sidbi

ANNUAL REPORT **2025-26 (Part II)**

Understanding MSMEs,

Powering MSME Growth.













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Appendix I

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

INDEPENDENT AUDITOR'S REPORT

The Members
Small Industries Development Bank of India

Report on the Audit of the Standalone Financial Statements

OPINION

1. We have audited the accompanying Standalone Financial Statements of **Small Industries Development Bank of India** (the Bank"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss Account and the Statement of Cash Flows for the year then ended, and Notes to the Financial Statements including a summary of Significant Accounting Policies and other explanatory information.

In our opinion and to the best of our information and according to explanations given to us, the aforesaid Standalone Financial Statements give the information required in accordance with Regulation 14(1) of the Small Industries Development Bank of India General Regulations, 2000 in the manner so required and give a true and fair view in conformity with the Accounting Standards notified by the Institute of Chartered Accountants of India ("the ICAI") and accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2026 and its profit and its cash flows for the year ended on that date.

BASIS FOR OPINION

2. We conducted our audit of the Standalone Financial Statements in accordance with the Standards of Auditing ("SAs") issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibility under those standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank in accordance with the "Code of Ethics" issued by the ICAI and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

EMPHASIS OF MATTER

3. We invite attention to Note 24 to Schedule XVI of the Standalone financial statements regarding additional provision on standard advances at rates higher than minimum stipulated under IRAC norms, as per Board approved Accelerated Provisioning Policy.

Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matters
I. Classification of Advances, Identification of Non-performing Advances, Income Recognition and Provision of Advances (Refer Schedule VIII read with Note 6 of Schedule XV to the standalone financial statements) Advances include Refinance loans to banks, Financial Institutions, Micro Finance Institutions and NBFCs; and Direct loans including Cash credits, Overdrafts, Loans repayable on demand and Term loans. The Reserve Bank of India ('RBI') has prescribed the 'Prudential Norms on Income Recognition, Asset Classification and Provisioning' in respect of advances for banks ('IRACP Norms'). The identification of performing and non-performing advances (including advances restructured under applicable IRACP Norms) involves establishment of proper mechanism and the Bank is required to apply significant degree of judgement to identify and determine the amount of provision required against each advance applying both quantitative as well as qualitative factors prescribed by the regulations.	Our audit approach / procedures towards Classification of Advances, Identification of Non-performing Advances, Income Recognition and Provision on Advances included the following: - Understanding and considering the Bank's accounting policies for NPA identification and provisioning and assessing compliance with the prudential norms prescribed by the RBI (IRACP Norms), including the additional provisions and asset classification benefit extended on restructured advances. - Understanding the key controls (including system based automated controls) for identification and provisioning of impaired accounts based on the extant guidelines on IRACP laid down by the RBI. - Performing other procedures including substantive audit procedures covering the identification of NPAs by the Bank. These procedures included: a) Considering testing of the exception reports generated from the application systems where the advances have been recorded.

Key Audit Matter	How our audit addressed the Key Audit Matters
Significant judgements and estimates for NPA identification and provisioning could give rise to material misstatements on: - Completeness and timing of recognition of nonperforming assets in accordance with criteria as per IRACP norms; - Measurement of the provision for non-performing assets based on loan exposure, ageing and classification of the loan, realizable value of security; - Appropriate reversal of unrealized income on the NPAs. Since the classification of advances, identification of NPAs and creation of provision on advances (including additional provisions on restructured advances under applicable IRACP Norms) and income recognition on advances: - Requires proper control mechanism and significant level of estimation by the Bank; - Has significant impact on the overall financial statements of the Bank;	b) Considering the accounts reported by the Bank and other banks as Special Mention Accounts ("SMA") in RBI's central repository of information on large credits (CRILC) to identify stress. c) Reviewing account statements, drawing power calculation, security and other related information of the borrowers selected based on quantitative and qualitative risk factors d) Reading of minutes of credit and risk committee meetings and performing inquiries with the Bank to ascertain if there were indicators of stress or an occurrence of an event of default in a loan account or any product. e) Considering key observations arising out of Internal Audits and Concurrent Audits conducted as per the policies and procedures of the Bank. f) Considering the RBI Financial Inspection report on the Bank, the Bank's response to the observations and other communication with RBI during the year g) Reviewing the report submitted by external expert appointed by the Bank to verify compliance with the RBI circular on Automation of IRACP processes through the Bank's core banking system. h) Examination of advances including stressed/ restructured advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines. i) Seeking independent confirmation of account balances for sample borrowers. j) Visits to branches/offices and examination of documentation and other records relating to advances. For Non- performing advances identified, we, based on factors including stressed sectors and account materiality, tested on a sample basis the asset classification dates, reversal of unrealized interest, value of available security and provisioning as per IRACP norms. We recomputed the provision for NPA on such samples after considering the key input factors and compared our measurement outcome to that prepared by management.

Key Audit Matter	How our audit addressed the Key Audit Matters
II. Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule VII read with Note 3 of Schedule XV to the standalone financial statements) Investments are categorized under Treasury operations and Business Operations. Investments include investments made by the Bank in Central and State Governments Securities, Bonds, Debentures, Shares, Mutual Funds, VCFs and other approved securities. RBI Circulars and directives, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, non-recognition of income and provisioning against non-performing investments. The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FBIL/FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc. We identified valuation of investments and identification of NPI as a Key Audit Matter because of the management judgement involved in determining the value of certain investments (Bonds and Debentures, VCFs) based on applicable Regulatory guidelines and the Bank's policies, impairment assessment for HTM book based on management judgement, the degree of regulatory focus and the overall significance to the financial results of the Bank.	Our audit approach/procedures towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non-performing investments (NPIs) and provisioning/ depreciation related to Investments. In particular - - We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, reversal of income on NPIs and provisioning/depreciation related to investments; - We assessed and evaluated the process adopted for collection of information from various sources for determining market value of these investments; - For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security; - We carried out substantive audit procedures to recompute independently the provision to be maintained in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained and if accrual of income is in accordance with the RBI Circular for those selected sample of NPIs.
III. Information Technology (IT) and controls impacting financial Reporting The Bank's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. Due to the pervasive nature and complexity of the IT environment as well as its importance in relation to accurate and timely financial reporting, we have identified this area as a Key Audit Matter.	As a part of our audit procedures for review of the Bank's IT systems and related controls for financial reporting: - We tested the design and operating effectiveness of the Bank's IT systems and controls that are critical to financial reporting. - The Bank has a system in place for getting application software audits for identified Application Systems at reasonable intervals. Information System (IS) Audit is done by Bank at reasonable intervals. - We reviewed key observations arising out of audits conducted on the Bank's IT systems during the year.

Key Audit Matter	How our audit addressed the Key Audit Matters
IV. Assessment of Provisions and Contingent Liabilities (Note 10 and Note 12 of Schedule XV to the standalone financial statements): Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct Taxes, various claims filed by other parties not acknowledged as debt (Schedule XI to the standalone financial statements) and various employee benefits schemes (Schedule V to the standalone financial statements) was identified as a significant audit area. There is high level of judgement involved in estimating the level of provisioning required as well as in the disclosure of both Provisions and Contingent Liabilities in respect of tax matters and other legal claims. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet. The valuations of the employee benefit liabilities are calculated with reference to multiple actuarial assumptions and inputs including discount rate, rate of inflation and mortality rates. The valuation of funded assets in respect of the same is also sensitive to changes in the assumptions. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of the matters which requires application of judgment in interpretation of law, circumstances of each case and estimates involved.	Our audit approach / procedures involved: - Understanding the current status of the litigations/ tax assessments; - Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon; - Evaluating the merit of the subject matters identified as significant, with reference to the grounds presented therein and available independent legal / tax advice including opinion of the Bank's tax consultants; - Review and evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and - Ensuring completeness and accuracy of the data, the measurement of the fair value of the schemes' assets, understanding the judgements made in determining the assumptions used by management to value the employee liabilities with specific schemes and market practice. - Our audit procedures included an assessment of some assumptions used by the actuary by comparing life expectancy assumptions with relevant mortality tables, benchmarking inflation and discount rates against external market data. We verified the value of plan assets to the statements provided by asset management companies managing the plan assets. - Verification of disclosures related to significant litigations, taxation matters and Employee benefits liabilities in the standalone financial statements.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

Our opinion on the standalone financial statements does not cover the other information and Pillar 3 disclosure under the Basel III Disclosure and we do not and will not express any form of assurance conclusion thereon.

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

6. The Bank's Management is responsible with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flow of the Bank in accordance with the Small Industries Development Bank of India General Regulations, 2000 and accounting principles generally accepted in India including the applicable Accounting Standards issued by ICAI and the circulars and guidelines issued by RBI from time to time.

This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimate that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

7. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statement made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2026 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

8. OTHER MATTERS

These Standalone Financial Results incorporate the relevant returns of 34 Branches visited /audited by us including Head office by us which covers 95.64% of Advances, 97.67% of deposits, 100% of Borrowings as on March 31, 2026 and 95.43% of Interest income on advances, 96.58% of interest expense on deposits and 99.75% of interest expense on borrowings for the period 01.04.2025 to 31.03.2026. These branches have been selected in consultation with the management of the bank. In conduct our audit, we have relied upon various information and returns received from remaining branches of the bank not visited by us, generated through centralised database at Head Office.

Our opinion is not modified in respect of above matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

We report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;

b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank and

c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

10. WE FURTHER REPORT THAT:

a) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

b) The Balance Sheet and Profit and Loss account and Cash flow statement dealt with by this report are in agreement with the books of account;

c) In our opinion, the aforesaid standalone financial statements comply with the applicable accounting standards.

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

(Jayesh Kala)
Partner
M. No.: 101686
UDIN : 26101686IBLBSI1089

Date : May 14, 2026
Place : New Delhi

STANDALONE BALANCE SHEET

as at March 31, 2026

(₹)

		March 31, 2026 Amount	March 31, 2025 Amount
CAPITAL AND LIABILITIES	**SCHEDULES**		
Capital	I	6,21,29,76,980	5,68,54,11,690
Reserves, Surplus and Funds	II	4,41,55,16,43,954	3,58,39,43,32,847
Deposits	III	20,50,36,79,98,052	19,55,99,82,24,608
Borrowings	IV	36,15,59,53,95,078	31,72,64,23,02,850
Other Liabilities and Provisions	V	2,10,05,44,21,731	1,89,66,75,64,272
Deferred Tax Liability		-	-
Total		**63,23,78,24,35,795**	**56,82,38,78,36,267**
ASSETS			
Cash and Bank Balances	VI	1,16,83,95,06,927	1,76,71,52,14,833
Investments	VII	3,17,59,32,47,867	4,69,37,92,11,815
Loans & Advances	VIII	57,97,55,17,38,937	49,62,81,81,98,876
Fixed Assets	IX	2,87,36,81,155	2,80,36,24,047
Other Assets	X	88,92,42,60,909	70,67,15,86,696
Total		**63,23,78,24,35,795**	**56,82,38,78,36,267**
Contingent Liabilities	XI	20,63,02,51,800	31,60,99,11,918

Significant Accounting Policies XV

Notes to Accounts XVI

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

As per our report of even date

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

Jayesh Kala
Partner
M.No. 101686

Y M Kumari
Chief Financial Officer

Laxmi Chand Meena
Director

Prakash Kumar
Deputy Managing Director

P J Thomas
Director

By order of the Board

Manoj Mittal
Chairman &
Managing Director

Place: New Delhi
Date: May 14, 2026

STANDALONE PROFIT AND LOSS ACCOUNT

For the year ended March 31, 2026

(₹)

		March 31, 2026	March 31, 2025
INCOME	**SCHEDULES**		
Interest and Discount	XII	4,13,29,06,88,980	3,78,31,26,14,244
Other Income	XIII	6,10,44,25,274	6,79,89,93,046
Total		**4,19,39,51,14,254**	**3,85,11,16,07,290**
EXPENDITURE			
Interest & Financial charges		3,17,80,91,79,221	2,83,51,57,22,750
Operating Expenses	XIV	16,19,02,01,209	14,29,89,82,245
Provisions & Contingencies		13,49,48,95,261	23,31,48,13,000
Total		**3,47,49,42,75,691**	**3,21,12,95,17,995**
Profit before Tax		**71,90,08,38,563**	**63,98,20,89,295**
Provision for Income Tax		20,24,99,57,000	21,02,17,57,080
Deferred Tax Adjustment [(Asset) / Liability]		(3,27,66,76,000)	(5,14,70,71,000)
Profit after Tax		**54,92,75,57,563**	**48,10,74,03,215**
Profit brought forward		96,21,00,000	80,53,00,000
Total Profit / (Loss)		**55,88,96,57,563**	**48,91,27,03,215**
Appropriations			
Transfer to General Reserve		51,02,93,97,071	44,56,35,20,877
Transfer to Special reserve u/s 36(1)(viii) of The Income Tax Act, 1961		2,40,00,00,000	2,05,00,00,000.00
Others			
Transfer to Investment Fluctuation Reserve		-	-
Transfer to Staff Welfare Fund		22,26,00,000	20,00,00,000
Dividend on Shares		1,13,76,60,492	1,13,70,82,338
Tax on Dividend			-
Surplus in Profit & Loss account carried forward		1,10,00,00,000	96,21,00,000
Total		**55,88,96,57,563**	**48,91,27,03,215**
Basic/Diluted Earnings Per Share		96.56	84.62

Significant Accounting Policies XV

Notes to Accounts XVI

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

As per our report of even date

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

Jayesh Kala
Partner
M.No. 101686

Y M Kumari
Chief Financial Officer

Laxmi Chand Meena
Director

Prakash Kumar
Deputy Managing Director

P J Thomas
Director

By order of the Board

Manoj Mittal
Chairman &
Managing Director

Place: New Delhi
Date: May 14, 2026

SCHEDULES TO STANDALONE BALANCE SHEET

CAPITAL AND LIABILITIES

Schedule I: Capital

(₹)

	March 31, 2026	March 31, 2025
(a) Authorized Capital	10,00,00,00,000	10,00,00,00,000
- Equity Share Capital (75,00,00,000 Equity Shares of ₹10/- each)	7,50,00,00,000	7,50,00,00,000
- Preference Share Capital (25,00,00,000 Redeemable Preference Shares of ₹10/- each)	2,50,00,00,000	2,50,00,00,000
(b) Issued, Subscribed and Paid-up Capital:	6,21,29,76,980	5,68,54,11,690
- Equity Share Capital (62,12,97,698 Equity Shares of ₹10/- each)	6,21,29,76,980	5,68,54,11,690
- Preference Share Capital	-	-
Total	**6,21,29,76,980**	**5,68,54,11,690**

Schedule II: Reserves, Surplus and Funds

(₹)

	March 31, 2026	March 31, 2025
A) Reserves		
i) General Reserve		
- Opening Balance	3,00,06,74,32,243	2,55,50,39,11,366
- Additions during the year	51,02,93,97,071	44,56,35,20,878
- Utilisations during the year	-	-
- Closing Balance	**3,51,09,68,29,214**	**3,00,06,74,32,244**
ii) Share Premium		
- Opening Balance	**30,54,25,88,310**	**30,54,25,88,310**
- Additions during the year	**29,47,24,34,926**	**-**
- Utilisations during the year	**-**	**-**
- Closing Balance	**60,01,50,23,236**	**30,54,25,88,310**
iii) Specific Reserves		
a) Investment Reserve		
- Opening Balance	-	-
- Additions during the year	**-**	**-**
- Utilisations during the year	**-**	**-**
- Closing Balance	**-**	**-**
b) Special Reserve created and maintained u/s 36 (1) (viii) of The Income Tax Act, 1961		
- Opening Balance	22,22,00,00,000	20,17,00,00,000
- Additions during the year	2,40,00,00,000	2,05,00,00,000
- Utilisations during the year	-	**-**
- Closing Balance	**24,62,00,00,000**	**22,22,00,00,000**
c) Other Reserves		
i) Investment Fluctuation Reserve		
- Opening Balance	**1,28,40,05,769**	**1,28,40,05,769**
- Additions during the year	-	-
- Utilisations during the year	-	-
- Closing Balance	**1,28,40,05,769**	**1,28,40,05,769**
B) Surplus in Profit and Loss account	**1,10,00,00,000**	**96,21,00,000**
C) Funds		
a) National Equity Fund		
- Opening Balance	2,65,61,42,832	2,65,61,42,832
- Additions / Write back during the year	-	-
- Utilisations during the year	-	-
- Closing Balance	**2,65,61,42,832**	**2,65,61,42,832**
b) Staff Welfare Fund		
- Opening Balance	66,20,63,693	51,77,93,003
- Additions during the year	22,26,00,000	20,00,00,000
- Utilisations during the year	10,50,20,890	5,57,29,310

SCHEDULES TO STANDALONE BALANCE SHEET

(₹)

	March 31, 2026	March 31, 2025
- Closing Balance	**77,96,42,803**	**66,20,63,693**
c) Others	-	-
Total	**4,41,55,16,43,954**	**3,58,39,43,32,847**

Schedule III: Deposits

(₹)

	March 31, 2026	March 31, 2025
A) Fixed Deposits	**2,01,86,84,35,551**	**1,44,74,77,49,607**
B) From Banks		
a) Under MSME Refinance Fund	17,98,21,52,17,500	17,64,60,14,30,000
b) Under MSME Risk Capital Fund	-	-
c) Others -From Foreign & Private Sector Banks	39,65,49,75,000	31,65,49,75,000
d) Under MSME India Aspiration Fund	10,62,93,70,001	14,99,40,70,001
e) Under Fund for Venture Capital in MSME sector 2014-15	-	-
Subtotal (B)	**18,48,49,95,62,501**	**18,11,25,04,75,001**
Total	**20,50,36,79,98,052**	**19,55,99,82,24,608**

Schedule IV: Borrowings

(₹)

	March 31, 2026	March 31, 2025
Borrowings in India		
1. From Reserve Bank of India	-	-
2. From Government of India	3,81,91,14,756	4,10,81,90,830
(including Bonds subscribed by GOI)		
3. Bonds & Debentures	11,05,83,14,00,000	12,02,61,64,00,000
4. From Other Sources		
- Commercial Paper	2,03,40,00,00,000	1,61,75,00,00,000
- Certificate of Deposits	8,09,90,00,00,000	4,08,70,00,00,000
- Term Loans from Banks	13,51,49,00,00,000	11,35,45,00,00,000
- Term Money Borrowings	-	-
- Others	1,09,54,27,58,757	2,48,04,62,76,130
Subtotal (I)	**35,83,98,32,73,513**	**31,60,67,08,66,960**
Borrowings outside India		
(a) KFW, Germany	15,08,18,54,405	6,81,50,53,292
(b) Japan International Cooperation Agency (JICA)	2,23,56,45,043	4,19,89,00,553
(c) IFAD, Rome	1,01,77,22,117	95,74,82,045
(d) World Bank	-	-
(e) Others	13,27,69,00,000	-
Subtotal (II)	**31,61,21,21,565**	**11,97,14,35,890**
Total (I & II)	**36,15,59,53,95,078**	**31,72,64,23,02,850**

Schedule V: Other Liabilities and Provisions:

(₹)

	March 31, 2026	March 31, 2025
Interest Accrued	69,94,95,77,238	66,64,27,96,855
Provision for SIDBI Employees' Provident Fund	5,02,14,32,732	4,63,09,37,137
Provision for SIDBI Pension Fund	1,65,60,68,333	64,96,91,844
Provision for Employees' Other Benefit	4,99,44,36,176	3,38,79,87,164
Provisions for Exchange Rate Fluctuation	1,53,73,62,766	1,53,73,62,766
Contingent provisions against standard assets	66,36,44,24,740	57,48,24,21,806
Proposed Dividend (including tax on dividend)	1,13,76,60,492	1,13,70,82,338
Funds viz. Aspire Fund, FoF for Startups, PRF, PRSF etc.	43,72,63,99,744	41,96,94,06,251
Floating provision	4,95,67,37,932	4,95,67,37,932
Others (including provisions)	10,71,03,21,578	7,27,31,40,179
Total	**2,10,05,44,21,731**	**1,89,66,75,64,272**

SCHEDULES TO STANDALONE BALANCE SHEET

ASSETS

Schedule VI: Cash & Bank Balances

(₹)

	March 31, 2026	March 31, 2025
1. Cash in Hand & Balances with Reserve Bank of India	6,02,353	6,16,080
2. Balances with other Banks		
(a) In India		
i) in current accounts	4,24,52,68,964	2,35,86,81,298
ii) in other deposit accounts	1,10,55,84,50,262	1,74,34,95,88,302
(b) Outside India		
i) in current accounts	1,51,99,848	63,29,153
ii) in other deposit accounts	2,01,99,85,500	-
Total	**1,16,83,95,06,927**	**1,76,71,52,14,833**

Schedule VII: Investments [net of provisions]

(₹)

	March 31, 2026	March 31, 2025
A) Treasury operations		
1. Securities of Central and State Governments	1,62,35,75,73,527	3,39,80,04,69,838
2. Bonds & Debentures of Banks & Financial Institutions	19,25,24,17,652	19,50,59,38,570
3. Stocks, Shares, Bonds & Debentures of Industrial Concerns	46,93,62,001	46,93,62,000
4. Mutual Funds	-	-
5. Commercial Paper	50,80,80,22,730	47,64,56,00,724
6. Certificate of Deposit	56,68,62,04,906	31,80,45,40,753
7. Others	-	-
Subtotal (A)	**2,89,57,35,80,816**	**4,39,22,59,11,885**
B) Business Operations		
1. Shares of Banks & Financial Institutions	2,05,31,76,446	1,61,51,09,902
2. Bonds & Debentures of Banks & Financial Institutions	-	-
3. Stocks, Shares, bonds & Debentures of Industrial Concerns	2,89,75,13,537	3,14,55,00,059
4. Investment in Subsidiaries	17,51,04,98,740	17,51,04,98,740
5. Investment in Venture Capital Fund - RCF	3,24,17,03,743	3,84,26,39,611
6. Others	2,31,67,74,585	4,03,95,51,618
Subtotal (B)	**28,01,96,67,051**	**30,15,32,99,930**
Total (A+B)	**3,17,59,32,47,867**	**4,69,37,92,11,815**

Schedule VIII: Loans & Advances [Net of Provisions]

(₹)

	March 31, 2026	March 31, 2025
A) Refinance to		
- Banks and Financial Institutions	45,05,71,23,27,167	38,53,26,81,83,749
- Micro Finance Institutions	31,73,20,38,641	60,54,19,66,035
- NBFC	7,09,16,04,10,498	6,41,88,78,89,000
- Bills Rediscounted	-	-
Subtotal (A)	**52,46,60,47,76,306**	**45,55,69,80,38,784**

SCHEDULES TO STANDALONE BALANCE SHEET

(₹)

	March 31, 2026	March 31, 2025
B) Direct Loans		
- Loans and Advances	5,09,92,46,21,764	3,85,42,39,02,964
- Receivable Finance Scheme	-	-
- Bills Discounted	41,02,23,40,867	21,69,62,57,128
Subtotal (B)	**5,50,94,69,62,631**	**4,07,12,01,60,092**
Total (A+B)	**57,97,55,17,38,937**	**49,62,81,81,98,876**

Schedule IX: Fixed Assets [Net of Depreciation]

(₹)

		March 31, 2026	March 31, 2025
1.	Premises	2,79,92,85,580	2,74,17,59,764
2.	Others	7,43,95,575	6,18,64,283
Total		**2,87,36,81,155**	**2,80,36,24,047**

Schedule X : Other Assets:

(₹)

	March 31, 2026	March 31, 2025
Accrued Interest	25,65,03,20,637	25,22,94,43,365
Advance Tax (Net of provision)	4,25,13,78,303	5,16,03,08,996
Staff Loans	2,97,64,65,638	2,65,32,97,934
Derivative Assets	1,58,10,15,037	53,98,51,268
Expenditure to the extent not written off	37,95,36,15,872	24,09,23,88,652
Others	16,51,14,65,422	12,99,62,96,481
Total	**88,92,42,60,909**	**70,67,15,86,696**

Schedule XI: CONTINGENT LIABILITIES

(₹)

		March 31, 2026	March 31, 2025
i)	Claims against the Bank not acknowledged as debts	5,24,92,47,654	6,32,89,48,451
ii)	On account of Guarantees / Letters of Credit	1,41,22,89,785	88,47,44,343
iii)	On account of Forward Contracts	62,09,07,219	12,05,81,52,678
iv)	On account of Underwriting Commitments	-	-
v)	On account of uncalled monies on partly paid shares, debentures & undrawn commitment under VCF etc.	71,38,49,374	81,61,31,595
vi)	On account of derivative contracts	12,63,39,57,768	11,52,19,34,852
vii)	Other items for which the Bank is contingently liable	-	-
Total		**20,63,02,51,800**	**31,60,99,11,918**

Schedule XII: Interest and Discount

(₹)

		March 31, 2026	March 31, 2025
1.	Interest and Discount on Loans, Advances and Bills	3,68,17,55,61,990	3,30,42,30,76,954
2.	Income on Investments / Bank balances	45,11,51,26,990	47,88,95,37,290
Total		**4,13,29,06,88,980**	**3,78,31,26,14,244**

SCHEDULES TO STANDALONE PROFIT & LOSS ACCOUNT

Schedule XIII: Other Income:

(₹)

	March 31, 2026	March 31, 2025
1. Upfront and Processing Fees	1,44,21,88,575	1,08,92,39,594
2. Commission and Brokerage	4,09,69,902	2,84,42,684
3. Profit on sale of Investments	65,13,21,230	1,53,51,92,721
4. Income earned by way of dividends etc. from Subsidiaries / Associates	37,47,25,185	34,13,05,185
5. Provision of Earlier Years written Back	-	-
6. Recoveries out of Bad Debts	88,04,40,844	2,56,63,75,233
7. Reversal of Provisions/ERFF under FCL	-	-
8. Others	2,71,47,79,538	1,23,84,37,629
Total	**6,10,44,25,274**	**6,79,89,93,046**

Schedule XIV: Operating Expenses:

(₹)

	March 31, 2026	March 31, 2025
Payments to and provisions for employees	9,85,50,33,623	7,72,70,85,644
Rent, Taxes and Lighting	29,88,86,069	25,77,70,940
Printing & Stationery, Postage/Courier & Tele and Insurance	2,91,35,478	2,30,75,739
Advertisement and Publicity	10,99,27,310	9,30,88,017
Depreciation / Amortisation on Bank's Property	45,49,93,636	21,60,85,424
Directors' fees, allowances and expenses	50,84,079	48,52,267
Auditor's Fees	38,94,265	39,41,733
Law Charges	1,66,43,205	2,78,14,289
Repairs and maintenance	33,19,47,437	66,40,18,107
Issue Expenses	9,52,26,461	5,82,40,586
Capital Commitment, Management Fees etc.	41,62,65,372	59,77,75,349
Input Tax Credit not Available	46,89,89,039	48,70,26,632
Contribution to CGTMSE	-	-
Other Expenditure	4,10,41,75,235	4,13,82,07,518
Total	**16,19,02,01,209**	**14,29,89,82,245**

SCHEDULE XV – SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION

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

Use of Estimates:

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

2. REVENUE RECOGNITION

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

A) INCOME:

(i) Interest income is accounted for on accrual basis, except in the case of non-performing assets where it is recognized upon realization.

(ii) Income in the Profit & Loss Account is shown gross i.e. before provisions as per RBI guidelines and other provisions as per Bank's internal policy.

(iii) Discount received in respect of bills discounted / rediscounted and on discounted instruments is recognized over the period of usance of the instruments on a constant yield basis.

(iv) Commitment charges, service charges on seed capital / soft loan assistance and royalty income are accounted for on accrual basis in respect of standard (performing) assets.

(v) Dividend on shares held in industrial concerns and financial institutions is recognized as income when the right to receive the dividend is established.

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

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

a) Overdue interest, includes Further Interest/ Penal Charges upto the date of account turning NPA,

b) principal,

c) Interest, including additional interest,

d) Further Interest / Penal Charges

e) Cost, charges, expenses and other monies, etc.

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

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

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

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

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

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

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

(xv) Income from units of mutual funds shall be recognized on cash basis.

B) EXPENDITURE:

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

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

3. INVESTMENTS

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

guidelines. The investments under each category are further classified as

a) Government Securities,

b) Other approved securities,

c) Shares,

d) Debentures & Bonds,

e) Subsidiaries/ joint ventures and

f) Others (Commercial Paper, Mutual Fund Units, Security Receipts, Certificate of Deposits etc.)

(a) Held to Maturity:

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

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

(b) Held for Trading:

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

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

(c) Available for Sale:

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

(ii) An investment is classified as 'Held To Maturity', 'Available For Sale' or 'Held For Trading' at the time of its purchase and subsequent shifting amongst categories and its valuation is done in conformity with RBI guidelines.

(iii) Treasury Bills, Commercial Papers and Certificates of Deposit being discounted instruments are valued at carrying cost.

(iv) The quoted Government Securities are valued at market prices and unquoted/non-traded government securities are valued at prices declared by Financial Benchmark India Pvt. Ltd. (FBIL).

(v) Investments which are made out of the Corpus or Funds provided by the Government of India and netted off from the related Fund balances are carried at cost and not subjected to RBI guidelines of valuation.

(vi) Recording purchase and sale transactions in Investments is done following 'Settlement Date' accounting.

(vii) The debentures / bonds / shares deemed to be in the nature of advance, are subject to the usual prudential norms applicable to loans & advances.

(viii) Cost of investments is determined on the weighted average cost method.

(ix) Brokerage, commission, etc. paid at the time of acquisition/ sale are recognized in the profit & loss account.

(x) Broken period interest paid / received on debt investment is treated as interest expenses / income and is excluded from cost / sale consideration. in respect of investments in government securities the broken period interest paid to the seller as part of cost is not capitalized and treated it as an item of expenditure under Profit & Loss Account.

(xi) In respect of unquoted investments in industrial concerns under Seed Capital Scheme, full provision has been made.

(xii) Units of mutual fund are valued at repurchase price as per relevant RBI guidelines.

(xiii) The unquoted fixed income securities (other than government securities) are valued on Yield to Maturity (YTM) basis with appropriate mark-up over the YTM rates for Central Government securities of equivalent maturity. Such mark-up and YTM rates applied are as per the relevant rates published by FBIL.

(xiv) Unquoted Shares are valued at breakup value, if the latest Audited Financial Statements of the investee companies are available, or at ₹1/- per Company as per RBI guidelines.

4. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded in the books of account in respective foreign currencies at the exchange rate prevailing on the date of transaction.

Accounting for transactions involving foreign exchange is done in accordance with Accounting Standard (AS)-11 issued by Institute of Chartered Accountants of India, as per following provisions:

(i) Contingent liability in respect of outstanding forward exchange contracts, guarantees; acceptances, endorsements and other obligations are calculated at the closing exchange rates notified by Foreign Exchange Dealers' Association of India ('FEDAI').

(ii) Foreign currency Assets and Liabilities are translated at the closing exchange rates notified by FEDAI as at the Balance Sheet date

(iii) Foreign currency Income and Expenditure items are translated at monthly intervals through actual sale/purchase and recognized in the profit & loss account accordingly.

(iv) The revaluation difference on foreign currency LoC is adjusted and recorded in a special account opened and maintained, in consultation with GOI for managing exchange risk.

(v) The Bank follows hedge accounting in respect of foreign exchange contracts and derivative transactions as per RBI guidelines.

(vi) Exchange differences arising on the settlement of monetary items are recognized as income or expense in the period in which they arise.

(vii) Outstanding Forward Exchange Contracts which are not intended for trading are revalued at exchange rates notified by FEDAI.

5. DERIVATIVES

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

6. LOANS AND ADVANCES

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

ii. Advances stated in the Balance Sheet are net of provisions made for non-performing advances, and restructured NPA assets.

iii. General provision on Standard Assets is made as per RBI guidelines.

iv. Floating provision is made and utilized as per RBI guidelines and Board approved policy.

7. TAXATION

(i) Tax expense comprises both current tax and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act,1961 and the Income Computation and Disclosure Standards (ICDS).

(ii) Deferred income taxes reflect the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

(iii) Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

(iv) Disputed taxes not provided for including departmental appeals are included under Contingent Liabilities.

8. SECURITISATION

i. The Bank purchases credit rated Micro, Small and Medium Enterprises Asset pools from Banks / Non-Banking Finance Companies by way of pass-through certificates issued by the Special Purpose Vehicle. Such securitization transactions are classified as Investments under Held for Trading / Available for Sale category depending upon the investment objective.

ii. The Bank purchases credit rated pool of Micro, Small and Medium Enterprises assets under bilateral direct assignment. Such direct assignment transactions are accounted for as 'advances' by the Bank.

iii. The Bank enters into sale of Loans & Advances through direct assignment. In most of the cases, the Bank continues to service the Loans & Advances sold under these transactions and is entitled to the Residual interest on the Loans & Advances sold. Assets sold under direct assignment are derecognized in the books of the Bank based on the principle of surrender of control over the assets.

iv. The residual income on the Loans & Advances sold is being recognized over the life of the underlying Loans & Advances.

v. Security Receipts issued by the asset reconstruction companies are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time.

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

i. The sale of NPAs is on cash basis or investment in Security Receipt (SR) basis. In case of sale on SR basis, the sale consideration or part thereof is treated as investment in the form of SRs.

ii. The assets if sold at a price below the Net Book Value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit & Loss A/c. In case the sale value is higher than NBV, the excess provision held can be reversed to profit & loss account in the year the amounts are received. Reversal of excess provision is limited to the extent to which cash received exceeds the NBV of the asset.

10. PROVISIONING FOR STAFF BENEFITS

A] Post retirement benefits:

i. Provident Fund is a defined contribution scheme administered by the Bank and the contributions are charged to the Profit & Loss Account.

ii. Gratuity liability and Pension liability are defined benefit obligations and other long-term employee benefits like compensated absences, post-retirement medical benefits etc. are provided based on the independent actuarial valuation as at the Balance Sheet date using the projected unit credit method as per AS 15 (Revised 2005) - Employee Benefits.

iii. Actuarial gains or losses are recognized in the profit & loss account based on actuarial valuations for the period in which they occur.

iv. New Pension Scheme is a defined contribution scheme and is applicable to employees who have joined bank on or after December 01, 2011. Bank pays fixed contribution at pre-determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit & Loss Account.

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

B] Benefits (Short – term) while in service

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

11. FIXED ASSETS AND DEPRECIATION

i) Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any.

ii) Cost of asset includes purchase cost and all expenditure incurred on the asset before put to use. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefits from such assets or their functioning capability.

iii) Depreciation for the full year, irrespective of date of capitalization, is provided on:

(a) Furniture and fixture: For assets owned by Bank @ 100 percent

(b) Computer and Computer Software @ 100 percent

(c) Building @ 5 percent on WDV basis

(d) Electrical Installations: For assets owned by Bank @ 50 percent on WDV basis.

(e) Motor Car - Straight Line Method @ 50 percent.

iv) Depreciation on additions is provided for full year and no depreciation is provided in the year of sale/disposal.

v) Leasehold land is amortized over the period of lease.

12. PROVISION FOR CONTINGENT LIABILITIES AND CONTINGENT ASSETS.

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

13. GRANTS AND SUBSIDIES

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

14. OPERATING LEASE

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

15. IMPAIRMENT OF ASSETS

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

a) the provision for impairment loss, if any required; or

b) the reversal, if any, required for impairment loss recognized in the previous periods.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

16. CASH AND CASH EQUIVALENTS

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

SCHEDULE XVI - NOTES TO ACCOUNTS

1. Implementation of Ind-AS:

As per RBI letter dated May 15, 2019 issued to the Bank, implementation of Ind-AS for AIFIs has been deferred till further notice. Accordingly, financial statements of the Bank are continued to be prepared under IGAAP.

2.1. As per the Accounting Standard 22, Accounting for Taxes on Income, the Bank has reviewed Deferred Tax Assets / Liabilities and recognized an amount of ₹3,27,66,76,000/- as Deferred Tax Assets (Previous year - Deferred Tax Assets was ₹5,14,70,71,000) in the Profit & Loss Account for the year ended March 31, 2026.

2.2. The Break up of Deferred Tax Asset/ (Liability) as on March 31, 2026 is as under :

(₹)

	Timing Difference	March 31, 2026 Deferred Tax Asset/ (Liability)	March 31, 2025 Deferred Tax Asset/ (Liability)
a)	Provision for Depreciation on fixed assets	9,25,67,444	6,87,16,872
b)	Special Reserve u/s 36(1)(viii) of the Income Tax Act 1961	(5,58,85,63,729)	(4,98,92,02,491)
c)	Provision for Non performing assets	1,71,88,26,039	45,89,12,406
d)	Provision for Restructuring of Accounts	-	-
e)	Provision for Non Performing Investment	75,81,90,678	75,81,90,678
f)	Provision for Standard Assets	16,70,25,98,418	14,46,71,75,920
g)	Others	1,67,90,56,717	1,32,22,06,715
	Net deferred tax Asset/(Liability)	**15,36,26,75,566**	**12,08,60,00,100**

3. Provision for Income Tax includes

(₹)

Sr. No.	Particulars	March 31, 2026	March 31, 2025
(i)	Current Income Tax Provision	20,24,99,57,000	20,60,89,28,000.00
(ii)	Short/(Excess) Income Tax Provision of Earlier Years	-	41,28,29,080.00

The Tax Liability has been vetted by the Tax consultant.

4. Contingent Liabilities referred to in Schedule XI

Contingent liabilities include "Claims against the Bank not acknowledged as debts" of ₹5,24,92,47,654 (Previous Year ₹6,32,89,48,451). These represents claims filed against the Bank in the normal course of business relating to various legal cases currently in progress and demands raised by income tax and other statutory authorities. These are being disputed by the Bank and based on expert's opinion, the provision is not considered necessary.

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

(₹)

		March 31, 2026	March 31, 2025
a)	Unsecured Bonds	11,05,83,14,00,000	12,02,61,64,00,000

6. Expenditure to the extent not written off under Other Assets in schedule X includes the following:

(₹)

		March 31, 2026	March 31, 2025
a)	Interest Paid In Advance On Borrowings	-	-
b)	Discount paid in Advance - Certificate of Deposit	35,51,02,36,696	21,75,99,69,069
c)	Discount paid in Advance - Commercial Paper	2,43,60,27,572	2,30,92,13,596
d)	Expenditure on Issuance of Unsecured Bonds	73,51,604	2,32,05,987
	Total	**37,95,36,15,872**	**24,09,23,88,652**

7. Interest and Financial Charges

(₹)

		March 31, 2026	March 31, 2025
a)	Interest on Borrowings	1,83,09,78,77,091	1,74,00,44,97,594
b)	Interest on Deposits	1,34,19,56,41,565	1,08,50,01,81,682
c)	Financial Charges	51,56,60,566	1,01,10,43,474
	Total	**3,17,80,91,79,222**	**2,83,51,57,22,750**

8.

Estimated amount of contracts remaining to be executed on Capital Account not provided for (net of advance paid)	1,00,30,23,782	1,12,00,000

9. Premises in Schedule IX include advances towards acquisition of Premises "Nil" (Previous Year "Nil") and Capital Work in Progress ₹17,00,07,776.01 (Previous Year ₹2,55,35,504.75).

10. The borrowing under JICA IV and JICA VI from Govt. of India are fully repaid and have "Nil" balance as on March 31, 2026. As per the terms, Applicable interest at 8% is credited to this ERFF account and interest payable in JPY (converted to equivalent INR) is debited out of this account. The balance as on March 31, 2026 in ERFF maintained for JICA IV and JICA VI loans are debit balance of ₹27,76,93,498.71 and credit balance of ₹1,53,73,62,766 respectively. Requested the GoI for permission to net out the outstanding balances in these ERFF accounts and transfer to income account since these loans are fully repaid.

11. The Bank has contracted a line of credit for USD 300 million from World Bank for scaling up Sustainable and Responsible Micro Finance Project including IDA portion aggregating SDR 65.9 million (equivalent of USD 100 million). Under IDA line, Govt. of India is the borrower and rupee funds are lent to SIDBI by GOI though the exchange risk on the underlying is required to be borne by SIDBI as per the terms of the agreement. Thus, though GOI released rupee funds to SIDBI, the same was recorded as SDR liability in the books of SIDBI to depict correct position so that revaluation difference gets suitably reflected in the yearend figures. Accordingly, the drawl effected under the above line aggregating SDR ₹29.65 million (equivalent to ₹ 381.91 Crore) as on March 31, 2026 [Previous Year SDR 36.25 million (equivalent to ₹410.82 Crore)] from GOI is recorded as SDR liability and the underlying liability has been hedged by way of Cross Currency Interest Rate Swaps. The same has been grouped under Schedule IV - 'Borrowings in India'.

12. **(a)** ASPIRE Fund is a ₹310 crore Fund of Funds, allocated by Ministry of Micro, Small & Medium Enterprises, Government of India, to be managed by SIDBI. The Fund is being utilized to make investment in Venture Capital Funds targeting Start Ups/ early stage enterprises promoting Innovation, Entrepreneurship, Forward Backward linkage with multiple value chain of manufacturing and service delivery, accelerator support, etc. in the Agro based Industry and sectors to galvanize the rural economy. The investments (out of ASPIRE fund) are held by SIDBI in fiduciary capacity. The balance of ASPIRE Fund, net of investment is grouped under "Other Liabilities" in the Balance Sheet and all gains/losses/income/expenditure are the part of the fund. The balance in the fund is ₹2,37,44,09,817 as on March 31, 2026 (Previous year ₹2,52,27,89,597).

(b) Government of India has formulated a Scheme for Fund of Funds for Start-ups (FFS) with the principal objective of enhancing the equity availability to Start-ups. Under the Scheme, an amount of ₹10,000 crore has been allotted as FFS to be managed by SIDBI. The Government has since released an amount of ₹83,09,29,44,000 and also permitted to take further commitments under FFS. During the year, Government has advised SIDBI to continue to make commitment to the Alternative Investment Fund (AIF). These investments (out of FFS) are held by SIDBI in fiduciary capacity. The fund balance of FFS, net of investment is grouped under "Other Liabilities" in the Balance Sheet and all gains/losses/income/expenditure are the part of the fund. The balance in the Fund is ₹28,60,25,79,896 as on March 31, 2026 (Previous year ₹28,25,18,18,492).

(c) Under the UP IT & Start-Up Policy 2017, the Government of Uttar Pradesh has established an initial Corpus of INR 1,000 crore to promote start-ups to establish and flourish in the state. The Fund shall be in the form of fund of funds. In this model, the fund shall not be invested directly into start-up companies, rather it shall participate in SEBI approved funds. The funds shall be professionally managed by SIDBI, the Fund Manager. The Government of Uttar Pradesh has since released an amount of ₹525 crore. These investments (out of UP Startup Fund) are held by SIDBI in fiduciary capacity. The fund balance of UP Startup Fund, net of investment is grouped under "Other Liabilities" in the Balance Sheet and all gains/losses/income/expenditure are the part of the fund. The balance in the fund is ₹4,39,98,57,994 as on March 31, 2026 (Previous year ₹285,81,70,527).

(d) MSME Department of the Government of Odisha has established an initial corpus of ₹100 crore for long-term support for startups. The fund shall be in the form of fund of funds. In this model, the fund shall not be invested directly into start-up companies, rather it shall participate in SEBI approved funds. The funds shall be professionally managed by SIDBI, the fund manager. The Government of Odisha has since released an amount of ₹75 crore. These investments (out of Odisha Startup Growth Fund) are held by SIDBI in fiduciary capacity. The fund balance of Odisha Startup Growth Fund, net of investment is grouped under "Other Liabilities" in the Balance Sheet and all gains/losses/income/expenditure are the part of the fund. The balance in the fund is ₹28,37,06,740 as on March 31, 2026 (Previous Year ₹30,22,08,539).

(e) Government of India (GOI) launched "India Microfinance Equity Fund (IMEF)" in the year 2012. IMEF is a perpetual revolving fund with a corpus of ₹300 crore being managed by SIDBI. The Fund shall be utilised for extending equity or any other form of capital, viz. quasi-equity or subordinated debt to Tier – II and Tier – III NBFC MFIs, all Non-NBFC MFIs, and smaller NBFCs with a focus on smaller socially oriented MFIs/ NBFCs with the objective of poverty alleviation and achieving long term sustainability of operations in unserved and underserved parts of the country. The fund is being operated/managed by SIDBI for which an administrative fee is received by SIDBI. Further, the inflows and outflows are debited/credited to the fund. Hence, fund balance of IMEF, net of investment is grouped under "Other Liabilities" in the Balance Sheet, and all gains/losses/income/expenditure are the part of the fund. The balance in the fund is ₹3,13,82,45,672.89 as on March 31 2026 (Previous year: ₹3,18,66,48,356.89 as on March 31, 2025).

13. The Bank has pledged Government Securities aggregating to face value ₹1,52,65,00,00,000/- (book value ₹1,50,11,09,37,432), [Previous Year ₹3,42,00,00,00,000 (book value ₹ 3,39,80,04,69,839.08)] with Clearing Corporation of India Ltd. for Triparty Repo Dealing and Settlement (TREPS).

14. IFAD had extended a foreign currency loan to SIDBI of SDR 16.35 million, vide loan agreement dated February 18, 2002. As per the terms of loan agreement, IFAD had disbursed loan in USD and it is to be repaid in USD equivalent to SDR. The Bank has accounted accordingly in the books of account. The balance as on March 31, 2026 for this loan is ₹1,01,77,22,117 (Previous Year ₹95,74,82,045).

15. Employee Benefits

In accordance with the Accounting Standard on "Employee Benefits" (AS 15) (Revised 2005) issued by the Institute of Chartered Accountants of India, the Bank has classified the various benefits provided to the employees as under:

(a) Defined contribution plan

The Bank has recognized the following amounts in Profit & Loss Account:

(₹)

Particulars	March 31, 2026	March 31, 2025
Employer's contribution to Provident fund	12,36,60,025	12,47,35,367
Employer's contribution to New Pension Scheme	12,20,43,140	10,39,09,645

(b) The Bank is having defined benefit Pension Plans and Gratuity Scheme which are managed by the Trust

(₹ crore)

	Pension		Gratuity	
	FY 2026	FY 2025	FY 2026	FY 2025
1. Assumptions				
Discount Rate	7.80%	6.69%	7.25%	6.69%
Rate of Return on Plan Assets	7.80%	7.00%	7.25%	7.00%
Salary Escalation	5.50%	5.50%	5.50%	5.50%
Attrition rate	2.00%	2.00%	2.00%	2.00%
2. Table showing change in Benefit Obligation				
Liability at the beginning of the year	874.11	767.70	127.11	111.88
Interest Cost	56.54	55.27	8.50	8.06
Current Service Cost	19.29	21.25	5.86	5.49
Past Service Cost (Non Vested Benefit)	0.00	0.00	0.00	0.00
Past Service Cost (Vested Benefit)	0.00	0.00	0.00	0.00

(₹ crore)

	Pension		Gratuity	
	FY 2026	FY 2025	FY 2026	FY 2025
Liability Transferred in	0.00	0.00	0.00	0.00
(Liability Transferred out)	0.00	0.00	0.00	0.00
(Benefit Paid)	(57.86)	0.00	(13.99)	(12.14)
Actuarial (gain) / loss on obligations	169.73	29.89	9.43	13.82
Liability at the end of the year	**1061.81**	**874.11**	**136.91**	**127.11**
3. Tables of Fair value of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	810.61	682.17	110.03	95.39
Expected Return on Plan Assets	54.23	49.12	7.36	6.87
Contributions	60.00	80.00	10.01	20.00
Transfer from other company	0.00	0.00	0.00	0.00
(Transfer to other company)	0.00	0.00	0.00	0.00
(Benefit Paid)	0.00	0.00	(13.99)	(12.14)
Actuarial gain / (loss) on Plan Assets	7.91	(0.68)	0.93	(0.09)
Fair Value of Plan Assets at the end of the year	**932.75**	**810.61**	**114.34**	**110.03**
4. Table of Recognition of Actuarial Gains/ Losses				
Actuarial (Gains)/ Losses on obligation for the period	169.73	29.89	9.43	13.82
Actuarial (Gains)/ Losses on asset for the period	(7.91)	0.68	(0.93)	0.09
Actuarial (Gains)/ Losses recognized in Income & Expense Statement	**161.82**	**30.57**	**8.50**	**13.91**
5. Actual Return on Plan Assets				
Expected Return on Plan Assets	54.23	49.12	7.36	6.87
Actuarial Gain / (Loss) on Plan Assets	7.91	(0.68)	0.93	(0.09)
Actual Return on Plan Assets	**62.14**	**48.44**	**8.29**	**6.78**
6. Amount Recognised in the Balance Sheet				
Liability at the end of the year	(1061.81)	(874.11)	(136.91)	(127.11)
Fair Value of Plan Assets at the end of the year	932.75	810.61	114.34	110.03
Difference	(129.06)	(63.50)	(22.57)	(17.08)
Unrecognised Past Service Cost at the end of the year	0.00	0.00	0.00	0.00
Unrecognised Transitional Liability at the end of the year	0.00	0.00	0.00	0.00
Net Amount recognised in the Balance Sheet	**(129.06)**	**(63.50)**	**(22.57)**	**(17.08)**
7. Expenses Recognised in the Income Statement				
Current Service Cost	19.29	21.25	5.86	5.49
Interest Cost	56.54	55.27	8.50	8.06
Expected Return on Plan Assets	(54.23)	(49.12)	(7.36)	(6.87)
Past Service Cost (Non Vested Benefit) recognised during the year	0.00	0.00	0.00	0.00
Past Service Cost (Vested Benefit) recognised during the year	0.00	0.00	0.00	0.00
Recognition of Transition Liability during the year	0.00	0.00	0.00	0.00
Actuarial (Gain) / Loss	161.82	30.57	8.50	13.91
Expense Recognised in Profit & Loss account	**183.42**	**57.97**	**15.50**	**20.59**

	Pension		Gratuity	
	FY 2026	FY 2025	FY 2026	FY 2025
8. Balance Sheet Reconciliation				
Opening Net Liability	63.50	85.53	17.08	16.49
Expense as above	183.42	57.97	15.50	20.59
Employers Contribution	(60.00)	(80.00)	(10.01)	(20.00)
Amount recognised in the Balance Sheet	**186.92**	**63.50**	**22.57**	**17.08**

9. Other Details

Salary escalation is considered in line with the industry practice considering promotion, demand and supply of the employees.

10. Category of Assets

	Pension		Gratuity	
	FY 2026	FY 2025	FY 2026	FY 2025
Government of India Assets	0.00	0.00	0.00	0.00
Corporate Bonds	0.00	0.00	0.00	0.00
Special Deposits Scheme	0.00	0.00	0.00	0.00
Equity Shares of Listed Companies	0.00	0.00	0.00	0.00
Property	0.00	0.00	0.00	0.00
Insurer Managed Funds-	932.75	810.61	114.34	110.03
Other				
Total	**932.75**	**810.61**	**114.34**	**110.03**

11. Experience Adjustment:

	Pension					Gratuity				
	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
On Plan Liability (Gain)/Loss	288.97	8.87	17.32	85.05	15.71	14.49	9.77	3.44	1.60	0.65
On Plan Asset (Loss)/Gain	(7.91)	(0.68)	1.27	3.40	53.76	0.92	(0.09)	(0.36)	1.70	(0.22)

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

Sr. No	Particulars	March 31, 2026	March 31, 2025
1	Ordinary Leave Encashment	71.86	28.56
2	Sick Leave	3.33	0.69
3	Resettlement Expenses	2.04	1.31
4	Post Retirement Medical Scheme Facilities	-0.53	6.40

16. Earnings Per Share (EPS) (AS-20):

The Bank reports basic and diluted Earnings Per Share in accordance with AS 20. Basic Earnings per Share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding at the year end. Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the period. Diluted Earnings per Share is computed by dividing the net profit after tax by the sum of the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end.

	March 31, 2026	March 31, 2025
Net Profit considered for EPS calculation (₹)	54,92,75,57,463	48,10,74,03,215
Weighted Average Number of equity shares of face value ₹ 10 each	56,88,30,246	56,85,41,169
Earning per share (₹)	96.56	84.62

* Basic & Diluted EPS are same as there are no dilutive potential Equity Shares.

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

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

19. Disclosures under Accounting Standard 29 for provisions in contingencies. The salary & allowances of the employees of the Bank are reviewed every five years. Such review is due from November 01, 2022.

Particulars	FY 2026 Wage Arrears / Incentive ₹	FY 2025 Wage Arrears / Incentive ₹
Opening Balance	**1,38,91,65,148**	**1,39,15,33,676**
Additions:		
Arrears	92,24,00,000	60,92,49,606
Incentive		
Utilisations:	0	61,16,18,134
Write back		
Closing Balance	**2,31,15,65,148**	**1,38,91,65,148**

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

21. **Investor's Complaints:**

As on 1st April, 2025 the Bank had "Nil" pending investor's complaints for disposal. During the current financial year "10" complaints were received from Investors and "10" complaints were disposed off during the year. Accordingly, "Nil" complaint was pending for disposal as on March 31, 2026.

22. **Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances for MSME Borrowers registered under Goods and Services Tax (GST):**

As per RBI circular DOR.No.BP.BC.34/21.4.048/2019-20 dated February 11, 2020, restructuring of advances was done for Micro, Small and Medium Enterprises (MSME) Borrowers registered under Goods and Services Tax (GST). The RBI, vide its Circular DOR.No.BP.BC/4/21.04.048/2020-21 dated August 06, 2020, on 'Micro, Small and Medium Enterprises (MSME) Sector - Restructuring of Advances' extended the above scheme to support the viable MSME entities on account of the fallout of Covid19. Further RBI vide circular RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021, has advised Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs). The MSME accounts restructured under these guidelines are as under:

No. of accounts restructured	Amount (₹ in Crore)
370	193.32

23. Details of resolution plan implemented under Resolution Framework for COVID 19 related stress as per RBI Circular RBI/2020- 21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 for the financial Year ended March 31, 2026, are given below:

i)	Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year[$]	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
	Personal Loans	–	–	–	–	–
	Corporate persons	4.70	0.00	0.00	(1.38)	3.32
	Of which MSMEs	4.70	0.00	0.00	(1.38)	3.32
	Others	–	–	–	–	–
	Total	**4.70**	–	–	**(1.38)**	**3.32**

[$] Represents net movement in balance outstanding.

ii) The number of borrower accounts where Resolution Plan is implemented in terms of RBI circular no. DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 on Resolution Framework – 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses is "Nil" for the Financial Year ended March 31, 2026. Further no modifications were sanctioned and implemented in respect of accounts which were implemented under Resolution Framework 1.0

24. The Bank is making an additional provision on advances at rates higher than minimum stipulated by RBI under IRAC norms, as per Board approved Accelerated Provisioning Policy. Accordingly, the Bank holds additional provision on standard advances (including restructured accounts) of ₹4,187.30 Cr. as on March 31, 2026 (Previous year ₹3,657.08 Cr.)

25. In accordance with Reserve Bank of India (All India Financial Institutions – Undertaking of Financial Services) Directions, 2025, RBI/DOR/2025-26/320 DOR.AUT.REC.No.239/24-01-041/2025-26, dated November 28, 2025 on Directions on Investments in Alternative Investment Funds (AIFs), the Bank has reassessed the impact and hold provision of ₹8.57 Cr. as on March 31, 2026 (Previous Year of ₹26.16 Cr.)

26. Income includes prior period income of ₹57 crore related to capital gain and deemed dividend on account of merger of an investee company, viz. Fincare Business Services Ltd., with AU Small Finance Bank and concomitant swap of shares.

27. Union Cabinet has approved the equity support of ₹5,000 crore to SIDBI and the equity capital shall be infused by the Department of Financial Services (DFS) in three tranches of ₹3,000 crore in Financial year 2025-26 at the book value of ₹568.65/- as on March 31, 2025 and ₹1,000 crore each in Financial Year 2026-27 and Financial Year 2027-28 at the book value as on 31 March of the respective previous financial year. The same has been indicated by the Press Information Bureau (PIB) in its press release dated January 21, 2026.

Under the first tranche, Govt. of India (GOI) has infused ₹3,000 crore in the equity share capital of SIDBI on 30/03/2026 and SIDBI has allotted 5,27,56,529 equity shares of the Bank to GOI on same date. Accordingly, the paid–up share capital of the Bank has increased to ₹52,75,65,290. The difference between the Face Value and book value aggregating to ₹29,47,24,34,710 has been credited to Share Premium (Reserve) Account.

28. On November 21, 2025, the Government of India notified the four Labour codes - The code on Wages, 2019, The Industrial Relations code, 2020, The code on Social Security, 2020 and The Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the 'Labour Codes') consolidating 29 existing Labour Laws. The Ministry of Labour and Employment published draft central rules and FAQ on December 30, 2025, to facilitate the assessment of the financial impact arising from with regulatory changes. Accordingly, the Bank has recognised an essential incremental impact of ₹2.50 crore under Employee cost in profit and loss account during the quarter and year ended 31st March 2026, considering best information available. The Bank continues to monitor the finalisation of Central and State rules and clarifications from the Government on the New Labour Codes and would provide appropriate accounting effect on the basis of such development, as needed.

29. Amount due to micro and small enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006":- The Bank has in place guidelines / instructions for timely payment to MSEs as per MSMED Act. The principal amount remaining unpaid as on March 31, 2026, is of ₹ 7.28 crore, towards the MSE Vendors for the purchases/services availed, but for which the Invoices are yet to be received. The same will be paid as and when invoices are received.

30. Regulation 14 of Small Industries Development Bank of India General Regulations, 2000 prescribes separate format for presentation of accounts under Small Industries Development Assistance Fund(SIDAF) and General Fund. As no separate SIDAF has been notified by the Central Government, the same is not being maintained by SIDBI.

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

ADDITIONAL DISCLOSURES TO STANDALONE ACCOUNTS
as per RBI guidelines

1. CAPITAL ADEQUACY (AS PER BASEL III)

(₹ crore)

Sr. No.	Particulars	FY 2025-26	FY 2024-25
i)	Common Equity Tier 1 capital (CET 1) (net of deductions, if any)	37,221.80	30,578.86
ii)	Additional Tier 1 capital	-	-
iii)	Tier 1 capital (i+ii)	37,221.80	30,578.86
iv)	Tier 2 capital	2009.19	1,703.16
v)	Total Capital (Tier 1+Tier 2)	39,230.99	32,282.02
vi)	Total Risk Weighted Assets (RWAs)	1,95,486.76	1,64,538.69
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	19.04%	18.58%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	19.04%	18.58%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	1.03%	1.04%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	20.07%	19.62%
xi)	Leverage Ratio	5.92%	5.39%
xii)	Percentage of the shareholding of		
	a) Government of India	27.57%	20.85%
	b) Other Commercial Banks	40.82%	44.61%
	c) Other Financial Institutions (including other AIFIs)	31.61%	34.54%
xiii)	Amount of paid-up equity capital raised during the year	52.76	-
xiv)	Amount of non-equity Tier 1 capital raised during the year; of which	-	-
	a) Basel III compliant Perpetual Non-Cumulative Preference Shares:	-	-
	b) Basel III compliant Perpetual Debt Instruments	-	-
xv)	Amount of Tier 2 capital raised during the year; of which	-	-
	a) Basel III compliant Perpetual Non-Cumulative Preference Shares	-	-
	b) Basel III compliant Perpetual Debt Instruments	-	-

2. PROVISIONS

(a) Provision on Standard Assets

(₹ crore)

Particulars	FY 2025-26	FY 2024-25
Provisions towards Standard Assets (cumulative)	6,636.44	5,748.24

(b) Floating Provisions

(₹ crore)

Particulars		FY 2025-26	FY 2024-25
(a)	Opening balance in the floating provisions account	495.67	495.67
(b)	The quantum of floating provisions made in the accounting year	0.00	0.00
(c)	Amount of draw down made during the accounting year	0.00	0.00
(d)	Closing balance in the floating provisions account	495.67	495.67

3. ASSET QUALITY AND SPECIFIC PROVISIONS

(i) Non-Performing Advances

(₹ crore)

Particulars	FY 2025-26	FY 2024-25
(i) Net NPAs to Net Advances (%)	**0.00%**	**0.00%**
(ii) Movement of NPAs (Gross)		
(a) Opening balance	182.89	99.82
(b) Additions during the year	556.82	191.07
(c) Reductions during the year	55.60	108.00
(d) Closing balance	684.11	182.89
(iii) Movement of Net NPAs		
(a) Opening balance	0.00	0.00
(b) Additions during the year	0.00	0.00
(c) Reductions during the year	0.00	0.00
(d) Closing balance	0.00	0.00
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		₹
(a) Opening balance	182.89	99.82
(b) Provisions made during the year	556.82	191.07
(c) Write of / write back of excess provisions	55.60	108.00
(d) Closing balance	684.11	182.89

(ii) Non-Performing Investments

(₹ crore)

Particulars	FY 2025-26	FY 2024-25
(i) Net NPIs to Net Investments (%)	**0.00%**	**0.00%**
(ii) Movement of NPIs (Gross)		
(a) Opening balance	651.81	680.89
(b) Additions during the year	4.89	12.66
(c) Reductions during the year	24.93	41.74
(d) Closing balance	**631.77**	**651.81**
(iii) Movement of Net NPIs		
(a) Opening balance	0.00	0.00
(b) Additions during the year	0.00	0.00
(c) Reductions during the year	0.00	0.00
(d) Closing balance	**0.00**	**0.00**
(iv) Movement of provisions for NPIs (excluding provisions on standard assets)		
(a) Opening balance	651.81	680.89
(b) Provisions made during the year*	4.89	12.66
(c) Write of / write back of excess provisions	24.93	41.74
(d) Closing balance	**631.77**	**651.81**

* During FY 2025 includes InvIT of ₹8 crore i.e. 800,000 units with face value of ₹100/- received towards settlement of one PWO account.

(iii) Non-Performing Assets (3(i)+3(ii))

(₹ crore)

Particulars		FY 2025-26	FY 2024-25
(i)	**Net NPAs to Net Assets (Advanced + investments) (%)**	**0.00%**	**0.00%**
(ii)	**Movement of NPAs (Gross Advances + Gross investments)**		
(a)	Opening balance	834.70	780.72
(b)	Additions during the year	561.70	203.73
(c)	Reductions during the year	80.53	149.74
(d)	Closing balance	**1,315.88**	**834.71**
(iii)	**Movement of Net NPAs**		
(a)	Opening balance	0.00	0.00
(b)	Additions during the year	0.00	0.00
(c)	Reductions during the year	0.00	0.00
(d)	Closing balance	**0.00**	**0.00**
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
(a)	Opening balance	834.70	780.71
(b)	Provisions made during the year	561.70	203.73
(c)	Write of / write back of excess provisions	80.53	149.74
(d)	Closing balance	**1,315.87**	**834.70**

(iv) Particulars of resolution plan and restructuring:

(a) Resolution Plans implemented during the year in terms of Reserve Bank of India (All India Financial Institutions – Resolution of Stressed Assets) Directions, 2025 dated November 28, 2025:

(₹ crore)

No. of cases	Balance Outstanding
25	32.72

b). Further, during FY 2026, no non-SLR securities, Equity shares acquired by way of conversion of debt to equity during the restructuring process.

(v) Disclosure related to Project Finance for Year Ended March 31, 2026:

(₹ crore)

Sr. No.	Item Description	Number of accounts	Total outstanding
1	Projects under implementation accounts at the beginning of the quarter.	1641	5,156.00
2	Projects under implementation accounts sanctioned during the quarter.	1272	2,930.89
3	Projects under implementation accounts where DCCO has been achieved during the quarter.	529	1,469.99
4	Projects under implementation accounts at the end of the quarter. (1+2-3)	2384	6,616.90
5	Out of '4' – accounts in respect of which resolution process involving extension in original/extended DCCO, as the case may be, has been invoked.	567	2,174.20
5.1	Out of '5' – accounts in respect of which Resolution plan has been implemented.	567	2,174.20
5.2	Out of '5' – accounts in respect of which Resolution plan is under implementation.	0	0.00
5.3	Out of '5' – accounts in respect of which Resolution plan has failed.	0	0.00

(₹ crore)

Sr. No.	Item Description	Number of accounts	Total outstanding
6	Out of '5', accounts in respect of which resolution process involving extension in original/extended DCCO, as the case may be, has been invoked due to change in scope and size of the project.	13	32.07
7	Out of '5', account in respect of which cost overrun associated with extension in original/extended DCCO, as the case may be, was funded	0	0.00
7.1	Out of '7', accounts where SBCF was sanctioned during financial closure and renewed continuously	0	0.00
7.2	Out of '7', accounts where SBCF was not pre-sanctioned or renewed continuously	0	0.00
8	Out of '4' – accounts in respect of which resolution process not involving extension in original/extended DCCO, as the case may be, has been invoked.	0	0.00
8.1	Out of '8' – accounts in respect of which Resolution plan has been implemented.	0	0.00
8.2	Out of '8' – accounts in respect of which Resolution plan is under implementation.	0	0.00
8.3	Out of '8' – accounts in respect of which Resolution plan has failed.	0	0.00

(vi) Movement of Non-performing assets

(₹ crore)

Particulars	FY 2025-26	FY 2024-25
Gross NPAs as on April 01 (Opening Balance)	182.89	99.82
Additions (Fresh NPAs) during the year	556.82	191.07
Sub total (A)	**739.71**	**290.89**
Less:-		
(i) Upgradations	7.13	2.57
(ii) Recoveries (excluding recoveries made from upgraded accounts)	47.00	24.79
(iii) Technical / Prudential Write offs	-	80.18
(iv) Write offs other than those under (iii) above	1.47	0.46
Sub-total (B)	**55.60**	**108.00**
Gross NPAs as on March 31 (A-B)	**684.11**	**182.89**

(vii) Write-offs and recoveries

(₹ crore)

Particulars	FY 2025-26	FY 2024-25
Opening balance of Technical / Prudential written off accounts as at April 01	1,274.38	1,627.50
Add: Technical / Prudential write offs during the year	-	80.18
Sub total (A)	**1,274.38**	**1,707.68**
Less: Actual write off	97.24	204.78
Less: Recoveries made from previously technical / prudential written off accounts during the year	89.14	228.52
Sub total (B)	**186.38**	**433.30**
Closing balance as at March 31 (A-B)	**1,088.00**	**1,274.38**

(viii) Overseas Assets, NPAs and Revenue

(₹ crore)

Particulars	FY 2025-26	FY 2024-25
Total Assets	Nil	Nil
Total NPAs	Nil	Nil
Total Revenue	Nil	Nil

(ix) Depreciation and provisions on investments

(₹ crore)

Particulars		FY 2025-26	FY 2024-25
(1)	**Investments**		
(i)	Gross Investments	**32,392.75**	**47,594.53**
(a)	In India	32,392.75	47,594.53
(b)	Outside India	-	-
(ii)	Provisions for Depreciation	**633.43**	**656.61**
(a)	In India	633.43	656.61
(b)	Outside India	-	-
(iii)	Net Investments	**31,759.32**	**46,937.92**
(a)	In India	31,759.32	46,937.92
(b)	Outside India	-	-
(2)	**Movement of provisions held towards depreciation on investments**		
(i)	Opening balance	4.80	27.50
(ii)	Add: Provisions made during the year	-	-
(iii)	Appropriation, if any, from Investment Fluctuation Reserve Account during the year	-	-
(iv)	Less: Write off / write back of excess provisions during the year*	3.14	22.70
(v)	Less: Transfer, if any, to Investment Fluctuation Reserve Account	-	-
(vi)	Closing balance	**1.66**	**4.80**

* The Bank has appropriated Nil amount (net of applicable taxes) for both FY 2026 and FY 2025 to Investment Fluctuation Reserve Account.

(x) Provisions and Contingencies

(₹ crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	FY 2025-26	FY 2024-25
Provisions for depreciation on Investment (including NPI)	(23.19)	(52.34)
Provision towards NPA	502.07 @	163.06@
Provision made towards Income tax (Including Deferred Tax Assets/Liability)	1697.32	1,587.47
Other Provision and Contingencies (with details)		
a. Provision for standard asset	888.20	2305.23
b. Other Provision and Contingencies (reversal)	(17.59)	(84.47)

@ net of restructuring provision

(xi) Provisioning Coverage Ratio (PCR)

	FY 2025-26	FY 2024-25
Provisioning Coverage Ratio (PCR) (Ratio of provisioning to gross non-performing assets)*	100.00%	100.00%

* Floating provision has not been considered while calculating PCR.

4. INVESTMENT PORTFOLIO: CONSTITUTION AND OPERATIONS

(i) Repo Transactions

(₹ crore)

	Minimum outstanding during the year FY 2026	Maximum outstanding during the year FY 2026	Daily Average outstanding during the year FY 2026	Outstanding as on March 31, 2026
Securities sold under repo				
i. Government securities	-	4,228.00	40.04	-
ii. Corporate debt securities	-	-	-	-
Securities purchased under reverse repo				
i. Government securities	5.00	29,040.85	11,266.07	11,010.00
ii. Corporate debt securities	-	-	-	-

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

(₹ crore)

Issuer	Total Amount	Amount as on March 31, 2026			
		Investment made through private placement	Below Investment Grade Securities Held	Unrated securities held	Unlisted securities
(1)	(2)	(3)	(4)	(5)	(6)
(i) PSUs	46.94	-	-	-	-
(ii) FIs	5,270.64	5,270.64	-	189.83	189.83
(iii) Banks	7,755.17	7,755.17	-	46.50	46.50
(iv) Private Corporates	724.93	724.29	-	715.94	715.94
(v) Subsidiaries/Joint ventures	1,751.05	1,751.05	-	1,751.05	1,751.05
(vi) Others	608.27	608.27	-	608.27	608.27
(vii) Provision held towards depreciation	(633.43)	-	-	-	-
Total	**15,523.57**	**16,109.42**	**-**	**3,311.59**	**3,311.59**

(iii) Sale & transfers of securities to /from HTM category:

During FY2026, the Bank has shifted investments (amounting to ₹66.92 Cr) in Venture Capital Funds from HTM to AFS category in accordance with extant RBI guidelines. Except for the above, there was no shifting on investments to/from HTM category.

(iv) Government Security Lending (GSL) transactions (in market value terms)

(₹ crore)

	Amount as on March 31, 2026				
	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31, 2026	Total volume of transactions during the year
Securities lent through GSL transactions	-	-	-	-	-
Securities borrowed through GSL transactions	-	-	-	-	-
Securities placed as collateral under GSL Transactions	-	-	-	-	-
Securities received as collateral under GSL Transactions	-	-	-	-	-

(₹ crore)

	Amount as on March 31, 2025				
	Minimum outstanding during the year	Maximum outstanding during the	Daily average outstanding during the year	Outstanding as on March 31, 2025	Total volume of transactions during the year
Securities lent through GSL transactions	-	-	-	-	-
Securities borrowed through GSL transactions	-	-	-	-	-
Securities placed as collateral under GSL Transactions	-	-	-	-	-
Securities received as collateral under GSL Transactions	-	-	-	-	-

5. DISCLOSURE OF TRANSFER OF LOAN EXPOSURES

(a) Details of loans not in default / stressed loans transferred and acquired to / from other entities:

(i) Details of stressed loans(SMA) transferred during the year:

(₹ crore)

Particulars	FY 2025-26		
	To ARCs	To permitted transferees	To other transferees
No: of accounts	-	-	-
Aggregate principal outstanding of loans transferred	-	-	-
Weighted average residual tenor of the loans transferred	-	-	-
Net book value of loans transferred (at the time of transfer)	-	-	-
Aggregate consideration	-	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-

(ii) Details of loans not in default acquired during current and previous Financial Year, through assignment are given below:

Particulars	FY 2025-26	FY 2024-25
Amount of loans acquired (₹ in crore)	774.23	1,157.11
Weighted average maturity (in months)	114,86	127.48
Weighted average holding period by the originator (in months)	10.39	10.43
Retention of beneficial economic interest by the originator	15.59%	20%
Tangible security coverage	198.70%	216.75%
Rating-wise distribution of rated loans	NA	NA

(b) Details of stressed loans (NPA) transferred or acquired during the year:

(i) Details of stressed loans (NPA) transferred:

(₹ crore)

Particulars	FY 2025-26		
	To ARCs	To permitted transferees	To other transferees
No: of accounts	1	-	-
Aggregate principal outstanding of loans transferred	5.44	-	-
Weighted average residual tenor of the loans transferred	NA	-	-
Net book value of loans transferred (at the time of transfer)	-	-	-
Aggregate consideration	3.43	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-

(ii) Details of stressed loans (NPA) acquired during the year:

(₹ crore)

Particulars	FY 2025-26	
	From SCBs, RRBs, Co-operative Banks, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)	From ARCs
Aggregate principal outstanding of loans acquired	-	-
Aggregate consideration paid	-	-
Weighted average residual tenor of loans acquired	-	-

(iii) During the year ended March 31, 2026, no investment (Previous year ₹16.11 crore) made in Security Receipts (SRs). All the Security Receipts held as on March 31, 2026 are provided for and hence the net book value is nil. No excess provisions were reversed to the profit and loss account on account of the sale of stressed loans.

6. DISCLOSURE ON CO-LENDING ARRANGEMENTS (CLA):

(₹ crore)

Particulars	FY 2025-26
Quantum of CLAs (₹ in crore)	No CLA Arrangement made effective during FY2025-26 as per Reserve Bank of India (All India Financial Institutions – Credit Facilities) Directions, 2025 dated November 28, 2025
Weighted average rate of interest	
Fees charged / paid	
Broad sectors in which CLA was made	
Performance of loans under CLA	
Default loss guarantee,	

7. NON-FUND BASED (NFB) CREDIT FACILITIES:

Particulars	As at 31st March 2026		As at 31st March 2025	
	Secured * Portion	Unsecured Portion	Secured* Portion	Unsecured Portion
I. Outstanding Guarantees (₹ crore)				
i) In India	39.82		14.58	
ii) Outside India	-			
II. Acceptances, Endorsements and other Obligations (₹ crore)				
III. Other NFB Credit facilities (₹ crore)	101.41		73.90	

8. OPERATING RESULTS

Particulars	FY 2025-26	FY 2024-25
(i) Interest income as a percentage to average working funds(%)	6.95%	7.03%
(ii) Non-interest income as a percentage to average working funds(%)	0.10%	0.13%
(iii) Operating profit as a percentage to average working funds (%)	1.44%	1.62%
(iv) Return on Assets (After provisions for taxation)(%)	0.92%	0.89%
(v) Return on Equity (After provisions for taxation)(%)	13.65%	14.26%
(vi) Net Profit per employee (₹ crore)	4.88	4.40

9. CREDIT CONCENTRATION RISK

(i) Capital market exposure

(₹ crore)

Particulars	FY 2025-26	FY 2024-25
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	723.33	635.73
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	-	-

(₹ crore)

Particulars	FY 2025-26	FY 2024-25
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) underwriting commitments taken up by the AIFI in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
(ix) financing to stockbrokers for margin trading;	-	-
(x) all exposures to Venture Capital Funds (both registered and unregistered)	679.65	975.36
Total Exposure to Capital Market	**1,402.98**	**1,611.09**

(ii) Exposure to Country risk

(₹ crore)

Risk Category	FY 2025-26		FY 2024-25	
	Exposure (Net)	Provision held	Exposure (Net)	Provision held
Insignificant	6,462.80	-	20,185.27	49.90
Low	643.86	-	95.63	-
Moderate	9.61	-	686.28	-
High	-	-	26.02	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	**7,116.27**	**-**	**20,993.20**	**49.90**

(iii) Prudential Exposure Limits - Single Counterparty / Group of Connected Counterparties exceeded by the AIFI.

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

Sl. No.	PAN Number	Borrower Name	Industry Code	Industry Name	Sector	Amount Funded	Amount Non-Funded	Exposure as percentage to Tier 1 capital
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(b) Credit exposure as percentage to Tier 1 capital and as percentage to total assets, in respect of :

Sr. No.	Particulars	FY 2025-26	
		As % to Total Assets	As % to Tier 1 Capital funds
i	The largest single counterparty	12.09%	205.44%
ii	The largest group of connected counterparties	13.20%	224.20%
iii	The 20 largest single counterparties	68.80%	1168.93%
iv	The 20 largest groups of connected counterparties	70.23%	1193.13%

(c) Credit exposure to the five largest industrial sectors as percentage to total loan assets

FY 2025-26

Name of Industry	Credit Exposure	% to total loan assets
TEXTILES	10384.47	1.79
METAL PRODUCTS	6749.60	1.16
FOOD & FOOD PRODUCT	4043.77	0.70
PLASTIC INDUSTRIES	4028.96	0.69
MACHINERY	3316.84	0.57

(d) Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc have been taken:

Particulars	FY 2025-26	FY 2024-25
Total unsecured advances of the bank	Nil	Nil
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	Nil	Nil
Estimated value of such intangible securities	Nil	Nil

(e) The bank had taken factoring exposure amounting ₹3,301.15 crore in FY 2026 and ₹1,984.59 crore in FY 2025 under TReDS.

(iv) Concentration of borrowings /lines of credit, credit exposures and NPAs

(a) Concentration of borrowings and lines of credit

(₹ crore)

Particulars	FY 2025-26	FY 2024-25
Total borrowings from twenty largest lenders	4,35,287.75	4,06,739.69
Percentage of borrowings from twenty largest lenders to total borrowings	76.83%	79.31%

(b) Concentration of credit Exposures

(₹ crore)

Particulars	FY 2025-26	FY 2024-25
Total exposure to twenty largest borrowers	4,35,097.00	3,83,723.33
Percentage of exposure to twenty largest borrowers to Total Advances	75.05%	77.32%
Total Exposure to twenty largest borrowers / customers	4,35,097.00	3,83,723.33
Percentage of exposures to twenty largest borrowers / customers to Total Exposure on borrowers / customers	69.24%	69.70%

(c) Sector-wise concentration of exposures and NPAs

(₹ crore)

Sr. No.	Sector	FY 2025-26			FY 2024-25		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
I.	Industrial sector	5,06,217.59	551.66	0.11%	4,26,203.11	164.27	0.04%
1	Central Government	-	-	-	-	-	-
2	Central PSUs	-	-	-	-	-	-
3	State Governments	3,408.11	-	-	2,930.80	-	-
4	State PSUs	-	-	-	-	-	-
5	Scheduled Commercial Banks	4,49,259.94	-	-	3,84,174.42	-	-
6	Regional Rural Banks	986.29	-	-	972.96	-	-
7	Co-operative banks	325.00	-	-	179.44	-	-
8	Private sector (excluding banks)	52,238.25	551.66	1.06%	37,945.49	164.27	0.43%
II.	Micro-finance sector	3,293.17	119.97	3.64%	6,072.81	18.62	0.31%
III.	Others*	70,928.52	12.48	0.02%	64,188.79	-	-
	Total (I+II+III)	**5,80,439.28**	**684.11**	**0.12%**	**4,96,464.71**	**182.89**	**0.04%**

* includes advances to NBFCs

(v) Unhedged foreign currency exposure

(i) Policies to manage currency induced credit risk:

The Bank has put in place a mechanism to manage credit risk arising out of unhedged foreign currency exposures (UFCE) of its borrowers. A review of the UFCE across its portfolio is undertaken by the Bank on periodic basis. In terms of RBI circular DBOD No. BP.BC.85/21.06.200/2013-14 dated 15.01.2014 & subsequent clarification vide circular DBOD NO.BP.BC. 116/21.06.200/2013-14 dated 03.06.2014, based on available data, the provision for UFCE has been worked out and same has been included under provisions for standard assets under Schedule V.

(ii) Incremental provisioning and capital held:

(₹ crore)

Particulars	FY 2025-26	FY 2024-25
Incremental provisioning on Unhedged foreign currency exposure	70.63	43.16
capital held on Unhedged foreign currency exposure	2,205.20	1,345.50

10. DERIVATIVES

(i) Forward Rate Agreement / Interest Rate Swap

(₹ crore)

Sr. No	Particulars	FY 2025-26	FY 2024-25
i)	The notional principal of swap agreements	Nil	Nil
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Nil	Nil
iii)	Collateral required by the bank upon entering into swaps	Nil	Nil
iv)	Concentration of credit risk arising from the swaps	Nil	Nil
v)	The fair value of the swap book	Nil	Nil

The nature and terms of the IRS as on March 31, 2026 are set out below:

Sl. no.	Nature	Nos.	Notional Principal	Benchmark	Terms
1	Hedging	NIL	NIL	NIL	NIL

The nature and terms of the IRS as on March 31, 2025 are set out below

Sl. no.	Nature	Nos.	Notional Principal	Benchmark	Terms
1	Hedging	NIL	NIL	NIL	NIL

(ii) Exchange Traded Interest Rate Derivatives

(₹ crore)

Sr. No	Particulars	FY 2025-26	FY 2024-25
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument - wise)	NIL	NIL
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on March 31 (instrument - wise)	NIL	NIL
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument - wise)	NIL	NIL
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument - wise)	NIL	NIL

(iii) Disclosures on risk exposure in derivatives

(i) Qualitative Disclosures

(1) The Bank uses derivatives primarily for hedging interest rate and exchange rate risks arising from asset-liability mismatches in its foreign currency borrowings. All derivative transactions are undertaken strictly for hedging underlying exposures and not for trading purposes.

(2) Internal control guidelines for derivatives are framed and approved by the Board. The organisational framework provides for segregation of duties between Front Office, Mid Office and Back Office. Derivative transactions are undertaken only after approval of the competent authority within defined limits and are reported to ALCO/Board.

(3) The Bank has systems in place to monitor risks arising from derivative transactions. Mark-to-market valuations are carried out periodically for monitoring purposes, and the effectiveness of hedging instruments is reviewed on an ongoing basis. The Bank follows the accrual method of accounting for derivative transactions in line with applicable guidelines. Income recognition, valuation and provisioning are carried out as per Board-approved policies and RBI guidelines. Appropriate controls, including counterparty exposure limits and periodic valuation, are in place to mitigate risks.

(ii) Quantitative Disclosures

(₹ crore)

Sr. No.	Particulars	FY 2025-26		FY 2024-25	
		Currency Derivatives	Interest rate Derivatives	Currency Derivatives	Interest rate Derivatives
(i)	Derivatives (Notional Principal Amount)	1,263.40	-	1,152.19	-
a)	For hedging	1,263.40	-	1,152.19	-
b)	For trading	-	-	-	-
(ii)	Marked to Market Positions [1]	149.63	-	0.25	-
a)	Asset (+)	149.63	-	0.25	-
(b)	Liability (-)	-	-	-	-
(iii)	Credit Exposure [2]	310.39	-	148.40	-
(iv)	Likely impact of one percentage change in interest rate (100* PV01)	503.01	-	73.72	-
a)	On hedging derivatives	503.01	-	73.72	-
b)	On trading derivatives	-	-	-	-
(v)	Maximum and Minimum of 100* PV01 observed during the year				
a)	On hedging	503.01/1.55	-	25.05/13.99	-
b)	On trading	-	-	-	-

11. DISCLOSURE OF LETTERS OF COMFORT (LOCS) ISSUED.

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

(₹ crore)

LoCs outstanding as on April 01, 2025		LoC issued during the year		LoCs redeemed during the year		LoCs outstanding as on March 31, 2026	
No of LoC	Amount	No of LoC	Amount	No of LoC	Amount	No of LoC	Amount
-	-	-	-	-	-	-	-

12. ASSET LIABILITY MANAGEMENT

(₹ crore)

	1 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & up to 6 months	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	120.45	76.52	2,380.33	13,448.95	70,001.61	1,11,834.77	6,374.16	800.00	2,05,036.79
Advances	3,794.37	1,224.44	38,637.98	78,872.12	1,83,308.74	2,24,715.26	42,034.63	7,167.63	5,79,755.17
Investments	4,782.10	2,593.74	15,324.41	10,330.45	5,228.75	1,500.00	-	3,045.87	42,805.32
Borrowings	11,954.28	3,499.00	1,00,167.36	47,148.11	86,690.59	82,662.94	27,848.65	1,588.61	3,61,559.54
Foreign Currency Assets	26.15	15.65	352.55	140.53	189.12	2,316.56	267.43	381.34	3,689.33
Foreign Currency Liabilities	-	9.41	107.13	71.63	65.27	877.43	562.35	1,635.52	3,328.74

13. DRAW DOWN FROM RESERVES

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

14. DISCLOSURE OF PENALTIES IMPOSED BY RBI

No penalty has been imposed by RBI under RBI Act 1934 on the Bank during the current year (penalty of ₹6,43,998/- was imposed during the previous year).

15. DISCLOSURE OF CUSTOMER COMPLAINTS:

	Particulars	FY 2025-26	FY 2024-25
a	No. of complaints pending at the beginning of the year	1	3
b	No. of complaints received during the year	369	151
c	No. of complaints redressed during the year	361	153
d	No. of complaints pending at the end of the year	9	1

16. DISCLOSURES RELATING TO SECURITISATION:

S. No.	Particulars	FY 2025-26	FY 2024-25
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitisation exposures to be reported here)	Nil	Nil
2	Total amount of securitised assets as per books of the SPEs		
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss		
	• Others		
	b) On-balance sheet exposures		
	• First loss		
	• Others		
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss		
	• Others		
	ii) Exposure to third party securitisations		
	• First loss		
	• Others		
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss		
	• Others		
	ii) Exposure to third party securitisations		
	• First loss		
	• Others		
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation		
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.		
7	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	(a) Amount paid		
	(b) Repayment received		
	(c) Outstanding amount		
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e., RMBS, Vehicle Loans etc.		
9	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e., RMBS, Vehicle Loans, etc.		
10	Investor complaints		
	(a) Directly/Indirectly received and;		
	(b) Complaints outstanding		

17. Off-Balance Sheet SPVs Sponsored

Details of Off-balance sheet SPVs sponsored is as below:

Particulars	FY 2025-26		FY 2024-25	
	Domestic	Overseas	Domestic	Overseas
Name of the SPV sponsored	Nil	Nil	Nil	Nil

18. Disclosure as per specific accounting standards

(i) Accounting Standard 5 – Net Profit or Loss for the period, prior period items and changes in accounting policies

Income in schedule XIII - 'other income' includes Prior Period Income of ₹59,74,87,920 for FY 2025-26 [Previous Year ₹28,54,115] and Other expenditure in schedule XIV - 'Operating Expenses' for FY 2025-26 includes Prior Period Expenditure of ₹6,34,30,987 [Previous Year (₹5,28,73,830)].

(ii) Accounting Standard 17 – Segment Reporting

As required under RBI master directions on disclosures under Accounting Standard-17 'Segment Reporting' the Bank has disclosed "Business segment" as the Primary Segment. Since the Bank operates in India, there are no reportable geographical segments.

PART A: BUSINESS SEGMENTS

(₹ crore)

	Business Segments	Treasury		Wholesale Operations (Refinance)		Wholesale Operations (Direct Lending)		Total	
	Particulars	FY 2026	FY 2025	FY 2026	FY 2025	FY 2026	FY 2025	FY 2026	FY 2025
1	**Segment Revenue**	4,564.50	4,999.21	32,907.41	30,261.06	4,468.41	3,250.90	41,940.32	38,511.17
	Exceptional Items							-	-
	Total							**41,940.32**	**38,511.17**
2	**Segment Results**	2,096.62	2,070.01	5,110.01	4,715.40	571.19	159.55	7,777.82	6,944.96
	Exceptional Items							-	-
	Total							**7,777.82**	**6,944.96**
	Unallocable Expenses							587.74	546.75
	Operating profit							**7,190.08**	**6,398.21**
	Income Tax (Net of write back)							1,697.32	1,587.47
	Net profit after Tax							**5,492.76**	**4,810.74**
3	**Other information**								
	Segment Assets	43,494.06	64,624.85	5,26,600.96	4,57,586.57	55,666.78	41,200.39	6,25,761.80	5,63,411.81
	Unallocated Assets							6,616.45	4,826.98
	Total Assets							**6,32,378.25**	**5,68,238.79**
	Segment Liabilities	38,628.91	62,899.89	4,99,104.36	4,31,367.87	44,927.20	32,947.23	5,82,660.47	5,27,214.99
	Unallocated Liabilities							5,148.87	4,947.15
	Total							**5,87,809.34**	**5,32,162.14**
	Capital / Reserves	5,643.22	2,195.96	27,995.78	25,762.28	10,929.91	8,118.41	44,568.91	36,076.65
	Total							**44,568.91**	**36,076.65**
	Total Liabilities							**6,32,378.25**	**5,68,238.79**

PART B: GEOGRAPHIC SEGMENTS - THE OPERATIONS OF THE BANK IS CONFINED TO INDIA ONLY, HENCE NO REPORTABLE GEOGRAPHIC SEGMENTS.

(iii) Accounting Standard 18 – Related Party Disclosures

Details of Related Parties

(a) Subsidiary

Name of the entity	Nature of Relationship
SIDBI Venture Capital Ltd	Subsidiary
SIDBI Trustee Company Ltd	Subsidiary
Micro Units Development & Refinance Agency Ltd	Subsidiary
SIDBI Swavalamban Foundation	Subsidiary

(b) Associate

Name of the entity	Nature of Relationship
India SME Technology Services Limited	Associate
Acuite Ratings and Research Pvt Ltd	Associate
Receivables Exchange of India Limited	Associate
Delhi Finance Corporation	Associate
KITCO LIMITED	Associate

(c) Key management personnel

Shri Manoj Mittal	Chairman & Managing Director
Shri Sudatta Mandal	Deputy Managing Director
Shri Prakash Kumar	Deputy Managing Director

(d) Significant transactions with related parties

(₹ crore)

Items / Related Party	Subsidiaries	Associates/ Joint ventures	Key Management Personnel @	Relatives of Key Management Personnel	Total
Borrowings#					
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
Deposit#					
Outstanding at the year end	-	48.25	1.29	-	49.54
Maximum during the year	-	48.25	1.29	-	49.54
Placement of deposits#					
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
Advances#					
Outstanding at the year end	1,441.46	-	-	-	1,441.46
Maximum during the year	2,487.00	-	-	-	2,487.00
Investments#					
Outstanding at the year end	1,751.05	24.49	-	-	1,775.54
Maximum during the year	1,751.05	39.49	-	-	1,790.54

(₹ crore)

Items / Related Party	Subsidiaries	Associates/ Joint ventures	Key Management Personnel @	Relatives of Key Management Personnel	Total
Non funded commitments#					
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
Leasing arrangements availed#					
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
Leasing arrangements provided#					
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-
Interest paid	-	3.81	0.11	-	3.92
Interest received	152.39	-	-	-	152.39
Rendering of services*	13.14	0.87	-	-	14.01
Receiving of services*	4.21	3.73	-	-	7.94
Management contracts**			1.59	-	1.59

@ Whole time directors of the Board
# The outstanding at the year end and the maximum during the year are to be disclosed
* Contract services etc. and not services like remittance facilities, locker facilities etc.
** Remuneration to Key Management Personnel.

As per our report of even date

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

Jayesh Kala
Partner
M.No. 101686

Y M Kumari
Chief Financial Officer

Laxmi Chand Meena
Director

Prakash Kumar
Deputy Managing Director

P J Thomas
Director

By order of the Board

Manoj Mittal
Chairman &
Managing Director

Place: New Delhi
Date: May 14, 2026

STANDALONE CASH FLOW STATEMENT

for the year ended March 31, 2026

(₹)

31.03.2025	Particulars		31.03.2026	31.03.2026
	1.	**Cash Flow from Operating Activities**		
63,98,20,89,295		Net Profit before tax as per P & L Account		71,90,08,38,563
		Adjustments for :		
216085424.42		Depreciation	45,49,93,636	
-		Provision for net depreciation in investments	-	
25,06,92,44,875		Provisions made (net of write back)	17,00,92,41,141	
(1,53,51,92,721)		Profit on sale of investments (net)	(65,13,21,230)	
78,906		Profit on sale of fixed assets	14,65,258	
(46,30,67,172)		Income Received on Investments	(49,96,28,950)	16,31,47,49,855
87,26,92,38,607		**Cash generated from operations**		**88,21,55,88,418**
		(Prior to changes in operating Assets and Liabilities)		
		Adjustments for net changes in:		
1,75,45,18,535		Current assets	(15,88,49,28,906)	
26,10,79,09,971		Current liabilities	8,05,23,95,313	
(7,42,44,97,232)		Bills of Exchange	(19,75,75,03,002)	
(3,96,07,36,48,869)		Loans & Advances	(8,19,98,82,55,577)	
4,67,18,74,63,211		Net Proceeds of Bonds and Debentures & other borrowings	4,42,95,30,92,229	
(1,07,84,38,65,983)		Deposits received	94,36,97,73,444	
(16,29,21,20,367)				**(3,10,25,54,26,499)**
70,97,71,18,240				(2,22,03,98,38,081)
(23,28,88,36,885)		Payment of Tax	(19,34,10,26,307)	(19,34,10,26,307)
47,68,82,81,355		**Net Cash flow from operating Activities**		**(2,41,38,08,64,388)**
	2.	**Cash Flow from Investing Activities**		
(15,79,04,189)		Net (Purchase)/Sale of fixed assets	(52,65,16,002)	
(77,77,71,40,845)		Net (Purchase)/sale/redemption of Investments	2,56,05,91,20,155	
46,30,67,173		Income Received on Investments	49,96,28,951	
(77,47,19,77,861)		**Net cash used in Investing Activities**		**2,56,03,22,33,104**
	3.	**Cash flow from Financing Activities**		
-		Proceeds from issuance of share capital & share premium	30,00,00,00,216	
(1,13,70,82,338)		Dividend on Equity Shares & tax on Dividend	(1,13,70,82,338)	
(1,13,70,82,338)		**Net cash used in Financing Activities**		**28,86,29,17,878**
(30,92,07,78,844)	4.	**Net increase/(decrease) in cash and cash equivalents**		**43,51,42,86,594**
36,13,59,93,672	5.	**Cash and Cash Equivalents at the beginning of the period**		**5,21,52,14,828**
5,21,52,14,828	6.	**Cash and Cash Equivalents at the end of the period**		**48,72,95,01,422**
	7.	**Cash and cash equivalents at the end of the period includes**		
6,16,080		Cash in Hand		6,02,353
2,36,50,10,447		Current account balance with Bank		4,26,04,68,807
-		Mutual Funds		-
2,84,95,88,301		Deposits		44,46,84,30,262

Note: Cash Flow statement has been prepared as per the Indirect Method prescribed in AS-3 (Revised) 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India (ICAI)

Significant Accounting Policies	XV
Notes to Accounts	XVI

As per our report of even date

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

Jayesh Kala
Partner
M.No. 101686

Y M Kumari
Chief Financial Officer

Laxmi Chand Meena
Director

Prakash Kumar
Deputy Managing Director

P J Thomas
Director

By order of the Board

Manoj Mittal
Chairman &
Managing Director

Place: New Delhi
Date: May 14, 2026

Appendix II

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

INDEPENDENT AUDITOR'S REPORT

The Members
Small Industries Development Bank of India

Report on the Audit of the Consolidated Financial Statements

OPINION

1. We have audited the accompanying consolidated financial statements of Small Industries Development Bank of India (hereinafter referred as the 'the Bank') and its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group') and its associates which comprise the consolidated Balance Sheet as at March 31, 2026, the consolidated Profit and Loss Account and the consolidated Cash Flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of unaudited financial statements of Subsidiaries, the unaudited financial statements and the other financial information of the Associates as furnished by the management, the aforesaid consolidated financial statements give the information required in accordance with Regulation 14(1) of the Small Industries Development Bank of India General Regulations, 2000 and give a true and fair view, in conformity with the Accounting Standards notified by the Institute of Chartered Accountants of India ("the ICAI") and accounting principles generally accepted in India, of the state of affairs of the Group and its associates as at March 31, 2026, of its consolidated profit and consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

2. We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the consolidated Financial Statements' section of our report. We are independent of the Group and its associates in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

EMPHASIS OF MATTER

3. We invite attention to the following:

a) Note No. 14 to Annexure-I of the consolidated financial statements regarding additional provision on standard advances at rates higher than minimum stipulated under IRAC norms, as per Board approved Accelerated Provisioning Policy.

Our opinion on the consolidated financial statements is not modified in respect of above matter.

KEY AUDIT MATTERS

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matters
I. Classification of Advances, Identification of Non-performing Advances, Income Recognition and Provision on Advances, (Refer Schedule VIII read with Note 6 of Schedule XV to the consolidated financial statements) Advances include Refinance loans to banks, Financial Institutions, Micro Finance Institutions and NBFCs; and Direct loans including Cash Credits, Overdrafts, Loans repayable on demand and Term loans. The Reserve Bank of India ('RBI') has prescribed the 'Prudential Norms on Income Recognition, Asset Classification and Provisioning' in respect of advances for banks ('IRACP Norms').	Our audit approach / procedures towards Classification of Advances, Identification of Non-performing Advances, Income Recognition and Provision on Advances included the following: - Understanding and considering the Bank's accounting policies for NPA identification and provisioning and assessing compliance with the prudential norms prescribed by the RBI (IRACP Norms), including the additional provisions and asset classification benefit extended on restructured advances. - Understanding the key controls (including system based automated controls) for identification and provisioning of impaired accounts based on the extant guidelines on IRACP laid down by the RBI.

Key Audit Matter	How our audit addressed the Key Audit Matters
The identification of performing and non-performing advances (including advances restructured under applicable IRACP Norms) involves establishment of proper mechanism and the Bank is required to apply significant degree of judgement to identify and determine the amount of provision required against each advance applying both quantitative as well as qualitative factors prescribed by the regulations. Significant judgements and estimates for NPA identification and provisioning could give rise to material misstatements on: - Completeness and timing of recognition of non-performing assets in accordance with criteria as per IRACP norms; - Measurement of the provision for non-performing assets based on loan exposure, ageing and classification of the loan, realizable value of security; - Appropriate reversal of unrealized income on the NPAs. Since the classification of advances, identification of NPAs and creation of provision on advances (including additional provisions on restructured advances under applicable IRACP Norms) and income recognition on advances: - Requires proper control mechanism and significant level of estimation by the Bank; - Has significant impact on the overall financial statements of the Bank; we have ascertained this area as a Key Audit Matter	- Performing other procedures including substantive audit procedures covering the identification of NPAs by the Bank. These procedures included: a) Considering testing of the exception reports generated from the application systems where the advances have been recorded. b) Considering the accounts reported by the Bank and other banks as Special Mention Accounts ("SMA") in RBI's central repository of information on large credits (CRILC) to identify stress. c) Reviewing account statements, drawing power calculation, security and other related information of the borrowers selected based on quantitative and qualitative risk factors d) Reading of minutes of credit and risk committee meetings and performing inquiries with the Bank to ascertain if there were indicators of stress or an occurrence of an event of default in a loan account or any product. e) Considering key observations arising out of Internal Audits and Concurrent Audits conducted as per the policies and procedures of the Bank. f) Considering the RBI Financial Inspection report on the Bank, the Bank's response to the observations and other communication with RBI during the year g) Reviewing the report submitted by external expert appointed by the Bank to verify compliance with the RBI circular on Automation of IRACP processes through the Bank's core banking system. h) Examination of advances including stressed/ restructured advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines. i) Seeking independent confirmation of account balances for sample borrowers. j) Visits to branches/offices and examination of documentation and other records relating to advances. For Non- performing advances identified, we, based on factors including stressed sectors and account materiality, tested on a sample basis the asset classification dates, reversal of unrealized interest, value of available security and provisioning as per IRACP norms. We recomputed the provision for NPA on such samples after considering the key input factors and compared our measurement outcome to that prepared by management.

Key Audit Matter	How our audit addressed the Key Audit Matters
II. Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule VII read with Note 3 of Schedule XV to the consolidated financial statements) Investments are categorized under Treasury operations and Business Operations. Investments include investments made by the Bank in Central and State Governments Securities, Bonds, Debentures, Shares, Mutual Funds, VCFs and other approved securities. RBI Circulars and directives, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, non-recognition of income and provisioning against non-performing investments. The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FBIL/FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc. We identified valuation of investments and identification of NPI as a Key Audit Matter because of the management judgement involved in determining the value of certain investments (Bonds and Debentures, VCFs) based on applicable Regulatory guidelines and the Bank's policies, impairment assessment for HTM book based on management judgement, the degree of regulatory focus and the overall significance to the financial results of the Bank.	Our audit approach/procedures towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non-performing investments (NPIs) and provisioning/ depreciation related to Investments. In particular - - We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, reversal of income on NPIs and provisioning/depreciation related to investments; - We assessed and evaluated the process adopted for collection of information from various sources for determining market value of these investments; - For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security; - We carried out substantive audit procedures to recompute independently the provision to be maintained in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained and if accrual of income is in accordance with the RBI Circular for those selected sample of NPIs.
III. Information Technology (IT) and controls impacting financial Reporting The Bank's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. Due to the pervasive nature and complexity of the IT environment as well as its importance in relation to accurate and timely financial reporting, we have identified this area as a Key Audit Matter.	As a part of our audit procedures for review of the Bank's IT systems and related controls for financial reporting: - We tested the design and operating effectiveness of the Bank's IT systems and controls that are critical to financial reporting. - The Bank has a system in place for getting application software audits for identified Application Systems at reasonable intervals. Information System (IS) Audit is done by Bank at reasonable intervals. - We reviewed key observations arising out of audits conducted on the Bank's IT systems during the year.
IV. Assessment of Provisions and Contingent Liabilities (Note 10 and Note 12 of Schedule XV to the consolidated financial statements): Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct Taxes, various claims filed by other parties not acknowledged as debt (Schedule XI to the consolidated financial statements) and various employee benefits schemes (Schedule XI to the consolidated financial statements) was identified as a significant audit area.	Our audit approach / procedures involved: - Understanding the current status of the litigations/ tax assessments; - Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon; - Evaluating the merit of the subject matters identified as significant, with reference to the grounds presented therein and available independent legal / tax advice including opinion of the Bank's tax consultants;

Key Audit Matter	How our audit addressed the Key Audit Matters
There is high level of judgement involved in estimating the level of provisioning required as well as in the disclosure of both Provisions and Contingent Liabilities in respect of tax matters and other legal claims. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet. The valuations of the employee benefit liabilities are calculated with reference to multiple actuarial assumptions and inputs including discount rate, rate of inflation and mortality rates. The valuation of funded assets in respect of the same is also sensitive to changes in the assumptions. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of the matters which requires application of judgment in interpretation of law, circumstances of each case and estimates involved.	- Review and evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and - Ensuring completeness and accuracy of the data, the measurement of the fair value of the schemes' assets, understanding the judgements made in determining the assumptions used by management to value the employee liabilities with specific schemes and market practice. - Our audit procedures included an assessment of some assumptions used by the actuary by comparing life expectancy assumptions with relevant mortality tables, benchmarking inflation and discount rates against external market data. We verified the value of plan assets to the statements provided by asset management companies managing the plan assets. - Verification of disclosures related to significant litigations, taxation matters and Employee benefits liabilities in the consolidated financial statements.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

Our opinion on the consolidated financial statements does not cover the other information and Pillar 3 disclosure under the Basel III Disclosure and we do not and will not express any form of assurance conclusion thereon.

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the respective Management of the entities included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates

to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so. The respective Management of the entities included in the Group and of its associates are also responsible for overseeing the financial reporting process of Group and of its associates.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

7. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Banks Internal Control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of the Bank included in consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described under 'Other Matters' in this audit report.

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

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

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

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

8. Other Matters

These consolidated Financial Results incorporate the relevant returns of 34 Branches visited /audited by us including Head Office, which covers 95.64% of Advances, 97.67% of deposits, 100% of Borrowings as on March 31, 2026 and 95.43% of Interest income on advances, 96.58% of interest expense on deposits and 99.75% of interest expense on borrowings for the period 01.04.2025 to 31.03.2026. These branches have been selected in consultation with the management of the bank. In conduct of our audit, we have relied upon various information and returns received from remaining branches of the bank not visited by us, generated through centralised database at Head Office.

The consolidated Financial Statements include the unaudited financial results of 3 (Three) subsidiaries whose Financial Statements/Financial Results/ financial information reflect total assets of ₹ 35,048 Crores as at March 31, 2026, total revenue of ₹ 2,324 Crores, total net profit after tax of ₹ 575 Crores for the year ended on March 31, 2026 and net cash outflow amounting to ₹ 1,438 Crores for the year ended on that date and 4 associates whose Financial Statements/Financial Results/ financial information reflect the Group's share of net profit of ₹ 30 Crores for the year ended March 31, 2026, as considered in the consolidated Financial Results, have not been audited by us. These unaudited Financial Statements/ financial results/ financial information have been furnished to us by the Bank's Management and our opinion on the consolidated Financial statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on such unaudited Financial Statements/ financial results/financial information. We have relied on the management's written representation to us that the effect of the changes / adjustments, if any, required to be made to the reported numbers of these subsidiaries and associates consequent to their audit would not be material for the Group.

Further, associates that are non-performing or the bank is not having significant influence have not been included in the consolidation. Additionally, one associate has been excluded from consolidation due to divestment as informed by the Bank.

Our opinion on the consolidated financial statements and our Report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters and with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. The consolidated financial statements have been prepared by the Bank's Management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements", Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

We report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Bank so far as it appears from our examination of those books and the reports of the other auditors;

c) The consolidated Balance Sheet, the consolidated Profit and Loss Account, the consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with the applicable Accounting Standards.

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

(Jayesh Kala)
Partner
M. No.: 101686
UDIN : 26101686DGFCQU8244

Date : May 14, 2026
Place : New Delhi

CONSOLIDATED BALANCE SHEET

as at March 31, 2026

(₹)

		March 31, 2026	March 31, 2025
CAPITAL AND LIABILITIES	**SCHEDULES**		
Capital	I	6,21,29,76,979	5,68,54,11,689
Reserves, Surplus and Funds	II	4,79,35,02,69,048	3,90,51,08,25,013
Deposits	III	22,51,65,00,98,052	22,47,51,21,22,009
Borrowings	IV	36,91,19,27,97,675	31,70,36,97,05,448
Other Liabilities and Provisions	V	2,14,75,88,28,380	1,95,04,63,33,286
Deferred Tax Liability			-
Total		**66,43,16,49,70,134**	**60,09,12,43,97,445**
ASSETS			
Cash and Bank Balances	VI	1,33,63,59,71,559	2,49,74,75,78,021
Investments	VII	3,02,03,80,65,727	4,53,53,49,61,147
Loans & Advances	VIII	61,13,18,06,94,187	52,30,38,51,75,892
Fixed Assets	IX	2,87,84,71,275	2,80,70,45,555
Other Assets	X	91,43,17,67,386	72,64,96,36,830
Total		**66,43,16,49,70,134**	**60,09,12,43,97,445**
Contingent Liabilities	XI	20,63,02,51,800	31,60,99,11,919

Consolidated Significant Accounting Policies (Schedule XV) and Notes to Accounts (Annexure I)

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

As per our report of even date

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

Jayesh Kala
Partner
M.No. 101686

Y M Kumari
Chief Financial Officer

Laxmi Chand Meena
Director

Prakash Kumar
Deputy Managing Director

P J Thomas
Director

By order of the Board

Manoj Mittal
Chairman &
Managing Director

Place: New Delhi
Date: May 14, 2026

CONSOLIDATED PROFIT & LOSS ACCOUNT

for the year ended March 31, 2026

(₹)

		March 31, 2026	March 31, 2025
INCOME	**SCHEDULES**		
Interest and Discount	XII	4,34,79,65,47,268	4,00,98,09,80,982
Other Income	XIII	5,88,52,85,835	6,54,72,40,588
Total		**4,40,68,18,33,103**	**4,07,52,82,21,570**
EXPENDITURE			
Interest & Financial charges		3,32,85,83,83,172	2,95,10,42,77,230
Operating Expenses	XIV	16,49,92,08,302	14,59,56,91,105
Provisions & Contingencies		13,55,56,42,365	23,11,82,38,737
Total		**3,62,91,32,33,839**	**3,32,81,82,07,072**
Profit before Tax		**77,76,85,99,264**	**74,71,00,14,498**
Provision for Income Tax		22,23,60,99,676	23,79,66,78,369
Deferred Tax Adjustment [(Asset) / Liability]		(3,28,77,75,891)	(5,04,61,80,880)
Share of (earning)/loss in associates		(30,25,64,851)	(36,00,631)
Profit after Tax		**59,12,28,40,330**	**55,96,31,17,640**
Profit brought forward		22,29,30,70,042	15,91,36,84,000
Total Profit / (Loss)		**81,41,59,10,372**	**71,87,68,01,640**
Appropriations			
Transfer to General Reserve		51,02,93,97,071	44,56,35,20,878
Transfer to Special reserve u/s 36(1)(viii) of The Income Tax Act, 1961		2,40,00,00,000	2,05,00,00,000
Transfer to Statutory Reserve u/s 45-IC of RBI Act, 1934		1,12,01,07,872	1,63,31,28,382
Others			
a) Transfer to Investment Fluctuation Reserve		-	-
Transfer to Staff Welfare Fund		22,26,00,000	20,00,00,000
Development Fund		-	-
Dividend on Shares		1,13,76,60,492	1,13,70,82,338
Tax on Dividend		-	-
Surplus in Profit & Loss account carried forward		25,50,61,44,937	22,29,30,70,042
Total		**81,41,59,10,372**	**71,87,68,01,640**
Basic/Diluted Earning Per Share		103.99	98.43

Consolidated Significant Accounting Policies (Schedule XV) and Notes to Accounts (Annexure I)

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

As per our report of even date

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

Jayesh Kala
Partner
M.No. 101686

Y M Kumari
Chief Financial Officer

Laxmi Chand Meena
Director

Prakash Kumar
Deputy Managing Director

P J Thomas
Director

By order of the Board

Manoj Mittal
Chairman &
Managing Director

Place: New Delhi
Date: May 14, 2026

SCHEDULES TO CONSOLIDATED BALANCE SHEET

CAPITAL AND LIABILITIES

Schedule I: Capital

(₹)

		March 31, 2026	March 31, 2025
(a)	**Authorized Capital**		
	- Equity Share Capital (75,00,00,000 Equity Shares of ₹ 10/- each)	7,50,00,00,000	7,50,00,00,000
	- Preference Share Capital (25,00,00,000 Redeemable Preference Shares of ₹ 10/- each)	2,50,00,00,000	2,50,00,00,000
(b)	**Issued, Subscribed and Paid-up Capital :**		
	- Equity Share Capital (62,12,97,698 Equity Shares of ₹ 10/- each)	6,21,29,76,979	5,68,54,11,689
	- Preference Share Capital	-	-
Total		**6,21,29,76,979**	**5,68,54,11,689**

Schedule II: Reserves, Surplus and Funds

(₹)

		March 31, 2026	March 31, 2025
A)	**Reserves**		
i)	**General Reserve**		
	- Opening Balance	2,59,75,37,25,915	2,59,75,37,25,915
	- Additions during the year	97,03,93,22,003	44,52,30,74,772
	- Utilisations during the year	-	-
	- Closing Balance	**3,56,79,30,47,918**	**3,04,27,68,00,687**
ii)	**Share Premium**		
	- Opening Balance	30,54,25,88,310	30,54,25,88,310
	- Additions during the year	29,47,24,34,926	-
	- Utilisations during the year	**-**	-
	- Closing Balance	**60,01,50,23,236**	**30,54,25,88,310**
iii)	**Specific Reserves**		
	a) Investment Reserve		
	- Opening Balance	-	**-**
	- Additions during the year	**-**	**-**
	- Utilisations during the year	-	**-**
	- Closing Balance	**-**	**-**
	b) Special Reserve created and maintained u/s 36 (1) (viii) of The Income Tax Act, 1961		
	- Opening Balance	22,22,00,00,000	20,17,00,00,000
	- Additions during the year	2,40,00,00,000	2,05,00,00,000
	- Utilisations during the year	**-**	-
	- Closing Balance	**24,62,00,00,000**	**22,22,00,00,000**
	c) Statutory Reserve created u/s 45-IC of Reserve Bank of India Act.		
	- Opening Balance	6,55,84,90,116	4,92,53,61,734
	- Additions during the year	1,11,77,71,437	1,63,07,91,947
	- Utilisations during the year		
	- Closing Balance	**7,67,62,61,553**	**6,55,61,53,681**
	d) Other Reserves		
	i) Investment Fluctuation Reserve		
	- Opening Balance	1,28,40,05,768	1,28,40,05,768
	- Additions during the year	-	-
	- Utilisations during the year		
	- Closing Balance	**1,28,40,05,768**	**1,28,40,05,768**

SCHEDULES TO CONSOLIDATED BALANCE SHEET

(₹)

		March 31, 2026	March 31, 2025
B)	**Surplus in Profit and Loss account**	**25,50,61,44,938**	**22,29,30,70,042**
C)	**Funds**		
	a) National Equity Fund		
	- Opening Balance	2,65,61,42,832	2,65,61,42,832
	- Additions / Write back during the year	-	-
	- Utilisations during the year	-	-
	- Closing Balance	**2,65,61,42,832**	**2,65,61,42,832**
	b) Staff Welfare Fund		
	- Opening Balance	66,20,63,693	51,77,93,003
	- Additions during the year	22,26,00,000	20,00,00,000
	- Utilisations during the year	10,50,20,890	5,57,29,310
	- Closing Balance	**77,96,42,803**	**66,20,63,693**
	c) Others	2,00,00,000	2,00,00,000
Total		**4,79,35,02,69,048**	**3,90,51,08,25,013**

Schedule III: Deposits

(₹)

		March 31, 2026	March 31, 2025
A)	**Fixed Deposits**	**2,01,86,84,35,551**	**1,44,74,77,49,607**
B)	**From Banks**		
	a) Under MSME Refinance Fund	17,98,21,52,17,500	17,64,60,14,30,000
	b) Under MSME Risk Capital Fund	-	-
	c) Others -From Foreign & Private Sector Banks	39,65,49,75,000	31,65,49,75,000
	d) Under MSME India Aspiration Fund	10,62,93,70,001	14,99,40,70,001
	e) Under Fund for Venture Capital in MSME sector 2014-15	-	-
	f) Under Priority Sector Shortfall	2,01,28,21,00,000	2,91,51,38,97,401
Subtotal (B)		**20,49,78,16,62,501**	**21,02,76,43,72,402**
Total		**22,51,65,00,98,052**	**22,47,51,21,22,009**

Schedule IV: Borrowings

(₹)

		March 31, 2026	March 31, 2025
I)	**Borrowings in India**		
	1. From Reserve Bank of India	-	-
	2. From Government of India (including Bonds subscribed by GOI)	3,81,91,14,756	4,10,81,90,830
	3. Bonds & Debentures	11,05,83,14,00,000	12,02,61,64,00,000
	4. From Other Sources		
	- Commercial Paper	2,03,40,00,00,000	1,61,75,00,00,000
	- Certificate of Deposits	8,09,90,00,00,000	4,08,70,00,00,000
	- Term Loans from Banks	14,27,08,74,02,597	11,33,17,74,02,599
	- Term Money Borrowings	-	-
	- Others	1,09,54,27,58,757	2,48,04,62,76,130
Subtotal (I)		**36,59,58,06,76,110**	**31,58,39,82,69,559**
II)	**Borrowings outside India**		
	(a) KFW, Germany	15,08,18,54,405	6,81,50,53,292
	(b) Japan International Cooperation Agency (JICA)	2,23,56,45,043	4,19,89,00,553
	(c) IFAD, Rome	1,01,77,22,117	95,74,82,044
	(d) World Bank	-	-
	(e) Others	13,27,69,00,000	-
Subtotal (II)		**31,61,21,21,565**	**11,97,14,35,889**
Total (I & II)		**36,91,19,27,97,675**	**31,70,36,97,05,448**

SCHEDULES TO CONSOLIDATED BALANCE SHEET

Schedule V: Other Liabilities and Provisions:

(₹)

	March 31, 2026	March 31, 2025
Interest Accrued	72,19,08,41,619	69,35,83,59,621
Provision for SIDBI Employees' Provident Fund	5,02,14,32,732	4,63,09,37,137
Provision for SIDBI Pension Fund	1,65,60,68,333	64,96,91,844
Provision for Employees' Other Benefit	5,00,33,28,167	3,39,84,36,530
Provisions for Exchange Rate Fluctuation	1,53,73,62,767	1,53,73,62,767
Contingent provisions against standard assets	68,87,34,22,864	59,96,42,87,462
Proposed Dividend (including tax on dividend)	1,13,76,60,492	1,13,70,82,338
Funds viz. Aspire Fund, FoF for Startups, PRF, PRSF etc.	43,72,63,99,744	41,96,94,06,251
Floating provision	4,95,67,37,932	4,95,67,37,932
Others (including provisions)	10,65,55,73,730	7,44,40,31,404
Total	**2,14,75,88,28,380**	**1,95,04,63,33,286**

ASSETS

Schedule VI: Cash & Bank Balances

(₹)

		March 31, 2026	March 31, 2025
1.	Cash in Hand & Balances with Reserve Bank of India	6,08,698	6,26,065
2.	Balances with Other Banks		
(a)	**In India**		
	i) in current accounts	4,33,51,57,251	2,36,61,13,499
	ii) in other deposit accounts	1,27,26,50,20,262	2,47,37,45,09,304
(b)	**Outside India**		
	i) in current accounts	1,51,99,848	63,29,153
	ii) in other deposit accounts	2,01,99,85,500	-
Total		**1,33,63,59,71,559**	**2,49,74,75,78,021**

Schedule VII: Investments [net of provisions]

(₹)

		March 31, 2026	March 31, 2025
A)	**Treasury operations**		
1.	Securities of Central and State Governments	1,62,35,75,73,527	3,39,80,04,69,838
2.	Bonds & Debentures of Banks & Financial Institutions	19,25,24,17,652	19,50,59,38,570
3.	Stocks, Shares, bonds & Debentures of Industrial Concerns	46,93,62,001	46,93,62,000
4.	Mutual Funds	-	-
5.	Commercial Paper	50,80,80,22,730	47,64,56,00,724
6.	Certificate of Deposit	56,68,62,04,906	31,80,45,40,753
7.	Others	-	-
Subtotal (A)		**2,89,57,35,80,816**	**4,39,22,59,11,885**
B)	**Business Operations**		
1.	Shares of Banks & Financial Institutions	2,05,31,76,446	1,61,51,09,902
2.	Bonds & Debentures of Banks & Financial Institutions	3,38,12,000	5,65,33,000
3.	Stocks, Shares, bonds & Debentures of Industrial Concerns	3,66,05,13,536	3,90,85,00,059
4.	Investment in Subsidiaries	19,31,93,000	11,00,00,000
5.	Investment in Venture Capital Fund - RCF	3,31,14,72,029	3,94,92,78,610
6.	Others	3,21,23,17,900	4,66,96,27,691
Subtotal (B)		**12,46,44,84,911**	**14,30,90,49,262**
Total (A+B)		**3,02,03,80,65,727**	**4,53,53,49,61,147**

SCHEDULES TO CONSOLIDATED BALANCE SHEET

Schedule VIII: Loans & Advances [Net of Provisions]

(₹)

		March 31, 2026	March 31, 2025
A)	**Refinance to**		
	- Banks and Financial Institutions	47,71,49,58,27,167	40,87,50,16,83,749
	- Micro Finance Institutions	42,65,56,38,641	75,09,40,09,035
	- NBFC	7,46,60,48,60,734	6,56,91,47,42,850
	- Bills Rediscounted	-	-
	- Others (Subscription to Pass Through Certificate (PTC))	1,47,74,05,014	3,75,45,80,166
	Subtotal (A)	**55,62,23,37,31,556**	**48,23,26,50,15,800**
B)	**Direct Loans**		
	- Loans and Advances	5,09,92,46,21,764	3,85,42,39,03,063
	- Receivable Finance Scheme	-	-
	- Bills Discounted	41,02,23,40,867	21,69,62,57,029
	Subtotal (B)	**5,50,94,69,62,631**	**4,07,12,01,60,092**
	Total (A+B)	**61,13,18,06,94,187**	**52,30,38,51,75,892**

Schedule IX: Fixed Assets [Net of Depreciation]

(₹)

		March 31, 2026	March 31, 2025
1.	Premises	2,79,92,85,580	2,74,17,59,764
2.	Others	7,91,85,695	6,52,85,791
Total		**2,87,84,71,275**	**2,80,70,45,555**

Schedule X: Other Assets:

(₹)

	March 31, 2026	March 31, 2025
Accrued Interest	27,34,07,86,024	26,52,36,93,380
Advance Tax (Net of provision)	4,30,21,27,189	5,17,75,11,923
Staff Loans	2,97,64,65,638	2,65,32,97,934
Derivative Assets	1,58,10,15,037	53,98,51,268
Expenditure to the extent not written off	37,97,62,90,336	24,11,11,88,472
Others	17,25,50,83,162	13,64,40,93,853
Total	**91,43,17,67,386**	**72,64,96,36,830**

Schedule XI: CONTINGENT LIABILITIES

(₹)

		March 31, 2026	March 31, 2025
i)	Claims against the Bank not acknowledged as debts	5,24,92,47,654	6,32,89,48,451
ii)	On account of Guarantees / Letters of Credit	1,41,22,89,785	88,47,44,343
iii)	On account of Forward Contracts	62,09,07,219	12,05,81,52,678
iv)	On account of Underwriting Commitments	-	-
v)	On account of uncalled monies on partly paid shares, debentures & undrawn commitment under VCF etc.	71,38,49,374	81,61,31,595
vi)	On account of derivative contracts	12,63,39,57,768	11,52,19,34,852
vii)	Other items for which the Bank is contingently liable	-	-
Total		**20,63,02,51,800**	**31,60,99,11,919**

SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT

Schedule XII: Interest and Discount

(₹)

	March 31, 2026	March 31, 2025
1. Interest and Discount on Loans, Advances and Bills	3,85,68,02,91,244	3,45,99,62,71,737
2. Income on Investments / Bank balances	49,11,62,56,024	54,98,47,09,245
Total	**4,34,79,65,47,268**	**4,00,98,09,80,982**

Schedule XIII: Other Income:

(₹)

	March 31, 2026	March 31, 2025
1. Upfront and Processing Fees	1,47,66,88,575	1,13,46,89,594
2. Commission and Brokerage	4,09,69,902	2,84,42,684
3. Profit on sale of Investments	75,15,85,000	1,57,72,25,242
4. Income earned by way of dividends etc. from Subsidiaries / Associates	3,95,39,996	61,19,996
5. Provision of Earlier Years written Back	-	-
6. Recoveries out of Bad Debts	88,04,40,844	2,56,63,75,233
7. Reversal of Provisions/ERFF under FCL	-	-
8. Others	2,69,60,61,518	1,23,43,87,839
Total	**5,88,52,85,835**	**6,54,72,40,588**

Schedule XIV: Operating Expenses:

(₹)

	March 31, 2026	March 31, 2025
Payments to and provisions for employees	9,93,47,51,846	7,80,63,60,129
Rent, Taxes and Lighting	30,31,47,528	25,61,58,464
Printing & Stationery, Postage/Courier & Tele and Insurance	3,75,49,606	2,39,52,180
Advertisement and Publicity	10,99,27,310	9,31,19,265
Depreciation / Amortisation on Bank's Property	45,77,78,697	22,05,27,331
Directors' fees, allowances and expenses	67,29,079	69,12,267
Auditor's Fees	57,01,938	53,09,233
Law Charges	1,67,52,893	3,23,17,720
Repairs and maintenance	33,19,48,937	68,26,00,621
Issue Expenses	9,52,26,461	5,82,40,586
Capital Commitment, Management Fees etc.	41,62,65,372	59,77,75,349
Input Tax Credit not Available	46,89,89,039	48,70,26,632
Other Expenditure	4,31,44,39,596	4,32,53,91,328
Total	**16,49,92,08,302**	**14,59,56,91,105**

SCHEDULE XV – CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION

The consolidated financial statements (CFS) have been prepared to comply in all material respects with the Small Industries Development Bank of India Act, 1989 (Parent) and regulations thereof, applicable prudential norms prescribed by Reserve Bank of India, applicable provisions of the Companies Act, 2013, applicable Accounting Standards issued by the Institute of Chartered Accountants of India and practices prevailing in the Banking Industry. The consolidated financial statements have been prepared under the historical cost convention on an accrual basis, unless otherwise stated. Except otherwise mentioned, the accounting policies that are applied by the Small Industries Development Bank of India ("the Bank" or "SIDBI"), are consistent with those used in the previous year.

Use of Estimates:

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

Consolidation Procedures:

Subsidiaries included in consolidated financial statements for FY 2025-26 are:

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

Associates included in consolidated financial statements for FY 2025-26 are:

1) Acuite Ratings and Research Pvt Ltd (Erstwhile SMERA)
2) India SME Technology Services Ltd. (ISTSL)
3) Receivables Exchange of India Limited (RXIL)
4) KITCO Limited

Consolidated financial statements of the Group (comprising of 3 subsidiaries, 4 associates as per details given above) have been prepared on the basis of:

a. Accounts of SIDBI (Parent).

b. Line by line aggregation of each item of asset/ liability/income/expense of 3 subsidiaries with the respective item of the Parent and after eliminating all material intra-group balances / transactions, unrealised profit/loss as per AS 21 (Consolidated Financial Statements) issued by the Institute of Chartered Accountants of India (ICAI).

c. Investments in Associates are accounted for under the Equity Method as per AS 23 (Accounting for Investments in associates in consolidated financial Statements) issued by ICAI based on the audited Financial Statements of the associates.

d. In case of differences in Accounting Policies, the Financial Statements of Subsidiaries are adjusted, wherever necessary and practicable, to conform to the Accounting Policies of the Parent. In case of difference in Accounting Policies, the Financial Statements of associates, adjustments have not been made as in the opinion of Management of the Bank the same are not material.

2. REVENUE RECOGNITION

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

A) INCOME:

i. Interest income is accounted for on accrual basis, except in the case of non-performing assets where it is recognized upon realization.

ii. Income in the Profit & Loss Account is shown gross i.e. before provisions as per RBI guidelines and other provisions as per Bank's internal policy.

iii. Discount received in respect of bills discounted / rediscounted and on discounted instruments is recognised over the period of usance of the instruments on a constant yield basis.

iv. Commitment charges, service charges on seed capital / soft loan assistance and royalty income are accounted for on accrual basis in respect of standard (performing) assets.

v. Dividend on shares held in industrial concerns and financial institutions is recognized as income when the right to receive the dividend is established.

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

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

a) Overdue interest, includes Further Interest/ Penal Charges upto the date of account turning NPA,
b) principal,
c) Interest, including additional interest,
d) Further Interest / Penal Charges
e) Cost, charges, expenses and other monies, etc;

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

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

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

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

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

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

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

xv. Income from units of mutual funds shall be recognized on cash basis.

xvi. SVCL - Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is not recognized where drawdowns in respective venture capital funds / alternative investments funds are not received as there is no certainty that economic benefits will flow to the Company and in such cases, it will be accounted on receipt basis as and when received. The following specific recognition criteria is followed for revenue recognition.

xvii. STCL - Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria is followed for revenue recognition.

The Company accrues income by way of trusteeship fee on a quarterly basis / annual basis (as stipulated in the agreements with respective funds) from the venture capital funds / alternative investments funds managed by it.

B) EXPENDITURE:

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

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

3. INVESTMENTS:

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

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

(a) Held to Maturity:

Investments acquired with the intention to hold till maturity are categorized under Held to Maturity. Such investments are carried at acquisition cost unless it is more than the face value, in which case the premium is amortized over the period remaining to maturity. Investments in subsidiaries are classified as Held To Maturity. Diminution, other than temporary, in the value of investments under this category is provided for each investment individually.

(b) Held for Trading:

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

(c) Available for Sale:

(i) Investments which do not fall within the above two categories are categorized under Available for Sale. The individual scrip under this category is revalued and net depreciation under any of the classification mentioned above is recognized in the profit & loss

account. Net appreciation under any classification is ignored. The book value of individual scrip is not changed after the revaluation.

(ii) An investment is classified as Held To Maturity, Available For Sale or Held For Trading at the time of its purchase and subsequent shifting amongst categories and its valuation is done in conformity with RBI guidelines.

(iii) Treasury Bills, Commercial Papers and Certificates of Deposit, being discounted instruments, are valued at carrying cost.

(iv) The quoted Government Securities are valued at market prices and unquoted/non-traded government securities are valued at prices declared by Financial Benchmark India Pvt. Ltd.(FBIL).

(v) Investments which are made out of the Corpus or Funds provided by the Government of India (GOI) and netted off from the related Fund balances are carried at cost and not subject to RBI guidelines of valuation.

(vi) Recording purchase and sale transactions in Investments is done following 'Settlement Date' accounting.

(vii) The debentures / bonds / shares deemed to be in the nature of advance, are subject to the usual prudential norms applicable to loans & advances.

(viii) Cost of investments is determined on the weighted average cost method.

(ix) Brokerage, commission, etc. paid at the time of acquisition/ sale are recognized in the profit & loss account.

(x) Broken period interest paid / received on debt investment is treated as interest expenses / income and is excluded from cost / sale consideration. In respect of investments in government securities the broken period interest paid to the seller as part of cost is not capitalized and treated it as an item of expenditure under Profit & Loss Account.

(xi) In respect of unquoted investments in industrial concerns under Seed Capital Scheme, full provision has been made.

(xii) Units of mutual fund are valued at repurchase price as per relevant RBI guidelines.

(xiii) The unquoted fixed income securities (other than government securities) are valued on Yield to Maturity (YTM) basis with appropriate mark-up over the YTM rates for Central Government securities of equivalent maturity. Such mark-up and YTM rates applied are as per the relevant rates published by FBIL.

(xiv) Unquoted Shares are valued at breakup value, if the latest Audited Financial Statements of the investee companies are available, or at ₹1/- per Company as per RBI guidelines.

4. FOREIGN CURRENCY TRANSACTIONS

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

i. Contingent liability in respect of outstanding forward exchange contracts, guarantees; acceptances, endorsements and other obligations are calculated at the closing exchange rates notified by Foreign Exchange Dealers' Association of India ('FEDAI').

ii. Foreign currency Assets and Liabilities are translated at the closing exchange rates notified by FEDAI as at the Balance sheet date.

iii. Foreign currency Income and Expenditure items are translated at monthly intervals through actual sale/purchase and recognized in the profit & loss account accordingly.

iv. The revaluation difference on foreign currency LoC is adjusted and recorded in a special account opened and maintained, in consultation with GOI for managing exchange risk.

v. The Bank follows hedge accounting in respect of foreign exchange contracts and derivative transactions as per RBI guidelines.

vi. Exchange differences arising on the settlement of monetary items are recognized as income or expense in the period in which they arise.

vii. Outstanding Forward Exchange Contracts which are not intended for trading are revalued at exchange rates notified by FEDAI.

5. DERIVATIVES

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

6. LOANS AND ADVANCES

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

ii. Advances stated in the Balance Sheet are net of provisions made for non-performing advances and restructured NPA assets.

iii. General provision on Standard Assets is made as per RBI guidelines.

iv. Floating provision is made and utilized as per RBI guidelines and Board approved policy.

v. MUDRA has been subscribing to Pass Through Certificates backed by loans receivables originated by various MFIs / Banks / Non-Banking Finance Companies. Such securitization transactions are classified as Loans and Advances and are shown in the Balance Sheet on gross basis, which at are Book value and provisions are shown separately

7. TAXATION

(i) Tax expense comprises both current tax and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act,1961 and the Income Computation and Disclosure Standards (ICDS).

(ii) Deferred income taxes reflects the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

(iii) Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

(iv) Disputed taxes not provided for including departmental appeals are included under Contingent Liabilities.

8. SECURITISATION

(i) The Bank purchases credit rated Micro, Small and Medium Enterprises Asset pools from Banks / Non-Banking Finance Companies by way of pass-through certificates issued by the Special Purpose Vehicle. Such securitisation transactions are classified as investments under Held for Trading / Available for Sale category depending upon the investment objective.

(ii) The Bank purchases credit rated pool of Micro, Small and Medium Enterprises assets under bilateral direct assignment. Such direct assignment transactions are accounted for as 'advances' by the Bank.

(iii) The Bank enters into sale of Loans & Advances through direct assignment. In most of the cases, the Bank continues to service the Loans & Advances sold under these transactions and is entitled to the Residual interest on the Loans & Advances sold. Assets sold under direct assignment are derecognized in the books of the Bank based on the principle of surrender of control over the assets.

(iv) The residual income on the Loans & Advances sold is being recognised over the life of the underlying Loans & Advances.

(v) Security Receipts issued by the asset reconstruction companies are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time.

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

(i) The sale of NPA's is on cash basis or investment in Security Receipt (SR) basis. In case of sale on SR basis, the sale consideration or part thereof is treated as investment in the form of SRs.

(ii) The assets if sold at a price below the Net Book Value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit & Loss A/c. In case the sale value is higher than NBV, the excess provision held can be reversed to profit & loss account in the year the amounts are received. Reversal of excess provision is limited to the extent to which cash received exceeds the NBV of the asset.

10. PROVISIONING FOR STAFF BENEFITS:

A] Post retirement benefits:

(i) Provident Fund is a defined contribution scheme administered by the Bank and the contributions are charged to the Profit & Loss Account.

(ii) Gratuity liability and Pension liability are defined benefit obligations and other long-term employee benefits like compensated absences, post-retirement medical benefits etc. are provided based on the independent actuarial valuation as at the Balance Sheet date using the projected unit credit method as per AS 15 (Revised 2005) - Employee Benefits.

(iii) Actuarial gains or losses are recognized in the profit & loss account based on actuarial valuations for the period in which they occur.

(iv) New Pension Scheme is a defined contribution scheme and is applicable to employees who have joined bank on or after December 01, 2011. Bank pays fixed contribution at pre-determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit & Loss Account.

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

B] Benefits (Short – term) while in service

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

SVCL

Employee Benefits

Defined Contribution Schemes:

Company's Contribution to Provident Fund, etc. is charged to the Statement of Profit and Loss as and when incurred.

Defined Benefit Plans:

The Company also provides for retirement benefits in the form of gratuity. Such benefits are provided for based on valuation, as at the balance sheet date, made by an independent actuary. Incremental liability based on actuarial valuation as per the projected unit credit method as at the reporting date is charged as expense to the Statement of Profit and loss. The company has taken a group gratuity policy with Life Insurance Corporation of India ("LIC") and is funded.

Performance Pay:

Performance Pay is an annual incentive to employees based on the Company's financial performance and employee's performance.

Exit Incentive:

Exit Incentive is incentive to employees for effecting accelerated profitable exits from the Funds under management of the Company.

Leave Encashment:

The Company provides for retirement benefits in the form of leave encashment. Such benefits are provided for based on valuation, as at the balance sheet date, made by an independent actuary. The short term and long term leave have been valued on actuarial basis as per the projected unit credit method. Further, employees can also encash 15 days of their accumulated leave every financial year.

11. FIXED ASSETS AND DEPRECIATION

i) Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any.

ii) Cost of asset includes purchase cost and all expenditure incurred on the asset before put to use. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefits from such assets or their functioning capability.

iii) Depreciation for the full year, irrespective of date of capitalization, is provided on:

a) Furniture and fixture: For assets owned by Bank @ 100 percent

b) Computer and Computer Software @ 100 percent

c) Building @ 5 percent on WDV basis

d) Electrical Installations: For assets owned by Bank @ 50 percent on WDV basis.

e) Motor Car - Straight Line Method @ 50 percent.

iv) Depreciation on additions is provided for full year and no depreciation is provided in the year of sale/ disposal.

v) Leasehold land is amortised over the period of lease.

MUDRA

i) Fixed assets are stated at cost of acquisition including incidental expenses. All costs directly attributable to bringing the asset to the working condition for its intended use including financing costs are also capitalized. Depreciation is provided on Straight Line Method on the basis of useful life under Schedule II to the Companies Act, 2013 which as under:

a. Office Equipment's -5 years

b. Computer and hardware – 3 years

c. Electrical installation -10 years

Useful life of Servers and networks are taken at 3 years as per Management estimates. In respect of Computer Software the cost is amortized based on accounting standard 26 issued by ICAI which are as under:

a. Computer software - 3 years.

b. Computer License – 1 – 3 years as per tenure of license

Assets costing ₹5,000/- or less have been depreciated over period of one year.

SVCL

Fixed Assets are stated at cost of acquisition less accumulated depreciation. The Company capitalises all costs relating to the acquisition and installation of fixed assets.

Depreciation on Fixed Assets is provided on Written down Value Method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.

Cost of mobile / telephone instruments / tablet devices purchased are capitalized and being highly technologically obsolete, charged to 95% depreciation, in the year of purchase.

Depreciation on assets whose actual cost is not more than five thousand rupees has been provided at the rate of 100%.

12. PROVISION FOR CONTINGENT LIABILITIES AND CONTINGENT ASSETS.

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

13. GRANTS AND SUBSIDIES

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

14. OPERATING LEASE

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

15. IMPAIRMENT OF ASSETS

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

a) the provision for impairment loss, if any required; or

b) the reversal, if any, required for impairment loss recognized in the previous periods.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

16. CASH AND CASH EQUIVALENTS

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

ADDITIONAL NOTES TO CONSOLIDATED ACCOUNTS

ANNEXURE - I

1. Details of Subsidiaries included in consolidated financial statements are:

(₹)

Sr. No.	Name of the subsidiary	Country of Incorporation	Proportion of ownership*	Profit/Loss for the year ended	
				31-Mar-26	31-Mar-25
1	SIDBI Venture Capital Ltd.(SVCL)	India	100%	14,56,90,736	1,58,75,574
2	SIDBI Trustee Company Ltd.(STCL)	India	100%	56,19,099	57,81,498
3	Micro Units Development & Refinance Agency Ltd (Mudra Ltd)	India	100%	5,60,05,39,359	8,16,56,41,911
	Total			**5,75,18,49,194**	**8,18,72,98,983**

Financial statements of MUDRA, SVCL and STCL are unaudited for FY 2026.

* As all shares of the subsidiaries are owned by SIDBI directly or indirectly, no separate disclosure relating to minority interest is reflected.

Note: As SIDBI Swavalamban Foundation (SSF) is a Not-for-Profit Company [incorporated under section 8 of Companies Act, 2013], SSF is not being considered for consolidation in preparation of Consolidated Financial statements as per Accounting Standard 21.

2. A Details of Associates included in consolidated financial statements in current and previous year are as follows :

(₹)

Sr. No.	Name of the Associate	(%) Holding		Description	Investment (Face Value)	Investment		Share of Profit/(loss) for the year ended [1]		Share in reserves as at [1]	
		31-Mar-26	31-Mar-25			31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
1	Acuite Ratings and Research Pvt Ltd (Erstwhile SMERA) [2]	35.73	35.73	Credit Rating Agency for SME's	5,10,00,000	5,10,00,000	5,10,00,000	6,64,89,242	4,07,47,207	35,97,40,001	29,32,50,760
2	India SME Technology Services Ltd. (ISTSL) (3)	22.73 [3]	22.73 [3]	Technology Support to SME's	1,00,00,000	1,00,00,000	-	1,04,58,978		1,04,58,978	
3	Receivables Exchange of India Limited [4]	30.00	30.00	Online platform for factoring / discounting of Trade Receivables (TReDS)	15,00,00,000	15,00,00,000	15,00,00,000	20,10,31,800	15,37,23,300	38,76,54,900	18,66,23,100
4	KITCO LIMITED [5]	49.77	49.77	Technical consultancy Organisation	4,90,00,000	24,95,296	24,95,296	2,45,84,831	1,64,46,255	13,76,90,696	11,31,05,865
	Total					**21,34,95,296**	**20,34,95,296**	**30,25,64,851**	**21,09,16,762**	**89,55,44,575**	**59,29,79,725**

1 (i) Share of Profit/(loss) of (₹30,25,64,851/-) (Previous Year ₹36,00,631/-) is credited to Consolidated Profit & Loss statement under the head "Share of (earning)/loss in associates" for year ending March 2026.

(ii) Share in Reserves of Associates of ₹89,55,44,575/- (Previous Year ₹63,00,77,333/-) is Included in Schedule II - Reserve, Surplus and Funds of the Consolidated Balance Sheet for year ending March 2026.

2. Acuite Ratings and Research Pvt. Ltd. figures are based on provisional financial statements for year ending March 2026.

3. India SME Technology Services Ltd. (ISTSL) figures are based on provisional financial statements for the year ending March 2026.

4. Receivables Exchange of India Limited's figures are based on provisional financial statements as per IND AS for the year ending March 2026.

5. KITCO Ltd. Financials figures are based on provisional as on March 31, 2026.

6. One of the associate viz. DFC is under liquidation and therefore, not being considered for consolidation in preparation of Consolidated Financial Statements as per Accounting Standard 21. During FY 2026, SIDBI disinvested one associates viz. India SME Asset Reconstruction Company Limited (ISARC).

B. The results of the following associates are not included in the consolidated financial statements. However, full provision has been made in the financial statements for diminution in value of investment.

(₹)

Sr. No.	Name of the Associate	(%) Holding		Description	Investment	Diminution in value of Investment	
		31-Mar-26	31-Mar-25			31-Mar-26	31-Mar-25
1	BSFC	48.43	48.43	State Financial Corporation	12,01,25,000	(12,01,25,000)	(12,01,25,000)
2	GSFC	28.41	28.41	State Financial Corporation	12,66,00,000	(12,66,00,000)	(12,66,00,000)
3	MSFC	39.99	39.99	State Financial Corporation	12,52,41,750	(12,52,41,750)	(12,52,41,750)
4	PFC	25.92	25.92	State Financial Corporation	5,23,51,850	(5,23,51,850)	(5,23,51,850)
5	UPSFC	24.18	24.18	State Financial Corporation	17,27,50,000	(17,27,50,000)	(17,27,50,000)
Total					**59,70,68,600**	**(59,70,68,600)**	**(59,70,68,600)**

The figures for GSFC are based on audited results for the year ended March 31,2025. Regarding PFC, BSFC, MSFC and UPSFC figures are based on audited results for the year ended March 31, 2020, March 31, 2019, March 31, 2023 and March 31, 2014 respectively.

C. In case of following entities, though the bank holds more than 20% of voting power, they are not treated as investment in associate under AS 23 'Accounting for Investment in Associates in Consolidated Financial Statements', as they are classified as NPI and accordingly book value of investment is taken at ₹1/- each.

(₹)

Sr. No.	Name of the Associate	(%) Holding		Description	Investment	
		31-Mar-26	31-Mar-25		31-Mar-26	31-Mar-25
1	Bihar Industrial and Technical Consultancy Organisation Ltd.	49.25	49.25	Technical Consultancy Organisation	1	1

3. There are no significant transactions with Associates during the current year and previous year.

4. As against depreciation policy of SIDBI whereby assets are depreciated on SLM / WDV at pre-determined rates, the subsidiaries and associates compute depreciation on SLM/ WDV basis as per Schedule II of the Companies Act, 2013. Thus, out of the total depreciation of ₹45,77,78,697/- (Previous Year ₹22,05,27,331/-) included in Consolidated Financial Statements, ₹27,85,061/- being 0.61% (Previous Year ₹44,41,907/- being 2.01%) of the amount is determined based on Depreciation provided as per the Companies Act, 2013.

5. Employee Benefits

(i) SIDBI

In accordance with the Accounting Standard on "Employee Benefits" (AS 15) (Revised 2005) issued by the Institute of Chartered Accountants of India, the Bank has classified the various benefits provided to the employees as under:

(a) Defined contribution plan

The Bank has recognized the following amounts in Profit & Loss Account:

(₹)

Particulars	31-Mar-26	31-Mar-25
Employer's contribution to Provident fund	12,36,60,025	12,47,35,367
Employer's contribution to New Pension Scheme	12,20,43,140	10,39,09,645

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

(₹ crore)

	Pension		Gratuity	
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
1. Assumptions				
Discount Rate	7.80%	6.69%	7.25%	6.69%
Rate of Return on Plan Assets	7.80%	7.00%	7.25%	7.00%
Salary Escalation	5.50%	5.50%	5.50%	5.50%
Attrition rate	2.00%	2.00%	2.00%	2.00%
2. Table showing change in Benefit Obligation				
Liability at the beginning of the year	874.11	767.70	127.11	111.88
Interest Cost	56.54	55.27	8.50	8.06
Current Service Cost	19.29	21.25	5.86	5.49
Past Service Cost (Non Vested Benefit)	0.00	0.00	0.00	0.00
Past Service Cost (Vested Benefit)	0.00	0.00	0.00	0.00
Liability Transferred in	0.00	0.00	0.00	0.00
(Liability Transferred out)	0.00	0.00	0.00	0.00
(Benefit Paid)	(57.86)	0.00	(13.99)	(12.14)
Actuarial (gain) / loss on obligations	169.73	29.89	9.43	13.82
Liability at the end of the year	**1061.81**	**874.11**	**136.91**	**127.11**
3. Tables of Fair value of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	810.61	682.17	110.03	95.39
Expected Return on Plan Assets	54.23	49.12	7.36	6.87
Contributions	60.00	80.00	10.01	20.00
Transfer from other company	0.00	0.00	0.00	0.00
(Transfer to other company)	0.00	0.00	0.00	0.00
(Benefit Paid)	0.00	0.00	(13.99)	(12.14)
Actuarial gain / (loss) on Plan Assets	7.91	(0.68)	0.93	(0.09)
Fair Value of Plan Assets at the end of the year	**932.75**	**810.61**	**114.34**	**110.03**
4. Table of Recognition of Actuarial Gains/ Losses				
Actuarial (Gains)/ Losses on obligation for the period	169.73	29.89	9.43	13.82
Actuarial (Gains)/ Losses on asset for the period	(7.91)	0.68	(0.93)	0.09
Actuarial (Gains)/ Losses recognized in Income & Expense Statement	**161.82**	**30.57**	**8.50**	**13.91**
5. Actual Return on Plan Assets				
Expected Return on Plan Assets	54.23	49.12	7.36	6.87
Actuarial Gain / (Loss) on Plan Assets	7.91	(0.68)	0.93	(0.09)
Actual Return on Plan Assets	**62.14**	**48.44**	**8.29**	**6.78**
6. Amount Recognised in the Balance Sheet				
Liability at the end of the year	(1061.81)	(874.11)	(136.91)	(127.11)
Fair Value of Plan Assets at the end of the year	932.75	810.61	114.34	110.03
Difference	(129.06)	(63.50)	(22.57)	(17.08)
Unrecognised Past Service Cost at the end of the year	0.00	0.00	0.00	0.00
Unrecognised Transitional Liability at the end of the year	0.00	0.00	0.00	0.00
Net Amount recognised in the Balance Sheet	**(129.06)**	**(63.50)**	**(22.57)**	**(17.08)**
7. Expenses Recognised in the Income Statement				
Current Service Cost	19.29	21.25	5.86	5.49
Interest Cost	56.54	55.27	8.50	8.06
Expected Return on Plan Assets	(54.23)	(49.12)	(7.36)	(6.87)
Past Service Cost (Non Vested Benefit) recognised during the year	0.00	0.00	0.00	0.00
Past Service Cost (Vested Benefit) recognised during the year	0.00	0.00	0.00	0.00
Recognition of Transition Liability during the year	0.00	0.00	0.00	0.00
Actuarial (Gain) / Loss	161.82	30.57	8.50	13.91
Expense Recognised in Profit & Loss account	**183.42**	**57.97**	**15.50**	**20.59**

(₹ crore)

	Pension		Gratuity	
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
8. Balance Sheet Reconciliation				
Opening Net Liability	63.50	85.53	17.08	16.49
Expense as above	183.42	57.97	15.50	20.59
Employers Contribution	(60.00)	(80.00)	(10.01)	(20.00)
Amount recognised in the Balance Sheet	**186.92**	**63.50**	**22.57**	**17.08**

9. Other Details

Salary escalation is considered in line with the industry practice considering promotion, demand and supply of the employees.

10. Category of Assets

(₹ crore)

	Pension		Gratuity	
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
Government of India Assets	0.00	0.00	0.00	0.00
Corporate Bonds	0.00	0.00	0.00	0.00
Special Deposits Scheme	0.00	0.00	0.00	0.00
Equity Shares of Listed Companies	0.00	0.00	0.00	0.00
Property	0.00	0.00	0.00	0.00
Insurer Managed Funds	932.75	810.61	114.34	110.03
Other	0.00	-	0.00	-
Total	**932.75**	**810.61**	**114.34**	**110.03**

11. Experience Adjustment:

Particular	Pension					Gratuity				
	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
On Plan Liability (Gain)/Loss	288.97	8.87	17.32	85.05	15.71	14.49	9.77	3.44	1.60	0.65
On Plan Asset (Loss)/Gain	(7.91)	(0.68)	1.27	3.40	53.76	0.92	(0.09)	(0.36)	1.70	(0.22)

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

(₹ crore)

Sr. No	Particulars	March 31, 2026	March 31, 2025
1	Ordinary Leave Encashment	71.86	28.56
2	Sick Leave	3.33	0.69
3	Resettlement Expenses	2.04	1.31
4	Post Retirement Medical Scheme Facilities	(0.53)	6.40

Note: The pension and gratuity liability are provided for on the basis of an actuarial valuation made at the end of each financial year based on the projected unit credit method. The actuarial gains/ losses are taken to the profit & loss account and are not amortized.

(ii) SVCL

During the period, the Company has contributed a sum of ₹144/- (previous year – ₹6,14,224/-) to the SIDBI Venture Capital Limited Employees' Group Gratuity Assurance Scheme (Trust) for its employees comprising ₹28/- (previous year - ₹1,58,880/) for old employees and ₹116/- (previous year – ₹4,55,344/-) for new employees.

Details	Post Employment Benefits	Post Employment Benefits
	FY 2026	FY 2025
Nature of benefit	Gratuity	Gratuity
Assets & liabilities recognized in balance sheet		
Present value of unfunded defined benefit obligations	Nil	Nil
Present value of funded or partly funded defined benefit obligations	₹ 46,04,193	₹ 65,86,492

Details	Post Employment Benefits FY 2026	Post Employment Benefits FY 2025
Fair value of plan assets	₹ 47,82,898	₹ 73,92,831
Past service cost not recognized in balance sheet	Nil	Nil
Any amount nor recognized as asset	Nil	Nil
Fair value of any reimbursement rights recognized as asset	Nil	Nil
Other amounts, if any, recognized in balance sheet	Nil	Nil
Amounts included in fair value of plan assets:		
Own financial instruments	Nil	Nil
Property or other assets used	Nil	Nil
Insurer managed funds	₹ 47,82,898	₹ 73,92,831
Movement in net liability:		
Opening net liability / (Asset)	-₹ 8,06,339	-₹ 1,99,467
Expenses	₹ 6,27,778	₹ 7,352
Contribution	-₹ 144	-₹ 6,14,224
Closing net liability / (Asset)	-₹ 1,78,705	-₹ 8,06,339
Expenses recognized in statement of profit & loss		
Current service cost	₹ 4,18,635	₹ 4,57,199
Interest cost	₹ 4,58,420	₹ 4,37,189
Expected return on plan assets	-₹ 5,14,541	-₹ 4,51,590
Expected return on reimbursement rights	N.A.	N.A.
Actuarial gains / (losses)	₹ 2,65,264	-₹ 4,35,446
Total expenses recognized in statement of profit & loss	₹ 6,27,778	₹ 7,352
Past service cost	Nil	Nil
Effect of curtailment / settlement	Nil	Nil
Effect of limit in para 59(b)	N.A.	N.A.
Actual return of plan assets and on reimbursement rights recognized as asset	Nil	Nil
Actuarial Assumptions		
Discount rates	7.40%	6.96%
Expected rate of returns on plan assets	7.40%	6.96%
Expected rate of returns on reimbursement rights	Nil	Nil
Expected rate of salary increase	5.00%	5.00%
Medical cost trends	N.A.	N.A.
Mortality	Indian Assured Lives Mortality (2012-14) (Urban)	Indian Assured Lives Mortality (2012-14) (Urban)
Disability	Nil	Nil
Attrition	3.00%	3.00%
Retirement age	60 Years	60 Years

(iii) MUDRA

(a) For the employees who are on deputation from Small Industrial Development Bank of India (SIDBI), Gratuity, Leave Encashment and Arrears of Salary are taken care by the employer, who have deputed the employees to this company. Further, MUDRA has provided an amounting of ₹39.47 lakh (March 2024: ₹28.97 lakh) to P&L A/c during the current FY. The same would be paid to SIDBI, when such costs are demanded by SIDBI. With respect to contract employees there is no post employment benefits which are applicable

(b) Therefore, no disclosures are required under 'Revised AS 15- Employees Benefit' issued under Companies Accounting Standard Rules, 2006'

6. Earning Per Share (EPS) (AS-20)*

	March 31, 2026 (₹)	March 31, 2025 (₹)
Net Profit considered for EPS calculation	59,12,28,40,330	55,96,31,17,640
Weighted Average Number of equity shares of face value ₹10 each	56,85,41,169	56,85,41,169
Earning per share	103.99	98.43

*Basic & Diluted EPS are same as there are no dilutive potential Equity Shares.

7. As per the Accounting Standard 22, Accounting for Taxes on Income, the Bank has reviewed Deferred Tax Assets / Liabilities and recognized an amount of ₹328,77,75,891/- as Deferred Tax Assets (Previous year - Deferred Tax Asset was ₹504,61,80,880/-) in the Profit & Loss Account for the year ended March 31, 2026.

The Break up of Deferred Tax Asset/ (Liability) as on March 31, 2026 is as under :

Sr. No.	Timing Difference	FY 2025-26 (₹) Deferred Tax Asset/ (Liability)	FY 2024-25 (₹) Deferred Tax Asset/ (Liability)
1	Provision for Depreciation on fixed assets	9,32,25,480	6,95,29,653
2	Special Reserve u/s 36(1)(viii) of the Income Tax Act 1961	(5,58,85,63,729)	(4,98,29,30,413)
3	Provision for Non performing assets	1,71,88,26,039	45,89,12,406
4	Provision for Restructuring of Accounts	-	-
5	Provision for Non Performing Investment	75,81,90,678	75,81,90,678
6	Provision for Standard Assets	17,33,40,63,066	15,61,57,38,774
7	Others	1,67,90,56,717	1,34,96,99,451
	Net deferred tax Asset/(Liability)	**15,99,47,98,251**	**13,26,91,40,549**

8.	Estimated amount of contracts remaining to be executed on Capital Account not provided for (net of advance paid)	1,00,30,23,782	1,12,00,000

9. Details of resolution plan implemented under Resolution Framework for COVID 19 related stress as per RBI Circular RBI/2020- 21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 for the financial Year ended March 31, 2026 are given below :

i.

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year $	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	–	–	–	–	–
Corporate persons	4.70	0.00	0.00	(1.38)	3.32
Of which MSMEs	4.70	0.00	0.00	(1.38)	3.32
Others	–	–	–	–	–
Total	4.70	–	–	(1.38)	3.32

$ Represents net movement in balance outstanding.

ii. The number of borrower accounts where Resolution Plan is implemented in terms of RBI circular no. DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 on Resolution Framework – 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses is "Nil" for the Financial Year ended March 31, 2026. Further no modifications were sanctioned and implemented in respect of accounts which were implemented under Resolution Framework 1.0.

10. Contingent Liabilities referred to in Schedule XI

Contingent liabilities include "Claims against the Bank not acknowledged as debts" of ₹5,24,92,47,654 (Previous Year ₹6,32,89,48,451). These represents claims filed against the Bank in the normal course of business relating to various legal cases currently in progress and demands raised by income tax and other statutory authorities. These are being disputed by the Bank and based on expert's opinion, the provision is not considered necessary.

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

12. Disclosures under Accounting Standard 29 for provisions in contingencies. The salary & allowances of the employees of the Bank are reviewed every five years. Such review is due from November 01, 2022.

Particulars	FY 2026 Wage Arrears / Incentive ₹	FY 2025 Wage Arrears / Incentive ₹
Opening Balance	**1,38,91,65,148**	**1,39,15,33,676**
Additions:		
Arrears	92,24,00,000	60,92,49,606
Incentive		-
Utilisations:	-	61,16,18,134
Write back		-
Closing Balance	**2,31,15,65,148**	**1,38,91,65,148**

13. **Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances for MSME Borrowers registered under Goods and Services Tax (GST)::**

As per RBI circular DOR.No.BP.BC.34/21.4.048/2019-20 dated February 11, 2020 restructuring of advances was done for Micro, Small and Medium Enterprises (MSME) Borrowers registered under Goods and Services Tax (GST). The RBI, vide its Circular DOR.No.BP.BC/4/21.04.048/2020-21 dated August 06, 2020 on 'Micro, Small and Medium Enterprises (MSME) Sector - Restructuring of Advances' extended the above scheme to support the viable MSME entities on account of the fallout of Covid19. Further RBI vide circular RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 has advised Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs). The MSME accounts restructured under these guidelines are as under:

No. of accounts restructured	Amount (₹ in Crore)
370	193.32

14. The Bank is making an additional provision on advances at rates higher than minimum stipulated by RBI under IRAC norms, as per Board approved Accelerated Provisioning Policy. Accordingly, the Bank holds additional provision on standard advances (including restructured accounts) of ₹4,187.30 Cr. as on March 31, 2026 (Previous year ₹3,657.08 Cr.)

15. In accordance with Reserve Bank of India (All India Financial Institutions – Undertaking of Financial Services) Directions, 2025, RBI/DOR/2025-26/320 DOR.AUT.REC.No.239/24-01-041/2025-26, dated November 28, 2025 on Directions on Investments in Alternative Investment Funds (AIFs), the Bank has reassessed the impact and hold provision of ₹ 8.57 Cr. as on March 31, 2026 (Previous Year of ₹ 26.16 Cr.)

16. Additional statutory information disclosed in separate financial statements of the parent and the subsidiaries have no bearing on the true and fair view of the Consolidated Financial Statments and also the information pertaining to the items which are not material have not been disclosed in the Consolidated Financial Statements in view of the general clarification issued by the Institute of Chartered Accountants of India (ICAI).

17. **Implementation of Ind-AS :**

As per RBI letter dated May 15, 2019 issued to the Bank, implementation of Ind-AS for AIFIs has been deferred till further notice. Accordingly, financial statements of the Bank are continued to be prepared under IGAAP.

18. In accordance with Reserve Bank of India (All India Financial Institutions – Undertaking of Financial Services) Directions, 2025, RBI/DOR/2025-26/320 DOR.AUT.REC.No.239/24-01-041/2025-26, dated November 28, 2025 on Directions on Investments in Alternative Investment Funds (AIFs), the Bank has reassessed the impact and hold provision of ₹8.57 Cr. as on March 31, 2026 (Previous Year of ₹26.16 Cr.)

19. Income includes prior period income of ₹57 crore related to capital gain and deemed dividend on account of merger of an investee company, viz. Fincare Business Services Ltd., with AU Small Finance Bank and concomitant swap of shares.

20. Union Cabinet has approved the equity support of ₹5,000 crore to SIDBI and the equity capital shall be infused by the Department of Financial Services (DFS) in three tranches of ₹3,000 crore in Financial year 2025-26 at the book value of ₹568.65/- as on 31.03.2025 and ₹1,000 crore each in Financial Year 2026-27 and Financial Year 2027-28 at the book value as on 31 March of the respective previous financial year. The same has been indicated by the Press Information Bureau (PIB) in its press release dated January 21, 2026.

Under the first tranche, Govt. of India (GOI) has infused ₹ 3,000 crore in the equity share capital of SIDBI on 30/03/2026 and SIDBI has allotted 5,27,56,529 equity shares of the Bank to GOI on same date. Accordingly, the paid –up share capital of the Bank has increased to ₹ 52,75,65,290. The difference between the Face Value and book value aggregating to ₹ 29,47,24,34,710 has been credited to Share Premium (Reserve) Account.

21. On November 21, 2025, the Government of India notified the four Labour codes - The code on Wages, 2019, The Industrial Relations code, 2020, The code on Social Security, 2020 and The Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the 'Labour Codes') consolidating 29 existing Labour Laws. The Ministry of Labour and Employment published draft central rules and FAQ on December 30, 2025, to facilitate the assessment of the financial impact arising from with regulatory changes. Accordingly, the Bank has recognised an essential incremental impact of ₹ 2.50 crore under Employee cost in profit and loss account during the quarter and year ended March 31, 2026, considering best information available. The Bank continues to monitor the finalisation of Central and State rules and clarifications from the Government on the New Labour Codes and would provide appropriate accounting effect on the basis of such development, as needed.

22. Amount due to micro and small enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006":- The Bank has in place guidelines / instructions for timely payment to MSEs as per MSMED Act. The principal amount remaining unpaid as on March 31, 2026, is of ₹ 7.28 crore, towards the MSE Vendors for the purchases/services availed, but for which the Invoices are yet to be received. The same will be paid as and when invoices are received.

23. Regulation 14 of Small Industries Development Bank of India General Regulations, 2000 prescribes separate format for presentation of accounts under Small Industries Development Assistance Fund(SIDAF) and General Fund. As no separate SIDAF has been notified by the Central Government, the same is not being maintained by SIDBI.

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

ADDITIONAL CONSOLIDATED DISCLOSURES

as per RBI guidelines

1. CAPITAL ADEQUACY (AS PER BASEL III)

(₹ crore)

Sr. No.	Particulars	FY 2025-26	FY 2024-25
i)	Common Equity Tier 1 capital (CET 1) (net of deductions, if any)	42,596.08	35,412.42
ii)	Additional Tier 1 capital	-	-
iii)	Tier 1 capital (i + ii)	42,596.08	35,412.42
iv)	Tier 2 capital	2,110.65	1,807.00
v)	Total Capital (Tier 1+Tier 2)	44,706.73	37,219.42
vi)	Total Risk Weighted Assets (RWAs)	2,05,209.70	1,74,453.35
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	20.76%	20.30%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	20.76%	20.30%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	1.03%	1.03%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	21.79%	21.33%
xi)	Leverage Ratio	6.42%	5.86%
xii)	Percentage of the shareholding of		
	a) Government of India	27.57%	20.85%
	b) Other Commercial Banks	40.82%	0.00%
	c) Other Financial Institutions (including other AIFIs)	31.61%	0.00%
xiii)	Amount of paid-up equity capital raised during the year	52.76	-
xiv)	Amount of non-equity Tier 1 capital raised during the year; of which	-	-
	a) Basel III compliant Perpetual Non-Cumulative Preference Shares:	-	-
	b) Basel III compliant Perpetual Debt Instruments	-	-
xv)	Amount of Tier 2 capital raised during the year; of which	-	-
	a) Basel III compliant Perpetual Non-Cumulative Preference Shares	-	-
	b) Basel III compliant Perpetual Debt Instruments	-	-

2. PROVISIONS

(i) Provision on Standard Assets

(₹ crore)

Particulars	FY 2025-26	FY 2024-25
Provisions towards Standard Assets (cumulative)	6,887.34	5,996.43

(ii) Floating Provisions

Particulars	FY 2025-26	FY 2024-25
(a) Opening balance in the floating provisions account	495.67	495.67
(b) The quantum of floating provisions made in the accounting year	0.00	0.00
(c) Amount of draw down made during the accounting year	0.00	0.00
(d) Closing balance in the floating provisions account	495.67	495.67

3. ASSET QUALITY AND SPECIFIC PROVISIONS

(i) Non-Performing Advances

(₹ crore)

Particulars	FY 2025-26	FY 2024-25
(i) Net NPAs to Net Advances (%)	**0.00%**	**0.00%**
(ii) Movement of NPAs (Gross)		
(a) Opening balance	182.89	121.50
(b) Additions during the year	556.82	191.07
(c) Reductions during the year	55.60	129.68
(d) Closing balance	684.11	182.89
(iii) Movement of Net NPAs		
(a) Opening balance	0.00	0.00
(b) Additions during the year	0.00	0.00
(c) Reductions during the year	0.00	0.00
(d) Closing balance	**0.00**	**0.00**
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	182.89	121.50
(b) Provisions made during the year	556.82	191.07
(c) Write of / write back of excess provisions	55.60	129.68
(d) Closing balance	**684.11**	**182.89**

(ii) Non-Performing Investments

(₹ crore)

Particulars	FY 2025-26	FY 2024-25
(i) Net NPIs to Net Investments (%)	**0.00%**	**0.00%**
(ii) Movement of NPIs (Gross)		
(a) Opening balance	651.81	680.89
(b) Additions during the year	4.89	12.66
(c) Reductions during the year	24.93	41.74
(d) Closing balance	**631.77**	**651.81**
(iii) Movement of Net NPIs		
(a) Opening balance	0.00	0.00
(b) Additions during the year	0.00	0.00
(c) Reductions during the year	0.00	0.00
(d) Closing balance	**0.00**	**0.00**
(iv) Movement of provisions for NPIs (excluding provisions on standard assets)		
(a) Opening balance	651.81	680.89
(b) Provisions made during the year*	4.89	12.66
(c) Write of / write back of excess provisions	24.93	41.74
(d) Closing balance	**631.77**	**651.81**

* During FY 2025 includes InvIT of ₹8 crore i.e. 800,000 units with face value of ₹100/- received towards settlement of one PWO account.

(iii) Non-Performing Assets [3(i)+3(ii)]

(₹ crore)

Particulars	FY 2025-26	FY 2024-25
(i) Net NPAs to Net Assets (Advanced + investments) (%)	**0.00%**	**0.00%**
(ii) Movement of NPAs (Gross Advances + Gross investments)		
(a) Opening balance	834.69	802.38
(b) Additions during the year	561.70	203.73
(c) Reductions during the year	80.53	171.42
(d) Closing balance	**1,315.86**	**834.69**
(iii) Movement of Net NPAs		
(a) Opening balance	0.00	0.00
(b) Additions during the year	0.00	0.00
(c) Reductions during the year	0.00	0.00
(d) Closing balance	**0.00**	**0.00**
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	834.69	802.39
(b) Provisions made during the year	561.70	203.73
(c) Write of / write back of excess provisions	80.53	171.42
(d) Closing balance	**1,315.86**	**834.69**

(iv) Particulars of resolution plan and restructuring:

(a) Resolution Plans implemented during the year in terms of Reserve Bank of India (All India Financial Institutions – Resolution of Stressed Assets) Directions, 2025 dated November 28, 2025:

(₹ crore)

No. of cases	Balance Outstanding
25	32.72

(b) Further, during FY 2026, no non-SLR securities, Equity shares acquired by way of conversion of debt to equity during the restructuring process.

(v) Disclosure related to Project Finance for Year Ended March 31, 2026:

(₹ crore)

Sr. No.	Item Description	Number of accounts	Total outstanding
1	Projects under implementation accounts at the beginning of the quarter.	1641	5,156.00
2	Projects under implementation accounts sanctioned during the quarter.	1272	2,930.89
3	Projects under implementation accounts where DCCO has been achieved during the quarter	529	1,469.99
4	Projects under implementation accounts at the end of the quarter. (1+2-3)	2384	6,616.90
5	Out of '4' – accounts in respect of which resolution process involving extension in original/extended DCCO, as the case may be, has been invoked.	567	2,174.20
5.1	Out of '5' – accounts in respect of which Resolution plan has been implemented.	567	2,174.20
5.2	Out of '5' – accounts in respect of which Resolution plan is under implementation.	0	0
5.3	Out of '5' – accounts in respect of which Resolution plan has failed.	0	0
6	Out of '5', accounts in respect of which resolution process involving extension in original/extended DCCO, as the case may be, has been invoked due to change in scope and size of the project.	13	32.07
7	Out of '5', account in respect of which cost overrun associated with extension in original/extended DCCO, as the case may be, was funded	0	0

(₹ crore)

Sr. No.	Item Description	Number of accounts	Total outstanding
7.1	Out of '7', accounts where SBCF was sanctioned during financial closure and renewed continuously	0	0
7.2	Out of '7', accounts where SBCF was not pre-sanctioned or renewed continuously	0	0
8	Out of '4' – accounts in respect of which resolution process not involving extension in original/extended DCCO, as the case may be, has been invoked.	0	0
8.1	Out of '8' – accounts in respect of which Resolution plan has been implemented.	0	0
8.2	Out of '8' – accounts in respect of which Resolution plan is under implementation.	0	0
8.3	Out of '8' – accounts in respect of which Resolution plan has failed.	0	0

(vi) Movement of Non-performing assets

(₹ crore)

Particulars	FY 2025-26	FY 2024-25
Gross NPAs as on April 01 (Opening Balance)	182.89	121.50
Additions (Fresh NPAs) during the year	556.82	191.07
Sub total (A)	739.71	312.57
Less :-		
(i) Upgradations	7.13	2.57
(ii) Recoveries (excluding recoveries made from upgraded accounts)	47.00	24.80
(iii) Technical / Prudential Write offs	-	101.85
(iv) Write offs other than those under (iii) above	1.47	0.46
Sub-total (B)	**55.60**	**129.68**
Gross NPAs as on March 31 (closing balance) (A-B)	684.11	182.89

(vii) Write-offs and recoveries

(₹ crore)

Particulars	FY 2025-26	FY 2024-25
Opening balance of Technical / Prudential written off accounts as at April 01	1,274.36	1,627.48
Add : Technical / Prudential write offs during the year	-	80.18
Sub total (A)	**1,274.36**	**1,707.66**
Less : Actual write off	97.24	204.78
Less : Recoveries made from previously technical / prudential written off accounts during the year	89.50	228.52
Sub total (B)	**186.74**	**433.30**
Closing balance as at March 31 (A-B)	**1,087.62**	**1,274.36**

(viii) Overseas Assets, NPAs and Revenue

(₹ crore)

Particulars	FY 2025-26	FY 2024-25
Total Assets	Nil	Nil
Total NPAs	Nil	Nil
Total Revenue	Nil	Nil

(ix) Depreciation and provisions on investments

(₹ crore)

Particulars		FY 2025-26	FY 2024-25
(1)	Investments		
(i)	Gross Investments	**30,750.33**	**47,622.46**
	(a) In India	30,750.33	47,622.46
	(b) Outside India	-	-
(ii)	Provisions for Depreciation	**637.76**	**657.22**
	(a) In India	637.76	657.22
	(b) Outside India	-	-
(iii)	Net Investments	**30,112.57**	**46,965.24**
	(a) In India	30,112.57	46,965.24
	(b) Outside India	-	-
(2)	Movement of provisions held towards depreciation on investments		
(i)	Opening balance	5.05	27.75
(ii)	Add: Provisions made during the year	-	-
(iii)	Appropriation, if any, from Investment Fluctuation Reserve Account during the year	-	-
(iv)	Less: Write off / write back of excess provisions during the year*	3.14	22.70
(v)	Less: Transfer, if any, to Investment Fluctuation Reserve Account	-	-
(vi)	Closing balance	**1.91**	**5.05**

* The Bank has appropriated Nil amount (net of applicable taxes) for both FY 2026 and FY 2025 to Investment Fluctuation Reserve Account.

(x) Provisions and Contingencies

(₹ crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	FY 2025-26	FY 2024-25
Provisions for depreciation/NPI on Investment	(18.86)	-51.73
Provision towards NPA	502.07 @	163.06 @
Provision made towards Income tax (Including Deferred Tax Assets/ Liability)	1894.83	1,875.16
Other Provision and Contingencies (with details)		
'a. Provision for standard assets	890.56	2,285.21
b. Other Provision and Contingency	-17.59	-84.47

@ net of restructuring provision

(xi) Provisioning Coverage Ratio (PCR)

	FY 2025-26	FY 2024-25
Provisioning Coverage Ratio (PCR) (Ration of provisioning to gross non-performing assets) *	100.00%	100.00%

* Floating 0 has not been considered while calculating PCR.

4. INVESTMENT PORTFOLIO: CONSTITUTION AND OPERATIONS

(i) Repo Transactions

(₹ crore)

	Amount as on March 31, 2026			
	Minimum outstanding during the year FY 2026	Maximum outstanding during the year FY 2026	Daily Average outstanding during the year FY 2026	Outstanding as on March 31, 2026
Securities sold under repo				
i. Government securities	0	4,228.00	40.04	0
ii. Corporate debt securities	0	0	0	0
Securities purchased under reverse repo	0	0	0	0
i. Government securities	5.00	29,040.85	11,266.07	11,010.00
ii. Corporate debt securities	0	0	0	0

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

(₹ crore)

Issuer	Total Amount	Amount as on March 31, 2026			
		Investment made through private placement	Below Investment Grade Securities Held	Unrated securities held	Unlisted securities
(1)	(2)	(3)	(4)	(5)	(6)
(i) PSUs	52.59	-	-	-	-
(ii) FIs	5,270.64	5,270.64	-	189.83	189.83
(iii) Banks	7,755.17	7,755.17	-	46.50	46.50
(iv) Private Corporates	724.93	724.29	-	715.94	715.94
(v) Subsidiaries/Joint ventures	-	-	-	-	-
(vi) Others	608.27	608.27	-	608.27	608.27
(vii) Provision held towards depreciation	-633.43	-	-	-	-
Total	**13,778.17**	**14,358.37**	**-**	**1,560.54**	**1,560.54**

(iii) Sale & transfers of securities to /from HTM category:

During FY2026, the Bank has shifted investments (amounting to ₹66.92 Cr) in Venture Capital Funds from HTM to AFS category in accordance with extant RBI guidelines. Except for the above, there was no shifting on investments to/from HTM category.

(iv) Government Security Lending (GSL) transactions (in market value terms)

(₹ crore)

	Amount as on March 31, 2026				
	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31, 2026	Total volume of transactions during the year
Securities lent through GSL transactions	-	-	-	-	-
Securities borrowed through GSL transactions	-	-	-	-	-
Securities placed as collateral under GSL Transactions	-	-	-	-	-
Securities received as collateral under GSL Transactions	-	-	-	-	-

(₹ crore)

	Amount as on March 31, 2025				
	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31, 2025	Total volume of transactions during the year
Securities lent through GSL transactions	-	-	-	-	-
Securities borrowed through GSL transactions	-	-	-	-	-
Securities placed as collateral under GSL Transactions	-	-	-	-	-
Securities received as collateral under GSL Transactions	-	-	-	-	-

5. DISCLOSURE OF TRANSFER OF LOAN EXPOSURES

(a) Details of loans not in default / stressed loans transferred and acquired to / from other entities:

(i) Details of stressed loans(SMA) transferred during the year:

Particulars	FY 2025-26		
	To ARCs	To permitted transferees	To other transferees
No: of accounts	-	-	-
Aggregate principal outstanding of loans transferred	-	-	-
Weighted average residual tenor of the loans transferred	-	-	-
Net book value of loans transferred (at the time of transfer)	-	-	-
Aggregate consideration	-	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-

(ii) Details of loans not in default acquired during current and previous Financial Year, through assignment are given below:

Particulars	FY 2025-26	FY 2024-25
Aggregate amount of loans acquired (₹ in crore)	774.23	1,157.11
Weighted average residual maturity (in months)	114,86	127.48
Weighted average holding period by the originator (in months)	10.39	10.43
Retention of beneficial economic interest by the originator	15.59%	20.00%
Tangible security coverage	198.70%	216.75%
Rating-wise distribution of rated loans	NA	NA

(b) Details of stressed loans transferred or acquired during the year:

(i) Details of stressed loans(NPA) transferred:

(₹ crore)

Particulars	FY 2025-26		
	To ARCs	To permitted transferees	To other transferees
No. of accounts	1	0	0
Aggregate principal outstanding of loans transferred	5.44	0	0
Weighted average residual tenor of the loans transferred	NA	0	0
Net book value of loans transferred (at the time of transfer)	-	0	0
Aggregate consideration	3.43	0	0
Additional consideration realized in respect of accounts transferred in earlier years	-	0	0

(ii) Details of stressed loans (NPA) acquired during the year:

(₹ crore)

Particulars	FY 2025-26	
	From SCBs, RRBs, Co-operative Banks, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)	From ARCs
Aggregate principal outstanding of loans acquired	-	-
Aggregate consideration paid	-	-
Weighted average residual tenor of loans acquired	-	-

(iii) During the year ended March 31, 2026, no investment (Previous year ₹16.11 crore) made in Security Receipts (SRs). All the Security Receipts held as on March 31, 2026 are provided for and hence the net book value is nil. No excess provisions were reversed to the profit and loss account on account of the sale of stressed loans.

6. DISCLOSURE ON CO-LENDING ARRANGEMENTS (CLA):

(₹ crore)

Particulars	FY 2025-26
Quantum of CLAs (₹ in crore)	No CLA Arrangement made effective during FY2025-26 as per Reserve Bank of India (All India Financial Institutions – Credit Facilities) Directions, 2025 dated November 28, 2025
Weighted average rate of interest	
Fees charged / paid	
Broad sectors in which CLA was made	
Performance of loans under CLA	
Default loss guarantee,	

7. NON-FUND BASED (NFB) CREDIT FACILITIES:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Secured Portion *	Unsecured Portion	Secured Portion *	Unsecured Portion
I. Outstanding Guarantees (₹ crore)				
i) In India	39.82	-	14.58	-
ii) Outside India	-	-	-	-
II. Acceptances, Endorsements and other Obligations (₹ crore)	-	-	-	-
III. Other NFB Credit facilities (₹ crore)	101.41	-	73.90	-

* Secured portion is as defined under Reserve Bank of India (All India Financial Institutions – Credit Facilities) Directions, 2025.

8. OPERATING RESULTS

Particulars	FY 2025-26	FY 2024-25
(i) Interest income as a percentage to average working funds (%)	6.94	7.03
(ii) Non-interest income as a percentage to average working funds (%)	0.09	0.13
(iii) Operating profit as a percentage to average working funds (%)	1.46	1.62
(iv) Return on Assets (After provisions for taxation) (%)	0.94	1.19
(v) Return on Equity (After provisions for taxation) (%)	13.51	20.44
(vi) Net Profit per employee (₹ crore)	5.11	4.40

9. CREDIT CONCENTRATION RISK

(i) Capital market exposure

(₹ crore)

Particulars	FY 2025-26	FY 2024-25
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	799.63	646.73
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) underwriting commitments taken up by the AIFI in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
(ix) financing to stockbrokers for margin trading;	-	-
(x) all exposures to Venture Capital Funds (both registered and unregistered)	690.94	986.62
Total Exposure to Capital Market	**1,490.57**	**1,633.35**

(ii) Exposure to Country risk

(₹ crore)

Risk Category	FY 2025-26		FY 2024-25	
	Exposure (net)	Provision held	Exposure (net)	Provision held
Insignificant	6,462.80	-	20,185.27	49.90
Low	643.86	-	95.63	-
Moderate	9.61	-	686.28	-
High	-	-	26.02	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	**7,116.27**	**-**	**20,993.20**	**49.90**

(iii) Prudential Exposure Limits - Single Counterparty / Group of Connected Counterparties exceeded by the AIFI.

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

(₹ crore)

Sl. No.	PAN Number	Borrower Name	Industry Code	Industry Name	Sector	Amount Funded	Amount Non-Funded	Exposure as percentage to Tier 1 capital
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(b) Credit exposure as percentage to Tier 1 capital and as percentage to total assets, in respect of :

Sr. No.	Particulars	FY 2025-26	
		As % to Total Assets	As % to Tier 1 Capital funds
i	The largest single counterparty	11.55%	180.10%
ii	The largest group of connected counterparties	12.60%	196.50%
iii	The 20 largest single counterparties	69.04%	1076.77%
iv	The 20 largest groups of connected counterparties	69.99%	1091.62%

(c) Credit exposure to the five largest industrial sectors as percentage to total loan assets :

(₹ crore)

Name of Industry	FY 2025-26	
	Credit Exposure	% to total loan assets
TEXTILES	10,384.47	1.79
METAL PRODUCTS	6,749.60	1.16
FOOD & FOOD PRODUCT	4,043.77	0.70
PLASTIC INDUSTRIES	4,028.96	0.69
MACHINERY	3,316.84	0.57

(d) Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. have been taken:

(₹ crore)

Particulars	FY 2025-26	FY 2024-25
Total unsecured advances of the bank	Nil	Nil
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	Nil	Nil
Estimated value of such intangible securities	Nil	Nil

(e) The bank had taken factoring exposure amounting ₹3,301.15 crore in FY 2026 and ₹1,984.59 crore in FY 2025 under TReDS

(iv) Concentration of borrowings /lines of credit, credit exposures and NPAs

(a) Concentration of borrowings and lines of credit

(₹ crore)

Particulars	FY 2025-26	FY 2024-25
Total borrowings from twenty largest lenders	4,58,939.70	4,32,760.27
Percentage of borrowings from twenty largest lenders to total borrowings	77.04%	79.88%

(b) Concentration of Exposures

(₹ crore)

Particulars	FY 2025-26	FY 2024-25
Total advances to twenty largest borrowers	4,58,662.81	3,85,908.09
Percentage of advances to twenty largest borrowers to Total Advances	75.03%	73.78%
Total Exposure to twenty largest borrowers / customers	4,64,985.61	4,05,629.10
Percentage of exposures to twenty largest borrowers / customers to Total Exposure on borrowers / customers	70.11%	81.43%

(c) Sector-wise concentration of exposures and NPAs

(₹ crore)

Sr. No.	Sector	FY 2025-26			FY 2024-25		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
I.	Industrial sector	5,32,795.94	551.66	1.06%	4,49,620.81	164.27	0.04%
1	Central Government	-	-	0.00%	-	-	-
2	Central PSUs	-	-	0.00%	-	-	-
3	State Governments	3,408.11	-	0.00%	2,930.80	-	0.00%
4	State PSUs	-	-	0.00%	-	-	0.00%
5	Scheduled Commercial Banks	4,74,564.80	-	0.00%	4,06,231.05	-	0.00%
6	Regional Rural Banks	2,259.78	-	0.00%	2,334.03	-	0.00%
7	Co-operative banks	325.00	-	0.00%	179.44	-	0.00%
8	Private sector (excluding banks)	52,238.25	551.66	1.06%	37,945.49	164.27	0.43%
II.	Micro-finance sector	4,385.54	119.97	2.74%	7,528.01	18.62	0.25%
III.	Others*	74,820.71	12.48	-1.91%	66,072.59	-	-
	Total (I+II+III)	**6,12,002.19**	**684.11**	**0.11%**	**5,23,221.41**	**182.89**	**0.03%**

* includes advances to NBFCs

(v) Unhedged foreign currency exposure

(i) Policies to manage currency induced credit risk:

The Bank has put in place a mechanism to manage credit risk arising out of unhedged foreign currency exposures (UFCE) of its borrowers. A review of the UFCE across its portfolio is undertaken by the Bank on periodic basis. In terms of RBI circular DBOD No. BP.BC.85/21.06.200/2013-14 dated 15.01.2014 & subsequent clarification vide circular DBOD NO.BP.BC. 116/21.06.200/2013-14 dated 03.06.2014, based on available data, the provision for UFCE has been worked out and same has been included under provisions for standard assets under Schedule V.

(ii) Incremental provisioning and capital held:

(₹ crore)

Particulars	FY 2025-26	FY 2024-25
Incremental provisioning on Unhedged foreign currency exposure	70.63	43.16
Capital held on Unhedged foreign currency exposure	2,205.20	1,345.50

10. DERIVATIVES

(i) Forward Rate Agreement / Interest Rate Swap

(₹ crore)

Sr. No	Particulars	FY 2025-26	FY 2024-25
i)	The notional principal of swap agreements	Nil	Nil
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Nil	Nil
iii)	Collateral required by the bank upon entering into swaps	Nil	Nil
iv)	Concentration of credit risk arising from the swaps	Nil	Nil
v)	The fair value of the swap book	Nil	Nil

The nature and terms of the IRS as on March 31, 2026 are set out below:

Sl. no.	Nature	Nos.	Notional Principal	Benchmark	Terms
1	Hedging	NIL	NIL	NIL	NIL

The nature and terms of the IRS as on March 31, 2025 are set out below:

Sl. no.	Nature	Nos.	Notional Principal	Benchmark	Terms
1	Hedging	NIL	NIL	NIL	NIL

(ii) Exchange Traded Interest Rate Derivatives

Sr. No	Particulars	FY 2025-26	FY 2024-25
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument - wise)	NIL	NIL
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on March 31 (instrument - wise)	NIL	NIL
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument - wise)	NIL	NIL
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument - wise)	NIL	NIL

(iii) Disclosures on risk exposure in derivatives

(i) Qualitative Disclosures

(1) The Bank uses derivatives primarily for hedging interest rate and exchange rate risks arising from asset-liability mismatches in its foreign currency borrowings. All derivative transactions are undertaken strictly for hedging underlying exposures and not for trading purposes.

(2) Internal control guidelines for derivatives are framed and approved by the Board. The organisational framework provides for segregation of duties between Front Office, Mid Office and Back Office. Derivative transactions are undertaken only after approval of the competent authority within defined limits and are reported to ALCO/Board.

(3) The Bank has systems in place to monitor risks arising from derivative transactions. Mark-to-market valuations are carried out periodically for monitoring purposes, and the effectiveness of hedging instruments is reviewed on an ongoing basis. The Bank follows the accrual method of accounting for derivative transactions in line with applicable guidelines. Income recognition, valuation and provisioning are carried out as per Board-approved policies and RBI guidelines. Appropriate controls, including counterparty exposure limits and periodic valuation, are in place to mitigate risks.

(iv) Quantitative Disclosures

(₹ crore)

Sr. No.	Particulars	FY 2025-26		FY 2024-25	
		Currency Derivatives	Interest rate Derivatives	Currency Derivatives	Interest rate Derivatives
(i)	Derivatives (Notional Principal Amount)	1,263.40	-	1,152.19	-
a)	For hedging	1,263.40	-	1,152.19	-
b)	For trading	-	-	-	-
(ii)	Marked to Market Positions [1]	149.63	-	0.25	-
a)	Asset (+)	149.63	-	0.25	-
b)	Liability (-)	-	-	-	-
(iii)	Credit Exposure [2]	310.39	-	148.40	-
(iv)	Likely impact of one percentage change in interest rate (100* PV01)	503.01	-	73.72	-
(a)	On hedging derivatives	503.01	-	73.72	-
(b)	On trading derivatives	-	-	-	-
(v)	Maximum and Minimum of 100*PV01 observed during the year	-	-		
(a)	On hedging	503.01/1.55	-	25.05/13.99	-
(b)	On trading	-	-	-	-

11. DISCLOSURE OF LETTERS OF COMFORT (LOCS) ISSUED

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

(₹ crore)

LoCs outstanding as on April 01, 2025		LoC issued during the year		LoCs redeemed during the year		LoCs outstanding as on March 31, 2026	
No of LoC	Amount	No of LoC	Amount	No of LoC	Amount	No of LoC	Amount
-	-	-	-	-	-	-	-

12. ASSET LIABILITY MANAGEMENT

	1 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & up to 6 months	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	120	77	2,380	13,449	70,002	1,11,835	6,374	800	2,05,037
Advances	4,942	1,243	39,964	80,990	1,96,788	2,39,630	42,035	7,168	6,12,760
Investments	5,769	2,594	15,774	10,531	5,229	1,500	-	3,046	44,443
Borrowings	11,954	3,499	1,01,178	48,134	99,108	97,378	27,849	1,589	3,90,689
Foreign Currency Assets	26	16	353	141	189	2,317	267	381	3,690
Foreign Currency Liabilities	-	9	107	72	65	877	562	1,636	3,328

13. DRAW DOWN FROM RESERVES

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

14. DISCLOSURE OF PENALTIES IMPOSED BY RBI:

No penalty has been imposed by RBI under RBI Act 1934 on the Bank during the current year (penalty of ₹6,43,998/- was imposed during the previous year).

15. DISCLOSURE OF CUSTOMER COMPLAINTS:

(i) Complaints received by the bank from its customers

	Particulars	FY 2025-26	FY 2024-25
a	No. of complaints pending at the beginning of the year	1	3
b	No. of complaints received during the year	369	151
c	No. of complaints redressed during the year	361	153
d	No. of complaints pending at the end of the year	9	1

16. DISCLOSURES RELATING TO SECURITISATION:

Sl. No.	Particulars	FY 2025-26	FY 2024-25
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitisation exposures to be reported here)	NIL	NIL
2	Total amount of securitised assets as per books of the SPEs		
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss		
	• Others		
	b) On-balance sheet exposures		
	• First loss		
	• Others		
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss		
	• Others		
	ii) Exposure to third party securitisations		
	• First loss		
	• Others		
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss		
	• Others		
	ii) Exposure to third party securitisations		
	• First loss		
	• Others		
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation		
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.		
7	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	(a) Amount paid		
	(b) Repayment received		
	(c) Outstanding amount		
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e., RMBS, Vehicle Loans etc.		
9	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e., RMBS, Vehicle Loans, etc.		
10	Investor complaints		
	(a) Directly/Indirectly received and;		
	(b) Complaints outstanding		

17. OFF-BALANCE SHEET SPVS SPONSORED

Details of Off-balance sheet SPVs sponsored is as below:

Particulars	FY 2025-26		FY 2024-25	
	Domestic	Overseas	Domestic	Overseas
Name of the SPV sponsored	Nil	Nil	Nil	Nil

18. DISCLOSURE AS PER SPECIFIC ACCOUNTING STANDARDS

(i) Accounting Standard 5 – Net Profit or Loss for the period, prior period items and changes in accounting policies

Income in schedule XIII - 'other income' includes Prior Period Income of ₹59,74,87,920 for FY 2025-26 [Previous Year ₹28,54,115] and Other expenditure in schedule XIV - 'Operating Expenses' for FY 2025-26 includes Prior Period Expenditure of ₹6,34,30,987 [Previous Year (₹5,28,73,830)].

(ii) Accounting Standard 17 – Segment Reporting

As required under RBI master directions on disclosures under Accounting Standard-17 'Segment Reporting' the Bank has disclosed "Business segment" as the Primary Segment. Since the Bank operates in India, there are no reportable geographical segments.

PART A: BUSINESS SEGMENTS

(₹ crore)

Business Segments		Wholesale Operations (Direct Lending)		Wholesale Operations (Refinance)		Treasury		Total	
	Particulars	FY 2026	FY 2025	FY 2026	FY 2025	FY 2026	FY 2025	FY 2026	FY 2025
1	**Segment Revenue**	4,468.41	3,250.90	35,044.90	32,523.56	4,554.86	4,978.36	44,068.17	40,752.82
	Exceptional Items							-	-
	Total							**44,068.17**	**40,752.82**
2	**Segment Results**	571.19	157.43	5,710.84	5,811.61	2,080.53	2,048.05	8,362.56	8,017.09
	Exceptional Items							-	-
	Total							**8,362.56**	**8,017.09**
	Unallocable Expenses							585.70	546.09
	Operating profit							**7,776.86**	**7,471.00**
	Income Tax (Net of write back)							1,894.83	1,875.05
	Share of profit in associates							(30.25)	(0.36)
	Net profit after Tax							**5,912.28**	**5,596.31**
3	**Other information**								
	Segment Assets	55,577.22	41,200.39	5,60,119.32	4,91,882.56	41,921.06	62,943.58	6,57,617.60	5,96,026.53
	Unallocated Assets							6,698.90	4,885.91
	Total Assets							**6,64,316.50**	**6,00,912.44**
	Segment Liabilities	44,927.20	32,985.06	5,27,260.44	4,60,521.58	38,638.33	62,921.83	6,10,825.97	5,56,428.47
	Unallocated Liabilities							5,231.31	5,057.69
	Total							**6,16,057.28**	**5,61,486.16**
	Capital / Reserves	10,929.91	8,103.59	33,358.07	30,768.66	3,971.24	554.03	48,259.22	39,426.28
	Total							**48,259.22**	**39,426.28**
	Total Liabilities							**6,64,316.50**	**6,00,912.44**

PART B: GEOGRAPHIC SEGMENTS - THE OPERATIONS OF THE BANK IS CONFINED TO INDIA ONLY, HENCE NO REPORTABLE GEOGRAPHIC SEGMENTS.

(iii) Accounting Standard 18 – Related Party Disclosures

(a) Details of Related Parties

Name of the entity	Nature of Relationship
SIDBI Venture Capital Limited	Subsidiary
SIDBI Trustee Company Limited	Subsidiary
Micro Units Development & Refinance Agency Limited	Subsidiary
SIDBI Swavalamban Foundation	Subsidiary
India SME Technology Services Limited	Associate
Acuite Ratings and Research Pvt Limited	Associate
Receivables Exchange of India Limited	Associate
Delhi Finance Corporation	Associate
KITCO Limited	Associate
(b) Key management personnel	
Shri Manoj Mittal	Chairman & Managing Director
Shri Sudatta Mandal	Deputy Managing Director
Shri Prakash Kumar	Deputy Managing Director

(c) Significant transactions with related parties

(₹ crore)

Items / Related Party	Sub-sidiaries	Associates/ Joint ventures	Key Management Personnel @	Relatives of Key Management Personnel	Total
Borrowings#					
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
Deposit#				-	
Outstanding at the year end	-	48.25	1.29	-	49.54
Maximum during the year	-	48.25	1.29	-	49.54
Placement of deposits#			-	-	
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
Advances#			-	-	
Outstanding at the year end	1,441.46	-	-	-	1,441.46
Maximum during the year	2,487.00	-	-	-	2,487.00
Investments#			-	-	
Outstanding at the year end	1,751.05	24.49	-	-	1,775.54
Maximum during the year	1,751.05	39.49	-	-	1,790.54
Non funded commitments#			-	-	
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
Leasing arrangements availed#			-	-	
Outstanding at the year end	-	-	-	-	-

(₹ crore)

Items / Related Party	Sub-sidiaries	Associates/ Joint ventures	Key Management Personnel @	Relatives of Key Management Personnel	Total
Maximum during the year	-	-	-	-	-
Leasing arrangements provided#			-	-	
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-
Interest paid	-	3.81	0.11	-	3.92
Interest received	152.39	-	-	-	152.39
Rendering of services*	13.14	0.87	-	-	14.01
Receiving of services*	4.21	3.73	-	-	7.94
Management contracts**	-	-	1.59	-	1.59

@ Whole time directors of the Board

The outstanding at the year end and the maximum during the year are to be disclosed

* Contract services etc. and not services like remittance facilities, locker facilities etc.

** Remuneration to Key Management Personnel.

As per our report of even date

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

Jayesh Kala
Partner
M.No. 101686

Y M Kumari
Chief Financial Officer

Laxmi Chand Meena
Director

Prakash Kumar
Deputy Managing Director

P J Thomas
Director

By order of the Board

Manoj Mittal
Chairman &
Managing Director

Place: New Delhi
Date: May 14, 2026

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2026

(₹)

March 31, 2025	Particulars	March 31, 2026	March 31, 2026
	1. Cash Flow from Operating Activities		
74,71,12,30,498	Net Profit before tax as per P & L Account		77,76,85,99,266
	Adjustments for :		
22,05,27,331	Depreciation	45,77,78,697	
35,96,393	Provision for net depreciation in investments	3,71,73,531	
24,86,70,57,509	Provisions made (net of write back)	17,04,22,45,581	
(1,57,74,87,268)	Profit on sale of investments (net)	(82,07,75,000)	
90,392	Profit on sale of fixed assets	14,92,564	
(7,21,24,07,045)	Income Received on Investments	(3,91,91,85,358)	12,79,87,30,015
91,01,26,07,810	**Cash generated from operations**		**90,56,73,29,281**
	(Prior to changes in operating Assets and Liabilities)		
	Adjustments for net changes in :		
5,06,23,44,696	Current assets	(16,32,15,53,507)	
(22,50,65,61,783)	Current liabilities	33,14,35,90,539	
(7,42,44,97,132)	Bills of Exchange	(19,75,75,03,002)	
(3,99,54,75,53,774)	Loans & Advances	(8,57,58,65,40,962)	
5,29,55,74,63,211	Net Proceeds of Bonds and Debentures & other borrowings	3,94,33,42,94,590	
(1,58,14,46,65,983)	Deposits received	94,36,97,73,444	
(53,00,34,70,765)			**(3,71,81,79,38,898)**
38,00,91,37,045			(2,81,25,06,09,617)
(25,63,66,21,507)	Payment of Tax	(21,40,93,38,337)	(21,40,93,38,337)
12,37,25,15,538	**Net Cash flow from operating Activities**		**(3,02,65,99,47,954)**
	2. Cash Flow from Investing Activities		
(16,10,47,424)	Net (Purchase)/Sale of fixed assets	(52,82,79,986)	
(39,20,41,14,635)	Net (Purchase)/sale/redemption of Investments	3,03,17,78,40,024	
7,27,85,85,483	Income Received on Investments	(1,24,05,02,685)	
(32,08,65,76,576)	**Net cash used in Investing Activities**		**3,01,40,90,57,353**
	3. Cash flow from Financing Activities		
-	Proceeds from issuance of share capital & share premium	30,00,00,00,216	
(1,13,70,82,338)	Dividend on Equity Shares & tax on Dividend	38,68,65,432	
(1,13,70,82,338)	**Net cash used in Financing Activities**		**30,38,68,65,648**
(20,85,11,43,376)	**4. Net increase/(decrease) in cash and cash equivalents**		**29,13,59,75,047**
52,94,24.62,395	**5. Cash and Cash Equivalents at the beginning of the period**		**32,09,13,19,019**
32,09,13,19,019	**6. Cash and Cash Equivalents at the end of the period**		**61,22,72,94,066**
	7. Cash and cash equivalents at the end of the period includes		

(₹)

March 31, 2025	Particulars	March 31, 2026	March 31, 2026
6,26,065	Cash in Hand		6,08,699
2,37,24,42,648	Current account balance with Bank		4,35,03,57,144
-	Mutual Funds		-
29,71,82,50,306	Deposits		56,87,63,28,223

Note: Cash Flow statement has been prepared as per the Indirect Method prescribed in AS-3 (Revised) 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India (ICAI)

Significant Accounting Policies	XV
Notes to Accounts	Annexure 1

As per our report of even date

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

Jayesh Kala
Partner
M.No. 101686

Y M Kumari
Chief Financial Officer

Laxmi Chand Meena
Director

Prakash Kumar
Deputy Managing Director

P J Thomas
Director

By order of the Board

Manoj Mittal
Chairman &
Managing Director

Place: New Delhi
Date: May 14, 2026

Small Industries Development Bank of India

www.sidbi.in

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Concept, Content & Design
(info@wyatt.co.in)