



## Annual Report for FY 2023-24

### Key Corporate Information:

#### Board of Directors as on August 31, 2024

Shri Manoj Mittal	Chairman and Managing Director
Shri Sudatta Mandal	Deputy Managing Director, Wholetime/ Executive Director
Shri Prakash Kumar	Deputy Managing Director, Wholetime/ Executive Director
Dr. Rajneesh	Non-Executive Director/ Independent Director/ Government Nominee
Shri Manoj Muttathil Ayyappan	Non-Executive Director/ Independent Director/ Government Nominee
Shri Anindya Sunder Paul	Non-Executive Director/ Independent Director/ Shareholder (SBI Nominee) Director
Shri Krishna Singh Nagnyal	Non-Executive Director/ Independent Director/ Shareholder (LIC Nominee) Director
Shri Manikumar S	Non-Executive Director/ Independent Director/ Shareholder (NABARD Nominee) Director
Smt. Nupur Garg	Non-Executive Director/ Independent Director
Shri Amit Tandon	Non-Executive Director/ Independent Director
Shri Jitender Kalra	Non-Executive Director/ Independent Director

### **Key Management Personnel**

Shri Ajit Nath Jha	Chief Financial Officer
Shri Sanjay Jain	Chief Risk Officer
Shri Yalangi Venugopal Rao	Chief Compliance Officer
Shri Rajendra Agrawal	Head, Audit Vertical
Shri Pankaj Kumar Sahu	Company Secretary & Compliance Officer

**Head Office:** SIDBI Tower, 15 - Ashok Marg, Lucknow-226001.

**LEI:** 3358003NTGA2D7D31E14; **CIN:** NA.

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

**Corporate Website:** [www.sidbi.in](http://www.sidbi.in); **Email:** [compliance\\_officer@sidbi.in](mailto:compliance_officer@sidbi.in), [erdav@sidbi.in](mailto:erdav@sidbi.in)

**Depository:** National Securities Depository Limited

**Statutory Auditors:**

M/s J. Kala & Associates (FRN: 118769W)

Address: 504, Rainbow Chambers, S. V. Road, Near MTNL Exchange, Kandivali (W), Mumbai, Maharashtra – 400067

**Secretarial Auditor:**

M/s Deep Shukla & Associates (FCS: 5652)

Address: A-603, Maruti Bhuvan, Parsi Panchayat Road, Opp. Sona Udyog Industrial Estate, Andheri East, Mumbai – 400069

**Bankers:**

Reserve Bank of India | State Bank of India | Punjab National Bank | Union Bank of India | Central Bank of India | IDBI Bank Ltd | Canara Bank Ltd | Indian Overseas Bank | Bank of Baroda | Karnataka Bank | South Indian Bank | Bank of India | UCO Bank | Exim Bank | Punjab & Sind Bank

**Registrar & Transfer Agents:**

Link Intime India Private Limited

Address: C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai - 400083; Tel: 022-49186000; Fax: 022-49186060, Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**Debenture Trustee:**

SBICAP Trustee Company Limited. (ITSL) Mistry Bhavan, 4th Floor, 122 Dinshaw Vachha Road Churchgate Mumbai - 400 020 Contact: Mr. Ardhendu Mukhopadhyay T: (91) (22) 4325555 Email: <a href="mailto:corporate@sbicaptrustee.com">corporate@sbicaptrustee.com</a> Website: <a href="http://www.sbicaptrustee.com">www.sbicaptrustee.com</a>	IDBI Trusteeship Services Ltd. (ITSL) Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001 Contact: Mr. Ritobrata Mitra Direct: +91 22 4080 7023 Mobile: +91 98922 58709 Fax: +91 022 6631 1776 Email: <a href="mailto:iitl@idbitrustee.com">iitl@idbitrustee.com</a> ; <a href="mailto:response@idbitrustee.com">response@idbitrustee.com</a> Website: <a href="http://www.idbitrustee.com">www.idbitrustee.com</a>
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## **SIDBI Group Structure as on March 31, 2024**

### **A. Wholly Owned Subsidiary**

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

### **B. 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)

However, as required to be disclosed/ in compliance with SEBI LODR Regulations, 2015, organisations where SIDBI is having shareholding of 10% or more, except above 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)
- Andhra Pradesh State Financial Corporation (14.02% Shareholding)
- Assam Financial Corporation (13.71% Shareholding)
- Odisha Financial Corporation (15.33% Shareholding)
- Rajasthan Financial Corporation (19.90% Shareholding)
- North Eastern Development Finance Corporation Limited. (10% Shareholding)
- HARDICON Ltd. (12.5% Shareholding)
- Himachal Consultancy Organisation Ltd. (14.78% Shareholding)
- Rajasthan Consultancy Organisation Ltd (12% Shareholding)
- NITCON Ltd. (14.26% Shareholding)
- Gujarat Industrial and Technical Consultancy Organisation Ltd (12.5% Shareholding)
- JKITCO Limited (11.65% Shareholding)

- C. SIDBI Swavalamban Foundation - Section 8 Company, Limited by Guarantee**
- D. Credit Guarantee Fund Trust for Micro and Small Enterprises (Trust jointly set up by Ministry of MSME and SIDBI)**

### **Statement of the Chairman and Managing Director**

The Indian economy witnessed growth amidst an ongoing global slowdown. With robust numbers, it consolidated its position as the fastest growing major economy. While global growth is projected to have slowed down to 2.4% in 2024 from 2.6% in 2023, India's economy is estimated to have grown by 8.2% in the financial year ended March 2024, sharply higher than 7.0% expansion recorded in the previous fiscal year of FY2023.

The economy demonstrated resilience and warded off global economic shocks owing to the pivotal role played by the Micro, Small and Medium Enterprises (MSME) sector in driving economic growth, fostering innovation and promoting inclusive development. This resilience was led by strong fundamentals including contained inflation, twin-balance sheet advantage (improving balance sheets of banks and corporates), on-track fiscal consolidation, a budget-driven capital expenditure, structural reforms for the ease of doing business and the advancement of digital infrastructure. The MSME sector remains poised to assume an even larger role in India's journey towards becoming a USD 5 trillion economy, driven by strong credit support.

Technology has emerged as an effective conduit for facilitating delivery of services to the public, ease of doing business and in the transformation of the financial landscape. Several key steps have been undertaken to revolutionise the financing paradigms for MSMEs, including Udyam Assist Platform for Informal Micro Enterprises (IMEs), Account Aggregator (AA), rapid penetration of UPI/ QR codes, ONDC, and GST Sahay using OCEN protocol and other such digital credit underwriting tools.

The straight through processing of loans based on FIT (Finance, Income and Trade) Rank scoring through triangulation of GST, Income Tax Returns and bank statements is facilitating faster digital journeys and standardised financial solutions for MSMEs. GST Sahay was tested under the Third Cohort of RBI's Regulatory Sandbox (RS) for MSME Lending wherein the concept of cashflow based lending using GSTN, AA and OCEN was successfully established. However, given the multitude of challenges faced by the MSE sub-sector, adopting a 'phygital' approach is essential, particularly for the informal/ nano enterprises requiring effective handholding and advisory.

Considering the rapid development in financial services led by technology, SIDBI works intensively towards driving the MSME agenda forward. Through continuous engagement with the government, SIDBI addresses the needs of MSMEs and encourages its support for their continued success and resilience. With this, its key objective remains to create an enabling and supportive system for Indian MSMEs and empowering them to be globally competitive.

The Bank continues to position itself as a leader in providing tech-driven financial solutions to the MSME sector. To illustrate, SIDBI's Prayaas scheme which provides assistance of ₹50,000 - ₹5,00,000 to Informal Micro Enterprises (IMEs) through a phygital journey, has so far facilitated over 2 lakh IMEs with cumulative credit of ₹2,500 crore. Over 85% of these were women beneficiaries.

In another such example, SIDBI's Udyam Assist Platform, launched in association with the Ministry of MSME, has crossed 1.60 crore registrations in a short span of over a year ended March 2024. This is a noteworthy accomplishment with the platform aiming to usher IMEs into the formalised lending system and incentivise lenders by issuing the Udyam Certificate. As Udyam Assist Platform becomes India's largest and most inclusive repository given the continued collaboration of stakeholders, ranging from banks, tech players and regulators, this will further strengthen the MSME sector and make it equipped to transform the existing challenges into opportunities.

SIDBI continues to strengthen its risk mitigation and monitoring frameworks by leveraging the latest technological tools. Simultaneously, it has also stepped up its interventions in the area of Green finance for MSMEs, aligning with the government's sustainable and green initiatives. The interventions and schemes designed by SIDBI are aligned with the government's multi-pronged approach towards sustainability and climate change, including incentivising the use of energy efficient machinery, solar power, electric vehicles and biogas.

### **Financial Performance**

SIDBI continued its positive growth trajectory and strategic progress in FY2024:

- The Bank's Asset Base stood at ₹5,22,521 crore at the end of FY 2023-24, a year-on-year (YoY) growth of 30%.
- Loans and Advances stood at ₹4,56,015 crore, growing by 28% YoY.
- The Bank registered a Net Profit of ₹4,026 crore, registering 20% YoY growth.
- Earnings Per Share (EPS) stood at ₹70.82.
- Gross and Net Non-Performing Assets (NPA) stood at 0.02% and 0.00%, respectively.

### **Business Performance**

Under the Direct Finance portfolio, SIDBI leveraged on its end-to-end digitisation of direct credit operations. Added to this, with expansion of bank network to 96 branches, and scaling up of other direct credit initiatives such as the Co-lending with NBFCs, Prayaas scheme, and discounting on TReDS platform, among others, SIDBI registered 46% YoY growth in direct finance outstanding, which stood at ₹26,826 crore as at March 31, 2024. Growth in direct lending was driven by digital and paperless credit dispensation platform, utilisation of various tools and intelligence reports, scaling up of existing products and expanding our basket of financial intermediaries.

Institutional Finance accounted for 94% of total Loans and Advances with significant growth of 65% under Refinance to NBFCs and 79% in Refinance to MFIs. Credit Outstanding under Institutional Finance stood at ₹4,27,078 crore at the end of FY 2023-24. During the year, SIDBI also commenced providing financing to Electric Vehicle (EV) financiers, launched newer products catering to small/ lower-rated NBFCs, besides adopting various credit plus initiatives such as NBFC growth accelerator programme and sector studies on MFIs. With these interventions, SIDBI

expanded its outreach to the MSME sector and facilitated further flow of credit at competitive rates.

As mentioned earlier, furthering India's commitment to mitigate the effects of climate change, SIDBI has amplified its interventions for green financing of MSMEs. This includes a host of initiatives such as End-to-End Energy Efficiency (4E) financing and Project GRiT (encompassing initiatives on promoting energy efficiency in the MSME cluster and Rural Mobility, Nurture to Nature and Mission Solar). With these calibrated interventions, SIDBI's green financing portfolio expanded by a remarkable 4.5 times in the year under review.

SIDBI has also aligned itself well with Government of India for nurturing India's startup ecosystem. It has set up a "Fund of Funds for Startups", with ₹10,000 crore having been fully committed to 138 Alternative Investment Funds (AIFs). With this, it continued to emphasise its vital role as a gamechanger for India's early-stage startup funding ecosystem. SIDBI has also co-developed the Startup India Investor Connect Portal under the Startup India Initiative. Today, it serves as an intermediary platform linking startups and investors to facilitate entrepreneurs from diverse industries, functions, stages, regions and mobilise adequate capital.

SIDBI also organised frequent Startup Outreach Programs in Tier 2&3 cities, with Venture Capital thought leaders providing them with guidance and mentorship to create sustainable businesses. Further, recognising the temporary liquidity constraints faced by startups between two rounds of AIF funding, SIDBI introduced a special scheme to extend Venture Debt to startups. This debt will be offered to Venture Capital, AIF-supported MSMEs and startups not eligible for conventional debt support. SIDBI also unveiled initiatives to collaborate with India's leading incubation centres and provide suitable seed capital for investing in viable and scalable startup incubatees in these centres.

### **Programmes for Development and Impact**

Mission Swavalamban, which promotes entrepreneurship promotion and development, has been a key priority area for the Bank. In FY 2023-24, SIDBI launched several new programmes targeting various MSME segments, especially those centred around micro entrepreneurs. In FY 2023-24, the Swavalamban Connect Kendra (SCK), which was launched in 2019 as a pilot intervention, was expanded to 67 districts in Bihar, Jharkhand and Nagaland.

During the year, SIDBI also strengthened the entrepreneurship education programme, 'Skill to Enterprise Model' (STEM). This is a blended program for the youth with components of experiential and 'Learning by Doing', followed by intensive handholding and mentoring to set up their ventures and enterprises. In FY 2023-24, SIDBI signed an MoU with 10 institutes and universities, including 3 IIMs, for organising and executing these outreach programmes.

### **Thought Leader and Facilitator Role**

SIDBI continues its journey of developing and implementing projects to strengthen the MSME ecosystem in India. The publications in association with credit information bureaus, such as *MSME Pulse*, *Microfinance Pulse*, *Fintech Pulse*, and

*SPeX*, among others, are designed at providing key data insights to policymakers and stakeholders. In FY 2023-24, the Bank scaled up several digital and non-digital interventions for MSMEs, some of which are as below:

- **Udyam Assist Platform:** Aimed at ushering IMEs into the fold of formalisation by issuing an Udyam Certificate. Over 1.6 crore IMEs were registered on this platform, as on March 31, 2024.
- **GST Sahay:** This is an 'on tap' invoice-based financing service for MSMEs developed in association with Online PSB Loans Ltd. (OPL) and Indian Software Products Industry Round Table (iSPIRT). Developed using the OCEN and AA framework, the App provides collateral-free lending based on cash flow assessment by way of a paperless journey from origination to repayment. The specifications of the app have been shared with various public and private sector banks and NBFCs for developing their white labelled solutions.
- **Jocata Sumpoorn Index:** SIDBI, along with Jocata, has developed the Sumpoorn Index (from GST sales data) of consenting MSMEs seeking credit from financial institutions. The Index provides high quality, data-backed insights and perspectives on the MSME sector. This is aimed at facilitating policymakers, researchers, as well as business and risk heads in directing timely credit efforts for MSMEs.

In addition to the above initiatives, SIDBI has also developed a flourishing ecosystem for the MSME sector that attempts to meet the emerging requirements of MSMEs. The revamped and fully digital Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) is one such significant player that is facilitating the sector's growth over the years.

In FY 2023-24, CGTMSE touched a significant milestone by crossing ₹2 lakh crore of guarantee amount, which recorded 94% increase YoY. A cumulative guarantee for 87.96 lakh units with a guarantee amount of ₹6.29 lakh crore has been approved till March 31<sup>st</sup>, 2024, contributing to employment generation for around 230 lakh individuals. This has been achieved on account of SIDBI's strategic initiatives taken along with the Ministry of MSME and CGTMSE to facilitate collateral-free lending to MSMEs. It also provides other benefits such as reduction in guarantee fee, raising the eligibility limit of loans for guarantee, relaxing the pre-condition for claim settlement, end-to-end digitisation of operations, among others.

## Way Forward

SIDBI will continue nurturing the MSME sector to help it achieve its full potential and to support its journey of creating value for the nation. The Union Budget 2024-25 provides impetus to the MSME sector and a fillip to its growth by supporting MSMEs through innovative measures including a new credit assessment model, providing credit support to small businesses during tough times, increase of MUDRA loans limit and an expanded scope for mandatory TReDS onboarding. SIDBI will continue to focus on MSMEs enterprises through various key initiatives, such as:



1. Opening 24 new branches for extending its direct outreach, covering additional 41 clusters. With this, the Bank's service coverage will expand to 168 of 242 major clusters.
2. Onboarding new NBFCs/ MFIs/ Cluster Level Federations (CLFs) under the Prayaas Scheme to support IMEs.
3. Refinancing Banks and NBFCs and enlarging its customer base through new partners and products.
4. Expanding the existing customer base by partnering with financial intermediaries engaged in lending to unserved and under-served MSME beneficiaries in distant geographies by offering services such as co-lending, credit delivery arrangement, and so on.

SIDBI will continue to focus on leveraging technology and risk management practices to effectively reach out to MSMEs, and work on the above theme-based initiatives, apart from undertaking other strategic interventions for the MSME sector.

## MSME Outlook

As one of the fastest growing major economies in the world with significant headroom for growth, India clocked a robust 8.2% economic growth in FY2024, as per the provisional estimates of the National Statistical Office (NSO). The Indian economy contended with uncertainties in the external environment with policy interventions focused on supporting sustainable livelihoods and fostering a more inclusive and dynamic global economy. Growth in the excess of 7% has been the trend for the past three years.

MSMEs contribute nearly one-third to India's GDP, and is termed as one of the key sectors contributing to the nation's consistent growth, and one of the key pillars of the government's Make in India mission. The government's continued thrust on formalisation is furthering the formal credit penetration in the sector.

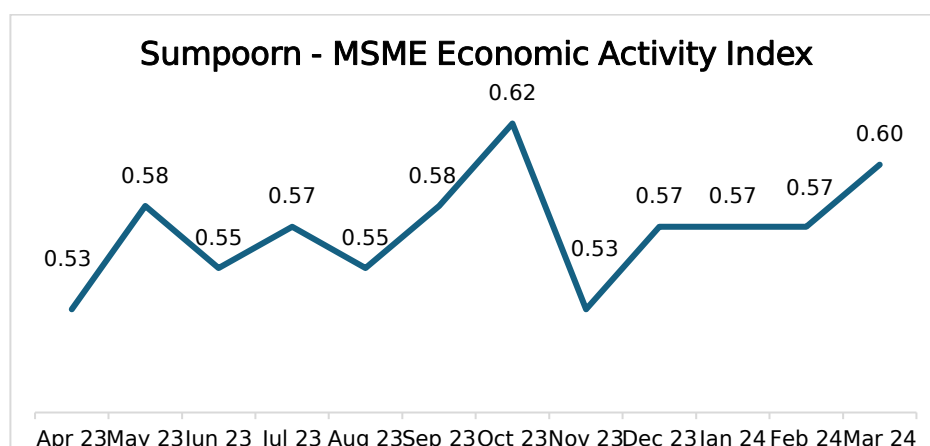
Being by far the largest providers of employment following agriculture, the MSME sector contributes significantly to the economy and is a backbone of the national economic structure, imparting resilience to ward off global uncertainties. The sector also acts as a catalyst for the development of prominent industries, export promotion, and alleviation of economic imbalances through development of rural and semi-urban areas.

In FY2022, the MSME sector bounced back from the clutches of COVID-19 pandemic. Following a steep decline from 30.5% in FY2020 to 27.3% in FY2021, the sector's contribution to India's GDP improved to 29.6% in FY2022, and increased further to 30.1% in FY2023, as per the official estimates of the Government of India. In FY2024, the growth momentum continued for MSMEs, fuelled by various initiatives and measures undertaken by the government.

A closer look at the sector unveils the vital trends shaping the MSME segment:

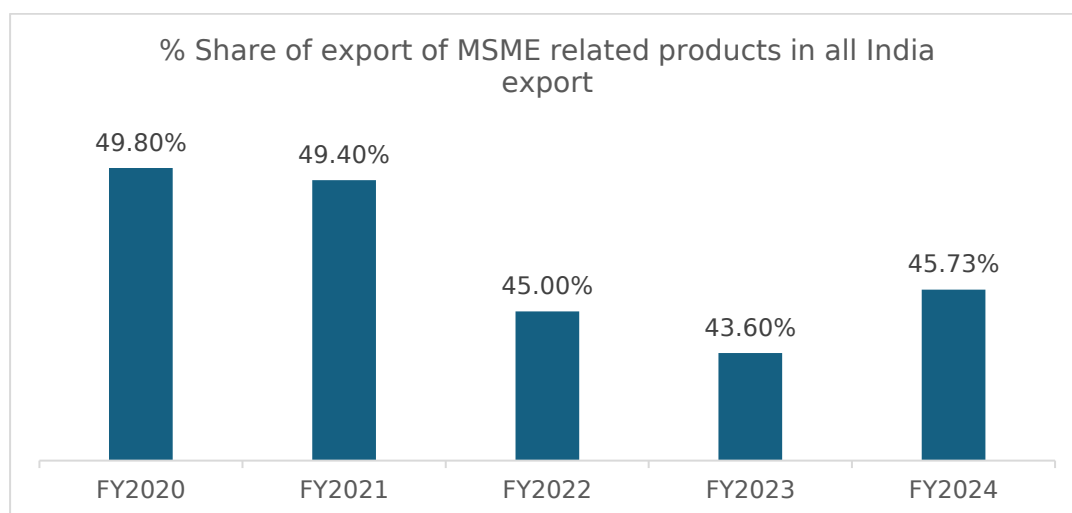
- **Strong growth despite global headwinds**

Despite weaker overseas demand, sales of MSMEs continued to expand in FY2024, as per the Sumpoorn Index, an MSME Economic Activity Index published by Jocata in association with SIDBI. The index ranged between 0.53 and 0.62, indicating that MSMEs expanded their turnover, despite softening output prices.



*Note: Index reading above 0.5 indicates an expansion in sales of MSMEs*

Even as global headwinds affected India's overall exports in FY2024, the MSME sector outperformed, with its share in total exports increasing to 45.73% in the year under review, up from 43.60% in FY2023. Moving further, MSME-related exports constituted 45.79% of India's total exports in the first two months of FY2025.



- **Increased demand for formal sector funding**

In FY2024, the MSME sector aggressively tapped formal sources of funds to support its business growth momentum. Outstanding credit availed by MSMEs from Scheduled Commercial Banks (SCBs) under priority sector lending increased by 24.1% at ₹28.04 lakh crore. Net disbursements to MSMEs were recorded at ₹4.65 lakh crore, higher than ₹2.49 lakh crore in FY2023, indicating sustained demand growth for bank credit by MSMEs.

Microfinance lending displayed 18.4% growth in FY2024, with NBFC-MFIs contributing to 41% of the portfolio, followed by Scheduled Commercial Banks (SCBs) with 31% share.

SMEs registered a record 196 equity issuances (IPOs) in the primary capital market during FY2024, mobilising a total of ₹6,095 crore, which was 2.6 times the funds mobilised in FY2023.

- **Reduced delinquency**

The quality of MSME credit portfolio of SCBs improved in FY2024 with the Gross Non-Performing Assets (GNPA) ratio improving to 4.5% in March 2024, in comparison with 6.8% in March 2023 and 9.3% in March 2022, reflecting an underlying improvement in profit performance. The Microfinance portfolio of MFIs and NBFCs also witnessed an improvement in its delinquency ratio.

- **Rapid formalisation and digitalisation**

The government has undertaken several formalisation and digitalisation initiatives to boost business potential and improve the competitiveness of MSMEs. This includes the launch of programmes such as Udyam Assist Platform, MSME Champions Portal, Government e-Marketplace (GeM), Trade Receivables Discounting System (TReDS), among others.

The drive to identify unrecognised MSMEs and usher them under the ambit of the formal lending system gained further momentum in FY2024. Registrations under Udyam Portal increased significantly to 4.2 crore powered by the Udyam Assist Platform for registration of Informal Micro Enterprises (IMEs). It may be noted that these MSMEs employ over 18.5 crore individuals. Over 2 lakh of these MSMEs are engaged in exports and garner export revenue of more than USD 180 billion annually.

Furthermore, discounting of invoices on the digital platform TReDS doubled at ₹1.4 lakh crore in FY2024 from ₹0.76 lakh crore in FY2023. Trading activity on ONDC jumped during the year, with the digital marketing platform now hosting 3.8 lakh sellers and 81 network partners, and handling nearly 5 crore orders till date.

## **The Challenges**

While the short-term growth prospects of Indian MSMEs look promising, the sector struggles to sustain the growth momentum. MSMEs are more vulnerable to economic turbulence than their larger counterparts.

A large number of IMEs have been brought into the fold of formalisation, by registering them on the Udyam Assist Platform. Yet, a large percentage of the 6.3 crore MSMEs (as per the 73<sup>rd</sup> round of NSSO survey of 2015-16) continue to remain outside the policy net, with many enterprises lacking access to affordable capital. Lack of formal credit penetration has resulted in MSMEs facing a credit gap of around ₹25 lakh crore, as per the estimates of the report of “Expert Committee on Micro, Small and Medium Enterprises” led by Shri U.K. Sinha on MSMEs and the International Finance Corporation (IFC). Apart from capital flow restraints, the growth of MSMEs continues to be stifled by limited market reach and competition, inadequate infrastructure, skilled labour shortages, lack of innovation and technological upgradation, rapid climate change risks and transition to net zero emissions.

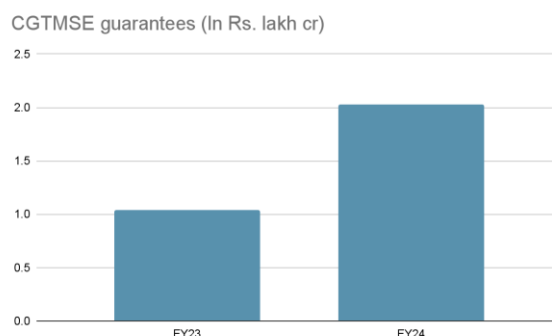
## **Risk Mitigation Strategies**

Key initiatives of the government such as Skill India, Make in India and Digital India have helped foster the progress of the MSME sector by facilitating labour upskilling, and building state-of-the-art technologies that enables the ease of doing business. Apart from labour and digital capital, the government continues to work towards improving the availability of timely and adequate credit to MSMEs.

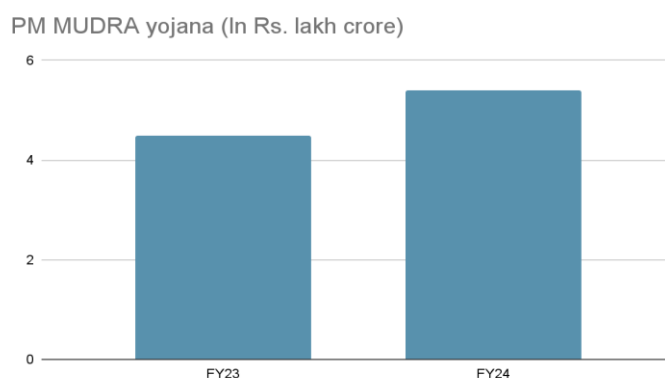
Major MSME financing initiatives and credit guarantee schemes such as Credit Guarantee Scheme (CGS) for MSEs managed by CGTMSE, Credit Guarantee Fund

for Micro Units (CGFMU) managed by NCGTC, PM Mudra Yojana managed by MUDRA, Open Credit Enablement Network (OCEN) are delivering excellent results.

In FY2024, CGTMSE achieved a new milestone with its guarantees reaching ₹2.03 lakh crore. This symbolises a strong 94% growth over ₹1.04 lakh crore guarantees achieved in FY2023.



Simultaneously, loans sanctioned under the PM MUDRA Yojana increased by 18.5% during the year at ₹5.4 lakh crore, up from ₹4.6 lakh crore in the earlier financial year.



Financial technology or Fintech has turned out to be revolutionary in resolving financing issues and leading the paradigm shift in digitising MSMEs. India Stack, the digital infrastructure launched to further the concept of a more digital and cashless economy has widened the access of financial services to citizens and MSMEs. Today, Fintechs provide ingenious solutions that help small businesses become more competitive, streamline their operations, and obtain affordable and effective financial services. Fintech solutions have the ability to help MSMEs move past roadblocks and capitalise on novel opportunities for business expansion.

Along with solving the financing issues for MSMEs, another solution is to shorten their trade receivable days, thereby reducing the external fund requirement for working capital. To ensure that corporates make timely payment to MSME vendors, in April 2024, the government modified the existing rule that mandates corporates to settle MSMEs' payments within 45 days. As per the new rule of the government, if a buyer fails to settle an invoice raised by an MSME within the stipulated time window, it will be disallowed to deduct that expense from its taxable income, resulting in an increase in its tax liability. Further, there is also an increasing

awareness of the four TReDS platforms operating in India, Receivables Exchange of India Ltd (RXIL), Invoicemart, M1 Exchange and C2FO. With this, MSMEs are beginning to utilise these platforms more aggressively for financing/discounting their trade receivables.

In December 2023, in order to help MSMEs embrace green technology and AI, three schemes were launched by the government - MSME GIFT scheme, MSE SPICE and MSME SCIP. Besides, initiatives under the umbrella MSME Champions scheme such as MSME Sustainable (ZED), MSME Innovative (for Incubation, IPR, Design) and MSME Competitive (LEAN) are helping modernise their processes, reduce wastage, sharpen business competitiveness, and increase their reach in the domestic and global markets.

Making MSMEs globally competitive is another vision of the government for the industry, and this is being done by coordinating with various think tanks, while keeping its eye on leveraging technology. In March 2024, Niti Aayog released a roadmap to boost MSME exports, reiterating the need for improved financing, while also making a case for a single information data intelligence portal for exporters. This portal shall answer the potential exporters' queries related to market such as tariffs, required paperwork, sources of finance, service providers, available incentives, and potential customers. One District One Product (ODOP) is another such transformative initiative which is expected to encourage cross-border e-commerce trade, helping the MSME sector realise its true export potential.

### **Future Outlook**

The MSME sector continues to remain poised to sustain its growth trajectory into FY2025, backed by strong domestic tailwinds. Moving ahead, MSMEs are expected to gain from the 7% growth expected in India's GDP, backed by above normal monsoon expected, mellowing inflation, and strong corporate and bank balance sheets. India's export prospects, however, remain lukewarm as the global economy continues to be sluggish. As per the World Trade Organisation (WTO), global merchandise trade is likely to grow by a meagre 2.6% in 2024. This forecast is likely to have a bearing on the performance of India's MSME sector and its merchandise exports.

Union Budget 2024-25 has given special attention to MSMEs, particularly labour-intensive manufacturing, through financing, regulatory changes and technology support. The Budget has identified MSMEs as one of the four key focus areas and has announced a series of measures aimed at boosting the MSME sector. This focus is seen as vital assistance for survival and growth of the sector.

MSMEs will continue to play a critical role in shaping the destiny of the Indian economy, given their resilience, innovation and pivotal role played by them in fostering economic growth. Synergies between government initiatives, efforts by financial institutions to deliver innovative solutions and willingness of MSMEs to adapt to the changing environment are helping them scale up significantly and quickly, holding the key for their future growth.

The sector shows significant promise and has enormous potential to advance India's economy, enabling it to reach its goal of USD 5 trillion in three years and USD 7 trillion by 2030. MSMEs are the growth engine of the nation, with the potential of creating a suitable and inclusive society, and with phenomenal influence in shaping India's future. The pivot of innovation, employment and growth makes MSMEs well-positioned to transform the economic landscape and growth potential of India.

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## Notice of AGM

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of the shareholders of Small Industries Development Bank of India (SIDBI) will be held on Wednesday, September 25, 2024 at 11:00 AM IST at Board Room, Head office of SIDBI i.e., SIDBI Tower, 15, Ashok Marg, Lucknow-226001 to transact the following business.

### ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Standalone and Consolidated Balance Sheet and Profit and Loss account of Small Industries Development Bank of India ('SIDBI') for the financial year ended March 31, 2024, together with the Reports of the Board of Directors on the working and activities of the SIDBI and Auditors Report thereon.

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

**"RESOLVED THAT** the Audited standalone and consolidated Balance Sheet of SIDBI as of 31st March 2024, Profit and Loss Account of SIDBI for the year ended 31st March 2024, the Report of the Board of Directors of SIDBI for the period covered by the Accounts and the Auditors' Report on the Balance Sheet and Accounts, be and are hereby adopted".

2. To declare final dividend on equity shares of SIDBI for the financial year (2024) ended on March 31, 2024.

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

**"RESOLVED THAT** final dividend at the rate of ₹2 per share on the equity capital of SIDBI, fully paid for the year ended March 31, 2024, be paid to those shareholders whose names appear on the register of members, as on record date."

3. To consider and authorize Board of Directors of SIDBI to appoint statutory auditors of the Bank for FY2025 and thereafter for the interim period.

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

**"RESOLVED THAT** the proposal for appointment of M/s J. Kala & Associates, Chartered Accountants, as Statutory Auditors of the Bank for FY2024-25 on such remuneration as fixed by Reserve Bank of India, be and is hereby approved".

**RESOLVED FURTHER THAT** M/s J. Kala & Associates, Chartered Accountants, who was appointed by the Board of the bank in accordance of authorization granted in previous 25<sup>th</sup> AGM of the Bank, be and hereby appointed to undertake the Limited Review of Financial Statements of the Bank for the quarter ending June 30, 2024, and subsequent quarters as well should there be further delay in receipt of list of Auditors from RBI.



**RESOLVED FURTHER THAT** Board/ Audit Committee of the Board be and are hereby authorised to approve and alter or vary the terms and conditions of appointment.”

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

“RESOLVED THAT pursuant to the proviso to Regulation 17 (1C) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further to Sections 6 (1) (a) of the Small Industries Development Bank of India Act, 1989 (including any amendments thereof, for the time being in force), approval of members be and is hereby granted to the appointment of **Shri Manoj Mittal** (DIN:01400076) who was appointed as **Chairman and Managing Director** by the Central Government vide Notification No. 17/04/2020-IF-II dated July 26, 2024, not liable to retire by rotation, for a period of 3 years with effect from July 27, 2024”.

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

“RESOLVED THAT pursuant to the proviso to Regulation 17 (1C) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further to Sections 6 (1) (b) of the Small Industries Development Bank of India Act, 1989 (including any amendments thereof, for the time being in force), approval of members be and is hereby granted to the appointment of **Shri Prakash Kumar** (DIN: 06758416) who was appointed as **Deputy Managing Director** by the Central Government vide Notification No. FT-17/6/2023-IF-II dated November 06, 2023, not liable to retire by rotation, for a period of 3 years with effect from November 07, 2023”.

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

“RESOLVED THAT pursuant to the proviso to Regulation 17 (1C) & 25(2A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further to Sections 6 (1) (c ) of the Small Industries Development Bank of India Act, 1989 (including any amendments thereof, for the time being in force), approval of members be and is hereby granted to the appointment of **Shri Manoj Muttathil Ayyappan** (DIN:10733238) who was nominated as Director by the Central Government vide Notification No. FT-1/12/2022 – IF-II dated August 06, 2024, not liable to retire by rotation, with effect from August 06, 2024”.

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

“RESOLVED THAT pursuant to the proviso to Regulation 17 (1C) & 25(2A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further to Sections 6 (1) (d) of the Small Industries Development Bank of India Act, 1989 (including any amendments thereof, for the time being in force), approval of members be and is hereby granted to the appointment of **Shri Anindya Sunder Paul** (DIN:10272439) who was nominated as Director by the State Bank of India, not liable to retire by rotation, with effect from August 03, 2023”.

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

“RESOLVED THAT pursuant to the proviso to Regulation 17 (1C) & 25(2A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further to Sections 6 (1) (d) of the Small Industries Development Bank of India Act, 1989 (including any amendments thereof, for the time being in force), approval of members be and is hereby granted to the appointment of **Shri Manikumar S** (DIN: 08956660) who was nominated as Director by the National Bank for Agriculture and Rural Development, not liable to retire by rotation, with effect from January 01, 2024”.

9. Continuation of Ms Nupur Garg as an Independent (Co-Opted) Director:

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

“RESOLVED THAT pursuant to the Regulation 17 (1D) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, continuation of the director serving on the board of directors of a listed entity as on March 31, 2024, without the approval of the shareholders for the last five years or more shall be subject to the approval of shareholders in the first general meeting to be held after March 31, 2024. Board of Directors of SIDBI had co-opted Ms Nupur Garg, as Independent Director since 04/02/2019, in terms of the proviso of Sections 6 (1) (f) of the Small Industries Development Bank of India Act, 1989 (including any amendments thereof, for the time being in force). Accordingly, approval of members be and is hereby granted to the continuation of rest of the term of Ms Nupur Garg (DIN: 03414074) as an Independent (Co-Opted) director”.

10. Appointment of Shri Jitender Kalra as an Independent Director

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

“RESOLVED THAT pursuant to the Regulation 17 (1C) & 25(2A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further to the proviso of Sections 6 (1) (f) of the Small Industries Development Bank of India Act, 1989 (including any amendments thereof, for the time being in force), approval of members be and is hereby granted to the appointment of Shri Jitender Kalra (DIN:08722638) who was appointed as an Independent (Co-Opted) director by the Nomination and Remuneration Committee, and the Board of the Bank, not liable to retire by rotation, for a period of three years with effect from February 13, 2024”.

Head Office

SIDBI Tower, 15, Ashok Marg,  
Lucknow-226001

Date: September 02, 2024

Place: Lucknow

By order of the Board of Directors

For Small Industries Development Bank  
of India

Sd/-  
(Prakash Kumar)  
Deputy Managing Director

## NOTES:

1. An explanatory statement relating to item no. 3 as ordinary business to be transacted at 26<sup>th</sup> AGM is annexed hereto.
2. In terms of Regulation no. 61 (2) of SIDBI General Regulations, 2000, Shareholder of SIDBI entitled to attend and vote at a general meeting shall be entitled to appoint another person (whether a shareholder or not) as his proxy to attend and vote instead of himself/ herself; but a proxy so appointed shall not have any right to speak at the meeting.
3. In terms of Regulation no. 62 (2) of SIDBI General Regulations, 2000, No person shall attend or vote at 26<sup>th</sup> AGM of SIDBI as the duly authorised representative of a body corporate other than 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 unless a copy of the resolution appointing him/ her as a duly authorised representative certified to be a true copy by the chairman of the meeting at which it was passed shall have been deposited at the head office of SIDBI not less than four clear days before the date fixed for the meeting.
4. In terms of Regulation no. 63 (3) of SIDBI General Regulations, 2000, No instrument of proxy shall be valid unless it is duly authorised in Form B as annexed to the notice of 26<sup>th</sup> AGM.
5. In terms of Regulation no. 59 (1) of SIDBI General Regulations, 2000, a resolution put to the vote of the meeting shall, unless a poll is demanded, be decided on a show of hands. Further, Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the chairman of the meeting of his own motion, and shall be ordered to be taken by him on a demand made in that behalf by any shareholder or shareholders present in person or by proxy and holding shares in SIDBI which confer a power to vote on the resolution not being less than one-fifth of the total voting power in respect of the resolution.
6. Shareholders can submit questions with regard to the business to be transacted at the 26<sup>th</sup> AGM from their registered email address, mentioning their name, DP ID and Client ID number/ folio number and mobile number, to SIDBI's email id at [compliance\\_officer@sidbi.in](mailto:compliance_officer@sidbi.in) or [boarddiv\\_lho@sidbi.in](mailto:boarddiv_lho@sidbi.in) in advance on or before two working days from the date of AGM.

## **ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL-ID FOR OBTAINING COPY OF ANNUAL REPORT:**

7. The Audited standalone and consolidated Balance Sheet of SIDBI as at 31<sup>st</sup> March 2024, Profit and Loss Account of SIDBI for the year ended 31st March 2024, the Report of the Board of Directors on the working and activities of SIDBI for the period covered by the Accounts and the Auditors' Report on the Balance Sheet and Accounts including the Notice of 26<sup>th</sup> AGM ('Annual Report') are displayed in the website of the SIDBI [www.sidbi.in](http://www.sidbi.in). Soft copy of Annual report is sent through email to those shareholders whose e-mail address is registered with SIDBI or the Depository Participants and physical copies of the Annual Report is being sent to other shareholders who specifically request for the same. The copy of the annual report is also sent to the Debenture Trustee and submitted to NSE on the same day it was sent to the shareholders of SIDBI.
8. Members holding shares in dematerialised mode are requested to register/ update their email addresses with the relevant Depository Participants. In case of any queries/ difficulties in registering the e-mail address, members may write to at email id [compliance\\_officer@sidbi.in](mailto:compliance_officer@sidbi.in) or [boarddiv\\_lho@sidbi.in](mailto:boarddiv_lho@sidbi.in).

## **PROCEDURE TO RAISE QUESTIONS/ SEEK CLARIFICATIONS:**

9. Members are encouraged to express their views/ send their queries in advance for smooth conduct of meeting mentioning their name, email id, mobile number at [compliance\\_officer@sidbi.in](mailto:compliance_officer@sidbi.in) or [boarddiv\\_lho@sidbi.in](mailto:boarddiv_lho@sidbi.in). Questions/ queries received by SIDBI on or before two working days before the date of AGM shall only be considered and responded during the AGM.
10. Members who would like to express their views or ask questions during the AGM may raise their hand, however SIDBI reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

## **GENERAL INFORMATION:**

1. The voting rights shall be as per the number of equity shares held by shareholder(s) as on the date of 26th AGM being the cut-off date.
2. The Board of Directors has recommended Dividend of ₹2 per Equity Share for the Financial Year ended March 31, 2024, subject to approval of shareholders at the AGM.
3. If Dividend on Equity Shares, as recommended by the Board is approved at the AGM, it will be paid within thirty days from the date of declaration to all Beneficial Owners/ Members in respect of shares held and whose names are on SIDBI's Register of Members.
4. The date of Annual General Meeting of SIDBI shall be considered as the record date for the purpose of identifying shareholders entitled for dividend, for the financial year ended March 31, 2024.
5. As per the Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020, at applicable rates and as such SIDBI is not required to pay any Dividend Distribution Tax.
6. Members holding shares in electronic form are hereby informed that bank particulars registered against the respective depository accounts will be used by SIDBI for payment of dividend. SIDBI cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
7. Shareholders are requested to contact Board Division, (Tel. No. 022-67221561/ 67531247, Mobile No. 9821243327, 8142569992, 9968018849 Email: [boarddiv\\_lho@sidbi.in](mailto:boarddiv_lho@sidbi.in) or [compliance\\_officer@sidbi.in](mailto:compliance_officer@sidbi.in)) with regard to any matter related to equity shares of SIDBI.

## **EXPLANATORY STATEMENT PERTAINING TO ITEM NO. 3.**

RBI guidelines pertaining to appointment of statutory auditor of the Bank is applicable to SIDBI. SIDBI has to appoint/ reappoint a statutory auditor subject to the approval of the RBI from the list prescribed by the RBI.

M/S J Kala and Associates, Chartered Accountants were appointed as the Statutory Auditors of SIDBI for FY 2023-24 from the panel of auditors forwarded by RBI vide its letter DOS. ARG. No. S 4842 / 08:03:008/2023-24 dated September 18, 2023. SIDBI vide letter dated May 24, 2024, requested Reserve Bank of India (RBI) to grant approval for appointment of M/S J Kala and Associates, Chartered Accountants as the Statutory Auditors of the Bank for FY 2024-25 in the Bank's AGM in accordance with the provisions of the SIDBI Act.

As the approval from RBI was taking time, the shareholders are requested to approve continuation of M/S J Kala and Associates, Chartered Accountants as the Statutory Auditors for FY 2024-25 till the approval including terms of appointment / remuneration is received from RBI.

Further, M/S J Kala and Associates, Chartered Accountants, as Statutory Auditors of the Bank may undertake Limited Review of Financial Statements of the Bank for the quarter ended June 30, 2025 subject to approval from RBI in this regard in due course. It may be noted that the limited review of financial results of the Bank for QE June 30, 2024, was done by M/S J Kala and Associates.

Your Board of Directors, therefore, recommends the passing of the ordinary resolution as set out in Item no. 3 of the accompanying Notice.

None of the Directors / Key Managerial Personnel of SIDBI or their relatives are, in any way, concerned or interested, in the resolution.

#### **ANNEXURE TO THE NOTICE:**

##### **EXPLANATORY STATEMENT PERTAINING TO ITEM NO. 6.**

Pursuant to Sections 6 (1) (c) of the Small Industries Development Bank of India Act, 1989 **Shri Manoj Muttathil Ayyappan** has been nominated as a Non Executive Director by the Central Government vide Notification No. FT-1/12/2022 – IF-II dated August 06, 2024.

A brief resume in respect of Shri Manoj Muttathil Ayyappan including the disclosures as required under the provisions of Listing Regulations, other requisite information, as required, is set out as an Annexure to the Notice/Annual report.

In the opinion of the Board, Shri Manoj Muttathil Ayyappan possess relevant expertise and experience and is eligible to be appointed as a Non- Executive / Independent / Nominee Director. His association will be of immense benefit and interest to SIDBI.

As per Regulation 16, Explanation- In case of a ‘high value debt listed entity’: (a) which is a body corporate, mandated to constitute its board of directors in a specific manner in accordance with the law under which it is established, the non-executive directors on its board shall be treated as independent directors; Accordingly, in terms of SEBI listing Regulations SIDBI is required to obtain the approval of the members in this regard.

The Members are, therefore, requested to grant their approval by way of a Special Resolution for the appointment of Shri Manoj Muttathil Ayyappan as a “Non-Executive / Independent / Nominee Director” of the Bank to hold office w.e.f. August 06, 2024, not liable to retire by rotation.

Except Shri Manoj Muttathil Ayyappan, none of the other Directors / Key Managerial Personnel of SIDBI or their relatives are, in any way, concerned or interested, in the resolution.

##### **EXPLANATORY STATEMENT PERTAINING TO ITEM NO. 7.**

Pursuant to Sections 6 (1) (d) of the Small Industries Development Bank of India Act, 1989 **Shri Anindya Sunder Paul** has been nominated as a Non-Executive Director by State Bank of India w.e.f. August 03, 2023.

A brief resume in respect of Shri Anindya Sunder Paul including the disclosures as required under the provisions of Listing Regulations, other requisite information, as required, is set out as an Annexure to the Notice/Annual report.

In the opinion of the Board, Shri Anindya Sunder Paul possess relevant expertise and experience and is eligible to be appointed as a Non- Executive / Independent / Nominee Director. His association will be of immense benefit and interest to SIDBI.

As per Regulation 16, Explanation- In case of a 'high value debt listed entity': (a) which is a body corporate, mandated to constitute its board of directors in a specific manner in accordance with the law under which it is established, the non-executive directors on its board shall be treated as independent directors; Accordingly, in terms of SEBI listing Regulations SIDBI is required to obtain the approval of the members in this regard.

The Members are, therefore, requested to grant their approval by way of a Special Resolution for the appointment of Shri Anindya Sunder Paul as a "Non- Executive / Independent / Nominee Director" of the Bank to hold office w.e.f. August 03, 2023, not liable to retire by rotation.

Except Shri Anindya Sunder Paul, none of the other Directors / Key Managerial Personnel of SIDBI or their relatives are, in any way, concerned or interested, in the resolution.

#### **EXPLANATORY STATEMENT PERTAINING TO ITEM NO. 8.**

Pursuant to Sections 6 (1) (d) of the Small Industries Development Bank of India Act, 1989 **Shri Manikumar S** has been nominated as a Non-Executive Director by National Bank for Agriculture and Rural Development w.e.f. January 01, 2024.

A brief resume in respect of Shri Manikumar S including the disclosures as required under the provisions of Listing Regulations, other requisite information, as required, is set out as an Annexure to the Notice/Annual report.

In the opinion of the Board, Shri Manikumar S possess relevant expertise and experience and is eligible to be appointed as a Non- Executive / Independent / Nominee Director. His association will be of immense benefit and interest to SIDBI.

As per Regulation 16, Explanation- In case of a 'high value debt listed entity': (a) which is a body corporate, mandated to constitute its board of directors in a specific manner in accordance with the law under which it is established, the non-executive directors on its board shall be treated as independent directors; Accordingly, in terms of SEBI listing Regulations SIDBI is required to obtain the approval of the members in this regard.

The Members are, therefore, requested to grant their approval by way of a Special Resolution for the appointment of Shri Manikumar S as a "Non- Executive / Independent / Nominee Director" of the Bank to hold office w.e.f. January 01, 2024, not liable to retire by rotation.

Except Shri Manikumar S, none of the other Directors / Key Managerial Personnel of SIDBI or their relatives are, in any way, concerned or interested, in the resolution.



## **EXPLANATORY STATEMENT PERTAINING TO ITEM NO. 9.**

Pursuant to proviso of Sections 6 (1) (f) of the Small Industries Development Bank of India Act, 1989 **Ms Nupur Garg** has been co-opted by the Board as a Non-Executive/ Independent Director w.e.f. 04.02.2019 and reappointed w.e.f. 04.02.2023

A brief resume in respect of Ms Nupur Garg including the disclosures as required under the provisions of Listing Regulations, other requisite information, as required, is set out as an Annexure to the Notice /Annual report.

In the opinion of the Board, Ms Nupur Garg possess relevant expertise and experience and is eligible to continue as a Non- Executive / Independent Director. His association will be of immense benefit and interest to SIDBI.

As per Regulation 16, Explanation- In case of a 'high value debt listed entity': (a) which is a body corporate, mandated to constitute its board of directors in a specific manner in accordance with the law under which it is established, the non-executive directors on its board shall be treated as independent directors.

As per SEBI Regulation, (1D) With effect from April 1, 2024, the continuation of a director serving on the board of directors of a listed entity shall be subject to the approval by the shareholders in a general meeting at least once in every five years from the date of their appointment or reappointment, as the case may be.

Provided that the continuation of the director serving on the board of directors of a listed entity as on March 31, 2024, without the approval of the shareholders for the last five years or more shall be subject to the approval of shareholders in the first general meeting to be held after March 31, 2024.

Accordingly, in terms of SEBI listing Regulations SIDBI is required to obtain the approval of the members in this regard.

The Members are, therefore, requested to grant their approval by way of a Special Resolution for the continuation of Ms Nupur Garg as a "Non- Executive / Independent Director" of the Bank for the remaining period of his terms of office w.e.f. 04.02.2023, not liable to retire by rotation.

Except Ms Nupur Garg, none of the other Directors / Key Managerial Personnel of SIDBI or their relatives are, in any way, concerned or interested, in the resolution.

## **EXPLANATORY STATEMENT PERTAINING TO ITEM NO. 10.**

Pursuant to proviso of Sections 6 (1) (f) of the Small Industries Development Bank of India Act, 1989 **Shri Jitender Kalra** has been co-opted by the Board as a Non-Executive/ Independent Director based on the recommendations of the Nomination and Remuneration Committee and confirmation from the Department of Financial Services, Government of India w.e.f. 13.02.2024

A brief resume in respect of Shri Jitender Kalra including the disclosures as required under the provisions of Listing Regulations, other requisite information, as required, is set out as an Annexure to the Notice /Annual report.

In the opinion of the Board, Shri Jitender Kalra possess relevant expertise and experience and is eligible to be appointed as a Non- Executive / Independent Director. His association will be of immense benefit and interest to SIDBI.

As per Regulation 16, Explanation- In case of a 'high value debt listed entity': (a) which is a body corporate, mandated to constitute its board of directors in a specific manner in accordance with the law under which it is established, the non-executive directors on its board shall be treated as independent directors; Accordingly, in terms of SEBI listing Regulations SIDBI is required to obtain the approval of the members in this regard.

The Members are, therefore, requested to grant their approval by way of a Special Resolution for the appointment of Shri Jitender Kalra as a "Non- Executive / Independent Director" of the Bank to hold office w.e.f. February 13, 2024, not liable to retire by rotation.

Except Shri Jitender Kalra, none of the other Directors / Key Managerial Personnel of SIDBI or their relatives are, in any way, concerned or interested, in the resolution.

**Head Office**

SIDBI Tower,

15, Ashok Marg,

Lucknow-226001

Date: September 02, 2024

Place: Lucknow

**By order of the Board of Directors**

For Small Industries Development

Bank of India

Sd/-

(Deputy Managing Director)

**Details of Directors seeking appointment at the Twenty Sixth Annual General Meeting of Small Industries Development Bank of India as required as per Regulation Listing Regulations.**

**Directors appointed after March 31, 2024**

**I. Shri Manoj Mittal, Chairman and Managing Director:**

Shri Manoj Mittal is the Chairman & Managing Director (CMD) at Small Industries Development Bank of India (SIDBI). Prior to this, he served as MD & CEO of IFCI Ltd. for 3 years. During his tenure, IFCI successfully turned the corner in FY2024 with a new business strategy, reporting profit after a series of annual losses. Earlier in his career, he spent 5 years as a Deputy Managing Director at SIDBI and was actively involved in the development and implementation of SIDBI Vision 2.0. Shri Manoj Mittal has a track record of over 3 decades in propelling organizational growth and driving both impact and profitability through strategic leadership. As a career Development Banker at SIDBI, Shri Mittal had played a lead role in promoting MFI movement including restructuring of dues of banks to MFIs during the A.P. MFI Crisis in 2010 and implementation of responsible lending initiatives. He also has comprehensive experience in design, management and impact evaluation of various sustainability and developmental programs funded by multilateral agencies/ Government of India. He is a strong votary of Credit Plus approach for holistic development of MSMEs. He has wide experience of providing support to MSMEs/ Startups, financial intermediaries - Banks/ Non-Banking Finance Companies/ Micro Finance Institutions, Alternate Investment Funds etc. An engineer by training, Shri Mittal has, to his credit, a Postgraduate Diploma in Business Management and a Postgraduate Degree in Economics. He is also a Certified Associate of Indian Institute of Banking and Finance.

**II. Shri Manoj Muttathil Ayyappan**

Shri Manoj Muttathil Ayyappan, appointed as a Director on the Board of SIDBI by Govt of India on August 6, 2024. He holds a Master's degree in Business Administration (MBA) and had done B.Sc. from Mahatma Gandhi University, Kottayam, Kerala. Presently, he is posted as Joint Secretary in the Department of Financial Services (DFS), Ministry of Finance, Government of India, New Delhi. Earlier, he had worked as Business Head, MSME (SMART Business Segment) in Karur Vysya Bank. He has also worked as Business Head (MSME) with Utkarsh Small Finance Bank. He has rich experience of over 25 Years in SME lending,

Financial Analysis, Trade Finance, Risk Management, Stress Account Management and Credit Operations. Prior to Utkarsh Small Finance Bank, he worked with Axis Bank Ltd., as Circle Head - Commercial Banking. He also had stints with Accenture Management Consulting, Infosys BPO and Bank of Madura Limited.

**\* The brief resume and other details of the other directors as on March 31, 2024, appear in Annexure to the Annual Report.**

**SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA**

**FORM B**

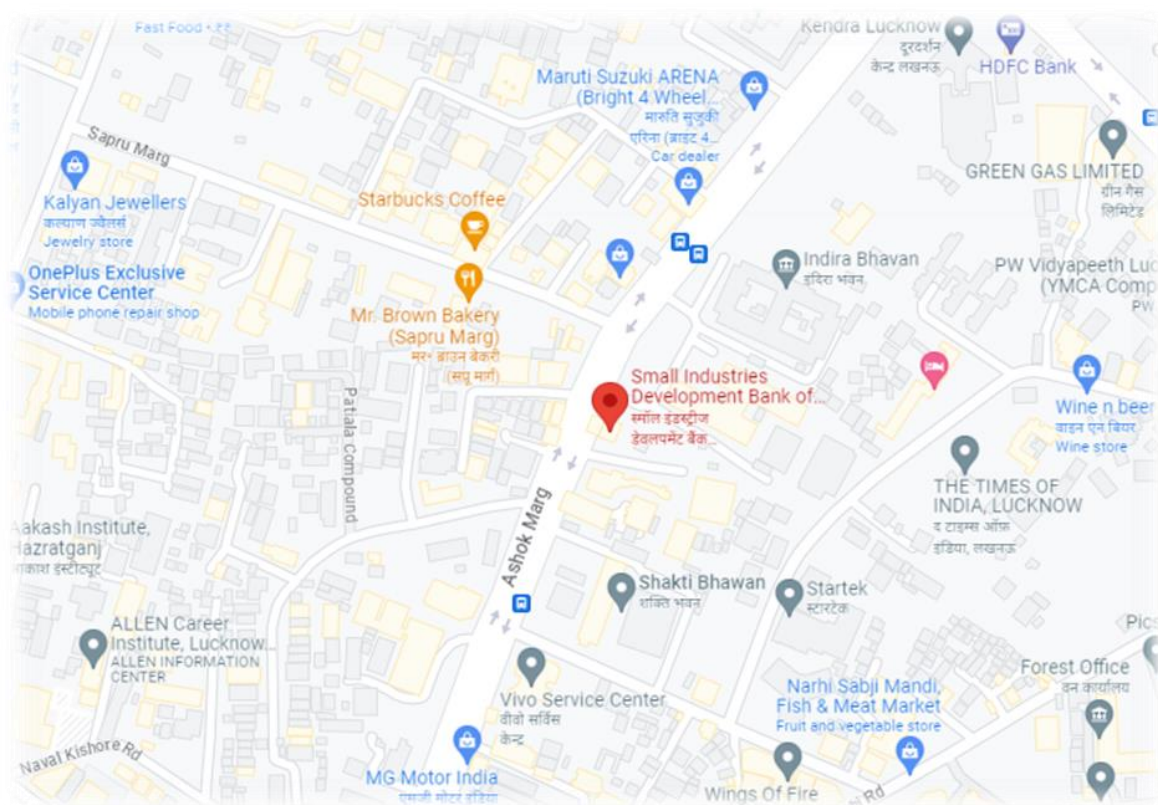
**FORM OF PROXY**

(see Schedule VI, Form B sub-Regulation (3) of Regulation 63 of SIDBI General Regulations 2000 under SIDBI Act, 1989)

I/We, resident of.....in the district of.....in the State of.....being a shareholder / shareholders of the Small Industries Bank hereby appoint Shri.....resident of.....in the district.....in the State of.....or failing him, Shri .....resident of .....in the district of.....in the State of .....as my/our proxy to vote for me/us on my/our behalf at the meeting of the shareholders of the Small Industries Development Bank of India to be held on the .....day of.....and at any adjournment thereof.

Signed by the \_\_\_\_\_ day \_\_\_\_\_

## Route Map



*Route Map of SIDBI Head office, SIDBI Tower, 15 - Ashok Marg, Lucknow, Uttar Pradesh 226001*

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## Directors' Report

For the year ended March 31, 2024

To the Members,

Your Directors are pleased to present the Directors' Report together with Audited Financial Statements for the Financial Year ended March 31, 2024.

### Financial Performance at a Glance:

(₹ in crore)

Particulars	Consolidated		Standalone	
	FY 2024	FY 2023	FY 2024	FY 2023
<b>Liabilities</b>				
Capital	568.54	568.54	568.54	568.54
Reserves, Surplus and Funds	33,578.10	28,876.87	31,147.97	27,240.70
Deposits	2,41,415.80	1,99,945.60	2,06,384.21	1,65,036.15
Borrowings	2,70,545.48	2,00,657.92	2,70,545.48	2,00,657.92
Other Liabilities and Provisions	14,478.12	9,203.25	13,874.75	8,879.42
<b>Total</b>	<b>5,60,586.04</b>	<b>4,39,252.18</b>	<b>5,22,520.96</b>	<b>4,02,382.73</b>
<b>Assets</b>				
Cash and Bank Balances	33,543.56	28,603.91	23,308.60	12,108.82
Investments	34,752.88	27,413.44	36,409.91	29,088.66
Loans & Advances	4,84,933.05	3,77,995.54	4,56,015.07	3,56,439.07
Fixed Assets	286.91	297.52	286.19	296.39
Other Assets	7,069.64	4,941.78	6,501.20	4,449.79
<b>Total</b>	<b>5,60,586.04</b>	<b>4,39,252.18</b>	<b>5,22,520.96</b>	<b>4,02,382.73</b>
Total income	34,231.78	20,001.43	31,942.09	18,484.82
Total Expenditure	27,876.73	14,852.23	26,652.06	14,087.34
Profit Before tax	6,355.05	5,149.20	5,290.04	4,397.48
Tax Expense	1,542.32	1,251.54	1,263.74	1,053.91
Profit after Tax	4,822.34	3,931.47	4,026.30	3,343.57
Basic/ Diluted Earnings Per Share	84.82	69.15	70.82	58.81

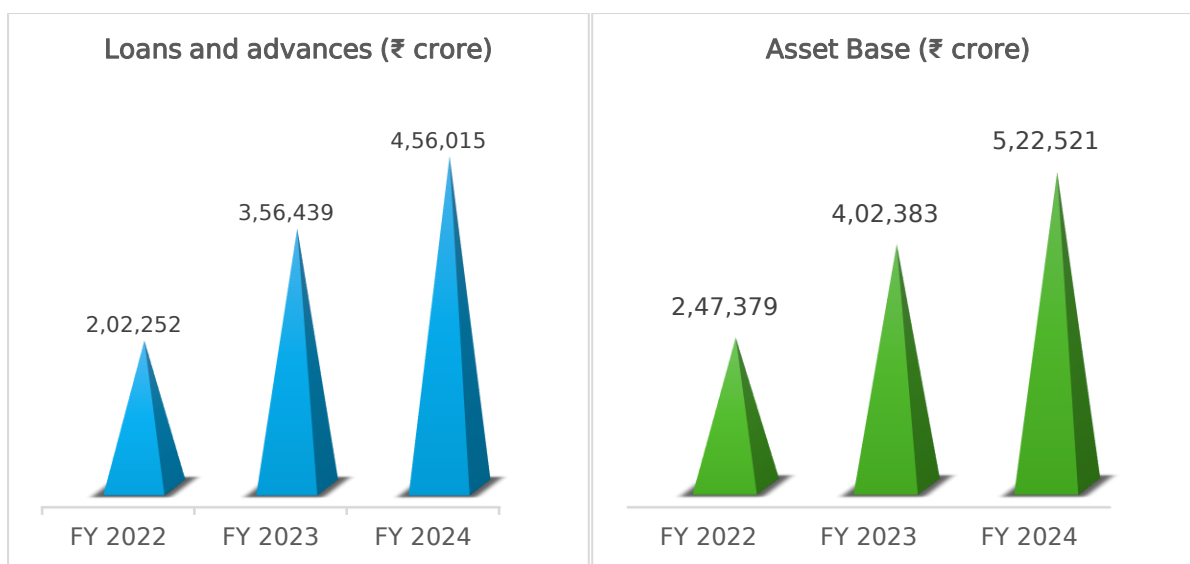
### A. Standalone:

- Profit:** The Net profit of the bank increased by 20% to ₹4,026.30 crore in FY2024 from ₹3,343.57 crore in FY2023.
- Net Profit Margin:** The Net Profit Margin decreased in FY2024 and stood at 12.61% vis-à-vis 18.09% during FY2023.
- Total Income & Expenses:** Total income increased by 73% to ₹31,942.09 crore in FY2024 from ₹18,484.82 crore in FY2023 and total expenditure increased by 89% to ₹26,652.06 crore in FY2024 from ₹14,087.34 crore in FY2023.
- Net Interest Income and Net Interest Margins:** The Net Interest Income in

FY2024 improved and stood at ₹8,428 crore as against ₹5,548 crore during FY2023, growth of 52%. The Net Interest Margin has also improved by 16 bps in FY2024 vis-à-vis FY2023 and stood at 1.84%.

**v. Operating Expense & Cost to Income Ratio:** Operating expense for FY2024 was ₹1,865.07 crore as against ₹823.54 crore during FY2023, a Y-o-Y increase of 126%.

**vi. Assets and Loans & Advances:** Total Assets increased by 30% to ₹5,22,520.96 crore in FY2024 from ₹4,02,382.73 crore in FY2023. 87% of the total assets were loans and advances which crossed the landmark of ₹4.50 lakh crore and stood at ₹4,56,015.07 crore, as of March 31, 2024, against ₹3,56,439.07 crore, as of March 31, 2023, an increase of 28% over FY2023.

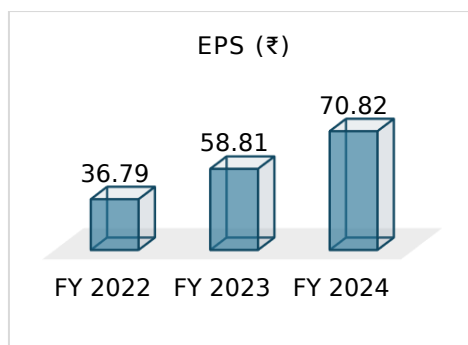


**vii. Deposits:** The deposits increased by 25% to ₹2,06,384.21 crore in FY2024 from ₹1,65,036.16 crore from FY 2023.

**viii. Borrowings:** Borrowings increased by 35% to ₹2,70,545.48 crore.

**ix. Shareholders' Returns:** The Earnings per Share (EPS) of the bank stood at ₹70.82 in FY2024 as against ₹58.81 in FY2023. Return on Assets (after tax) decreased to 0.87% from 1.00%. Return on Equity (after tax) increased to 13.67% from 12.91%.





- x. **Share Capital:** There was no change in the Share Capital of the bank during the year under review. As on March 31, 2024, the paid-up share capital was at 56,85,41,169 Equity Shares of ₹10/- each. During the year under review, the bank has not issued any shares with Differential Voting Rights, nor has it granted any Stock Option or Sweat Equity. None of the Directors of the bank hold any equity shares in the bank.
- xi. **Dividend:** The Board of Directors of SIDBI is pleased to recommend a dividend of ₹2 on 56,85,41,169 crore equity share of the face value of ₹10/- each (i.e. 20%) for FY2024 (₹2 per share for FY2023), for consideration of the shareholders. The dividend distribution would result in a cash outflow of ₹113.71 crore.
- xii. **Asset Quality metrics:** The Gross NPA and Net NPA of the bank stood at 0.02% and 0.00% as on March 31, 2024.
- xiii. Provision Coverage Ratio (PCR) was 100% at the end of FY2024 same as to 100% at the end of FY2023.
- xiv. Capital Adequacy Ratio was at 15.94% at the end of FY2024 as compared to 19.29% at end of FY2023.

## B. Consolidated:

i. Total income of the bank increased by 71% to ₹34,231.78 crore in FY2024 from ₹20,001.43 crore from FY2023. The Net profit of the bank increased by 23% to ₹4,822.34 crore in FY2024 from ₹3,931.47 crore in FY2023.

ii. Earnings per Share (EPS) of the bank increased to ₹84.82 in FY2024 as compared to ₹69.15 in the previous Financial Year.

## C. Progress of Implementation of IND-AS:

As per RBI letter dated May 15, 2019, issued to SIDBI, 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.

## 2. BUSINESS PERFORMANCE:

### A. Core Operations at a Glance:

(₹ In crore)

Product Segments	FY2024			FY2023			O/s Growth %
	Sanc	Disb	O/s	Sanc	Disb	O/s	
Direct Credit	16,183	12,476	26,826	8,780	6,500	18,409	46%
Refinance to Banks	2,43,211	2,43,211	3,63,101	2,42,054	2,42,054	2,98,173	22%
Refinance to NBFC	33,025	32,420	55,205	22,037	22,980	33,415	65%
Refinance to MFI	8,765	6,172	8,771	4,120	3,812	4,900	79%
Cluster Development Fund Scheme	1,406	663	2,111	4,458	1,409	1,542	37%
<b>Total</b>	<b>3,02,590</b>	<b>2,94,942</b>	<b>4,56,015</b>	<b>2,81,449</b>	<b>2,76,755</b>	<b>3,56,439</b>	<b>28%</b>

### I. Institutional Finance

Institutional Finance accounts for approximately 94% of loans & advances of the bank. Outstanding under Institutional Finance was at ₹4,27,078 crore at the end of FY2024.

## **Refinance to Banks**

The Bank extends refinance assistance to augment resources of Primary Lending Institutions (PLIs) to increase flow of credit to MSMEs. The Refinance to Banks' outstanding portfolio was ₹3,63,101 crore as on March 31, 2024, compared to ₹2,98,179 crore in FY2023 registering a Y-o-Y growth of 22% on the back of fresh disbursement of ₹2,43,211 crore during FY2024. Share of Public Sector Banks (PSBs) to total outstanding as on March 31, 2024, stood at 28%. There were 50 PLIs in the Refinance portfolio.

The cumulative disbursement under MSE Refinance Fund (MRF) corpus allocated by RBI out of Priority Sector Lending shortfalls of banks stood at ₹3,45,308 crore. Total disbursement out of MRF during the FY2024 was ₹63,769 crore out of which ₹5,074 crore went against underlying assets located in Identified Credit Deficient Districts (ICDDs).

## **Refinance to NBFCs**

The NBFC portfolio outstanding of SIDBI as at the end of FY2024 stood at ₹55,205 crore compared to ₹33,415 crore during the previous year, recording an annual growth of 65%. The disbursements during FY2024 were ₹32,420 crore recording a growth of 41% over the previous FY2023.

During the year, the Bank expanded its reach to a larger number of NBFCs by covering lower-rated and smaller NBFCs under its ambit. At the end of FY2024, the Bank had an outstanding portfolio across 78 NBFCs, of which 48 (34 during FY2023) NBFCs were rated A/BBB/unrated. The Bank also on-boarded 25 new NBFCs with direct assistance during the year and extended assistance to 10 NBFCs through Alternate Investment Fund (AIF) route and 32 NBFCs under Double Intermediation channel, all of which were rated BBB and below or unrated. Thus, the total outreach under all schemes reached 120 NBFCs, thereby recording a growth of 30% over the previous year.

The Bank had set up a special corpus fund of ₹1,000 crore with RBI's approval to develop bond market for small and low-rated MFIs/NBFCs/Fintechs. The Fund commenced its first phase of operations in March 2022 with a corpus of ₹300 crore of which SIDBI's commitment was ₹225 crore, and operated under the brand name of 'Promising Lenders Fund' (PLF-1). The entire corpus of ₹300 crore under PLF-1 has been fully committed and invested in 16 MFIs/NBFCs/Fintechs which are rated BBB and lower, which further benefitted over 4,000 MSEs and 40,000 women entrepreneurs at the bottom of the pyramid. On successful implementation of PLF-1, the Bank launched the second phase under the name of 'Promising Lenders Fund II (PLF-2)' with total corpus of ₹400 crore of which SIDBI's commitment stands at ₹300 crore. The Fund is invested in 14 smaller MFIs/NBFCs/Fintechs which are rated BBB or lower.

During FY2024, SIDBI has taken the following new initiatives:

- In line with the recommendations of the Expert Committee on Micro Small and Medium enterprises led by UK Sinha and the 46<sup>th</sup> Standing Committee on Finance, a new scheme of assistance to the unrated/below BBB- rated NBFCs was launched.
- Acknowledging the imminent requirement of transition to Electric Mobility, the Bank launched Pilot scheme for financial assistance to smaller/lower-rated/unrated NBFCs catering to the EV sector.
- To enhance credit delivery to MSEs through larger/higher-rated NBFCs, more limits were operationalized under the Risk Based Exposure Framework for AAA rated/Upper Layer NBFCs, with annual exposure limit granted to such NBFCs to enable them to draw the funds on tap.

#### **Developmental Initiatives for NBFC sector**

- The Bank partnered with Global Alliance for Mass Entrepreneurship (GAME) to launch an NBFC Growth Accelerator Programme (NGAP) for capacity building of smaller/lower-rated NBFCs. In the first cohort, 17 NBFCs were onboarded.
- The bank also constituted an Advisory Committee on NBFCs comprising industry practitioners, representative from industry association, domain experts etc., to provide guidance to the Bank for strengthening the NBFC ecosystem.

#### **Refinance to MFIs**

SIDBI supports the microfinance ecosystem through several interventions, including the provision of financial support in the form of equity loans, term loans, grants, etc., as well as the promotion and implementation of 'responsible' lending practices.

The Bank, through various interventions, has enhanced the corporate governance and operational efficiency of MFIs, enabling smooth flow of adequate credit to the sector. As a result of SIDBI's thrust on India's microfinance sector, many MFIs have transformed into universal banks or small financial institutions.

The cumulative assistance disbursed upto March 31, 2024 under SIDBI's microfinance initiatives is ₹33,443 crore benefitting approximately 5.15 crore individuals, mostly women. The net outstanding portfolio stood at ₹8,771 crore as on March 31, 2024 (₹4,900 crore in FY2023), recording a 79% growth over FY2023. The disbursements during FY2024 stood at ₹6,172 crore, recording a growth of 94% Y-o-Y. The total number of MFIs assisted as at the end of FY2024 stood at 41.

## **II. Direct Lending**

The Direct Lending portfolio through branch network has grown by 35% due to timely initiation of various structural and product level interventions, including digitisation of lending process, use of analytical tools to strengthen Risk Management, introduction of new products, competitive MCLR-linked rates, etc.

## **Key initiatives under Direct Credit Schemes during FY2024:**

### **1. Partnerships & Collaborations:** SIDBI has been forging partnerships with various entities to reach out to new MSME segments with focus on customer acquisitions:

- **MoU with Industry Associations and similar stakeholders:** wherein the latter share leads with SIDBI for financial needs of their members. The Bank has entered into collaborations with reputed bodies, and facilitated partnership engagements with prominent industry bodies through its Regional Offices.
- **MoUs with OEMs:** SIDBI has inked pacts with reputed OEMs and subsidiary/distributors of international OEMs.
- **Referral Arrangement for sourcing loan applications:** Based on the banking landscape and looking at the operations of other major lenders with substantial MSME portfolio, a Referral Arrangement was put in place by the Bank during FY2024 for sourcing of loan applications.

### **2. New/ Revamped Products:**

- To expand the scope of straight through processing (STP), the Bank launched a new product – ‘Expeditious Process to deliver Rapid Loan through automated evaluation and Swift Sanction (EXPRESS 2.0)’ to cater to the machinery/equipment finance requirements of MSMEs.
- For adoption of improved underwriting practices, existing SPEED scheme was rationalised to process all machinery/equipment financing proposals through Branch Office network under one simplified appraisal format. Accordingly, all other quicker/simpler dispensation models viz. SPEED Plus, PRATHAM, ARISE, etc. processed through Branch Office network were merged into the rationalised SPEED scheme.
- To scale up direct credit portfolio, the Bank introduced new overdraft products - SIDBI Assistance for Working Capital using Integrated Financial Tools (SWIFT) and SWIFT Fast Track (SWIFT FT) were introduced - to provide standalone working capital facility to existing MSME units not availing working capital/overdraft facility from any Bank/FI.
- As part of the digital user experience, Customer Mobile App ‘SIDBI 4U’ was developed, with the functionalities of the customer web portal.

### **3. Green Financing**

SIDBI has taken pro-active steps to green the MSME ecosystem with its developmental and financial engagements.

The approach under Green Finance involves three parts: providing financial assistance at competitive rates through Green Finance Schemes for MSME projects, creating an environment to encourage climate-resilient measures, and leading and inspiring other banks and financial institutions to fund energy-efficient projects.

### Green initiatives of the year:

- **Green Financing Ecosystem:** Presently, green operations of the Bank covers two green products/schemes – (i) End-to-End Energy Efficiency (4E) scheme – for existing MSMEs and (ii) Green Finance Scheme (GFS) – for both greenfield and brownfield enterprises.

Under the 4E Financing scheme and GFS, the main objective is to provide financial assistance to MSMEs engaged in reduction of GHG emissions with investment in energy-efficient machinery/technologies as well as renewable projects like solar, wind etc.

During FY2024, SIDBI provided Green Loans to the tune of around ₹8,200 crore to nearly 4,400 MSMEs in over 100 industrial clusters, resulting in electricity savings of more than 1.3 billion units annually. The Bank's Green portfolio stands at ₹7,376 crore as at the end of FY2024 i.e. 4.5 times up from FY2023.

- **GIFT & SPICE Scheme (MoMSME):** SIDBI is the implementing agency for MSE Green Investment and Financing for Transformation (MSE GIFT) and MSE Scheme for Promotion and Investment in Circular Economy (MSE-SPICE). The schemes encourage sustainable, eco-friendly practices and renewable energy use in Micro and Small Enterprises (MSEs) by offering concessional financial assistance, such as interest subventions or subsidies, for investing in green technologies.
- **Mission Solar:** To boost solar rooftop investment by MSMEs, SIDBI has partnered with Solar OEMs, offering incentives like fee waivers and competitive interest rates.

### 4. Venture Debt / Seed fund through incubators

- **Start-up Venture Debt Scheme:** The framework for venture debt to MSMEs/startups launched by the Bank in FY2023 scaled up significantly during FY2024. Sanctions increased from ₹36.50 crore to 7 MSMEs/startups in FY2023, to ₹262.25 crore sanctioned to 37 MSMEs/startups during FY2024, taking cumulative commitments to approx. ₹300 crore. The outstanding portfolio increased to around ₹200 crore.
- **Supporting India of tomorrow - Seed fund through incubators:** India, the third-largest startup ecosystem, has immense growth potential with appropriate seed capital. The Bank's unique model for seed funding of impactful and product/IP-driven startups, in partnership with incubation centers, led to 14 new arrangements, raising the total sanctioned seed fund corpus to ₹121 crore across 16 incubators. An additional ₹50 crore was earmarked for defence sector startups, with ₹25 crore sanctioned for 5 incubators during the year.

### III. Direct Lending through Partners

SIDBI established Partner Lending Vertical (PLV), to enhance its outreach among MSMEs with focus on IMEs, by extending direct credit through leveraging the expertise and large network of channel partners viz. NBFCs, MFIs, Fintechs, BCs, etc.

Key operations undertaken include:

#### 1. PRAYAAS Scheme for providing Direct Credit to Micro Enterprises under Partnership Arrangement

- During FY2024, the operations under Prayaas were scaled up along with significant digitization of the entire credit delivery process, with seamless process integrations between the PI and SIDBI. An aggregate sanction of ₹2,390 crore and an aggregate disbursement of ₹2,188 crore was affected to 1,26,107 beneficiaries during FY2024. The cumulative beneficiaries assisted under the program stood at 2,07,657. The outstanding as on March 31, 2024, was ₹2,502 crore. The scheme is presently operational through 25 Partner Institutions in 25 States and 3 Union Territories.
- A pilot scheme - Individual Enterprise Scheme (IES) - under Prayaas 2.0 was operationalized under NRLM/SRLM mechanism through Cluster Level Federations (CLFs) for extending loans to SHG members.

#### 2. Co-lending operations

- The Bank launched a co-lending arrangement with NBFCs in December 2022 to provide affordable credit to smaller MSMEs, especially new borrowers, as part of its effort to reach underserved/unserved MSMEs.
- As of March 31, 2024, 1,532 loans aggregating ₹290 crore were cumulatively disbursed through co-lending Partnership with 8 NBFCs.

#### 3. Purchase of Loan Assets from NBFC by way of Direct Assignment

The Bank expanded its services by engaging in direct assignment to diversify its reach with NBFCs. Operations began with the purchase of an MSME pool worth ₹49 crore out of a total approved pool buy-out of ₹1,000 crore to 3 NBFCs/HFCs.

### IV. SIDBI Cluster Development Fund

- To promote cluster development, SIDBI set up the Cluster Development Fund (SCDF) with a ₹7,000 crore corpus to provide low-cost funding to State Governments for infrastructure development in MSME Clusters. Launched in December 2021, the scheme covers (1) Industrial and agri-allied sectors, (2) Social sector projects, and (3) Connectivity to MSME clusters. SIDBI will offer support as a soft loan to State Governments for 7 years.
- During the year, a variety of projects for MSME cluster infrastructure development have been covered under SCDF. Cumulative disbursement of

₹2,252 crore was affected as on March 31, 2024, and the outstanding as on March 31, 2024, was ₹2,111 crore. A total of 1.72 lakh MSMEs have benefitted directly/ indirectly and 14.61 lakh persons have gotten employment either directly or indirectly.

- As of March 31, 2024, 11 states (including 2 UTs) have availed assistance under SCDF.

#### **SIDBI Cluster Intervention Programme (CIP)**

- SIDBI is implementing the Cluster Intervention Programme (CIP) in select clusters across manufacturing, services, and innovation to strengthen the MSME ecosystem.
- The program has successfully achieved its objectives by building capacities of MSMEs, Business Development service providers, industry associations, academic and government institutions.
- Started as a pilot in FY2022 with five clusters (Tourism in J&K, Wooden Furniture in Jodhpur, Innovation in NCR, Handloom in Bargarh, and Leather in Chennai), the CIP expanded to 20 additional clusters across India in FY2024.

## **V. Equity Finance**

**Venture finance to startups/Fund of Funds:** Under Fund of Funds, SIDBI contributes to SEBI-registered Venture Funds/AIFs, which must invest a specified portion of their corpus in MSMEs/startups per the scheme's mandate.

#### **Fund of Funds operations:**

1. **Fund of Funds for Startups (FFS):** The Fund of Funds for Startups has a total of ₹10,000 crore and contributes to SEBI-registered venture funds/AIFs. FFS had gross commitments of ₹10,805 crore to 138 AIFs, thus resulting in the total corpus of ₹10,000 crore being allocated well ahead of the originally envisaged timeline of March 2026.
2. **ASPIRE Fund of Ministry of MSME, Government of India:** SIDBI is managing the ASPIRE Fund worth ₹310 crore rupees which is aimed at supporting startups in the agri and rural industries' sector. In the last financial year, ₹115 crore to 4 AIFs were approved, taking total commitments under the scheme to ₹217.50 crore.
3. **Uttar Pradesh Startup Fund:** The Government of Uttar Pradesh launched a startup fund worth ₹1,000 crore, managed by SIDBI. Last FY, the government released an additional ₹100 crore for facilitating contribution to various AIFs encouraging them to invest in startups, taking the total amount of fund released to ₹225 crore. During FY2024, ₹215 crore was committed to 6 AIFs under the scheme. Thus, the entire amount of funds released by Government of UP till date stands committed.
4. **New State Fund of Funds onboarded during the year:** As indicated above, three new state Fund of Funds were onboarded during FY2024:



- **Odisha Startup Growth Fund:** The fund was operationalised during FY2024 and as against present allocation/corpus of ₹100 crore, SIDBI has already committed ₹75 crore to 4 AIFs.
- **Bihar Startup Scale-up Financing Fund** with allocation of ₹50 crore was also launched during the year.
- **Fund of funds for Maharashtra:** With corpus of ₹100 crore, the fund of funds is expected to be operationalised in FY2025 for Maharashtra based startups.

#### **Operations under India Microfinance Equity Fund (IMEF):**

The Government of India launched IMEF to provide equity support to smaller microfinance institutions (MFIs) to promote economic empowerment and financial inclusion. The Bank actively engaged with self-regulatory organizations and held discussions with MFI founders in regions like the North-East and East. As a result, assistance of ₹19 crore was sanctioned to 10 MFIs in the last financial year.

#### **Technological interventions/Upgradations:**

SIDBI, in collaboration with DPIIT, launched an investor connect portal with an AI-driven matchmaking facility for startups seeking funding. The portal has received an encouraging response in connecting startups with potential investors.

## **B. Risk Management**

A comprehensive risk management system has been set up by the bank to cover a wide range of areas, such as Credit Risk Management, Market Risk Management, Operational Risk Management, Internal Capital Adequacy Assessment Process and Business Continuity Management.

The bank's Risk Management Committee monitors and manages the risks involved in its lending and treasury operations, as well as off-balance sheet items.

#### **Initiatives during the year:**

- **BASEL-III implementation:** The Bank's policies have been revised and approved by the Board - as per RBI Master Directions on Basel III, and systems for CRAR computation have been developed. The Bank is prepared to implement Basel III starting April 1, 2024.
- **Development of Security Information Exchange using Block-chain Technology:** SIDBI has established a blockchain-based ecosystem for Security Information (SI) Exchange to provide real-time, immutable data and track loan assets, reducing the risk of misrepresentation. The ecosystem aims for nationwide adoption among Non-Banking Participants (NBPs) like NBFCs/MFIs and Institutional Participants (IPs) such as Banks/FIs, becoming the standard for security information exchange and boosting MSME funding through NBPs.
- Introduction of revamped EXPRESS Model for automated sanction of proposals under Straight Through Process (STP) using BRE.

- Revamped SMART 2.0 by incorporating data from GST, Bank statements, ITR, Credit bureaus, etc., for objective proposal scoring; increased limit to ₹7.50 crore to expedite sanctions.
- Enhanced Early Warning System (EWS) with:
  - Single Sign-On for users,
  - Updated frequency/threshold/alert logics,
  - New iOS and Android mobile app for access on the move,

### C. NPA monitoring

SIDBI has been laying lot of emphasis in maintaining quality of portfolio and recovery from NPA accounts. A Board level 'Recovery Review Committee' (RRC) is constituted to review all individual NPA cases having principal outstanding of ₹5 crore and above. Further, the Bank has set up Asset Recovery Vertical (ARV) units to handle recovery related matters.

Recovery of ₹277 crore has been made during the FY2024, (excluding recovery of ₹21.23 crore from fresh NPAs). While Gross NPA of the Bank at the end of FY2024 stood at ₹84 crore (as against ₹29 crore in FY2023), net NPA was Nil (as against ₹9 crore in FY2023).

### D. Publications and Outreach

SIDBI aims to reduce information asymmetry and support policymakers through knowledge products published with Credit Bureaus, etc., in multiple Indian languages.

- **MSME Pulse:** An initiative by SIDBI-Transunion CIBIL, tracks credit health using data from over 5 million MSMEs in the CIBIL database, offering insights to institutional lenders and stakeholders.
- **Microfinance Pulse** - A SIDBI-Equifax quarterly report on credit trends in the Microfinance sector; based on the Equifax database, it provides data-backed policy insights.
- **FinTech Pulse** - A half-yearly SIDBI-Equifax report on Fintech lending, focusing on new-age Fintech providing credit to underserved or unserved populations.
- **SPeX:** In partnership with Dun & Bradstreet, the SIDBI-D&B Sustainability Perception Index gauges MSMEs' perception and readiness for sustainability, focusing on cluster-centric MSMEs. It serves as a quantitative measure for associations and policymakers to encourage businesses to adopt an ESG framework in their strategies.
- **JOCATA SUMPOORN:** SIDBI and JOCATA has designed MSME Economic Activity Index - Sumpoorn. This MSME specific high frequency indicator captures the economic activity of India's growth engine with regards to MSMEs.

- **ECO Lens:** An in-house monthly bulletin launched in January 2024, it provides a perspective on major economic indicators related to SIDBI operations.
- **Saaransh:** A monthly edition encapsulating promotional, developmental and financial initiatives by SIDBI for the betterment and upliftment of MSME ecosystem.
- **Launch of revamped SIDBI website:** On January 01, 2024, Bank launched its revamped website enhancing user experience and friendliness. New website promotes tailored and segmented credit schemes addressing customer needs.

## E. Digital Interventions for MSME sector:

Digital technology is being used to support the different micro, small and medium sized enterprises programmes by SIDBI. The Bank has been digitalising its decision making and lending processes as well as implementing digital interventions in the ecosystem. Some of the important digital projects undertaken by the Bank are:

- **GST Sahay**

SIDBI, Online PSB Loans Ltd (OPL) and iSPIRT developed a reference GST Sahay App using Open Credit Enhancement Network (OCEN) and Account Aggregator (AA) frameworks. The app facilitates 'on tap' invoice-based (cash flow based) small value credit to micro enterprises as a paperless journey from origination to repayment using trade data from GSTN, bank information through AA, Credit bureau status, e-sign, e-stamping, e-NACH, etc.

During the year, SIDBI entered into an MoU with Pharmaceutical and Medical Devices Bureau of India (PMBI), Department of Pharmaceuticals to provide invoice-based financing and small term loans to Jan Aushadhi Kendras (JAKs) providing generic medicines at affordable prices. There are 10,000 JAKs and another 15,000 are proposed to be set up and will be assisted through GST Sahay.

- **MSME Formalization project: Udyam Assist Platform**

- Udyam Assist Platform (UAP) with SIDBI as the Implementing Agency, was inaugurated by the Hon'ble Minister of MSMEs, GoI on January 11, 2023, to register Informal Micro Enterprises (IMEs) i.e. micro enterprises not registered under the GST regime.
- During FY2024, over 100 Designated Agencies (DAs) comprising Regulated Entities like banks, NBFCs, MFIs, etc. onboarded UAP taking their overall number on UAP to over 166.
  - During FY2024, over 150 lakh unique IMEs were registered through UAP taking the aggregate number of unique IMEs registered on UAP to over 166.48 lakh.
  - Various outreach programmes, especially with MFIs, have been held during the year for onboarding their IME customers.

- **FIT Rank**

CIBIL, in collaboration with Online PSB Loans Limited (OPL) and under SIDBI's mentorship, launched **FIT Rank** for MSME lending, using GST, Bank Statements, and ITRs to triangulate financial, income, and trade data. This model leverages machine learning to assess the probability of an MSME becoming an NPA in the next 12 months, enhancing risk differentiation and credit underwriting. SIDBI uses FIT Rank for Express Loans, and several financial institutions are implementing it for Working Capital loans, GST Sahay, Business Loans, Loans against property, and more.

- **TReDS**

The RBI introduced the TReDS platform to help MSMEs promptly realize their receivables by uploading, accepting, discounting, trading, and settling invoices. Open to MSME sellers, corporate and government buyers, and financiers, TReDS transactions are “without recourse” to MSMEs, meaning they aren't liable if transactions fail. TReDS helps MSMEs access working capital more easily.

SIDBI is the promoter of one of the TReDS platforms, i.e. Receivables Exchange of India Limited (RXIL). After receiving RBI approval, SIDBI started TReDS operations as a Financier on RXIL platform in February 2022 and on M1xchange in December 2022. Further, Bank has onboarded the third TReDS platform i.e. Invoicemart.

During FY2024, SIDBI discounted 3.15 lakh invoices of 3,800 MSMEs for ₹7,213 crore. Limits of ₹1,925 crore were sanctioned to 62 buyers, including 8 CPSUs and 1 State PSU, making SIDBI one of the top 5 financiers on the RXIL TReDS platform.

## F. Facilitator Role

### PM SVANidhi (Pradhan Mantri Street Vendor's AtmaNirbhar Nidhi) Scheme

The Ministry of Housing and Urban Affairs (MoHUA), Government of India, has been implementing the Prime Minister Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) since June 1, 2020, to provide microcredit to urban street vendors impacted by COVID-19. SIDBI, as the implementing agency, launched a portal for the scheme on July 2, 2020. Initially set to run until March 31, 2022, the PM SVANidhi scheme has been extended to March 31, 2028, with fresh lending continuing until December 31, 2024.

The status of loan under the scheme as on March 31, 2024, is:

Loan Type	Loan Sanction (Lakh)	Loan disbursed (Lakh)	Sanction amount (₹ in crore)	Disbursed amount (₹ in crore)
1 <sup>st</sup> loan	66.36	63.58	6,628.50	6,325.38
2 <sup>nd</sup> loan	18.59	17.74	3,715.14	3,540.17
3 <sup>rd</sup> loan	2.97	2.83	1,477.57	1,398.94
<b>Total</b>	<b>87.92</b>	<b>84.15</b>	<b>11,821.21</b>	<b>11,264.49</b>

Under the scheme, total interest subsidy of ₹147.82 crore and cashback of ₹126.36 crore for digital transaction, have been paid to the street vendors till March 31, 2024.

### **PM Vishwakarma Scheme**

The Bank is the implementing partner for several Government of India schemes, including the PM Vishwakarma Scheme, launched on 17th September 2023, to enhance the quality and reach of products and services by artisans and craftspeople. The scheme has received over 175 lakh applications within six months, with applications undergoing a three-stage verification process.

### **Production Linked Incentive (PLI) Schemes:**

The Government of India launched Production Linked Incentive (PLI) Schemes to boost domestic manufacturing and encourage Make-in-India across various sectors. SIDBI is the Project Management Agency for the PLI Schemes for Pharmaceuticals and Telecom & Networking Products, both of which operate digitally, covering application processing, project monitoring, and incentive approvals. The total outlay is ₹15,000 crore for Pharmaceuticals and ₹12,195 crore for Telecom and Networking Products.

Under the Telecom and Networking Products scheme, 42 companies (28 MSMEs and 14 non-MSMEs) are approved, committing ₹4,014 crore in investment, expected to generate ₹2.37 lakh crore in additional sales and over 44,000 jobs. For the Pharmaceuticals scheme, 55 applicants, including 20 MSMEs, have been selected to receive incentives.

### **Scheme for Strengthening of Pharmaceuticals Industry – SPI:**

The Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, launched the Scheme for Strengthening of Pharmaceuticals Industry (SPI) on July 21, 2022, to support pharmaceutical clusters and MSMEs in enhancing productivity, quality, and sustainability. The program has a budget of ₹500 crore and includes three sub-schemes, with an online portal (<https://spi.udyamimitra.in>) managed by SIDBI for applications. In FY2024, grant assistance of ₹118 crore was sanctioned for six Common Facility Centres in pharma clusters across the country, with ₹44 crore released, including ₹23.75 crore in FY2024.

### **Animal Husbandry Infrastructure Development Fund (AHIDF)**

- A fund of ₹15,000 crore has been set up to encourage investments in establishing Dairy Processing & value addition infrastructure, Meat Processing & value addition infrastructure and Animal Feed Plants.
- The Bank is partnering with the Department of Animal Husbandry & Dairying, MoFAHD, GoI to implement the scheme.
- As on 31<sup>st</sup> March 2024, 5,500+ applications have been received on the portal and the applications amounting to ₹6,100+ crore have been sanctioned.

### **National Livestock Mission (NLM)**

- The Government of India, through the Department of Animal Husbandry & Dairying, is implementing the NLM scheme to increase animal productivity

and production of various products. The government has engaged SIDBI as an implementing partner to monitor and process online applications in a transparent manner, as well as manage subsidies.

- The online portal (<https://nlm.udyamimitra.in>) was launched by Hon'ble Union Minister, MOFAHD.
- As on 31<sup>st</sup> March 2024, 763 applications have been approved and a total subsidy of ₹165.44 crore has been released to the beneficiaries.

### Special Credit Linked Capital Subsidy Scheme (SCLCSS)

- The Special Credit Linked Capital Subsidy Scheme (SCLCSS) was created in May 2017 as part of the National SC-ST Hub (NSSH) to help SC/ST-owned MSEs upgrade their technology by providing a 25% upfront capital subsidy for the purchase of plant and machinery and equipment through institutional credit. Since the launch of the Scheme, capital subsidy claims aggregating ₹159.51 crore to 1,320 units have been released through SIDBI. During FY2023-24, claims aggregating ₹62.13 crore to 542 units have been released.

### Stand Up Mitra & Udyamimitra Portals (Twin Portals)

([www.udyamimitra.in](http://www.udyamimitra.in) . [www.standupmitra.in](http://www.standupmitra.in) )

SIDBI, with support from DFS, has developed and maintained the Standup India and Udyamimitra portals under the Standup India program since 2016. Over 400 banks, NBFCs, and MFIs, connecting over 1.61 lakh branches, are registered on the portal. The Udyamimitra portal was revamped to enable SIDBI's digital implementation of various credit/MSME schemes under different ministries, with customized workflows for multiple stakeholders. This plug-and-play model reduced onboarding time and enhanced program efficiency.

SIDBI also created separate portals for different government programs, allowing for customized branding and easy integration with Udyamimitra, making it a valuable digital asset for SIDBI.

The portals for various programs are listed on the below mentioned platform.:

Name of Program	Name of Ministry	Program portal
Stand Up India	Department of Financial Services - Ministry of Finance	<a href="https://portal.standupmitra.in/">https://portal.standupmitra.in/</a>
National Livestock Mission	Department of Animal Husbandry & Dairying - Ministry of Fisheries, Animal Husbandry & Dairying	<a href="https://nlm.udyamimitra.in/">https://nlm.udyamimitra.in/</a>
Animal Husbandry Infrastructure Development Fund	Department of Animal Husbandry & Dairying - Ministry of Fisheries, Animal Husbandry & Dairying	<a href="https://ahidf.udyamimitra.in/">https://ahidf.udyamimitra.in/</a>

Name of Program	Name of Ministry	Program portal
Production Linked Incentive (PLI) Scheme for Pharma	Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers	<a href="https://pli-pharma.udyamimitra.in/">https://pli-pharma.udyamimitra.in/</a>
Production Linked Incentive (PLI) Scheme for Telecommunications	Department of Telecommunications, Ministry of Communications	<a href="https://pli-telecom.udyamimitra.in/">https://pli-telecom.udyamimitra.in/</a>
PM SVANidhi	Ministry of Housing and Urban Affairs	<a href="http://www.pmsvanidhi.mohua.gov.in">www.pmsvanidhi.mohua.gov.in</a>
PM Vishwakarma	Ministry of Micro Small & Medium Enterprises	<a href="https://pmvishwakarma.gov.in/">https://pmvishwakarma.gov.in/</a>
Strengthening of Pharmaceutical Industry	Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers	<a href="https://spi.udyamimitra.in/">https://spi.udyamimitra.in/</a>
Assistance to Medical Device Clusters for Common Facilities	Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers	<a href="https://amdcf.udyamimitra.in/">https://amdcf.udyamimitra.in/</a>
Vendor Connect Portal	Department of Telecommunications, Ministry of Communications	<a href="https://vendorconnect.udyamimitra.in/">https://vendorconnect.udyamimitra.in/</a>
Swavalamban Challenge Fund	Small Industries Development Bank of India	<a href="https://scf.udyamimitra.in/">https://scf.udyamimitra.in/</a>
Swavalamban Connect Kendra	Small Industries Development Bank of India	<a href="https://sck.udyamimitra.in/">https://sck.udyamimitra.in/</a>

## G. Programmes for Development & Impact

- In line with its mandate of development Financial Institutions (DFI), SIDBI plays a prominent role in promotion and development of MSMEs to address various non-financial challenges of MSMEs. In the context of evolving economic landscape, the role of SIDBI has been realigned through SIDBI Vision 2.0. Innovation, Inclusiveness and Impact are the guideposts of SIDBI 2.0.
- With the adoption of “Vision 2.0 – Mission Swavalamban”, the direction of promotion and development activities was reoriented with thrust on micro & small enterprises, creation of livelihood, particularly in the unserved / underserved pockets / segments. The focus was to spread entrepreneurship culture and enterprise promotion, particularly those at the Bottom-of-the-Pyramid.
- The outcome of various activities of PDI Vertical under **Mission Swavalamban** for the year are summarized as under:



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## National Programs

Outreach: 58500+  
Persons Trained: 28300+  
Enterprise/Livelihood set up: 15,100+  
Credit Connect: 10,500+  
Market Connect: 27,300+

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## Regional Programs

Outreach: 10700+  
Persons Trained: 6700+  
Enterprise/Livelihood set up: 3000+  
Market Connect: 1700+

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Brief of some of the initiatives are given as under:

1. **Swavalamban Connect Kendras (SCKs):** SCKs aim to empower aspiring entrepreneurs and promote MSEs across India. SCKs provide services like awareness workshops, skill gap identification, connection to skill development programs, credit access facilitation, handholding support and even market linkages. Launched in 2019 and currently operating in 167 districts across 8 states, SCKs have already reached over 60,000 aspiring entrepreneurs, enabled over 8,200 micro-enterprises (including both new startups and scaled-up existing businesses) and facilitated over ₹63 crore in loans to around 5,515 enterprises.
2. **Swavalamban Connect Desk (SCD):** Established in 2022, SCDs aims to empower aspiring entrepreneurs and existing businesses in Uttar Pradesh. They operate in 35 districts providing information on Government Schemes, Credit Access and Handholding Support. In FY2024, SCDs successfully assisted 877 enterprises (559 new and 318 existing), facilitating a total loan sanction of ₹64.21 crore.
3. **Fostering Entrepreneurship through educational institutions:** SIDBI signed MoUs with 10 institutes/universities including 3 IIMS and sanctioned financial support to 5 institutes/universities to start ***Skill to Enterprise Model [STEM]*** project for aspiring young entrepreneurs during the year. This blended program combined classroom learning with practical experience i.e. "Learning by Doing" and provides ongoing mentorship and support to help participants to venture into entrepreneurship. Swavalamban Chair has been set-up with 3 Institute of repute under **SIDBI Assistance for Harnessing Aspiring Swavalambis (SAHAS)** program with focus to empower MSMEs by improving their financial literacy, credit access and overall financial health through research and capacity building.
4. **Swavalamban Challenge Fund (SCF)-**SCF is a competitive digital mechanism to crowd-source innovative and outcome driven solutions to development challenges. It is an endeavour to promote responsible and sustainable finance and aims to provide financial support to non-profit organizations/



educational institutions/ social start-ups which have focus on sustainable livelihood, green initiatives, financial inclusion, access to financial services and promoting the culture of entrepreneurship. After successful launch of 2 Windows of Swavalamban Challenge Fund supporting 18 projects, the 3<sup>rd</sup> window of the Fund was launched during the year. Applications from about 500 organizations received and after rigorous evaluation, SIDBI selected 10 organisations to provide financial support who in turn will be reaching about 7000 beneficiaries directly through their interventions.

5. **Central State Level partnerships for supporting rural micro enterprises-** SIDBI provided technical assistance support to the Rural Livelihood Promotion Societies for Bihar and Jharkhand for strengthening activities in non-farm livelihoods and financial inclusion domain. In Bihar during FY2024, 160 digital financial literacy sessions were delivered to SHG members, 32 BC Sakhis were onboarded to have micro-credit facilities at their centres. In Jharkhand 636 Bank Sakhis have been trained, onboarded and certified by IIBF and these Sakhis facilitated average digital transactions of more than ₹12 lakh per month.
6. **Interventions in low-income pockets for supporting Livelihoods –** SIDBI implemented various projects in low-income pockets for supporting livelihood of vulnerable and underserved populations. The prominent projects included - Jal Sparsh - From Waste to Wealth to improve 100 water ecosystems and empower and create livelihood opportunities for 2000 women in five states (UP, MP, Bihar, Haryana, Assam). In FY2024, the 100 water bodies have been identified, 2,000 women trained on hyacinth extraction and provided product development training to 1,000 women. Further, under Swavalamban Aatmanirbhar Tribal Entrepreneurship Handholding Initiative (SAATHI), in FY2024 around 230 beneficiaries have been trained and 200 were provided with support kits and started their enterprises. Similarly, in Entrepreneurship Development of Unemployed Youth program, 210 underprivileged youths completed the training in repair/ maintenance of fridge, ACs and washing machines out of which, 95 onboarded with online service platforms to start their livelihood.
7. **Partnership with Microfinance Associations for SHG2ME model-** In collaboration with Microfinance Associations Women Entrepreneurship - Livelihood Enhancement and Development (WE-LEAD) program empowers women entrepreneurs in five states (Odisha, West Bengal, Gujarat, Tamil Nadu, Kerala). The program offers training, skill development and business support services to over 37,000 women entrepreneurs. During FY2024, over 18,000 women received EDP training, 10,000 SHGs/ JLGs members completed skill training and credit linkages to start their enterprises, and more than 7,000 enterprises have been grounded.
8. **Intervention through Social Stock Exchange [SSE] -** SSE is an electronic fund-raising platform for listing social enterprises so that they can raise capital as equity, debt or as units like a mutual fund. SIDBI supported 2 organizations through SSE facilitating setting up of about 3000 livelihood enterprises mainly by women / youth in the State of West Bengal, Jharkhand and Madhya Pradesh.

## **H. CSR Initiatives:**

**SIDBI Swavalamban Foundation (SSF):** Launched in July 2022, SSF focuses on corporate social responsibility (CSR), development, and impact aligned with SIDBI's mandate to support MSMEs. SSF plays a supportive role in the growth and development of entrepreneurs, MSMEs, and the broader ecosystem. It provides CSR grants for projects benefiting bottom-of-the-pyramid groups, with a focus on MSME workers, women, SC/ST, tribal communities, the extremely poor, elderly, and PwDs.

SSF emphasizes addressing skill gaps by providing job-oriented training for underprivileged youth, promoting women empowerment, and fostering environmental sustainability. In FY2024, SSF's programs transformed over 10,000 underserved lives, 50% of whom were women. A total of ₹1,200 lakh was committed to various CSR initiatives across India, partnering with credible institutions.

SSF also sanctioned 17 proposals from SIDBI and its offices (BOs/ ROs/ EZOs), undertaking impactful CSR activities in FY2024. Some of the impactful CSR activities undertaken by SSF during FY2024 are as under:

- Supported numerous skill development/ vocational training projects including training as Computer Operator & Programming Assistants, Diesel Mechanics, Maheswari saree weavers, Sanjhi Art artists, E-Vehicle taxi drivers, Hygiene Technicians for hospitality sector, Mobile Phone Hardware Repair Technicians, Geriatric care Personnel, Medical Nursing Assistants, etc.
- Procured and distributed 76,000 khadi-cotton national flags to rural households on 76<sup>th</sup> anniversary of Indian Independence Day under the aegis of "Azadi Ka Amrit Mahotsav" initiative of the Government of India.
- Supported free of cost vision restoring cataract surgeries for cataract affected people with preference to MSME/ Industrial workers and their dependent family members.
- Supported education of orphaned students, nomadic tribal children and out of schoolgirls to enable them to continue their educational pursuits and prevent drop out.
- Provided free of cost fully equipped ambulance to the underprivileged.
- Distributed artificial limbs and Kiosks to differently-abled persons for supporting body movement and livelihood generation. Supported Individual Entrepreneurship development along with setting up of Micro enterprise learning hubs for rural youth.
- Provided Medical Camp facility for Delhi-Yamuna Flood affected victims; distributed rakhis and mithai boxes to jawans at LoC, Kashmir; distributed old laptops for computer centres for the underprivileged youth; among other activities.

## **I. Internal Audit Management**

The Audit Vertical conducts Risk-Based Internal Audits (RBIA) of Branch Offices, Regional Offices, and Head Office Verticals, along with IS Audits, Special Audits of

fraud cases, and Compliance Audits. It also oversees the concurrent audit function and reviews monthly reports from BOs and HO Verticals conducted by external audit firms.

As on March 31, 2024, 81 BOs were covered under the concurrent audit mechanism which covers all the Direct Credit operations of the Bank.

During FY2024, 129 Risk Based Internal Audits were undertaken for BOs/ ROs/ HO Verticals.

#### **J. Human Capital Management**

The Bank fosters a participative, transparent work culture and rewards high performance while enhancing employee productivity through skill development, knowledge, and capability building to achieve organizational goals.

Bank's footprint at the end of FY2024 included 3 Zonal Offices, 12 Regional Offices, 96 Branch Offices (including Extension Branches), with back-end and policy support extended by Verticals stationed at Lucknow, Mumbai and New Delhi.

##### **Human Resource Strength:**

As on March 31, 2024, the Bank had on its rolls 1,083 permanent employees comprising 990 Officers, 70 Class III employees and 23 subordinate staff. The Bank is also engaging human resources on contractual basis for specialized functions based on requirement.

The employees include 179 employees (16.5% of total strength) belonging to SC category, 82 employees (7.6% of total strength) belonging to ST category, 254 (23.5% of total strength) from OBC category, 31 belonging to Persons with Disabilities (PwD) category and 1 employee in Ex-servicemen category.

The strength of women employees in the Bank is 234 (21.60% of the total strength). The Bank has always been an equal - opportunity provider for women and has implemented impartial and fair practices for enabling career progression.

##### **Key activities during FY2024:**

The Bank has undertaken several initiatives in the areas of staffing, training & development, performance measurement and employee engagement during FY2024 and some of the key highlights are given below:

- During the FY2024, the Bank recruited 50 Grade 'A' Officers who are expected to join in FY2025.
- To expand its business operations, the Bank augmented its branch network by opening 13 new branches across India in areas with a significant presence of Micro, Small, and Medium Enterprises (MSMEs).
- The Bank has prioritized employee health by enhancing medical facilities and raising eligibility limits. Bank has also introduced Group Mediclaim facility and provided OPD services for retired employees aged 60 and above.
- In terms of The Rights of Persons with Disabilities (RPwD) Act 2016 and Rights of Persons with Disabilities Rules, 2017, the Bank has formulated the "Equal Opportunity Policy for Persons with Disabilities." Policy applies to

various aspects of employment including recruitment, training, working conditions, transfers, posting, promotion, employee benefits & allowances.

- The Bank has been undertaking various activities and extending benefits out of its Staff Welfare Fund (SWF) viz. holiday home, premium for Group Term Life Insurance (GTLI) & Group Personal Accidental Insurance Scheme (GPAIS), birthday celebrations, Sports and health activities and allocation to miscellaneous activities under Staff Welfare Associations. The Bank contributed ₹11.11 crore to the SWF in FY2024.

#### **Learning & Development:**

- The past year witnessed a significant enhancement in learning and development initiatives, aimed at upskilling and reskilling the Officers and staff to meet the requirements of the evolving banking industry.
- The employees were nominated for diverse external training programmes conducted by reputed training institutes and in-house training programmes in accordance with their career stage, business needs and profile of the employees.
- The Bank has deputed its staff to/ organized 116 training programmes during FY2024, which included 15 foreign training programmes.
- The Bank made a total of 1,516 nominations for various training programmes for the employees which included 1009 nominations for in-house training programmes, 482 nominations to renowned training/ academic institutions and 25 nominations for international trainings/ participation in conferences abroad. Out of the total, 283 nominations were of women employees.

#### **Representation of Scheduled Castes (SC) and Scheduled Tribes (ST)**

- Out of the total 1,083 permanent employees of the Bank, 179 employees (16.5% of total strength) belong to SC category and 82 employees (7.6% of total strength) belong to ST category.
- The reservation rosters in SIDBI are maintained as per guidelines issued by Gol from time to time and are vetted by Chief Liaison Officers (CLOs) annually and reviewed by Gol from time to time. The position of reservation rosters up to December 31, 2023, has since been updated and inspected by DFS, Gol. In addition to CLOs, the Bank has a SC - ST Cell to address the issues pertaining to SC and ST employees of the Bank.
- Out of 1,516 training nominations during the year, 361 nominations were for employees belonging to SC/ ST category.
- The Bank provides pre-promotion and in-service training to SC/ ST employees. In pre-promotional training conducted during FY2024, 42 employees belonged to SC category and 18 employees were from ST category.
- The Bank also provided pre-recruitment training for the recruitment drive conducted during FY2024. In pre-recruitment training conducted during

FY2024, 403 participants belonged to SC category and 120 belonged to ST category.

- **Prevention of Sexual Harassment** - Internal Complaints Committee: The Bank promotes a positive, safe and respectful workplace for its women employees. Further, all support is extended to the women employees of the Bank to maintain a better work - life balance, with regard to place of posting, placements, leave, etc. The Bank encourages women employees to continue contributing to the development of MSME sector and towards nation building by creating an enabling environment.

As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Bank has in place Internal Complaints Committees at Chennai, Kolkata, Lucknow, Mumbai and New Delhi for redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto. During the year, one complaint of sexual harassment was received by the Internal Committee, proceedings of which, have since been concluded.

#### **K. Information Technology**

Bank has been at the forefront of End-to-End Digitization of Bank's operations and added value for the MSME Ecosystem by implementing several Platform & Ecosystem projects.

The Key Focus areas during the year have been:

- Critical Enhancements across Business products – fully digitized operations to scale up direct MSME lending. Special push for green finance and associated ecosystem.
- Continuous improvement in Technology stack and Infrastructure from security, performance & reliability perspective.
- Scale up Institutional Finance with focus on NBFC and Green Lending.
- Modernization of application interfaces with automation.
- Support for key ecosystem projects.
- Compliance related automation.

The major achievements during the year include:

- End to end Direct Credit processes were enhanced.
- Automated process of Annual Review and Re-rating.
- An intelligent Queue tracker was introduced for automatic allocation of proposals to RMs at ELSCs
- Executive Leadership Dashboards were created for Express, Direct Lending, Prayaas and Other National Level Schemes.

#### **Initiatives by Chief Information Security Officer (CISO)**

As Bank's operations are digitised, Information security and Cyber security has become an integral part of SIDBI. During FY2024, the following initiatives were taken by CISO to improve the cyber awareness and cyber resilience of the Bank:

- User Awareness Alerts/ Advisories were sent to users on SIDBI's e-mail domain for spreading awareness on best cyber security practices.
- Tagging of mails originating outside SIDBI mail domain as external email to help users identify such mail and a required precautions while acting on such mail.
- Information Security Awareness Training Program was conducted in May 2023 and Online awareness sessions were conducted through KPMG as a part of ISMS Audit.
- Table-Top Exercise was carried out to review and strengthen the Bank's preparedness towards incident response. Red Team exercise was carried out to identify the vulnerabilities and the business risk, assess the efficacy of the defences and check the mitigating controls in place by simulating the objectives and actions of an attacker.
- The Bank has been participating in cyber drills conducted by Institute for Development and Research in Banking Technology (IDRBT). Grouping of SIDBI improved from Group 'C' to Group 'A'. In the latest drill, the Bank scored a 4/4 (100%), the Bank has been able to detect and report fully all the 4 attacks initiated by IDRBT.
- The Bank, under the supervision of IDRBT, hosted a 02-day CISO Forum which witnessed active participation from 40 CISOs/Security professionals.
- Network Access Control (NAC) has been re-implemented across all endpoints. NAC is the process of restricting unauthorized users and devices from gaining access to a corporate or private network.
- Quarterly phishing simulation exercise has been carried out to assess cyber security awareness and improve the cyber resilience of the Bank.

#### L. Implementation of the Official Language Policy in the Bank

- A total of 92 Official Language Implementation Committees are constituted in various offices of the Bank, the quarterly meetings whereof were convened regularly.
- During the year, 99% of the correspondence in region 'A', took place in Hindi, while it was 95% and 80% in the region 'B' and 'C' respectively. The percentage of Hindi notings in the above three regions stood at about 90%, 85% and 80% respectively.
- Cumulatively, 107 issues of the Bank's Hindi magazine 'Sankalp' have been released.
- A total of 50 Hindi Workshops were organized in the various offices of the Bank during the year.
- Inspection relating to the Official Language Implementation in 46 offices and 17 verticals of the Bank was carried out during the year.
- 19th All India SIDBI Hindi Essay Competition was organized during the year which received very good response by way of 101 entries from various banks and FIs.
- All India SIDBI Rajbhasha Adhikari Sammelan was also organized during the year.

#### **M. Implementation of Right to Information Act, 2005**

The Bank has designated a Central Public Information Officer (CPIO), Alternate Central Public Information Officer, Central Assistant Public Information Officers and First Appellate Authority and Alternate First Appellate Authority, in terms of Right to Information Act, the details of which are available on the Bank's website. In terms of the directives of Central Information Commission (CIC), the Bank has also designated a Transparency Officer for the better implementation of Section 4 of the Act with a view to promoting congenial conditions for timely response by CPIO to RTI queries.

During the financial year 2024, the Bank received 265 applications seeking various information and all the applications were disposed of as per the provisions of the Act within stipulated time.

During the financial year 2024, 33 appeals were made to the First Appellate Authority (FAA) of the Bank, which were disposed of within stipulated time as per the provisions of the RTI Act.

Against the decisions taken by FAA, 4 appeals were preferred before the Central Information Commission (CIC). In this regard, necessary actions have been taken, as per CIC decisions. There has been no delay in either furnishing information by the CPIO or in deciding appeals by the FAA. All the quarterly online returns have been regularly submitted to CIC in time.

#### **N. Vigilance**

The vigilance set-up in SIDBI is headed by a full-time Chief Vigilance Officer (CVO) who is assisted by the Vigilance Team at Head Office, Additional Vigilance Officers (AVOs) and Regional Vigilance Officers (RVOs) at the respective Regions.

The Bank lays emphasis on the preventive and pro-active vigilance aspects and has been taking several initiatives for strengthening the systems and procedures to promote efficiency and transparency. Preventive Vigilance Committees at the Regional level and a Central level "Vigilance Committee at Head Office" have been set up to review the preventive vigilance measures. An "Internal Advisory Committee on Vigilance" scrutinizes the complaints or cases arising out of inspections, audit reports, staff accountability reports, etc. and furnishes its recommendations to the CVO regarding the existence or otherwise of the vigilance angle in the issues examined by it.

As a part of Anti-Fraud sensitization programme, the modus operandi of frauds is shared by Fraud Management Cell (FMC) of the bank with the Zonal offices/ Regions/ Branches from time to time. The CVO, RVOs, AVOs and the vigilance team, in their periodic meetings with the staff, discuss the incidents of operational gaps/ compliance issues and sensitizes the staff on the importance of adhering to guidelines, systems and processes in order to create a decision-making process that is transparent, fair and equitable.

The Internal Audit reports of the branches are reviewed by the CVO and the key compliance related issues are escalated for immediate rectification. The Vertical



also suggests measures to improve and strengthen the existing systems and processes in various forums like VCHO (Vigilance Committee at Head Office), IACV (Internal Advisory Committee on Vigilance), meetings with the Independent External Monitor (IEM) and the CMD-CVO quarterly meetings.

Bank also maintains a watch on the tendering process followed by the Bank in procurement of goods, works and contracts in terms of the extant CVC guidelines by carrying out Chief Technical Examiners' Organisation [CTEO] type inspections periodically, on sample basis, to ensure that the procurement of goods and services is being carried out as per the norms. Further, the information on Procurements and tendering is also shared with the IEM.

The vigilance work is reviewed by the CMD in his structured meeting with CVO every quarter and all important/ pending issues, if any, are dealt with in accordance with the Central Vigilance Commission (CVC) guidelines. Quarterly and annual reports on Vigilance Activities are submitted to CVC and a half yearly review of the said activities to the Board of Directors of the Bank.

Towards its drive for good governance, Bank has been working to make its operations system based and online. At present, the Vigilance Clearances, reporting of the Surprise Inspections and Preventive Vigilance Committee Meetings, Quarterly Progress Report submissions, Examination of Audit Reports, Fraud Investigation Report and Chief Technical Examiners Type (CTE Type) have been made system based, thereby reducing the paper-based workflow. The Quarterly/ Annual reports being submitted to CVC are now also online.

During the year, various online talks, sensitization programmes, poster making, essay/ slogan competitions etc. were conducted in Head Office, Regional Offices and Branch Offices across India, on areas like preventive vigilance, integrity/ probity in public life, transparency etc.

The Vigilance function in the Bank has thus been laying emphasis on the preventive and participative vigilance at all levels of operations to eliminate/ minimize the incidents of frauds, corruption and malpractices.

## **O. Compliance**

Based on Board approved Compliance Policy, compliance functions are carried out as under:

- Monitoring of filing of various regulatory/ statutory returns through Compliance Monitoring Systems (CMS) and the outcome/results are reported to the top management periodically. Any delay in submission of compliance returns is monitored on an on-going basis and concerned Verticals are advised to adhere to timelines. Also, Compliance Nodal Officers at all Verticals & ROs have been nominated for timely completion of compliance related works.
- Submitting summary Report with respect to various compliances to Chief Compliance Officer on a monthly basis and to the Audit Committee of Board [ACB] on quarterly basis.
- Obtaining KYC Certificate from all ROs/ Business Verticals on a quarterly basis and Suspicious Transaction Report on monthly basis.



- Circulating gist of important RBI circulars on weekly basis to the concerned Verticals for timely compliance of guidelines.
- The Bank monitors and reports to top management/ Board on the compliances of the regulatory guidelines in respect of the various Operating Verticals of the Bank.
- In Bank, all the new products/ schemes are signed off by Compliance Verticals and compliance gaps and key issues in new products/ schemes and processes are analysed and intimated to concerned Verticals to ensure and monitor proper compliance of the gaps.
- In terms of Compliance Testing Framework, sample testing of proposals sanctioned under different schemes is carried out from regulatory/ statutory/ core compliance perspective as also analyse RBIA reports on monthly basis, on similar lines.

The Bank aims to reduce manual intervention in the customer onboarding process by offering a fully digital platform. To enhance compliance in customer due diligence, the Bank automated KYC functions with the SIDBI KYC application module. This module serves as a common platform for all business applications, integrating with NSDL for PAN validation, UIDAI for Aadhaar authentication, and storing KYC documents digitally.

The Bank also improved the automated Compliance Monitoring System (CMS Module) to generate alerts for delays in submitting Returns/Statements, ensuring timely compliance. This system aids in timely submissions and provides comprehensive data for quarterly reporting to the Audit Committee of the Board.

#### **P. Subsidiary & Associates – Creating Impact, Nationwide:**

**Micro Units Development & Refinance Agency Limited ('MUDRA')-** MUDRA was established as a wholly owned subsidiary of the Bank on April 8, 2015. MUDRA had sanctioned an amount of ₹19,605 crore in FY2024 as against ₹12,248 crore during FY2023. The disbursement for FY2024 stood at ₹19,512 crore vis a vis ₹12,513 crore during FY2023.

##### **Pradhan Mantri MUDRA Yojana (PMMY)**

To monitor the progress of PMYY, a portal has been developed and monitored by MUDRA on behalf of the GOI wherein aggregate data is collected on weekly basis.

Lending under PMMY focuses on the unfunded segments of the Micro Enterprises by granting the loans in the following 3 categories to enable them to contribute significantly to nation's GDP:

- Loans up to ₹50,000 (Shishu)
- Loans above ₹50,000/-and up to ₹5 lakh (Kishor)
- Loans above ₹5,00,000/-and up to ₹10 lakh (Tarun)

In FY2024, a target of ₹5.00 lakh crore was assigned to Banks/ NBFCs/ MFIs (Member Lending Institutions), against which ₹5.26 lakh crore has been sanctioned to 6.58 crore accounts (including renewals and enhancements).

Since inception, cumulatively, as on March 31, 2024, ₹28.83 lakh crore worth loans have been sanctioned under PMMY to 47.74 crore accounts (including renewals and enhancements).

**SIDBI Venture Capital Limited (SVCL):** SVCL is a wholly owned subsidiary of SIDBI which was established in 1999 as an Investment Management Company for managing Venture Capital Funds (VCFs)/ Alternative Investment Funds (AIFs). Over the years, SVCL has evolved into a leading institutional investment management company in India having focus on the MSMEs in India. Since inception, SVCL has continued to provide growth capital to high-quality, growth oriented MSMEs across diversified sectors.

SVCL has set-up eleven Funds viz. National Venture Fund for Software and Information Technology Industry (NFSIT) since fully divested and closed, SME Growth Fund (SGF), India Opportunities Fund (IOF), Samridhi Fund (SF), TEX Fund (TF), West Bengal MSME VC Fund (WBF), Maharashtra State Social Venture Fund (MSF) which are fully invested and under divestment phase, Ubharte Sitaare Fund (USF), Assam Start-up Venture Capital Fund (ASVCF), Tripura Start-up Venture Capital Fund (TSVCF) and Atmanirbhar Start-up Venture Fund (ASVF) which are currently in investment phase.

**SIDBI Trustee Company Limited (STCL):** STCL is a wholly owned subsidiary of SIDBI and was established in 1999 to carry out the trusteeship functions in general and for VCFs/ AIFs. STCL, at present, is acting as the Trustee for National Venture Fund for Software and Information Technology Industry (NFSIT), SME Growth Fund (SGF), India Opportunities Fund (IOF), Samridhi Fund (SF), TEX Fund (TF), West Bengal MSME VC Fund (WB Fund), Maharashtra State Social Venture Fund (MS Fund), Ubharte Sitaare Fund (USF), Assam Start-up Venture Capital Fund (ASVCF), Atmanirbhar Start-up Venture Fund (ASVF) and Tripura Start-up Venture Capital Fund (TSVCF).

**SIDBI Swavalamban Foundation** is a section 8 Company, Limited by Guarantee and is a subsidiary of the Bank. SSF takes up CSR (Corporate Social Responsibility) activities for SIDBI.

## **ASSOCIATE COMPANIES**

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

Credit Guarantee Fund Trust for MSEs, set up in 2000, operates the Credit Guarantee Scheme (CGS) for MSEs in respect of credit facilities up to ₹2 crore (since increased to ₹5 crore w.e.f 01.04.2023) extended by member lending institutions (Banks, FIs, NBFCs, MFIs, etc.) that are not backed / partially backed by collateral security and/ or third-party guarantees.

### **Major highlights and developments during FY2024:**

- Guarantees approved in FY2024 stood at ₹2,02,807 crore.
- Number of guarantees approved in FY2024 – 17,244,073.
- CGTMSE has taken the following initiatives during FY2024,

- Increase in ceiling of guarantee coverage from ₹200 lakh to ₹500 lakh effective from April 1, 2023.
- Reduced the guarantee fee for loans up to ₹1 crore to a minimum level of 0.37% p.a.
- For ease of claim settlement, the limit for waiver of legal action has been raised from ₹5 lakh to ₹10 lakh while invoking claim by Member Lending Institutions (MLI).
- Introduced option to MLI for claim settlement in single instalment effective from April 1, 2023.
- Launched Credit Guarantee Scheme for PM Vishwakarma Scheme for providing collateral free credit to artisans and craftspeople.
- Extended special benefits to MSEs located in Identified Credit Deficient Districts (ICDD) by RBI.
- Reduced lock-in period to 9 months for loans up to ₹10 lakh and tenure up to 3 years.
- Introduced Special Provision for Informal Micro Enterprises (IME).

**Acuité Ratings & Research Limited (Acuité) (erstwhile SMERA) (35.73% Shareholding)** - Acuité is a SEBI registered and RBI accredited credit rating agency.

Acuité Group comprises of three companies: Acuité Ratings & Research – SEBI registered Credit Rating Agency, SMERA - India's first MSME-focused rating agency specializing in MSME Ratings and MFI Gradings and ESG Risk Assessments & Insights (ESGRisk.ai) - India's first ESG Rating company.

Acuité has assigned more than 9800 credit ratings (as on March 31, 2024) to various securities, debt instruments and bank facilities of entities spread across industries in India over a span of 12 years from the time it commenced bond and bank loan rating business.

**India SME Asset Reconstruction Company Ltd. (ISARC) (15 % Shareholding)** - ISARC is an asset reconstruction company mainly for MSME debts of banks/ institutions.

Asset Under Management (AUM) of ISARC as on March 31, 2024, stood at ₹282.01 crore.

Security Receipt (SRs) worth about ₹71 crore was redeemed during the year (₹16 crore during FY2023).

**Receivables Exchange of India Ltd. (RXIL) (30 % Shareholding)** - Established in 2016, is a SIDBI-NSE joint venture operating the MSME online Trade Receivables Discounting Platform (TReDS) for discounting of bills of MSMEs for supplies to large corporates and thereby addressing the issue of delayed payment/ liquidity issues of MSMEs.

As of March 31, 2024, RXIL has onboarded 25,000+ MSMEs and helped finance over 49 Lakh invoices worth ₹95,000+ crore. In FY2024 total throughput achieved of ₹46,541 crore as compared to FY2023 of ₹24,085 crore, growth up by 86%.

**India SME Technology Services Ltd. (ISTSL) (22.73 % Shareholding)**- Technology services venture of SIDBI and an empaneled inspection agency with NSIC. ISTSL is

also providing Energy Audit service for MSME units and Project Management Consultancy services to a few ministries of Govt of India for installation of rooftop solar PV systems in their buildings.

ISTSL applied for voluntary liquidation which was approved by NCLT.

However, the application for reviving the operations of the company has been accepted by NCLT.

ISTSL shall focus on addressing technology requirements and energy audit, etc. for Greening and Energy Efficiency of MSMEs.

**Online PSB Loans Ltd. (7.32% Shareholding)** - Fintech foray of a SIDBI led consortium of Public Sector Banks, OPL has launched many tech/ digital solutions for benefit of MSMEs. It offers digital in - principle sanction of assistance upto ₹500 lakh to MSMEs.

Since the launch of “PSB Loans in 59 Minutes” portal on November 02, 2018, 5.60 lakh MSMEs have received in-principle approval of loans, of which final sanction of credit facilities was given to 3.84 lakh MSMEs. OPL has also developed a national portal for Government schemes ([www.jansamarth.in](http://www.jansamarth.in)), which was launched by Hon’ble Prime Minister. OPL along with CIBIL has developed FIT Rank which will enable MSMEs to avail credit from Banks/ FIs/ NBFC digitally based on their GST return, ITRs, and bank statement.

However, as required to be disclosed/ in compliance with SEBI LODR Regulations, 2015, organisations where SIDBI is having shareholding of 10% or more 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)
- Andhra Pradesh State Financial Corporation (14.02% Shareholding)
- Assam Financial Corporation (13.71% Shareholding)
- Odisha Financial Corporation (15.33% Shareholding)
- Rajasthan Financial Corporation (19.90% Shareholding)
- North Eastern Development Finance Corporation Limited. (10% Shareholding)

- HARDICON Ltd. (12.5% Shareholding)
- Himachal Consultancy Organisation Ltd. (14.78% Shareholding)
- Rajasthan Consultancy Organisation Ltd (12% Shareholding)
- NITCON Ltd. (14.26% Shareholding)
- Gujarat Industrial and Technical Consultancy Organisation Ltd (12.5% Shareholding)
- JKITCO Limited (11.65% Shareholding)

#### **Q. Management Discussion & Analysis (MDA) Reports:**

In terms of compliance with the SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations 2018, following ratios have changed by more than 25%, as per details given below:

<b>Financial Ratios</b>	<b>FY2024</b>	<b>FY2023</b>
Amount of Gross NPA	100	33
Amount of Net NPA	0	9
% of Gross NPA	0.02	0.01
Net Profit Margin	12.61%	18.09%

- The amount of Gross NPA has increased to ₹ 100 crore in FY 2024 and accordingly, the percentage of gross NPA has increased to 0.02%.
- The net profit margin has decreased to 12.61% in FY 2024 due to increased expenses.

#### **R. Corporate Governance:**

In compliance with Regulation no. 15 to 27 of SEBI (LODR) Regulations, 2015 and disclosure requirements of corporate governance norms as specified for the listed entities applicable to the Bank Corporate Governance report form part of this Annual Report.

During the year under review no penalty has been paid by the Bank in respect of the compliance pertaining to SEBI (LODR), 2015.

#### **S. Particulars of Contracts or Arrangements with Related Parties:**

The Bank has not entered into any materially significant related party transactions with its Promoters, Directors or Management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the Bank at large. The Bank has complied with applicable rules and regulations prescribed by stock exchanges, SEBI, RBI or any other statutory authority pertaining to contracts/ arrangements/ transactions entered by the bank with its related parties. Disclosure of transactions with related parties is set out in Note No. [16] of Standalone Financial Statements, forming part of the Annual Report & Annexures thereto.

#### **T. Auditors And Auditors Report:**

M/s J. Kala & Associates (FRN: 118769W), were appointed as Statutory Auditors of the Bank for FY2024. There are no qualifications, reservations or adverse remarks in audit report for the period under review.

#### **U. Secretarial Audit Report:**

In terms of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Board has appointed M/s Deep Shukla & Associates (FCS 5652), Practicing Company Secretaries to undertake the Secretarial Audit of the bank for the FY 2024. The Secretarial Audit report for the financial year ended March 31, 2024, as provided by CS Deep Shukla, Practicing Company Secretaries is enclosed as a part of Corporate Governance report. The Secretarial Auditor's report does not contain any qualifications, reservations or adverse remarks in their report.

#### **V. Responsibility Statement**

The Board of Directors hereby states that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- Applicable accounting policies has been applied consistently and judgements and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Bank as on the 31<sup>st</sup> March 2024, and of the profit and loss of the Bank for the year ended on that date;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records, for safeguarding the assets of the Bank and preventing and detecting frauds and other irregularities;
- Annual accounts have been prepared on going concern basis;
- The internal financial controls to be followed by the Bank have been laid down and that such internal financial controls are adequate and have been operating effectively; and
- Proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **ACKNOWLEDGEMENT**

The Directors acknowledges the valuable support, guidance and co-operation received from the DFS, MoF and MoMSME, Government of India, RBI, SEBI and other government and regulatory agencies. The Directors thank all the valued clients, shareholders, bankers and financial institutions, World Bank, FCDO, JICA, KfW, GiZ, IFAD, AFD, ADB, for their patronage and support. The Directors also place on record their appreciation for the contributions made by outgoing directors Shri V. Satya Venkata Rao, Shri K. Sampath Kumar and Shri Monomoy Mukherjee.

Directors also express their appreciation for the dedicated and committed team of employees of the Bank.

**For and Behalf of Board of Directors of the Bank**

**Chairman & Managing Director**

## **Corporate Governance Report:**

### **1. SIDBI Philosophy on Corporate Governance:**

Small Industries Development Bank of India (SIDBI) established under SIDBI Act, 1989 is governed by SIDBI Act, 1989, SIDBI Regulations, 2000 and RBI Circular dated April 26, 2021, on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board. Being a High Value Debt listed entity (having listed value of non convertible Debt Securities of more than ₹500 crore), Regulation no. 15 to 27 of SEBI (Listing Obligations & Disclosure Requirements, LODR) Regulations, 2015 are also applicable apart from other provisions of LODR 2015 as amended from time to time.

SIDBI is committed to values, ethical conduct, transparency in dealing, contribution towards social causes and considering stakeholder's interest in the fair conduct of business. SIDBI believes that good governance is an integral element for its business and growth. Governance goes beyond compliance with the statutory and regulatory requirements and aims to safeguard, maintain and enhance shareholders' wealth.

The Report on Corporate Governance for the financial year ended March 31, 2024 containing, inter-alia, the matters as specified in Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is presented hereunder:

### **2. Board of Directors:**

The Small Industries Development Bank of India Act, 1989 (the SIDBI Act) was enacted by the Parliament to establish the Small Industries Development Bank of India ('SIDBI') as 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, financing or developing industry in the small-scale sector and for matters connected therewith or incidental thereto. Later on, SIDBI was permitted to extend assistance to MSMEs as defined under MSMED Act. The Constitution of the Board including procedure related to appointment of Executive and Non-executive directors their duties and function were prescribed under the Act.

The Board is headed by Chairman and Managing Director appointed by Government of India, Department of Financial Services under the provision of the section 6 (1) (a) of the SIDBI Act. Two whole time directors designated as Deputy Managing Directors are appointed under section 6 (1) (b) by Government of India. Government of India also nominates two government officials as nominee directors in the category of non-executive directors under section 6 (1) (c) of the SIDBI Act. Three directors are nominated under section 6 (1) (d) of the SIDBI Act in the prescribed manner by 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.

Three directors including one director from the officials of the State Financial Corporations, nominated by the Central Government under section 6 (1) (e) of the SIDBI Act, from amongst the persons having special knowledge of, or professional



experience in, science, technology, economics, industry, banking, industrial co-operatives, law, industrial finance, investment, accountancy, marketing or any other matter, the special knowledge of, or professional experience which would, in the opinion of the Central Government, be useful for SIDBI and a maximum number of four directors in terms of percentage of shareholding to be elected by the other shareholders under section 6 (1) (f) of the SIDBI Act, provided that Board may co-opt such number of Directors not exceeding four, in case the shareholding does not permit such election of four directors. The SIDBI Act doesn't provide for 'retire by rotation' of its directors.

#### 1. Composition and Category of Directors:

As on March 31, 2024, SIDBI Board comprised of 3 executive directors and 9 non-executive directors. The composition of the Board of SIDBI is compliant with Regulation no. 17(1) of LODR. There is no relationship amongst directors *inter-se*.

Name of the Director	Category (Chairperson/ / Executive/ Non- Executive/ Independent/ & Nominee)	Initial Date of Appointment	Date of Cessation
Shri Sivasubramanian Ramann, Chairman and Managing Director	Chairperson / Executive	19/04/2021	18/04/2024
Shri Sudatta Mandal Deputy Managing Director	Executive	03/05/2021	02/05/2026 or until further orders, whichever is earlier
Shri Prakash Kumar Deputy Managing Director	Executive	07/11/2023	06/11/2026 or until further orders, whichever is earlier
Dr. Rajneesh, Government Director	Non- Executive / Independent / Nominee	22/02/2023	Until further orders
Shri Bhushan Kumar Sinha, Government Director	Non- Executive / Independent / Nominee	06/01/2023	Until further orders

Name of the Director	Category (Chairperson/ / Executive/ Non- Executive/ Independent/ & Nominee)	Initial Date of Appointment	Date of Cessation
Shri Anindya Sunder Paul, Nominee of State Bank of India	Non- Executive / Independent / Nominee	03/08/2023	Until further orders
Shri Krishna Singh Nagnyal, Nominee of Life Insurance Corporation of India	Non- Executive / Independent / Nominee	29/10/2021	Until further orders
Shri Manikumar S, Nominee of National Bank for Agriculture & Rural Development	Non- Executive / Independent / Nominee	01/01/2024	Until further orders
Shri G. Gopalakrishna, Co-opted Director	Non- Executive / Independent	11/08/2018	10/08/2024
Smt. Nupur Garg, Co-opted Director	Non- Executive / Independent	04/02/2019	03/02/2025
Shri Amit Tandon, Co-opted Director	Non- Executive / Independent	08/08/2021	07/08/2024
Shri Jitender Kalra, Co-opted Director	Non- Executive / Independent	13/02/2024	12/02/2027

Note: Pursuant to and in accordance with explanation provided under Regulation no. 16 (1) (b) (Independent Director) it may be mentioned that SIDBI being a 'high' value debt listed entity and composition of the Board of SIDBI is mandated to constitute in terms of section 6 of the SIDBI Act, 1989. Accordingly, the non-executive directors on the board of SIDBI shall be treated as independent directors in SIDBI.

**2. Details of Skills/ Expertise/ Competencies Possessed by the Directors who were part of the Board on 31<sup>st</sup> March 2024 were as follows:**

SIDBI Board as on March 31, 2024, is heterogeneous and with mix of experience, qualifications, gender, skill set and expertise. The table below summarizes Board of Directors' skills sets and attributes hereinbelow.

Name	Qualifications	Skills/ Expertise/ Competencies
Shri Sivasubramanian Ramann	BA (Economics), MBA, M. Sc. in Regulations, LLB, Certified Internal Auditor, and Diploma in Securities Law	Governance and Leadership, Management & Administration, Accountancy, Auditing, Law, Diplomacy, Economics, International exposure & Relationships, Finance, Industries and Banking.
Shri Sudatta Mandal	B-Tech. (Electrical) and PGDM (Finance)	Asset & Risk Management, Compliances, Strategy, Accountancy, Finance, Banking, Trade and Investment Finances, Project Finance, SME lending, Cluster development, Management & Administration, Governance & Leadership.
Shri Prakash Kumar	B.Tech in Chemical Engineering, Master in Financial Management	Strategy, Finance, Project Finance, SME Financing, NBFC and Microfinance Financing, Risk Management, Resource Management, NPA Management, Business Process Re-engineering, MSME financing & development, Management & Administration, Governance & Leadership.
Dr. Rajneesh	Masters in Economics & International Law and PhD	Finance, Commerce, Urban Development & Town Planning, Education and IT, International Law & Economics, Administration, Governance & Leadership, Management.
Shri Bhushan Kumar Sinha	BA, LLB, MBA and PhD	Governance & Leadership, Capital Market, Disinvestment & Public Asset Management, Banking, Financial Inclusion (FI), credit to agriculture/ rural sector, priority sector lending by banks and functioning of Regional Rural Banks (RRBs),
Shri Anindya Sunder Paul	M.Sc	Strategy, Finance, Project Finance, SME Financing, Risk Management, Resource Management, NPA Management, MSME financing & development, Retail Banking, Management & Administration, Governance & Leadership.
Shri Krishna Singh Nagnyal	BA	Governance & Leadership, Management, Personnel and Industrial relationship, Insurance Sector, Corporate Communications.

Name	Qualifications	Skills/ Expertise/ Competencies
Shri Manikumar S	B.Com, CAIIB, FCMA, APGDCA, MBA (Finance), MS (Banking)	Credit Planning, Financial Management, Rural Innovations, Microfinance and Financial Inclusion, Integrated Risk Management, Human Resource Transformation, Banking Technologies, Start-up Investments and structuring of new financial products, Strategic Planning and Product Innovations.
Shri G. Gopalakrishna	BA, LLB and CAIIB	Governance & Leadership, Financial Research & Learning, Banking, Finance, Information Security, Electronic Banking Technology, Risk Management and Cyber Frauds.
Ms. Nupur Garg	MBA and CA	Governance & Leadership, Investment advisory, Entrepreneurship Development, Mentorship, Social Services, Private Equity and Venture Capital Fund management.
Shri Amit Tandon	BA (Hons), MBA and M. Phil	Governance & Leadership, Merchant Banking, Project Finance, Economics, Management, Corporate Law matter.
Shri Jitender Kalra	B.Sc (Engineering) and MBA	Enterprise and Livelihood Promotion, Financial Literacy, Skill Development, Rural Transformation and Regenerative Agriculture, Cluster Development, Policy Framing, Organizational Transformation, Management & Administration, Governance & Leadership.

3. The table below summarizes the key attributes and skills matrix, in line with SIDBI Act 1989 mapped in broad Parameter viz. industrial and technical knowledge, requisite experience and Governance & Leadership.

Name of Director	Industrial and Technical Knowledge	Experience	Governance & Leadership
Shri Sivasubramanian Ramann	√	√	√
Shri Sudatta Mandal	√	√	√
Shri Prakash Kumar	√	√	√
Dr. Rajneesh	√	√	√
Shri Bhushan Kumar Sinha	√	√	√
Shri Anindya Sunder Paul	√	√	√

Name of Director	Industrial and Technical Knowledge	Experience	Governance & Leadership
Shri Krishna Singh Nagnyal	√	√	√
Shri Manikumar S	√	√	√
Shri G. Gopalakrishna	√	√	√
Ms. Nupur Garg	√	√	√
Shri Amit Tandon	√	√	√
Shri Jitender Kalra	√	√	√

**4. Details of Membership/ Chairmanship of Directors in the Board/ Committees of other listed entities:**

Name of Director	Name of Listed Entity other than SIDBI in which the Director is a member of the Board	Name of the Board/ Committee in other listed entity where the Director is chairman/ member	Category of Directorship in other listed entities
Shri Sivasubramanian Ramann	Nil	NA	NA
Shri Sudatta Mandal	Nil	NA	NA
Shri Prakash Kumar	Nil	NA	NA
Dr. Rajneesh	Nil	NA	NA
Shri Bhushan Kumar Sinha	<ul style="list-style-type: none"> <li>Bank of India</li> <li>India Infrastructure Finance Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Audit Committee and Nomination remuneration Committee</li> <li>Audit Committee Stakeholder Relationship Committee and Nomination remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>Non-Executive (Independent Director)</li> <li>Non-Executive (Independent Director)</li> </ul>

Name of Director	Name of Listed Entity other than SIDBI in which the Director is a member of the Board	Name of the Board/ Committee in other listed entity where the Director is chairman/ member	Category of Directorship in other listed entities
	<ul style="list-style-type: none"> <li>National Bank for Financing Infrastructure and Development</li> </ul>	<ul style="list-style-type: none"> <li>Nomination and remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>Non-Executive (Independent Director)</li> </ul>
Shri Anindya Sunder Paul	Nil	NA	NA
Shri Krishna Singh Nagnyal	Nil	NA	NA
Shri Manikumar S	Nil	NA	NA
Shri G. Gopalakrishna	<ul style="list-style-type: none"> <li>ICICI Home Finance Company Ltd.</li> <li>Krazybee Services Private Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Risk Management Committee</li> <li>Nomination and remuneration Committee</li> <li>Audit Committee</li> </ul>	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Independent Director</li> </ul>
Smt. Nupur Garg	Edelweiss Real Assets Managers Limited	Risk Management Committee	Independent Director
Shri Amit Tandon	Nil	NA	NA
Shri Jitender Kalra	Nil	NA	NA

**Notes:**

1. None of the Directors on the Board is a director/ independent director of more than 7 listed entities, whose equity shares are listed on a Stock Exchange.
2. None of the whole-time directors/ managing director is an independent director in more than three listed entities, whose equity shares are listed on a Stock Exchange.
3. None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees, across all the companies in which he/ she is a Director.
4. There is no relationship amongst directors inter-se.

5. None of the Non-Executive Directors hold shares and Convertible Securities of SIDBI as on March 31, 2024.

**5. Change of Director during the Financial Year 2024:**

The Changes in the composition of the Board during the year are given hereunder:

Name	Date of Appointment	Date of Cessation (in case of resignation)	Remarks (viz. Reasons for Change etc.)
Shri Prakash Kumar	07/11/2023	-	Appointment: Government of India, vide its notification dated November 06, 2023, appointed Shri Prakash Kumar as Deputy Managing Director.
Shri Anindya Sunder Paul	03/08/2023	-	Nominated: SBI vide its letter dated August 03, 2023, has nominated Shri Anindya Sunder Paul as its nominee Director on the Board of SIDBI in place of Shri K. Sampath Kumar.
Shri Manikumar S	01/01/2024	-	Nominated: NABARD vide its letter dated October 12, 2023, has nominated Shri Manikumar S as its nominee Director on the Board of SIDBI in place of Shri Monomoy Mukherjee.
Shri Jitender Kalra	13/02/2024	-	Co-opted: The Board at its 221 <sup>st</sup> meeting held on February 12, 2024, co-opted Shri Jitender Kalra as Director for a period of three years from February 13, 2024.
Shri V. Satya Venkata Rao	-	04/06/2023	Cessation: Completed tenure of DMD as per Gol notification dated May 28, 2020.
Shri K. Sampath Kumar	-	02/08/2023	Cessation: Consequent upon SBI nominating Shri Anindya Sunder Paul on the Board in place of Shri Sampath Kumar, he ceased to be a member of the Board.
Shri Monomoy Mukherjee	-	31/12/2023	Cessation: Consequent upon NABARD nominating Shri Manikumar S on the Board in place of Shri Mukherjee, he ceased to be a member of the Board.

**6. Meetings of the Board of Directors:**

As per the SEBI regulation, a meeting of the Board shall be held at least four times a year, with a maximum time gap of one hundred and twenty days between any two meetings.

**No. of meetings held during the Financial Year: 04 (Four)**

**Date of meetings: 12/05/2023, 31/07/2023, 03/11/2023 and 12/02/2024**

Name of Directors	Number of Meetings entitled to attend after Appointment / Nominations / Co-option	No. of Meetings Attended	Attendance in the last AGM held on 26/06/2023
Shri Sivasubramanian Ramann	4	4	Yes
Shri Sudatta Mandal	4	4	Yes
Shri Prakash Kumar	1	1	-
Dr. Rajneesh	4	2	-
Shri Bhushan Kumar Sinha	4	4	-
Shri Anindya Sunder Paul	2	1	-
Shri Krishna Singh Nagnyal	4	4	-
Shri Manikumar S	1	1	-
Shri G. Gopalakrishna	4	4	-
Ms. Nupur Garg	4	4	-
Shri Amit Tandon	4	4	-
Shri Jitender Kalra	0	0	-
Name of Director who were part of the Board during the financial year and ceased to be members of SIDBI Board			
Shri V. Satya Venkata Rao	1	1	-
Shri K. Sampath Kumar	1	1	-
Shri Monomoy Mukherjee	2	2	-



### 3. Board Level Committees:

In terms of the provisions of SIDBI Act, 1989, SIDBI General Regulations, 2000, SEBI (LODR), Government instructions/ guidelines, RBI Circulars and business requirement, Board of SIDBI has constituted Eleven Committees viz., Audit Committee (AC), Risk Management Committee (RiMC), Nomination & Remuneration Committee (N&RC), Stakeholders Relationship Committee (SRC), Executive Committee (EC), Special Committee to Monitor Large Value Frauds (SCMLVF), Information Technology Strategy Committee (ITSC), Customer Service Committee (CSC), Recovery Review Committee (RRC), Review Committee on Wilful Defaulters & Non Co-operative Borrowers (RCWD&NCB) and Committee on Sustainable Development Goals (CSDG).

Board of Directors of SIDBI has approved the Charter of Committees including Composition, Functions of the Committee, Frequency of Meeting, quorum etc. and the same is placed on the website of SIDBI i.e. [www.sidbi.in](http://www.sidbi.in) at its Corporate Governance Section.

- I. Audit Committee:** The Audit Committee of the Board was constituted in terms of RBI Circular and complies with the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and SEBI (LODR) (Amendment) Regulations, 2018 and stricter provision of the two regulations were taken in the charter.
- a. As on March 31, 2024, the Committee comprised of 7 members including 5 non-executive / Independent directors and 2 Whole time directors as under:

Sr No	Name of Members of Audit Committee	Designation
1	Ms. Nupur Garg,	Non- Executive Director (Chairperson)
2	Shri Sudatta Mandal	Deputy Managing Director
3	Shri Prakash Kumar	Deputy Managing Director
4	Dr. Rajneesh	Non-Executive Director
5	Shri Bhushan Kumar Sinha	Non-Executive Director
6	Shri Anindya Sunder Paul	Non-Executive Director
7	Shri Krishna Singh Nagnyal	Non-Executive Director

- b. The main function of Audit Committee of the Board of SIDBI is to overview the financial reporting process, significant adjustments made in the financial statements, to review changes, if any, in accounting policies and practices and reasons for the same; functioning of the whistle blower mechanism; review internal audit

reports, approval of related party transactions etc. The Committee also reviews, with the management, the statement of uses/ application of funds raised through an issue including the statement of funds utilized for purposes other than those stated in the offer document and making appropriate recommendations to the Board to take up steps in this matter, reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

- c. During FY2023-24, the Committee held four meetings number of meetings held during the Financial Year: 04 (Four)
- d. Date of meetings: 10/05/2023, 31/07/2023, 03/11/2023 and 12/02/2024.
- e. Meeting and Attendance of the Audit Committee:

Name of Directors and Designation (Chairperson)	Number of Meetings held during the tenure	No. of Meetings Attended
Ms. Nupur Garg, Chairperson	4	4
Shri V. Satya Venkata Rao	1	1
Shri Sudatta Mandal	4	4
Shri Bhushan Kumar Sinha	4	4
Shri K. Sampath Kumar	2	2
Dr. Rajneesh	2	1
Shri Anindya Sunder Paul	2	1
Shri Prakash Kumar	1	1

**II. Nomination and Remuneration Committee:** The Nomination and Remuneration Committee has been in place and is in accordance with the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to the extent it does not conflict with SIDBI Act, 1989.

- a. As on March 31, 2024, the Committee comprised of 4 members, all of them Non-executive / Independent directors as under:

Sr No	Name of Members of Committee	Designation
1	Shri Bhushan Kumar Sinha	Non-Executive Director
2	Ms. Nupur Garg	Non- Executive Director
3	Shri Krishna Singh Nagnyal	Non-Executive Director
4	Shri G. Gopalakrishna	Non-Executive Director

- b. The role of the Nomination and remuneration Committee is to recommend to the Board to co-opt such number of directors, not exceeding four, under first provisos of section 6 (1) (f) of SIDBI Act, 1989, to recommend to the board regarding extension/ continuation of the term of such appointment of the co-opted directors, on the basis of the report of performance evaluation of such directors and to formulate the criteria for evaluation of director.
- a. No. of meetings held during the Financial Year: During FY 2023-24, two meetings of the Committee were held.
- b. Date of meetings: 03/11/2023 under the chairmanship of Shri Bhushan Kumar Sinha and 12/02/2024 under the chairmanship of Ms Nupur Garg.
- c. Meetings, and attendance of the Nomination and Remuneration Committee

Name of Directors and Designation (Chairperson)	Number of Meetings held during the tenure	No. of Meetings Attended
Shri Bhushan Kumar Sinha	2	2
Shri Krishna Singh Nagnyal	2	2
Shri G. Gopalakrishna	2	2
Smt. Nupur Garg	2	2

**III. Stakeholders Relationship Committee:** The committee has been constituted in accordance with the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

- a. As on March 31, 2024, the Committee comprised of 5 members, comprising 3 Non-executive / Independent directors and 2 whole time directors as under:

Sr No	Name of Members of Committee	Designation
1	Shri G. Gopalakrishna	Non-Executive Director (Chairperson)
2	Shri Sudatta Mandal	Deputy Managing Director
3	Shri Prakash Kumar	Deputy Managing Director
4	Shri Krishna Singh Nagnyal	Non-Executive Director
5	Shri Anindya Sunder Paul	Non-Executive Director

- b. The Role of stakeholder committee is to monitor the grievances of the shareholders and other security holder, reviewing the measures taken for effective exercise of voting rights by shareholders, reviewing the adherence to the service standards adopted in respect

of various services being rendered by the Registrar & Share Transfer Agent, reviewing the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividend and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Bank.

- c. No. of meetings held during the Financial Year: During FY2023-24, one meeting of the Committee was held.
- d. Date of meetings: 03/05/2023
- e. Meetings, and attendance of the stakeholder relationship Committee on May 03, 2023.

Name of Directors and Designation (Chairperson)	Number of Meetings held during the tenure on May 03, 2023	No. of Meetings Attended
Shri G. Gopalakrishna	1	1
Shri V. Satya Venkata Rao	1	0
Shri Sudatta Mandal	1	1
Shri K. Sampath Kumar	1	1
Shri Krishna Singh Nagnyal	1	1

Name and designation of Compliance Officer: Shri Pankaj Kumar Sahu (Company Secretary & Compliance Officer)

Status of Investor Complaint during the financial Year 2024:

Security	Number of complaints received during the year	Number of complaints not solved to the satisfaction of security holder	Number of pending Complaints
Shareholders	NIL	NA	NA
Holder of Non-Convertible listed Securities	NIL	NA	NA

**IV. Risk Management Committee:** The Risk Management Committee (RiMC) of the Board was constituted in terms of RBI Circular and complies with the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and SEBI (LODR) (Amendment) Regulations, 2018.

- a. As on March 31, 2024, the Committee comprised of 5 members, comprising 3 Non-executive / Independent directors and 2 whole time directors as under:

Sr No	Name of Members of Committee	Designation
1	Shri Amit Tandon	Non-Executive Director (Chairperson)
2	Shri Sudatta Mandal	Deputy Managing Director
3	Shri Prakash Kumar	Deputy Managing Director
4	Shri Manikumar S	Non-Executive Director
5	Shri Anindya Sunder Paul	Non-Executive Director

- b. The roles and responsibilities of RiMC are as per Enterprise Risk Management (ERM) policy as approved/ modified by the Board from time to time. As per present ERM policy, the role of the RiMC is to formulate Risk Management policies for Credit, Market and Operational risks and policies for ALM, Investment, ICAAP and such other policies having a bearing on the risks inter-alia including framework for identification of internal and external risks specifically faced by SIDBI, in particular including financial, operational, sectoral, sustainability, cyber security risks or any other risk. RiMC carries out periodic review of the risk policies and risk framework and ensures that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of SIDBI. RiMC also monitors and oversees implementation of the risk management policy, including evaluating the adequacy of risk management systems and define/ revise the roles and responsibilities of the other Risk Management Committees viz. Enterprise Risk Management Committee (ERMC) and Asset Liability Management Committee (ALCO) etc.
- c. No. of meetings held during the Financial Year: During FY 2023-24, four meetings of the Committee were held.
- d. Date of meetings: 02/05/2023, 27/07/2023, 26/10/2023 and 31/01/2024
- e. Composition, meetings, and attendance of the Risk Management Committee:

Name of Directors and Designation (Chairperson)	Number of Meetings entitled to attend after Nominations	No. of Meetings Attended
Shri Amit Tandon, Chairperson	4	4
Shri V. Satya Venkata Rao	1	1
Shri Sudatta Mandal	4	4
Shri Monomoy Mukherjee	3	3

Name of Directors and Designation (Chairperson)	Number of Meetings entitled to attend after Nominations	No. of Meetings Attended
Shri K. Sampath Kumar	2	1
Shri Anindya Sunder Paul	2	0
Shri Prakash Kumar	1	1
Shri Manikumar S	1	1

**V. Executive Committee:** The Executive Committee of the Board is constituted in terms of the provision contained in the SIDBI Act, 1989.

The Role of the committee is to approve credit and investments related proposals as per credit exposure norms/ delegation, sanction of refinance assistance to Banks/ SFB involving relaxation in norms beyond the relaxable caps prescribed under the scheme, sanction OTS, restructuring etc. to Banks and SFCs under Institutional Finance, to consider proposals for approval/ sanction of exposure and securitization/ assignment of specified portfolio w.r.t NBFCs under Institutional Finance, to consider proposals involving any relaxation in benchmark norms for sanction, eligibility parameters and other parameters for sanction as per DoP and proposals involving Connected Lending provisions and to discharge such functions as may be prescribed or as may be delegated to it by the Board from time to time.

Executive committee has met 14 times during the year on 27/05/2023, 20/06/2023, 26/06/2023, 15/07/2023, 11/08/2023, 30/08/2023, 21/09/2023, 22/09/2023, 31/10/2023, 26/12/2023, 29/01/2024, 29/02/2024, 16/03/2024 and 29/03/2024.

Composition, meetings, and attendance of Executive Committee:

Name of Directors and Designation (Chairperson)	Number of Meetings entitled to attend after Nominations	No. of Meetings Attended
Shri Sivasubramanian Ramann	14	14
Shri V. Satya Venkata Rao	1	1
Shri Sudatta Mandal	14	12
Shri K. Sampath Kumar	4	2
Shri G. Gopalakrishna	14	14

Name of Directors and Designation (Chairperson)	Number of Meetings entitled to attend after Nominations	No. of Meetings Attended
Shri Anindya Sunder Paul	10	3
Shri Prakash Kumar	5	5

**VI. Recovery Review Committee:** The role of the Recovery Review Committee is to review the NPA cases having principal outstanding of ₹5 crore and above and SMAs, restructured accounts. During FY 2023-24, four meetings of the Committee were held.

**VII. Review Committee on Wilful Defaulters & Non-Cooperative Borrowers (RCWD&NCB):** The role of the RCWD&NCB is to review the orders passed by the Committee for Identification of Wilful Defaulters & Non-Cooperative Borrowers for identifying cases as wilful defaulters & non-cooperative borrowers. The Committee also reviews, on half yearly basis, cases of wilful default and non-cooperative borrowers and declassification, if any, thereof. During FY 2023-24, no meeting of the Committee was held.

**VIII. Special Committee to Monitor Large Value Frauds (SCMLVF):** The function of SCMLVF is to monitor and review all frauds of ₹1 crore and above and to monitor progress of recovery position, ensure that staff accountability is examined at all levels and to review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls. SCMLVF has met 4 times during FY 2023-24.

**IX. Customer Service Committee (CSC):** The function of CSC shall review the status of customer service in the Bank and suggest measures to improve quality of customer services. The Committee also monitors the customer grievances and timely resolution thereof. CSC has met 3 times during FY 2023-24.

**X. IT Strategy Committee (ITSC):** The function of ITSC is to approve IT vision, strategy and IT policy documents of the Bank, ensuring that the business and IT strategy are in alignment, IT organizational structure complements the business model and its direction. The Committee also act as apex committee for Information and Cyber Security, taking strategic and financial decisions on the information security plan to maintain a satisfactory level of information security. ITSC has met 4 times during the year.

XI. Committee on “Sustainable Development Goals” (CSDG) is responsible for formulating strategy for the Bank for helping the MSMEs/ stake holders achieving SDGs. It monitors and reviews the initiatives of the Bank related to SDG and guide the Bank for effective implementation of SDG agenda particularly climate change, carbon neutrality, sustainability, etc. It guides and supervises development of guidelines for environmental, social, and governance (ESG), relevant for MSME Sector and monitor implementation thereof. The Committee held one meeting during FY 2023-24.

4. **Remuneration of Directors for FY2024:**

Name of Director	Salary as per section 17 (1) of IT Act (amt in ₹)	Other Benefit (amt in ₹)	Gross Salary (amt in ₹)
1	2	3	4=2+3
Shri Sivasubramanian Ramann (CMD)	40,93,180	5,06,101	45,99,281
Shri V. Satya Venkata Rao (DMD)	8,02,121	14,55,724	22,57,845
Shri Sudatta Mandal (DMD)	35,88,522	9,56,689	45,45,211
Shri Prakash Kumar (DMD)	14,57,712	3,16,688	17,74,400

Other Benefit includes medical reimbursement, furnishing of residence, utility bills, newspaper & periodical, etc.

**4.1 Remuneration and Sitting Fees to the Non-Executive Directors:**

SIDBI does not pay any remuneration to Non-Executive Directors except sitting fees, in terms of Government of India guidelines, for attending the meetings of the Board and its Committees. The fees payable is as under:

Meetings	Sitting fees payable per meeting
Board	₹40,000 (₹10,000 additional for chairing Board Meeting)
Committee	₹20,000 (₹5,000 additional for chairing Committee Meetings)

Note: Executive directors and Govt officials on the Board of the SIDBI are not entitled for any sitting fees.



The total sitting fees paid to non-executive directors during the FY2024.

Name of Directors	Net amount paid (after deducting TDS) (amt in ₹)
State Bank of India (For nominee directors Shri K. Sampath Kumar and Shri Anindya Sunder Paul)	2,88,000
Shri Krishna Singh Nagnyal	2,70,000
NABARD (For nominee director Shri Monomoy Mukherjee and Shri Manikumar S)	1,80,000
Shri G. Gopalakrishna	6,52,500
Smt. Nupur Garg	3,46,500
Shri Amit Tandon	2,92,500

#### 5. General body meetings:

Financial Year	Date	Location of the Meeting	Time (IST)	Special Resolution (s) Passed
2022-23	June 26, 2023	Lucknow	03:00 p.m.	Nil
2021-22	June 25, 2022	Lucknow	10.30 a.m.	Nil
2020-21	July 15, 2021	Lucknow through VC/ OAVM	11.00 a.m.	Nil

Postal Ballot: No Resolution was passed by SIDBI last year through Postal Ballot. None of the businesses proposed to be transacted at the ensuing AGM require passing a Resolution through Postal Ballot.

#### 6. General information/ Affirmation and Disclosures.

- 1. Means of Communications:** The quarterly and annual financial results are normally published in 'Financial Express' and 'Jansatta' and also uploaded on the SIDBIs' website viz. [www.sidbi.in](http://www.sidbi.in).
- SIDBI has not made any presentation to institutional investors or to the analysts during FY2024.
- 3. General Shareholder Information:**
  - 26<sup>th</sup> Annual General Meeting of SIDBI shall be held on Wednesday, September 25, 2024, at 11:00 a.m. at SIDBI, Board Room, 7th Floor, 15 Ashok Marg, Lucknow – 226 001 for the financial year 2024.

- Dividend Payment Date: On or after September 25, 2024 (within 30 days from the date of AGM)
  - Record Date: Date of AGM
4. Equity shares of SIDBI are not listed in any of the Stock Exchanges. SIDBI is a high value debt listed entity and NCDs and CPs of SIDBI are listed in the National Stock Exchange of India Limited, Further, it is hereby confirmed that the listing fees (as applicable) of ₹18,88,000/- was paid during FY2024 to NSE.
  5. SIDBI confirms that the securities of SIDBI were not suspended from trading during the Financial Year 2024.
  6. **Distribution of Shareholding:**

Name of the Shareholder	% Holding
Government of India	20.85
State Bank of India	15.65
Life Insurance Corporation of India	13.33
National Bank for Agriculture & Rural Development	9.36
Punjab National Bank	5.96
Others	34.85
Total	100.00

7. We hereby confirm that electronic connectivity facility during the period April 1, 2023, to March 31, 2024 (both days inclusive) was provided by the Registrar and Share Transfer Agent, viz. Link Intime India Private Limited, which is registered as Registrar & Share Transfer Agent in Category - I with the Securities and Exchange Board of India vide Registration Number: INR000004058. Address: C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai - 400083; Tel: 022-49186000; Fax: 022-49186060; Website: [www.linkintime.co.in](http://www.linkintime.co.in).
8. Share Transfer System: SIDBI is not an equity listed entity. Shares of SIDBI were issued in demat form only. Regulation 27 of SIDBI General Regulations, 2000 deals with the transfer of shares of SIDBI and SIDBI has appointed Link Intime as a registrar and share transfer agent. Further SIDBI securities (NCS) were listed in the National Stock Exchange of India Limited and issued in the demat form only.
9. Shares of SIDBI are dematerialized and are not listed in any of the stock exchanges. Hence equity shares of SIDBI are not tradeable in any of the

Stock Exchanges.

10. Credit rating agencies and ratings: Care Ratings Limited, Crisil Ratings Limited, ICRA Limited and India Ratings & Research Pvt. Ltd. are the credit rating agencies for rating of the various instruments issued by SIDBI during the financial year under review, the ratings agencies have reaffirmed ratings and there was no change in rating of SIDBI.

CARE Ratings Limited	Rating	Rating Action
Long Term Bank Facilities	CARE AAA; Stable	Reaffirmed
MSE/RIDF Deposits	CARE AAA; Stable	Reaffirmed
Short Term Bank Facilities	CARE A1+	Reaffirmed
Unsecured Redeemable Bonds	CARE AAA; Stable	Reaffirmed
Long Term / Short Term Instrument – CD / CP program	CARE AAA; Stable / CARE A1+	Reaffirmed
Fixed Deposit	CARE AAA; Stable	Reaffirmed
CRISIL Ratings Limited	Rating	Rating Action
Non-Convertible Debentures	CRISIL AAA/Stable	Reaffirmed
ICRA Limited	Rating	Rating Action
Non-Convertible Debentures	ICRA AAA Stable	Reaffirmed
India Ratings & Research Pvt Ltd	Rating	Rating Action
Commercial Paper	IND A1+	Reaffirmed

11. All transactions with the related parties are on arm's length basis and in the ordinary course of the business. Materially significant Related Party Transaction during the year under review as under:

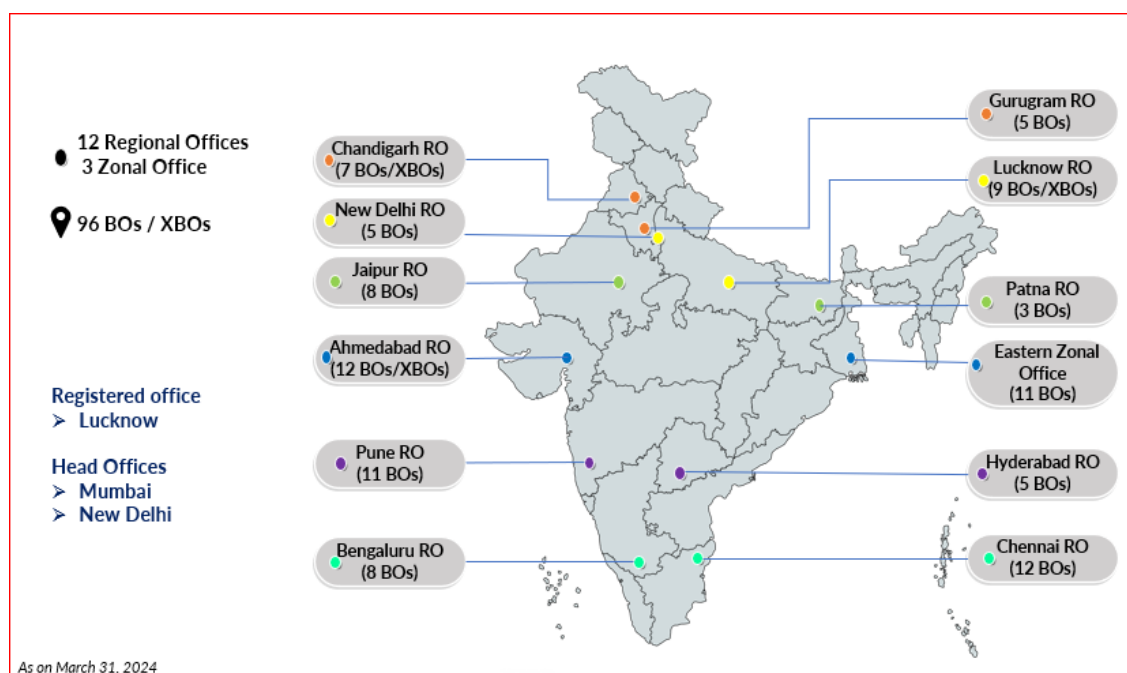
Material Related Party Transactions during FY2023-24					
Sl no.	Name	PAN	Relationship of the counter-party with the listed entity or its subsidiary	Type of related party transaction	Approx Value of transaction during the reporting period (₹ in crore)
1	Credit Guarantee	AAATC2613D	Common	Fixed	6,125

	Fund Trust for Micro and Small Enterprises		Director	Deposit	
2	Bank of India	AAACB0472C	Common Director	Borrowing	4,12,357.59
<p>In terms of Policy on Materiality of Related Party Transactions and on dealing With Related Party Transactions [Transaction(s) entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of listed entity as per the last audited financial statements of the listed entity, whichever is lower.] and [a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed {five} percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity].</p>					
<p>10% Consolidated Turnover of SIDBI for FY 2024 being higher than ₹1,000 crore, the limit for Material RPT is considered as ₹ 1,000 crore, also no transaction has been reported in r/o brand Usage/ royalty.</p>					

12. During the year under review No penalty was imposed by /SEBI for any violation of Act / Regulation.
13. The Board of Directors of SIDBI in their 217th Board meeting held on February 06, 2023, has approved the vigil mechanism/ whistle blower policy. In terms of requirement under Regulation no. 22 of the SEBI (LODR) Regulations, 2015 and Regulation no. 9A (6) of SEBI (PIT) (Amendments) Regulations, 2018 which mandates to formulate a whistle blower policy. The policy aims at instilling confidence into the whistle blower for ensuring effective corporate governance by maintaining confidentiality, protection from any form of victimization. Complaints should be disposed of in a time-bound manner. The investigators should also be protected against victimization. The subject (accused) shall be provided with an opportunity of being heard, before a final conclusion is drawn. SIDBI reserves the right to initiate disciplinary action against the whistle blower, in case the complaint is found to be false or frivolous, after investigation. The policy is made available on the website of SIDBI i.e. [www.sidbi.in](http://www.sidbi.in). No personnel were denied access to the Audit Committee of the Board in terms of Whistle Blower Policy.
14. Policy on materiality of related party transactions and policy for determining 'material' subsidiaries are available on the website of SIDBI on [www.sidbi.in](http://www.sidbi.in) under link: <https://www.sidbi.in/en/corporate-governance#section1>.
15. 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. Internal Control guidelines and accounting policies are framed and approved by the Board. 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.

16. Details of number of Zonal/ Regional offices, Branch offices as on March 31, 2024 is given below:



17. Total fees paid to the Statutory Auditors (M/s J. Kala & Associates) during FY 2024 was ₹32,98,907.18/-. The Statutory Auditor of SIDBI is not an Auditor to any of its subsidiary. Total fees paid by the subsidiary company to their respective statutory auditor are provided in the table below.

Sr. No.	Name of the Subsidiaries	Name of the Statutory Auditor	Total Fees Paid
1	MUDRA	D. Kothary & Co.	₹6,35,000 (excluding taxes)
2	SVCL	M/s Hinesh R. Doshi & Co. LLP	₹1,50,000/- (excluding taxes)
3	STCL	M/s Bhushan Khot & Co.	₹71,000/- (excluding taxes)

4	SIDBI Swavalamban Foundation	Kumar Chandan & Associates	₹1,00,000/- (excluding taxes)
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**18. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Number of complaints filed during the financial year : One

Number of complaints disposed of during the financial year : One

Number of complaints pending as on end of the financial year: Nil

**19. Details of material subsidiaries of SIDBI; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries**

(₹ in crore)

Particulars	FY 2024		FY 2023		
	Total Income	Networth	Total Income	Networth	
SIDBI (Consolidated)	34,232	31,188	20,001	27,071	
10% of total income /Net- worth	3,423.20	3,118.80	2,000.10	2,707.10	
Material Listed Subsidiaries – No Listed Subsidiary					
Material unlisted Subsidiary					
Name of Subsidiaries	Total Income / Networth	Exceeds 10% Yes/No	Total Income / Networth	Exceeds 10% Yes/No	Material Subsidiary Yes/No
MUDRA	2317.59/ 4052.71	Yes	1,541.66/ 3271.53	Yes	Yes
SVCL	13.33/ 52.23	No	11.56/ 47.64	No	No
STCL	0.94/ 9.55	No	0.77/ 8.88	No	No

MUDRA is material subsidiary of SIDBI which was incorporated at Mumbai on March 18, 2015, as wholly owned subsidiary of SIDBI. Statutory auditor of MUDRA is D. Kothary & Co.

**20. SIDBI has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V to the extent that the requirements of the regulation do not violate the provisions of SIDBI Act, 1989, and regulations made there under. Further SIDBI complied with the directions and**

guidelines issued by the Reserve Bank of India.

21. SIDBI Board has accepted recommendation of various committees of the board which is mandatorily required during the FY2024. The Corporate Governance approach of SIDBI is inclusive in nature and opinion of the members of the Board and external expert is duly recognized and included in the Board Decisions.

**7. Address for correspondence:**

**Registered Office:** SIDBI Tower, 15, Ashok Marg, Lucknow - 226001, Uttar Pradesh.

**Corporate Office:** SIDBI, Swavalamban Bhavan, C-11, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400051, Maharashtra.

**8. Declaration of Chairman and Managing Director**

I hereby declare that members of the Board of Directors and senior management have affirmed compliance with the code of conduct of Board of Directors and senior management for Financial Year 2024.

**Manoj Mittal**  
**Chairman & Managing Director**

**1. Brief Profile of Executive and Non-executive Directors of SIDBI during Financial Year 2024.**

**I. Shri Sivasubramanian Ramann (CMD):**

Shri Sivasubramanian Ramann, belongs to 1991 batch of Indian Audit & Accounts Service (IA & AS). He joined as Chairman & Managing Director, Small Industries Development Bank of India (SIDBI) from 19th April 2021. Before joining SIDBI, he was MD & CEO of National E-Governance Services Limited (NeSL) from December 2016. Prior to joining NeSL, Shri Ramann was the Principal Accountant General (Audit), Jharkhand, Ranchi during 2015-2016. He worked with SEBI as CGM and later Executive Director between 2007 & 2013.

He held various positions in the offices under the C&AG of India in various States and also worked as Executive Secretary to the C&AG of India. He worked as First Secretary, at Indian High Commission, London for auditing the accounts of various Indian Embassies in Europe. He is BA (Hons) Economics from St Stephens College and MBA from FMS, Delhi University. He has done M. Sc. in Regulations from London School of Economics and Certified Internal Auditor from IIA Florida. He completed LLB from Mumbai University and Post Graduate Diploma in Securities Law.

**II. Shri Sudatta Mandal (DMD):**

Shri Sudatta Mandal joined as Deputy Managing Director, Small Industries Development Bank of India (SIDBI) on 3<sup>rd</sup> May 2021. Before joining SIDBI, he was the Chief General Manager & Chief Financial Officer of the Export-Import Bank of India (Exim Bank). He has experience of more than 25 years across different verticals (Assets, Liabilities, Risk Management, Compliance and Strategy) in Exim Bank including more than 20 years of operational experience in International Trade and Investment Finance, Project Finance, SME lending including Cluster Finance, Trade Finance, and cross-border Development Finance. He is a B-Tech. in Electrical Engineering from the Indian Institute of Technology, Kanpur, and holds a Post Graduate Diploma in Management with specialization in Finance from the Indian Institute of Management, Calcutta.

**III. Shri Prakash Kumar (DMD):**

Shri Prakash Kumar took charge as Deputy Managing Director of SIDBI on November 07, 2023. Prior to this, he was Chief General Manager in SIDBI and headed several important Verticals, viz., NBFC and Microfinance Vertical, Direct Credit Vertical, Risk Management Vertical, Treasury and Resource Management Vertical etc. He has also led the prestigious Poorest State Inclusive Growth (PSIG) Project implemented by SIDBI with support from DFID, UK. He has more than 28 years of experience in SIDBI, in varied areas such as SME Financing, Microfinance, Risk Management, Treasury, NPA Management, Business Process Re-engineering etc. He has been invited as speaker in several Conferences / Seminars concerning



MSME financing & development related areas, both in India & abroad. He is B. Tech in Chemical Engineering from IIT Delhi and Masters in Financial Management from NMIMS, Mumbai.

#### **IV. Dr. Rajneesh:**

Dr. Rajneesh belongs to the 1997 batch of Indian Administrative Service (IAS). He holds Master's degree in Economics from Delhi School of Economics, Master's degree in International Law & Economics, from University of Bern, Switzerland and PhD in Economics from Indian Institute of Foreign Trade, New Delhi. Dr. Rajneesh has also done Hubert Humphrey Fellowship Programme from University of North Carolina, USA. Presently as Additional Secretary and Development Commissioner, Ministry of MSME, Dr. Rajneesh is engaged in comprehensive policy for development of the MSME sector in India. He has over 25 years of experience as an IAS officer having worked in the field of Finance, Commerce, Urban Development & Town Planning, Education and IT etc. He has also worked as PS to the President of India (2012-2017) and Finance Minister of India (2011-12).

#### **V. Shri Bhushan Kumar Sinha:**

Dr. Bhushan Kumar Sinha belongs to the 1993 batch of Indian Economic Service. He holds Master's degree in Business Administration (MBA) from the National Graduate School of Management (NGSM), Australian National University (ANU). He also holds Law degree and Ph. D. in Financial Economics from Department of Financial Studies, University of Delhi. Dr. Sinha has worked primarily in the financial sector covering areas, such as Capital Market, Disinvestment & Public Asset Management, Banking, etc in Ministry of Finance, GoI. He has also worked as Joint Development Commissioner in the Ministry of MSME. After joining as Joint Secretary in DFS in June 2018, Dr. Sinha has handled Financial Inclusion (FI), credit to agriculture / rural sector, priority sector lending by banks and functioning of Regional Rural Banks (RRBs). Currently, he is handling Development Financial Institutions (DFIs), including National Bank for Financing Infrastructure and Development (NaBFID), Small Industries Development Bank of India (SIDBI), Export-Import Bank (EXIM Bank), India Infrastructure Finance Company Ltd. (IIFCL), Industrial Finance Corporation of India Ltd. (IFCI) and National Housing Bank (NHB), etc. He is also handling all infra-financing related matters as well as sectoral lending policies/ issues. Earlier, Dr Sinha was Economic Adviser in the Department of Investment & Public Asset Management (DIPAM) and Director in the Office of the Finance Minister. Dr. Sinha is also Government Nominee Director on the Boards of Bank of India (BoI), India Infrastructure Finance Company Ltd. (IIFCL) and National Bank for Financing Infrastructure and Development (NaBFID). Earlier, he has served as the Government Nominee Director on the Boards of Central Bank of India, NABARD, IFCI and Micro Units Development & Refinance Agency (MUDRA) Ltd.

#### **VI. Shri Anindya Sunder Paul:**

Shri Anindya Sunder Paul is a seasoned banker, with a rich experience of more than 28 years in various capacities in State Bank of India (SBI). Shri Paul is a Postgraduate from Allahabad University. He has worked in various positions in the bank including District Headquarter branches as Branch Manager. He also headed the Regional and Network Division of the Bank. Shri Paul also had a stint abroad at the Hong Kong branch of SBI. He currently occupies the position of CGM (SME & SCF) at SBI Corporate Centre, Mumbai, handling the SME portfolio of around ₹3.34 trillion of the Bank.

#### **VII. Shri Krishna Singh Nagnyal:**

Shri Krishna Singh Nagnyal is graduate from Ewings Christian College, Allahabad University. He joined LIC of India as an officer and has wide experience in LIC having worked in various zones handling varied assignments such as Sr. Divisional Manager and Regional Manager. He has served the Corporation in various capacities and held prestigious positions at different parts of the country. He was Regional Manager, Marketing of Eastern Zone, Regional Manager (OS) and Regional Manager, Personnel and Industrial Relations of North Zone. He has headed Central Zone, Bhopal and Eastern Zone Kolkata as Zonal Manager Incharge. Thereafter, he was posted at Central Office as Executive Director, Corporate Communications. He has special interest in sports and is inclined towards Social Service.

#### **VIII. Shri Manikumar S:**

Shri Manikumar S is a fellow member of the Institute of Cost Accountants of India (FCMA) and holds an MBA in Finance, MS (Banking) and Advanced PG Diploma in Computer Applications. He is also a Certified Associate of the Indian Institute of Banking and Finance. He has more than 3 decades of experience in the Banking and Financial Services space, especially in the areas of decentralized credit planning, financial management, rural innovations, microfinance and financial inclusion, integrated risk management, HR transformation, banking technologies, start-up investments and structuring of new financial products. Shri Manikumar S is currently working as Chief General Manager at National Bank for Agriculture and Rural Development's (NABARD) Head Office at Mumbai and is heading the Strategic Planning and Product Innovations Department. He is also on the Board of NABSAMRUDDHI Finance Ltd., the NBFC-Subsidiary of NABARD.

#### **IX. Shri G. Gopalakrishna:**

Shri G. Gopalakrishna was the Director, Centre for Advanced Financial Research and Learning (CAFRAL) from 21<sup>st</sup> April 2014 to 20<sup>th</sup> April 2017. CAFRAL was set up by Reserve Bank of India to develop into a world class global institution for research and learning in banking and finance.

Before joining CAFRAL, he was Executive Director, Reserve Bank of India (RBI). Shri Gopalakrishna, a career Central Banker for over 33 years, mainly worked in the area of Banking and Non-Banking Regulation and Supervision.

He was the Chairman and Member of several Working Groups set up by the RBI/Government of India. During 2011, he Chaired the Working Group on Information Security, Electronic Banking Technology, Risk Management and Cyber Frauds, the recommendations of which have been implemented April 2011. The RBI guidelines has become benchmark standard for the industry in information security, information audit, I.T. Governance and Cyber frauds. He authored the Central Credit Registry created by RBI in 2014 for reporting large value credits. In 2014 Shri Gopalakrishna Chaired the Committee constituted to examine the recommendations of FSLRC relating to Capacity Building in Banks and non-banks. The report has been accepted and implemented by the Reserve Bank of India.

**X.Ms. Nupur Garg:**

Ms. Nupur Garg is a leading investor in private equity and venture capital and an expert advisor to large institutional investors. She is the founder of WinPE (<https://winpeforum.com>), a not-for-profit initiative to enhance gender diversity in the investing ecosystem. Ms. Nupur serves as Chairperson of the Board of Kids Clinic India Limited and an independent director on the Boards of companies Edelweiss Real Assets Managers Limited, Kerala Infrastructure Fund Management Limited. She is an independent member of the investment committee at the Fund of Funds managed by the National Investment and Infrastructure Fund (NIIF), the quasi-sovereign wealth fund sponsored by the government of India, and an advisor to and a member of the investment committee for the Dutch Good Growth Fund (DGGF). an investment fund of Dutch government for investments in SMEs in frontier markets across 75 countries. She has served as an external expert on the investment committee for the INR 10,000 crore Fund of Funds for Startups for investing in the Indian start-up ecosystem. Ms. Nupur advises select fund managers on matters related to institutionalization, best practices and governance. She also mentor's female entrepreneurs across various platforms. Ms. Nupur was listed in the BW VC World Most Influential Women 2022, Forbes W-Power list of Self Made Women 2020, among India's top 100 Women Leaders in Finance (AIWMI 2019), awarded the Women Empowerment Entrepreneur Award 2019-20 and the Business Excellence and Innovative Best Practices - Academia Award 2019. In her last full-time role, Ms. Nupur led the private equity and venture capital funds business in the region, for IFC and is widely credited with establishing IFC's brand and credibility as one of the most respected institutional investors in this space. Ms. Nupur is a CA and an MBA from MIT Sloan School of Management, with executive education from Harvard Business School.

**XI.Shri Amit Tandon:**

Shri Amit Tandon is the founder Institutional Investor Advisory Services India Limited (IIAS) and its managing director since July 2011. Before IIAS, Shri Amit was the managing director and CEO of Fitch Ratings: India from October 2001 to June 2011. He also had oversight over Fitch Ratings Lanka. Prior to joining Fitch, he was with the ICICI group for 17 years (from May 1984 – September 2001), where he rotated through various roles and businesses including project finance, leasing, and the merchant banking division. His last role with the ICICI group was as head

of investment banking at ICICI Securities. He has been a member of the Reserve Bank of India's Technical Advisory Committee on Money, Foreign Exchange and Government Securities Markets, a member of one of the working groups convened by the Ministry of Corporate Affairs to review comments received on the Companies Act and the Kotak Committee on Corporate Governance constituted by SEBI. Shri Amit studied economics at St Stephens College, Delhi and has an MBA from the Faculty of Management Studies, Delhi and has an MPhil degree from the University of Cambridge, UK.

## **XII. Shri Jitender Kalra:**

Shri Jitender Kalra has deep understanding and experience of MSME cluster development. Starting out as a Civil Servant in 1991, Shri Kalra had senior leadership roles at UNIDO and in Dr. Reddy's Foundation and Reliance Foundation, two of India's largest CSR Foundations. He has worked extensively in areas of Enterprise and Livelihood promotion, Financial Literacy, Skill Development, Rural Transformation and Regenerative Agriculture. During his tenure with UNIDO, he helped steer the 'MSME cluster development' approach in India at implementation and Policy levels. At present, Shri Kalra is a director of "Nab Foundation", a 100 percent subsidiary of NABARD, set up for taking up innovative projects through convergence. He is active in training and coaching senior leadership teams on culture building and organizational transformation. Shri Jitender Kalra holds degree of BSc (Mechanical Engineering) and MBA.



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**SECRETARIAL AUDIT REPORT**  
**For the financial year ended March 31, 2024**

*[Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To,  
**The Members,**  
**Small Industries Development Bank of India (SIDBI)**  
 Corp. Office: SIDBI, Swavalamban Bhavan,  
 C-11, G-Block, Bandra-Kurla Complex, Bandra East,  
 Mumbai - 400051, Maharashtra, India.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Small Industries Development Bank of India** (hereinafter called the **SIDBI**).

Based on my said verification of the SIDBI's books, papers, minute books, forms and returns filed and other records maintained by the SIDBI and also the information provided by the SIDBI during the conduct of secretarial audit, I hereby report that in my opinion, the SIDBI has complied with the statutory provisions listed hereunder for the financial year ended on 31<sup>st</sup> March, 2024 and also that the SIDBI has proper Board-processes and compliance-mechanism in place to the extent, in the manner:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the SIDBI for the financial year ended on 31<sup>st</sup> March 2024 according to the provisions of:

- (i) The Small Industries Development Bank of India Act, 1989 (SIDBI Act, 1989)
- (ii) Small Industries Development Bank of India General Regulations, 2000;
- (iii) The Companies Act, 2013 (the Act) and the rules made thereunder as amended; *(Not Applicable to SIDBI during the Audit Period)*
- (iv) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder as amended; *(Not Applicable to SIDBI during the Audit Period)*
- (v) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as amended; *(Not Applicable to SIDBI during the Audit Period)*
- (vi) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; *(to the extent Applicable to SIDBI during the Audit Period)*
- (vii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; *(Not Applicable to SIDBI during the Audit Period)*



- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2015; *(to the extent Applicable to SIDBI during the Audit Period)*
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 *(Not Applicable to SIDBI during the Audit Period)*;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *(to the extent Applicable to SIDBI during the Audit Period)*
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; *(to the extent Applicable to SIDBI during the Audit Period)*
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(Not Applicable to SIDBI during the Audit Period)*; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; *(Not Applicable to SIDBI during the Audit Period)*;

I have also examined compliance with the applicable clauses of the following:

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India; *(Not Applicable to SIDBI during the Audit Period)*
- (b) The Listing Agreements entered into by the SIDBI with the Stock Exchange viz NSE Ltd along with Reg. 15 to 27 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as applicable for respective periods.

During the period under review, SIDBI has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that:**

- The Board of Directors of the SIDBI is duly constituted with proper balance of Executive Directors, Non-Executive Directors and/or Independent Directors.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the resolutions were passed with consent of majority Directors/Unanimously.

**I further report that:**

- there are adequate systems and processes in the SIDBI commensurate with the size and operations of the SIDBI to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.





M/s. DEEP SHUKLA & ASSOCIATES  
COMPANY SECRETARIES

I further report that during the audit period there were no specific events/actions having a major bearing on the SIDBI's affairs in pursuance of the above referred laws, rules, guidelines and standards.

For: M/s. DEEP SHUKLA & ASSOCIATES  
COMPANY SECRETARIES  
(Peer Review Certificate No: 2093/2022)

  
DEEP SHUKLA  
{PROPRIETOR}

FCS: 5652  
CP NO.5364  
UDIN: F005652F000236003

Place: Mumbai  
Date: 25/0/2024



**Annexure to Secretarial Report and forming part of the report**

To,  
**The Members,**  
**Small Industries Development Bank of India (SIDBI)**  
Corp. Office: SIDBI, Swavalamban Bhavan,  
C-11, G-Block, Bandra-Kurla Complex, Bandra East,  
Mumbai - 400051, Maharashtra, India.

I further state that my said report of the even date has to be read along with this letter.

1. Maintenance of Secretarial/ Statutory Records is the responsibility of the Management of the SIDBI. My responsibility is to express an opinion on these records based on the audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the SIDBI.
4. Wherever required I have obtained *orally*, the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standard is the responsibility of management. My examination is limited to the verification of procedures on test basis and shall not stand responsible for any non-compliance.
6. The Secretarial Audit report is neither an assurance as to the future viability of the SIDBI nor of the efficacy or effectiveness with which the management has conducted the affairs of the SIDBI.

**Disclaimer:** The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Further, based on clarification received from concerned officials, SIDBI established and is governed by SIDBI Act, 1989 and SIDBI General regulation, 2000. SIDBI is in compliance with the regulations 15 to 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent it does not conflict with SIDBI Act, 1989 and SIDBI General regulations, 2000.

For: M/s. DEEP SHUKLA & ASSOCIATES  
COMPANY SECRETARIES  
(Peer Review Certificate No: 2093/2022)



DEEP SHUKLA  
{PROPRIETOR}  
FCS: 5652  
CP NO.5364  
UDIN: F005652F000236003

Place: Mumbai  
Date: 25/04/2024







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**CERTIFICATE ON CORPORATE GOVERNANCE**  
*[As per Part E of schedule V of SEBI (LODR)]*

**To,**  
**The Members,**  
**Small Industries Development Bank of India (SIDBI)**  
 Corp. Office: SIDBI, Swavalamban Bhavan,  
 C-11, G-Block, Bandra-Kurla Complex, Bandra East,  
 Mumbai - 400051, Maharashtra, India.

I have examined the compliance with the conditions of Corporate Governance by Small Industries Development Bank of India ('the SIDBI') for the year ended March 31, 2024, as stipulated in the Reg. 15 to 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), to the extent as applicable.

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of procedures and implementation thereof, adopted by the SIDBI for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the SIDBI.

SIDBI is established and governed by SIDBI Act, 1989 and SIDBI General Regulation, 2000. Thus, Corporate Governance Structure and compliances are in accordance with applicability of the regulations 15 to 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent it does not conflict with SIDBI Act, 1989 and SIDBI General Regulations, 2000.

**For: M/s. DEEP SHUKLA & ASSOCIATES**  
**COMPANY SECRETARIES**  
*(Peer Review Certificate No: 2093/2022)*

**DEEP SHUKLA**  
**{PROPRIETOR}**  
**FCS: 5652**  
**CP NO.5364**  
**UDIN: F005652F000236124**



Place: Mumbai  
 Date: 25/04/2024



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### **SECRETARIAL COMPLIANCE REPORT**

*[Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019]*

### **Annual Secretarial Compliance Report of "Small Industries Development Bank of India(SIDBI)" for the year ended March 31, 2024**

We, Deep Shukla & Associates have examined:

- (a) all the documents and records made available to us and explanation provided by **SIDBI** ("the high value Debt Listed Entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchange(s),
- (c) website of the listed entity
- (d) other relevant document(s)/ filing, which has been relied upon to make this certification,

for the year ended March 31, 2024 ("Review Period") in respect of compliance with the provisions of :

- (a) The Small Industries Development Bank of India Act, 1989 (SIDBI Act, 1989);
- (b) Small Industries Development Bank of India General Regulations, 2000;
- (c) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder;
- (d) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI"); *[Not applicable during the review period]*;
- (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, are:-

- (f) Regulations to the extent as applicable as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; *duly updated*;
- (g) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; *[Not applicable during the review period]*



M/s. DEEP SHUKLA & ASSOCIATES  
COMPANY SECRETARIES

- (h) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; *[Not applicable during the review period]*
- (i) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; *[Not applicable during the review period]*
- (g) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; *[Not applicable during the review period]*
- (h) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended; *(to the extent as applicable)*
- (i) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; *[Not applicable during the review period]*
- (j) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (k) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, as amended;
- (l) The Securities and Exchange Board of India (Debenture Trustee) Regulations, 2022;
- (m) The Securities and Exchange Board of India (Intermediaries) Regulations, 2008; *[Not applicable during the review period]*
- (n) Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018; and circulars/guidelines issued thereunder;

and circulars / guidelines issued thereunder;

We hereby report that, during the review period the compliance status of the listed entity is appended below:

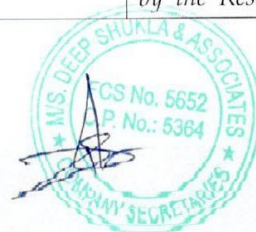
Sr. No.	Particulars	Compliance status (Yes/ No/ NA)	Observations/ Remarks of the Practicing Company Secretary
1.	<u>Secretarial Standards:</u>  The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)	NA	SIDBI is established and is governed by SIDBI Act, 1989 and SIDBI General regulation, 2000.





M/s. DEEP SHUKLA & ASSOCIATES  
COMPANY SECRETARIES

2.	<u>Adoption and timely updation of the Policies:</u> <ul style="list-style-type: none"> <li>• All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities</li> <li>• All the policies are in conformity with SEBI Regulations and has been reviewed &amp; timely updated as per the regulations/circulars/ guidelines issued by SEBI</li> </ul>	Yes	-
3.	<u>Maintenance and disclosures on Website:</u> <ul style="list-style-type: none"> <li>• The Listed entity is maintaining a functional website</li> <li>• Timely dissemination of the documents/ information under a separate section on the website</li> <li>• Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website</li> </ul>	Yes	-
4.	<u>Disqualification of Director:</u> None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	NA	<i>SIDBI is established and is governed by SIDBI Act, 1989 and SIDBI General regulation, 2000. SIDBI complied with fit and proper criteria prescribed by the Reserve Bank of India</i>



M/s. DEEP SHUKLA & ASSOCIATES  
COMPANY SECRETARIES

			<i>for the purpose of the appointment of Co-Opted Directors. Others directors appointed by central government and nominated by the Shareholders.</i>
5.	<p><u>To examine details related to Subsidiaries of listed entities:</u></p> <p>(a) Identification of material subsidiary companies</p> <p>(b) Requirements with respect to disclosure of material as well as other subsidiaries</p>	Yes	-
6.	<p><u>Preservation of Documents:</u></p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.</p>	Yes	-
7.	<p><u>Performance Evaluation:</u></p> <p>The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations</p>	No	Process of Board Evaluation has been initiated.
8.	<p><u>Related Party Transactions:</u></p> <p>(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions</p>	Yes	The SIDBI has ratified all the related party transactions.



M/s. DEEP SHUKLA & ASSOCIATES  
COMPANY SECRETARIES

	(b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/rejected by the Audit committee		
9.	<u>Disclosure of events or information:</u>  The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	NA	Reg. 30 of SEBI LODR is not applicable to SIDBI
10.	<u>Prohibition of Insider Trading:</u> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	-
11.	<u>Actions taken by SEBI or Stock Exchange(s), if any:</u>  No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	NA	-
12.	<u>Additional Non-compliances, if any:</u>  No any additional non-compliance observed for all SEBI regulation / circular / guidance note etc.	No	No any additional non-compliance observed for all SEBI regulation / circular / guidance note etc.



M/s. DEEP SHUKLA & ASSOCIATES  
COMPANY SECRETARIES

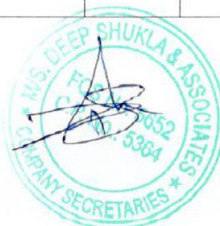
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- The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder: –

S r. N o	Com- plianceRe- quirement (Regul- ations/ circulars /guid- elines includin g specific clause)	Regula- tion/ Circular No.	Devia- tions	Acti- on Tak- en by	Type of Action Advis- ory/ Clarifi- cation /Fine/ Show Cause Notic e/ Warni ng, etc.	Detail- is of Viola- tion	Fine Amo- unt	Observ- ations/ Remarks of the Prac-ticing Company Secretary	Manag- ement Respo- nse	Rema- rks
NOT APPLICABLE										

- The listed entity has taken the following actions to comply with the observations made in previous reports:

S r. N o	Com- plianceRequi- rement (Regul- ations/ circulars /guid- elines including specific clause)	Reg ula- tion/ Circ ular No.	Devia- tions	Acti- on Tak- en by	Type of Action Advis- ory/ Clarifi- cation /Fine/ Show Cause Notice / Warni ng, etc.	Detail- is of Viola- tion	Fine Amo- unt	Observ- ations/ Remarks of the Practicing Company Secretary	Manag- ement Respo- nse	Rema- rks





M/s. DEEP SHUKLA & ASSOCIATES  
COMPANY SECRETARIES

1.	Appointment of Company Secretary as a Compliance officer	6(1)	Non-appoint-ed during the F.Y. 2022-23	NSE	Fine	Non-appoint-ment of Compli-ance officer	4,87,340	SIDBI has submitted the waiver application to NSE.	SIDBI has received the waiver letter from NSE on 29 <sup>th</sup> May, 2023	NA
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**Disclaimer:** The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Further, based on clarification received from concerned officials, SIDBI established and is governed by SIDBI Act, 1989 and SIDBI General regulation, 2000. SIDBI is in compliance with the regulations 15 to 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent it does not conflict with SIDBI Act, 1989 and SIDBI General regulations, 2000.

For: M/s. DEEP SHUKLA & ASSOCIATES  
COMPANY SECRETARIES

(Peer Review Certificate No: 2093/2022)

  
DEEP SHUKLA  
{PROPRIETOR}

FCS: 5652

CP NO.5364

UDIN: F005652F000235851

Place: Mumbai  
Date: 25/04/2024





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**Compliance Certificate of Small Industries Development Bank of India (SIDBI) in terms  
of Regulation 61(4) read with Regulation 40(9) of the SEBI (Listing Obligation &  
Disclosure Requirements) Regulation, 2015**

*For the year ended March 31, 2024*

We have examined all records, register, files and other documents relating to Small Industries Development Bank of India (hereinafter referred to as the "SIDBI") maintained by **Link Intime India Private Limited** (hereinafter referred to as the "Registrar and Share Transfer Agents / RTA") pertaining to transfer of Securities (including Non-Convertible Debt (NCD) and Bonds) of SIDBI for the year, commencing from April 01, 2023 to March 31, 2024 (hereinafter referred to as the "year") for the purpose of issuing a Certificate as per regulation no. 61 (4) read with regulation no. 40 (9) of SEBI (listing obligations and disclosure Requirements) Regulations, 2015 and based on the information provided by SIDBI and the Registrar and Share Transfer Agent, We do and hereby certify that during the year under review:

- all listed Debt securities issued by SIDBI as on March 31, 2024 were in Dematerialized form and hence no physical debenture certificate were required to be delivered during the year under review in respect of regulation no. 61 (4) read with regulation no. 40 (9) of Listing Regulations;
- No application for transfer / sub-division/ consolidation / renewal / exchange in respect of physical debt securities is being received by SIDBI during the year under review;
- There are no cases of requests for exchange of Duplicate and Split certificates.

Yours faithfully,

**For: M/s. Deep Shukla & Associates  
Company Secretaries**

(Peer Review Certificate No: 2093/2022)

**Deep Shukla**

**Practicing Company Secretaries**

**FCS : 5652; CP : 5364**

**UDIN: F005652F000236146**

**Date: 25/04/2024**

**Place: Mumbai**

