sidbi

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

Understanding MSMEs,

Powering MSME Growth.











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KEY CORPORATE INFORMATION

BOARD OF DIRECTORS AS ON OCTOBER 31, 2026



Shri Manoj Mittal
Chairman and Managing Director



Shri Prakash Kumar
Deputy Managing Director,
Whole Time/Executive Director



Dr. Rajneesh
Non-Executive Director/
Government Nominee



Shri Manoj Muttathil Ayyappan
Non-Executive Director/
Government Nominee



Shri Gopal Jha
Non-Executive
Director/Shareholder
(SBI Nominee) Director



Shri Laxmi Chand Meena
Non-Executive
Director/Shareholder
(LIC Nominee) Director



Dr. K.S. Mahesh
Non-Executive
Director/Shareholder
(NABARD Nominee) Director



Dr. Ramesh Kumar
Non-Executive Director/
Non-Official Director



Shri Amit Tandon
Non-Executive Director/
Independent Director



Shri Jitender Kalra
Non-Executive Director/
Independent Director



Shri P. J. Thomas
Non-Executive Director/
Independent Director



Ms. Padmaja Shailen Ruparel
Non-Executive Director/
Independent Director

Key Management Personnel

Smt. Yalangi Munni Kumari	Chief Financial Officer
Shri Sanjay Jain	Chief Risk Officer
Shri Balbir Singh	Head, Audit Vertical
Shri Pankaj Kumar Sahu	Company Secretary & Compliance Officer, Chief Compliance Officer

Other Senior Management Team as on October 31, 2026

Shri Dilip Kumar Singh	Chief Vigilance Officer
Shri Vivek Kumar Malhotra	Chief General Manager
Shri Arup Kumar	Chief General Manager
Shri Ravindra Kumar Singh	Chief General Manager
Shri Rahul Priyadarshi	Chief General Manager
Shri Satya Prakash Singh	Chief General Manager
Shri Sanjay Jain	Chief General Manager
Shri Sandeep Varma	Chief General Manager
Shri Ajit Nath Jha	Chief General Manager
Shri Satyaki Rastogi	Chief General Manager
Smt. Yalangi Munni Kumari	Chief General Manager
Shri Manish Sinha	Chief General Manager
Shri Balbir Singh	Chief General Manager
Shri Ravindran A Lakshmanan	Chief General Manager
Shri Anjani Kumar Srivastava	Chief General Manager
Shri Yalangi Venugopal Rao	Chief General Manager
Shri Sanjeev Gupta	Chief General Manager
Shri Bhanu Prakash Verma	Chief General Manager
Shri Arijit Dutt	Chief General Manager
Shri Suman Chowdhury	Chief Economist

HEAD OFFICE:

SIDBI Tower, 15 - Ashok Marg, Lucknow-226001.
LEI: 3358003NTGA2D7D31E14; CIN: NA.

Mumbai Office:

SIDBI, Swavalamban Bhavan, Avenue 3, Lane 2, C-11, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra

Corporate Website: www.sidbi.in;

Email: compliance_officer@sidbi.in, erdav@sidbi.in

Depository: National Securities Depository Limited

Statutory Auditors:

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

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

Secretarial Auditor:

M/s AGARWAL S. & ASSOCIATES

D-427, 2nd Floor, Palam Extn., Ramphal Chowk, Sector 7, Dwarka, New Delhi-110075

Bankers:

State Bank of India

Punjab National Bank

Union Bank of India

Central Bank of India

IDBI Bank Ltd

Canara Bank Ltd

Bank of Baroda

Karnataka Bank

South Indian Bank

UCO Bank

Exim Bank

Registrar & Transfer Agents:

MUFG Intime India Private Limited:

Address: C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai - 400083;
Tel: 022-49186000; Fax: 022-49186060,
Website: www.in.mpms.mufg.com

DEBENTURE TRUSTEE:

SBICAP Trustee Company Ltd.
Mistry Bhavan, 4th Floor, 122 Dinshaw Vachha Road Churchgate
Mumbai - 400020

Contact: Mr. Ardhendu Mukhopadhyay
T: (91) (22) 4325555
Email: dt@sbicaptrustee.com
Website: www.sbicaptrustee.com

SIDBI Group Structure as on March 31, 2026

A. WHOLLY-OWNED SUBSIDIARIES

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

B. ASSOCIATE COMPANY

- Acuité Ratings & Research Limited (Acuité) (erstwhile SMERA) (35.73% Shareholding)
- Receivables Exchange of India Ltd. (RXIL) (30% Shareholding)
- India SME Technology Services Ltd. (ISTSL) (22.73% Shareholding)

However, as required to be disclosed/in compliance with SEBI LODR Regulations, 2015, organisations where SIDBI is having shareholding of 10% or more, except above are as under:

- Bihar State Financial Corporation (48.43% Shareholding)
- Gujarat State Financial Corporation (28.41% Shareholding)
- Maharashtra State Financial Corporation (39.99% Shareholding)
- Punjab State Financial Corporation (25.92% Shareholding)
- Uttar Pradesh State Financial Corporation (24.18% Shareholding)
- Canbank Factors Ltd (20% Shareholding)
- KITCO Ltd. (49.77% Shareholding)
- Bihar Industrial and Technical Consultancy Organisation Ltd. (49.25% Shareholding)
- Andhra Pradesh State Financial Corporation (14.02% Shareholding)
- Odisha Financial Corporation (15.31% Shareholding)
- Rajasthan Financial Corporation (19.90% Shareholding)
- North Eastern Development Finance Corporation Limited (10% Shareholding)
- HARDICON Ltd. (12.5% Shareholding)
- Himachal Consultancy Organisation Ltd. (14.78% Shareholding)
- Rajasthan Consultancy Organisation Ltd. (12% Shareholding)
- NITCON Ltd. (14.26% Shareholding)
- Gujarat Industrial and Technical Consultancy Organisation Ltd (12.5% Shareholding)
- JKITCO Limited (11.65% Shareholding)
- Shareholding in Assam Financial Corporation is 4.56%
- Online PSB Loans Ltd. (6.28% Shareholding) [MUDRA as on March 31, 2026 holds 9.37%]
- Rajasthan Asset Management Co. Pvt. Ltd. (24.5% Shareholding)
- Rajasthan Trustee Co. Pvt. Ltd. (24.5% Shareholding)
- Hyderabad Information Technology Venture Enterprises Ltd. (24.5% Shareholding)
- Cyberabad Trustee Co. Pvt Ltd (24.5% Shareholding)

C. SIDBI SWAVALAMBAN FOUNDATION

Section 8 Company, Limited by Guarantee

D. CREDIT GUARANTEE FUND TRUST FOR MICRO AND SMALL ENTERPRISES

(Trust Jointly set up by Ministry of MSME and SIDBI)

STATEMENT OF THE CHAIRMAN AND MANAGING DIRECTOR



The Indian economy remained resilient and grew at 7.7% during FY 2025-26, supported by robust domestic demand, sustained public investment and steady progress in digitalisation."

The Indian economy remained resilient and grew at 7.7% during FY 2025-26, supported by robust domestic demand, sustained public investment and steady progress in digitalisation. However, the year was also marked by elevated global uncertainty arising from tariff actions and an escalation of geopolitical tensions in West Asia towards the end of the year. These developments resulted in supply chain disruptions, sharp rise in industrial input prices, and tighter global financial conditions, creating a challenging operating environment, particularly for Micro, Small and Medium Enterprises (MSMEs).

Notwithstanding such external headwinds, the Indian MSME sector continued to demonstrate remarkable resilience. The findings from SIDBI's MSME Outlook Survey Round 6 (January-March 2026) reveal that while the MSME Business Confidence Index (M-BCI) moderated, it remained firmly in expansionary territory at 59.8 as compared to 60.8 in the previous quarter.

SNAPSHOT OF SIDBI'S PERFORMANCE

SIDBI has continued to strengthen its role as India's principal financial institution for the MSME sector during FY 2025-26, guided by its Vision "To emerge as the point of first contact for all stages of MSME life cycle journey" and its Mission "To facilitate access to capital and build capacity of MSMEs for their deeper integration into Indian and global value chains". The Bank further consolidated its position while maintaining strong financial metrics. The Bank's asset base increased by 11.3% to ₹6.32 lakh crore in FY2026 from ₹5.68 lakh crore in FY2025. A robust growth was also registered in the loan portfolio which expanded from ₹4.96 lakh crore to ₹5.79 lakh crore, while net profits rose to ₹5,493 crore, registering a growth of 17% and 14%, respectively.

During the year, SIDBI pursued a three-pronged strategy to deepen its developmental and financial impact. The first pillar focussed on expanding outreach through SIDBI's branch network and scaling up refinance support to banks, NBFCs and MFIs, thereby reaching a wider base of MSMEs through the extensive physical presence of these partner institutions. The second pillar centred on strengthening access to growth and patient capital through enhanced equity and equity-linked support for MSMEs and startups, helping bridge a critical financing gap while fostering confidence in the sector. The third pillar involved harnessing technology as a key enabler to improve operational efficiency, expedite service delivery, and extend SIDBI's reach to underserved enterprises across geographies. These strategic pillars are highly aligned with the vision and the mission of the bank.

The most significant development during the fiscal year has been the approval of equity infusion by the Government of India in three tranches, ₹3,000 crore in FY2026 and ₹1,000 crore each in FY2027 and FY2028, enhancing SIDBI's lending capacity. SIDBI is thankful to the Government for such support which will help to enhance the number of beneficiaries over the next two years apart from strengthening the capital position of the bank. While the lending portfolio has continued to grow at a robust pace, the asset quality has remained stable, with Gross NPAs at 0.12% as at end March 2026.

EXPANDING ACCESS TO FINANCE THROUGH CREDIT DELIVERY, PARTNERSHIPS, AND DIGITAL ENABLEMENT

Refinance remained a cornerstone of SIDBI's business strategy, with assistance to Banks and NBFCs witnessing a sustained growth during the year. As of March 31, 2026, the refinance portfolio to banks stood at ₹4.51 lakh crore, registering a growth of 16.9%, while refinance to NBFCs increased by 10.5% to ₹70,916 crore. Through a network of 52 banks and 74 NBFCs, SIDBI continued to expand the flow of credit to MSMEs by leveraging the extensive outreach of its lending partners.

SIDBI's Direct Credit operations maintained a strong growth momentum during the year, with the portfolio expanding by 37%, driven by continuous product innovation, enhanced delegation of powers, increasing digitisation of processes and addition of 39 new branches. As at the end of FY2026, the branch network comprised 166 branches across India covering 196 out of 242 major MSME clusters across the country. The Working Capital portfolio grew by around 42%, providing timely liquidity support to MSMEs and strengthening their operational resilience. To further improve access to working capital financing, SIDBI introduced DigiCASH, a Straight Through Processing (STP)-based working capital product, enabling faster, seamless, and technology-driven credit delivery to MSMEs. SIDBI further reinforced its presence across

"While the lending portfolio has continued to grow at a robust pace, the asset quality has remained stable, with Gross NPAs at 0.12% as at end March 2026."

all five TReDS platforms, with the outstanding portfolio registering a robust growth of approximately 65% YoY, thereby facilitating improved cash flow management and receivables financing for MSMEs. Digital initiatives such as GST Sahay also witnessed significant scale-up during the year, with the portfolio registering significant growth in FY2026. Collectively, these initiatives have helped unlock critical liquidity for MSMEs, enabling them to sustain and expand their operations amidst a challenging and evolving external environment.

Partnership-based credit delivery models remained central to SIDBI's outreach strategy. Co-lending arrangements with NBFCs supported over 11,000 MSMEs, with an outstanding portfolio of over ₹3,900 crore, representing more than a two-fold increase over FY2025 levels. Under the Prayaas Scheme, SIDBI has provided phygital credit support to more than 3.6 lakh informal micro enterprises, of which over 84% were women-led, significantly promoting financial inclusion and women entrepreneurship.

To further strengthen last-mile credit delivery, SIDBI has taken a new initiative of partnerships with Regional Rural Banks (RRBs), leveraging the complementary strengths of both institutions. A common co-lending policy framework as well as digital Credit Origination Platform were developed for enabling a fully digital customer journey for MSME loans of up to ₹200 lakh.

> SIDBI continued its catalytic role through the Fund of Funds for Startups (FFS), which surpassed its initial target with commitments of ₹12,423 crore across 161 AIFs."

CATALYSING INNOVATION AND ENTERPRISE GROWTH: EQUITY AND VENTURE FINANCE

SIDBI continued its catalytic role through the Fund of Funds for Startups (FFS), which surpassed its initial target with commitments of ₹12,423 crore across 161 AIFs. Building on this momentum, the Government of India in FY2026 notified Startup India Fund of Funds 2.0 with a corpus of ₹10,000 crore to mobilise additional venture and growth capital for India's startup ecosystem. SIDBI also launched the ₹1,000 crore VISION (Venture Investment by SIDBI for Inclusive Opportunities in Nation-building Enterprises) Fund from its own balance sheet to provide patient capital to priority and frontier sectors.

During the year, SIDBI has launched new schemes for anchor investment in SME IPOs and Pre-IPO equity investments to support aspiring MSMEs that lack access to credible institutional investors. SIDBI's participation is intended to provide funding, institutional validation, and catalyse improvements in corporate governance, process maturity, and growth orientation. During the year, SIDBI also undertook extensive outreach across key MSME clusters to promote awareness of equity funding, listing benefits, and associated compliance requirements.

ECOSYSTEM DEVELOPMENT AND INCLUSIVE GROWTH INITIATIVES

SIDBI's ecosystem-centric approach remained a key pillar of its strategy. CGTMSE recorded a landmark performance during FY 2025-26, approving guarantees amounting to ₹4.32 lakh crore, registering a robust 42% growth over ₹3.05 lakh crore in the previous year. Importantly, the share of women entrepreneurs (22%) and SC/ST entrepreneurs (7%) in the total number of guarantees approved during FY2026 reflects CGTMSE's deepening focus on inclusive credit delivery. As on March 31, 2026, CGTMSE's cumulative guarantees approved stood at 1.41 crore, amounting to ₹13.67 lakh crore, underlining its critical role in enabling collateral free credit to sector.

SIDBI continued to strengthen access to growth capital for MSMEs and startups through its subsidiary, SIDBI Venture Capital Limited (SVCL), which manages 12 funds. During the year, a significant milestone was achieved with SVCL being selected as the Investment Manager for the ₹1,600 crore Antariksh Venture Capital Fund, India's largest space-tech fund. Following its first close of ₹1,005 crore, the Fund commenced investment activities, underscoring SIDBI's



During the year, SIDBI has launched new schemes for anchor investment in SME IPOs and Pre-IPO equity investments to support aspiring MSMEs that lack access to credible institutional investors.

commitment to fostering innovation, entrepreneurship and the development of strategic sectors through patient growth capital.

Beyond credit, SIDBI intensified its 'credit-plus' interventions to strengthen MSME capabilities. As part of this effort, SIDBI launched its flagship outreach initiative, SIDBI MSME Samvaad, a fortnightly television programme in collaboration with Prasar Bharati, aimed at enhancing awareness, outreach, and capacity building among MSMEs. The programme simplifies complex policy, credit and business issues into actionable insights through expert discussions, real-life success stories, and direct engagement with MSME queries.

During the year, SIDBI also strengthened the Development of Industry Associations (DIA) initiative, which has emerged as a flagship cluster-based intervention. Partnering with 105 industry associations, the initiative facilitated outreach to over 53,000 MSME members, while around 12,500 MSMEs benefited from structured training programmes, webinars, and thematic knowledge dissemination.

The Bank has significantly expanded its developmental mandate by supporting community-based technical production centres in unserved and underserved regions. It is actively assisting a few Farmer Producer Organisations (FPO) through pilot programmes in harnessing the fruits of allied value addition through agri enterprises and strengthened rural value chains. Flagship initiatives across Tamil Nadu and Andhra Pradesh have facilitated capacity building, establishment of Common Facility Centres, and value addition, collectively benefiting over 3,800 farmers. Further, SIDBI has launched the Green Rural Industrialisation Program (GRIP) for Viksit Bharat to promote sustainable rural enterprises. The pilot initiative is being implemented in jaggery clusters of Uttar Pradesh, targeting & incentivising 50 early mover units for modernising their conventional operations into energy efficient furnaces, electric crushers, solar solutions and other green interventions.

Additionally, as the implementing agency for the Udyam Assist Platform (UAP), SIDBI enabled registration of over 3.8 crore informal micro enterprises (as of June 2026), bringing them into the formal financial ecosystem. As a logical step forward, the Bank has also undertaken a project for establishing a credit connect for UAP registered entities through UAP Credit Marketplace. UAP Credit marketplace has moved in live environment with SIDBI as a single lender under pilot stage.

WAY FORWARD

As India progresses towards its destination of a Viksit Bharat, the MSME sector will remain central to economic growth, employment creation, innovation, and exports. SIDBI remains firmly committed to its role as a catalyst and facilitator to the sector, strengthening access to finance, fostering innovation, and enabling a sustainable, inclusive MSME ecosystem. Guided by national priorities and leveraging partnerships, technology, and policy support, SIDBI will continue to improve on its understanding of MSMEs and empower them to scale, compete, and contribute meaningfully to India's long-term economic transformation. The bank has a vision to grow the balance sheet profitably to ₹10 lakh crore by FY2028, which will include ₹1 lakh crore under direct lending to MSMEs and embarked, during FY2026, on implementation of its Medium Term Corporate Strategy under 'Project Sankalp'.

MSME SECTOR OUTLOOK

The Micro, Small and Medium Enterprises (MSME) sector in India, comprising over 8.8 crore registered enterprises (as of June 2026), plays a pivotal role in strengthening the resilience of the Indian economy.



Over the years, the sector has transitioned from a supplementary contributor to a key driver of entrepreneurship, rural industrialisation, and balanced regional development. MSMEs are central to India's economic growth, making substantial contributions to employment generation, manufacturing output, and exports. The sector accounts for nearly one-third of the country's Gross Domestic Product (GDP) and provides employment to over 35 crore individuals, highlighting its critical role in socio-economic development of the nation.

MSMEs occupy a distinctive position in the economy by simultaneously sustaining traditional industries such as manufacturing and fostering innovation through emerging startups. Traditional handicrafts and village-level enterprises continue to hold relevance by ensuring sustainable livelihoods for a significant portion of the workforce. Broadening market access for these enterprises necessitates coordinated and focussed efforts from all stakeholders. On the other hand, high-growth sectors including defence, pharmaceuticals, auto components, clean technologies and deep tech along with labour-intensive industries such as leather, toys, and food processing, present substantial opportunities to fuel MSME expansion. With strong policy support from the Government, these sectors will play a crucial role in realising the vision of *Viksit Bharat* by 2047.

India's MSME sector is highly dynamic, encompassing a diverse spectrum of enterprises ranging from small, informal units to advanced, technology-driven startups. A key trend shaping the sector's current trajectory is the increased pace of formalisation facilitated by digital registration and compliance platforms. In this context, the Government of India introduced the Udyam Assist Platform (UAP) to integrate Informal Micro Enterprises (IMEs) into the formal economic framework. The platform enables IMEs to access institutional benefits, including priority sector lending. The effectiveness of this initiative is evident from the registration of over 3.8 crore IMEs (as of June 2026) within approximately three years of UAP's launch.

Another noteworthy success story is the growth of India's startup ecosystem. India has emerged as the world's third-largest startup hub, with over 2.23 lakh recognised startups, generating more than 23.36 lakh direct employment opportunities[1]. Notably, nearly 50 per cent of these startups originate from Tier II and Tier III cities[2]. This remarkable progress can be attributed to targeted policy interventions, including the Fund of Funds for Startups (FFS) managed by SIDBI, the Atal Innovation Mission (AIM), and the Startup India Seed Fund Scheme (SISFS) of the Government of India, among others.

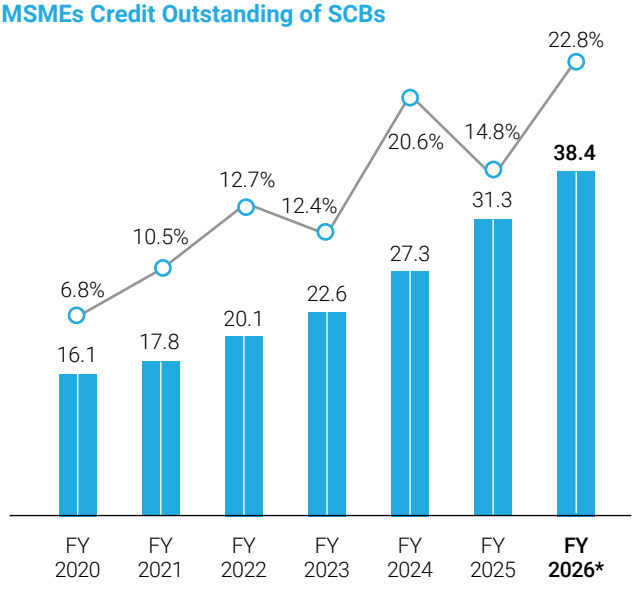
[1]PIB
[2]PIB

On the performance front, MSMEs demonstrated business resilience amid significant external challenges. The MSME Business Confidence Index (M-BCI), which is based on SIDBI MSME Quarterly Outlook Survey, stood at 59.8 in Q4 FY2026, only marginally lower than 60.8 recorded in Q3 FY2026. While the tariff uncertainties and the outbreak of conflict in West Asia have resulted in supply chain disruptions and increased input costs, overall business confidence remains well above the expansion threshold across sectors. This sustained optimism underscores the inherent resilience of the Indian MSME ecosystem, with the Manufacturing, Trading, and Services sectors all reporting positive sentiments.

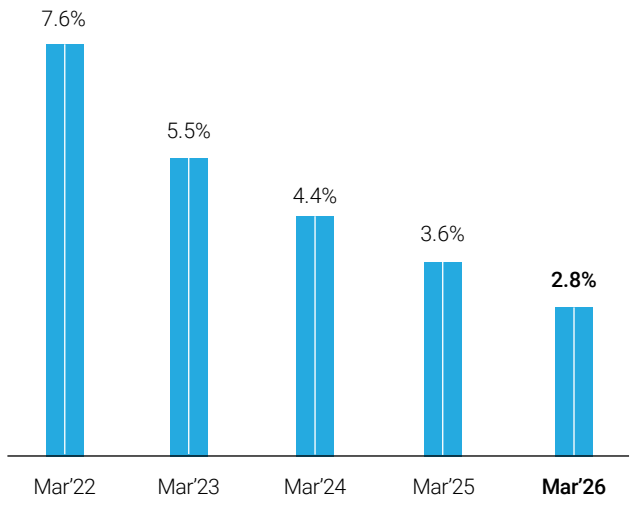
The MSME economic activity as measured from the Jocata-SIDBI Sumpoorn Index also reflect modest expansionary activity of the sector with the index value in the range of 0.53 to 0.63 in FY2026.

Credit availability remains a key driver of MSME performance, with the sector benefiting from a strong, government-supported financial ecosystem. Policy initiatives such as priority sector lending, expanded credit guarantee coverage, MUDRA financing, and the increasing penetration of digital lending platforms have substantially improved MSMEs' access to formal sources of finance. Consequently, credit extended by Scheduled Commercial Banks (SCBs) to the sector has grown steadily over the past five years. As of March 2026, outstanding MSME credit had risen to nearly three times its pre-pandemic level, while Gross Non-Performing Asset (GNPA) ratios remained well contained. This reflects not only the sector's robust growth momentum but also a strengthening credit appetite and improved financial resilience among MSMEs.

MSMEs Credit Outstanding of SCBs



MSME Gross NPA Ratio



Source: RBI, Sansad

*Estimated based on MSME Loan growth rate of 22.8% in RBI Financial Stability Report June 2026

While there has been significant improvement in the credit flow to the MSME sector, SIDBI broadly estimates the addressable credit gap for the MSME sector at ~₹30 lakh crore.

The Indian economy and the MSME sector are also facing emerging challenges from the global environment. Global growth is expected to remain subdued in the near term, with the World Bank projecting growth of 2.5 per cent in CY2026, followed by an uptick to 2.8 per cent in CY2027[3]. Ongoing trade and tariff disputes, the conflict in West Asia, and the resulting rise in commodity prices have heightened global economic uncertainty. Protectionist measures adopted by certain advanced economies, along with retaliatory tariffs by others, could dampen global trade, delay investment decisions, disrupt supply chains, and exert pressure on fiscal balances. Furthermore, elevated geopolitical risks may push up commodity prices, especially crude oil, posing risks to the currently benign inflation outlook. In this context, strategic policy interventions, adequate credit support for MSME exporters, and diversification of export markets are critical to help the sector navigate these uncertainties.

While the Indian economy is unlikely to remain entirely insulated from the challenging global environment, domestic growth momentum is expected to remain resilient in FY2027, with most forecasts projecting growth in the range of 6.4%–6.9%. India's expanding trade diplomacy provides an important counterbalance to supply chain disruptions arising from global factors. The rollout of multiple Free Trade Agreements (FTAs) and Bilateral Trade Agreements (BTAs) is expected to enhance market access for Indian exporters, particularly in sectors such as engineering goods, textiles, and services. Complementary policy measures, including enhanced export credit guarantees, targeted support for MSME exporters, and integration with global e-commerce platforms, aim to further strengthen export contributions. These initiatives are expected to provide critical external demand support amid domestic and global uncertainties.



[3]World Bank Global Economic Prospects - June 2026

OUTLOOK SUPPORTED BY POLICY MEASURES

The Government's vision positions MSMEs as globally competitive, technology-enabled enterprises that are deeply integrated into domestic and global value chains, underscoring their critical role in sustaining long-term economic growth. Ongoing policy initiatives continue to provide support and enable the sustainable expansion of India's MSME sector. To facilitate scale efficiencies, improve access to capital, and promote employment generation, the investment and turnover limits for classification across all MSME categories have already been enhanced. Recognising MSMEs as a vital engine of economic growth, the Government has adopted a three-pronged strategy to nurture them as future 'Champions'. As part of this approach, a dedicated ₹10,000 crore SME Growth Fund has been introduced to support the emergence of high-potential enterprises through targeted incentives based on defined performance criteria. Additionally, the Union Budget 2026-27 announced several measures to strengthen and expand the use of the Trade Receivables Discounting System (TReDS) platform, aimed at improving liquidity and timely access to working capital for MSMEs. The third prong of this strategy has been to facilitate Professional Institutions such as ICAI, ICSI, ICMAI to design short-term, modular courses and practical tools to develop a cadre of 'Corporate Mitras', especially in Tier-II and Tier-III towns.

The Union Cabinet has approved the Export Promotion Mission (EPM) with a total outlay of ₹25,060 crore for six years, from 2025-26 to 2030-31[4]. The Cabinet also cleared a Credit Guarantee Scheme for Exporters (CGSE), under which up to ₹20,000 crore collateral-free credit support is envisaged[5]. These schemes, announced in November 2025, are envisaged to help the MSME segment by improving liquidity and access to credit. Apart from the traditional sectors, a boost is also being given to the startups in the newer technologies through the announcement of a new fund of funds 2.0 of ₹10,000 crore.

The outlook for Indian MSMEs remains favourable despite global headwinds supported by strong macroeconomic fundamentals, robust domestic consumption demand, emerging export opportunities through bilateral trade agreements with developed economies, accelerating credit flow and consistent policy support from the Government.

MSMEs must also take proactive steps to enhance their competitiveness and productivity on a global scale. This entails widespread adoption of digital technologies, continuous technological upgradation to improve quality and efficiency, greater focus on sustainability, and a strong commitment to innovation. Strengthening financial discipline, along with fostering a culture of sound governance and transparency, is equally essential. With these measures, MSMEs are well positioned to serve as key engines of growth in the pursuit of the vision of *Viksit Bharat@2047*.



[4]https://www.pib.gov.in/PressReleasePage.aspx?PRID=2189381
[5]https://www.pib.gov.in/PressReleasePage.aspx?PRID=2189390

NOTICE OF AGM

Notice is hereby given that the 28th Annual General Meeting of the shareholders of Small Industries Development Bank of India (SIDBI) will be held on Monday, August 24, 2026 at 3.00 p.m. IST at Board Room, Head Office of SIDBI i.e., SIDBI Tower, 15-Ashok Marg, Lucknow-226001 to transact the following business.

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Standalone and Consolidated Balance Sheet and Profit and Loss account of Small Industries Development Bank of India ('SIDBI') for the financial year ended March 31, 2026, together with the Reports of the Board of Directors on the working and activities of the SIDBI and Auditors Report thereon.

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

   "**RESOLVED THAT** the Audited standalone and consolidated Balance Sheet of SIDBI as of March 31, 2026, Profit and Loss Account of SIDBI for the year ended March 31, 2026, the Report of the Board of Directors of SIDBI for the period covered by the Accounts and the Auditors' Report on the Balance Sheet and Accounts, be and are hereby adopted".

2. To declare final dividend on equity shares of SIDBI for the financial year (2026) ended on March 31, 2026.

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

   "**RESOLVED THAT** final dividend at the rate of ₹2/- per share on the equity capital of SIDBI for the year ended March 31, 2026, be paid to those shareholders whose names appear on the register of members, as on record date. However, dividend in respect of 5,27,56,529 shares allotted to GOI on March 30, 2026 will be paid on pro-rata basis."

3. To consider and authorise Board of Directors of SIDBI to appoint statutory auditors of the Bank for FY2027 and thereafter for the interim period.

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

   "**RESOLVED THAT** the Board of Directors of the Bank be and is hereby authorised to select and appoint a Chartered Accountant firm, out of the panel of Auditors approved by the Reserve Bank of India, as Statutory Auditor to hold office for FY2027 on such remuneration and expenses, as may be approved by the RBI and as may be mutually agreed between the Bank and the Statutory Auditors.

   RESOLVED FURTHER THAT pending approval from RBI, for appointment of Statutory Auditors of the Bank for FY2027, M/s J. Kala & Associates, Chartered Accountants, be and are hereby appointed to undertake the Limited Review of Financial Statements of the Bank for the quarter ending June 30, 2026, and subsequent quarters as well should there be further delay in receipt of list of Auditors from RBI.

   RESOLVED FURTHER THAT the Board/Audit Committee of the Board be and are hereby authorised to approve and if required, alter or vary the terms and conditions of appointment."

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

   "**RESOLVED THAT** pursuant to the proviso to Regulation 62D(3) & 62N(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further to Sections 6 (1) (d) of the Small Industries Development Bank of India Act, 1989 (including any amendments thereof, for the time being in force), approval of members be and is hereby granted to the appointment of **Shri Gopal Jha (DIN:11362455)** who was nominated as Director by the State Bank of India (SBI) not liable to retire by rotation, with effect from October 23, 2025".

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

   "**RESOLVED THAT** pursuant to the proviso to Regulation 62D(3) & 62N(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further to Sections 6 (1) (d) of the Small Industries Development Bank of India Act, 1989 (including any amendments thereof, for the time being in force), approval of members be and is hereby granted to the appointment of **Dr. K S Mahesh (DIN:09170623)** who was nominated as Director by the National Bank for Agriculture and Rural Development, NABARD, not liable to retire by rotation, with effect from December 05, 2025".

SPECIAL BUSINESS:

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

   "**RESOLVED THAT** pursuant to and in accordance with:

   (i) Provisions of Regulation 62K of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("the LODR Regulations");

(ii) Policy on related party transactions of the Small Industries Development Bank of India (hereinafter referred to as "Bank"); and

(iii) Approval of the Audit Committee and recommendation of the Board of Directors,

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

i. granting of credit facilities such as term loan, working capital demand loan, short-term loan, overdraft, or any other form of fund-based facilities and/or guarantees, letters of credit, or any other form of non-fund-based facilities, including interest and other charges receivable in connection with such facilities,

ii. purchase/sale of services, purchase/sale of shared services,

iii. equity infusion,

iv. Purchase and/or sale of loans,

v. undertaking repurchase (repo) transactions and other permitted short-term borrowing transactions,

vi. reverse repurchase (reverse repo) transactions and other permitted short-term lending transactions,

vii. foreign exchange and derivative transactions,

viii. investment in securities issued by the Related Parties,

ix. purchase/sale of securities from/to Related Parties in secondary market (issued by related or unrelated parties),

x. borrowing through issuance of debt securities to related parties,

xi. availing insurance services,

xii. any other transaction involving transfer of resources, services or obligations,

on such material terms and conditions, *[as may be permitted under the Applicable Laws, and relevant policies of the Bank notwithstanding the fact that the maximum limit of such transactions to be entered into individually or taken together with previous transactions, at any point of time during the financial year ending March 31, 2027 ("FY2027"), may exceed ₹1,000 crore or 10% of the annual consolidated turnover of the Bank as per the last audited financial statements of the Bank, whichever is lower, as prescribed under the Applicable Laws or any other materiality threshold, as may be applicable from time to time]* as detailed in the explanatory statement to this resolution and as may be agreed by the Bank and specific subsidiaries with the concerned entities, such that during the financial year ending on March 31, 2027,

(i) the maximum value of transactions of the Bank and each specific subsidiary of the Bank with the concerned entities does not exceed the value and

(ii) the aggregate value of all such transactions with each concerned entity does not exceed the value

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

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

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

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

Head Office
SIDBI Tower,
15 Ashok Marg,
Lucknow-226001
Date: July 31, 2026
Place: Lucknow

By order of the Board of Directors
For Small Industries Development Bank of India

Sd/-
PRAKASH KUMAR
Deputy Managing Director

NOTES:

1. An explanatory statement each relating to item nos. 3, 4, 5 & 6 to be transacted at 28th AGM is annexed hereto.

2. In terms of Regulation no. 61 (2) of SIDBI General Regulations, 2000, shareholder of SIDBI entitled to attend and vote at a general meeting shall be entitled to appoint another person (whether a shareholder or not) as his proxy to attend and vote instead of himself/herself; but a proxy so appointed shall not have any right to speak at the meeting.

3. Apart from the representative of Government of India, the largest shareholder, in terms of Regulation no. 62 (2) of SIDBI General Regulations, 2000, no person shall attend or vote at 28th AGM of SIDBI as the duly authorised representative of a body corporate other than the Development Bank, the public sector banks, the General Insurance Corporation, the Life Insurance Corporation and other institutions owned or controlled by the Central Government unless a copy of the resolution appointing him/her as a duly authorised representative certified to be a true copy by the chairman of the meeting at which it was passed shall have been deposited at the head office of SIDBI not less than four clear days before the date fixed for the meeting.

4. In terms of Regulation no. 63 (3) of SIDBI General Regulations, 2000, no instrument of proxy shall be valid unless it is duly authorised in Form B as annexed to the notice of 28th AGM.

5. In terms of Regulation no. 59 (1) of SIDBI General Regulations, 2000, a resolution put to the vote of the meeting shall, unless a poll is demanded, be decided on a show of hands. Further, before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the chairman of the meeting of his own motion, and shall be ordered to be taken by him on a demand made in that behalf by any shareholder or shareholders present in person or by proxy and holding shares in SIDBI which confer a power to vote on the resolution not being less than one-fifth of the total voting power in respect of the resolution.

6. Shareholders can submit questions with regard to the business to be transacted at the 28th AGM from their registered email address, mentioning their name, DP ID and Client ID number/folio number and mobile number, to SIDBIs' email id at compliance_officer@sidbi.in or boarddiv_lho@sidbi.in in advance on or before two working days from the date of AGM.

ELECTRONIC DESPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL-ID FOR OBTAINING COPY OF ANNUAL REPORT:

7. The Audited standalone and consolidated Balance Sheet of SIDBI as at March 31, 2026, Profit and Loss Account of SIDBI for the year ended March 31, 2026, the Report of the Board of Directors on the working and activities of SIDBI for the period covered by the Accounts and the Auditors' Report on the Balance Sheet and Accounts including the Notice of 28th AGM ('Annual Report') are displayed on the website of the SIDBI www.sidbi.in. Soft copy of Annual report is sent through email to those shareholders whose e-mail address is registered with SIDBI, or the Depository Participants and physical copies of the Annual Report is being sent to other shareholders who specifically request for the same. The copy of the annual report is also sent to the Debenture Trustee and submitted to NSE on the same day it was sent to the shareholders of SIDBI.

8. Members holding shares in dematerialised mode are requested to register/update their email addresses with the relevant Depository Participants. In case of any queries/difficulties in registering the e-mail address, members may write to at email id compliance_officer@sidbi.in or boarddiv_lho@sidbi.in.

PROCEDURE TO RAISE QUESTIONS/ SEEK CLARIFICATIONS:

9. Members are encouraged to express their views/send their queries in advance for smooth conduct of meeting mentioning their name, email id, mobile number at compliance_officer@sidbi.in or boarddiv_lho@sidbi.in. Questions/queries received by SIDBI on or before two working days before the date of AGM shall only be considered and responded during the AGM.

10. Members who would like to express their views or ask questions during the AGM may raise their hand, however, SIDBI reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

GENERAL INFORMATION:

1. The voting rights shall be as per the number of equity shares held by shareholder(s) as on the date of 28th AGM being the cut-off date.

2. The Board of Directors has recommended Dividend of ₹2/- per Equity Share for the Financial Year ended March 31, 2026, subject to approval of shareholders at the AGM. However, dividend in respect of 5,27,56,529 shares allotted to GOI on March 30, 2026 will be paid on pro-rata basis.

3. If Dividend on Equity Shares, as recommended by the Board is approved at the AGM, it will be paid within thirty days from the date of declaration to all Beneficial Owners/ Members in respect of shares held and whose names are on SIDBI's Register of Members.

4. The date of Annual General Meeting of SIDBI shall be considered as the record date for the purpose of identifying shareholders entitled for dividend, for the financial year ended March 31, 2026.

5. As per the Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 01, 2020, at applicable rates and as such SIDBI is not required to pay any Dividend Distribution Tax.

6. Members holding shares in electronic form are hereby informed that bank particulars registered against the respective depository accounts will be used by SIDBI for payment of dividend. SIDBI cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

7. Shareholders are requested to contact Board Division, (Tel. No. 022–67221670/ 67531130/ 67531233 or Company Secretary at 0522-4259806, Mobile No. 8939232622, 9415322793, 9078000173, 9702088849 Email: boarddiv_lho@sidbi.in or compliance_officer@sidbi.in) with regard to any matter related to equity shares of SIDBI.



EXPLANATORY STATEMENT PERTAINING TO ITEM NO. 3.

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

The term of appointment of 3 years of current Statutory Auditors of SIDBI viz. M/s J. Kala and Associates, Chartered Accountants has got over on March 31, 2026. SIDBI vide letter dated April 06, 2026, requested Reserve Bank of India (RBI) to forward panel of Auditors approved by the RBI so as to obtain the approval of Shareholders for appointment of the Statutory Auditors of the Bank for FY 2026-27 in the Bank's AGM in accordance with the provisions of the SIDBI Act, 1989.

However, RBI has informed that the panel of eligible auditors for FY 2026-27 is yet to be received by them from the office of the Comptroller & Auditor General (C&AG). As the approval from RBI is taking time, the shareholders present at the Annual General Meeting are requested to authorise the Board of Directors of SIDBI for appointment of Statutory Auditors of SIDBI for FY 2026-27 including terms of appointment/ remuneration, after receipt of panel of auditors from RBI.

Keeping in view that the expected time for receipt of RBI approval, M/s J Kala and Associates, shall act as auditors of the Bank for carrying out Limited Review of financial statements for the quarter ending June 30, 2026, and subsequent quarters as well should there be further delay in receipt of approval for appointment of auditors from the RBI.

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

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

EXPLANATORY STATEMENT PERTAINING TO ITEM NO. 4.

Pursuant to Sections 6 (1) (d) of the Small Industries Development Bank of India Act, 1989 **Shri Gopal Jha** has been nominated as a Non-Executive Director by State Bank of India w.e.f. October 23, 2025.

A brief resume of **Shri Gopal Jha** including the disclosures as required under the provisions of Listing Regulations, other requisite information, as required, is set out as an Annexure to the Notice/Annual Report.

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

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

However, as per Regulation 16, Explanation – In case of a 'high value debt listed entity': (a) which is a body corporate, mandated to constitute its board of directors in a specific manner in accordance with the law under which it is established, the non-executive directors on its board shall be treated as independent directors. In view of the above, based on representation made by SIDBI, SEBI vide its letter dated November 10, 2025 had permitted SIDBI to consider all the non-executive directors including nominee directors as independent directors in line with explanation to regulation 16, subject to compliance with the laws prescribed for appointment and constitution of Board as per SIDBI Act, 1989.

Accordingly, in terms of LODR 2015, SIDBI is required to obtain the approval of the members in this regard.

The Members are, therefore, requested to grant their approval by way of a Special Resolution for the appointment of **Shri Gopal Jha** as a "Non- Executive/Independent/Nominee Director" of the Bank to hold office w.e.f. October 23, 2025, not liable to retire by rotation.

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

EXPLANATORY STATEMENT PERTAINING TO ITEM NO. 5.

Pursuant to Sections 6 (1) (d) of the Small Industries Development Bank of India Act, 1989 **Dr. K S Mahesh** has been nominated as a Non-Executive Director by National Bank for Agriculture and Rural Development, NABARD w.e.f. December 05, 2025.

A brief resume of **Dr. K S Mahesh** including the disclosures as required under the provisions of Listing Regulations, other requisite information, as required, is set out as an Annexure to the Notice/Annual Report.

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

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

However, as per Regulation 16, Explanation – In case of a 'high value debt listed entity': (a) which is a body corporate, mandated to constitute its board of directors in a specific manner in

accordance with the law under which it is established, the non-executive directors on its board shall be treated as independent directors. In view of the above, based on representation made by SIDBI, SEBI vide its letter dated November 10, 2025 had permitted SIDBI to consider all the non-executive directors including nominee directors as independent directors in line with explanation to regulation 16, subject to compliance with the laws prescribed for appointment and constitution of Board as per SIDBI Act, 1989.

Accordingly, in terms of LODR 2015, SIDBI is required to obtain the approval of the members in this regard.

The Members are, therefore, requested to grant their approval by way of a Special Resolution for the appointment of **Dr. K S Mahesh** as a "Non- Executive/Independent/Nominee Director" of the Bank to hold office w.e.f. December 05, 2025, not liable to retire by rotation.

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

EXPLANATORY STATEMENT PERTAINING TO ITEM NO. 6

Background and context:

Applicable law:

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

(i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand or

(ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries

regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract.

The provisions of Regulation 62K of SEBI LODR 2015 are applicable to all transactions entered into on or after April 01, 2025. In terms of Regulation 62K of the LODR Regulations, as amended from time to time, any transactions with a related party shall be considered material, if the transaction(s) entered into / to be entered into individually or taken together with the previous transactions during a financial year, exceed the thresholds specified in Schedule XII of SEBI LODR 2015 (Linked to certain % of annual consolidated turnover of the listed entity) as per the last audited financial statements of the listed entity.

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

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

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

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

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

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

Applicability to Small Industries Development Bank of India:

Small Industries Development Bank of India ("Bank") has assessed the related party transactions in accordance with Regulation 2(1) (zc) of SEBI LODR 2025 and the Policy on Related Party Transaction of the Bank.

Approval of the shareholders is being sought in respect of Material RPTs that may take place during FY2027 against the Related Parties as given below.

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

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

Some of the above transactions may fall into the category of RPTs in terms of Regulation 2(1) (zb) of SEBI LODR 2015, due to the shareholding of SIDBI being held by GOI and entities owned/controlled by it and the presence of common directors nominated by GOI or GOI-controlled Institutions. These transactions are repetitive in nature and also in the interest of SIDBI or the subsidiaries to achieve their respective mandate. Accordingly, Omnibus approval has been obtained against these exposures for FY2027, from the Audit Committee. Actual transactions entered pursuant to this omnibus approval will also be put up for review by the Audit committee during the quarterly meeting of the Committee.

Related party transactions indicated in para above which are approved by Audit Committee, and which conform to the category of material RPTs as per the SEBI LODR 2015, are accordingly required to be placed for approval before the shareholders of the Bank in the ensuing Annual General Meeting. Approval sought from AGM is subject to the approval from Debenture Trustee (in respect of the new non-convertible securities issued by SIDBI during the current FY since April 01, 2025) as per the LODR Regulation 62K(5).

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

It is in the above context that item no. 6 is placed for the approval of the shareholders.

INFORMATION PURSUANT TO SEBI MASTER CIRCULAR SEBI/HO/DDHS/DDHS-POD-1/P/CIR/2025/0000000103 DATED JULY 11, 2025

(Chapter VIII)

Summary of information provided by the management to the Audit Committee		
Sr. No.	**Particulars**	**Details**
	Name	**SIDBI/MUDRA/SVCL/STCL**
1	Particulars of RPT / Type of RPT	Exposure as detailed in the resolution including funded and non-funded facilities, etc.
2	Material terms of RPT	The terms of transactions are subject to RBI norms and Bank's internal policies for products offered which are applicable to all customers (related/unrelated).
3	Name of the related party	As per the explanatory statement above
4	Relationship with SIDBI/MUDRA/ SVCL/STCL	As per the explanatory statement above
5	Nature of Related Party's concern or interest (financial or otherwise) with SIDBI	As per the explanatory statement above
6	Tenure of the proposed transaction	The related party transactions with the related parties are continuing business transactions, and approval of the shareholders is being sought for transactions for financial year 2026-27.
7	Value of the proposed transaction	Maximum value as per the Exposure norm approved by the Bank as per the explanatory statement above. The transactions with these entities are tentative in nature and may or may not happen depending on the market conditions, business negotiations and after review, and as per lending/investment policy of the Bank. Some of the above transactions may fall into the category of RPTs, due to the shareholding of SIDBI being held by GOI and entities owned/ controlled by it and the presence of common directors nominated by GOI or GOI controlled Institutions.
8	Consolidated Annual turnover of SIDBI for previous FY	Total Consolidated Income of ₹44,068 crore in FY2026.
9	Value of RPT as % of SIDBI's annual consolidated turnover for previous FY	It may vary depending upon the actual value of transaction within the exposure norm as per the explanatory statement above.
10	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by SIDBI	
11	Type of transaction (loans/ inter-corporate deposits/ advances or investments)	Exposure as detailed in the resolution including funded and non-funded facilities, etc.
12	Source of funds in connection with the proposed RPT at Sr. No. 11	As per the resource plan of the Bank/Subsidiary as approved by Board
13	If any financial indebtedness is incurred to undertake the above RPT at Sr. No. 11	
14	Nature of indebtedness	As per the resource plan of the Bank/Subsidiary as approved by Board
15	Cost of funds mobilised for the RPT	As per the market forces as decided by management of the Bank to meet the funding requirement.
16	Tenure of indebtedness	As per the requirement

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

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

Validity of omnibus approval for RPTs granted by shareholders: The shareholders' approval of omnibus RPTs approved in an AGM shall be valid up to the date of the next AGM for a period not exceeding fifteen months.

The Members may note that in terms of the provisions of the LODR Regulations, the related parties as defined thereunder (whether such related party is a party to the aforesaid transactions or not), shall not vote to approve resolutions under item no. 6.

None of the Directors and Key Managerial Personnel of the Bank or their relatives is concerned or interested in the resolution mentioned in item no. 6 of the Notice.

Accordingly, based on the review and approval of the Audit Committee, the Board of Directors recommends the item no. 6 of the accompanying Notice (by way of an ordinary resolution) to the shareholders for approval.

Head Office
SIDBI Tower, 15 Ashok Marg,
Lucknow-226001
Date: July 31, 2026
Place: Lucknow

By order of the Board of Directors
For Small Industries Development Bank of India

Sd/-
PRAKASH KUMAR
Deputy Managing Director

ANNEXURE

Details of Directors seeking appointment at the 28th Annual General Meeting of Small Industries Development Bank of India as required as per Regulation Listing Regulations.

Directors appointed after last AGM held on September 29, 2025

I. SHRI GOPAL JHA

Shri Gopal Jha is a seasoned banker, with a rich experience of more than 30 years in various capacities in State Bank of India. He is a Postgraduate from Lalit Narayan University, Darbhanga.

He has worked in various positions in the bank including that of Branch Manager of District Headquarter branches, Regional Head, Module Head and Network Head.

He currently occupies the position of CGM (SME & SCF) at SBI Corporate Centre, Mumbai and heading the MSME & Supply Chain Finance Vertical of the Bank.

II. SHRI K S MAHESH

Dr. K. S. Mahesh, Chief General Manager has been with National Bank for Agriculture and Rural Development for close to 30 years and he has served in various capacities in the States of Maharashtra, Uttarakhand, Tamil Nadu and Karnataka and is currently heading the Department of Refinance at Head Office, Mumbai. He had a four-year stint in NABARD Consultancy Services, a fully owned subsidiary of NABARD and a five-year stint as Chief Financial Officer of NABKISAN Finance Limited, an NBFC, subsidiary of NABARD. He also served as a Whole Time Director of the Company for more than a year and currently is a Nominee Director of NABARD on the Board of NABKISAN.

Dr. K. S. Mahesh holds a doctorate in Horticulture from Indian Agricultural Research Institute (Pusa), New Delhi. He also holds an MBA in Financial Services Management. His areas of specialisation include project formulation, appraisal and financing, credit planning, consultancy in agriculture and rural development areas and financing Farmer Producer Organisations, NBFC/MFIs, rural credit etc. He has undertaken several national and international level consultancy assignments.



SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA

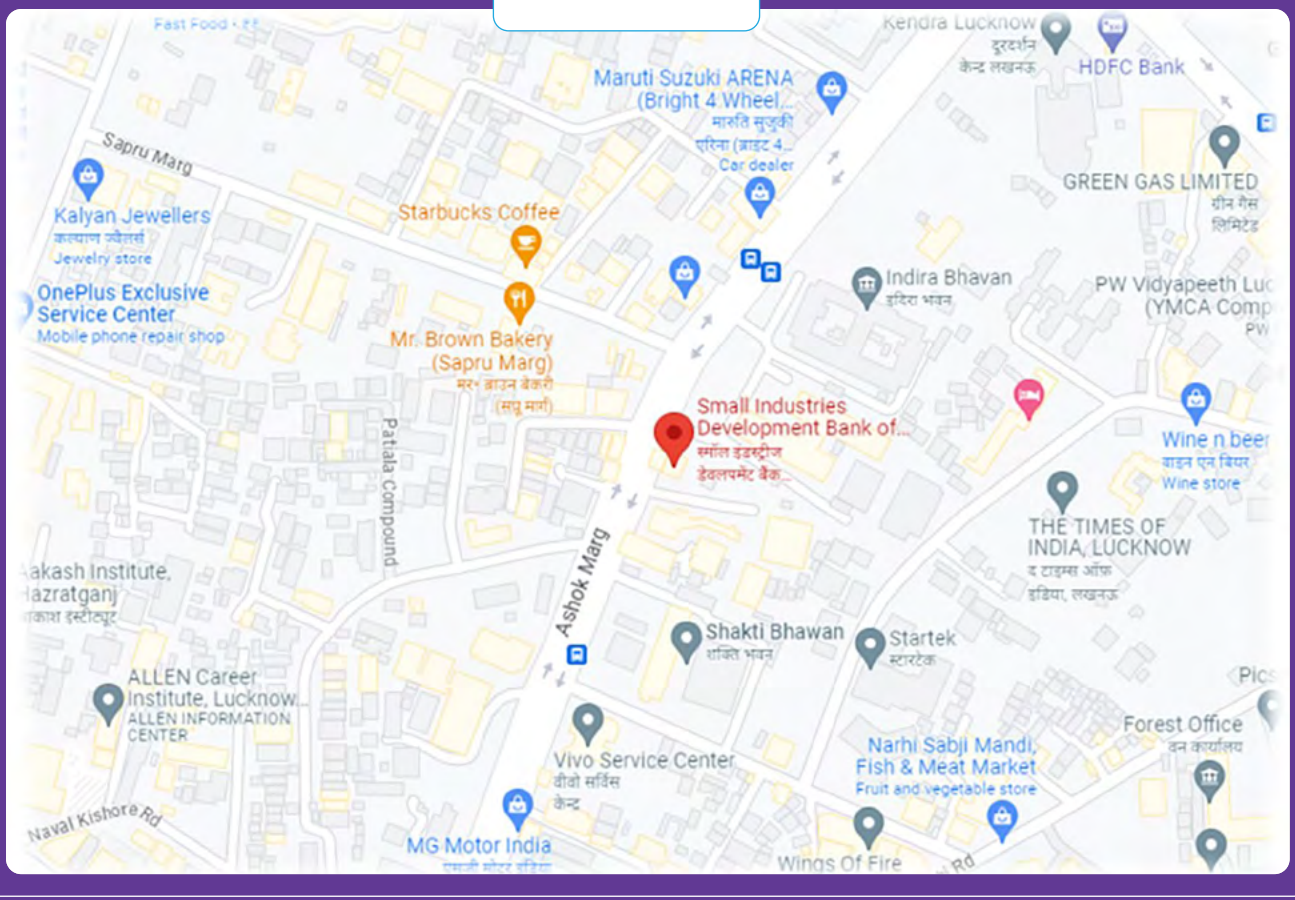
FORM B
FORM OF PROXY

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

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

Signed by the _____ day _____

ROUTE MAP



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

DIRECTORS' REPORT

FOR THE YEAR ENDED MARCH 31, 2026

TO THE MEMBERS,

Your Directors are pleased to present the Directors' Report together with Audited Financial Statements for the Financial Year ended March 31, 2026.

FINANCIAL PERFORMANCE AT A GLANCE

(₹ crore)

Particulars	Consolidated		Standalone	
	FY2026	FY2025	FY2026	FY2025
CAPITAL & LIABILITIES				
Capital	621	569	621	569
Reserves, Surplus and Funds	47,935	39,051	44,155	35,839
Deposits	2,25,165	2,24,751	2,05,037	1,95,600
Borrowings	3,69,119	3,17,037	3,61,560	3,17,264
Other Liabilities and Provisions	21,477	19,504	21,005	18,967
Total	**6,64,317**	**6,00,912**	**6,32,378**	**5,68,239**
ASSETS				
Cash and Bank Balances	13,364	24,975	11,684	17,672
Investments	30,204	45,354	31,759	46,938
Loans & Advances	6,11,318	5,23,038	5,79,755	4,96,282
Fixed Assets	288	280	287	280
Other Assets	9,143	7,265	8,893	7,067
Total	**6,64,317**	**6,00,912**	**6,32,378**	**5,68,239**
Total Income	44,068	40,753	41,940	38,511
Total Expenditure	36,291	33,282	34,750	32,113
Profit Before Tax	7,777	7,471	7,190	6,398
Tax Expense	1,895	1,875	1,697	1,587
Profit After Tax	5,882	5,596	5,493	4,811
Basic/Diluted Earnings Per Share ₹	103.99	98.43	96.56	84.62
Return on Assets (after Tax) (annualised) (%)	1.24	0.98	0.92	0.89
Capital Adequacy Ratio (%)	21.79*	21.33*	20.07*	19.62*
% of Gross NPA	0.11	0.03	0.12	0.04
% of Net NPA	0.00	0.00	0.00	0.00

*as per Basel III

I. STANDALONE

i. **Profit:** The Net profit of the bank increased by 14.2% to ₹5,493 crore in FY2026 from ₹4,811 crore in FY2025.

ii. **Net Profit Margin:** The Net Profit Margin marginally increased in FY2026 and stood at 13.10% vis-à-vis 12.49% during FY2025.

iii. **Total Income & Expenses:** Total income increased by 8.9% to ₹41,940 crore in FY2026 from ₹38,511 crore in FY2025 and total expenditure increased by 8.2% to ₹34,750 crore in FY2026 from ₹32,113 crore in FY2025.

iv. **Assets and Loans & Advances:** Total Assets increased by 11.3% to ₹6,32,378 crore in FY2026 from ₹5,68,239 crore in FY2025. Loans and advances made up 91.68% of total assets, reaching ₹5,79,755 crore as of March 31, 2026, up 16.8% from ₹4,96,282 crore a year earlier.

v. **Deposits:** The deposits witnessed an increase of 4.8% and stood at ₹2,05,037 crore in FY2026 from ₹1,95,600 crore from FY2025.

vi. **Borrowings:** Borrowings increased by 14.0% to ₹3,61,560 crore in FY2026.

vii. **Shareholders' Returns:** The Earnings per Share (EPS) of the bank stood at ₹96.56 in FY2026 as against ₹84.62 in FY2025. Return on Assets (after tax) increased to 0.92% in FY2026 from 0.89% in FY2025.

viii. **Share Capital:** 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. 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 to GOI. Accordingly, on March 31, 2026, the paid-up share capital of the Bank has increased by 5,27,56,529 to 62,12,97,698 Equity Shares of ₹10/- each. During the year under review, the bank has not issued any shares with Differential Voting Rights, nor has it granted any Stock Option or Sweat Equity. None of the Directors of the bank hold any equity shares in the bank.

ix. **Dividend:** The Board of Directors of SIDBI is pleased to recommend a dividend of ₹2 per share on equity share of the face value of ₹10/- each (dividend shall be on proportionate basis on 5,27,56,529 shares allotted to Government of India on March 30, 2026) for FY2026, for consideration of the shareholders.

x. **Asset Quality metrics:** The Gross NPA and Net NPA of the bank stood at 0.12% and 0.00%, respectively, as on March 31, 2026.

xi. Capital Adequacy Ratio was at 20.07% at end of FY2026, as per BASEL III.

II. CONSOLIDATED

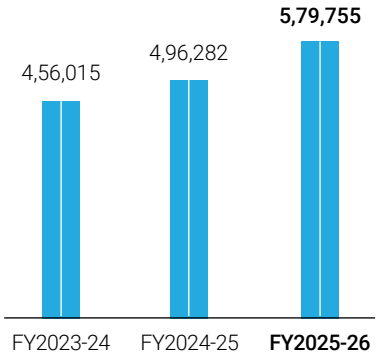
i. Total income of the bank increased by 8.1% to ₹44,068 crore in FY2026 from ₹40,753 crore from FY2025. The Net profit of the bank increased by 5.1% to ₹5,882 crore in FY2026 from ₹5,596 crore in FY2025.

ii. Earnings per Share (EPS) of the bank increased to ₹103.99 in FY2026 as compared to ₹98.43 in the previous Financial Year.

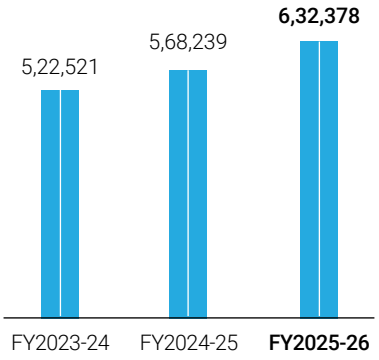
III. Progress of Implementation of IND-AS

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

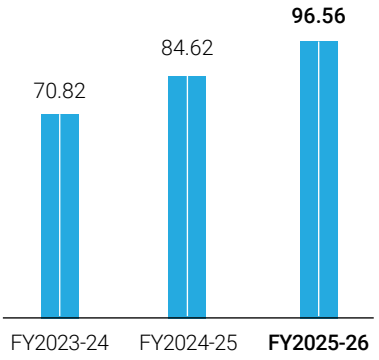
Loans and Advances (₹ crore)



Asset Base (₹ crore)



EPS (₹)



BUSINESS PERFORMANCE

I. CORE OPERATIONS AT A GLANCE:

(₹ crore)

Product Segments	Outstanding		YoY Growth %
	FY2025	FY2026	
Direct Credit	37,781	51,687	36.8%
Refinance to Banks	3,85,327	4,50,571	16.9%
Refinance to NBFC	64,189	70,916	10.5%
Refinance to MFI	6,054	3,173	(-)47.6%
Cluster Development Fund Scheme	2,931	3,408	16.3%
Total	**4,96,282**	**5,79,755**	**16.8%**

1. INSTITUTIONAL FINANCE

Institutional Finance accounts for approximately 90% of loans & advances of the bank. Outstanding under Institutional Finance was at ₹5,24,660 crore at the end of FY2026.

- **Refinance to Banks:**

The Bank provides refinance assistance to augment resources of Primary Lending Institutions (PLIs) to increase their flow of credit to MSMEs. The PLIs includes Public Sector Banks (PSBs), Private Sector Banks (PvSBs), Foreign Banks (FBs), Small Finance Banks (SFBs), Regional Rural Banks (RRBs) and Scheduled Urban Co-operative Banks (UCBs). Refinance outstanding portfolio was ₹4,50,571 crore as on March 31, 2026, as against ₹3,85,327 crore as at the end of FY2025 registering a Y-o-Y growth of 16.9%.

The refinance portfolio was spread across 52 PLIs, comprising 12 PSBs, 18 PVBs, 4 FBs, 8 SFBs, 8 RRBs and 2 UCBs. The number of outstanding beneficiaries covered under refinance was approx. 23.57 lakh MSEs. Further, during the year, 12.13 lakh beneficiaries were added which were spread over 758 districts (out of 785 districts) in 28 States and 8 UTs in the country. 5 new PLIs were added to the portfolio.

- **Refinance to NBFCs:**

The NBFC portfolio outstanding of SIDBI as at the end of FY2026 stood at ₹70,916 crore compared to ₹64,189 crore at the previous year's end, recording an annual growth of 10.5%. During the year, the Bank on-boarded 10 new NBFCs, with total outreach under all schemes reaching 74 NBFCs.

- **Refinance to Micro Finance Institutions (MFIs):**

The MFI portfolio outstanding of SIDBI as at the end of FY2026 stood at ₹3,173 crore compared to ₹6,054 crore as at the end of previous year. Microfinance sector



continued to face headwinds during FY2026, with elevated delinquencies and subdued disbursements persisting through most of the year. While early signs of stabilisation emerged towards the end of FY2026, supported by regulatory guardrails by SROs and improved credit discipline, a full-fledged recovery is yet to materialise. In view of the sectoral conditions, SIDBI adopted a cautious approach and moderated its loan portfolio under microfinance. The Bank, however, continued to extend term loans to well-performing and financially stable MFIs. Given the sectoral level stress and the slower flow of credit to MFIs, especially smaller MFIs, GoI announced a Credit Guarantee Scheme for Microfinance Institutions-2.0 (CGSMFI-2.0). SIDBI has since registered as a Member Lending Institution for CGSMFI-2.0 for extending financial support to eligible MFIs.

2. DIRECT LENDING

During FY 2025-26, Direct Lending recorded strong growth of 36.8%, driven by the timely rollout of structural and product-level interventions. The portfolio expanded through a combination of holistic initiatives supporting branch-network lending, enhanced engagements with partner institutions, and the scaling up of digital lending products.

- **Direct Lending - Branch Network**

SIDBI extends direct credit through its branch network to MSMEs. Some of the key initiatives under Direct Lending - Branch Network during FY2026 were:

BRANCH NETWORK EXPANSION

- In FY2026, the Bank successfully expanded its footprint with the opening of 39 new branches.
- This expansion enabled coverage of 20 additional industry clusters, increasing the total reach to 196 out of 242 major MSME clusters across the country with a total network of 166 branches.
- Further, 2 new Regional Offices at Mumbai and Indore were also opened.

BOOSTING WORKING CAPITAL

- The Working Capital portfolio (CC/OD schemes) registered a robust growth of ~ 42%
- An STP-based Working Capital product viz. DigiCASH was launched during the year
- Partnership with Bank of Baroda: A working capital arrangement with Bank of Baroda was established and made operational.
- Automated renewal of WC limits at existing levels was introduced, leading to improvement in turnaround time and operational efficiency.

PROCESS IMPROVEMENTS

- Delegation of powers at the Branch and Regional Office levels was further strengthened to enable faster decision-making and improved operational efficiency.
- Mid Corporate Lending Policy was introduced which targets borrowers with exposures above ₹50 crore, supporting larger ticket loans for registered firms and companies.

- **Direct Lending - Partner Institutions**

  To enhance outreach among MSMEs, SIDBI partnered with various financial intermediaries for extending direct credit leveraging the expertise and large network of channel partners viz. NBFCs, MFIs, Fintechs, BCs, etc.

KEY OPERATIONS UNDERTAKEN INCLUDE:

PRAYAAS Scheme

- SIDBI's Prayaas scheme provides assistance of ₹50,000 - ₹5,00,000 to Informal Micro Enterprises (IMEs) through a phygital journey. During FY2026, SIDBI continued to extend financial support to economically disadvantaged groups, particularly women, who constitutes 84% of the beneficiaries.

- By FY2026, the Bank extended ₹6,768.37 crore of credit to over 3.62 lakh micro enterprises through Prayaas.

- The Individual Enterprise Scheme (IES) under Prayaas comprising 100% women beneficiaries, continued to deepen its engagement with State Rural Livelihood Missions (SRLMs) and state-level agencies through Cluster Level Federations (CLFs). Building on this existing associations, in FY2026, MoUs were executed with Assam SRLM and Tamil Nadu Child and Women Development Corporation (TNCDW), thereby expanding the programme's institutional reach and geographic footprint.

- The IES scheme crossed a significant milestone with total sanctions to over 100 CLFs, while continuing to maintain a Nil NPA position. During FY2026, the Bank also introduced Prayaas Branch Empowerment and Enhancement Scheme (PBEES) for direct credit to micro-enterprises through SIDBI's Branch Network by way of a pilot through Branches under Guwahati Regional Office.

Co-lending operations

- **Co-lending with NBFCs:** Under co-lending arrangement with NBFCs, the Bank aims to provide affordable credit to smaller MSMEs. Cumulatively, as at the end March 2026, 11,184 beneficiaries were supported with outstanding portfolio at ₹3,913 crore, registering 118% year-on-year growth.

- **Co-Lending with Regional Rural Banks (RRBs):** Under the guidance of Ministry of Finance and approval received from RBI, SIDBI has engaged intensively with RRBs to arrive at a common co-lending policy framework. A comprehensive and end-to-end digital Credit Origination Platform for MSME onboarding was operationalised providing a fully digital customer journey, sanction, legal documentation, disbursement and collections. SIDBI has commenced training programs and onboarding of the RRBs on the platform. In first phase, 3 select RRBs viz. Rajasthan Gramin Bank, Maharashtra Gramin Bank and Uttar Pradesh Gramin Bank have been onboarded.





Purchase of Loan Assets from NBFC by way of Direct Assignment

SIDBI, through direct assignment has helped NBFCs/HFCs in providing immediate liquidity enabling them to meet their funding requirement to assist more customers. Small Finance Bank has been included as assignor under Direct Assignment Operations during FY2026 to reach out to increasing number of MSME beneficiaries. The direct assignment portfolio registered a growth of around 32% with outstanding as at end of FY2026 at ₹1,431 crore.

With the above initiatives, the direct lending through partner institutions portfolio nearly doubled with outstanding at the end of FY2026 at ₹7,049 crore, registering YoY growth of 26%.

DIRECT LENDING - DIGITAL

Apart from the digital products such as EXPRESS that is extended through the branch network, the Bank scaled up financing under GST Sahay and TReDS.

GST Sahay

- SIDBI launched a reference GST Sahay App using Open Credit Enhancement Network (OCEN) and Account Aggregator (AA) frameworks. The app facilitates 'on tap' invoice-based (cash flow based) small value credit to micro enterprises as a paperless journey from origination to repayment using trade data from GSTN, bank information through AA, Credit bureau status, e-sign, e-stamping, e-NACH, etc.
- The portfolio registered robust year-on-year growth of 345% with outstanding reaching ₹824 crore as at end of FY2026. During FY2026, 2,261 customers have been added, taking the aggregate number of sanctioned customers as on March 31, 2026, to 3,512.

TReDS

- During the year, SIDBI also onboarded the 5th Platform viz. DTX, thereby marking its presence in all 5 TReDS platforms. The portfolio also witnessed expansion with outstanding as at end of FY2026 reaching ₹3,278 crore, registering year-on-year growth of 65%.

  The digital lending portfolio i.e., GST Sahay and TReDS registered a year-on-year growth of 89% with outstanding as at end of FY2026 at ₹4,102 crore.

VENTURE DEBT / SEED FUND THROUGH INCUBATORS

Start-up Venture Debt Scheme: The venture debt framework for MSMEs and startups, launched by the Bank in FY2023, has been scaled up significantly over the past three financial years. The venture debt portfolio recorded a robust 31% year-on-year growth in FY2026, increasing to ₹526 crore.

Supporting India of tomorrow - Seed Fund through incubators: The Bank's unique model for seed funding of impactful and product/IP-driven startups, implemented in partnership with incubation centres, has resulted in expanded coverage. During FY2026, 2 new incubators were sanctioned a total amount of ₹23 crore under the seed fund corpus, taking the cumulative sanctioned seed fund corpus to ₹182 crore across 20 incubators. Both commitment and investments in startups gained significant traction during FY2026. Cumulative commitments increased from ₹46 crore (to 65 startups) as on March 31, 2025, to ₹90 crore (to 135 startups) as on March 31, 2026. As on March 31, 2026, SIDBI has invested ₹39.42 crore in 56 startups.

GREEN FINANCING

Presently, the green operation of the Bank covers two major green products/schemes (i) Green Finance Scheme (GFS) and (ii) End-to-end Energy Efficiency Finance Scheme (4E). These two green credit products target the financial needs of energy efficiency, renewable energy, clean transport, circular economy/ waste management and adaptation projects. While the GFS caters to the financing needs of green project loans in all the above-mentioned sectors proposed by both greenfield and brownfield enterprises, the 4E scheme promotes investment in energy efficiency and renewable energy requirements for the brownfield / existing enterprises.

During FY2026, SIDBI provided Green Loans to the tune of around ₹8,470 crore to 4,794 MSMEs. The Bank's Green portfolio stood at ₹15,893 crore as at the end of FY2026 with a growth of more than 29% compared to the last FY.

70%
Energy Efficiency investment

29%
Renewable Energy (Solar & Wind) portfolio

3.70 **Mn tCO_2 p.a.**
Cumulative GHG emission reduction

1,436 **GWh/annum**
Estimated energy savings

1.18 **million tonnes**
of CO_2 equivalent p.a. reduction of GHG emission



Implementation of MoMSME Schemes MSE-GIFT and MSE-SPICE:

SIDBI is the implementing agency for MSE Green Investment and Financing for Transformation (MSE GIFT) and MSE Scheme for Promotion and Investment in Circular Economy (MSE-SPICE). Both these schemes were launched during December 2023 by the Ministry of MSME. The schemes encourage sustainable, eco-friendly practices and renewable energy use in Micro and Small Enterprises (MSEs) by offering concessional financial assistance, such as interest subventions or subsidies, for investing in green technologies.

During FY2026, out of the total green loans extended by SIDBI, 3,070 green loans were covered under MSE-GIFT Scheme of Ministry of MSME for providing Interest Subvention (IS). SIDBI as a Project Management Unit (PMU), approved more than 5,700 IS claim applications amounting to more than ₹28 crore benefiting more than 5,200 MSEs up to FY 2025-26.

Further, during FY2026, 18 circular economy projects were assisted under MSE-SPICE Scheme of Ministry of MSME which provides Capital Subsidy to MSEs.

Green Climate Fund (GCF) Projects: SIDBI is also managing various GCF projects:

- **Avaana Sustainability Fund (ASF):** ASF is a USD 135 million (₹1,134 crore) venture capital fund that aims to invest in early-stage climate technology companies in India. The fund focusses on supporting the transition to low-carbon and climate-resilient development pathways by investing in innovative technologies across key sectors such as sustainable resource management, mobility and supply chains, and sustainable agriculture and food systems. SIDBI has been instrumental in getting financial support of USD 24.5 million from Green Climate Fund for the ASF programme. As of March 31, 2026, SIDBI had drawn ₹110.60 crore from the Green Climate Fund, of which ₹81.97 crore was disbursed to ASF to support climate-friendly startup initiatives across 16 startups.

- **Financing Mitigation and Adaptation Projects (FMAP) in Indian MSMEs:** SIDBI through this programme aims to develop and demonstrate an ecosystem targeted at promoting low emission and climate resilient technologies. To achieve this objective, the programme combines a USD 200 million GCF concessional loan with USD 800 million of SIDBI co-financing to create a USD 1 billion lending facility, which is further leveraged through participating financial institutions (PFIs) and private capital to reach a total indicative project size of USD 3.79 billion. Under the programme, it is envisaged to finance 60% of the programme outlay towards mitigation interventions and 40% to adaptation activities. The programme targets emission reductions of 35.34 million tCO_2e and benefits to 10.8 million beneficiaries. As of March 31, 2026, the first tranche of USD 40 million has been received from GCF and outstanding under FMAP programme is ₹298.37 crore against 201 projects.

- **Building Eco-system for Accelerating Contribution to NDC through Climate Innovation Incubation for India (BEACON INDIA):** BEACON INDIA programme of USD 25 million aims to establish India's first dedicated climate innovation incubation and focusses on identifying, incubating, and scaling climate-tech startups working across renewable energy, low-emission transport, industrial decarbonisation, climate-resilient agriculture, water, and livelihood solutions. SIDBI is the Accredited Entity, with implementation support from the Executing Entities (EEs) viz., (i) Tiruchirappalli Regional Engineering College – Science & Technology Entrepreneurs Park (TREC STEP) for incubation and (ii) Tata Capital Limited (TCL) for climate finance deployment.

Risk Mitigation Strategy:

SIDBI has already been running thematic Risk Sharing Facility (RSF) on Energy Efficiency, Municipal Solid Waste and Electrical Vehicles. In FY2026, SIDBI operationalised the Empower Nanopreneurs for Green Transition (EN Trans RSF), a risk sharing facility that provides portfolio-level credit risk coverage to financial institutions for financing green assets, enabling low income, last mile nanopreneurs to adopt clean and climate-friendly solutions.

Cluster Initiatives:

Building on SIDBI's Project Green Inclusivity (GRiT), SIDBI has launched the Green Rural Industrialisation Program (GRIP) for Viksit Bharat, along with the GARV incentive scheme, to promote sustainable rural enterprises, employment generation, and reduced migration. The pilot initiative is being implemented in jaggery clusters of Uttar Pradesh, targeting & incentivising 50 early mover units for modernising their conventional operations into energy efficient furnaces, electric crushers, solar solutions and other green interventions. Baseline energy audits were carried out in 190 jaggery enterprises, and 5 enterprises have already implemented the suggested green interventions. Initial results showed 25% bagasse / raw material savings, 15% increased jaggery production, 12–15% energy savings, reduced emissions, diesel substitution with solar power, improved rural livelihoods and reduced occupational health hazards.



INITIATIVES IN FOCUS



MODERNISATION OF RURAL ENTERPRISES (MoRE)

SIDBI has been actively promoting sustainable development across the MSME ecosystem by supporting initiatives that enhance competitiveness while encouraging MSMEs to adopt environmentally responsible practices. With the objective of scaling up sustainable interventions across rural enterprise, mainly focussed on technology upgradation of traditional rural enterprises, through a cluster-centric approach, SIDBI has designed a programme titled "Modernisation of Rural Enterprises (MoRE)", formally launched by the Hon'ble Finance Minister on May 25, 2026.

The MoRE Programme will initially focus on clusters involved in jaggery making, metal melting, flour mills, pottery, and sawmills. It is proposed to support approximately 10,000 enterprises through a mix of Grant and Performance Incentive support (to grassroot Implementing agencies) with thrust on facilitating credit linkages (for the end beneficiaries).

CASH FLOW BASED LENDING TO SMALL MERCHANTS AND RESTAURANT PARTNERS

SIDBI has successfully launched unsecured lending solutions for merchants on the PhonePe platform and restaurant partners on the Swiggy platform through strategic co-lending partnerships with NBFCs. The model promotes cash flow-based unsecured lending while reducing the cost of credit for small merchants and restaurant partners. Additionally, the provision of convenient daily repayment mechanisms aligns loan servicing with borrowers' cash flow cycles, thereby enhancing repayment comfort and financial discipline.

Such initiatives reaffirm SIDBI's commitment to advancing financial inclusion and empowering MSMEs through technology-driven collaborations with non-bank lenders and Technology Service Providers (TSPs).

MACHFIN MART – SIDBI'S MACHINERY MARKETPLACE

MachFin Mart is SIDBI's digital machinery marketplace, integrating machinery discovery, OEM engagement and financing support on a single platform. It enables MSMEs to compare machinery, connect with manufacturers and seamlessly transition to SIDBI's digital loan application journey. The platform supports technology upgradation, capacity creation and wider market access for OEMs. It was launched by the Hon'ble Union Finance Minister on May 25, 2026, during SIDBI's Foundation Day programme.

CO-LENDING WITH RRBs

SIDBI has worked closely with RRBs to develop a common co-lending framework for timely pilot implementation. An end-to-end digital Credit Origination Platform for MSME onboarding was conceptualised, developed and made live in about four months, enabling digital customer journey, sanction, documentation, disbursement and escrow-based collections for loans up to ₹200 lakh. Training and onboarding of RRBs have commenced, with Rajasthan Gramin Bank, Maharashtra Gramin Bank and Uttar Pradesh Gramin Bank being onboarded in the first phase; the arrangement will be extended to other RRBs after process stabilisation. This programme was also launched by the Hon'ble Union Finance Minister on May 25, 2026.

3. SIDBI CLUSTER DEVELOPMENT FUND

Availability of financial resources is a major constraint for infrastructure development in MSME clusters. To bridge the gap, Government of India entrusted SIDBI with a low-cost fund - "SIDBI Cluster Development Fund (SCDF)," wherein the Bank is supporting State /Union Territory Governments towards development of Infrastructure for MSME clusters.

Under SCDF, the Bank has committed funds of ₹6,918 crore across 158 projects across 16 states and 2 UTs governments. The fund supports a wide range of initiatives, including upgrading Polytechnics and ITIs into Centres of Excellence, establishing Common Facility Centres (CFCs), developing integrated industrial complexes, improving connectivity through road strengthening for industrial/tourist estates, constructing workers' hostels, and implementing Plug & Play Multi-Floor Manufacturing Complexes (MFMCs). The outstanding under the portfolio as on March 31, 2026, stood at ₹3,408 crore.



4. EQUITY FINANCE

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

Fund of Funds operations:

- **Fund of Funds for Startups (FFS):** The Fund of Funds for Startups (FFS), with a corpus of ₹10,000 crore, supports SEBI-registered venture capital funds and Alternative Investment Funds (AIFs) to catalyse investments into startups. FFS has exceeded its initial allocation target with gross commitments of ₹12,423 crore across 161 AIFs, achieving this milestone well ahead of the originally envisaged timeline of March 2026. Building on the strong performance and impact of FFS, the Government of India has notified the Startup India Fund of Funds 2.0 (FoF 2.0) with a corpus of ₹10,000 crore for the purpose of mobilising venture and growth capital for the startup ecosystem of the country.
- **ASPIRE Fund of Ministry of MSME, Government of India:** SIDBI is managing the ASPIRE Fund worth ₹310 crore which is aimed at supporting startups in the agri and rural industries' sector. SIDBI has committed ₹218 crore across 11 AIFs under the scheme, thereby strengthening grassroots entrepreneurship and fostering inclusive economic development.

State Fund of Funds:



Odisha Startup Growth Fund

Operationalised during FY2024, against corpus of ₹100 crore, the fund has been fully committed to 5 AIFs, thereby supporting the growth of startups within the state.



Uttar Pradesh Startup Fund (UPSF)

UPSF has been instituted to transform the state into a vibrant, innovation driven startup hub. The total fund reached ₹525 crore, with commitments of ₹285 crore made to AIFs.



Fund of Funds for Telangana

SIDBI has entered into an MoU with the Government of Telangana to establish a Fund of Funds in line with the FFS framework, aimed at strengthening and nurturing the startup ecosystem in the state.



Fund of Funds for Maharashtra

With corpus of ₹100 crore, the fund of funds was set up in FY2025 for Maharashtra-based startups.

Operations under India Microfinance Equity Fund (IMEF):

The Government of India launched IMEF to provide equity support to smaller microfinance institutions (MFIs) to promote economic empowerment and financial inclusion. The scheme was modified in November 2025 with the approval of Department of Financial Services, Ministry of Finance, GoI, to enhance the impact of the scheme and to make it more relevant for the entities in the microfinance ecosystem.

₹1,000 Crore VISION Fund

SIDBI out of its own balance sheet exposure has established a Fund of Funds scheme viz. VISION (Venture Investment by SIDBI for Inclusive Opportunities in Nation-building Enterprises) with a corpus of ₹1,000 crore for investment in SEBI registered Category I and II Alternative Investment Funds (AIFs).

The Fund will invest in SEBI-registered Category I and II AIFs to provide patient capital to MSMEs and startups, particularly in national priority and frontier sectors such as advanced manufacturing, defence, space technology, semiconductors, artificial intelligence, biotechnology, and other deep-tech domains. This initiative is expected to further strengthen India's innovation ecosystem and support strategic sectors.

Anchor Investment of SME IPOs and Pre-IPO Investment

SIDBI has launched new schemes for anchor investment in SME IPOs and Pre-IPO equity investments in MSMEs. Both Pre-IPO and anchor investment are critical for aspiring MSMEs which lack credible institutional investors. SIDBI's participation is envisaged to bring in funding and institutional validation as also catalyse benefits in terms of enhanced corporate governance, quality / process consciousness and journey towards growth with excellence from involvement of institutional equity investors. Notably, the first issue wherein SIDBI participated as Anchor Investor witnessed huge demand and oversubscription. During the year, Bank actively undertook outreach and awareness creation events in important MSME clusters to sensitise MSMEs on the benefits of equity funding and listing for innovation and quality driven MSMEs as also the roadmap/compliance requirement in this regard.

II. Project Sankalp - Medium-Term Corporate Strategy

- During the year, the Bank embarked on implementation of its Medium-Term Corporate Strategy [MTCS] named 'Project Sankalp'.

- Under the project, the Bank has identified 4 key priority pillars comprising Direct Credit, Institutional Finance, Programmes for Development & Impact & MSME ecosystem development, and five supporting structures, i.e. partnerships & platforms, resources, risk management, talent & productivity and impact, for realising the growth potential under the priority areas.

III. Risk Management

The Bank has established robust Risk Management System that covers various areas such as Credit Risk Management, Market Risk Management, Operational Risk Management, Internal Capital Adequacy Assessment Process, Information Security Risk and Business Continuity Management. The Bank's Risk Management Committee monitors and manages the risks involved in its activities.

The Bank has following Risk Management Policies in place for various associated risks and its mitigation: Enterprise Risk Management (ERM) Policy, Security & Collateral Management Policy, Operational Risk Management (ORM) Policy, IT Security Policy, Cyber Security Policy, Business Continuity Management (BCM) Policy, Internal Capital Adequacy Assessment Process (ICAAP) Policy, Country Risk Management Policy, Investment Policy, Internal Control Guidelines for Derivatives (ICGD), Model Validation Policy, Basel-III Disclosure Policy, Consolidated Policy of Market Risk Management, Asset Liability Management and Liquidity Management, Outsourcing Policy, Fraud Risk Management Policy.



Initiatives during the year:

(a) Credit Risk Management initiatives: The calibration of NBFC and MFI rating models was undertaken to provide a more precise stratification of these entities, supporting more nuanced credit risk evaluation and enabling improved lending decisions. Automatic system-based Risk Appetite Framework (RAF) alerts were expanded and refined in line with ERM policy, enhancing daily monitoring and enabling timely corrective actions, while Credit Exposure Review was automated and broadened in scope, strengthening fortnightly oversight of exposures.

(b) Adoption of a new digital tool and automation: An end-to-end automated workflow for rating validation has been implemented in SMART (SIDBI Multifunctional Appraisal and Rating Tool). This marks a significant step towards the Bank's automation and digitisation goals, while also improving turnaround time (TAT). Further, a real-time dashboard has been developed to provide comprehensive reporting on portfolio quality.

(c) Operational Risk Management Initiatives: ORM Policy has been revamped in line with RBI's Guidance Note on Operational Risk Management and Operational Resilience dt. November 28, 2025, incorporating regulatory expectations and industry best practices. Embedded Operational Resilience framework covers Business Impact Analysis, critical operations identification, inter dependency mapping, ICT & cyber resilience, and incident management.

(d) Market Risk Management Initiatives: The Bank has adopted regulatory guidelines with respect to calculation of Net Overnight Open Position (NOOP) in accordance with the Master Directions on Risk Management and Interbank Dealings updated on September 22, 2025, and Reserve Bank of India (All India Financial Institutions (AIFIs) - Prudential Norms on Capital Adequacy) Directions, 2025 dated November 28, 2025.

(e) Global Standards Certifications: During the year, the Bank successfully accomplished recertification cycle to latest industry global standard – ISO/IEC 27001 Information Security Management System. The Bank also completed the SWIFT Customer Security Controls Framework (CSCF) 2025 assessment, covering mandatory and advisory controls for securing the SWIFT messaging environment. These initiatives reinforce the Bank's commitment to robust information security governance, continuous risk management, and alignment with global standards and regulatory expectations.

IV. NPA MONITORING

The Bank continued to play a significant role in strengthening the asset quality and recovery architecture of the Bank through policy reforms, focussed legal enforcement, technology-enabled monitoring, and coordinated recovery initiatives. The continued emphasis on value maximisation, revival of viable MSMEs, strong action in fraud and wilful default accounts, and timely resolution of stressed assets has contributed towards maintaining robust asset quality indicators and improving overall recovery efficiency of the Bank.

During FY2026, the total recovery stood at ₹181.97 crore under Direct Credit and ₹23.67 crore for Indirect Finance. While Gross NPA of the Bank at the end of FY2026 stood at ₹684 crore (as against ₹183 crore in FY2025), Net NPA was Nil (as against Nil in FY2025).

V. PUBLICATIONS AND OUTREACH

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



MSME Pulse

An initiative by SIDBI-Transunion CIBIL, tracks credit health of MSMEs, offering insights to institutional lenders and stakeholders.



SUMPOORN

An MSME Economic Activity Index – Sumpoorn designed by SIDBI and Jocata. This MSME specific high frequency indicator captures the economic activity of India's growth engine with regards to MSMEs.



Small Business Spotlight

An initiative by SIDBI-CRIF High Mark, offers insights on those businesses that have an aggregated credit exposure not exceeding ₹5 crore from the formal lending system. The report accounts the enterprises in the commercial bureau and also individual proprietors who have taken loans for "business purpose" in their individual names.



MSME Outlook Survey

A quarterly pan-India survey of about 1,200 MSMEs on parameters ranging from business performance to availability of skilled labour, employment generation, capacity addition, financial access, cost of funds, ease of doing business, etc., to capture the MSMEs' assessment of current business situation and the future expectations. The survey aims to address the critical data gap in the sector by producing MSME Business Confidence Index (M-BCI) and MSME Business Expectations Index (M-BEI).



Microfinance Pulse

A SIDBI-Equifax quarterly report on credit trends in the Microfinance sector providing data-backed policy insights on the sector.

VI. DIGITAL INTERVENTIONS FOR MSME SECTOR

The Bank has leveraged the fast-maturing digital ecosystem in the country to digitise its internal credit processes, create impactful digital platforms for use by MSME ecosystem and for devising innovative credit delivery mechanisms using India's best-in-class Digital Public Infrastructure (DPI) and other Fintech advancements. Some of the important MSME ecosystem level interventions perused by the Bank, during the year, are the MSME Formalisation Project and UAP Credit Market Place especially for Informal Micro Enterprises (IMEs) registered under UAP during the MSME Formalisation Project.

- **MSME Formalisation Project:** Udyam Assist Platform (UAP) is a digital platform for the registration of Informal Micro Enterprises. This platform was inaugurated by the Hon'ble Minister of MSMEs, GoI on January 11, 2023, for registration of non-GST registered entities. During the year, the Bank enabled several functionalities on the UAP platform. Development of standard APIs has not only helped in establishing a more real time connect for registration of IMEs but has also facilitated addition payment aggregators as designated agencies.

  UAP has also been digitally integrated with Digi locker for easy storage and retrieval of Udyam Assist Certificates. It has also been integrated with the Procurement and Marketing portal for easy linkage with government schemes for the MSMEs. Further, the Bank has also imparted trainings and hand holding support during the training programmes conducted by RBI for designated agencies. The easy accessibility, user-friendly functionalities on the UAP and the hand holding support provided by the Bank has ensured the registration of 61 lakh additional IMEs during the year thereby taking the total registration of IMEs in the UAP portal to 326 lakh as on March 31, 2026.

  The Bank has also undertaken the project for establishing a credit connect for UAP registered entities through UAP Credit Marketplace. The credit marketplace is an end-to-end digital platform with features such as many to many connect, configurable BREs based on alternate date sources, AI-layered contact point verification app etc. The project also aims to develop UAP as a digital public infrastructure for credit underwriting for IMEs with the facility for storage and update of business data and information. UAP Credit marketplace has moved in live environment with SIDBI as a single lender under pilot stage.

- **GST Sahay Platform:** GST Sahay platform has been built using OCEN and AA framework for providing invoice-based financing for small value credit to micro-enterprises.

  The scope of GST Sahay platform has also been enhanced by addition of the term loan facility for business entities. This programme was initiated in the last FY with introduction of Business Loan product on the digital rails of GST Sahay platform. This has further been enhanced by addition of term loan facility for Jan Aushadhi Kendras (JAKs) during the last quarter of FY2026 – a new tech product for providing term loan (up to ₹4 lakh) for setting up of new Jan Aushadhi Kendras (JAKs).



VII. FACILITATOR ROLE

SIDBI also plays a key role in managing the various government schemes of the Government of India. Some of the major programmes are listed below:

PM SVANidhi

The Ministry of Housing and Urban Affairs (MoHUA), Government of India, has been implementing the Prime Minister Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) since June 1, 2020, to provide microcredit to urban street vendors impacted by COVID-19. In August 2025, the Union Cabinet has approved the restructuring and extension of the scheme until March 2030.





PM Vishwakarma

Ministry of Micro Small & Medium Enterprises (MoMSME) implements PM Vishwakarma scheme which aims to enhance the quality and reach of products and services by artisans and craftspeople.

Production Linked Incentive (PLI) Schemes

SIDBI manages PLI Schemes for Pharmaceuticals (₹15,000 crore) and Telecom (₹12,195 crore).



Scheme for Strengthening of Pharmaceuticals Industry (SPI)

Department of Pharmaceuticals (DoP), Ministry of Chemicals and Fertilisers is nodal agency for the scheme. The SPI Scheme (₹500 crore till FY 2025-26) supports productivity in pharma clusters and MSMEs.





National Livestock Mission (NLM) Scheme and Animal Husbandry Infrastructure Development Fund (AHIDF) Scheme

SIDBI is the implementing partner for National Livestock Mission (NLM) Scheme and Animal Husbandry Infrastructure Development Fund (AHIDF) Scheme being implemented by Department of Animal Husbandry and Dairying, Ministry of Fisheries, Animal Husbandry and Dairying (DAHD). SIDBI also plays the role of fund channelising agency for NLM Scheme.

Common Facilities for Medical Devices Cluster Scheme (CFMDC)

SIDBI is the Project Management Agency (PMA) of the scheme being implemented by Department of Pharmaceuticals (DoP), Ministry of Chemicals and Fertilisers.



Special Credit Linked Capital Subsidy Scheme (SCLCSS)

SCLCSS offers a 25% capital subsidy for SC/ST MSEs upgrading technology. Since the launch of the Scheme, capital subsidy claims aggregating ₹244.31 crore to 2,091 units have been released through SIDBI. During FY 2025-26, claims aggregating ₹25.37 crore to 245 units have been released.



VIII. PROGRAMMES FOR DEVELOPMENT & IMPACT

FY2026 marked a transformational phase for promotion & development activities of the Bank, with a strategic shift towards engaging the entire lifecycle of MSMEs, from aspiring entrepreneurs to mature enterprises, through a cluster-centric, partnership-led, and ecosystem-driven approach. A defining feature of FY2026 was convergence across initiatives, ensuring continuity from awareness to enterprise growth.



MAJOR INITIATIVES

SIDBI MSME Samvaad – National Awareness Program for MSMEs

The Bank launched SIDBI MSME Samvaad, a fortnightly television programme in collaboration with Prasar Bharati. The programme focusses on MSME growth, financial inclusion, and sustainability by translating complex issues into actionable insights through expert discussions, real-life success stories, and direct responses to MSME queries. Episodes aired on DD National and multiple regional language channels, with growing traction on social media, enabling nationwide outreach and aspiration-building among entrepreneurs. The programme brings together thought leaders, policymakers, and practitioners to discuss MSME growth, financial inclusion and sustainability.



Development of Industry Associations (DIA)- Cluster-Based Engagement and Credit Linkage

DIA aims at strengthening Industry Associations (IAs) in industrial clusters across India. DIA emerged as a flagship cluster-centric initiative, partnering with 105 IAs across the country. The initiative facilitated outreach to over 53,000 MSME members and capacity building of around 12,500 MSMEs through structured training, webinars, and thematic knowledge dissemination. A portal (https://dia-msme.in/home) has been activated wherein they can access information on GoI offerings to MSMEs, enjoy networking, host product/services catalogue and access credit and non-credit services.



MoU with Bank of Baroda for co-financing MSMEs

SIDBI entered into a strategic MoU with Bank of Baroda (BoB) to leverage the complementary strengths of both institutions in supporting MSMEs. The collaboration envisages joint and co-financing of MSMEs, renewable energy and sustainability projects, enhanced trade finance solutions, startup support, working capital platform integration, and capacity-building initiatives, thereby expanding credit access and strengthening the growth ecosystem for MSMEs across India.



Nurturing Global Champions from Indian MSMEs & Startups

SIDBI started a programme series 'Nurturing Global Champions from Indian MSMEs & Startups' to begin a strategic dialogue on how India can create enterprises that not only succeed domestically but also emerge as leaders on the global stage. The event brought together renowned experts, industry leaders, policymakers, and financial institutions to discuss the critical enablers of global competitiveness, including access to capital, technology, innovation, mentorship, and supportive policy frameworks.





- **Rural Enterprise Development – Expanding the Development Mandate**

  During FY2026, SIDBI has undertaken a few developmental interventions to strengthen agriculture-led enterprises by supporting Farmer Producer Organisations (FPO) in setting up processing centres, thereby promoting value addition, formalisation, and improved market access. As part of the above initiatives, SIDBI supported FPO-led, community-owned agri enterprises in underserved rural clusters in Tamil Nadu. In Tamil Nadu, Project REVIVAL in Thanjavur supports more than 500 largely women farmers through a Common Facility Centre for traditional rice varieties, value-added products such as rice flour, batter and idiyappam, and market linkages under the NELVITA brand. Project SPICE in Virudhunagar supports over 1,000 Samba chilli farmers through a CFC for cleaning, drying, grading, processing and packaging products such as chilli powder, flakes and whole chilli under the VALARI brand. Both projects combine blended finance, capacity building, technology adoption, branding and digital/institutional market access, helping farmers move from raw produce sale to value-added enterprise activity while reducing post-harvest losses and improving income opportunities.

- **Intervention in Northeastern states**

  Given the structural challenges of the Northeastern region, such as geographical remoteness, limited market access, fragile livelihoods, and restricted economic opportunities, there is a critical need for targeted, place based development interventions. In this context, SIDBI has supported focussed initiatives in NER to strengthen local value chains and create shared infrastructure, enabling sustainable rural entrepreneurship and improving economic resilience.

  Project SILK ROUTE is being implemented across Assam, Meghalaya, and Nagaland which focusses on empowering 1,000 rural women by skilling them in silk value chain activities, facilitating access to quality certification through Rural Experience Centres, and supporting procurement of solar-powered silk reeling/ spinning machines. The initiative also includes business planning, credit linkages, and onboarding onto the Gram Sootra e-marketplace to ensure sustainable income generation and market access. Demonstrating strong progress, the project has already trained over 1,900 women beneficiaries, credit-linked over 220 women, and onboarded over 900 beneficiaries on the Gram Sootra portal (an exclusive silk e-market place specially made for artisans).

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

  Complementing the recommendations of the U.K. Sinha Committee, Cluster Intervention Programme aimed to provide non-financial, soft intervention programme that focussed on capacity building and ecosystem strengthening within MSME clusters. Under CIP, SIDBI supported activities such as cluster diagnostics, skilling and reskilling, technology adoption, quality improvement, marketing support, governance strengthening of associations, sustainability initiatives, and pilot projects with the objective to enhance competitiveness, productivity, and resilience of MSMEs by addressing soft gaps that individual enterprises or associations faced challenge to resolve. During FY2026, a total of 210 interventions were undertaken benefitting more than 11,500 MSMEs across 18 states which helped in improving workforce capacity building and upskilling, productivity and quality improvement, digital awareness, ESG sensitisation, market readiness and development finance inclusion, digital and technological upgradation.

IX. CSR INITIATIVES

SIDBI Swavalamban Foundation

SIDBI Swavalamban Foundation (SSF), a distinct arm of SIDBI registered as a section 8 company, undertakes the Corporate Social Responsibility (CSR) activities by providing grant support to various non-profit organisations viz., charitable trusts, societies, cooperatives, SHG Federations, Producer Organisations, etc. SSF caters to the bottom of the pyramid sections and sub-sections of the society with special emphasis on creating positive impact on the lives of informal workers, women, children, Divyangjan, underprivileged youth, tribals, and the elderly.

During FY 2025-26, SSF implemented CSR programmes across 18 States and Union Territories, positively impacting over 32,000 beneficiaries thereby reaching out to women, tribals, backward castes, children and youth mainly from rural, semi-urban, unserved/underserved and remote areas.



Some of the impactful CSR projects undertaken by SSF during FY2026 are as under:

Climate-resilient school infrastructure for a Govt. school using indigenous pastoral fibre-based insulation in Leh, Ladakh. The initiative insulated 4 classrooms in Government High School in Matho, Chushot, Leh through Magra wool bought from local sheep herders thereby supporting them through generation of their livelihood income to the tune of approx. ₹2 lakh, benefiting around 70 students at the school by providing them with a conducive environment to study in harsh winter and also reducing fossil fuel use and CO_2 emissions. Thus, the project has created a positive impact across areas like education, livelihood and environment.

Promoting SHGs / collective women micro-enterprises to strengthen livelihoods in Jaisalmer: Under the project, 235 women beneficiaries from Jaisalmer were mobilised and registered under a women's cooperative named as "Prabha"- Prathmik Mahila Bahuudeshiye Sahakari Samiti Limited, Kanoi, Jaisalmer for promoting embroidered products and handicrafts of the region. 30 MSME registrations were facilitated for women beneficiaries to formalise their enterprises. 'PRABHA', a local women handicraft brand promoted under the project now stands for representing the lost tradition and culture of Jaisalmer.

Establishment of AI Centre of Excellence at Nagaland Tool Room & Training Centre (NTTC), Dimapur for Skilling Unemployed Youth in Nagaland. The project has established AI Centre of Excellence with 2 classrooms at NTTC, Dimapur and is training youth in batches thereby equipping them in 2 trades of AI, Software Coding and Robotics and in AI enabled handloom and handicraft production. Further, 75% of trained beneficiaries will be placed or self-employed within 3 months of post training. The project will enable use of AI tools to enhance productivity, commercial value and market appeal of handicraft products.

'My Village My Business' (Individual Entrepreneurship Development) programme and setup of Micro Enterprise Learning Hub - EmpowerX (स्व-रोजगार सृजन केंद्र): The project promoted and supported 200 women/disabled youth from rural areas of Dholpur and Sawai Madhopur in Rajasthan in starting their small businesses by providing them seed capital for creating stock and enabling them to earn a sustainable livelihood and gain the respect they deserve in society. Also, practical learning opportunities for youth interested in setting up a Micro Enterprise through required knowledge and skillset was provided in the EmpowerX Lab (स्व-रोजगार सृजन केंद्र).

X. INTERNAL AUDIT MANAGEMENT

The Bank conducts Risk-Based Internal Audits (RBIA), Concurrent Audits, Compliance Audits, and special/ad hoc audits, including IT, cybersecurity, and sustenance audits, covering Branch Offices, Regional Offices, and Head Office Verticals. Audit processes were further digitised with system generated RBIA reports, digital risk rating matrices, and streamlined compliance acceptance modules, resulting in faster audit cycles and improved monitoring. Appointment methodology for Concurrent Auditors was strengthened through creation of a larger auditor pool and structured handholding sessions for newly appointed auditors. Automation of quarterly feedback and mandatory UDIN has been introduced to facilitate enhanced audit quality, consistency, and credibility. Timely scrutiny and acceptance of audit compliances were ensured, with periodic reporting of major observations and closure status to the Audit Committee of the Board, reinforcing compliance discipline. IS audits, VAPT reviews, and sustenance audits relating to RBI IT Examination and CSITE observations enhanced digital resilience and system reliability.

XI. HUMAN CAPITAL MANAGEMENT

SIDBI has been certified as a Great Place to Work, a recognition we take immense pride in. The Bank fosters a participative and transparent work culture, ensuring that employees thrive both personally and professionally. The Bank remains committed to nurturing talent and providing opportunities for capability development.

Human Resource Strength:

- As of March 31, 2026, the Bank has 1,141 permanent staff, comprising 1,070 Officers, 60 Class III employees, and 11 Class IV employees.
- Of these employees, 191 employees (16.73% of total strength) belong to SC category, 86 employees (7.5% of total strength) belong to ST category, 281 employees (24.62%) belong to the OBC category, 33 employees (2.89%) belong to Persons with Disabilities (PwD) category, and 1 is an Ex-serviceman.
- There are 243 women employees in the Bank, which is 21.29% of the workforce. SIDBI has consistently upheld its role as an equal opportunity employer, ensuring impartial and fair practices to enable career progression.

The key initiatives undertaken are enumerated below:

- Two leading e-learning platforms were introduced for Officers in Grades A, B, and C.
- During FY2026, 3,876 training nominations were facilitated, of these, 1,516 were in person and 2,360 virtual, covering 1,272 employees including contractual and outsourced staff. Out of these, 19 nominations were for foreign training programmes. Further, 80% of officers participated in in-person training during FY, with the average training duration being two days.
- Introduction of the CMD Club to foster excellence, recognition, and healthy competition among Officers, thereby driving superior performance.
- Enhancement of employee welfare through doubling of Group Term Life Insurance (GTLI) coverage, extension of insurance benefits to contractual employees, and provision of optional higher coverage to employees.

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

- The reservation rosters in SIDBI are maintained as per guidelines issued by GoI from time to time and are vetted by Chief Liaison Officers (CLOs) annually and reviewed by GoI from time to time. The position of reservation rosters up to December 31, 2024, has since been updated and inspected by DFS, GoI. In addition to CLOs, the Bank has a SC - ST Cell to address the issues pertaining to SC and ST employees of the Bank.



- Out of 3,876 training nominations during the year, 608 nominations were for employees belonging to SC category and 301 nominations were for employees belonging to ST category.
- The Bank provides pre-promotion and in-service training to SC / ST employees. In pre-promotional training conducted during FY2026, 28 employees belonged to SC category and 14 employees were from ST category.
- The Bank also provided pre-recruitment training for the recruitment drive conducted during FY2026. In pre-recruitment training conducted during FY2026, 748 participants belonged to SC category and 198 belonged to ST category.

Prevention of Sexual Harassment - Internal Complaints Committee: The Bank promotes a positive, safe and respectful workplace for its women employees.

As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Bank has in place Internal Complaints Committees at Chennai, Kolkata, Lucknow, Mumbai and New Delhi for redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto.

During FY2026, one complaint of sexual harassment was reported and is currently under investigation by the Internal Complaints Committee. The Bank remains steadfast in ensuring impartiality, transparency, and justice in the redressal process.

XII. IMPLEMENTATION OF THE OFFICIAL LANGUAGE POLICY IN THE BANK

A total of 110 Official Language Implementation Committees are in place in various offices of the Bank, the quarterly meetings whereof were convened regularly. During the year, 99% of the correspondence in the region 'A', took place in Hindi, while it was 95% and 83% in the region 'B' and 'C' respectively. The percentage of Hindi notings in the above three regions stood at about 92%, 87% and 80% respectively. A total of 70 Hindi Workshops were organised in the various offices of the Bank during the year. The Bank made special efforts to popularise the technical tools available to progressively improve the use of Hindi in the said Hindi workshops.

XIII. IMPLEMENTATIONOFRIGHTTOINFORMATION ACT, 2005

The Bank has designated a Central Public Information Officer (CPIO), Alternate Central Public Information Officer, Central Assistant Public Information Officers (CAPIOs) and First Appellate Authority (FAA) and Alternate First Appellate Authority, in terms of Right to Information Act, 2005, the details of which are available on the Bank's website.

In terms of the directives of Central Information Commission (CIC), the Bank has also designated a Transparency Officer for the better implementation of Section 4 of the Act with a view to promoting congenial conditions for timely response by CPIO to RTI queries.

During the FY2026, the Bank received 369 RTI applications seeking various information and 44 First Appeals. All the applications and first appeals were disposed of, within stipulated time as per the provisions of the Act. Central Information Commission (CIC) heard, and orders were passed in respect of 5 Second Appeals. In this regard, necessary actions have been taken, as per CIC decisions. All the quarterly online returns have been regularly submitted to CIC in time.





XIV. VIGILANCE

Vigilance administration in SIDBI forms an integral part of the Bank's Corporate Governance framework and is aimed at fostering integrity, efficiency, transparency, accountability and ethical conduct. Bank's Vigilance Department is headed by Chief Vigilance Officer (CVO) who is appointed by the Department of Financial Services, Ministry of Finance, Government of India in consultation with the Central Vigilance Commission (CVC) and reports to the Chairman and Managing Director. The CVO assists the top management in the formulation, implementation and review of the Bank's vigilance administration. To assist the CVO in the supervision of vigilance matters across Regional Offices, Head Office Verticals and Subsidiaries, the Bank has designated 17 Regional Vigilance Officers and 4 Additional Vigilance Officers at various locations.

The Bank accords high priority to proactive, participative and preventive vigilance as a key pillar of good governance. Some of the Preventive Vigilance measures are as under:

- Preventive Vigilance Committees have been constituted at all Regional Offices which are headed by Regional Heads.
- Vigilance Committee at Head Office (VCHO) headed by CVO comprising Vertical Heads of key Verticals viz. Direct Credit Vertical, Risk Management Vertical, Audit Vertical and HR Verticals etc. as members has also been constituted. The committee reviews existing system and procedures and suggests measures for improvement.
- As per directions of CVC, an Internal Advisory Committee on Vigilance (IACV) has been set up comprising Senior Officers for reviewing all staff accountability cases and giving its recommendations to CVO.

Several systemic improvement measures were initiated across business and support functions of the Bank. Some of the key initiatives are as under:

- Development of dashboard and monitoring tools for project tracking through Procurement Information Management System (PIMS).
- Strengthening due diligence and accountability mechanisms for machinery suppliers in Direct Credit operations to avoid and minimise risk of fraud in procurement of machinery.
- API integration with CGTMSE portal to have real time view of all CGTSME cases.
- Enhancing Early Warning Signal (EWS) monitoring through inclusion of concurrent auditors in order to mitigate risk emerging from various operations on real-time basis and effective monitoring.

- Strengthening oversight of nomination-based procurement cases and inclusion of mandatory check points in the Risk Based Internal Audit format of Audit Vertical.
- Awareness programme on Artificial Intelligence for field functionaries to understand and use the same for enhancement in productivity and detection and prevention of fraud.

XV. COMPLIANCE

During FY 2025-26, the Bank continued to strengthen its compliance function to ensure effective adherence to regulatory, statutory, and governance requirements, in line with the Board-approved Compliance Policy. Regulatory and statutory returns are monitored through the Compliance Monitoring System (CMS), supported by dissemination of key instructions and circulars issued by RBI, SEBI and other regulators. In accordance with the Compliance Testing Framework, sample testing of sanctioned proposals is conducted from regulatory and statutory perspectives, and Risk Based Internal Audit (RBIA) reports are analysed on a monthly basis. A Compliance Dashboard has been implemented to enable senior management to proactively monitor submission of regulatory returns and minimise delays. The Bank also ensures compliance with applicable SEBI regulations, including SEBI (LODR) Regulations for High Value Debt Listed Entities (HVDLE) and SEBI Merchant Banking Regulations, wherever applicable.

The Bank also focusses on strengthening customer due diligence through digitalisation and automation. The SIDBI KYC Application Module, implemented as a common platform across business applications, integrates with external agencies such as Protean (PAN), UIDAI (Aadhaar) and MCA (CIN), with secure digital storage of KYC documents. Video-based KYC has been implemented to further enhance customer onboarding. In line with RBI Master Directions on KYC, periodic KYC updation and risk categorisation are supported by automated alerts and escalation mechanisms to ensure timely Re-KYC and reviews.

XVI. SUBSIDIARY & ASSOCIATES – CREATING IMPACT, NATIONWIDE

- **Micro Units Development & Refinance Agency Limited ('MUDRA') -** MUDRA was established as a wholly-owned subsidiary of the Bank on April 08, 2015. MUDRA had sanctioned an amount of ₹16,530 crore in FY2026 as against ₹15,658 crore during FY2025 to various Member lending Institutions (MLI) like PSU banks, Pvt Sector Banks, Regional Rural Banks (RRB), Small Finance Banks (SFB), Microfinance Institutions (MFI) and Non-Banking Financial Companies (NBFC). The disbursement for FY2026 stood at ₹16,220 crore vis-à-vis ₹15,329 crore during FY2025.

Pradhan Mantri MUDRA Yojana (PMMY)

Lending under PMMY focusses on the unfunded segments of the Micro Enterprises by granting the loans in the following 4 categories to enable them to contribute significantly to nation's GDP:



In FY2026, a disbursement target of ₹6.4 lakh crore was assigned to Banks/NBFCs/MFIs (Member Lending Institutions), against which ₹6.04 lakh crore has been disbursed to 5.00 crore accounts (including renewals and enhancements).

- **SIDBI Venture Capital Limited (SVCL):** SVCL was established in 1999 as an Investment Management Company for managing Venture Capital Funds (VCFs)/ Alternative Investment Funds (AIFs). Over the years, SVCL has evolved into a leading institutional investment management company in India having focus on the

MSMEs in India. Since inception, SVCL has continued to provide growth capital to high-quality, growth-oriented MSMEs across diversified sector.

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

During FY2026, SIDBI Venture Capital Limited was selected as the Investment Manager for the Antariksh Venture Capital Fund, the largest spacetech fund in India, with a target corpus of ₹1,600 crore. The Fund achieved its first close of ₹1,005 crore, with the Indian National Space Promotion and Authorisation Centre (IN-SPACe), Department of Space, Government of India as the anchor investor.

- **SIDBI Trustee Company Limited (STCL):** STCL was established in 1999 to carry out the trusteeship functions in general and for VCFs / AIFs. STCL, at present, is acting as the Trustee for National Venture Fund for Software and Information Technology Industry (NFSIT), SME Growth Fund (SGF), India Opportunities Fund (IOF), Samridhi Fund (SF), TEX Fund (TF), West Bengal MSME VC Fund (WB Fund), Maharashtra State Social Venture Fund (MS Fund), Ubharte Sitaare Fund (USF), Assam Start-up Venture Capital Fund (ASVCF), Atmanirbhar Start-up Venture Fund (ASVF), Tripura Start-up Venture Capital Fund (TSVCF) and Antariksh Venture Capital Fund (AVCF).
- **SIDBI Swavalamban Foundation (SSF)**, SIDBI Swavalamban Foundation (SSF), a distinct arm of SIDBI registered as a section 8 company, undertakes the Corporate Social Responsibility (CSR) activities by providing grant support to various non-profit organisations viz., charitable trusts, societies, cooperatives, SHG Federations, Producer Organisations, etc. SSF caters to the bottom of the pyramid sections and sub-sections of the society with special emphasis on creating positive impact on the lives of informal workers, women, children, divyangjan, underprivileged youth, tribals, and the elderly. During FY 2025-26, SSF implemented CSR programmes across 18 States and Union Territories, positively impacting over 32,000 beneficiaries thereby reaching out to women, tribals, backward castes, children and youth mainly from rural, semi-urban, unserved / under-served and remote areas.

Associate Companies

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

Credit Guarantee Fund Trust for MSEs, set up in the year 2000, operates the Credit Guarantee Scheme (CGS) for MSEs in respect of credit facilities up to ₹5 crore (since increased to ₹10 crore w.e.f. 01.04.2025) extended by member lending institutions (Banks, FIs, NBFCs, MFIs, etc.) that are not backed / partially backed by collateral security and/ or third-party guarantees.

CGTMSE approved ₹4.32 lakh crore of guarantees approved in FY 2025-26, reflecting a growth of 42% over ₹3.05 lakh crore in FY 2024-25. The share of women and SC/ST entrepreneurs in the total approved no. of guarantees for FY2026 is 22% and 7%, respectively. It may be mentioned that as on March 31, 2026, cumulative no. of guarantees approved was 1.41 crore amounting to ₹13.67 lakh crore of guarantee.



Guarantees approved in FY2026 stood at
₹4,32,547 crore

Number of guarantees approved in FY2026
26,76,789

Cumulative amount of gurantees at
₹13.67 lakh crore

Cumulative number of gurantees approved
1.41 crore

- **Acuité Ratings & Research Limited (Acuité) -** Acuité Ratings & Research Limited is India's first MSME focussed rating agency incorporated in 2005 and is now a full-service credit rating agency accredited by RBI and registered with SEBI.

  Acuité has assigned more than 10,400+ credit ratings (as on March 31, 2026) to various securities, debt instruments and bank facilities of entities spread across industries in India.

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

  As of March 31, 2026, RXIL onboarded 71,000+ MSMEs and helped finance over 1.2 crore invoices worth ₹2,96,000+ crore. In FY2026, total throughput achieved



grew by 51% to ₹1,21,105 crore as compared to ₹80,457 crore in FY2025. Total MSMEs onboarded on RXIL TReDS platform as of March 31, 2026, were 71,593.

- **India SME Technology Services Ltd. (ISTSL) –** ISTSL is a public limited company incorporated on November 17, 2005, under the Companies Act, 1956. The Company is a joint initiative of the Small Industries Development Bank of India (SIDBI), along with State Bank of India, Indian Bank, Punjab National Bank, and Indian Overseas Bank.

  The Company is engaged in providing end-to-end energy efficiency solutions to Micro, Small and Medium Enterprises (MSMEs), enabling them to reduce energy costs, improve operational efficiency, and adopt sustainable practices. ISTSL is empanelled with the Bureau of Energy Efficiency (BEE) as a Grade-5 Energy Service Company (ESCO) and is associated with the ADEETIE Scheme. Leveraging its technical expertise and Pan-India presence, the Company undertakes detailed energy audits, prepares Detailed Project Reports (DPRs), facilitates access to Government schemes, and provides implementation support along with monitoring and verification of energy savings. During the year, the Company implemented 24 awareness and capacity-building programmes under MSE-GIFT, SPICE, and other Government of India schemes, with an aggregate outlay of approximately ₹1.14 crore.

- **Online PSB Loans Ltd. (OPL) -** OPL, a fintech platform promoted by a SIDBI-led consortium of Public Sector Banks, has introduced several technology-driven digital solutions for benefit of MSMEs. It provides digital in-principle sanction of assistance up to ₹500 lakh to MSMEs.

XVII. MANAGEMENT DISCUSSION & ANALYSIS

In compliance with Regulation 53 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, separate Sections of this Annual Report includes details on the state of affairs of the Bank as under:

Particulars as per Para B of Schedule V		Relevant section in Annual Report
(a)	Industry structure and developments.	Covered for the MSME sector in MSME Outlook Section
(b)	Opportunities and Threats.	Covered for the MSME sector in MSME Outlook Section
(c)	Segment-wise or product-wise performance.	Covered in Directors' Report on SIDBI lending products
(d)	Outlook	Covered for the MSME sector in MSME Outlook Section
(e)	Risks and concerns.	Covered for the MSME sector in MSME Outlook Section
(f)	Internal control systems and their adequacy.	Covered in Directors' Report under sections of Risk Management, Internal Audit Management, Vigilance
(g)	Discussion on financial performance with respect to operational performance	Covered in Directors' Report on SIDBI lending products
(h)	Material developments in Human Resources / Industrial Relations front, including number of people employed	Covered in Directors' Report under Human Capital Management section
(i)	Significant Changes (i.e. change of 25% or more as compared to the immediately previous financial year, if any) in Key Financial Ratios applicable to SIDBI:	

Particulars	FY2026	FY2025	Significant changes (i.e. change of 25% or more as compared to the immediately previous financial year, if any)
Gross NPA Percent	0.12	0.04	The amount of Gross NPA increased to ₹684 crore as on March 31, 2026 from ₹183 crore at the end of the previous FY and accordingly, the percentage of gross NPA increased to 0.12%.

(j)	Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.	Not Applicable
Disclosure of Accounting Treatment:		Covered under the head 'Progress of Implementation of IND-AS'.

XVIII. CORPORATE GOVERNANCE

SIDBI having listed its Non-convertible Debt securities of value more than ₹5,000 crore is a High value Debt Listed Entity (HVDLE) and hence disclosures required in terms of Chapter VA of SEBI Listing Obligation and Disclosure Requirement (LODR) Regulations, 2015 forms part of the Corporate Governance report section of Annual Report of SIDBI.

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

XIX. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Bank has complied with applicable rules and regulations prescribed by stock exchanges, SEBI, RBI or any other statutory authority pertaining to contracts/ arrangements/transactions entered by the bank with its related parties. Disclosure of transactions with related parties is set out in Note No. [16] of Standalone Financial Statements and materials RPTs given in Para 7, xi forming part of the Annual Report & Annexures thereto.

XX. AUDITORS AND AUDITORS REPORT

M/s J. Kala & Associates (FRN: 118769W), were appointed as Statutory Auditors of the Bank for FY2026. There are no qualifications, reservations or adverse remarks in audit report for the period under review.

XXI. SECRETARIAL AUDIT REPORT

In terms of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Board has appointed M/s Agarwal S. & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the bank for FY2026. The Secretarial Audit report for the financial year ended March 31, 2026, as provided by M/s Agarwal S. & Associates, Practicing Company Secretaries is enclosed as a part of Corporate Governance report. According to the Secretarial Audit report, SIDBI has complied with the relevant provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., subject to certain observations pertaining to levy of fines by Stock Exchange which have subsequently been waived on representation to the Stock Exchange. The other observation pertains to creation of Separate Business Unit (SBU) and other applicable requirements for Merchant Banking activities, which will be implemented by stipulated timeframe as per the amended SEBI regulations.

As stipulated in regulations 24A of SEBI (LODR), the Secretarial Audit Report of MUDRA for the financial year ended March 31, 2026, as provided by M/s. Rajkumar R. Tiwari, Practicing Company Secretary is enclosed. According to the Secretarial Audit report, MUDRA has complied with relevant provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

XXII. RESPONSIBILITY STATEMENT

The Board of Directors hereby states that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- Applicable accounting policies has been applied consistently and judgements and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Bank as on the March 31, 2026, and of the profit and loss of the Bank for the year ended on that date;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records, for safeguarding the assets of the Bank and preventing and detecting frauds and other irregularities;
- Annual accounts have been prepared on going concern basis;
- The internal financial controls to be followed by the Bank have been laid down and that such internal financial controls are adequate and have been operating effectively; and
- Proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENT

The Directors acknowledges the valuable support, guidance and co-operation received from the DFS, MoF and MoMSME, Government of India, RBI, SEBI and other government and regulatory agencies. The Directors thank all the valued clients, shareholders, bankers and financial institutions, World Bank, JICA, KfW, IFAD, AFD and GCF, for their patronage and support. The Directors also place on record their appreciation for the contributions made by outgoing directors Shri Anindya Sunder Paul and Shri Manikumar S. Directors also express their appreciation for the dedicated and committed team of employees of the Bank.

For and on Behalf of Board of Directors of the Bank

Chairman & Managing Director



CORPORATE GOVERNANCE REPORT

1. SIDBI PHILOSOPHY ON CORPORATE GOVERNANCE:

Small Industries Development Bank of India (SIDBI) established under SIDBI Act, 1989 is governed by SIDBI Act, 1989, SIDBI Regulations, 2000 and RBI Circular dated April 26, 2021, on Corporate Governance in Banks – Appointment of Directors and Constitution of Committees of the Board. Being a High Value Debt listed entity (having listed value of non-convertible Debt Securities of more than ₹5,000 crore), Chapter V (A) of SEBI (Listing Obligations & Disclosure Requirements, LODR) Regulations, 2015 are also applicable apart from other provisions of LODR 2015 as amended from time to time.

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

The Report on Corporate Governance for the financial year ended March 31, 2026 containing, inter-alia, the matters as specified in Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is presented hereunder:

2. BOARD OF DIRECTORS:

The Small Industries Development Bank of India Act, 1989 (the SIDBI Act) was enacted by the Parliament to establish the Small Industries Development Bank of India ('SIDBI'). The Constitution of the Board including procedure related to appointment of Executive and Non-executive directors, their duties and function are prescribed under the Act.

The Board is headed by Chairman and Managing Director appointed by Government of India, Department of Financial Services under the provision of the section 6 (1) (a) of the SIDBI Act. Two whole time directors designated as Deputy Managing Directors are appointed under section 6 (1) (b) by Government of India. Government of India also nominates two government officials as nominee directors in the category of non-executive directors under section 6 (1) (c) of the SIDBI Act. Three directors are nominated under section 6 (1) (d) of the SIDBI Act in the prescribed manner by the public sector banks, the General Insurance Corporation, the Life Insurance Corporation and other institutions owned or controlled by the Central Government. Three directors including one director from the officials of the State Financial Corporations, nominated by the Central Government under section 6 (1) (e) of the SIDBI Act, from amongst the persons having special knowledge of, or professional experience in, science, technology, economics, industry, banking, industrial co-operatives, law, industrial finance, investment, accountancy, marketing or any other matter, the special knowledge of, or professional experience which would, in the opinion of the Central Government, be useful for SIDBI and a maximum number of four directors in terms of percentage of shareholding to be elected by the other shareholders under section 6 (1) (f) of the SIDBI Act, provided that Board may co-opt such number of Directors not exceeding four, in case the shareholding does not permit such election of four directors. The SIDBI Act doesn't provide for 'retire by rotation' of its directors.

i. Composition and Category of Directors:

As on March 31, 2026, SIDBI Board comprised 3 executive directors and 9 non-executive directors. There is no relationship amongst directors inter-se.

Name of the Director	Category (Chairperson/ Executive/Non-Executive/ Independent/Nominee)	Initial Date of Appointment	Date of Cessation
Shri Manoj Mittal, Chairman and Managing Director	Chairperson/Executive	27/07/2024	26/07/2027
Shri Sudatta Mandal, Deputy Managing Director	Executive	03/05/2021	02/05/2026 or until further orders, whichever is earlier
Shri Prakash Kumar, Deputy Managing Director	Executive	07/11/2023	06/11/2026 or until further orders, whichever is earlier
Dr. Rajneesh, Government Director	Non-Executive/Nominee Independent	22/02/2023	Until further orders
Shri Manoj Muttathil Ayyappan, Government Director	Non-Executive/Nominee	06/08/2024	Until further orders
Shri Anindya Sunder Paul, Nominee of State Bank of India	Non-Executive/Nominee/ Independent	03/08/2023	23/10/2025
Shri Gopal Jha Nominee of State Bank of India	Non-Executive/Nominee/ Independent	23/10/2025	Until further orders
Shri Laxmi Chand Meena, Nominee of Life Insurance Corporation of India	Non-Executive/Nominee/ Independent	28/10/2024	Until further orders
Shri Manikumar S, Nominee of National Bank for Agriculture & Rural Development	Non-Executive/Nominee/ Independent	01/01/2024	05/12/2025
Dr K.S. Mahesh Nominee of National Bank for Agriculture & Rural Development	Non-Executive/Nominee/ Independent	05/12/2025	Until further orders
Shri Amit Tandon, Co-opted Director	Non-Executive/Independent	08/08/2021	07/08/2027
Shri Jitender Kalra, Co-opted Director	Non-Executive/Independent	13/02/2024	12/02/2027
Shri P. J. Thomas, Co-opted Director	Non-Executive/Independent	15/11/2024	14/11/2027
Ms. Padmaja Shailen Ruparel, Co-opted Director	Non-Executive/Independent	14/03/2025	13/03/2028

It may be mentioned that SEBI, vide letter dated November 10, 2025, has permitted SIDBI to treat non-executive directors as independent directors as provided under Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 [SEBI LODR Regulations], subject to compliance with the laws prescribed for appointment and constitution of Board in SIDBI Act.

Further, in the opinion of the board, the independent directors fulfil the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management.

ii. Details of Skills/Expertise/Competencies Possessed by the Directors who were part of the Board on March 31, 2026 were as follows:

SIDBI Board as on March 31, 2026, is heterogeneous and with mix of experience, qualifications, gender, skill set and expertise. The table below summarises Board of Directors' skills sets and attributes hereinbelow.

Name	Qualifications	Skills/Expertise/Competencies
Shri Manoj Mittal	B. Tech (Mechanical), PGDBM, CAIIB, Post Graduate in Economics	Governance & Leadership, Management, Economics, International Exposure & Relationships, Finance, Banking & Non-banking.
Shri Sudatta Mandal	B-Tech. (Electrical) and PGDM (Finance)	Asset & Risk Management, Compliances, Strategy, Accountancy, Finance, Banking, Trade and Investment Finances, Project Finance, SME Lending, Cluster Development, Management & Administration, Governance & Leadership.
Shri Prakash Kumar	B. Tech in Chemical Engineering, Master in Financial Management	Strategy, Finance, Project Finance, SME Financing, NBFC and Microfinance Financing, Risk Management, Resource Management, NPA Management, Business Process Re-engineering, MSME Financing & Development, Management & Administration, Governance & Leadership.
Dr. Rajneesh	Masters in Economics & International Law and PhD	Finance, Commerce, Urban Development & Town Planning, Education and IT, International Law & Economics, Administration, Governance & Leadership, Management.
Shri Manoj Muttathil Ayyappan	MBA	Finance, MSME Financing, SME Lending, Financial Analysis, Trade Finance, Risk Management, Stress Account Management and Credit Operations.
Shri Gopal Jha	M.Sc.	Branch Banking, Regional Head, Module Head and Network Head Strategy, SME and SCF at Corporate Headquarters and MSME Supply Chain Finance.
Shri Laxmi Chand Meena	B.Sc.	Governance & Leadership, Management, Personnel & Industrial Relationship, Administration & Marketing, Insurance Sector.
Dr K S Mahesh	Doctorate in Horticulture and an MBA in Financial Services Management	Project formulation, appraisal and financing, credit planning, consultancy in agriculture and rural development areas and financing Farmer Producer Organisations, NBFC/MFIs, rural credit etc. He has undertaken several national and international level consultancy assignments. Spent close to 30 years in NABARD serving in various capacities in different states, Department of Refinance at Head Office, Mumbai.
Shri Amit Tandon	BA (Hons), MBA and M. Phil	Governance & Leadership, Merchant Banking, Project Finance, Economics, Management, Corporate Law matter.
Shri Jitender Kalra	B.Sc. (Engineering) and MBA	Enterprise and Livelihood Promotion, Financial Literacy, Skill Development, Rural Transformation and Regenerative Agriculture, Cluster Development, Policy Framing, Organisational Transformation, Management & Administration, Governance & Leadership.
Shri P. J. Thomas	B.Sc. (Hons.), MBA and CAIIB	Governance & Leadership, Banking and Finance, Banking Regulations, Banking Supervision & Financial Inclusion, Economics, Management.
Ms. Padmaja Shailen Ruparel	BA (English Honours), MBA (DIP), Chartered Accountancy (Intermediate)	Governance & Leadership, Management, Merger & Acquisition, Startups, Investment Banking, Alternate Investment Fund.

iii. The table below outlines the key attributes and skills of the directors, in accordance with the SIDBI Act, categorised under broad parameters such as industrial and technical knowledge, relevant experience, and governance & leadership.

Name of Director	Industrial and Technical Knowledge	Experience	Governance & Leadership
Shri Manoj Mittal	√	√	√
Shri Sudatta Mandal	√	√	√
Shri Prakash Kumar	√	√	√
Dr. Rajneesh	√	√	√
Shri Manoj Muttathil Ayyappan	√	√	√
Shri Gopal Jha	√	√	√
Shri Laxmi Chand Meena	√	√	√
Dr. K.S. Mahesh	√	√	√
Shri Amit Tandon	√	√	√
Shri Jitender Kalra	√	√	√
Shri P. J. Thomas	√	√	√
Ms. Padmaja Shailen Ruparel	√	√	√

Note: Details of familiarisation programmes imparted to independent directors is available at "Details of familiarisation programmes imparted to independent directors".

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

Name of Director	Name of Listed Entity other than SIDBI in which the Director is a member of the Board	Name of the Board/ Committee in other listed entity where the Director is Chairman/Member	Category of Directorship in other listed entities
Shri Manoj Mittal	Nil	NA	NA
Shri Sudatta Mandal	Nil	NA	NA
Shri Prakash Kumar	Nil	NA	NA
Dr. Rajneesh	Nil	NA	NA
Shri Manoj Muttathil Ayyappan	Bank of India General Insurance Corporation of India	1. Member - Audit Committee 1. Member - Nomination and Remuneration Committee 2. Member – Ethics Committee	Non-Executive (Nominee Director) Non-Executive (Nominee Director)
Shri Gopal Jha	Nil	NA	NA
Shri Laxmi Chand Meena	Nil	NA	NA
Dr K S Mahesh	Nil	NA	NA
Shri Amit Tandon	Nil	NA	NA
Shri Jitender Kalra	Nil	NA	NA
Shri P. J. Thomas	Nil	NA	NA
Ms. Padmaja Shailen Ruparel	Ester Industries Ltd.	(i) Audit Committee - Chairperson (ii) Risk Management Committee - Member (iii) Nomination & Remuneration Committee - Chairman (iv) Stakeholders Relationship Committee - Chairman	Non-Executive (Independent Director)

Notes:

1. None of the Directors on the Board is a director/independent director of more than 7 listed entities including high value debt listed entities.
2. None of the whole-time directors/managing director is an independent director in more than 3 listed entities.
3. None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees, across all listed entities in which he/she is a director.
4. There is no relationship amongst directors inter-se.
5. None of the Non-Executive Directors hold shares and convertible securities of SIDBI as on March 31, 2026.

v. Change of Director during the Financial Year 2026:

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

Name	Date of Appointment	Date of Cessation (in case of resignation)	Remarks (viz. Reasons for Change etc.)
Shri Anindya Sunder Paul	03/08/2024	23/10/2025	Cessation: Consequent upon State Bank of India nominating Shri Gopal Jha as Nominee Director vide its letter dated 23/10/2025 in place of Shri Anindya Sunder Paul.
Shri Gopal Jha	23/10/2025	-	Nomination: State Bank of India vide its letter dated 23/10/2025 had nominated Shri Gopal Jha as Nominee Director in place of Shri Anindya Sunder Paul.
Shri Manikumar S	01/01/2024	05/12/2025	Cessation: Consequent upon National Bank for Agriculture and Rural Development (NABARD) nominating vide its letter dated 05/12/2025 Dr K.S. Mahesh in place of Shri Manikumar S.
Dr K.S. Mahesh	05/12/2025	-	Nomination: National Bank for Agriculture and Rural Development (NABARD) nominating vide its letter dated 05/12/2025 Dr K.S. Mahesh in place of Shri Manikumar S.

vi. Meetings of the Board of Directors:

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

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

Date of meetings: 29/04/2025, 08/08/2025, 10/11/2025 and 06/02/2026

Name of Directors	Number of Meetings entitled to attend after Appointment/ Nominations/Co-option	Number of Meetings Attended	Attendance in the last AGM held on 25/09/2025
Shri Manoj Mittal	4	4	Yes
Shri Sudatta Mandal	4	4	Yes
Shri Prakash Kumar	4	4	Yes
Dr. Rajneesh	4	1	-
Shri Manoj Muttathil Ayyappan	4	4	-
Shri Gopal Jha	2	2	-
Shri Laxmi Chand Meena	4	4	-
Dr K.S. Mahesh	1	1	-
Shri Amit Tandon	4	4	-
Shri Jitender Kalra	4	4	-
Shri P. J. Thomas	4	4	Yes
Ms. Padmaja Shailen Ruparel	4	4	Yes
Name of Directors who were part of the Board during the financial year and ceased to be members of SIDBI Board			
Shri Anindya Sunder Paul	2	1	-
Shri Manikumar S	3	2	-

3. BOARD-LEVEL COMMITTEES:

In terms of the provisions of SIDBI Act, 1989, SIDBI General Regulations, 2000, SEBI LODR Regulations, Government instructions/ guidelines, RBI regulations as well as business requirement, the Board of SIDBI has constituted Eleven Committees viz., Audit Committee (AC), Risk Management Committee (RiMC), Nomination & Remuneration Committee (NRC), Stakeholders Relationship Committee (SRC), Executive Committee (EC), Special Committee of the Board for Monitoring and Follow-Up of Cases of Frauds (SCBMF), Information Technology Strategy Committee (ITSC), Customer Service Committee (CSC), Recovery Review Committee (RRC), Review Committee on Wilful Defaulters & Non Co-operative Borrowers (RCWD&NCB) and Committee on Environment, Social and Governance Standards (CESG).

The Charter of Committees including Composition, Functions of the Committee, Frequency of Meeting, Quorum etc. is placed on the website of SIDBI i.e. www.sidbi.in at its Corporate Governance Section.

I. Audit Committee: The Audit Committee of the Board was constituted in terms of RBI guidelines and complies with the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

a. As on March 31, 2026, the Committee comprised 7 members as under:

Sr No	Name of Members of Audit Committee	Designation
1	Ms. Padmaja Shailen Ruparel	Non-Executive Director (Chairperson)
2	Shri Sudatta Mandal	Deputy Managing Director
3	Shri Prakash Kumar	Deputy Managing Director
4	Dr. Rajneesh	Non-Executive Director
5	Shri Manoj Muttathil Ayyappan	Non-Executive Director
6	Shri Gopal Jha	Non-Executive Director
7	Shri Laxmi Chand Meena	Non-Executive Director

b. The primary role of the Audit Committee of the Board of SIDBI is to oversee the financial reporting process, review significant adjustments in the financial statements, examine changes in accounting policies and practices along with their justifications, monitor the functioning of the whistleblower mechanism, review internal audit reports, and approve related party transactions. This includes examining the statement of funds utilised for purposes other than those specified in the offer document and making suitable recommendations to the Board for further action. Additionally, the Committee reviews the findings of any internal investigations conducted by internal auditors into cases of suspected fraud, irregularities, or significant failures in internal control systems and reports these matters to the Board.

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

As per the RBI (All India Financial Institutions – Miscellaneous) Directions, 2025, dated November 28, 2025, the ACB may meet, at least, once a quarter but not less than six times a year. The same will be complied with from FY2027 onwards.

d. Date of meetings during FY2026: 29/04/2025, 08/08/2025, 10/11/2025 and 06/02/2026.

e. The details regarding attendance in meetings of the Audit Committee are given below:

Name of Directors	Number of Meetings entitled to attend after Appointment/ Nominations/Co-option	Number of Meetings Attended
Ms. Padmaja Shailen Ruparel	4	4
Shri Sudatta Mandal	4	4
Shri Prakash Kumar	4	4
Dr. Rajneesh	4	0
Shri Manoj Muttathil Ayyappan	4	3
Shri Anindya Sunder Paul	2	1
Shri Laxmi Chand Meena	4	4
Shri Gopal Jha	2	1

II. Nomination and Remuneration Committee: The Nomination and Remuneration Committee has been in place in accordance with the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

a. As on March 31, 2026, the Committee comprised 3 members, all of them are Non-executive/Independent directors as under:

Sr. No.	Name of Members of Committee	Designation
1	Ms Padmaja Shailen Ruparel	Non-Executive Director (Chairperson)
2	Shri Manoj Muttathil Ayyappan	Non-Executive Director
3	Shri Jitender Kalra	Non-Executive Director

b. The role of the Nomination and Remuneration Committee is to recommend to the Board to co-opt such number of directors, not exceeding four, under section 6 (1) (f) of SIDBI Act, 1989, to recommend to the board regarding extension/continuation of the term of such appointment of the co-opted directors, on the basis of the report of performance evaluation of such directors and to formulate the criteria for evaluation of director.

c. No. of meetings held during the Financial Year: 01 (One).

d. Date of meeting: 20/03/2026.

e. The details regarding attendance in meetings of the Nomination and Remuneration Committee are given below:

Name of Directors	Number of Meetings entitled to attend after Appointment/ Nominations/Co-option	Number of Meetings Attended
Ms Padmaja Shailen Ruparel	1	1
Shri Manoj Muttathil Ayyappan	1	1
Shri Jitender Kalra	1	1

f. **Performance Evaluation criteria for independent Directors:**

As per the Bank's Board Evaluation Policy, the evaluation criteria of Independent Directors are as under:

a. Independent directors are assessed on their experience, knowledge and competence; fulfilment of responsibilities; teamwork; initiative; availability and attendance; commitment; and integrity.

b. They are also evaluated on their independence, including whether they exercise independent judgement and express their views freely.

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

a. As on March 31, 2026, the Committee comprised 5 members as under:

Sr. No.	Name of Members of Committee	Designation
1	Shri P. J. Thomas	Non-Executive Director (Chairperson)
2	Shri Sudatta Mandal	Deputy Managing Director
3	Shri Prakash Kumar	Deputy Managing Director
4	Shri Gopal Jha	Non-Executive Director
5	Shri Laxmi Chand Meena	Non-Executive Director

b. The stakeholder committee's role is to monitor shareholder and securityholder grievances, ensure effective voting rights, review service standards of the Registrar & Transfer Agent, and implement measures to reduce unclaimed dividends. It also ensures timely receipt of dividend warrants, annual reports, and statutory notices by the Bank's shareholders.

c. No. of meetings held during the Financial Year: 01 (One).

d. Date of meeting: 23/03/2026

e. The details regarding attendance in meetings of the stakeholder relationship Committee are given below:

Name of Directors	Number of Meetings entitled to attend after Appointment/ Nominations/Co-option	Number of Meetings Attended
Shri P. J. Thomas	1	1
Shri Sudatta Mandal	1	1
Shri Prakash Kumar	1	1
Shri Gopal Jha	1	0
Shri Laxmi Chand Meena	1	1

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

a. As on March 31, 2026, the Committee had 5 members, comprising 3 Non-Executive directors and 2 Whole time Directors as under:

Sr. No.	Name of Members of Committee	Designation
1	Shri Amit Tandon	Non-Executive Director (Chairperson)
2	Shri Sudatta Mandal	Deputy Managing Director
3	Shri Prakash Kumar	Deputy Managing Director
4	Shri Gopal Jha	Non-Executive Director
5	Dr K.S. Mahesh	Non-Executive Director

b. The RiMC's roles involve formulating risk management policies for credit, market, operational risks, ALM, investment, ICAAP, and other significant areas. This includes identifying internal and external risks such as financial, operational, sectoral, sustainability, and cyber security risks specific to SIDBI. RiMC conducts periodic reviews of the risk policies and framework to ensure that appropriate methodologies, processes, and systems are in place to monitor and assess the risks associated with SIDBI's operations. Additionally, RiMC supervises and oversees the implementation of the risk management policy, including evaluating the adequacy of risk management systems and defining or revising the roles and responsibilities of other Risk Management Committees such as the Enterprise Risk Management Committee (ERMC) and the Asset Liability Management Committee (ALCO).

c. No. of meetings held during the Financial Year: 06 (Six).

d. Date of meetings: 15/04/2025, 05/08/2025, 29/10/2025, 06/11/2025, 28/01/2026, 18/03/2026.

e. The details regarding attendance in meetings of the Risk Management Committee are given below:

Name of Directors	Number of Meetings entitled to attend after Appointment/ Nominations/Co-option	Number of Meetings Attended
Shri Amit Tandon, Chairperson	6	6
Shri Sudatta Mandal	6	6
Shri Prakash Kumar	6	6
Shri Anindya Sunder Paul	2	1
Shri Gopal Jha	4	2
Shri Manikumar S	4	4
Dr K.S. Mahesh	2	2

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

a. As on March 31, 2026, the Committee had 6 members as under:

Sr. No.	Name of Members of Committee	Designation
1	Shri Manoj Mittal	Chairman & Managing Director (Chairperson)
2	Shri Sudatta Mandal	Deputy Managing Director
3	Shri Prakash Kumar	Deputy Managing Director
4	Shri Gopal Jha	Non-Executive Director
5	Shri Laxmi Chand Meena	Non-Executive Director
6	Shri Jitender Kalra	Non-Executive Director

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

c. Executive committee met 7 times during the year on 26/06/2025, 20/08/2025, 16/10/2025, 06/11/2025, 26/12/2025, 18/02/2026 and 23/03/2026.

d. The details regarding attendance in meetings of the Executive Committee are given below:

Name of Directors	Number of Meetings entitled to attend after Appointment/ Nominations/Co-option	No. of Meetings Attended
Shri Manoj Mittal	7	7
Shri Sudatta Mandal	7	7
Shri Prakash Kumar	7	7
Shri Anindya Sunder Paul	3	1
Shri Gopal Jha	4	2
Shri Laxmi Chand Meena	5	5
Shri Jitender Kalra	7	7

VI. Recovery Review Committee: The role of the Recovery Review Committee is to review the NPA cases having principal outstanding of ₹5 crore and above and SMAs, restructured accounts.

a. As on March 31, 2026, the Committee had 5 members as under:

Sr. No.	Name of Members of Committee	Designation
1	Shri Manoj Mittal	Chairman & Managing Director (Chairperson)
2	Shri Sudatta Mandal	Deputy Managing Director
3	Shri Prakash Kumar	Deputy Managing Director
4	Shri Manoj Muttathil Ayyappan	Non-Executive Director
5	Shri Jitender Kalra	Non-Executive Director

b. The details regarding attendance in meetings of the Recovery Review Committee are given below:

Name of Directors	Number of Meetings entitled to attend after Appointment/ Nominations/Co-option	No. of Meetings Attended
Shri Manoj Mittal	4	4
Shri Sudatta Mandal	4	4
Shri Prakash Kumar	4	4
Shri Manoj Muttathil Ayyappan	4	1
Shri Jitender Kalra	4	4

c. During FY 2025-26, the Recovery Review Committee met four times on 25/06/2025, 25/09/2025, 24/10/2025 and 29/01/2026.

VII. Review Committee on Wilful Defaulters & Non-Cooperative Borrowers (RCWD&NCB): The role of the RCWD&NCB is to review the orders passed by the Committee for Identification of Wilful Defaulters & Non-Cooperative Borrowers for identifying cases as wilful defaulters & non-cooperative borrowers. The Committee also reviews, on half yearly basis, cases of wilful default and non-cooperative borrowers and declassification, if any, thereof. During FY 2025-26, no meeting of the Committee was held.

a. As on March 31, 2026, the Committee had 3 members as under:

Sr. No.	Name of Members of Committee	Designation
1	Shri Manoj Mittal	Chairman & Managing Director (Chairperson)
2	Shri Amit Tandon	Non-Executive Director
3	Shri P. J. Thomas	Non-Executive Director

VIII. Special Committee of the Board for Monitoring and Follow-up of cases of Fraud (SCBMF) The SCBMF oversees fraud risk management in the bank, reviews and monitors fraud cases, and suggests measures to strengthen internal controls and minimise fraud. It examines trends and systemic issues, identifies delays in detecting fraud, reports to top management and RBI, monitors investigations and recovery progress, ensures timely staff accountability, and reviews remedial actions to prevent future fraud. SCBMF met four times during FY 2025-26, on 21/04/2025, 05/08/2025, 29/10/2025 and 29/01/2026.

a. As on March 31, 2026, the Committee had 6 members, as under:

Sr. No.	Name of Members of Committee	Designation
1	Shri Amit Tandon	Non-Executive Director (Chairperson)
2	Shri Sudatta Mandal	Deputy Managing Director
3	Shri Prakash Kumar	Deputy Managing Director
4	Dr. Rajneesh	Non-Executive Director
5	Shri Manoj Muttathil Ayyappan	Non-Executive Director
6	Shri Gopal Jha	Non-Executive Director

b. The details regarding attendance in meetings of the Special Committee of the Board for Monitoring and Follow-up of cases of Fraud are given below:

Name of Directors	Number of Meetings entitled to attend after Appointment/ Nominations/Co-option	No. of meetings Attended
Shri Amit Tandon	4	4
Shri Sudatta Mandal	4	4
Shri Prakash Kumar	4	4
Dr. Rajneesh	4	0
Shri Manoj Muttathil Ayyappan	4	2
Shri Anindya Sunder Paul	2	1
Shri Gopal Jha	2	1

IX. Customer Service Committee (CSC): The function of CSC is to review the status of customer service in the Bank and suggest measures to improve quality of customer services. The Committee also monitors the customer grievances and timely resolution thereof. CSC met 4 times during FY 2025-26 on 26/06/2025, 25/09/2025, 26/12/2025 and 29/01/2026.

a. As on March 31, 2026, the Committee had 5 members as under:

Sr. No.	Name of Members of Committee	Designation
1	Shri Manoj Mittal	Chairman & Managing Director (Chairperson)
2	Shri Sudatta Mandal	Deputy Managing Director
3	Shri Prakash Kumar	Deputy Managing Director
4	Shri Gopal Jha	Non-Executive Director
5	Shri Jitender Kalra	Non-Executive Director

b. The details regarding attendance in meetings of the Customer Service Committee are given below:

Name of Directors	Number of Meetings entitled to attend after Appointment/ Nominations/Co-option	No. of meetings Attended
Shri Manoj Mittal	4	4
Shri Sudatta Mandal	4	4
Shri Prakash Kumar	4	4
Shri Anindya Sunder Paul	2	1
Shri Gopal Jha	2	2
Shri Jitender Kalra	4	4

X. IT Strategy Committee (ITSC): The ITSC approves the Bank's IT vision, strategy, and policy documents, ensuring alignment between business and IT strategy. It also oversees Information and Cyber Security, making strategic and financial decisions to maintain satisfactory information security. ITSC met 4 times during the year on 15/04/2025, 04/08/2025, 28/10/2025 and 27/01/2026.

a. As on March 31, 2026, the Committee had 6 members including 2 external experts as under:

Sr. No.	Name of Members of Committee	Designation
1	Shri P. J. Thomas	Non-Executive Director (Chairperson)
2	Shri Sudatta Mandal	Deputy Managing Director
3	Shri Prakash Kumar	Deputy Managing Director
4	Shri Amit Tandon	Non-Executive Director
5	Shri Rajesh Doshi	External Expert
6	Shri Pushpinder Singh	External Expert

b. The details regarding attendance in meetings of the IT Strategy Committee are given below:

Name of Directors	Number of Meetings entitled to attend after Appointment/ Nominations/Co-option	No. of meetings Attended
Shri P. J. Thomas	4	4
Shri Sudatta Mandal	4	4
Shri Prakash Kumar	4	4
Shri Amit Tandon	4	4
Shri Rajesh Doshi	4	4
Shri Pushpinder Singh	4	4

XI. Committee on Environment, Social and Governance Standards (CESG): The CESG develops ESG strategies for the Bank to support MSMEs and stakeholders, oversees related initiatives – including climate change, carbon neutrality, and sustainability – and provides guidance for implementing relevant Sustainable Development Goals. In FY 2025-26, the Committee met once on 25/03/2026.

a. As on March 31, 2026, the Committee had 3 members as under:

Sr. No.	Name of Members of Committee	Designation
1	Shri Jitender Kalra	Non-Executive Director (Chairperson)
2	Shri Sudatta Mandal	Deputy Managing Director
3	Shri Prakash Kumar	Deputy Managing Director

b. The details regarding attendance in meetings of the Committee on Environment, Social and Governance Standards (CESG) are given below:

Name of Directors	Number of Meetings entitled to attend after Appointment/ Nominations/Co-option	No. of meetings Attended
Shri Jitender Kalra	1	1
Shri Sudatta Mandal	1	1
Shri Prakash Kumar	1	1

Name and designation of Compliance Officer: Ms. Bhanupriya Rao (Company Secretary & Compliance Officer) – Cessation with effect from April 04, 2025.

Shri Pankaj Kumar Sahu (CS) was appointed as Compliance Officer under SEBI LODR 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT), Merchant Banking and other Secretarial matters with effect from April 7, 2025.

4. MEETING OF INDEPENDENT DIRECTORS:

SIDBI being a High Value Debt Listed Entity under SEBI LODR, in accordance with Section 62N (4) of LODR Regulations, the independent directors of SIDBI, held a meeting on February 06, 2026 without the presence of non-independent directors and members of the management. Out of the 9 independent directors, 8 directors participated in the meeting.

5. REMUNERATION OF DIRECTORS FOR FY2026

Remuneration paid to the Executive Directors:

Name of Director	Salary as per section 17 (1) of IT Act (amt in ₹)	Other Benefit (amt in ₹)	Gross Salary (amt in ₹)
1	2	3	4=2+3
Shri Manoj Mittal (CMD)	44,16,353.00	4,59,474.00	48,75,827.00
Shri Sudatta Mandal (DMD)	40,82,036.00	8,24,373.00	49,06,409.00
Shri Prakash Kumar (DMD)	42,87,472.00	9,17,997.00	52,05,469.00

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

5.1 Remuneration and Sitting Fees to Non-Executive Directors:

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

Sr. No.	Meeting	Amount per meeting up to February 05, 2026	Amount per meeting w.e.f. February 06, 2026
(a)	For attending Board meeting	₹40,000/-	₹80,000/-
(b)	For attending meeting of Board Committee	₹20,000/-	₹40,000/-
(c)	For chairing Board meeting	₹10,000/- [in addition to (a) above]	₹10,000/- [in addition to (a) and (b) above]
(d)	For chairing meeting of Board Committee	₹5,000/- [in addition to (b) above]	

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

The total sitting fees paid to non-executive directors during FY2026.

Name of Director	Gross Amount Paid (including TDS) (amt in ₹)
State Bank of India (For nominee directors Shri Anindya Sunder Paul/Shri Gopal Jha)	5,20,000
Shri Laxmi Chand Meena	5,40,000
NABARD (For nominee directors Shri Manikumar S/Dr. K.S. Mahesh)	3,60,000
Shri Amit Tandon	5,95,000
Shri Jitender Kalra	6,70,000
Shri P J Thomas	3,90,000
Smt. Padmaja Shailen Ruparel	4,15,000

6. GENERAL BODY MEETINGS:

Financial Year	Date	Location of the Meeting	Time (IST)	Special Resolution (s) Passed
2024-25	September 29, 2025	Lucknow	3.00 p.m.	• Approval of appointment of Shri Laxmi Chand Meena (DIN:10728812) who was nominated as Director by the Life Insurance Corporation of India, not liable to retire by rotation, with effect from October 28, 2024. • Approval of appointment of Shri Pallatt Joseph Thomas (DIN: 10332033) who was appointed as an Independent (Co-Opted) Director by the Board of the Bank, not liable to retire by rotation, for a period of three years with effect from November 15, 2024. • Approval of appointment of Ms. Padmaja Shailen Ruparel (DIN: 01383513) who was appointed as an Independent (Co-Opted) director by the Board of the Bank, not liable to retire by rotation, for a period of three years with effect from March 14, 2025. • Approval of appointment of M/s. Agarwal S. & Associates, Company Secretaries (Firm Unique Code: P2003DE49100) as the Secretarial Auditor of the Bank, to hold office for a term of five consecutive years, with effect from April 01, 2025 till March 31, 2030. • To consider and approve material related party transactions that may take place during FY2026.
2023-24	September 25, 2024	Lucknow	11.00 a.m.	• Approval of appointment of Shri Manoj Muttathil Ayyappan (DIN:10733238) who was nominated as Director by the Central Government vide Notification No. FT-1/12/2022 – IF-II dated August 06, 2024, not liable to retire by rotation, with effect from August 06, 2024. • Approval of appointment of Shri Anindya Sunder Paul (DIN:10272439) who was nominated as Director by the State Bank of India, not liable to retire by rotation, with effect from August 03, 2023. • To consider approval of appointment of Shri Manikumar. S (DIN: 08956660) who was nominated as Director by the National Bank for Agriculture and Rural Development, not liable to retire by rotation, with effect from January 01, 2024. • To consider approval of continuation of Ms Nupur Garg as an Independent (Co-Opted) Director (DIN: 03414074). • To consider approval of appointment of Shri Jitendra Kalra (DIN:08722638) who was appointed as an Independent (Co-Opted) director by the Nomination and Remuneration Committee, and the Board of the Bank, not liable to retire by rotation, for a period of three years with effect from February 13, 2024.
2022-23	June 26, 2023	Lucknow	03:00 p.m.	Nil

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

7. GENERAL INFORMATION/AFFIRMATION AND DISCLOSURES

i. **Means of Communications:** The quarterly and annual financial results are normally published in 'Financial Express' and 'Jansatta' and also uploaded on the SIDBIs' website viz. www.sidbi.in.

ii. SIDBI has not made any presentation to institutional investors or to the analysts during FY2026.

iii. **General Shareholder Information:**

- 28th Annual General Meeting of SIDBI shall be held on Monday, August 24, 2026 at 3.00 p.m. at SIDBI, Board Room, 7th Floor, 15, Ashok Marg, Lucknow-226 001 for the financial year 2026.
- Dividend Payment Date: On or after August 24, 2026 (within 30 days from the date of AGM).
- Record Date: Date of AGM

iv. Equity shares of SIDBI are not listed in any of the Stock Exchanges. SIDBI is a high value debt listed entity and NCDs and CPs of SIDBI are listed in the National Stock Exchange of India Limited, Further, it is hereby confirmed that the listing fees (as applicable) of ₹15,43,000/- was paid during FY2026 to NSE.

v. SIDBI confirms that the securities of SIDBI were not suspended from trading during Financial Year 2026.

vi. **Distribution of Shareholding:**

During the year, the Government of India approved the equity support of ₹5,000 crore to SIDBI in three tranches of ₹3,000 crore in FY2026 and ₹1,000 crore each in FY2027 and FY2028. First tranche of ₹3,000 crore towards subscription of equity share capital of SIDBI was received on March 30, 2026, post which the shareholding of SIDBI is as under:

Name of the Shareholder	% Holding
Government of India	27.57
State Bank of India	14.32
Life Insurance Corporation of India	12.20
National Bank for Agriculture & Rural Development	8.56
Punjab National Bank	5.46
Others Banks/Insurance companies in the public sector	31.89
Total	100.00

vii. We hereby confirm that electronic connectivity facility during the period April 01, 2025, to March 31, 2026 (both days inclusive) was provided by the Registrar and Share Transfer Agent, viz. MUFG Intime India Pvt. Ltd. (erstwhile Link Intime India Private Limited), which is registered as Registrar & Share Transfer Agent in Category - I with the Securities and Exchange Board of India vide Registration Number: INR000004058. Address: C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai - 400083; Tel: 022-49186000; Fax: 022-49186060; Website:www.in.mpms.mufg.com.

viii. Share Transfer System: SIDBI is not an equity listed entity. Shares of SIDBI were issued in demat form only. Regulation 27 of SIDBI General Regulations, 2000 deals with the transfer of shares of SIDBI and SIDBI has appointed MUFG Intime India Pvt. Ltd. (erstwhile Link Intime India Private Limited as a registrar and share transfer agent. Further, SIDBI securities (NCS) were listed in the National Stock Exchange of India Limited and issued in the demat form only.

ix. Shares of SIDBI are dematerialised and are not listed in any of the stock exchanges. Hence, equity shares of SIDBI are not tradeable in any of the Stock Exchanges.

x. Credit rating agencies and ratings: Care Ratings Limited, Crisil Ratings Limited, ICRA Limited and India Ratings & Research Pvt. Ltd. are the credit rating agencies for rating of the various instruments issued by SIDBI during the financial year under review, the ratings agencies have reaffirmed ratings and there was no change in rating of SIDBI. As on March 31, 2026, the live rating assigned by rating agencies is indicated below:

CARE Ratings Limited	Rated amount (₹ In crore)	Date	Rating	Rating Action
Long Term Bank Facilities	77,500	29-03-2026	CARE AAA; Stable	Reaffirmed
Short Term Bank Facilities	87,500	29-03-2026	CARE A1+	Reaffirmed
MSE/RIDF Deposits	2,34,000	17-03-2026	CARE AAA; Stable	Reaffirmed
Unsecured Redeemable Bonds	1,78,000	17-03-2026	CARE AAA; Stable	Reaffirmed
Long Term/Short Term Instrument – CD / CP programme	1,40,000	17-03-2026	CARE AAA; Stable/CARE A1+	Reaffirmed
Fixed Deposit	23,000	17-03-2026	CARE AAA; Stable	Reaffirmed

CRISIL Ratings Limited	Rated amount (In crore)	Date	Rating	Rating Action
Non Convertible Debentures	1,40,000	05-03-2026	CRISIL AAA/ Stable	Reaffirmed
Commercial Paper	75,000	05-03-2026	Crisil A1+	Reaffirmed
Short-term certificate of deposits	70,000	09-01-2026	Crisil A1+	Reaffirmed
Corporate Credit Rating		09-01-2026	CRISIL AAA/ Stable	Reaffirmed
Fixed Deposits	25,000	09-01-2026	CRISIL AAA/ Stable	Reaffirmed
Long-term certificate of deposits	70,000	09-01-2026	CRISIL AAA/ Stable	Reaffirmed
MSE/RIDF Deposits	2,20,000	09-01-2026	CRISIL AAA/ Stable	Reaffirmed
Long Term Bank Facilities	1,40,000	09-01-2026	CRISIL AAA/ Stable	Reaffirmed

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

Material Related Party Transactions during FY 2025-26

Sl No.	Name	PAN	Relationship of the counter-party with the listed entity or its subsidiary	Type of related party transaction	Approx. Value of transaction during the reporting period (₹ in crore)
1	CGTMSE	AAATC2613D	Sponsor/Associate	Fixed Deposit	3,215
2	Bank of India	AAACB0472C	Common Director	Loan & FD	10,000 (Loan) 52,249 (Refinance) 1,100 (FD)
3	MUDRA	AAATC2613D	Subsidiary	Loan	1,045.72

In terms of Regulation 62K of the LODR Regulations, as amended from time to time, any transactions with a related party shall be considered material, if the transaction(s) entered into/to be entered into individually or taken together with the previous transactions during a financial year, exceed the thresholds specified in Schedule XII of SEBI LODR 2015 (Linked to certain % of annual consolidated turnover of the listed entity) as per the last audited financial statements of the listed entity.

Further, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

No transaction has been reported in respect of brand Usage/royalty. Other material RPTs are given in the table.

(i) Policy on dealing with related party transactions is available at - https://www.sidbi.in//uploads/lodrDisclosure/Annexure_SIDBI_Policy_on_Related_Party_Transactions_4_2_2_Eng_30_03_2026.pdf

(ii) Policy for determining 'material' subsidiaries is available at - https://www.sidbi.in//uploads/lodrDisclosure/Eng_Modified_Policy_clean_version_10_10_2024.docx

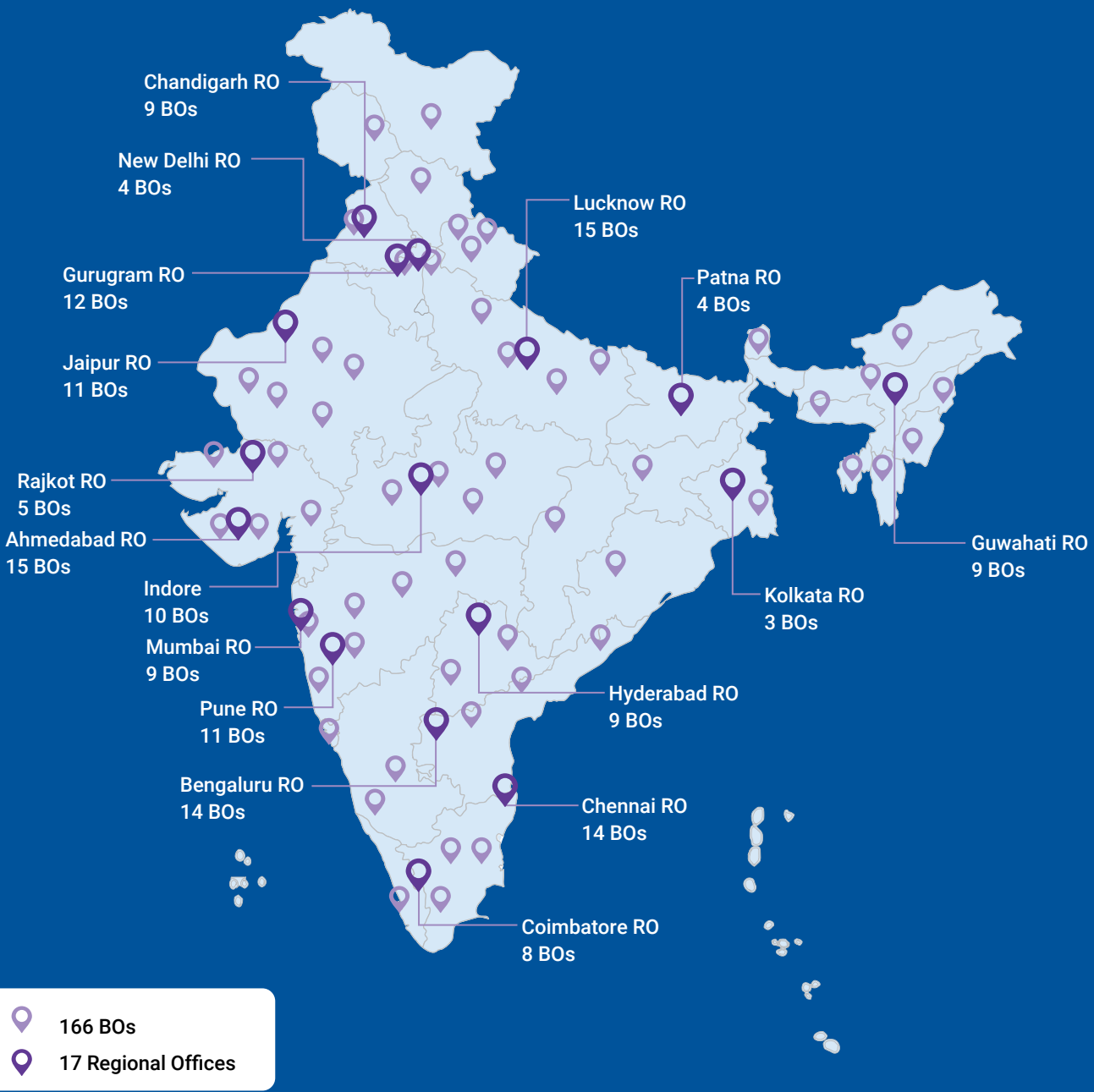
xii. During the year under review, No penalty was imposed by/SEBI for any violation of Act/ Regulation except as reported in the Secretarial Audit Report. The fines have subsequently been waived on representation by SIDBI.

xiii. The Board of Directors of SIDBI in their 217th Board meeting held on February 06, 2023, has approved the vigil mechanism/whistle blower policy. Regulation no. 62J of the SEBI (LODR) Regulations, 2015 mandates to formulate a whistle blower policy. The policy aims at instilling confidence into the whistle blower for ensuring effective corporate governance by maintaining confidentiality, protection from any form of victimisation. Complaints should be disposed of in a time-bound manner. The investigators should also be protected against victimisation. The subject (accused) shall be provided with an opportunity of being heard, before a final conclusion is drawn. SIDBI reserves the right to initiate disciplinary action against the whistle blower, in case the complaint is found to be false or frivolous, after investigation. New clauses have been introduced to protect whistleblowers by reporting retaliation, ensuring confidentiality of their identity, and providing a mechanism for reporting victimisation, with oversight by the Audit Committee. The policy is made available on the website of SIDBI i.e. www.sidbi.in. No personnel were denied access to the Audit Committee of the Board in terms of Whistle Blower Policy.

xiv. Policy on materiality of related party transactions and policy for determining 'material' subsidiaries are available on the website of SIDBI on www.sidbi.in under link: https://www.sidbi.in/en/corporate-governance#section1.

xv. The Bank uses derivatives for hedging of interest rate and exchange risk arising out of mismatch in the assets and liabilities. All derivatives undertaken by Bank are for hedging purposes with underlying as Foreign Currency borrowings, which are not MTM, but only translated. The Bank does not undertake trading in Derivatives. Internal Control guidelines and accounting policies are framed and approved by the Board. The Bank has put systems in place for mitigating the risk arising out of derivative deals. The Bank follows the accrual method for accounting the transactions arising out of derivative deals.

xvi. Details of number of Zonal/Regional offices, Branch offices as on March 31, 2026 is given below:



Head Office at Lucknow
Offices at Mumbai, New Delhi & Chennai

As on March 31, 2026

Map not to scale. For illustrative purposes only.

xvii. Total fees paid to the Statutory Auditors (M/s J. Kala & Associates) during FY2026 was ₹38,94,265/-. The Statutory Auditor of SIDBI is not an Auditor to any of its subsidiary. Total fees paid by the subsidiary company to their respective statutory auditor are provided in the table below.

Sr. No.	Name of the Subsidiaries	Name of the Statutory Auditor	Total Fees Paid
1	MUDRA	1) Mahesh C Solanki & Co. 2) B.P. Shah & Co. 3) D. Kothary & Co. (only for the quarter ended June 30, 2025)	₹11,75,000/- plus applicable taxes
2	SVCL	M/s Hinesh R. Doshi & Co. LLP	₹1,60,000 plus out-of-pocket expenses (capped at ₹10,000) plus GST
3	STCL	Bhushan Khot & Co.	₹75,000 plus out-of-pocket expenses (capped at ₹5,000) plus GST
4	SIDBI Swavalamban Foundation	M/s. Dewan P. N. Chopra & Co. (DPNCC)	₹70,000/- as base amount plus applicable taxes

xviii. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Number of complaints filed during the financial year : 1

Number of complaints disposed of during the financial year : Nil

Number of complaints pending as on end of the financial year : 1

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

(₹ in crore)

Particulars	FY2026		FY2025	
	Total Income	Networth	Total Income	Networth
SIDBI (Consolidated)	44,068	42,656	40,753	35,472
10% of total income /Net-worth	4,406.8	4,265.6	4,075.3	3,547.2

Material Listed Subsidiaries – No Listed Subsidiary

Material unlisted Subsidiary

(₹ in crore)

Material unlisted Subsidiary Name of Subsidiaries	FY2026		FY2025		Material Subsidiary Yes/No
	Total Income / Networth	Exceeds 10% Yes/No	Total Income / Networth	Exceeds 10% Yes/No	
MUDRA	551.30/5,431.04	Yes	2,272.98/4,835.75	Yes	Yes
SVCL	33.01/68.38	No	12.7/53.8	No	No
STCL	0.84/10.69	No	0.84/10.1	No	No

MUDRA is material subsidiary of SIDBI which was incorporated at Mumbai on March 18, 2015, as wholly-owned subsidiary of SIDBI. Statutory auditor of MUDRA is D. Kothary & Co, B.P. Shah & Co. and Mahesh C Solanki & Co.

xx. SIDBI has complied with the Corporate Governance requirements specified in Chapter V (A), clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of SEBI LODR to the extent that the requirements of the regulation do not violate the provisions of SIDBI Act, 1989, and regulations made thereunder, save and except as indicated in the Secretarial Audit and Secretarial Compliance Report. Further, SIDBI has complied with the directions and guidelines issued by the Reserve Bank of India.

xxi. The Board of Directors of SIDBI has accepted recommendations of various committees of the board, which are mandatorily required, during FY2026. The Corporate Governance approach of SIDBI is inclusive in nature and the opinion of the members of the Board and external experts is duly recognised and included in the Board Decisions.

8. ADDRESS FOR CORRESPONDENCE:

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

Corporate Office: SIDBI, Swavalamban Bhavan, Avenue 3, Lane 2, C-11, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra.

9. COMPLIANCE OF DISCRETIONARY REQUIREMENTS AS PER PART E OF SEBI LODR:

1. **The Board -** A non-executive chairperson may be entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his/her duties – Not applicable.
2. The listed entities ranked from 1001 to 2000 as per the list prepared by recognised stock exchanges in terms of sub-regulation (2) of regulation 3 shall endeavour to have at least one-woman independent director on its board of directors. – Not applicable. However, SIDBI has at least one-woman independent director Ms. Padmaja Shailen Ruparel on its board of directors.
3. **Shareholder Rights -** A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders – Not being undertaken at present. To be complied with from FY2027.
4. **Modified opinion(s) in audit report -** The listed entity may move towards a regime of financial statements with unmodified audit opinion – SIDBI is in compliance with the requirements.
5. **Separate posts of Chairperson and the Managing Director or the Chief Executive Officer -** The listed entity may appoint separate persons to the post of the Chairperson and the Managing Director or the Chief Executive Officer, such that the Chairperson shall – (a) be a non-executive director; and (b) not be related to the Managing Director or the Chief Executive Officer as per the definition of the term "relative" defined under the Companies Act, 2013 – Not applicable, as per the SIDBI Act 1989.
6. **Reporting of internal auditor -** The internal auditor may report directly to the audit committee - Not being followed at present.
7. I**ndependent Directors -** The independent directors of top 2,000 listed entities as per market capitalisation shall endeavour to hold at least two meetings in a financial year, without the presence of non-independent directors and members of the management and all the independent directors shall endeavour to be present at such meetings – Not applicable.
8. **Risk Management -** Listed entities ranked from 1,001 to 2,000 in the list prepared by recognised stock exchanges in terms of sub-regulation (2) of regulation 3 may constitute a risk management committee with the composition, roles and responsibilities specified in regulation 21 – Not applicable, however, Risk Management Committee is in place in SIDBI.

10. DECLARATION OF CHAIRMAN AND MANAGING DIRECTOR

I hereby declare that members of the Board of Directors and senior management have affirmed compliance with the code of conduct of Board of Directors and senior management for Financial Year 2026.

Manoj Mittal
Chairman & Managing Director


Marketing

ANNEXURE I

Brief Profile of Executive and Non-Executive Directors of SIDBI as on March 31, 2026



Shri Manoj Mittal
Chairman and Managing Director

Shri Manoj Mittal is the Chairman & Managing Director (CMD) at Small Industries Development Bank of India (SIDBI). Prior to this, he served as MD&CEO of IFCI Ltd. for 3 years. Earlier in his career, he spent 5 years as a Deputy Managing Director at SIDBI. Shri Manoj Mittal has a track record of over 3 decades in propelling organisational growth and driving both impact and profitability through strategic leadership. He also has comprehensive experience in design, management and impact evaluation of various sustainability and developmental programmes funded by multilateral agencies/Government of India. He is a strong votary of Credit Plus approach for holistic development of MSMEs. An engineer by training, Shri Mittal has, to his credit, a Postgraduate Diploma in Business Management and a Postgraduate Degree in Economics. He is also a Certified Associate of Indian Institute of Banking and Finance.



Shri Prakash Kumar
Deputy Managing Director,
Whole Time /Executive Director

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



Dr. Rajneesh
Non-Executive Director/
Government Nominee

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

ANNEXURE I



Shri Manoj Muttathil Ayyappan
Non-Executive Director/
Government Nominee

Shri Manoj Muttathil Ayyappan was appointed as a Director on the Board of SIDBI by Govt of India on August 6, 2024. He holds a Masters degree in Business Administration (MBA) and had done B.Sc. from Mahatma Gandhi University, Kottayam, Kerala. Presently, he is posted as Joint Secretary in the Department of Financial Services (DFS), Ministry of Finance, Government of India, New Delhi. Earlier, he had worked as Business Head, MSME (SMART Business Segment) in Karur Vysya Bank. He also worked as Business Head (MSME) with Utkarsh Small Finance Bank. He has rich experience of over 25 years in SME Lending, Financial Analysis, Trade Finance, Risk Management, Stress Account Management and Credit Operations. Prior to Utkarsh Small Finance Bank, he worked with Axis Bank Ltd., as Circle Head - Commercial Banking. He also had stints with Accenture Management Consulting, Infosys BPO and Bank of Madura Limited.



Shri Gopal Jha
Non-Executive Director/Shareholder
(SBI Nominee) Director

Shri Gopal Jha is a seasoned banker, with a rich experience of more than 30 years in various capacities in State Bank of India. He is a Postgraduate from Lalit Narayan University Darbhanga.

He has worked in various positions in the bank including that of Branch Manager of District Headquarter branches, Regional Head, Module Head and Network Head.

He currently occupies the position of CGM (SME & SCF) at SBI Corporate Centre, Mumbai and heading the MSME & Supply Chain Finance Vertical of the Bank.



Shri Laxmi Chand Meena
Non-Executive Director/
Shareholder (LIC Nominee) Director

Shri Laxmi Chand Meena joined Life Insurance Corporation of India (LIC) in the year 1988 as a Direct Recruit Officer and had a rich and varied experience in various administrative and marketing assignments in different Branches and Divisions of LIC. He was posted as Marketing Manager at Gandhinagar Division and Lucknow Division. He also led two Divisions of LIC, namely Shimla Division and Chandigarh Division as Sr. Divisional Manager In-charge. Shri Meena had a tenure of 3 years as General Manager (Marketing) in Central Office of LIC Housing Finance Ltd. (LIC-HFL) where he stewarded the Marketing functions of LIC-HFL. Subsequently, he was posted as Secretary, Senior Business Associate (SBA) Department at LIC, Central Office, Mumbai. During the crucial COVID period, he was placed as Regional Manager (CRM/Claims) at Western Zonal Office, Mumbai and thereafter as Chief (CRM/Claims) in LIC, Central Office, Mumbai. In the cadre of Executive Director, he had an exposure at National Insurance Academy (NIA), Pune. Thereafter, he joined Management Development Centre (MDC) of LIC at Mumbai and retired as its director. Shri Meena holds a BSc degree.

ANNEXURE I



Dr. K.S. Mahesh

Non-Executive Director/Shareholder (NABARD Nominee) Director

Dr. K. S. Mahesh, Chief General Manager has been with National Bank for Agriculture and Rural Development for close to 30 years and he has served in various capacities in the States of Maharashtra, Uttarakhand, Tamil Nadu and Karnataka and is currently heading the Department of Refinance at Head Office, Mumbai. He had a four-year stint in NABARD Consultancy Services, a fully owned subsidiary of NABARD and a five-year stint as Chief Financial Officer of NABKISAN Finance Limited, an NBFC, subsidiary of NABARD. He also served as a Whole Time Director of the Company for more than a year and currently is a Nominee Director of NABARD on the Board of NABKISAN.

Dr. Mahesh is also serving as a Director on the Board of 24X7 Moneyworks Consulting Pvt. Ltd.

Dr. K. S. Mahesh holds a doctorate in Horticulture from Indian Agricultural Research Institute (Pusa), New Delhi. He also holds an MBA in Financial Services Management. His areas of specialisation include project formulation, appraisal and financing, credit planning, consultancy in agriculture and rural development areas and financing Farmer Producer Organisations, NBFC/MFIs, rural credit etc. He has undertaken several national and international level consultancy assignments.



Dr. Ramesh Kumar

Non-Executive Director/
Non-Official Director

Dr. Ramesh Kumar is an academician, author and former Principal of Government College, Barwala, Hisar, with over three decades of experience in commerce education. He has authored 18 books on accountancy. He has also published 17 research papers in national and international refereed journals and presented 41 papers at leading conferences and seminars in India and abroad. He is a lifetime member of leading professional bodies, including the Indian Commerce Association, Indian Accounting Association, Indian Economic Association, Asian Council for Education & Research and the International Council for Education, Research and Training (ICERT). Dr. Kumar has been conferred Lifetime Achievement Awards by ICERT in 2023 and ECRD Research and Education Council in 2025 for his outstanding contribution to education and research. He holds PGDCA, M.Com. and M.Phil. degrees from Kurukshetra University and a Ph.D. in Finance.



Shri Amit Tandon

Non-Executive Director/
Independent Director

Shri Amit Tandon is the founder of Institutional Investor Advisory Services India Limited (IiAS) and its Managing Director since July 2011. Before IiAS, Shri Amit was the managing director and CEO of Fitch Ratings: India from October 2001 to June 2011. He also had oversight over Fitch Ratings Lanka. Prior to joining Fitch, he was with the ICICI Group for 17 years (from May 1984 – September 2001), where he rotated through various roles and businesses including project finance, leasing, and the merchant banking division. His last role with the ICICI Group was as head of investment banking at ICICI Securities. He has been a member of the Reserve Bank of India's Technical Advisory Committee on Money, Foreign Exchange and Government Securities Markets, a member of one of the working groups convened by the Ministry of Corporate Affairs to review comments received on the Companies Act and the Kotak Committee on Corporate Governance constituted by SEBI. Shri Amit studied economics at St Stephens College, Delhi and has an MBA from the Faculty of Management Studies, Delhi and has an MPhil degree from the University of Cambridge, UK.

ANNEXURE I



Shri Jitender Kalra
Non-Executive Director/
Independent Director

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



Shri P. J. Thomas
Non-Executive Director/
Independent Director

Shri P J Thomas is a graduate in Science with B Sc. (Hons) and a Masters in Business Administration in Banking and Finance. He is also a Certified Associate of Indian Institute of Bankers. He started his career as Bank Officer with a public sector bank before moving to Reserve Bank of India (RBI) as an officer and served in different capacities including as Regional Director, RBI, Bengaluru. During his tenure of more than 36 years as a career Central Banker, he had long exposure to the Banking Regulation, Banking Supervision and Financial Inclusion departments of the RBI. He was also the RBI's Senior Supervisory Manager with Vijaya Bank and Canara Bank. He has attended overseas training in Banking Regulation and Supervision at the Federal Reserve of New York and Florida besides at other international bodies in Basel, Frankfurt, Kuala Lumpur and Manila. He also served as the RBI's Nominee Director on the Boards of Andhra Bank and Central Bank of India.



Ms. Padmaja Shailen Ruparel
Non-Executive Director/
Independent Director

Ms. Padmaja Ruparel is nationally recognised as a key player in the Indian entrepreneurial ecosystem and has helped co- found many of the relevant institutions, besides being an active Angel investor herself. Her operating experience spans large corporates, M&A, and startups/early stage companies. She has been recognised in several "Most Powerful Women" lists for several years and repeatedly, by Fortune India, Forbes India and Business Today. The Women Economic Forum recognised her with its "Women of the Decade in Investment Banking" award. She is Co-Founder of Indian Angel Network (IAN), India's single largest horizontal platform for seed and early-stage investments. She founded BioAngels, India's first sector focussed angel investor group, in partnership with BIRAC, the innovation arm of the Department of Biotechnology, Govt. of India. Ms. Padmaja is the Founding Partner of IAN Group's uniquely differentiated Venture Capital business with the IAN Fund I, a USD 55 million SEBI registered AIF Category I VC Fund. As Senior Managing Partner, she has now launched the second Fund, with the IAN Alpha Fund, a USD 125 million SEBI registered AIF Category II Venture Capital Fund. Ms. Padmaja is a member of the TiE NCR board and has been nominated as Co-Chair of Global Business Angel Network (GBAN). She is a member of the Government's NEAC, Board Member of SIDBI (Small Industries Development Board of India, Govt. of India) & TDB (Technology Development Board, Govt. of India). Ms. Padmaja is a member of the Executive Council of IVCA (Indian Venture Capital Association) and on the board of TIE NCR. She is a member of NASSCOM's Deep Tech Council. Ms. Padmaja is an Independent Director on the Boards of Ester Industries Ltd., and Manipal Technologies Ltd.

ANNEXURE-II

AGARWAL S. & ASSOCIATES
Company Secretaries

D-427, 2nd Floor, Palam Extn., Ramphal Chowk,
Sector 7, Dwarka, New Delhi-110075
Email Id: sachinag1981@gmail.com
Phone: 011–45052182; Mobile: 9811549887

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2026
(Pursuant to Regulation 24A of the Securities & Exchange Board of India (Listings Obligations and Disclosure Requirements) Regulations, 2015)

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

We have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good Corporate Practices by Small Industries Development Bank of India (hereinafter referred to as "SIDBI" or "the Bank"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, returns and other records maintained by the Bank, and the information and explanations provided by the Bank, its officers, agents and authorised representatives during the course of the audit, we hereby report that, in our opinion, SIDBI has, during the audit period covering the financial year ended 31st March, 2026, complied with the statutory provisions listed hereunder and has proper Board processes and compliance mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, and returns filed and other records maintained by the Bank for the financial year ended on 31st March, 2026 according to the provisions of:

(i) The Small Industries Development Bank of India Act, 1989 (SIDBI Act, 1989);
(ii) The Small Industries Development Bank of India General Regulations, 2000;
(iii) The Companies Act, 2013 and the rules made thereunder as amended (Not Applicable)
(iv) The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the rules made thereunder;
(v) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(vi) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (to the extent Applicable to SIDBI during the Audit Period)
(vii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(not applicable during the review period)**

ANNEXURE II

(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(not applicable during the review period)**
(e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable during the audit period)**;
(f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; **(to the extent applicable)**
(h) The Securities and Exchange Board of India (Debenture Trustee) Regulations, 2022; **(to the extent applicable)**;
(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable during the review Period)**
(j) The Securities and Exchange Board of India (Banker to an Issue) Regulations, 1994; **(to the extent applicable)**
(k) The Securities and Exchange Board of India (Certification of Associated Persons in the Securities Market) Regulations, 2008;
(l) The Securities and Exchange Board of India (Merchant Banking) Regulations, 1992;
(m) Guidelines, regulations issued by SEBI as applicable to capital market intermediaries; **(to the extent applicable)**;

(viii) We Further report that, having regard to the compliance system(s) prevailing in the SIDBI and on examination of the relevant documents and records in pursuance thereof on test check basis, SIDBI has complied with the following laws applicable to SIDBI:
(a) Guidelines, Regulations issued by SEBI as applicable to Capital Market Intermediaries, Merchant Bankers, Bankers to an Issue, Debenture Trustees.;
(b) Master Direction, Notification and guidelines issued by RBI from time to time;
(c) The Banking Regulation Act, 1949;
(d) The Reserve Bank of India Act, 1934;

We have also examined compliance of the following:
(a) Secretarial Standards, issued by The Institute of Company Secretaries of India- *(to the extent applicable, as SIDBI is not a Company incorporated under the provisions of Companies Act).*
(b) The Securities & Exchange Board of India (Listings Obligations and Disclosure Requirements) Regulations, 2015 *-to the extent Applicable.*

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

The Board of Directors of SIDBI is duly constituted as per SIDBI Act, 1989. The changes in the composition of the Board of Directors during the period under review were carried out in compliance with the applicable provisions of the aforesaid laws.

Generally, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The decision of the Board is carried through majority while the dissenting members' views, if any, are captured and recorded as part of the Minutes.

ANNEXURE-II

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

We further report that, during the period under review, National Stock Exchange of India Limited (NSE) imposed a penalty of ₹10,000 (plus applicable GST) each for the months of July and August on account of delayed intimation of the record date as prescribed under Regulation 60(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of ISINs INE556F08JZ5 and INE556F08KB4.
The Management, vide its letter dated 03.10.2025, sought waiver of the aforesaid penalties from the Stock Exchange. Pursuant to the representation submitted by the Management, the Stock Exchange subsequently waived the said penalties.

We further report that, a fine of ₹5,900 (inclusive of GST) was imposed by National Stock Exchange of India Limited (NSE) for non-compliance with Regulation 50(1) read with Regulation 50(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pertaining to the prior intimation of the Board Meeting held on 06.02.2026 in XBRL format. Although the prior intimation was submitted within the prescribed timeline, the same could not be uploaded under the designated XBRL tab/location on the NEAPS portal, resulting in the levy of the aforesaid fine.
The Management, vide its letter dated 27.03.2026, requested the Stock Exchange to waive the fine imposed. Pursuant to the representation submitted by the Management, the Stock Exchange subsequently waived the said fine.

We further report that during the audit period, following specific events/actions having a major bearing on the SIDBI's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:
The Board of Directors of SIDBI, pursuant to its resolution dated March 18, 2026, approved the allotment of 5,27,56,529 equity shares of ₹10 each at a premium of ₹558.65 per share to the Government of India (in the name of the President of India on behalf of the Union Government). Accordingly, upon receipt of ₹30,00,00,00,000 (Rupees Three Thousand Crore only) on March 30, 2026, the said shares were allotted on March 30, 2026.

For Agarwal S. & Associates,
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 2725/2022

Ravi Agrawal
Digitally signed by Ravi Agrawal
Date: 2026.06.22 14:49:33 +05'30'

CS Ravi Agrawal
ACS No.: 75135
C P No.: 27749

Place: New Delhi
Date: 22.06.2026
UDIN: A075135H000665549

Note: This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

ANNEXURE II

Annexure A"

To,
The Members,
Small Industries Development Bank of India (SIDBI)

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the SIDBI. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the SIDBI and our report is not covering observations/comments/ weaknesses already pointed out by the other Auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations, happening of events, etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether SIDBI has proper Board-processes and Compliance-mechanism in place or not.
6. The Secretarial Audit Report is neither an assurance as to future viability of the SIDBI nor of the efficacy or effectiveness with which the management has conducted the affairs of the SIDBI.
7. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Secretarial Auditing Standards as prescribed by Institute of Company Secretaries of India (ICSI).

For Agarwal S. & Associates,
***Company Secretaries*,**
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 2725/2022

Ravi Agrawal
Digitally signed by Ravi Agrawal
Date: 2026.06.22 14:49:59 +05'30'

CS Ravi Agrawal
ACS No.: 75135
C P No.: 27749

Place: New Delhi
Date: 22.06.2026
UDIN: A075135H000665549

Page 4 of 4

ANNEXURE-III

AGARWAL S. & ASSOCIATES
Company Secretaries

D-427, 2nd Floor, Palam Extn., Ramphal Chowk,
Sector 7, Dwarka, New Delhi-110075
Email Id: asacs2022@gmail.com
Phone: 011–45052182

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2025-26

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

We have examined all relevant records of Small Industries Development Bank of India (SIDBI) ("the Bank") for the purpose of certifying compliance with the conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the financial year ended March 31, 2026. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of this certification.

The compliance with the conditions of Corporate Governance is the responsibility of the management of the Bank. Our examination was limited to the review of procedures and the implementation thereof. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

SIDBI is established and governed by the SIDBI Act, 1989 and the SIDBI General Regulations, 2000. Accordingly, the Corporate Governance structure and compliances are aligned with the applicable provisions of the Listing Regulations to the extent that they do not conflict with the SIDBI Act, 1989 and the SIDBI General Regulations, 2000.

Based on our examination of the records produced, and the explanations and information furnished to us, we certify that the Bank has complied with all the conditions of Corporate Governance as stipulated under the Listing Regulations during the financial year ended March 31, 2026, except as stated below:

A. *During the period under review, the National Stock Exchange of India Limited (NSE) imposed a penalty of ₹10,000 (plus applicable GST) each for the months of July and August on account of delayed intimation of the record date, as prescribed under Regulation 60(2) of the Listing Regulations, in respect of ISINs INE556F08JZ5 and INE556F08KB4.*
The Management, vide its letter dated October 3, 2025, sought waiver of the aforesaid penalties from the Stock Exchange. Pursuant to the representation submitted, the Stock Exchange subsequently waived the said penalties.

B. *A fine of ₹5,900 (inclusive of GST) was imposed by NSE for non-compliance with Regulation 50(1) read with Regulation 50(4) of the Listing Regulations, pertaining to prior intimation of the Board Meeting held on February 6, 2026 in XBRL format. Although the prior intimation*

ANNEXURE-III

was submitted within the prescribed timeline, it could not be uploaded under the designated XBRL tab/location on the NEAPS portal, resulting in the levy of the aforesaid fine.
The Management, vide its letter dated March 27, 2026, requested the Stock Exchange to waive the fine imposed. Pursuant to the representation submitted, the Stock Exchange subsequently waived the said fine.

We further state that this compliance certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

For **Agarwal S. & Associates**,
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.:2725/2022

Ravi Agrawal
Digitally signed by Ravi Agrawal
Date: 2026.06.22 15:13:39 +05'30'

CS Ravi Agrawal
Partner
ACS No.: 75135
C.P No.: 27749

Date: 22.06.2026
Place: New Delhi
UDIN: A075135H000665692

ANNEXURE IV

AGARWAL S. & ASSOCIATES
Company Secretaries

D-427, 2nd Floor, Palam Extn., Ramphal Chowk,
Sector 7, Dwarka, New Delhi-110075
Email Id: asacs2022@gmail.com
Phone: 011–45052182

ANNUAL SECRETARIAL COMPLIANCE REPORT OF
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)
(for the year ended 31st March, 2026)
[Pursuant to Regulation 62M of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Agarwal S. & Associates, Company Secretaries, have examined:

(a) all the documents and records made available to us and explanation provided by **SIDBI** ("the high value debt listed entity"),
(b) the filings/submissions made by the listed entity to the stock exchanges,
(c) website of the listed entity,
(d) any other document/ filing, as may be relevant, which has been relied upon to make this Report,

For the year ended 31st March, 2026 ("Review Period") in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
(b) the Securities Contracts (Regulations) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

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

(a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; ***[not applicable during the review period]***
(c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; ***[not applicable during the review period]***
(d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; ***(Not applicable during the review Period)***
(e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; ***(Not applicable during the review Period)***
(f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
(g) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(h) The Securities and Exchange Board of India (Debenture Trustee) Regulations, 2022; ***(to the extent applicable)***
(i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; ***(to the extent applicable)***
(j) Guidelines, regulations issued by SEBI as applicable to capital market intermediaries; ***(to the extent applicable)***;
(k) The Securities and Exchange Board of India (Merchant Banking) Regulations, 1992;
(l) The Securities and Exchange Board of India (Certification of Associated Persons in the Securities Market) Regulations, 2008;
(m) The Securities and Exchange Board of India (Banker to an Issue) Regulations, 1994; ***(to the extent applicable)***

and based on the above examination, we hereby report that, during the Review Period:

ANNEXURE IV

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, *except* in respect of matters specified below: -

Sr. No.	Compliance Requirement (Regulations /circulars/ guidelines Including Specific clause (i)	Regulation /Circular No. (ii)	Deviations (iii)	Action Taken by (iv)	Type of Action (Advisory/ Clarification/ Fine/Show Cause Notice/ Warning, etc.) (v)	Details of Violation (vi)	Fine Amount (vii)	Observations / Remarks of the Practicing Company Secretary (viii)	Management Response (ix)	Remarks (x)
1.	The listed entity shall give notice in advance of at least three working days (excluding the date of intimation and the record date) to the recognized stock exchange(s) of the record date or of as many days as the stock exchange(s) may agree to or require specifying the purpose of the record date.	Regulation 60(2) of SEBI LODR, 2015	The Company has not complied with the timeline for intimation prescribed under Regulation 60(2) of the SEBI (Listing Obligations and Disclosur	National Stock Exchange of India Limited (NSE)	Fine	Refer Column iii of Table (a)	Rs. 11800 Inclusive of GST	Refer Column iii of Table (a)	The Management vide its letter dated 03.10.2025 requested the Stock Exchange to waive the fine imposed. Pursuant to the reply submitted by the Management, the Stock Exchange subsequently waived the said fine.	Nil

Page 2 of 15

Sr. No.	Compliance Requirement (Regulations /circulars/ guidelines Including Specific clause (i)	Regulation /Circular No. (ii)	Deviations (iii)	Action Taken by (iv)	Type of Action (Advisory/ Clarification/ Fine/Show Cause Notice/ Warning, etc.) (v)	Details of Violation (vi)	Fine Amount (vii)	Observations / Remarks of the Practicing Company Secretary (viii)	Management Response (ix)	Remarks (x)
			e Requirements) Regulations, 2015, with respect to ISIN INE556F08JZ5 for the month of July.							

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ANNEXURE IV

Sr. No.	Compliance Requirement (Regulations /circulars/ guidelines Including Specific clause (i)	Regulation /Circular No. (ii)	Deviations (iii)	Action Taken by (iv)	Type of Action (Advisory/ Clarification/ Fine/Show Cause Notice/ Warning, etc.) (v)	Details of Violation (vi)	Fine Amount (vii)	Observations / Remarks of the Practicing Company Secretary (viii)	Management Response (ix)	Remarks (x)
2.	The listed entity shall give notice in advance of at least three working days (excluding the date of intimation and the record date) to the recognized stock exchange(s) of the record date or of as many days as the stock exchange(s) may agree to or require specifying the purpose of the record date.	Regulation 60(2) of SEBI LODR, 2015	The Company has not complied with the timeline for intimation prescribed under Regulation 60(2) of the SEBI (Listing Obligations and Disclosure Requirements)	National Stock Exchange of India Limited (NSE)	Fine	Refer Column iii of Table (a)	Rs. 11800 Inclusive of GST	Refer Column iii of Table (a)	The Management vide its letter dated 03.10.2025 requested the Stock Exchange to waive the fine imposed. Pursuant to the reply submitted by the Management, the Stock Exchange subsequently waived the said fine.	Nil

Sr. No.	Compliance Requirement (Regulations /circulars/ guidelines Including Specific clause (i)	Regulation /Circular No. (ii)	Deviations (iii)	Action Taken by (iv)	Type of Action (Advisory/ Clarification/ Fine/Show Cause Notice/ Warning, etc.) (v)	Details of Violation (vi)	Fine Amount (vii)	Observations / Remarks of the Practicing Company Secretary (viii)	Management Response (ix)	Remarks (x)
			Regulations, 2015, with respect to ISIN INE556F08KB4for the mouth of August.							
3.	Regulation 50(1) read with Regulation 50(4) of SEBI (LODR) Regulations, 2015 relating to prior intimation of Board Meeting in XBRL format.	Regulation 50(1) read with Regulation 50(4) of SEBI (LODR) Regulations, 2015 relating to prior	Prior intimation though submitted timeline could not be uploaded at the designate	National Stock Exchange of India Limited (NSE)	Fine	Refer Column iii of Table (a)	Rs. 5,900 Inclusive of GST	Refer Column iii of Table (a)	The Management vide its letter dated 27.03.2026 requested the Stock Exchange to waive the fine imposed. Pursuant to the reply submitted by the Management, the Stock Exchange subsequently waived the said fine.	Nil

ANNEXURE IV

Sr. No.	Compliance Requirement (Regulations /circulars/ guidelines Including Specific clause (i)	Regulation /Circular No. (ii)	Deviations (iii)	Action Taken by (iv)	Type of Action (Advisory/ Clarification/ Fine/Show Cause Notice/ Warning, etc.) (v)	Details of Violation (vi)	Fine Amount (vii)	Observations / Remarks of the Practicing Company Secretary (viii)	Management Response (ix)	Remarks (x)
		intimation of Board Meeting (06.02.2026) in XBRL format.	d XBRL location/tab on NEAPS portal.							

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

Sr. No.	Observations/ Remarks of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended March 31, 2025	Compliance Requirement (Regulations/circulars/ guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity (incl. Comments of PCS in previous reports on the same)	Comments of the PCS on the actions taken by the listed entity
1.	"MUDRA" is a material subsidiary of SIDBI and hence Secretarial Audit Report (MR-3) of MUDRA had to be annexed with an Annual report of SIDBI for the F.Y. 2023-24. However, said information is missing in said AR for 2023-24, as stipulated in Reg. 24A of SEBI (LODR)	Refer column (I) of Table (b)	As per Regulation 24A(1)(a) of SEBI LODR, every listed entity and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit by a Secretarial Auditor who shall be Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report in such form as specified, with the annual report of the listed entity.	Refer column (I) of Table (b)-	As explained by the management, during the F.Y. 2023-24, the said regulation was applicable on comply or explain basis. It is mandatorily applicable with effect from 01 April 2025 and accordingly SIDBI will comply the same in upcoming financial year. In our view, clarification given by the management is satisfactory to us.	No Further Comments.

ANNEXURE IV

Sr. No.	Observations/ Remarks of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended March 31, 2025	Compliance Requirement (Regulations/circulars/ guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity (incl. Comments of PCS in previous reports on the same)	Comments of the PCS on the actions taken by the listed entity
2.	As per minutes of Annual General Meeting held on 25th September, 2024, it is observed that Chairperson of Stakeholder Relation Committee was not present, stipulated in Reg. 20(3) of SEBI (LODR)	Refer column (I) of Table (b)	As per Regulation 20(3) of SEBI LODR, the Chairperson of the Stakeholders Relationship Committee shall be present at the annual general meetings to answer queries of the security holders	Refer column (I) of Table (b)	As explained by management, the chairperson of Stakeholders Relationship Committee completed his tenure on August 10, 2024. Hence, he was not present in the AGM held on September 25, 2024. As explained by the management, during the F.Y. 2024-25, the said regulation was applicable on the comply or explain basis. It is mandatorily applicable with effect from 01 April 2025 and SIDBI will henceforth adhere to the regulation.	No Further Comments. Further, as per the submission made by the management, the Bank has complied with the requirement for the 27th AGM held on September 29, 2025. Chairperson of SRC was present during the AGM as required under Regulation 20(3) of SEBI LODR 2015

Sr. No.	Observations/ Remarks of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended March 31, 2025	Compliance Requirement (Regulations/circulars/ guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity (incl. Comments of PCS in previous reports on the same)	Comments of the PCS on the actions taken by the listed entity
3.	As per available information, we have not found details meetings Independent Directors, separate of as stipulated in Reg, 25(3) of SEBI (LODR)	Refer column (I) of Table (b)	As per Regulation 25(3) of SEBI LODR, the independent directors least one meeting in a [financial] of the listed entity shall hold at year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.	Refer column (I) of Table (b)	As explained by the management, Regulation. of 25(3) mandatorily is applicable with effect from 01 April 2025. Meeting of Independent Directors, as per regulations, will be held from FY 2025-26 onwards.	No Further Comments. Further as per the details submitted by the management, Meeting of the Independent Directors was held on February 06, 2026 during FY 2026

ANNEXURE IV

Sr. No.	Observations/ Remarks of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended March 31, 2025	Compliance Requirement (Regulations/circulars/ guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity (incl. Comments of PCS in previous reports on the same)	Comments of the PCS on the actions taken by the listed entity
4.	As per available records, SIDBI or any of its employees has not obtained such certificate Also, no activity permitted under the merchant banking registration certificate was undertaken by SIDBI during the FY 2025.	Refer column (I) of Table (b)	Under SEBI (Certification of Associated Persons in The Securities Markets) Regulations, 2007, listed entity or any of its employee needs to obtain certificate from National Institute of Securities Markets (NISM) established by the SEBI	Refer column (I) of Table (b)	As explained by the management, they are in the process of obtaining the same	No Further Comments. As per the details submitted by the Management, SIDBI continues to hold the Certificate of registration as Merchant Banker, even though no activity under the Merchant Banking registration is being undertaken at present. However, required certification from the NISM has been obtained during the FY 2026 by concerned officials.

Sr. No.	Observations/ Remarks of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended March 31, 2025	Compliance Requirement (Regulations/circulars/ guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity (incl. Comments of PCS in previous reports on the same)	Comments of the PCS on the actions taken by the listed entity
5.	SIDBI had taken prior approval for prospective related party transaction for the period from April 01, 2024 till March 31, 2025, from its Audit Committee (AC) at its meeting held on May 29, 2024, there were some transactions for which prior approval was not obtained. However, all such transactions reported to and ratified by the AC on a quarterly basis	Refer column (I) of Table (b)	As per Regulation 23(2), all related party transactions [and subsequent material modifications] shall require prior approval of the audit committee [of the listed entity]		As explained by the management, related party transactions (RPTs) without prior approval were those which could not be identified at the time of taking prior approval. However, all such approval were ratified by the Audit Committee (AC) subsequently. Further, the Bank had approval from the AC to enter into additional RPTs, over and above the limits so approved and/or for unplanned transactions, subject to post facto reporting and ratification by the AC on a quarterly basis.	No Further Comments.

(c) I/we hereby report that, during the review period the compliance status of the listed entity with the following requirements:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS
1.	Secretarial Standard: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).	NA	None

ANNEXURE IV

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS
2.	Adoption and timely updation of the Policies: All applicable policies under SEBI Regulations are adopted with the approval of board of Directors of the listed entity. All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI.	Yes Yes	None None
3.	Maintenance and disclosures on Website: • The listed entity is maintaining a functional website. • Timely dissemination of the documents/information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/section of the website.	Yes Yes Yes	None
4.	Disqualification of Director: None of the Directors of the Company are disqualified under Section 164 of the Companies Act, 2013.	NA	None
5.	Details related to Subsidiaries of listed entities: (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries.	Yes	The entity does not have any material subsidiary for the period under review.

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	NA	None
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.	No	The Bank has carried out performance evaluation of the Board, Committees of Board, Whole Time Directors and other Directors for FY 2025 in FY 2026. The evaluation was carried out in accordance with Board Evaluation Policy approved by the Board in March 2024. The process for FY 2026 is to be initiated.
8.	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions. (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit committee.	Yes NA	None
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable being a Debt listed entity.
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	None

ANNEXURE IV

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS
11.	Actions taken by SEBI or Stock Exchange(s), if any: No Actions taken against the listed entity/its promoters/directors'/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/guidelines issued thereunder except those mentioned in the last column.	No	The fine imposed by the Stock Exchange has been waived off.
12.	Resignation of statutory auditors from the listed entity or its material subsidiaries: In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	NA	No case of resignation of Statutory Auditor from the listed entity during the review period. Further, the Company does not have any material subsidiary.
13.	Additional non-compliances, if any: No additional non-compliance observed for any of the SEBI regulation/circular/ guidance note, etc. except as reported above.	Yes	As specified in the first proviso to sub-regulation (2) of Regulation 13A of the Merchant Bankers Regulations, 1992, a person holding a Certificate of Registration under the Merchant Bankers Regulations and also regulated by the RBI shall undertake the merchant banking activities specified under sub-regulation (1) of Regulation 13A through a separate business unit. At present, the vertical is not maintaining separate books of accounts as an independent Strategic Business Unit (SBU). The Bank is required to take necessary steps to comply with the said regulation within the timeline prescribed therein.

We further report that the listed entity is in compliance with the disclosure requirements of Employee Benefit Scheme Documents in terms of regulation 46(2)(za) of the LODR Regulations.

Assumptions & limitation of scope and review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial records and books of account of the listed entity.
4. This report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (LODR) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For Agarwal S. & Associates,
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No. 2725/2022

Ravi Agrawal
Digitally signed by Ravi Agrawal
Date: 2026.05.27 13:43:59 +05'30'

CS Ravi Agrawal
ACS No.: 75135
C P No.: 27749

Place: New Delhi
Date: 27.05.2026
UDIN: A075135H000500648

ANNEXURE V

Deep Shukla & Associates
COMPANY SECRETARIES

A-603, Maruti Bhuvan, Parsi Panchayat Road,
Opp. Sona Udyog, Andheri East, Mumbai - 400069.
022 - 35518802
+91 9594863281
csoffice@deepshukla.com/deep@deepshukla.com
www.deepshukla.com

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) read with Para C (10) (i) of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA
Swavalamban Bhavan, C-11, G-Block,
Bandra- Kurla Complex, Bandra East,
Mumbai-400051, Maharashtra, India.

Dear Sir,

I, Deep Shukla, Proprietor of M/s. Deep Shukla & Associates, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Small Industries Development Bank of India, having registered office at the Swavalamban Bhavan, C-11, G-Block, Bandra- Kurla Complex, Bandra East, Mumbai-400051, Maharashtra, India (hereinafter referred to as "SIDBI"), produced before me by the Company for the purpose of issuing this Certificate, in accordance with BSE notice no. 20220107-16 dated January 7, 2022 read with Regulation 34(3) read with clause 10(i) of Para C of Schedule V to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of SIDBI as stated below for the Financial Year ended March 31, 2026, have been debarred or disqualified from being appointed or continue as Directors of Companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Directors	DIN	Date of Appointment
1	Shri Manoj Mittal	01400076	27/07/2024
2	Shri Sudatta Mandal	00942070	03/05/2021
3	Shri Prakash Kumar	06758416	07/11/2023
4	Dr. Rajneesh	07781942	22/02/2023
5	Shri Manoj Muttathil Ayyappan	10733238	06/08/2024
6	Shri Gopal Jha	11362455	23/10/2025
7	Shri Laxmi Chand Meena	10728812	28/10/2024
8	Dr K S Mahesh	09170623	05/12/2025
9	Shri Amit Tandon	01602336	08/08/2021
10	Shri Jitender Kalra	08722638	13/02/2024
11	Shri P. J. Thomas	10332033	15/11/2024
12	Ms. Padmaja Shailen Ruparel	01383513	14/03/2025

DEEP SHUKLA & ASSOCIATES
M. No. 5852
C.P. No.: 5364
COMPANY SECRETARIES

ANNEXURE V

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of SIDBI. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Yours faithfully,
For: M/s Deep Shukla & Associates
Company Secretaries



Deep Shukla
Practicing Company Secretaries
(Peer Review Certificate No.: 2093/2022)
FCS: 5652; CP: 5364
UDIN: F005652H000754015
Date: 06/07/2026
Place: Mumbai

ANNEXURE VI

Rajkumar R. Tiwari
FCS., LLM., MBA(Fin)., Mcom., MA(Eco)., M. Phil.,
PGDICM & IA., DIPL., DTL., DFM.
Practising Company Secretary

Office : 3/1413, 14th Floor, Navjivan Commercial Premises Co-op. Soc. Ltd., Lamington Road, Mumbai Central, Mumbai 400 008. Tel. : 022-23011981 / 022-66351981(M) 9820353375
E-mail:raj.nj4227@gmail.com / raj_nj13@hotmail.com

Date: 07 JUL 2026

FORM NO. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2026

(Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies Appointment and Remuneration of Managerial Personnel Rules, 2014)

To,
The Members,
Micro Units Development & Refinance Agency Limited
[MUDRA Ltd.]
Swavalamban Bhavan, Plot No. C-11,'G' Block,
Bandra Kurla Complex, Bandra (East),
Mumbai- 400051

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Micro Units Development & Refinance Agency Limited(CIN: U65100MH2015PLC274695)** (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing my opinion thereon.

Based on my verification of the **Micro Units Development & Refinance Agency Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2026 ('Audit Period')** complied with the statutory provisions listed hereunder and also that the Company has proper Board-Process and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Micro Units Development & Refinance Agency Limited** ("the Company") for the financial year ended on **31st March, 2026** according to the provisions of:

i. The Companies Act, 2013 ("the Act") including amendments thereof and the rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under **(Not Applicable to the Company);**

R. R. TIWARI FCS-4227 C.P.: 2400 Practising Company Secretary

RAJKUMAR RAKSHARA M TIWARI Digitally signed by RAJKUMAR RAKSHARAM TIWARI Date: 2026.07.07 15:27:54 +05'30'

ANNEXURE VI

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company)**

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company)**

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable to the Company)**

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company)**

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company)**

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company)**

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with clients; **(Not Applicable to the Company)**

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company)**

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company)**

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Not Applicable to the Company)**

vi. The Company has identified and confirmed the following laws as being specifically applicable to the Company:

a) Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 read with Master Circular as issued by Reserve Bank of India with respect to Returns to be submitted by NBFCs, as may be applicable.

R. R. TIWARI * ICS-4227 C.P.: 2400 * Company Secretary

RAJKUMAR RAKSHARA M TIWARI Digitally signed by RAJKUMAR RAKSHARAM TIWARI Date: 2026.07.07 15:29:02 +05'30'

Page 2 of 3

ANNEXURE VI

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

a) Secretarial Standards issued by the Institute of Company Secretaries of India.

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings/Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except where consent of directors was received for circulation of the agenda and notes on agenda at a shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the resolutions, decisions of the Board and Committees thereof were carried out with requisite majority.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the period under review the Company has enhanced the borrowing limit to Rs. 20,000 Crores, pursuant to the provisions of Section 180 (1) (c) and other applicable provisions of the Companies Act, 2013 by passing Shareholders Special resolution in the 10th Annual General Meeting of the Company held at shorter notice on Tuesday, 30th September, 2025.

R. R. TIWARI * FCS-4227 C.P.: 2400 * Practising Company Secretary

RAJKUMAR RAKSHARAM TIWARI Digitally signed by RAJKUMAR RAKSHARAM TIWARI Date: 2026.07.07 15:29:35 +05'30'

Place: Mumbai
Date: July 07, 2026

CS Rajkumar R. Tiwari
Company Secretary in whole time practice:
C.P. No.:2400 FCS No.:4227
P.R. No. 2041/2022
UDIN: F004227H000766001

This report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Page 3 of 3

ANNEXURE VII

Rajkumar R. Tiwari
FCS., LLM., MBA(Fin)., Mcom., MA(Eco)., M. Phil.,
PGDICM & IA., DIPL., DTL., DFM.
Practising Company Secretary

Office : 3/1413, 14th Floor, Navjivan Commercial Premises Co-op. Soc. Ltd., Lamington Road, Mumbai Central, Mumbai 400 008. Tel. : 022-23011981 / 022-66351981(M) 9820353375
E-mail:raj.nj4227@gmail.com / raj_nj13@hotmail.com

07 JUL 2026

Date:_____

Annexure-A

To,
The Members,
Micro Units Development & Refinance Agency Limited
[MUDRA Ltd.]
Swavalamban Bhavan, Plot No. C-11,'G' Block,
Bandra Kurla Complex, Bandra (East),
Mumbai- 400051

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

1. Maintenance of Secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test bases to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the Provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

R. R. TIWARI ★ FCS-4227 C.P.: 2400 ★ Practising Company Secretary

RAJKUMAR RAKSHARAM TIWARI
Digitally signed by RAJKUMAR RAKSHARAM TIWARI
Date: 2026.07.07 15:30:48 +05'30'

Place: Mumbai
Date: July 07, 2026

CS Rajkumar R. Tiwari
Company Secretary in whole time practice:
C.P. No.: 2400 FCS No.:4227
P.R. No. 2041/2022
UDIN: F004227H000766001

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RESERVATION-RELATED DISCLOSURES

I) BACKLOG RESERVED VACANCIES FILLED UP DURING THE YEAR AND REMAINING UNFILLED ALONG WITH REASONS:

Officer Cadre:

Particulars	OBC	PwD
Backlog vacancies notified at beginning of year	2	4
Backlog vacancies filled during the year	2	1
Backlog vacancies remaining unfilled	0	3
Reasons for remaining unfilled	NA	Due to non-availability of suitable candidates despite recruitment efforts. These vacancies shall be carried forward and included in the forthcoming recruitment exercise.

Sub-staff Cadre:

Particulars	OBC
Backlog vacancies available at beginning of year	2
Backlog vacancies filled during the year	0
Backlog vacancies remaining unfilled	2
Reasons for remaining unfilled	Recruitment in the Sub-staff (Class IV) cadre is undertaken only on a need-based basis and is not conducted regularly. No regular recruitment in this cadre has been undertaken since 2000, except for compassionate appointments made in 2004 and 2012. Consequently, the backlog vacancies could not be filled during the year and shall be carried forward for filling in future recruitment exercises, as and when undertaken.

II) DETAILS OF LIAISON OFFICER(S) DESIGNATED BY THE DEPARTMENT AND ITS ORGANIZATIONS FOR SC/ST, OBC, PWD, EWS, EX-SERVICEMEN, AS REQUIRED IN TERMS OF INSTRUCTIONS ISSUED BY THIS DEPARTMENT FROM TIME TO TIME:

S.N.	Name & Designation	Contact No.		e-mail ID	Appointed
		Office	Mobile No		
1.	Shri Shri Ram Meena, GM, New Delhi Office	011-23448410	9818796555	srmeena@sidbi.in	CLO - SC, ST, PwD & Ex-Servicemen
2.	Shri Chandra Mouli Anem, GM, Lucknow HO	0522-4259700	8238804670	acmouli@sidbi.in	CLO-OBC
3.	Shri Dinesh Kumar, GM, Mumbai Office	022-67531364	9826808540	dinesh@sidbi.in	LO-EWS (Economically Weaker Section)
4.	Shri Maheshwar Kingoppa, DGM, Mumbai Office	022-67531100	8756408556	maheshwark@sidbi.in	LO - SC, ST, PwD & Ex-Servicemen (Western Zone)
5.	Shri Prashant Kamalakar Thakur, AGM, Mumbai Office	022-67531100	8080842587	thakurp@sidbi.in	LO-OBC (Western Zone)
6.	Shri Anburaj C, GM, Chennai RO	044-66636001	7708474270	anburajc@sidbi.in	LO - SC, ST, PwD & Ex-Servicemen (Southern Zone)
7.	Shri Raffi Mohamed, DGM, Vijayawada BO	0866-2544228	9042386904	mraffi@sidbi.in	LO-OBC (Southern Zone)

S.N.	Name & Designation	Contact No.		e-mail ID	Appointed
		Office	Mobile No		
8.	Shri Jeeban Kumar Sethy, DGM, Mohali BO	0172-5027500	8169963060	jeebanksethy@sidbi.in	LO - SC, ST, PwD & Ex-Servicemen (Northern Zone)
9.	Shri Girish Kumar Meher, DGM, Bahadurgarh BO	01276-237707	9819838504	girish@sidbi.in	LO-OBC (Northern Zone)
10.	Shri Prasenjit Chowdhury, DGM, Kolkata RO	033-22904165	9988369189	prasenjit@sidbi.in	LO - SC, ST, PwD & Ex-Servicemen (Eastern Zone)
11.	Ms. Rashmi Ranjan, DGM, Patna BO	0612-2221289	8451048851	rashmi@sidbi.in	LO-OBC (Eastern Zone)

III) DETAILS OF RESERVATION CELL CONSTITUTED BY THE DEPARTMENT AND THEIR ORGANIZATIONS, AS REQUIRED IN TERMS OF AFOREMENTIONED INSTRUCTIONS:

S.N.	Name & Designation	Contact No.		e-mail ID	Appointed
		Office	Mobile No		
1.	Shri Para Raveendra Kumar, DGM, Mumbai Office	022-67531215	8975211529	praveendra@sidbi.in	SC/ST Cell
2.	Shri Pakalapati Ravi Teja, Manager, Mumbai Office	022-67531205	8897700331	ravitejap@sidbi.in	SC/ST Cell

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