

K. S. AIYAR & CO  
CHARTERED ACCOUNTANTS

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Review report to;  
The Board of Directors,  
SBM Bank (India) Limited.

We have reviewed the accompanying statement of unaudited financial results of SBM Bank (India) Limited ('the Bank') for quarter and three months period ended 30<sup>th</sup> June, 2023 ('the Statement') being submitted by the Bank pursuant to the requirements of Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended ('the Regulations') except for the disclosures, referred to in Note 2 to the Statement, relating to Pillar 3 disclosure as at June 30, 2023 including leverage ratio, liquidity coverage and Net Stable Funding Ratio under Basel III Capital Regulations as disclosed on the Bank's website in respect of which a link has been provided in the Statement which have not been reviewed by us.

This statement is the responsibility of the Bank's Management and approved by the Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 'Interim Financial Reporting ('AS 25') prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by Reserve Bank of India (the RBI) from time to time and other recognized accounting principles generally accepted in India.

Our responsibility is to issue a review report on this Statement of Unaudited Financial Results based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

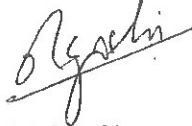
Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

**Emphasis of Matter**

We draw attention to note 8 to the accompanying Statement of unaudited financial results, reviewed by us, include TCS Recoverable from customers of Rs. 11.52 Crores and provision made thereagainst of Rs.4.77 Crores, per best estimate of the management, which we have relied upon, for the purpose of this Limited Review.

Our Review Conclusion is not modified in respect of this matter.

For K.S. Aiyar & Co;  
Chartered Accountants;  
Firm Registration No. 100186W  
UDIN: 23038526BGWQFG2642



**Rajesh S. Joshi**  
Partner,  
Membership No. 038526

Mumbai  
August 9, 2023



SBM Bank (India) Ltd.

CIN:U65999MH2017FLC293229

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UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2023

(Rs in lacs)

Sr No	Particulars	Quarter ended			
		30-Jun-2023	31-Mar-2023	30-Jun-2022	31-Mar-2023
		Unaudited	Audited (Refer note 7)	Unaudited	Audited
1	Interest Earned (a)+(b)+(c)+(d)	18,852	18,726	14,015	66,567
	a) Interest/discount on advances/bills	11,971	12,044	9,510	44,962
	b) Income on investments	6,064	6,030	3,362	18,557
	c) Interest on Balances with RBI and Other Inter-Bank Funds	532	349	841	2,095
	d) Others	285	303	302	953
2	Other income	5,029	6,242	4,449	20,135
3	<b>Total income (1)+(2)</b>	<b>23,881</b>	<b>24,968</b>	<b>18,464</b>	<b>86,702</b>
4	Interest Expended	13,940	13,456	9,588	45,339
5	Operating expenses (i)+(ii)	9,191	11,925	7,096	37,598
	i) Employees cost	3,921	3,757	2,530	12,157
	ii) Other operating expenses	5,270	8,168	4,566	25,441
6	<b>Total expenditure (4)+(5) (Excluding provisions and Contingencies)</b>	<b>23,131</b>	<b>25,381</b>	<b>16,684</b>	<b>82,937</b>
7	<b>Operating profit before Provisions and Contingencies (3)-(6)</b>	<b>750</b>	<b>(413)</b>	<b>1,780</b>	<b>3,765</b>
8	Provisions (other than tax) and Contingencies	677	217	550	1,683
9	Exceptional Items	-	-	-	-
10	<b>Profit/(Loss) from Ordinary Activities before tax (7)-(8)-(9)</b>	<b>73</b>	<b>(630)</b>	<b>1,230</b>	<b>2,082</b>
11	Tax Expense	-	-	-	-
12	<b>Net Profit/(Loss) from Ordinary Activities after tax (10)-(11)</b>	<b>73</b>	<b>(630)</b>	<b>1,230</b>	<b>2,082</b>
13	Extraordinary items (net of tax expense)	-	-	-	-
14	<b>Net Profit/(Loss) for the period (12)-(13)</b>	<b>73</b>	<b>(630)</b>	<b>1,230</b>	<b>2,082</b>
15	Paid up equity share capital (Face value of Rs 10/- each)	82,363	82,363	82,363	82,363
16	Reserves excluding revaluation reserves	-	-	-	(11,073)
17	<b>Analytical Ratios and other disclosures</b>	-	-	-	-
	(i) Percentage of shares held by Government of India	NIL	NIL	NIL	NIL
	(ii) Capital Adequacy Ratio	16.65%	16.16%	16.68%	16.16%
	(iii) Earnings per share (EPS) (Rs) (Face value of Rs 10/- each)	-	-	-	-
	(a) Basic EPS before or after extraordinary items (net of tax expense)	0.01	(0.08)	0.15	0.25
	(b) Diluted EPS before or after extraordinary items (net of tax expense)	0.01	(0.08)	0.15	0.25
	(iv) NPA ratios	-	-	-	-
	(a) Gross NPAs	9,321	9,748	9,145	9,748
	(b) Net NPAs	1,633	1,659	1,372	1,659
	(c) % of Gross NPAs to Gross Advances	1.98%	1.98%	1.78%	1.98%
	(d) % of Net NPAs to Net Advances	0.35%	0.34%	0.27%	0.34%
	(v) Return on assets (average)	0.03%	-0.25%	0.58%	0.22%
	(vi) Net worth	69,213	69,012	70,439	69,012
	(vii) Outstanding redeemable preference shares	-	-	-	-
	(viii) Capital redemption reserve	-	-	-	-
	(ix) Debt-equity ratio *	2.18	2.30	1.53	2.30
	(x) Debenture redemption reserve	-	-	-	-
	(xi) Total debts to total assets *	17.27%	16.84%	12.19%	16.84%
	* Debt represents total borrowings; Equity represents total of share capital and reserves.				





- 1 The Bank has applied its significant accounting policies in the preparation of these financial results consistent with those followed in the annual financial statements for the year ended March 31, 2023. Any circular/ direction issued by RBI is implemented prospectively when it becomes applicable.
- 2 In accordance with RBI guidelines, banks are required to make Pillar 3 disclosures including leverage ratio, liquidity coverage ratio and Net Stable Funding Ratio (NSFR) under the Basel III framework. The Bank has made these disclosures which are available on its website at the following link <https://www.sbmbank.co.in/aboutus/investor-corner.php>. The disclosures have not been subjected to audit or limited review by the statutory auditor of the Bank.
- 3 Other income includes commission income from non-fund based activities, fees, earnings from foreign exchange transactions, profit and loss (including revaluations) from investments, etc.
- 4 The above results have been approved by the Board of Directors of the Bank at its meeting held today.
- 5 These results for the quarter ended June 30, 2023 have been subjected to limited review by – K. S. Aiyar & Co., Chartered Accountants who have issued an unmodified audit report thereon.
- 6 Details of loan transferred / acquired during the quarter ended June 30, 2023 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below :-

(i) The Bank has not transferred any stressed loans (Non- performing asset and Special Mention Account) and loans not in default during the quarter ended June 30, 2023.

(ii) The Bank has not acquired any stressed loans (NPA and SMA accounts) during the quarter ended June 30, 2023.

(iii) The Bank has not acquired any loans not in default through assignment during the quarter ended June 30, 2023.

(iv) Details of recovery ratings assigned for Security Receipts as on June 30, 2023:

Recovery Rating ^	Anticipated recovery as per recovery rating	June 30, 2023 (Rs in lacs) Book Value **
BWRR1 / BWRR1+	100%-150%	242
BWRR3	50%-75%	-
RR5/Unrated *	0%-25%	1,767
<b>Total</b>		<b>2,009</b>

^ Recovery rating is assigned by various external agencies.

\* Represents security receipts for which 8 years have been completed

\*\* The Bank has not made any Investment in Security Receipts during the quarter ended June 30, 2023. Provision against the outstanding Security Receipts as on June 30, 2023 is 2,009 lacs.

- 7 The figures for the quarter ended March 31, 2023 are the balancing figures between audited figures in respect of Financial year 2022-23 and published year to date figures upto December 31, 2022.
- 8 During the Financial year 2022-23, Bank had paid total TCS amount of Rs. 30.73 crore on applicable international transactions initiated through SBM Debit cards to the Income Tax Department on behalf of customers. Bank had also made provision of Rs. 2.77 crore towards such receivables in the financial statement for March 31, 2023, basis the recovery estimate. Of the total amount, Rs. 11.52 crore is pending to be recovered as on June 30, 2023. Bank had taken multiple recovery actions including initiation of legal recourse option towards recovery of these remaining balances. An additional provision of INR 2 crores has been made for June 30, 2023 quarter reporting which has increased the Total Provision coverage to > 40% of the Total pending recovery amount, in line with the recovery estimates. Total Provision amount as at June 30, 2023 is INR 4.77 crores.
- 9 Figures of the previous periods have been regrouped reclassified wherever necessary to conform to current period's classification.

Place : Mumbai  
Date : August 09, 2023



For SBM Bank (India) Ltd.

Mr. Sidharth Rath  
Managing Director &  
Chief Executive Officer

