75
<b>Sub total (B)</b>	<b>240.75</b>	<b>142.75</b>
<b>Closing balance as at March 31 (A-B)</b>	<b>3,389.19</b>	<b>2,624.88</b>

## (g) Overseas Assets, NPAs and Revenue

(₹ crore)		
Particulars	FY 2021-22	FY 2020-21
Total Assets	Nil	Nil
Total NPAs	Nil	Nil
Total Revenue	Nil	Nil

#### (h) Depreciation and provisions on investments

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
<b>(1) Investments</b>		
(i) Gross Investments	<b>22,574.77</b>	<b>17,786.59</b>
(a) In India	22,574.77	17,786.59
(b) Outside India		
(ii) Provisions for Depreciation	<b>356.49</b>	<b>365.38</b>
(a) In India	356.49	365.38
(b) Outside India		
(iii) Net Investments	<b>22,218.28</b>	<b>17,421.21</b>
(a) In India	22,218.28	17,421.21
(b) Outside India		
<b>(2) Movement of provisions held towards depreciation on investments</b>		
(i) Opening balance	<b>20.76</b>	<b>291.12</b>
(ii) Add: Provisions made during the year	0.22	14.64
(iii) Appropriation, if any, from Investment Fluctuation Reserve Account during the year	-	-
(iv) Less: Write off / write back of excess provisions during the year*	14.65	(285.00)
(v) Less: Transfer, if any, to Investment Fluctuation Reserve Account	-	-
(vi) Closing balance	<b>6.33</b>	<b>20.76</b>

\*The Bank has appropriated ₹ 10.96 crore (net of applicable taxes) to Investment Fluctuation Reserve Account.

#### (i) Provisions and Contingencies

(₹ crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	FY 2021-22	FY 2020-21
Provisions for depreciation/NPI on Investment	(8.89)	15.64
Provision towards NPA	408.19@#	439.44
Provision made towards Income tax (Including Deferred Tax Assets/ Liability)	511.52	816.21
Other Provision and Contingencies (with details)\$	(20.33)\$	487.92

@ net of restructuring provision

\$ includes provision for standard asset.

# Net of write back of floating provision.

#### (j) Provisioning Coverage Ratio (PCR)

Particulars	FY 2021-22	FY 2020-21
Provisioning Coverage Ratio (PCR)*	96.30%	93.41%

\* Floating provision has not been considered while calculating PCR.

#### (k) Provisioning pertaining to Fraud Accounts

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
No. of frauds reported during the year	1	5
Amount involved in fraud (₹ in crore)	6.67	323.54
Amount involved in fraud net of recoveries/write offs/unrealised interest as at the end of the year (₹ in crore)	6.47	285.28
Provision made during the year (₹ in crore)	-	183.6
Provision held as at the end of the year for the above accounts (₹ in crore)	6.47	285.28
Amount of unamortised provision debited from "other reserves" as at the end of the year (₹ in crore)	-	-

#### 4. Investment portfolio: constitution and operations

##### (a) Repo Transactions

(₹ crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2022
Securities sold under repo				
i. Government securities	-	3,735.68	348.89	2,568.91
ii. Corporate debt securities	Nil	Nil	Nil	Nil
Securities purchased under reverse repo				
i. Government securities	-	21,610.09	6,450.69	299.89
ii. Corporate debt securities	Nil	Nil	Nil	Nil

(₹ crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2021
Securities sold under repo				
i. Government securities	-	1,024.92	59.11	499.95
ii. Corporate debt securities	Nil	Nil	Nil	Nil
Securities purchased under reverse repo				
i. Government securities	-	17,677.11	5,132.33	4,054.99
ii. Corporate debt securities	Nil	Nil	Nil	Nil

##### (b) Disclosure of Issuer Composition for Investment in Debt Securities

(₹ crore)

Issuer	Amount	Amount of			
		Investment made through private placement	Below Investment Grade Securities Held	Unrated securities held	Unlisted securities
(1)	(2)	(3)	(4)	(5)	(6)
PSUs	1,261.18	995.52	-	-	-
FIs	7,774.07	7,391.18	-	78.55	1,497.08
Banks	5,901.64	5,798.13	10.00*	103.50	5,256.10
Private Corporates	642.88	424.02	-	373.50	364.61
Subsidiaries/Joint ventures	0.00	0.00	-	0.00	0.00
Others	2,993.99	2,993.99	-	994.09	2,994.00
Provision held towards depreciation	(354.96)	-	-	-	-
<b>Total</b>	<b>18,218.80</b>	<b>17,602.84</b>	<b>10.00</b>	<b>1,549.64</b>	<b>10,111.79</b>

\* Due to rating downgrade subsequent to the date of investment.

##### (c) Sale & transfers of securities to /from HTM category:

During the current FY, the Bank shifted investments in Venture Capital Funds from HTM to AFS category in accordance with extant RBI guidelines. Except for the above, there was no shifting on investments to/from HTM category.

## 5. Details of Financial Assets purchased/ sold

### (a) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

#### (i) Details of Sales

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
(i) No. of accounts (borrower)	Nil	Nil
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	Nil	Nil
(iii) Aggregate consideration	Nil	Nil
(iv) Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v) Aggregate gain / loss over net book value	Nil	Nil

#### (ii) Details of Book Value of Investments in Security Receipts

(₹ crore)

Particulars	Book value of investments in security receipts	
	FY 2021-22	FY 2020-21
(i) Backed by NPAs sold by the AIFI as underlying	0.27	0.27
(ii) Backed by NPAs sold by banks / other financial institutions / non-banking financial companies as underlying	0.00	0.00
<b>Total</b>	<b>0.27</b>	<b>0.27</b>

### (b) Details of Non Performing Financial Assets Purchased / Sold

#### (i) Details of non performing financial assets purchased:

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
1. (a) No. of accounts purchased during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil
2. (a) Of these, number of accounts restructured during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil

#### (ii) Details of non performing financial assets sold:

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
No. of accounts sold	Nil	Nil
Aggregate outstanding	Nil	Nil
Aggregate consideration received	Nil	Nil

## 6. Operating Results

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
(i) Interest income as a percentage to average working funds	4.21	5.57
(ii) Non-interest income as a percentage to average working funds	0.18	0.46
(iii) Operating profit as a percentage to average working funds (before provisions)	1.33	2.18
(iv) Return on average assets (before provisions for taxation)	1.16	1.71
(v) Net Profit per employee (₹ crore)	2.13	2.50

## 7. Credit Concentration risk

### (a) Capital market exposure

Particulars	(₹ crore)	
	FY 2021-22	FY 2020-21
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	456.70	468.59
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
(ix) financing to stockbrokers for margin trading;	-	-
(x) all exposures to Venture Capital Funds (both registered and unregistered)	1,024.82	1,140.06
<b>Total Exposure to Capital Market</b>	<b>1,481.52</b>	<b>1,608.65</b>

### (b) Exposure to Country risk

Risk Category	(₹ crore)	
	Net Funded Exposure	Provision held
Insignificant	11,269.51	27.66
Low	998.70	-
Moderate	1.00	-
High	-	-
Very High	-	-
Restricted	-	-
Off-credit	-	-
<b>Total</b>	<b>12,269.21</b>	<b>27.66</b>

### (c) Prudential Exposure Limits - Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded.

- (i) The number and amount (not the name of the borrower) of exposures in excess of the prudential exposure limits during the year.

Sl. No.	PAN Number	Borrower Name	Industry Code	Industry Name	Sector	Amount Funded	Amount Non-Funded	Exposure as % to capital Funds
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

ii) Credit exposure as percentage to capital funds and as percentage to total assets, in respect of :

(₹ crore)

Sr. No.	Particulars	FY 2021-22		FY 2020-21	
		As % to Total Assets	As % to Capital funds	As % to Total Assets	As % to Capital funds
1	The largest single borrower	15.53	170.28	8.28	75.63
	The largest borrower group	As large borrowers are Primary lending Institutions, the concept of borrower group is not applicable.			
2	The 20 largest single borrowers	61.06	669.47	59.73	545.63
	The 20 largest borrower group	As large borrowers are Primary lending Institutions the concept of borrower group is not applicable.			

iii) Credit exposure to the five largest industrial sectors as percentage to total loan assets :

(₹ crore)

Name of Industry	FY 2021-22		FY 2020-21	
	Amount. Outstanding	% to total loan assets	Amount. Outstanding	% to total loan assets
METAL PRODUCTS N.E.C.	1,072.24	0.48	977.27	0.63
AUTO ANCILLARIES	871.11	0.39	694.96	0.44
PLASTIC MOULDED GOODS	601.17	0.27	537.01	0.34
METAL PRODUCTS PARTS EXCEPT MACHINERY	580.84	0.26	515.72	0.33
TEXTILE PRODUCTS	821.55	0.37	475.59	0.30

(iv) Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is 'Nil'.

(v) The bank had no factoring exposure during the current year and previous year.

(vi) The bank had not exceeded the Prudential Exposure Limits during the current year and previous year.

(d) Concentration of borrowings /lines of credit, credit exposures and NPAs

(i) Concentration of borrowings and lines of credit

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
Total borrowings from twenty largest lenders	2,07,923.53	1,51,599.34
Percentage of borrowings from twenty largest lenders to total borrowings	84.38%	82.64%

(ii) Concentration of Exposures

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
Total advances to twenty largest borrowers	1,69,786.49	1,27,260.75
Percentage of advances to twenty largest borrowers to Total Advances	76.35%	74.88%
Total Exposure to twenty largest borrowers / customers	2,06,873.95	1,36,729.01
Percentage of exposures to twenty largest borrowers / customers to Total Exposure	70.82%	70.49%

## (iii) Sector-wise concentration of exposures and NPAs

(₹ crore)

Sr. No.	Sector	FY 2021-22			FY 2020-21		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
I.	Industrial sector	1,97,731.72	199.00	0.10%	1,54,828.92	282.31	0.18%
	1 Central Government	-	-	-	-	-	0.00
	2 Central PSUs	-	-	-	-	-	0.00
	3 State Governments	-	-	-	-	-	0.00
	4 State PSUs	-	-	-	31.92	-	-
	5 Scheduled Commercial Banks	1,82,705.34	-	-	1,42,840.85	-	-
	6 Regional Rural Banks	592.25	-	-	254.77	-	0.00
	7 Co-operative banks	-	-	-	-	-	0.00
	8 Private sector (excluding banks)	14,434.13	199.00	1.38%	11,701.38	282.31	2.41%
II.	Micro-finance sector	4,230.17	40.32	0.95%	2,699.06	16.09	0.60%
III.	Others*	20,414.26	60.28	0.30%	12,428.42	60.28	0.49%
	<b>Total (I+II+III)</b>	<b>2,22,376.15</b>	<b>299.60</b>	<b>0.13%</b>	<b>1,69,956.40</b>	<b>358.68</b>	<b>0.21%</b>

\* includes advances to NBFCs

## 8. Derivatives

## (a) Forward Rate Agreement / Interest Rate Swap

(₹ crore)

Sr. No	Particulars	FY 2021-22	FY 2020-21
i)	The notional principal of swap agreements	185.58	215.67
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	2.29	9.73
iii)	Collateral required by the bank upon entering into swaps	Nil	Nil
iv)	Concentration of credit risk arising from the swaps	3.25	10.97
v)	The fair value of the swap book	2.29	9.73

The nature and terms of the IRS as on March 31, 2022 are set out below:

Sl. No.	Nature	Nos.	Notional Principal	Benchmark	Terms
1	Hedging	1	INR 1,85,58,43,530.00	6 M USD LIBOR	Fixed receivable V/s floating payable

The nature and terms of the IRS as on March 31, 2021 are set out below

Sl. No.	Nature	Nos.	Notional Principal	Benchmark	Terms
1	Hedging	1	INR 2,15,66,65,938.00	6 M USD LIBOR	Fixed receivable V/s floating payable

## (b) Exchange Traded Interest Rate Derivatives

(₹ crore)

Sr. No	Particulars	FY 2021-22	FY 2020-21
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument - wise)	NIL	NIL
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on March 31 (instrument - wise)	NIL	NIL
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument - wise)	NIL	NIL
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument - wise)	NIL	NIL



**(c) Disclosures on risk exposure in derivatives**

**(i) Qualitative Disclosures**

- (1) The Bank uses Derivatives for hedging of interest rate and exchange risk arising out of mismatch in the assets and liabilities. All derivatives undertaken by Bank are for hedging purposes with underlying as Foreign Currency borrowings, which are not MTM, but only translated. The Bank does not undertake trading in Derivatives.
- (2) Internal Control guidelines and accounting policies are framed and approved by the Board. The derivative structure is undertaken only after approval of the competent authority. The particulars of derivative details undertaken are also reported to ALCO/Board.
- (3) The Bank has put systems in place for mitigating the risk arising out of derivative deals. The Bank follows the accrual method for accounting the transactions arising out of derivative deals.

**(d) Disclosure on Credit default swap - Bank has not undertaken any credit default swap during the year.**

**(ii) Quantitative Disclosures**

(₹ crore)

Sr. No.	Particulars	FY 2021-22		FY 2020-21	
		Currency Derivatives	Interest rate Derivatives	Currency Derivatives	Interest rate Derivatives
1	Derivatives ( Notional Principal Amount )	3,902.68	185.58	5,384.68	215.67
	(i) For hedging	3,902.68	185.58	5,384.68	215.67
	(ii) For trading	-	-	-	-
2	Marked to Market Positions [1]	296.35	2.29	360.81	9.73
	(i) Asset (+)	296.35	2.29	423.85	9.73
	(ii) Liability (-)	-	-	(63.04)	-
3	Credit Exposure [2]	557.49	3.25	635.21	10.96
4	Likely impact of one percentage change in interest rate (100* PV01)	56.18	(0.02)	86.83	(4.75)
	(i) On hedging derivatives	56.18	(0.02)	86.83	(4.75)
	(ii) On trading derivatives	-	-	-	-
5	Maximum and Minimum of 100*PV01 observed during the year	-	-	-	-
	(i) On hedging	88.26/56.18	(2.37)/(4.82)	467.38/1.09	(4.75)/(7.99)
	(ii) On trading	-	-	-	-

**9. Disclosure of Letters of Comfort (LoCs) issued by AIFIs**

The particulars of Letters of Comfort (LoCs) issued during the year, assessed financial impact, and assessed cumulative financial obligations under the LoCs issued in the past and outstanding is as under:

(₹ crore)

LoCs outstanding as on April 01, 2021		LoC issued during the year		LoCs redeemed during the year		LoCs outstanding as on March 31, 2022	
No of LoC	Amount	No of LoC	Amount	No of LoC	Amount	No of LoC	Amount
-	-	-	-	-	-	-	-

**10. Asset Liability Management**

(₹ crore)

	1 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & up to 6 months	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	24	357	4,778	21,136	29,349	1,13,265	1,227	568	1,70,704
Advances	5,107	122	28,643	25,261	56,856	1,02,410	3,260	550	2,22,209
Investments	3,348	3,127	4,813	14,759	10,855	58	844	3,284	41,088
Borrowings	6,567	3,865	28,593	3,008	17,812	13,817	1,010	1,040	75,712
Foreign Currency assets	12	5	600	645	728	3,569	130	18	5,707
Foreign Currency liabilities	6	5	523	54	606	2,357	872	808	5,231

ALM includes figures of SIDBI and MUDRA only.

### 11. Draw Down from Reserves

There is no draw down from Reserves during the current year and previous year.

### 12. Business Ratios

Particulars	FY 2021-22	FY 2020-21
Return on average Equity (before provisions for taxation) (%)	11.47	16.60
Return on average assets (before provisions for taxation) (%)	1.16	1.71
Net Profit per employee (₹ crore)	2.13	2.50

### 13. Disclosure of Penalties imposed by RBI

RBI had not imposed any penalty on the Bank during the current year and previous year.

### 14. Customer Complaints

#### 1. Complaints received by the bank from its customers

Particulars	FY 2021-22	FY 2020-21
1 No. of complaints pending at the beginning of the year	7	3
2 No. of complaints received during the year	234	357
3 No. of complaints redressed during the year	240	353
3(i) Of which, number of complaints rejected by the Bank	19	27
4 No. of complaints pending at the end of the year	1	7

#### 2. Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>Current Year</b>					
Loans and advances	-	43	(27.12)	-	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	26	160	-	-
Others	7	165	(42.71)	1	-
<b>Previous Year</b>					
Loans and advances	-	59	126.92	-	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	10	42.86	-	-
Others	3	288	57.38	7	4

RBI vide their Circular CEPD.CO.PRD.Cir.No.01/13.01.013/2020-21 dated 27.01.2021 on Strengthening of Grievance Redress Mechanism in Banks had categorized grievances under 16 categories and had advised Banks to make disclosures accordingly. For this purpose, grievances received during FY 2020-21 and FY 2021-22 have been reclassified as per the RBI guidelines.

### 15. Off-Balance Sheet SPVs Sponsored

The Bank had no Off-balance sheet SPVs sponsored during the current year and previous year.

### 16. Disclosure as per specific accounting standards

#### (a) Accounting Standard 5 – Net Profit or Loss for the period, prior period items and changes in accounting policies

Income in schedule XIII - 'other income' includes Prior Period Income of ₹ 4,66,88,641/- for FY 2021-22 [Previous Year ₹ 5,17,47,91,918] and Other expenditure in schedule XIV - 'Operating Expenses' for FY 2021-22 includes Prior Period Expenditure of (₹ 2,58,64,368/-) [Previous Year (₹ 3,48,13,281)].

**(b) Accounting Standard 17 – Segment Reporting**

As required under RBI master directions and Accounting Standard-17 'Segment Reporting' the Bank has disclosed "Business segment" as the Primary Segment. Since the Bank operates in India, there are no reportable geographical segments. Under Business Segment, the Bank has identified Whole Sale Operations (Direct Lending), Whole Sale Operations (Refinance) and Treasury as its three reporting segments. These segments have been identified after considering the nature and risk profile of the products and services, the organization structure and the internal reporting system of the Bank. Previous year's figures have been regrouped and reclassified to conform to the current year's methodology.

**Part A: BUSINESS SEGMENTS**

Business Segments	Wholesale Operations (Direct Lending)		Wholesale Operations (Refinance)		Treasury		Total	
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
<b>1 Segment Revenue</b>	1,209	1,161	7,597	9,570	1,327	895	10,133	11,626
Exceptional Items							-	518
<b>Total</b>							<b>10,133</b>	<b>12,144</b>
<b>2 Segment Results</b>	339	190	2,000	2,699	580	258	2,919	3,147
Exceptional Items							-	518
<b>Total</b>							<b>2,919</b>	<b>3,665</b>
Unallocable Expenses							240	227
Operating profit							2,679	3,438
Income Tax (Net of write back)							511	816
Share of profit in associates							(6)	(15)
<b>Net profit</b>							<b>2,162</b>	<b>2,607</b>
<b>3 Other information</b>								
<b>Segment Assets</b>	14,433	11,678	2,22,253	1,69,174	40,391	31,421	2,77,077	2,12,273
Unallocated Assets							1,803	1,418
<b>Total Assets</b>							<b>2,78,880</b>	<b>2,13,691</b>
<b>Segment Liabilities</b>	10,618	8,387	2,04,270	1,55,074	35,894	26,509	2,50,782	1,89,970
Unallocated Liabilities							2,765	1,883
<b>Total</b>							<b>2,53,547</b>	<b>1,91,853</b>
<b>Capital / Reserves</b>	3,753	3,261	17,194	13,931	4,386	4,646	25,333	21,838
<b>Total</b>							<b>25,333</b>	<b>21,838</b>
<b>Total Liabilities</b>							<b>2,78,880</b>	<b>2,13,691</b>

**Part B: GEOGRAPHIC SEGMENTS - The operations of the Bank is confined to India only, hence no reportable geographic segments.**

**(c) Accounting Standard 18 – Related Party Disclosures**

**(i) Key management personnel**

Shri Sivasubramanian Ramann	Chairman & Managing Director
Shri V. Satya Venkata Rao	Deputy Managing Director
Shri Sudatta Mandal	Deputy Managing Director

## (ii) Significant transactions with related parties

(₹ crore)

Items / Related Party	Key Management Personnel @	Relatives of Key Management Personnel	Total
<b>Borrowings#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Deposit#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	1.00	-	1.00
<b>Placement of deposits#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Advances#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Investments#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Non funded commitments#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Leasing arrangements availed#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Leasing arrangements provided#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
Purchase of fixed assets	-	-	-
Sale of fixed assets	-	-	-
<b>Interest paid</b>	0.04	-	0.04
<b>Interest received</b>	-	-	-
<b>Dividend received</b>	-	-	-
<b>Dividend paid</b>	-	-	-
<b>Rendering of services*</b>	-	-	-
<b>Receiving of services*</b>	-	-	-
<b>Management contracts**</b>	1.36	-	1.36

@Whole time directors of the Board

# The outstanding at the year end and the maximum during the year are to be disclosed

\* Contract services etc. and not services like remittance facilities, locker facilities etc.

\*\* Remuneration to Key Management Personnel.

**17. Unamortised Pension and Gratuity Liabilities**

The pension and gratuity liability are provided for on the basis of an actuarial valuation made at the end of each financial year based on the projected unit credit method. The actuarial gains/ losses are taken to the profit & loss account and are not amortized.

As per our report of even date

BY ORDER OF THE BOARD

For **Borkar & Muzumdar**  
Chartered Accountants  
FRN.101569W

**Rajendra Agrawal**  
Chief Financial Officer

**Sudatta Mandal**  
Deputy Managing Director

**V. Satya Venkata Rao**  
Deputy Managing Director

**Sivasubramanian Ramann**  
Chairman & Managing Director

**Darshit Doshi**  
Partner  
M.No. 133755

**G Gopalakrishna**  
Director

**Ashish Gupta**  
Director

Place: Mumbai  
Date: May 17, 2022

# Consolidated Cash Flow Statement

for the year ended March 31, 2022

		(₹ crore)	
March 31, 2021	Particulars	March 31, 2022	March 31, 2022
	<b>1. Cash Flow from Operating Activities</b>		
34,38,65,96,767	Net Profit before tax as per P & L Account		26,79,30,78,392
	Adjustments for :		
24,08,96,441	Depreciation	36,43,50,321	
15,61,67,178	Provision for net depreciation in investments	5,53,33,454	
9,96,54,25,918	Provisions made (net of write back)	4,25,62,57,499	
(6,26,11,65,982)	Profit on sale of investments (net)	(5,61,92,51,814)	
(7,76,607)	Profit on sale of fixed assets	(14,17,772)	
(4,28,83,77,871)	Dividend Received on Investments	(19,46,66,611)	(1,13,93,94,923)
<b>34,19,87,65,844</b>	<b>Cash generated from operations</b>		<b>25,65,36,83,469</b>
	(Prior to changes in operating Assets and Liabilities)		
	Adjustments for net changes in :		
10,78,68,65,477	Current assets	(1,69,73,67,138)	
23,82,87,52,411	Current liabilities	81,68,99,06,362	
1,39,26,20,479	Bills of Exchange	(13,44,52,273)	
47,97,61,52,650	Loans & Advances	(5,24,06,31,06,808)	
(1,66,13,19,29,316)	Net Proceeds of Bonds and Debentures & other borrowings	3,66,23,05,27,707	
1,53,62,00,55,791	Deposits received	1,46,00,55,73,814	
<b>71,47,25,17,492</b>			<b>68,03,10,81,664</b>
1,05,67,12,83,336			93,68,47,65,133
(4,83,84,41,797)	Payment of Tax	(5,95,87,95,346)	(5,95,87,95,346)
<b>1,00,83,28,41,539</b>	<b>Net Cash flow from operating Activities</b>		<b>87,72,59,69,787</b>
	<b>2. Cash Flow from Investing Activities</b>		
(14,84,01,808)	Net (Purchase)/Sale of fixed assets	(52,08,63,542)	
(1,47,57,92,56,439)	Net (Purchase)/sale/redemption of Investments	(1,37,41,19,14,844)	
4,53,97,66,761	Dividend Received on Investments	47,78,14,760	
<b>(1,43,18,78,91,486)</b>	<b>Net cash used in Investing Activities</b>		<b>(1,37,45,49,63,626)</b>
	<b>3. Cash flow from Financing Activities</b>		
-	Proceeds from issuance of share capital & share premium	14,22,80,00,000	
(25,13,88,890)	Dividend on Equity Shares & tax on Dividend	(1,34,69,92,211)	
<b>(25,13,88,890)</b>	<b>Net cash used in Financing Activities</b>		<b>12,88,10,07,789</b>
<b>(42,60,64,38,837)</b>	<b>4. Net increase/(decrease) in cash and cash equivalents</b>		<b>(36,84,79,86,050)</b>
<b>1,23,10,73,97,268</b>	<b>5. Cash and Cash Equivalents at the beginning of the period</b>		<b>80,50,09,58,431</b>
<b>80,50,09,58,431</b>	<b>6. Cash and Cash Equivalents at the end of the period</b>		<b>43,65,29,72,381</b>
	<b>7. Cash and cash equivalents at the end of the period includes</b>		
6,63,600	Cash in Hand		7,23,087
95,09,81,136	Current account balance with Bank		92,90,15,875
37,50,81,24,592	Mutual Funds		19,99,90,00,050
42,04,11,89,103	Deposits		22,72,42,33,369

Note : Cash Flow statement has been prepared as per the Indirect Method prescribed in AS-3 (Revised) 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India (ICAI)

Significant Accounting Policies XV

Notes to Accounts Annexure 1

As per our report of even date

BY ORDER OF THE BOARD

For **Borkar & Muzumdar**  
Chartered Accountants  
FRN.101569W

**Rajendra Agrawal**  
Chief Financial Officer

**Sudatta Mandal**  
Deputy Managing Director

**V. Satya Venkata Rao**  
Deputy Managing Director

**Sivasubramanian Ramann**  
Chairman & Managing Director

**Darshit Doshi**  
Partner  
M.No. 133755

**G Gopalakrishna**  
Director

**Ashish Gupta**  
Director

Place: Mumbai  
Date: May 17, 2022



Small Industries Development Bank of India

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**ANNEXURE III: BOARD RESOLUTION**

*(Enclosed separately)*

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE 222<sup>nd</sup> MEETING OF  
THE BOARD OF DIRECTOR'S OF SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA  
AT ITS MEETING HELD ON WEDNESDAY MAY 29, 2024 AT 3.20 PM. AT MUMBAI**

**[Interim Resource Plan for Financial Year 2025]**

“RESOLVED that the Interim Resource Plan for FY2025, as contained in the Memorandum SIDBI B. No.9/2024-25 dated May 24, 2024, for raising a sum of ₹1,20,000 crore through various instruments, including private placement of unsecured bonds, be and is hereby approved. This, however, excludes short term resources raised and repaid during the period.

FURTHER RESOLVED that officers at the rank of Deputy General Manager and above in Treasury and Resource Management Vertical be and are hereby authorized severally to sign and execute the General Information Documents and Key Information Document, consent letter for and on behalf of the Board of Directors for raising resources by way of private placement of unsecured bonds including Green Bonds and Commercial Paper and to submit such other declaration and undertaking as may be required under listing regulations.”

For, Small Industries Development Bank of India



*Sudatta Mandal*  
(Sudatta Mandal)  
Deputy Managing Director

बैंक दिवसीय में पञ्जाब का स्वागत कर रहा है।

भारतीय लघु उद्योग विकास बैंक

स्वावलम्बन भवन, एडवेंच्यु - 3, लेन -2, सी-11, जी ब्लॉक, बान्द्रा कुर्ला कॉम्प्लेक्स, बान्द्रा (ई), मुंबई - 400 051. दूरभाष: +91 22 67531100 | फैक्स: +91 22 67221528

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA

Swavalamban Bhavan, Avenue 3, Lane 2, C-11, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 Tel: +91 22 6753 1100 | Fax: +91 22 6722 1528

Toll Free No.: 1800 22 6753 | टोल फ्री नं. : 1800 22 6753

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**ANNEXURE IV: SHAREHOLDING PATTERN**

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Class eg: X	Class eg: Y	Total			No	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(A)	Promoter & Promoter Group	1	11,85,41,169	-	-	11,85,41,169	20.85	-	-	11,85,41,169	20.85	-	-	-	-	118,541,169	
(B)	Public Financial Institution (Viz, Public Sector Banks etc.) #	22	45,00,00,000	-	-	45,00,00,000	79.15	-	-	45,00,00,000	79.15	-	-	-	-	45,00,00,000	
(C)	Non-Promoter-Non-Public	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares underlying DRs	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by Employee Trusts	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total</b>		<b>56,85,41,169</b>			<b>56,85,41,169</b>	<b>100.00</b>									<b>56,85,41,169</b>	

#section 4C of the SIDBI Act, 1989. Issued capital. (1) The issued capital, of the Small Industries Bank, of four hundred and fifty crores of rupees, immediately before the commencement of the Small Industries Development Bank of India (Amendment) Act, 2000, shall, on such commencement, stand divided into forty-five crores equity shares of rupees ten each. (2) The Board may, from time to time, increase the issued equity share capital or redeemable preference share capital of the Small Industries Bank by allotment of shares to such persons and on such terms and conditions as the Board may determine: Provided that no increase in the issued equity capital shall be made in such a manner that the Development Bank, the public sector banks, the General Insurance Corporation, the Life Insurance Corporation and other institutions owned or controlled by the Central Government, hold in aggregate at any time, less than fifty-one per cent. of the issued equity share capital of the Small Industries Bank

**ANNEXURE V: CONSENT LETTER OF DEBENTURE TRUSTEE**  
**(Enclosed separately)**

Ref No.:1303/2024-2025/CL – 4772

Date: May 31, 2024

**Small Industries Development Bank of India**

Swavalamban Bhavan, Avenue 3,  
Lane 2, C-11, G-Block,  
Bandra Kurla Complex, Bandra (E),  
Mumbai 400 051

Dear Sir,

**Sub: - Consent to act as Debenture Trustee for Private Placement of Listed, Unsecured NCDs to be issued by Small Industries Development Bank of India FY 2024-25.**

We refer to your letter Ref No. TRMV/L001289721/Bonds/DT dated 27<sup>th</sup> March 2023 appointing SBICAP Trustee Issuer Limited as Debenture Trustee for issuance of Bonds from FY 2024 to FY 2025. **In this connection, we hereby give our consent to act as Debenture / Bond Trustee for FY- 2024-25 and confirm our acceptance to the assignment.**

We are aggregable for inclusion of our name as Trustee in the Private Placement Memorandum / Information Memorandum to be issued by the Issuer on private placement basis to the certain identified person in terms of the Companies Act, 2013, as required subject to following conditions: -

1. The Issuer has entered into a written Debenture Trustee Agreement (DTA) dated May 15, 2023, for the said issue before the opening of the issue /subscription list for issue debentures. The Debenture Trust Deed shall be executed by the Issuer within a period of 3 days from the date of closure of issue. Further, the Issuer shall also list the debentures on the Stock Exchange within a period of 3 working days from the date of closure of debenture issue.
2. The Issuer agrees and undertakes that it shall comply with the provisions of the SEBI regulations read with the rules and regulations framed thereunder and the applicable provisions of the rules and regulations framed under the Reserve Bank of India Act, till the final redemption of the NCD being issued by the Issuer.
3. The Issuer agrees and undertakes to pay to the debenture trustee so long as they hold the office of debenture trustee, remuneration as stated in the fee letter dated 10<sup>th</sup> April, 2023.
4. Any payment in respect of debentures required to be made by the debenture trustee to debenture holder (who is FII Entity) at the time / post enforcement would, if required by applicable law, be subject to the prior approval of RBI for such remittance through an Authorized Dealer only. The Issuer / Investor / Debenture Holders shall obtain all such approvals from RBI, if required, to ensure prompt and timely payments to the said debenture holders. Such remittance shall not exceed the total investment (and interest provided herein) made by the debenture holder (who is FPI).



**SBICAP Trustee Company Ltd.**

**Registered & Corporate Office :** 4th Floor, Mistry Bhavan, 122, Dinshaw Vachha Road, Churchgate, Mumbai, Pin - 400 020.

☎ +91 22 4302 5566 / +91 22 4302 5555 ✉ [corporate@sbicaptrustee.com](mailto:corporate@sbicaptrustee.com) CIN : U65991MH2005PLC158386

UDYAM REGISTRATION NUMBER (SMALL ENTERPRISE Under MSME Act, 2006) - UDYAM-MH-19-0111411

[www.sbicaptrustee.com](http://www.sbicaptrustee.com)

*A Group Company of SBI*

5. The Issuer confirms that all necessary disclosures shall be made in the Private Placement Memorandum / Information Memorandum including but not limited to statutory and other regulatory disclosures. Investors should carefully read and note the contents of the Private Placement Memorandum / Information Memorandum/ General Information Document/ Key Information Document. Each prospective investor should make its own independent assessment of the merits of the investment in NCDs and the Issuer Issuer. Prospective Investor should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the NCDs and should possess the appropriate resources to analyze such investment and suitability of such investment to such investor's particular circumstance. Prospective investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt market and are able to bear the economic risk of investing in such instruments.
6. The Trustee, "ipso facto" do not have the obligations of a borrower or a Principal Debtor or a Guarantor as to the monies paid / invested by the investors for the debentures being issued by the Issuer Issuer.

Looking forward to a fruitful association with you and assuring you of our best professional services at all times.

With warm regards,  
Yours faithfully,

For SBICAP Trustee Issuer Limited

  
Authorized Signatory



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**ANNEXURE VI: CONSENT LETTER OF R&TA  
(Enclosed Separately)**



Link Intime India Pvt. Ltd.  
CIN : U67190MH1999PTC118368  
C- 101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai - 400 083.  
Tel. : +91 22 4918 6000  
Fax : +91 22 4918 6060  
E-mail : mumbai@linkintime.co.in  
Website : www.linkintime.co.in

Date : 10.06.2024

To,

**SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)**

Head Office: SIDBI Tower, 15, Ashok Marg, Lucknow – 226001

Mumbai Office: Swavalamban Bhavan, Plot No. C-11, G Block, Bandra - Kurla Complex,  
Bandra (East), Mumbai – 400051,

**Subject : Consent of R & T Agent ( Debt Securities issued by SIDBI during FY 2024-25 in demat Mode)**

We Link Intime India Pvt. Ltd. do hereby give our consent to act as a Registrar & Transfer Agent of

Small Industries Development Bank of India and to provide RTA electronic services for all the Debt Securities

issued by SIDBI during FY 2024-25 in demat Mode.

Please note that the Tripartite Agreement is already in force.

Thanking You.

Yours faithfully,

For Link Intime India Pvt Ltd.

  
Ganesh Jadhav

Asst. Vice President - Depository Operations

**ANNEXURE VII: IN-PRINCIPLE APPROVAL FROM NSE**

*(Shall Enclose separately)*

The Compliance Officer  
Small Industries Development Bank of India  
SIDBI Tower, 15, Ashok Marg,  
Lucknow-226001.

**Kind Attn.: Shri Vishnu Kumar Sah**

Dear Sir,

**Sub.: In-principle approval for listing of Non-Convertible Debentures on private placement basis**

This is with reference to your application requesting for in-principle approval for General Information Document dated June 14, 2024 bearing ref no. SIDBI/TRMV/L001324337, for in-principle approval for proposed listing of rated, unsecured, redeemable, non-cumulative, taxable, non-convertible debentures, including zero coupon bonds, of face value of Rs. 100000/- (issuance/re-issuance) or Rs. 1000000/- (re-issuance), to be issued in various tranches by Small Industries Development Bank of India on a private placement basis. In this regard, the Exchange is pleased to grant in-principle approval for the said issue, subject to adequate disclosures to be made in the Offer Document in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, applicable SEBI Circulars and other applicable laws in this regard and provided the Company includes the following Disclaimer Clause as given below in the Offer Document after the SEBI disclaimer clause:

**“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). It is to be distinctly understood that the aforesaid submission or in-principle approval given by NSE vide its letter Ref.: NSE/LIST/7799 dated June 18, 2024 or hosting the same on the website of NSE in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.**

**Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever”**

Please note that the approval given by the Exchange should not in any way be deemed or construed that the draft Offer Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this draft offer document; nor does it warrant that the securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project.



Ref. No.: NSE/LIST/7799

June 18, 2024

The in-principle approval granted by the Exchange is subject to the Issuer submitting to the Exchange prior to opening of the issue and at the time of listing, a valid credit rating letter/rationale covering the total issuance amount under the Key Information Document.

Kindly also note that these debt instruments may be listed on the Exchange after the allotment process has been completed, provided the securities of the issuer are eligible for listing on the Exchange as per our listing criteria and the issuer fulfills the listing requirements of the Exchange. The issuer is responsible to ensure compliance with all the applicable guidelines issued by appropriate authorities from time to time including Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, applicable SEBI Circulars and other applicable laws in this regard.

Specific attention is drawn towards Para 1 of Chapter XV of SEBI Operational Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021. Accordingly, Issuers of privately placed debt securities in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs within one working day of allotment of securities. The details can be uploaded using the following links:

<https://www.nse-ebp.com>

<https://www.nseebp.com/ebp/rest/reportingentity?new=true>

This in-principle approval shall be valid for a period of one year from the date of opening of the first issue of securities under this General Information Document. Kindly note that such a first issue of securities under this General Information Document should be opened within one year from the date of this letter.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/Rule/Bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

Yours faithfully,  
For National Stock Exchange of India Limited

Prakash Kelkar  
Manager

This Document is Digitally Signed



Signer: PRAKASH DEVDAS KELKAR  
Date: Tue, Jun 18, 2024 18:17:23 IST  
Location: NSE