

Notice of AGM

Notice is hereby given that the 27th Annual General Meeting of the shareholders of Small Industries Development Bank of India (SIDBI) will be held on Monday, September 29, 2025 at 03:00 PM IST at Board Room, Head Office of SIDBI i.e., SIDBI Tower, 15, Ashok Marg, Lucknow-226001 to transact the following business.

ORDINARY BUSINESS:

- 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, 2025, 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 2025, Profit and Loss Account of SIDBI for the year ended 31st March 2025, 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".

- To declare final dividend on equity shares of SIDBI for the financial year (2025) ended on March 31, 2025.**

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 Rs.2 per share on the equity capital of SIDBI, fully paid for the year ended March 31, 2025, be paid to those shareholders whose names appear on the register of members, as on record date."

- To consider and authorise Board of Directors of SIDBI to appoint statutory auditors of the Bank for FY2026 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 Board of Directors of the Bank be and is hereby authorized to appoint M/s J. Kala & Associates, Chartered Accountants, after receipt of panel of Auditors approved by the Reserve Bank of India, as Statutory Auditor to hold office for FY2026 on such remuneration and expenses, as may be approved by the RBI and as may be mutually agreed between the Bank and the Statutory Auditors.

RESOLVED FURTHER THAT M/s J. Kala & Associates, Chartered Accountants, who were appointed in previous 26th AGM of the Bank, be and are hereby appointed to undertake the Limited Review of Financial Statements of the Bank for the quarter ending June 30, 2025, 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 if required, alter or vary the terms and conditions of appointment."

- 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 62D(3) & 62N(3) 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 Laxmi Chand Meena (DIN:10728812)** who was nominated as Director by the Life Insurance Corporation, not liable to retire by rotation, with effect from October 28, 2024".

- 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 62D(3) & 62N(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Board of Directors of SIDBI had co-opted Shri P. J. Thomas, as Independent (Co-Opted) Director, 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) for a period of three years from November 15, 2024. Accordingly, approval of members be and is hereby granted to Shri P. J. Thomas (DIN: 10332033) 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 proviso to Regulation 62D(3) & 62N(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Board of Directors of SIDBI had co-opted **Ms. Padmaja Shailen Ruparel**, as Independent (Co-Opted) Director, 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) for a period of three years from March 14, 2025. Accordingly, approval of members be and is hereby granted to **Ms. Padmaja Shailen Ruparel (DIN: 01383513)** as an Independent (Co-Opted) director".

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory amendment(s), modification(s), variation(s) or re enactment(s) thereof for the time being in force) and based on the recommendation of the Board of Directors, M/s. Agarwal S. & Associates, Company Secretaries (Firm Unique Code: P2003DE49100), be and are hereby appointed as the Secretarial Auditor of the Bank, to hold office for a term of five consecutive

years, with effect from April 01, 2025 till March 31, 2030, on such terms including remuneration as detailed in the **explanatory statement** annexed to this Notice convening the Meeting."

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

"RESOLVED THAT pursuant to and in accordance with:

- (i) Provisions of Regulation 62K of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("the LODR Regulations"),
- (ii) Policy on related party transactions of the Small Industries Development Bank of India (herein after referred to as "Bank"), and
- (iii) Approval of the Audit Committee and recommendation of the Board of Directors,

the approval of the Members of the Bank be and is hereby accorded to the Bank and specific subsidiaries of the Bank (as listed in the explanatory statement to this resolution) to enter into and/or continue related party contract(s)/ arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise) with entities, which qualify as related party transaction within the meaning of Regulation 2(1)(zc) of the LODR Regulations, in the course of

- i. granting of credit facilities such as term loan, working capital demand loan, short term loan, overdraft, or any other form of fund-based facilities and/or guarantees, letters of credit, or any other form of non-fund based facilities, including interest and other charges receivable in connection with such facilities,
- ii. purchase/ sale of services, purchase/ sale of shared services,
- iii. equity infusion,
- iv. Purchase and/or sale of loans,
- v. undertaking repurchase (repo) transactions and other permitted short-term borrowing transactions,
- vi. reverse repurchase (reverse repo) transactions and other permitted short-term lending transactions,
- vii. foreign exchange and derivative transactions,
- viii. investment in securities issued by the Related Parties,
- ix. purchase/sale of securities from/to Related Parties in secondary market (issued by related or unrelated parties),
- x. borrowing through issuance of debt securities to related parties,
- xi. availing insurance services,
- xii. any other transaction involving transfer of resources, services or obligations,

on such material terms and conditions, *[as may be permitted under the Applicable Laws, and relevant policies of the Bank notwithstanding the fact that the maximum limit of such transactions to be entered into individually or taken together with previous transactions, at any point of time during the financial year ending March 31, 2026 ("FY2026"), may exceed Rs.1000 crore or 10% of the annual consolidated turnover of the Bank as per the last audited financial statements of the Bank, whichever is lower, as prescribed under the Applicable Laws or any other materiality threshold, as may be applicable from time to time]* as detailed in the explanatory statement to this resolution and as may be agreed by the Bank and specific subsidiaries with the concerned entities, such that during the financial year ending on March 31, 2026,

- (i) the maximum value of the transactions of the Bank and each specific subsidiary of the Bank with the concerned entities does not exceed the value and
- (ii) the aggregate value of all such transactions with each concerned entity does not exceed the value

as fixed by the exposure norm fixed by the Board and as specified in the explanatory statement, provided that the said transactions shall be at arm's length basis and in the ordinary course of business.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board", which term shall be deemed to include any Committee constituted/ empowered/ to be constituted by the Board from time to time to exercise its powers conferred by this Resolution(s)/ transaction(s) and/or enter into and/or carry out new contract(s)/ arrangement(s)/ transaction(s), whether by way of an individual transaction or transactions taken together as a series of transactions or otherwise) of the Bank be and is hereby authorized to settle any question, difficulty, or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution. Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Members of the Bank do hereby approve and accord approval to the Board of Directors, to sign and execute all such documents, deeds and writings, including filing the said documents, etc. and do all such acts, deeds and things and take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution.

RESOLVED FURTHER THAT the Members of the Bank do hereby also accord approval to the Board, to delegate all or any of its powers herein conferred to any Committee of Directors and/or Director(s) and/or official(s) of the Bank/ any other person(s) so authorized by it, in accordance with the Applicable Laws, to do all such acts, deeds, matters and things and also to execute such documents, writings, etc. as may be considered necessary or expedient to give effect to the aforesaid resolution."

Head Office

SIDBI Tower, 15, Ashok Marg,
Lucknow-226001

Date: September 18, 2025

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 each relating to item nos. 3, 4, 5, 6, 7 & 8 to be transacted at 27th 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 27th 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 27th 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 27th 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 or 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 31st March 2025, Profit and Loss Account of SIDBI for the year ended 31st March 2025, 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 27th AGM (**'Annual Report'**) are displayed in the website of the SIDBI 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 or 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 or 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 27th AGM being the cut-off date.
2. The Board of Directors has recommended Dividend of Rs.2 per Equity Share for the Financial Year ended March 31, 2025, 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, 2025.
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. 022-67531200/ 67531130/ 67531233, Mobile No. 9987419667, 9415322793, 9968018849, 9078000173 Email: boarddiv_lho@sidbi.in or compliance_officer@sidbi.in) with regard to any matter related to equity shares of SIDBI.

Annexure to the Notice

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 FY2024-25 (second year) from the panel of auditors forwarded by RBI vide its letter DOS. ARG. No.54744/ 08:03:008/2024-25 dated September 24, 2024. SIDBI vide letter dated April 28, 2025, 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 FY2025-26 (third year) in the Bank's AGM in accordance with the provisions of the SIDBI Act.

RBI has informed that the panel of eligible auditors for FY2026 is yet to be received by them from the office of the Comptroller & Auditor General (C&AG). As the approval from RBI is taking time, the shareholders present at the Annual General Meeting are requested to authorize the Board of Directors of SIDBI for appointment of M/s J Kala and Associates, Chartered Accountants as Statutory Auditors of SIDBI for FY2026 (third year) including terms of appointment/ remuneration after receipt of panel of auditors from RBI.

Keeping in view that the expected time for receipt of RBI approval, M/s J Kala and Associates, shall act as auditors of the Bank for carrying out Limited Review of financial statements for the quarter ending June 30, 2025, and subsequent quarters as well should there be further delay in receipt of approval for appointment of auditors from the RBI.

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.

EXPLANATORY STATEMENT PERTAINING TO ITEM NO. 4

Pursuant to Sections 6 (1) (d) of the Small Industries Development Bank of India Act, 1989 **Shri Laxmi Chand Meena** has been nominated as a Non-Executive Director by Life Insurance Corporation w.e.f. October 28, 2024.

A brief resume in respect of Shri Laxmi Chand Meena 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 Laxmi Chand Meena possesses 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 LODR 2015, Regulation 62B (1)(b) "independent director" shall have the same meaning as assigned to it under clause (b) of sub-regulation (1) of regulation 16 of regulations. The regulation 62B includes only non-executive directors, other than nominee directors under its purview.

However, 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. In view of the above, representation has been made to SEBI seeking relaxation and consider all the non-executive directors including nominee directors as independent directors in line with explanation to regulation 16.

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 Laxmi Chand Meena as a "Non- Executive/ Independent/ Nominee Director" of the Bank to hold office w.e.f. October 28, 2024, not liable to retire by rotation.

Except Shri Laxmi Chand Meena, 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. 5

Pursuant to proviso of Sections 6 (1) (f) of the Small Industries Development Bank of India Act, 1989, **Shri P. J. Thomas** has been co-opted by the Board as a Non-Executive/ Independent Director for a period of three years from November 15, 2024.

A brief resume in respect of Shri P. J. Thomas 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 P. J. Thomas possesses 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 LODR 2015, Regulation 62B (1)(b) "independent director" shall have the same meaning as assigned to it under clause (b) of sub-regulation (1) of regulation 16 of regulations. The regulation 62B includes only non-executive directors, other than nominee directors under its purview.

However, 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. In view of the above, representation has been made to SEBI seeking relaxation and consider all the non-executive directors including nominee directors as independent directors in line with explanation to regulation 16.

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 Shri P. J. Thomas as a "Non-Executive/ Independent Director" of the Bank for a period of three years from November 15, 2024, not liable to retire by rotation.

Except Shri P. J. Thomas, 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. 6

Pursuant to proviso of Sections 6 (1) (f) of the Small Industries Development Bank of India Act, 1989, Ms. Padmaja Shailen Ruparel has been co-opted by the Board as a Non-Executive/ Independent Director for a period of three years from March 14, 2025.

A brief resume in respect of **Ms. Padmaja Shailen Ruparel** 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. Padmaja Shailen Ruparel possesses relevant expertise and experience and is eligible to continue as a Non- Executive/ Independent Director. Her association will be of immense benefit and interest to SIDBI.

As per LODR 2015, Regulation 62B (1)(b) "independent director" shall have the same meaning as assigned to it under clause (b) of sub-regulation (1) of regulation 16 of regulations. The regulation 62B includes only non-executive directors, other than nominee directors under its purview.

However, 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. In view of the above, representation has been made to SEBI seeking relaxation and consider all the non-executive directors including nominee directors as independent directors in line with explanation to regulation 16.

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. Padmaja Shailen Ruparel as a "Non-Executive/ Independent Director" of the Bank for a period of three years from March 14, 2025, not liable to retire by rotation.

Except **Ms. Padmaja Shailen Ruparel**, 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

As per Regulation 62M (read with Regulation 24A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), every High Value Debt Listed Entity (HVDLE) shall undertake secretarial audit and shall annex a secretarial audit report given by a company secretary in practice, in such form as specified by the Board, with the annual report of the listed entity. Also, every HVDLE shall submit a secretarial compliance report in such form as specified by the Board to stock exchanges, within sixty days from end of each financial year.

The Board had, at its meeting held on August 08, 2025, considered and recommended to the Members of Bank, the appointment of **M/s. Agarwal S. & Associates**, Company Secretaries, (Firm Unique Code: P2003DE49100) (hereinafter referred to as Agarwal S. & Associates), as the Secretarial Auditors of the Bank for a term of five consecutive years with effect from April 01, 2025 up to March 31, 2030. The appointment shall be valid from the date of the ensuing AGM till the conclusion of the AGM to be held in the year 2030, subject to the approval of Members of the Bank.

Agarwal S. & Associates is a well-known firm of Practising Company Secretaries founded in 2003. The firm has been Peer Reviewed by the Institute of Company Secretaries of India and has a team of four partners. The CS firm Agarwal S. & Associates has been secretarial auditor of NHPC, IFCI, REC, SAIL, PNB at present/ in recent years.

The Board has recommended appointment of Agarwal S. & Associates as Secretarial Auditor, for conducting Secretarial Audit, issuance of Annual Secretarial Compliance Report (including limited quarterly review of compliance status under SEBI Listing and other applicable regulations) at a fee of ₹69,384/- (Rupees Sixty-Nine Thousand Three Hundred and Eighty-Four) including related expenses and all applicable taxes including GST, etc per annum for the period for FY2026 and FY2030. The fee does not include any other payment that may be made by the Bank for availing any other professional services as permissible under SEBI guidelines/ ICSI regulations. Fees for such services may be decided by the management on mutually agreed terms with the secretarial auditor.

The recommendation is based on the eligibility criteria and qualification prescribed under the Act, the rules made thereunder and the SEBI Listing Regulations. While recommending, the Board of Directors have also considered the experience of the firm, capability, audit experience.

Agarwal S. & Associates have given their consent to act as the Secretarial Auditors of the Bank.

They have further confirmed that their aforesaid appointment, if made, would be within the prescribed limits under the Act and Rules made thereunder and the SEBI Listing Regulations. Agarwal S. & Associates has confirmed that the firm is not disqualified and is eligible to be appointed as Secretarial Auditors in terms of Regulation 24A of the SEBI Listing Regulations.

The Board recommends the Resolution at Item No.7 of the accompanying Notice for approval of the Members of the Bank.

None of the Directors, Key Managerial Personnel of the Bank and their relatives are concerned or interested, financially or otherwise, in the passing of the Resolution at Item No. 7 of the accompanying Notice.

EXPLANATORY STATEMENT PERTAINING TO ITEM NO. 8

Background and context:

Applicable law:

In accordance with Regulation 2(1)(zc) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the LODR Regulations"), "related party transaction" means a transaction involving a transfer of resources, services or obligations between:

- (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand or
- (ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract:

The provisions of Regulation 62K of the LODR Regulations are applicable to all transactions entered into on or after April 01, 2025. In terms of Regulation 62K of the LODR Regulations, as amended from time to time, any transactions with a related party shall be considered material, if the transaction(s) entered into / to be entered into individually or taken together with the previous transactions during a financial year, exceed the lower of Rs.1,000 crore or 10% of annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

All material related party transactions and subsequent material modifications as defined by the audit committee, shall require prior No-Objection Certificate from the Debenture Trustee and the Debenture Trustee shall in turn obtain No-Objection from the debenture holders who are not related with the Issuer and hold atleast more than fifty per cent of the debentures in value, on the basis of voting including e-voting.

This No-Objection Certificate from Debenture Trustee and debenture holders shall be obtained in respect of listed debt securities issued on or after April 01, 2025.

After obtaining approval of the debenture holders, approval of the shareholders through an ordinary resolution shall be obtained.

If the No-Objection Certificate has been withheld, the matter shall not be taken forward for shareholders' consideration.

In case of outstanding listed debt securities as on March 31, 2025, No-Objection Certificate from Debenture Trustee and debenture holders shall not be required for existing or prospective material related party transactions.

The said limits are applicable, even if the transactions are in the ordinary course of business of the concerned Company and at an arm's length basis.

Applicability to Small Industries Development Bank of India:

Small Industries Development Bank of India ("Bank") has assessed the related party transactions in accordance with Regulation 2(1)(zc) of the LODR Regulations and the Policy on Related Party Transaction of the Bank.

Approval of the shareholders is being sought in respect of Material RPTs that may take place during the FY2026 against the Related Parties as given below.

Details of Material RPTs for which approval of the Members of the Bank is being sought:

SIDBI, being an AIFI, is engaged in providing refinance, resource support, credits, Loans, etc., to various financial intermediaries viz. Banks (including RRBs, UCBs, etc.), NBFCs, PSUs, etc. The extent of exposure to such entities is governed by the approved exposure norms of the Bank and the subsidiaries. The transactions with these entities are tentative in nature and may or may not happen depending on the market conditions, business negotiations and after review, and as per lending/investment policy of the Bank.

Some of the above transactions may fall into the category of RPTs in terms of 2(1) (zb) of the LODR Regulations, due to the shareholding of SIDBI being held by GOI and entities owned/ controlled by it and the presence of common directors nominated by GOI or GOI controlled Institutions. These transactions are repetitive in nature and also in the interest of SIDBI or the subsidiaries to achieve their respective mandate. Accordingly, Omnibus approval has been obtained against these exposures for the FY2026, from the Audit Committee. Actual transactions entered pursuant to this omnibus approval will also be put up for review by the Audit committee during the quarterly meeting of the Committee.

Related party transactions indicated in para above which are approved by Audit Committee, and which conform to the category of material RPTs as per the LODR Regulations,

is accordingly required to be placed for approval before the shareholders of the Bank in the ensuing Annual General Meeting. Approval sought from AGM is subject to the approval from Debenture Trustee (in respect of the new non-convertible securities issued by SIDBI during the current FY since April 01, 2025) as per the LODR Regulation 62K(5).

All related party transactions of the Bank and its subsidiaries are at arm's length and in the ordinary course of business.

It is in the above context that item no. 8 is placed for the approval of the shareholders.

INFORMATION PURSUANT TO SEBI MASTER CIRCULAR DATED NOVEMBER 11, 2024

(Chapter III, Section IIIB)

Summary of information provided by the management to the Audit Committee		
Sr. No.	Particulars Name	Details SIDBI/ MUDRA/ SVCL/ STCL
1	Particulars of RPT / Type of RPT	Exposure as detailed in the resolution including funded and non-funded facilities, etc
2	Material terms of RPT	The terms of transactions are subject to RBI norms and Bank's internal policies for products offered which are applicable to all customers (related/unrelated).
3	Name of the related party	As per the explanatory statement above
4	Relationship with SIDBI/ MUDRA / SVCL /STCL	As per the explanatory statement above
5	Nature of Related Party's concern or interest (financial or otherwise) with SIDBI	As per the explanatory statement above
6	Tenure of the proposed transaction	The related party transactions with the related parties are continuing business transactions, and approval of the shareholders is being sought for transactions for financial year 2025-26.
7	Value of the proposed transaction	Maximum value as per the Exposure norm approved by the Bank as per the explanatory statement above. The transactions with these entities are tentative in nature and may or may not happen depending on the market conditions, business negotiations and after review, and as per lending/ investment policy of the Bank. Some of the above transactions may fall into the category of RPTs, due to the shareholding of SIDBI being held by GOI and entities owned/ controlled by it and the presence of common directors nominated by GOI or GOI controlled Institutions.
8	Consolidated Annual turnover of SIDBI for previous FY	Total Consolidated Income of Rs.40,753 crore in FY2025.
9	Value of RPT as % of SIDBI's annual consolidated turnover for previous FY	It may vary depending upon the actual value of transaction within the exposure norm as per the explanatory statement above.
10	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by SIDBI	
11	Type of transaction (loans/ inter-corporate deposits/ advances or investments)	Exposure as detailed in the resolution including funded and non-funded facilities, etc
12	Source of funds in connection with the proposed RPT at Sr. No. 11	As per the resource plan of the Bank/ Subsidiary as approved by Board
13	If any financial indebtedness is incurred to undertake the above RPT at Sr. No. 11	
14	Nature of indebtedness;	As per the resource plan of the Bank/ Subsidiary as approved by Board
15	Cost of funds mobilised for the RPT	As per the market forces as decided by management of the Bank to meet the funding requirement.
16	Tenure of indebtedness	As per the requirement
17	Applicable terms of the RPT at Sr. No. 11	As per the Loan policy of the Bank and exposure norms as per the explanatory statement above.
18	Covenants of the RPT at Sr. No. 11	As per the Loan policy of the Bank and exposure norms as per the explanatory statement above.

Summary of information provided by the management to the Audit Committee

Sr. No.	Particulars Name	Details SIDBI/ MUDRA/ SVCL/ STCL
19	Tenure of the RPT at Sr. No. 11	As per the Loan policy of the Bank and exposure norms as per the explanatory statement above.
20	Interest rate of the RPT at Sr. No. 11	As per the Loan policy of the Bank and exposure norms as per the explanatory statement above.
21	Repayment Schedule of the RPT at Sr. No. 11	As per the Loan policy of the Bank and exposure norms as per the explanatory statement above.
22	Nature of (the RPT at Sr. No. 11)- Secured/ Unsecured	As per the Loan policy of the Bank and exposure norms as per the explanatory statement above (Both Secured/ Unsecured) subject to RBI guidelines
23	If (the RPT at Sr. No. 11) secured, Nature of Security	As per the Loan Policy of the Bank
24	Purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to (the RPT at Sr. No. 11).	As per the Loan Policy of the Bank
25	Justification as to why the RPT is in the interest of SIDBI	These transactions are done in furtherance of the banking business of the Bank to achieve its mandate as per SIDBI Act, 1989 with its customers, which may include Related Parties of the Bank.
26	Copy of the valuation [§] or other external party report, if any such report has been relied upon	Transactions are done at prevailing market rates/fair values, on an arm's length basis and no valuation report as such has been relied upon for these transactions.
27	RPT value as Percentage of the counter-party's annual consolidated turnover (voluntary)	Will vary depending upon the actual transaction with a related party as given in the explanatory statement above.
28	Any other information that may be relevant	
29	Justification for why the proposed transaction is in the interest of the listed entity	

[§] The valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders.

As per Clause Section III-B para (C) regarding Validity of omnibus approval for RPTs granted by shareholders, the shareholders' approval of omnibus RPTs approved in an AGM shall be valid up to the date of the next AGM for a period not exceeding fifteen months.

The Members may note that in terms of the provisions of the LODR Regulations, the related parties as defined thereunder (whether such related party is a party to the aforesaid transactions or not), shall not vote to approve resolutions under item no. 8.

None of the Directors and Key Managerial Personnel of the Bank or their relatives is concerned or interested in the resolution mentioned in item no. 8 of the Notice.

Accordingly, based on the review and approval of the Audit Committee, the Board of Directors recommends the item no. 8 of the accompanying Notice (by way of an ordinary resolution) to the shareholders for approval.

Head Office

SIDBI Tower, 15, Ashok Marg,
Lucknow-226001

Date: September 18, 2025

Place: Lucknow

By order of the Board of Directors

For Small Industries Development Bank of India

Sd/-
PRAKASH KUMAR
Deputy Managing Director

ANNEXURE**Details of Directors seeking appointment at the Twenty-Seventh Annual General Meeting of Small Industries Development Bank of India as required as per Regulation Listing Regulations.****Directors appointed/ Co-opted after last AGM held on September 25, 2024****I. SHRI LAXMI CHAND MEENA**

Shri Laxmi Chand Meena, a former official of Life Insurance Corporation of India (LIC) had a rich and varied experience in various administrative and marketing assignments in different Branches and Divisions of LIC. During his long career, Shri Meena had a tenure of 3 years as General Manager (Marketing) in Central Office of LIC Housing Finance Ltd. (LIC-HFL) where he stewarded the Marketing functions of LIC-HFL. In the cadre of Executive Director, he had an exposure at National Insurance Academy (NIA), Pune. Thereafter, he joined Management Development Centre (MDC) of LIC at Mumbai and retired as its director. Shri Meena holds a BSc degree.

II. SHRI P J THOMAS

Shri P J Thomas holds a BSc (Hons) in Science, an MBA in Banking and Finance, and is a Certified Associate of the Indian Institute of Bankers. With over 36 years of service as a Central Banker, he began his career at a public sector bank before joining the Reserve Bank of India (RBI), where he served in various roles including Regional Director, RBI Bengaluru. His expertise spans Banking Regulation, Supervision, and Financial Inclusion. Shri Thomas had undertaken overseas training in banking regulation and supervision at prestigious institutions such as the Federal Reserve of New York and Florida, as well as other bodies in Basel, Frankfurt, Kuala Lumpur, and Manila. He also served as RBI's Nominee Director on the Boards of Andhra Bank and Central Bank of India.

III. MS. PADMAJA SHAILEN RUPAREL

Ms. Padmaja Ruparel is a nationally recognized key figure in India's entrepreneurial landscape, known for co-founding institutions such as the Indian Angel Network (IAN) and BioAngels, and for her active role as an angel investor. Her extensive experience covers large corporates, mergers and acquisitions, and early-stage ventures. She has received numerous accolades including being listed among "Most Powerful Women" by leading publications and awarded "Women of the Decade in Investment Banking" by the Women Economic Forum. Ms. Ruparel is a Founding Partner and Senior Managing Partner of IAN's venture capital funds and holds several prominent board and advisory roles with organisations like SIDBI, TDB, IVCA, TiE NCR, and NASSCOM, as well as serving as an Independent Director for various companies.

*** The brief resume and other details of the other directors, as on March 31, 2025, appear in Annexure to the Annual Report.**

Small Industries Development Bank of India

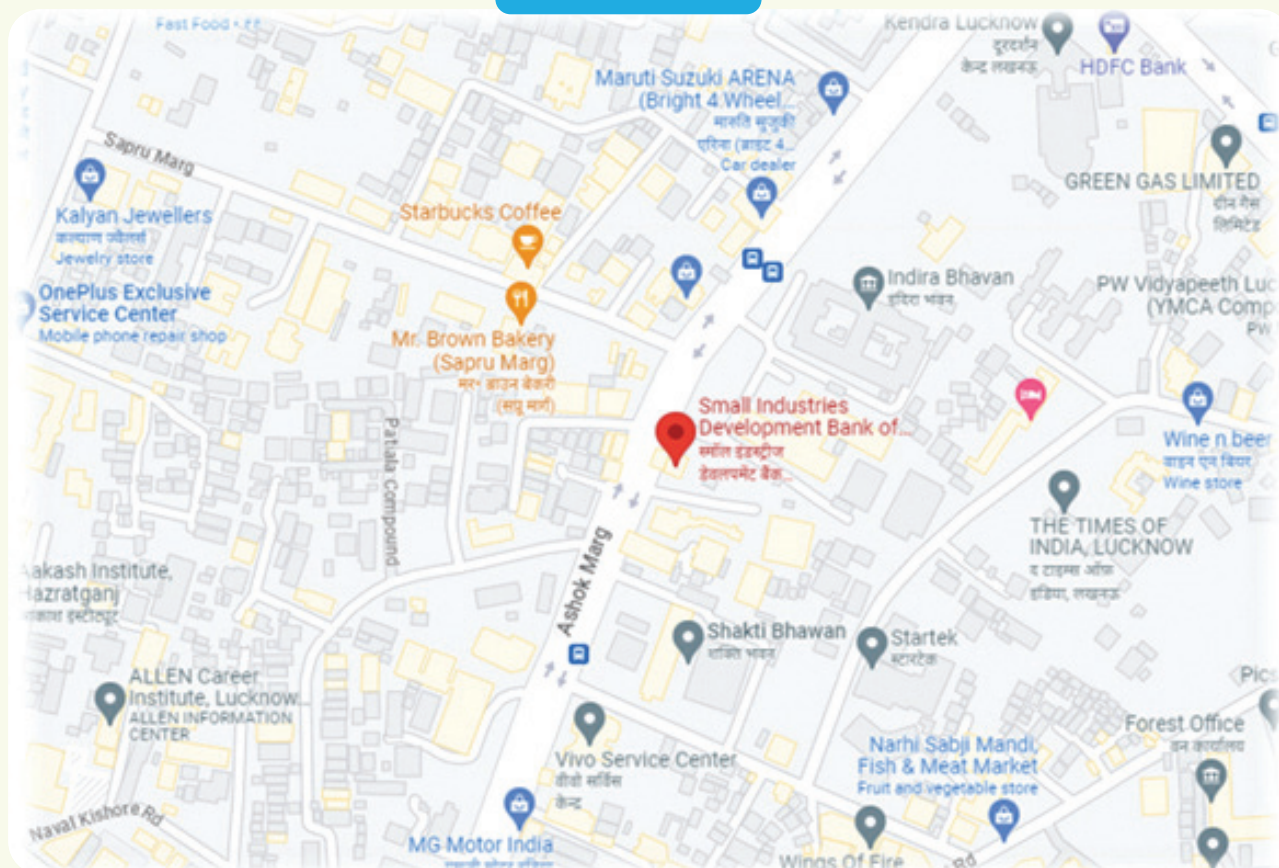
FORM B FORM OF PROXY

(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, Shriresident ofin the district of.....in the State ofas 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 theday 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