

**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 six months period ended 30<sup>th</sup> September, 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 4 to the Statement, relating to Pillar 3 disclosure as at September 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.

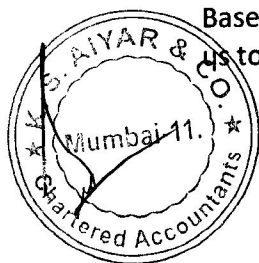
This statement is the responsibility of the Bank's Management and approved by the Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 'Interim Financial Reporting ('AS 25') prescribed under section 133 of the Companies 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

Offices also at  
Chennai Kolkata  
Bengaluru Coimbatore Hyderabad



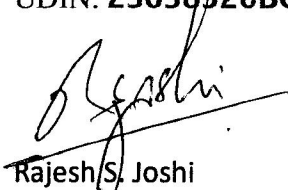
accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it 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**

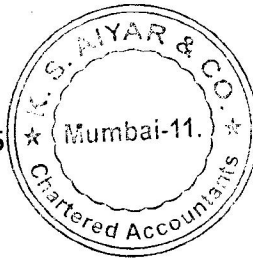
We draw attention to note 10 to the accompanying Statement of unaudited financial results, reviewed by us, include TCS Recoverable from customers of Rs. 8.62 Crores and provision made thereagainst of Rs.4.77 Crores, per best estimate of the management. which we have relied upon, for the purpose of this 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: **23038526BGWQGI4284**



Rajesh S. Joshi  
Partner,  
Membership No. 038526



Mumbai  
November 9, 2023

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023**
**(Rs in lacs)**

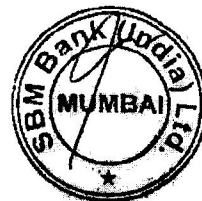
Sr No	Particulars	Quarter ended			Half year ended		Year ended
		30-Sep-2023	30-Jun-2023	30-Sep-2022	30-Sep-2023	30-Sep-2022	31-Mar-2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Interest Earned (a)+(b)+(c)+(d)	20,196	18,852	16,099	39,048	30,102	66,567
	a) Interest/discount on advances/bills	13,753	11,971	11,277	25,724	20,775	44,962
	b) Income on investments	5,753	6,064	4,225	11,817	7,587	18,557
	c) Interest on Balances with RBI and Other Inter-Bank Funds	296	532	420	828	1,261	2,095
	d) Others	394	285	177	679	479	953
2	Other income	4,889	5,029	4,807	9,918	9,249	20,120
3	<b>Total Income (1)+(2)</b>	<b>25,085</b>	<b>23,881</b>	<b>20,906</b>	<b>48,966</b>	<b>39,351</b>	<b>86,687</b>
4	Interest Expended	13,657	13,940	10,786	27,597	20,362	45,339
5	Operating expenses (i)+(ii)	10,774	9,191	8,465	19,965	15,554	37,583
	i) Employees cost	3,267	4,136	2,792	7,403	5,639	12,852
	ii) Other operating expenses	7,507	5,055	5,673	12,562	9,915	24,731
6	<b>Total expenditure (4)+(5) (Excluding provisions and Contingencies)</b>	<b>24,431</b>	<b>23,131</b>	<b>19,251</b>	<b>47,562</b>	<b>35,916</b>	<b>82,922</b>
7	<b>Operating profit before Provisions and Contingencies (3)-(6)</b>	<b>654</b>	<b>750</b>	<b>1,655</b>	<b>1,404</b>	<b>3,435</b>	<b>3,765</b>
8	Provisions (other than tax) and Contingencies	945	677	602	1,622	1,152	1,683
9	Exceptional items	-	-	-	-	-	-
10	<b>Profit/(Loss) from Ordinary Activities before tax (7)-(8)-(9)</b>	<b>(291)</b>	<b>73</b>	<b>1,053</b>	<b>(218)</b>	<b>2,283</b>	<b>2,082</b>
11	Tax Expense	-	-	-	-	-	-
12	<b>Net Profit/(Loss) from Ordinary Activities after tax (10)-(11)</b>	<b>(291)</b>	<b>73</b>	<b>1,053</b>	<b>(218)</b>	<b>2,283</b>	<b>2,082</b>
13	Extraordinary items (net of tax expense)	-	-	-	-	-	-
14	<b>Net Profit/(Loss) for the period (12)-(13)</b>	<b>(291)</b>	<b>73</b>	<b>1,053</b>	<b>(218)</b>	<b>2,283</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	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	NIL	NIL
	(ii) Capital Adequacy Ratio	16.79%	16.65%	16.76%	16.79%	16.76%	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)	(0.04)	0.01	0.13	(0.03)	0.28	0.25
	(b) Diluted EPS before or after extraordinary items (net of tax expense)	(0.04)	0.01	0.13	(0.03)	0.28	0.25
	(iv) NPA ratios						
	(a) Gross NPAs	10,354	9,321	8,775	10,354	8,775	9,748
	(b) Net NPAs	1,754	1,633	651	1,754	651	1,659
	(c) % of Gross NPAs to Gross Advances	2.36%	1.98%	1.63%	2.36%	1.63%	1.98%
	(d) % of Net NPAs to Net Advances	0.41%	0.35%	0.12%	0.41%	0.12%	0.34%
	(v) Return on assets (Annualized)	(0.13%)	0.03%	0.45%	(0.05%)	0.52%	0.22%
	(vi) Net worth	68,441	69,213	69,794	68,441	69,794	69,012
	(vii) Outstanding redeemable preference shares	-	-	-	-	-	-
	(viii) Capital redemption reserve	-	-	-	-	-	-
	(ix) Debt-equity ratio *	1.16	2.18	1.70	1.16	1.70	2.30
	(x) Debenture redemption reserve	-	-	-	-	-	-
	(xi) Total debts to total assets *	9.71%	17.27%	12.71%	9.71%	12.71%	16.84%
	* Debt represents total borrowings; Equity represents total of share capital and reserves.						



Notes

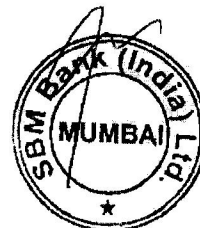
1 Statement of Assets and Liabilities is given below :

Particulars	(Rs in lacs)	
	As at	As at
	30-Sep-2023	31-Mar-2023
	Unaudited	Audited
<b>CAPITAL &amp; LIABILITIES</b>		
Capital	82,363	82,363
Reserves & Surplus	(8,597)	(8,336)
Deposits	6,92,996	7,31,853
Borrowings	85,773	1,70,525
Other Liabilities and Provisions	30,927	36,120
<b>Total</b>	<b>8,83,462</b>	<b>10,12,525</b>
<b>ASSETS</b>		
Cash and Balances with Reserve Bank of India	1,01,974	97,131
Balances with banks and Money at Call and Short Notice	2,625	2,327
Investments	2,96,949	3,69,271
Advances	4,29,643	4,83,593
Fixed Assets	9,717	8,815
Other Assets	42,554	51,388
<b>Total</b>	<b>8,83,462</b>	<b>10,12,525</b>



2 Statement of Cash flow is given below :

		(Rs In lacs)	
	Particulars	Half year ended 30-Sep-2023	Half year ended 30-Sep-2022
		Unaudited	Unaudited
A	<b>Cash Flow from Operating Activities</b>		
	Net Profit before Taxes	(218)	2,283
	<b>Adjustments to profit/(loss) from operations</b>		
	Depreciation on Fixed Assets	1,048	705
	Amortisation of premium on Held to Maturity investments	114	116
	Provision for Non-Performing Assets	(257)	515
	Depreciation on Investments or (Profit)/ loss on revaluation of Investments	(13)	87
	Non performing Advances written off	2,584	23
	Provision on standard assets and other contingencies	(330)	584
	<b>Sub-Total</b>	<b>2,928</b>	<b>4,313</b>
	<b>Changes in working capital</b>		
	(Increase)/Decrease in Investments	50,737	(55,967)
	(Increase)/Decrease in Advances	51,623	(94,985)
	(Increase)/Decrease in Other Assets	8,622	(27,961)
	Increase/(Decrease) in Deposits	(38,857)	46,245
	Increase/(Decrease) in other liabilities & provisions	(4,865)	32,700
	<b>Net Cash from Operating Activities before Income Tax</b>	<b>70,188</b>	<b>(95,655)</b>
	Tax refund (net of taxes paid)	214	207
	<b>Net Cash from Operating Activities after Income Tax</b>	<b>70,402</b>	<b>(95,448)</b>
B	<b>Cash Flow from Investing Activities</b>		
	(Increase)/Decrease in Held To Maturity (HTM) securities	21,483	(28,901)
	Purchase of Fixed Assets	(1,992)	(778)
	<b>Net Cash from Investing Activities</b>	<b>19,491</b>	<b>(29,679)</b>
C	<b>Cash Flow from Financing Activities</b>		
	Increase/(Decrease) in Borrowings	(84,752)	93,060
	<b>Net Cash from Financing Activities</b>	<b>(84,752)</b>	<b>93,060</b>
D	<b>Cash and Cash Equivalent at the beginning of the year</b>		
	I. Cash in Hand (including foreign currency notes and gold)	148	205
	II Balances with Reserve Bank of India	96,983	44,848
	III Balances with Banks and Money at Call and Short Notice	2,327	74,515
		<b>99,458</b>	<b>1,19,568</b>
E	<b>Cash and Cash Equivalent at the end of the year</b>		
	I. Cash in Hand (including foreign currency notes and gold)	188	157
	II Balances with Reserve Bank of India	1,01,786	82,375
	III Balances with Bank and Money at Call and Short Notice	2,625	4,969
		<b>1,04,599</b>	<b>87,501</b>
A	Cash Flow from Operating Activities	70,402	(95,448)
B	Cash Flow from Investing Activities	19,491	(29,679)
C	Cash Flow from Financing Activities	(84,752)	93,060
	<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>5,141</b>	<b>(32,067)</b>
D	<b>Cash and Cash Equivalent at the beginning of the year</b>	<b>99,458</b>	<b>1,19,568</b>
E	<b>Cash and Cash Equivalent at the end of the year (A+B+C+D)</b>	<b>1,04,599</b>	<b>87,501</b>



- 3 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.
- 4 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.sbm.bank.co.in/aboutus/investor-corner.php>. The disclosures have not been subjected to audit or limited review by the statutory auditor of the Bank.
- 5 Details of Resolution plan implemented under the Resolution Framework for COVID-19 related Stress as per RBI Circular dated August 06,2020 (Resolution Framework 1.0) and May 05,2021 (Resolution Framework 2.0) as at September 30, 2023 are given below:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of the previous half year March 31, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half year ended September 30, 2023.	Of (A) amount written off during half year	Addition (Interest accrued) during half year ended September 30, 2023	Of (A) amount paid by the borrowers during the half year September 30, 2023.	(Rs in lacs)	
						Exposure to accounts classified as Standard consequent to implementation of resolution plan, Position as at the end of this half year i.e. September 30, 2023	
Personal Loans							
Corporate persons*	382	-	-	20	21	381	
Of which MSMEs	382	-	-	20	21	381	
Others	323	-	-	26	37	312	
Total	705	-	-	46	58	693	

- 6 Other Income includes commission income from non-fund based activities, fees, earnings from foreign exchange transactions, profit and loss (including revaluations) from investments, etc.
- 7 The above results have been recommended by the Audit Committee and approved by the Board of Directors of the Bank at its meeting held today.
- 8 These results for the quarter and half year ended September 30, 2023 have been subjected to limited review by statutory auditor – K. S. Aiyar & Co., Chartered Accountants who have issued an unmodified review report thereon.
- 9 Details of loan transferred / acquired during the quarter year ended September 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 September 30, 2023.
- (ii) The Bank has not acquired any stressed loans (NPA and SMA accounts) during the quarter ended September 30, 2023.
- (iii) Details of loans not in default acquired through assignment as given below:

Particulars	September 30, 2023
Aggregate amounts of loans acquired (Rs in lacs)	1,268
Aggregate consideration paid (Rs in lacs)	1,014
Weighted average residual maturity (in years)	2.15
Weighted average holding period by originator (in years)	0.71
Retention of beneficial economic interest by the originator	20%
Tangible security coverage	Unsecured Loans
Rating wise distribution of rated loans*	Unrated

\*The loans are unrated as these are from non-corporate borrowers.

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

Recovery Rating *	Anticipated recovery as per recovery rating	September 30, 2023 (Rs in lacs)
		Book Value **
BWRR1 / BWRR1+	100%-150%	242
NRS/Unrated *	0%-25%	1,787
Total		2,009

\* Recovery rating is assigned by various external agencies.

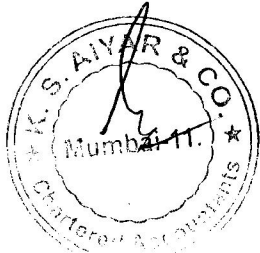
\* Represents security receipts for which 8 years have been completed

\*\* The Bank has not made any investment in Security Receipts during the half year ended September 30, 2023. Provision against the outstanding Security Receipts as on September 30, 2023 is 2,009 lacs.

- 10 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. 8.62 crore is pending to be recovered as on September 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 > 50% of the Total pending recovery amount, in line with the recovery estimates. Total Provision amount as at September 30, 2023 is INR 4.77 crores.

- 11 Figures of the previous periods have been regrouped and reclassified wherever necessary to conform to current period's classification.

Place : Mumbai  
Date : Nov 09, 2023



For SBM Bank (India) Ltd.

Mr. Sidharth Rath  
Managing Director &  
Chief Executive Officer

