

**Private and confidential**

30 May 2023

Small Industries Development Bank of India  
SIDBI Tower,  
15, Ashok Marg,  
Lucknow 226001

**Independent auditor's certificate on End use of proceeds from issue of Non-Convertible Debentures as at 31 March 2023 under Regulations 15(IA) of the Securities and Exchange Board of India (Debentures Trustees) Regulation, 1993 (Debentures Trustees Regulations)**

1. This Certificate is issued in accordance with the terms of letter Ref.No.18791/CAPV/Certificate SEBI by Small Industries Development bank of India (the 'Bank') dated 22 February 2023. We, Borkar & Muzumdar, Chartered Accountants (Firm's Registration Number 101569W), are the Statutory Auditors of Small Industries Development Bank of India (the "Bank") for the year ending 31 March 2023 having its Head Office at SIDBI Tower, 15, Ashok Marg, Lucknow 226001.
2. Pursuant to the regulations of the Securities and Exchange Board of India (Debentures Trustees) Regulation, 1993 as amended from time to time and as requested by the Bank, we have examined the utilisation of funds received by issue of NCDs in respect of the Bank during the year ended 31 March 2023 with the relevant document/ records maintained by the Bank.

**Management's responsibility**

3. The Bank's management (the 'Management') is responsible for ensuring compliance with the requirements of the Debenture Trustees Regulations and all the external and internal requirements on an ongoing basis and reporting non compliances, if any, to the regulatory authority, its Board and its audit committee.
4. The preparation of the Statement is the responsibility of the Management, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the report, compliance with the statutory requirements and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. Further, this responsibility includes ensuring that the relevant records provided to us for our examination are correct and complete.



## Auditor's responsibility

6. Pursuant to the requirements of the Debenture Trustees Regulations, our responsibility is to provide a limited assurance and form a conclusion based on the work performed as to whether anything has come to our attention that causes us to believe that the Bank has not utilised the proceeds raised through the issue of NCDs during the year ended 31 March 2023, for the purpose as given in the attached statement.
7. The standalone financial statements of the Bank for the year ended March 31, 2023 have been audited by us and on which we issued an unmodified audit opinion vide our report dated 12 May 2023. Our audit of these financial statements was conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the 'ICAI'). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement. Our audit was not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.
8. For the purpose of this certificate, we have planned and performed the following procedures:
  - a) Read the Object Clause of the issue as mentioned in the IM;
  - b) Read the copy of resolution passed at the meeting of the Committee of Directors held for allotment of Non-Convertible Debentures;
  - c) Confirmed amount received through the issue of said security in the Bank's current account with State Bank of India – 00000010996685010. Obtained extract of account statement for the proceeds received from issue of NCDs during the reporting period.
  - d) Obtained confirmation from the Bank that balances under Current account maintained with SBI is part of general pool of funds being utilised for regular business activities purpose. As such, no separate tracking of funds raised through the issue is maintained, to identify the movement and utilisation of the same.
9. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
10. We conducted our examination of the computation in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.





## Conclusion

12. Based on the procedures performed as mentioned above and information and explanations provided by the Bank and to the best of our knowledge and belief, nothing has come to our attention that causes us to believe that the Bank has not utilized proceeds raised through issue of NCDs, given in the attached statement, during the year ended 31 March 2023, for the purpose mentioned in the offer document for issuance of NCDs.

## Restrictions on use

13. This certificate is addressed to and provided to the Bank solely in connection with the above- mentioned purpose and for submission to Debentures Trustee and should not be used by any other person or for any other purpose. Accordingly, our certificate should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Borkar & Muzumdar  
Chartered Accountants  
Firm's Registration No. 101569W

*Darshit Doshi*

Darshit Doshi  
Partner  
Membership No. 133755  
UDIN: 23133755BGQTZE7197



Date: 30 May 2023  
Place: Mumbai

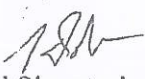
### Statement of utilization of issue proceeds

Statement of utilization of proceeds from non-convertible debentures (NCDs) issued during the year ended 31 March 2023

Pursuant to the Annexure IV – A of Operational Circular for listing obligations and disclosure requirements for Non-convertible Securities dated July 29, 2022 the statement of Utilization of the issue proceeds from the auditor of the listed entity shall cover below mentioned points:-

| Name of the Issuer | ISIN         | Mode of Fund Raising (Public issues/ Private placement) | Type of instrument         | Date of raising funds | Amount Raised   | Funds utilized  | Any deviation (Yes / No) | If 8 is Yes, then specify the purpose of for which the funds were utilized | Remarks, if any   |
|--------------------|--------------|---|----------------------------|-----------------------|-----------------|-----------------|--------------------------|--|---|
| 1                  | 2            | 3   | 4                          | 5                     | 6               | 7               | 8                        | 9  | 10  |
| SIDBI              | INE556F08KG3 | Private Placement                                       | Non-Convertible Securities | 18-01-2023            | INR 5000 Crores | INR 5000 Crores | No                       | -  | Funds have been utilized towards extending financial assistance to MSMEs or for any other purpose as laid down in SIDBI Act, 1989, as amended from time to time, as per the objects stated in Information Memorandum. |

Yours faithfully,  
For Small Industries Development Bank of India

  
Authorized Signatories



बैंक हिन्दी में पत्राचार का स्वागत करता है।

भारतीय लघु उद्योग विकास बैंक






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