

**SIDBI achieves another milestone- Asset Base crosses ₹4 trillion mark**

The Small Industries Development Bank of India (SIDBI) held its 25<sup>th</sup> Annual General Meeting on June 26, 2023, at its Head Office in Lucknow. The audited financial results of SIDBI for the year ended March 31, 2023 were approved at the Annual General Meeting.

Shri Sivasubramanian Ramann, IA&AS, Chairman and Managing Director of SIDBI, addressed the members and outlined SIDBI's financial and operational performance for FY 2022–2023. SIDBI achieved the highest-ever outstanding, income, net-profit and balance sheet. SIDBI witnessed significant growth in all business spheres. SIDBI crossed the milestone figure of balance sheet of ₹4 lakh crore. SIDBI's disbursements jumped by 93%, from ₹1,43,758 crore in FY 2022 to ₹2,76,755 crore in FY 2023. 'Loans & Advances' of SIDBI increased from ₹2,02,252 crore in FY 2022 to ₹3,56,439 crore in FY 2023, growth of 76%. The Asset Base of the Bank has shown growth of 63% from ₹2,47,379 crore to ₹4,02,383 crore. In FY 2023, the Bank registered income of ₹18,485 crore, an increase of 102% over previous year and net profit of ₹3,344 crore an increase of 71% over previous year. The Earnings Per Share (EPS) was ₹58.81 in FY 2023. Gross and Net NPA ratios declined further to 0.01% and 0.00%, respectively as on March 31, 2023. The AGM approved the payment of a dividend of 20% for FY 2023.

Shri Ramann stated that the Bank's Direct and Indirect finance activities have substantially increased flow of lower-cost credit to the MSME sector. The share of MSME borrowing in SIDBI Balance Sheet has increased from 7% to 17% over 2 years and the aim is to increase it to 25% in another 2 years with support of Department of Financial Services and Reserve Bank of India. Providing lower cost finance to the MSME sector through refinance to Banks and NBFCs as also Direct finance support by way of debt and equity through fully digital platforms is the mandate of SIDBI. Implementing govt schemes for MSME like PM SVANidhi and PM VIKAS is an important component of credit-delivery by SIDBI.

Along with the financing role, SIDBI has remained at the forefront of developing innovative solutions to address challenges faced by the MSME sector. The Bank has made significant strides in developing many digital ecosystem initiatives and applying financial tools to encourage MSMEs to embrace green practices. SIDBI has leveraged the India Stack to undertake new digital initiatives to strengthen the MSME ecosystem such as,

- **Udyam Assist Platform-** to bring Informal Micro Entities (IMEs) into formal economy by issuing Udyam Certificate. This shall enable access to markets, financial services, and government schemes to IMEs. Over 30 lakh IMEs have registered as part of the project.

- **GST Sahay**- The Bank has developed a new App named GST Sahay which facilitates collateral free lending based on cashflow assessment. The App would digitally provide 'on tap' invoice-based collateral free financing for MSMEs sector.
- **FIT Rank**- SIDBI has mentored Finance Income and Trade data-based rank (FIT Rank) for MSME which uses GST, ITR and Bank Statements to assign FIT Rank reflecting relative Probability of default (PD)/ performance/ strength of MSMEs. The FIT Rank will benefit MSMEs to become more creditworthy. The rank will also enable assessment of New / First time Credit borrowers.

SIDBI has undertaken several new initiatives and supported new financial intermediaries to better serve the MSME sector. In FY 2023, Bank has recommenced refinance assistance to RRBs & Scheduled Urban Cooperative Banks, launched a scheme for mainstreaming assistance to lower rated NBFCs, introduced Risk Based Exposure Framework for AAA rated and upper layer NBFCs, setting-up special corpus with the objective of building bond market for smaller and low rated MFIs/ NBFCs/ Fintech. These measures are expected to increase flow of credit to the MSME sector, especially the relatively unserved/ underserved enterprises.

SIDBI has focused on continuous improvements/ refinements in processes as well as digitisation of the credit process to improve the quality and delivery of credit under Direct Finance operations. SIDBI has introduced a credit product based on 'Finance Income and Trade (FIT) Rank' and 'CIBIL MSME Rank (CMR)' to accord sanction through a Straight Through Process which is intended to boost digital lending and flow of credit to the MSME sector. SIDBI has also introduced several schemes for extending Green Finance to MSMEs. The green finance portfolio of SIDBI rose 16 times in FY 2023 with expected annual energy savings of 330 GWh and reduction of 0.23 Mn tCO<sub>2</sub>eq of GHG emission.

In FY 2023, the SIDBI Cluster Development Fund gained traction in extending financial assistance to State Governments for the development of MSME infrastructure. Cumulatively, 91 projects (64 greenfield & 27 brownfield) have received commitments of ₹5,496 crore up to FY 2023.

Shri Ramann stated that in FY 2024, the Bank will continue to build on the many initiatives undertaken for the development of the MSME ecosystem as well as explore new areas / collaborations to address the various challenges faced by the MSME sector in order to enable its unhindered growth.

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### **About SIDBI:**

Since its formation in 1990, SIDBI has been touching the lives of citizens across various strata of society through its integrated, innovative and inclusive approach. SIDBI has directly or indirectly impacted the lives of Micro and Small Enterprises (MSEs) through various credit and developmental measures whether they are traditional, domestic small entrepreneurs, bottom-of-the-pyramid entrepreneurs, or high-end knowledge-based entrepreneurs.

For more information, please visit: <https://www.sidbi.in/>

