

Journeys from Entity to Enterprise

Annual Report 2018-19 (Part - I)



To play the role of a catalyst and facilitator for the development of Micro and Small industries by way of:

- 1. Policy advocacy
- 2. Coordination among credit institutions
- 3. Promotional and Developmental activities through organised efforts
- 4. Making available relevant decision points based on data and research to policy makers and leading institutions
- Developing institutional mechanism on behalf of credit institutions to ease the flow of credit through new and innovative models leveraging new-age technologies
- 6. Driving initiatives to encourage entrepreneurship among youth of the nation by working with broader ecosystem of government, regulators, startups, funding agencies and financial institutions





Contributing significantly to inclusive growth and employment generation, the MSME sector plays an invaluable role in India's growth story.

At Small Industries Development Bank of India (SIDBI), we are committed to promoting a thriving environment that enhances the growth and competitiveness of MSMEs.

Led by our Vision 2.0, we are undertaking a slew of initiatives, starting from empowering budding entrepreneurs to strengthening existing MSMEs.

From democratising credit access to MSMEs, through Direct and Indirect financing, to exposing small businesses to the working of Large enterprises. This will help the MSMEs to understand the finer nuances of production, quality, technology and scalability;

From entering into tie-ups with leading institutions to enable MSME stakeholders gain managerial and technological knowledge, to incubating and promoting the entrepreneurship culture among women, through focused products and programmes;

From extending training support to the unemployed youth and budding entrepreneurs, to recognising MSMEs having emerged as role models, and thereby, encourage the culture of entrepreneurship in the country;

From making available plug-and-play infrastructure facilities to facilitate the growth of startups, to undertaking structural interventions for information dissemination about MSMEs.

Our wide array of positive measures, addressing both financial and non-financial gaps in the MSME ecosystem, all of which ultimately lead to the same destination – prosperous entrepreneurship.

The time has now come to make MSMEs achieve scale, with an aim to take the nation on a higher growth trajectory. SIDBI is partnering the transformational journeys from entity to enterprise...

Letter of Transmittal

July 22, 2019

The Secretary, Ministry of Finance, Government of India, New Delhi

Dear Sir,

Annual Accounts and Report of the Board on the working of SIDBI - FY 2018-19.

In accordance with the Provisions of Section 30(5) of the Small Industries Development Bank of India Act, 1989, we forward herewith the following documents:

- 1) Copy of Annual Accounts of Small Industries Development Bank of India for the financial year ended March 31, 2019; and
- 2) A report on the working of the Small Industries Development Bank of India during the financial year ended March 31, 2019.

Yours faithfully,

(Mohammad Mustafa) Chairman & Managing Director

Encl.: As Above

Board of Directors

(As on August 31, 2019)



Shri Mohammad Mustafa Chairman & Managing Director



Shri Ajay Kumar Kapur Deputy Managing Director



Shri Manoj Mittal Deputy Managing Director



Shri Ram Mohan Mishra Nominated by Gol



Shri Pankaj Jain Nominated by Gol



Shri G.K. Kansal Nominee of SBI



Shri V. Sathya Kumar Nominee of LIC



Shri S.K. Bansal Nominee of NABARD



Shri G. Gopalakrishna Co-opted Director



Shri Ashish Gupta Co-opted Director



Smt. Nupur Garg Co-opted Director

Committees of the Board

(As on August 31, 2019)

Executive Committee

Shri Mohammad Mustafa Chairman Shri Ajay Kumar Kapur Shri Manoj Mittal Shri G.K. Kansal Shri V. Sathya Kumar

Audit Committee

Shri V. Sathya Kumar Chairman Shri Ajay Kumar Kapur Shri Manoj Mittal Shri Pankaj Jain Shri Ashish Gupta

Risk Management Committee

Shri V. Sathya Kumar Chairman Shri Ajay Kumar Kapur Shri Manoj Mittal Shri G.K. Kansal

Special Committee To Monitor Large Value Frauds

Shri Mohammad Mustafa *Chairman* Shri Ajay Kumar Kapur Shri Manoj Mittal Shri Pankaj Jain Shri G.K. Kansal Shri V. Sathya Kumar

Information Technology Strategy Committee

Shri V. Sathya Kumar Chairman Shri Ajay Kumar Kapur Shri Manoj Mittal Shri Pushpinder Singh (External Expert)

Customer Service Committee

Shri Mohammad Mustafa Chairman Shri Ajay Kumar Kapur Shri Manoj Mittal Shri G.K. Kansal Shri V. Sathya Kumar

HR Steering Committee

Shri Mohammad Mustafa Chairman Shri Ajay Kumar Kapur Shri Manoj Mittal Shri Pankaj Jain Shri G.K. Kansal Dr. (Smt) Chitra Rao (External Expert)

Recovery Review Committee

Shri Mohammad Mustafa Chairman Shri Ajay Kumar Kapur Shri Manoj Mittal Shri Pankaj Jain Shri G. Gopalakrishna

Review Committee on Wilful Defaulters & Non-Cooperative Borrowers

Shri Mohammad Mustafa Chairman Shri Ashish Gupta

Deputy Managing Director – Management Committee

Shri Manoj Mittal Chairman Shri G.K. Kansal Shri V. Sathya Kumar

Committee On P&D Activities

Shri Manoj Mittal Shri Ram Mohan Mishra Shri Pankaj Jain

Nomination & Remuneration Committee

Shri Pankaj Jain

Abbreviations

ACUITE – ACUITE Ratings & Research Ltd AIF - Alternate Investment Fund ALM - Asset-Liability Management ASPIRE – A Scheme for Promotion of Innovation and Rural Entrepreneurship BCM – Business Continuity Management **BEE** – Bureau of Energy Efficiency **CGTMSE** – Credit Guarantee Fund Trust for Micro & Small Enterprises COCA - Code of Conduct Assessment **CPSUs** – Central Public Sector Undertakings CRAR - Capital to Risk Weighted Asset Ratio CSCs - Common Service Centres CSC-VLE - Common Service Centre-Village Level Entrepreneur CSR - Corporate Social Responsibility CTEO - Chief Technical Examiners' Organisation CY - Calendar Year **DFI** – Development Finance Institution **DFID** – Department for International Development DL – Direct Lending DPIIT - Department for Promotion of Industry and Internal Trade EE – Energy Efficiency ELSCs – Express Loan Service Centres **EPS** – Earnings Per Share ERM – Enterprise Risk Management **ESCOs** – Energy Service Companies FAA - First Appellate Authority FFS - Fund of Funds for Startups GCF - Green Climate Fund **GEF** – Global Environment Facility GHG - Green House Gases **GNPA** – Gross Non-Performing Asset GST - Goods and Services Tax HRV - Human Resource Vertical HT – Hindustan Times IAF – India Aspiration Fund ICAAP – Internal Capital Adequacy Assessment Process **IEM** – Independent External Monitor **IMF** – International Monetary Fund ISARC - India SME Asset Reconstruction Company Limited ISTSL - India SME Technology Services Limited MEPP – Micro Enterprise Promotion Programme MFI – Microfinance Institution

MSDI – Management and Skill Development Institute MSEs – Micro and Small Enterprises MSME- Micro, Small and Medium Enterprise MUDRA – Micro Units Development & Refinance Agency Ltd NBFC – Non Banking Financial Company NCR – National Capital Region NER – North Eastern Region NSDC – National Skill Development Corporation NSIC – National Small Industries Corporation Limited **OECD**- Organisation for Economic Co-operation and Development **OEM** – Original Equipment Manufacturer ORM – Operational Risk Management PCA – Prompt Corrective Action PCR - Provision Coverage Ratio PLIs - Primary Lending Institutions PMKK – Pradhan Mantri Kaushal Kendra PMKVY – Pradhan Mantri Kaushal Vikas Yojana PMS – Performance Management System PSB – Public Sector Bank **PSU** – Public Sector Undertaking ROA – Return on Asset ROCE – Return on Capital Employed ROE – Return on Equity RSETI – Rural Self Employment Training Institutes RXIL - Receivables Exchange of India Ltd **SARB** – Specialized Asset Recovery Branch SCBs – Schedule Commercial Banks SMILE - SIDBI Make in India Soft Loan Fund for Micro, Small and Medium Enterprises SPICe - Simple Form for Incorporating Company electronically SRLM – State Rural Livelihood Mission SVCL – SIDBI Venture Capital Limited TAT - Turn Around Time TOI - Times of India TReDS - Trade Receivables Discounting System TRMV – Treasury and Resource Management Vertical UAM - Udyog Aadhar Memorandum UBI - Union Bank of India VCF - Venture Capital Fund WALR - Weighted Average Lending Rate 4E Solutions – End-to-End-Energy-Efficiency Solutions

Xsidbi Chairman and Managing Director's Statement



The significant financial achievements continued to create new milestones during the year, putting us on a firm footing on the operational front. The performance epitomizes the renewed Vision 2.0 of the Bank at work.

The year that was

I take pride in announcing that FY 2019 has been the second successive year of remarkable achievements for your Bank. The significant financial achievements continued to create new milestones during the year, putting us on a firm footing on the operational front. The performance epitomizes the renewed Vision 2.0 of the Bank at work. A glimpse of your Bank's performance during the year is as under:

- Asset Base registered annual growth of 43.2%, reaching a new peak of ₹1,55,861 crore as at the end of FY 2019 and doubled over a period of 2 years
- Loans & Advances grew by 42.9% and was ₹1,36,230 crore as at the end of FY 2019, complementing the 19.13% growth clocked by SCBs in MSME credit
- Backed by a robust increase in Interest Income, Total Income recorded a 50.2% growth
- Net Profit scaled an all-time high of ₹1952 crore and that too at a faster growth rate of 36.5%, as against 27.5% in previous year

- The intense focus on asset quality resulted in improved GNPA for the second successive year from 0.94% to 0.63%
- The shareholders' metrics have improved viz. ROE, ROCE and EPS have increased from 10.2%, 10.2% & ₹26.87 during previous year to 12.59%, 12.57% & ₹36.70 respectively as at the end of FY 2019

How we did it

The commendable growth has been driven by the Institutional Finance book, which has registered sustained growth of around 48% during each of the last 2 FYs. It was directed largely to PSBs, apart from SFBs and well rated NBFCs, thus covering the larger masses especially at the bottom of the pyramid. The Bank, therefore, registered 181% Y-o-Y growth in refinance outstanding to PSBs in FY 2019.

The Bank embraced volume driven rather than margin driven business orientation as a strategy to ensure sustained business growth; this resulted in 53.4% rise in Interest Income, thus giving a 36.5% push to Net Profit, on Y-o-Y basis.

Pillars of the growth story

The Direct Lending operations of the Bank have continued to witness product & process revamp during the year through innovative and simplified product lines, new partnerships, higher new customer acquisitions, faster credit delivery and smaller ticket sizes of loans. There was a two-fold increase in new customers and 11.4% growth in overall customer base. Also, Hub & Spoke model at 6 major business centres was introduced.

Over the years, the Microfinance operations of the Bank have helped fledgling MFIs to upscale through finance, capacity building support, corporate governance enhancing measures and policy advocacy; the Bank has been part of the transformation journey of partner MFIs to SFBs/ Universal Bank. During the year, a strategic shift was made in Microfinance operations through the PRAYAAS initiative, which is a first-ever effort to deliver "affordable credit" to the small entrepreneurs, especially women, at the bottom of the pyramid. This will be in partnership with institutions having ground level presence.

Your Bank has always been at the forefront in promoting intermediary institutions showing promise in making a positive difference to the MSME credit ecosystem. One such attempt was the pilot scheme to finance new-age Fintech NBFCs, thus supporting them in their stabilization phase.

As they say, what India needs is more of innovative and technological entrepreneurship. These ventures, if nurtured well, can achieve scale, become globally competitive and serve as true employment hubs apart from creating economic value. During the year, your Bank focused on the Fund of Fund operations, with particular focus on the Gol sponsored Fund of Funds for Startups (FFS). Under FFS, as on September 30, 2019, against the aggregate commitment of ₹3.123 crore, the Bank has provided support of ₹599 crore to Alternate Investment Funds (AIFs), which has resulted in investment of ₹2.346 crore in 266 Startups. The Bank has introduced various process enhancements in the Scheme and introduced platforms like Investors' Day to support Startups through match making with AIFs. The MSME Venture Capital arena would see more benefits by way of a State of the Sector Report initiated by the Bank and the Impact Study of FFS, all aimed to devise means for bringing robustness & objectivity into venture funding.

The Macro economy

FY 2019 and the half year into September 2019 have been a mixed bag for the Indian economy. The second successive political mandate promises political stability and a host of sector friendly initiatives. This is critical in the light of the fact that the economy after clocking significant growth during the first half of FY 2019, was impacted by global trade war tension and consumption slowdown in the domestic economy.

The 50% growth in GDP from \$2 trillion in FY 2014 to \$3 trillion in FY 2019 bears testimony to the fact that structured Govt reforms, coupled with "inclusive participation", make the envisaged vision realizable. This sets the tone for the plan of action that would lead the country to the Hon'ble Prime Minister's "challenging but achievable" vision to make India a \$5 trillion economy by 2024.

₹**1,952** crore Net profit up by **36.5**%

₹**1,55,861** crore Total Asset Base registered annual growth of 43.2% in FY 2019



The Micros of Entrepreneurship

In a country which is adding 10-12 million youth to the formal workforce annually, entrepreneurship holds the key to self-employment for sustenance or to nurture employment generating entities. I emphasize on "Inclusive Participation" which will be more of bottom-to-top approach, with entrepreneurship at the base. I take pride in conveying that, being a DFI for MSME sector, the Bank has engaged in entrepreneurship and skill development activities since inception. I strongly endorse the U.N.'s view that Entrepreneurship Development is in real terms "Entrepreneurshipfor-Development".

On the Global Entrepreneurship Index, the country is at 68th position among 137 countries, with scope to scale up. During the last two years, the Bank has engaged with the entrepreneurial space through a structured mission and a host of non-credit activities. This involves demonstrative institutional measures, to be scaled up so as to address specific issues, which would unlock the country's entrepreneurship potential. The main initiatives are as follows:

- SWAVALAMBAN, a pan India print media campaign to inculcate entrepreneurship culture, has seen 12 editions till now and succeeded in reaching masses
- Entrepreneurship education, training programmes and mentorship support are being buttressed by the Bank through focused initiatives such as exposure visits of MSEs to Medium & Large Industries and Management Development Programmes in partnership with IITs & IIMs
- The entrepreneurship education campaign "Udyam Abhilasha" was a geography focused drive, run across 115 'aspirational' districts, enabling creation of 440+ enterprises
- A demonstrative piece of institutional intervention in the field of tertiary education to produce skilled manpower is that the Bank is working with USHA, to set up 1,000 Swavalamban tailoring schools to empower 20,000 women in a year

- The Bank launched SIDBI-ET MSE awards to recognize the efforts of both MSEs and lenders; also acknowledged and supported SWAVALAMBAN role models, who achieved their vision of being an entrepreneur despite hurdles
- Recognizing the importance of Research & Development, the Bank set-up "Centre of Excellence" in tie-up with IIT, Delhi, to protect the rich heritage of MSME products
- Virtual entrepreneurial support is the need of the hour in the increasingly digitalized world. The platform of Udyamimitra with presence of 148 lenders and around 25,000 handholding agencies supports this need
- The Bank is trying to fill the institutional void in the Livelihood segment interventions by launching the Women Livelihood Bond with World Bank and anchoring the digital credit delivery platform for BPL segment under the Self Employment Program of Deendayal Antyodaya Yojana-National Urban Livelihoods Mission (DAY-NULM)

While demand side initiatives form the core of the Bank's programmes, the supply and policy advocacy side is also being addressed by bringing out knowledge products like CIBIL MSME Pulse and CriSidEx; during the year, Microfinance Pulse was added, which is an insight report on Microfinance sector.

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Contribution by group companies

I would also like to acknowledge the role of associate and subsidiary network of the Bank, which creates the all-encompassing MSME ecosystem for meeting the varied needs of the sector. MUDRA has enabled credit flow of ₹21.494 crore to the last mile lenders during last 4 FYs, which formed part of credit flow of ₹8.93 lakh crore under PMMY, providing credit access to 18.25 crore micro loan beneficiaries, in the sub-₹10 lakh loan basket. ACUITÉ. erstwhile SMERA. is gaining traction, with 45,000+ MSME Ratings and 7,500+ Bank ratings undertaken by them. SVCL is managing 7 funds of Venture Capital and Growth Capital, CGTMSE has created 34.60 lakh MSE loan accounts, with loan amount of ₹1.76 lakh crore. RXIL operates the TReDS platform. which along with SVCL-promoted M1 Exchange, holds ~60% share in the receivable finance market, ISARC focuses on resolution of NPAs in the MSME sector. ISTSL offers technological, advisory and consultancy services, mainly for Energy Efficiency projects.

Taking forward its legacy as an institution builder, the Bank, along with 5 PSBs and their associates, developed online loans platform "PSBLoansin59minutes" for effective credit delivery to MSMEs through diverse set of lenders; the portal serves as "Loan Hub", encompassing all types of loans under the portal.

Recognizing its People, Processes and Technology as the key enablers, the Bank has taken various initiatives like introduction of meritbased performance evaluation, rationalizing manpower, credit delivery structure etc. besides adopting latest industry practices viz. Work from Home, Child Adoption Leave and Paternity Leave.

Future endeavours

The well-researched Vision 2.0 inked out by the Bank would be the guiding light for the Bank's role and strategic initiatives to be undertaken in coming years for the overall development of the MSME sector. The Bank's vision and initiatives would always remain aligned to the national goals of Financial Inclusion, Social Upliftment and Opportunity Creation. With Vision 2.0, the Bank will take its role in the nation development to even greater heights.

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Mohammad Mustafa Chairman & Managing Director

Xsidbi _____ Directors' Report



The Board of Directors of the Bank takes pleasure in presenting its Report on the overall business and operations of your Bank for the financial year ended March 31, 2019.

Vision 2.0 has been a guiding path for the Bank during FY 2019. After a successful FY 2018, the Bank continued to achieve new milestones at accelerated pace. The Bank has persisted with its efforts to ensure credit flow to the last mile, through focus on institutional lending activities and innovative models in direct lending operations. In line with Vision 2.0, the Bank has played the role of Thought Leader, Facilitator and Aggregator, through various innovative and disruptive initiatives, aimed at addressing information asymmetry and facilitating digital interventions.

The efforts of the Bank were recognized at international forum and the Bank was adjudged as Gold award winner in the "SME Bank of the Year - Asia" category at Global SME Finance Awards 2018.

Evaluation of the performance under Vision 2.0 confirms that the Bank has enhanced each of the pillars of Indirect Lending, Direct Lending, Promotion & Development, Subsidiary Network, Aggregator Platforms and Fund of Funds. These pillars are being strengthened and supported by key enablers of People, Process, Technology and Finance to create a sea change in respective focus areas. The enhanced Vision shall be the guiding light for the Bank's role and strategic initiatives to be undertaken during coming years.

The performance of the Bank for FY 2019 has been enumerated in detail in the following chapters of the Annual Report.



Ajay Kumar Kapur Dy. Managing Director

Manoj Mittal Dy. Managing Director

The highlights of the performance of the Bank during the year are indicated in Part-I and the Audited Financials for FY 2019 are enclosed in Part-II.

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Financial Highlights

Progress at a Glance

Progress at a Glance (₹ crore)							
As on March 31	1991	2015	2016	2017	2018	2019	
Total Asset	5,309.19	60,855.0	76,478.47	79,682.33	1,08,869.45	1,55,860.8	
Outstanding Portfolio	5,176.8	55,342.6	65,632.1	68,289.6	95,290.7	1,36,230.37	
Capital - Authorised	500.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	
- Paid-up	450.0	450.0	487.0	531.92	531.92	531.92	
Reserves and Funds	44.9	9,329.6	11,108.3	13,069.5	14,359.98	16,153.16	
Total Income (Net of provisions)	425.1	5,938.5	5,559.5	6,266.5	6,556	9,919	
Net Profit	35.6	1,417.1	1,177.5	1,120.2	1,429.2	1,952.21	
Dividend to Shareholders	5.0	112.5	94.7	93.9	137.7	165.12	
Return on Avg. Outstanding Portfolio (%)	0.7	3.8	2.9	2.5	2.56	2.06	
Standard Assets as percentage of Net Outstanding Portfolio	100	99.22	99.27	99.56	99.74	99.79	
Capital to Risk Assets Ratio (%)	13.9	36.69	29.86	28.42	26.73	27.11	

Performance for the year

	(Coole)			
Particulars	Outstanding amount as on March 31, 2018	Outstanding amount as on March 31, 2019		
I. Indirect Credit				
a. Refinance to Banks, SFBs, FIs	72,622	1,16,277		
b. Assistance to MFIs	1,580	1,172		
c. Assistance to NBFCs	11,412	9,370		
Total Indirect Credit	85,614	1,26,819		
II. Direct Credit				
a. Loans and Advances	8,775	8,897		
b. Receivable Finance Scheme & Bills Discounted	902	514		
Total Direct Credit	9,677	9,411		
Grand Total	95,291	1,36,230		

(₹ crore)



Chapter-1: MSME Outlook - Defining the economic growth

Economy during the year under review

Global growth at **3.6%** for CY 2018, due to weak global trade, lower investments and rising global trade tensions

India's GDP growth rate at **6.8%** in FY 2019, as against 7.2% in FY 2018 Low global economic inflation and accommodative monetary policies expected to revive growth

MSME Today









>6,000 diverse products and services 47.72% contribution to the all India exports

during FY 2019 (up to Nov 2018)

MSME Credit

Outstanding credit of SCBs to MSME sector as at end of FY 2019 at ₹15.77 lakh crore with 19.1% growth vis-à-vis March 2018#

*Expert committee on MSME

Outstanding assistance of NBFCs to MSME sector at ₹1.62 lakh crore as at end of FY 2019[#] Outstanding credit to the sector as per MSME Pulse Report* stood at ₹21.7 lakh crore as at end of FY 2019

*covers individuals and entities with exposure up to ₹100 crore



Policy enablers in FY 2019 to elevate the sector to next level

- Expert Committee on MSME sector provided valuable suggestions for development of MSMEs.
- Initiatives under MSME Outreach Programme are:



- Fintech foray "PSBLoansin59minutes", of 5 PSBs led by SIDBI, to ease and accelerate the credit flow to MSME sector
- 2% interest subvention on fresh & incremental credit for MSMEs registered under GST
- Mandatory registration on TReDS platform of all companies with a turnover of > ₹500 crore



- Mandatory procurement by PSUs from MSMEs raised from 20% to 25%
- All CPSUs to compulsorily procure through GeM portal



• 20 Technology Centres and 100 Extension Centres at the cost of ₹6,000 crore envisaged

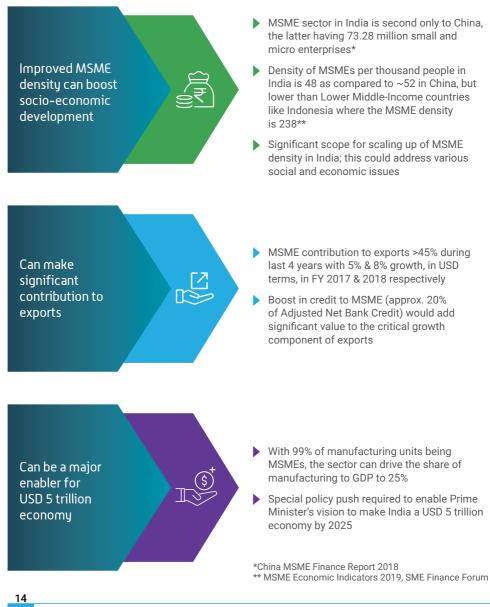


India ranks 63rd in World Bank's Ease of Doing Business which propelled from 77th position in previous year; major guiding factors include:

- Starting a business Abolishment of filing fees associated with SPICe company
- Dealing with construction permits Streamlining the process of issuance of construction permits
- Trading across borders Made easier like enabling post clearance audits, integrating trade stakeholders in a single electronic platform
- **Resolving insolvency** Easier resolution by promoting reorganization proceedings in practice

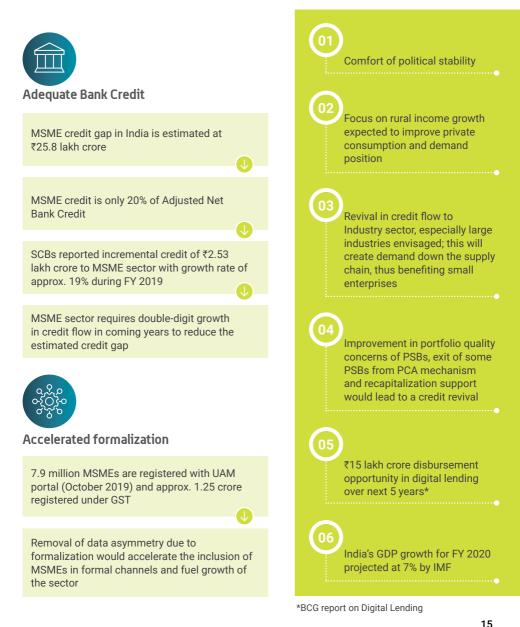


Making a case for fostering MSME growth



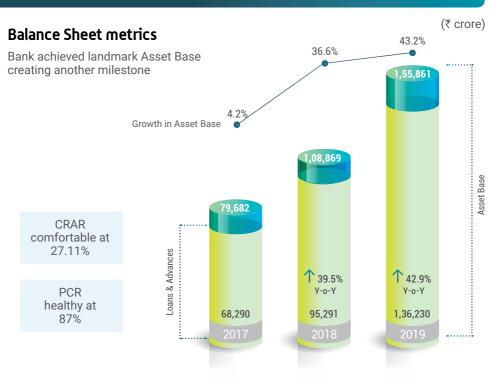
Outlook for FY 2020

What can push MSME growth



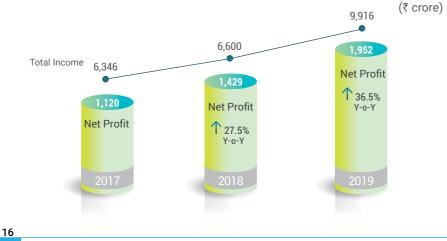


Chapter-2 : Financial Performance



Profit & Loss metrics

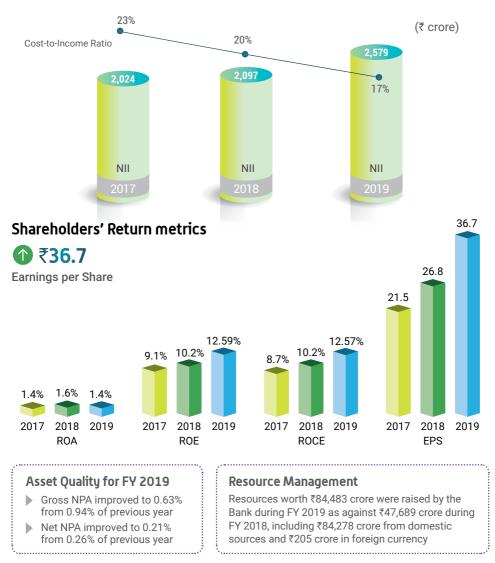
Net Profit touches all time high. Total Income registered 50.2% growth Y-o-Y driven by 53.4% growth in Interest Income



Efficiency metrics

Net Interest Income (NII) clocked 22.9% growth Y-o-Y.

- 1. Cost-to-income ratio declined by ~300 bps during each of last 2 FYs.
- 2. Opex to Asset Ratio improved from 0.5% to 0.3% from FY 2018 to FY 2019.





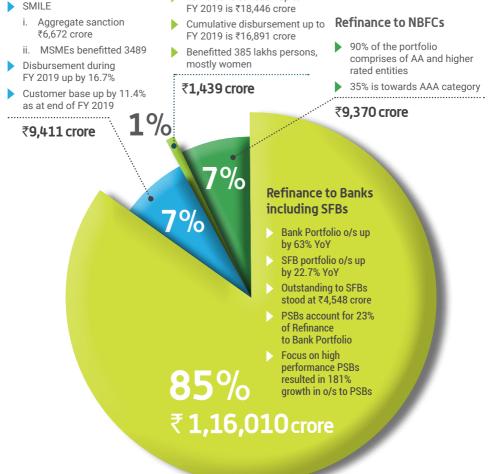
Business Performance

Overall business performance is driven by Institutional Finance with growth of 48.1%. Direct Assistance to MSMEs continued, based on demonstrative approach while building scale.

Portfolio composition - as at end of FY 2019

Direct Assistance to MSMEs (including Receivable Finance)

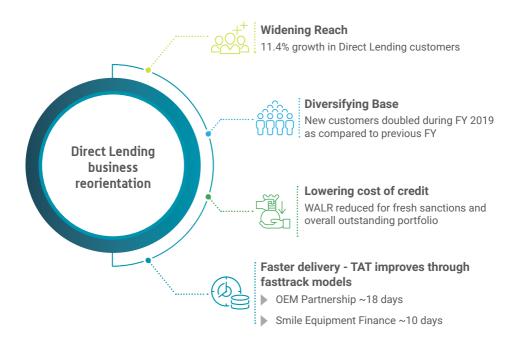




Business Strategy

Business enablers and process improvements in Direct Lending

- Express Loan Service Centres set up to fasttrack disbursement of higher ticket size loans
- Credit Delivery Arrangements with 8 Machinery Suppliers & Industry Associations
- Additional Working Capital platform through City Union Bank
- Collection follow-up through Call Centre arrangement
- In-house Lead Management System to monitor the business leads



The future strategy for Institutional Finance

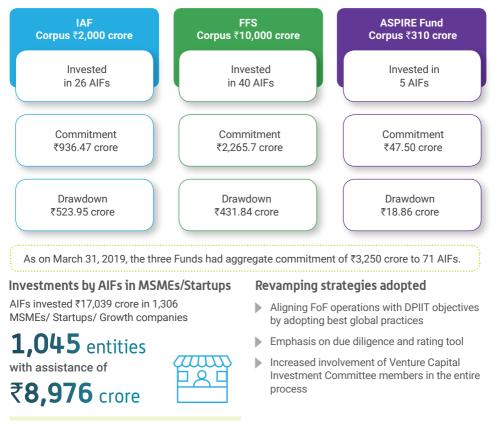
- Refinance to Banks to focus on PSB segment and creating omnibus policy for pricing
- Pilot initiative to tap New Age Fintech NBFCs/Digital lenders
- Dynamic scoring model as a primary filter for NBFC lending
- Working on loan co-origination with NBFCs



Fund of Funds (FoF) Operations

The Bank has been running FoF operations, viz. All India Funds, Regional Funds, MSME-RCF, India Aspiration Fund, Fund of Funds for Startups and ASPIRE Fund through which contributions are made to Alternative Investment Funds for investments in companies viz. Seed, Series "A", Early Stage, etc.

A snapshot of VCF operations



Investments by AIFs in Growth companies

261 entities with assistance of





Investors' Day

- Match-making sessions for startups & investors to be organized by the Bank on ongoing basis
- First session organised on the Bank Foundation Day i.e. April 02, 2019

Financing Clean Energy for Sustainable Development

04

End-to-End-Energy-Efficiency Solutions (4E Solutions)

- Technical solution to 230 MSMEs to be extended to additional 140 MSMEs
- Concessional funding of ₹116 crore to 105 MSMEs
- ▶ 0.8 million-tonne CO₂ emission reduction

03

02

Tools developed

Web-based Energy

Resource Efficiency

benefitted >11,800

Assessment

stakeholders

Efficiency assessment

Bank is accredited "National Implementing Entity" for GCF

Submitted 4,500 Electric buses deployment proposal



05

MSME Growth Innovation and Inclusive Finance Project

- Assisted 1,061 MSMEs
- Assistance extended ₹1,945 crore

06 TIFAC-SRIJAN Scheme

- Supported 30
- innovative projectsAssistance sanctioned
- ₹25.88 crore 22 projects commercialised

01

Energy Efficiency Investment promotion among MSMEs

- Funded by World Bank-led GEF and Co-implemented by SIDBI - BEE
- 1,200 walk-through & 1,160 detailed energy audits in 26 clusters
- Implementation assistance to 900 MSMEs resulted in ₹330 crore Energy Efficiency investment
- Reduced CO₂ emission by 2.55 million tonne

07

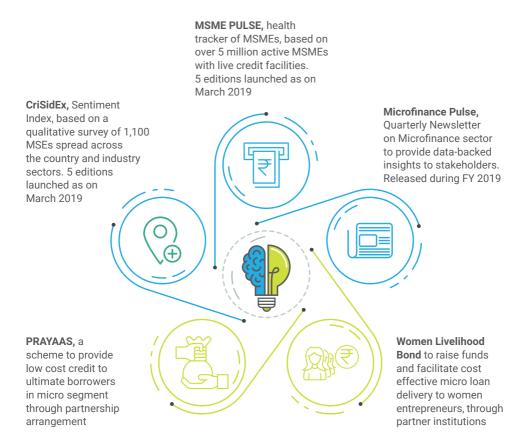
Partial Risk Sharing Facility for Energy Efficiency

- Guarantee fund with corpus of ₹251 crore and Technical Assistance of ₹41 crore
- Covered 14 EE projects costing ₹141 crore
- Guaranteed loan amount of ₹42 crore to Banks/FIs for loans given to 10 ESCOs

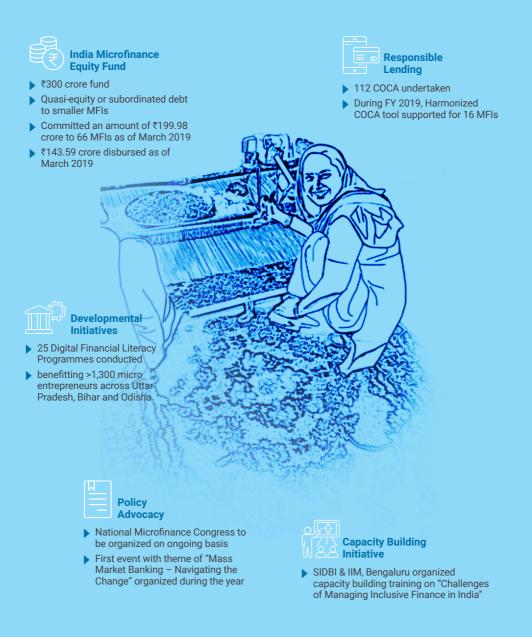


Structural Initiatives

Knowledge products and Unique initiatives



Micro Lending / Missing Middle





Digital Lending Initiatives

The Bank aims at making the credit delivery process for MSMEs a digital delight:

Accessibility

Digital offerings

- Samriddhi (chatbot) attended 92,000 queries since launch
- CSC support
 - i. Network of 55,849 CSCs
 - ii. Facilitated 19,998 registrations
 - iii. Culminated in 884 online application submission

Institutional tie-ups

- CSCs and RSETI tie-ups
- NSDC tie-up to extend skilling services to loan aspirants
- Mapping of 5,996 PMKVY centres and 463 PMKK centres



cumulatively

- 25,000 Handholding agencies linked, with 7,450 being active
- 87,985 requests received and 39,003 requests attended cumulatively.





Facilitator Role

The Bank designated Nodal Implementation Agency for Interest Subvention Scheme of Gol.

Continues with the **Nodal Agency** role advised by the Govt. of India for implementing various Govt. subsidy schemes, viz. CLCSS, TUFS, IDLSS, FPTUFS and TEQUP Scheme

- Disbursed subsidy of ₹671.45 crore to 9,437 MSMEs during FY 2019
- Disbursed subsidy of ₹3,377.31 crore to 40,151 MSMEs cumulatively

Scheme wise subsidy claims settled

Credit Linked Capital Subsidy Scheme (CLCSS)

- i. Claims* pertaining to 964 SIDBI assisted MSEs for ₹63.29 crore settled
- ii. Claims* pertaining to 8,473 MSEs assisted by Co-PLIs for ₹604.10 crore settled
- iii. 34,750 capital subsidy claims aggregating ₹2,178.39 crore settled since the launch of scheme

*During the year

Technology Upgradation Fund Scheme for Textile Industry (TUFS)

- i. Claims* pertaining to 125 SIDBI assisted MSMEs for ₹1.73 crore settled
- ii. Claims* pertaining to 267 MSMEs assisted by Co-PLIs for ₹2.33 crore settled
- iii. Since the launch of Scheme, capital subsidy and interest subsidy claims for ₹872.79 crore have been settled

*During the year

D

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Technology Upgradation of Food Processing Industries (FPTUFS)

Since launch, 44 claims aggregating ₹13.28 crore settled

Technology and Quality Upgradation (TEQUP) Since launch, 220 claims aggregating ₹16.57 crore settled

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Integrated Development of Leather Sector Scheme (IDLSS)

Since launch, 1,775 claims aggregating ₹296.28 crore settled

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Chapter-3: Promotional & Developmental Initiatives

The Promotional & Developmental (P&D) initiatives were realigned to the SIDBI Vision 2.0. The Bank's interventions touched 1 lakh+ persons during FY 2019.

Udyam Abhilasha

- Entrepreneurship awareness campaign in 115 Aspirational Districts
- 440+ enterprises set up

Micro Enterprise Promotion Programme (MEPP)

- Setting up of micro enterprises by utilizing local resources and reducing migration
- During FY 2019, total 709 units were set up in 8 districts (including 5 poorest districts) providing employment to 2,525 people

Strengthening MSME Ecosystem in North Eastern Region (NER)

Activities undertaken during FY 2019

- 75 Entrepreneurship & Skill Development programmes benefitting 6,400 persons on effective use of local resources and waste conversion
- Children in 30 primary schools educated under WASH (Water, Sanitation and Hygiene) programme
- 3 exposure visits for artisans/MSMEs

Promotion of bamboo as sustainable source under EU-Switch Asia Bamboo in NER & 4 states viz Madhya Pradesh, Chhattisgarh, Jharkhand & Odisha

Programmatic Engagements

- replacement of unsustainable resource to create green jobs
- grooming of 2250 MSMEs (40% women owned)
- impacting 10,000 livelihoods (more than 50% women)

Mission Swavalamban - Entrepreneurship Awareness Initiative

Swavalamban Print Media Campaign

- Entrepreneurship knowledge series through Tol & HT
- 6 edition series / 7 languages / 185 editions / 4.50 crore readership
- Campaign identified with cartoon character -Mr. Dhandebaaz

Electronic Media

- 2 Radio jingles
- 3 Motivational films

Swavalamban Role models

• Supporting role models in unserved/challenged segments

Awareness through Exhibitions

- Leveraging events like Kumbh Mela, Prayagraj to reach prospective entrepreneurs
- Reached ~35,000 aspirants/ surveyed 3,000
- Game- Kaun Banega Entrepreneur, Nukkad Natak, Puppet show, surveys, interaction were undertaken

Skill Upgradation / Development

- MSDI, Murshidabad, West Bengal set up with UBI has imparted 117 Skill training programmes to 2,752 participants (48% women), cumulatively
 - 16 skill training programmes to 373 participants during FY 2019

Inclusive MSME Development Fund (₹29.52 crore)

inducing youth to

be "Job Provider"

and not "Job

Seekers"

- During the year, RBI allowed the Bank to set up IMDF, out of the interest rate differential on priority sector funds allotted to the Bank
- ▼19.76 crore earmarked towards Swavalamban and Developmental activities

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Centre of Excellence to preserve the rich heritage of MSME products



Mass Contact Program

- The Bank's Foundation day celebrated as Sampark (customer connect)
- 250 officials visited 100+ districts to reach out MSEs to understand their concerns

Suraksha

- Exposure Visits for MSEs to Medium and Large industries
- Bridging the gap between MSEs and Modern enterprises
- Imparting learning about good industry practices
- Periodical exposure visits in 13 states benefitted 647 MSEs

Sampark (connect) & Samwad (interaction)

Thematic

#Awarded MSEs rewarded under Bank's initiative of: Management Development

First batch of 19 MSEs

awards winners Mentoring of MSEs

as mentors

awardees

Structural programme with IIM.

organised exclusively for ET

 Roped in CEO/MD/Promoters of Medium and Large corporates

 A pool of 25 mentors created and linked to SIDBI-ET MSE

Lucknow, for next leap growth

Programme

 Institutional Tie-ups
 MoU with IITs for technological engagement/ solution in artisan/ handicraft cluster

(security)

- SIDBI-ET India MSE Awards
- Recognizing and rewarding the MSE
- 4700+ MSEs and 48 lenders participated in 1st round
- 27 MSEs and 3 lenders awarded
- MoS MSME and MoS Finance participated[#]

Sampreshan (disseminate)



Thematic Metro Station

- Taken Hauz Khas Metro station for disseminating information on MUDRA, CGTMSE, Standup India, Swavalamban etc. to benefit MSMEs
- Station has averaage daily footfall of around 1.40 lakh commuters

Approach

Partnered with NITI Aayog on Women Entrepreneurship Platform



Poorest State Inclusive Growth (PSIG) Programme

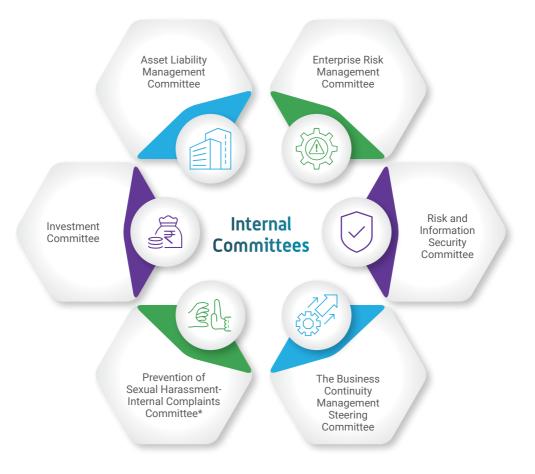
Funded by UK Aid through the DFID, UK to enhance the income and employment opportunities in Bihar, Madhya Pradesh, Odisha and Uttar Pradesh

Major activities undertaken during FY 2019



Corporate Social Responsibility (CSR)

- The Bank supported CSR activities which touched 10,000+ lives during FY 2019
- The major CSR activities during the year include relief for Kerala floods victims, renovation of schools, water ATM, utility items for cancer patients, cleanliness and hygiene drives etc.



*2 complaints received - 1 disposed and 1 under review

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Subsidiaries / Associates – driving impact at national level

SIDBI Venture Capital Limited (1999)

- Investment Management Company
- Managing 7 funds with aggregate drawable corpus of ₹1,754.39 crore

JDAAN

Credit Guarantee Fund Trust for MSEs (2000) branded as UDAAN

- Credit Guarantee Scheme for MSEs up to ₹2 crore
- ▶ 34.60 lakh MSE loan accounts covered worth ₹1.76 lakh crore, cumulatively
- Highest ever guarantees of ₹30,168 crore approved during FY 2019
- Claims aggregating ₹5,368 crore settled for 2,06,344 loan accounts cumulatively

India SME Technology Services Limited (2005)

- Technology advisory & consultancy services for MSME EE projects
- Technical Inspecting Agency for evaluating MSEs for single window scheme of certification by NSIC for Delhi NCR and northern states
- Resulted in reduction of 1.08 lakh tonnes annual GHG emissions

Receivables Exchange of India Limited (2016)

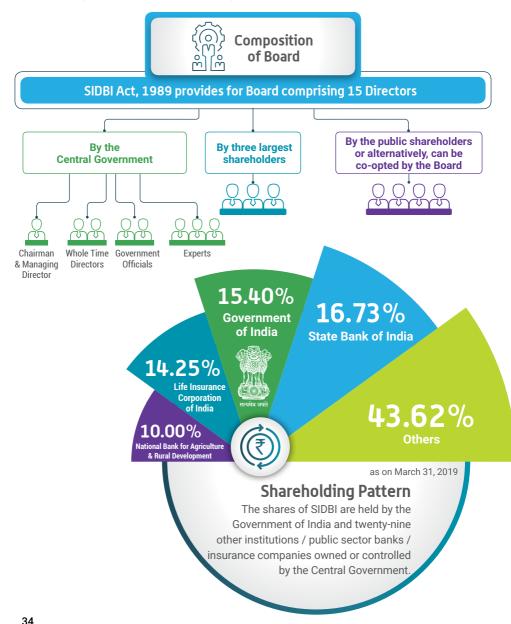
- Operating TReDS
- Registered base of 153 Buyers, 632 MSME Vendors and 33 Financiers, as on March 31, 2019
- 36,450 invoices aggregating ₹1,500.26 crore factored as at end of FY 2019



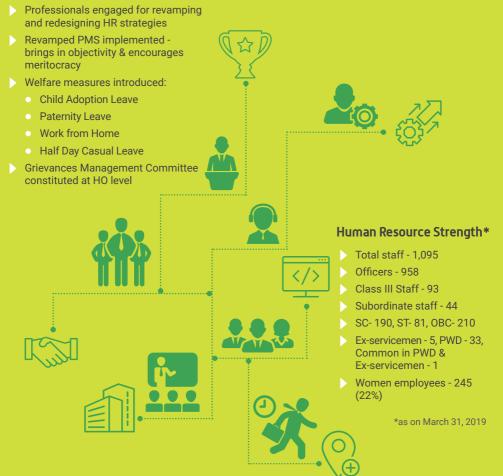


Chapter-4: Management and Corporate Governance

The Bank has adhered to the best corporate governance practices ensuring transparency, accountability and maintaining exemplary standards of ethics.

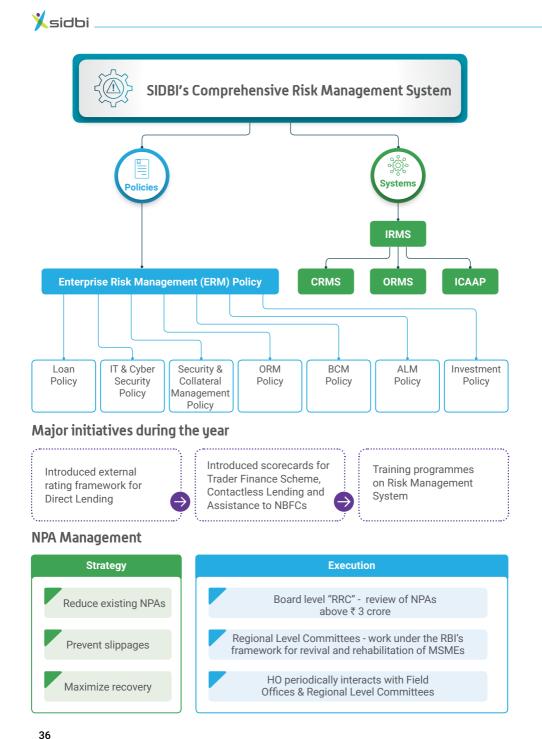


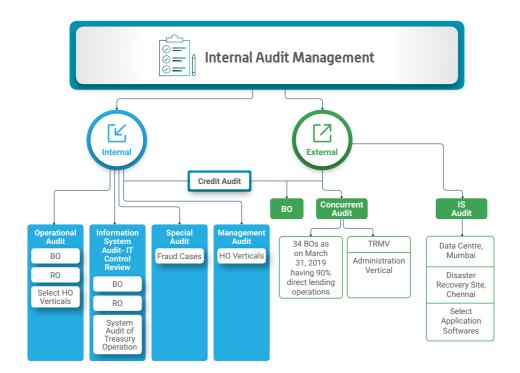
Human Resource Initiatives



Training & Career Development

- Training operations centralized at Training Cell, SITI, Bhubaneswar
- Training Cell, HRV was conferred with ISO 9001: 2015 certification
- 756 nominations Inland & International
 - Women 145 & Reserved Category 420
 - 4 weeks' intensive training on DL operations to 99 Grade A officers
 - 3 international nominations including 1 Reserved Category
 - Pre-promotion training to 88 SC/ST/OBC employees





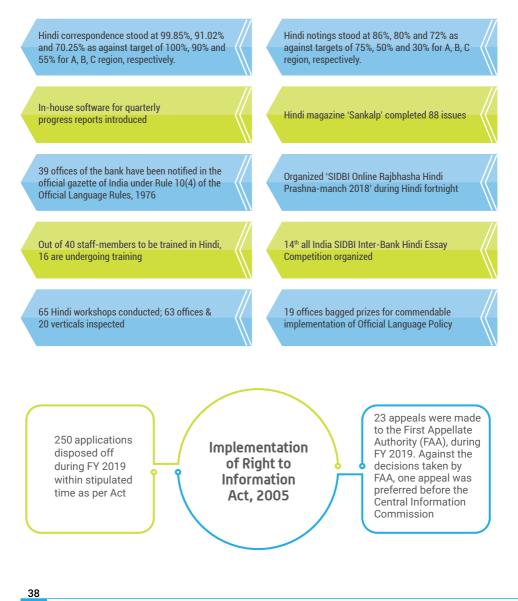


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Implementation of the Official Language Policy in the Bank

Bank ensured proper implementation of the official language policy of the Government of India.



Debenture Trustees

Following are the contact details of the debenture trustees for SIDBI's outstanding unsecured bond issuances under Rupee Borrowings: -

FY 2016-18	FY 2019
SBICAP TRUSTEE COMPANY LIMITED	MILESTONE TRUSTEESHIP SERVICES PVT. LTD.
Apeejay House, 6th Floor, West Wing,	402 A, Hallmark Business Plaza, Sant
3, Dinshaw Vachha Road, Churchgate,	Dnyaneshwar Marg, Opp. Guru Nanak Hospital,
Mumbai - 400 020	Bandra (East), Mumbai-400 051
Contact: Shri Deepak Dhondye	Contact: Ms. Dhvani Ajudiya
Direct: 022-43025514	Direct: +91 22 67167014
Mobile: 8879150014	Mobile: +91 91724 47719
Fax: 022-22040465	Fax: +91 22 67167077
E-mail: <u>deepak.dhondye@sbicaptrustee.com</u>	Email: <u>dhvani@milestonetrustee.in</u>
Website: www.sbicaptrustee.com	Website: www.milestonetrustee.in

Acknowledgements

The Board acknowledges the valuable support received from the Government of India and the Reserve Bank of India. The Board is also thankful to the World Bank Group; Japan International Cooperation Agency (JICA); Department for International Development (DFID), U.K. Kreditanstalt fur Wiederaufbau (KfW), Germany; The Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ), Germany; International Fund for Agricultural Development (IFAD), Rome; French Development Agency (AfD), France and Asian Development Bank (ADB) for their continued resource support and technical cooperation. The Board places on record its appreciation for the co-operation extended to SIDBI by Life Insurance Corporation of India (LIC), Banks, state level institutions, industry associations and other stakeholders engaged in the promotion and development of the MSMS sector.

The Bank also thanks all its clients and investors for their co-operation and looks forward to the continued support in the years to come. The Board recognizes and places on record its appreciation for the services of SIDBI staff, at all levels who showed strong and continued commitment, integrity and dedication to take the Bank on a higher growth trajectory during the year.



Head Office

SIDBI Tower, 15, Ashok Marg, Lucknow - 226 001 (U.P.) Phone Number: 0522-2288546,0522-2288547, 0522-2288548, 0522-2288549, 0522-4259700 Fax Number: 0522-2288459

Branch Network as on September 30, 2019



Ahmedabad RO

Ahmedabad BO, Gandhidham BO, Jamnagar RRO, Mahesana RRO, Morbi BO, Odhav BO, Rajkot BO, Surat BO, Changodar BO, Vadodara BO, Vatva BO, Ahmedabad SARB



Chennai RO I

Coimbatore BO, Tirupur BO, Kochi BO, Erode BO, Madurai BO. Chennai SARB



Ambattur BO, Chennai BO, Kanchipuram BO, Puducherry BO



Chandigarh BO, Jalandhar BO, Jammu RRO, Ludhiana BO, Shimla RRO, Yamuna Nagar BO, Chandigarh SARB



Guwahati RO

Agartala BO, Aizawl BO, Dimapur BO, Gangtok BO, Guwahati BO, Imphal BO, Itanagar BO, Kolkata BO, Shillong BO



Huderabad RO

Balanagar BO, Bengaluru BO, Bhubaneshwar BO, Hosur BO, Hubballi RRO, Hyderabad BO, Mysore BO, Peenya BO, Raipur BO, Vijayawada BO, Visakhapatnam BO, Hyderabad SARB



Jaipur RO

Bhilwara BO, Bhiwadi BO, Jaipur BO, Jodhpur BO, Kishengarh BO, Sitapura Ind. Area BO, Vishwakarma Ind. Area BO, Udaipur BO



Lucknow RO

Allahabad RRO, Bhopal BO, Dehradun BO, Haridwar BO, Kanpur BO, Lucknow BO, Patna BO, Ranchi BO, Rudrapur BO, Varanasi BO, Lucknow SARB



New Delhi RO

Bahadurgarh BO, Faridabad BO, Ballabhgarh BO, Gurugram BO, Kundli BO, New Delhi BO, Noida BO, New Delhi SARB



Ahmednagar BO, Aurangabad BO, Chinchwad BO, Indore BO, Kolhapur BO, Nagpur BO, Nasik BO, Panaji BO, Pune BO, Thane BO, Vasai BO, Mumbai SARB



En route to fulfilling Mahatma Gandhi's vision for small scale sector



Small Industries Development Bank of India

www.sidbi.in















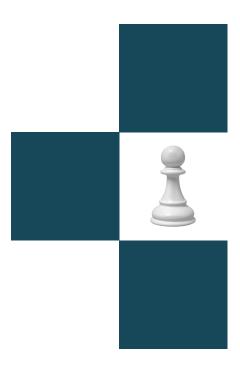
Journeys from Entity to Enterprise

Annual Report **2018-19** (Part – II)

INSIDE

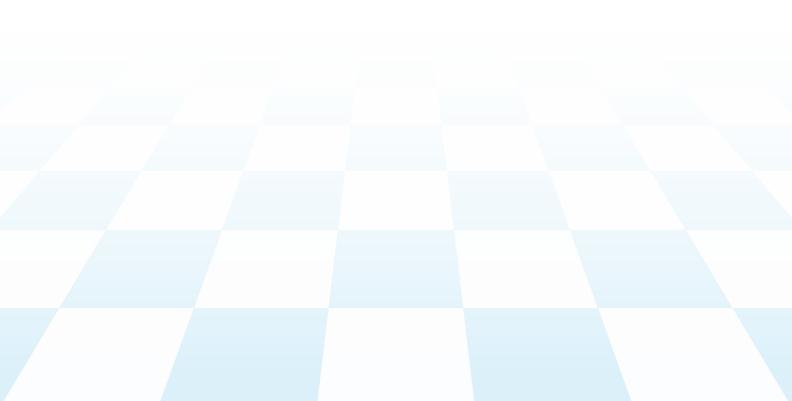
APPENDIX I APPENDIX II PG 01-44

PG 45-89



APPENDIX I

Audited Balance Sheet along with Profit and Loss Account and Cash Flow Statement of SIDBI





Independent Auditor's Report

The Shareholders of Small Industries Development Bank of India

1. Opinion

We have audited the accompanying Standalone Financial Statements of "Small Industries Development Bank of India" ("the Bank"), which comprise the Balance Sheet as at March 31, 2019, the Profit and Loss account, Statement of Cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the bank as at March 31, 2019, of its financial performance and its cash flows for the year then ended in accordance with Regulation 14 (i) of Small Industries Development Bank of India General Regulations 2000, and the Accounting principles generally accepted in India.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by ICAI. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Emphasis of Matter

- i. **Refer Note No. 1** As per RBI circular dated August 4, 2016, financial statements of the bank are required to be presented in accordance with the IND AS for accounting periods beginning from April 1, 2018. However, as per the bank, pending modification in SIDBI Regulations, 2000 regarding the IND- AS Formats and guidance from RBI, the financials for the year ended are continued to be presented as per Indian GAAP.
- Refer Note No. 2.1 During the year the Bank has created Deferred Tax Assets of ₹ 1,65,77,82,586/-, for the first time, on carried forward Capital Losses, provision on Non Performing Investment and provision on Standard Assets made during year.

Our opinion is not modified in respect of these matters.

4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in our audit are:

Sr. No.	Key Audit Matter	Response to Key Audit Matter
1.	Contingent Liability and Provision for Income Tax:	
	In the recognition and measurement of provisions, there is uncertainty about the timing or amount of the future expenditure required to settle the liability. In respect of contingent liabilities, there are estimates and assumptions made to determine the amount to be disclosed. As a result, there is a high degree of judgment required for the recognition and measurement of provisions and disclosure of contingent liabilities.	In respect of bad debts written off and claimed under section 36 (1) (viia) (c) of the Income Tax 1961, the Income Tax Department has disallowed the claim citing that the Bank has claimed double tax benefit as the Bank has already been allowed benefit at the time of making provision for doubtful debts. We have verified the previous pending litigation orders. In certain years, the Income Tax Appellate Tribunal has already allowed the Bank's claim, which is challenged by the Department before higher authorities. Further, the Bank has obtained views of external tax expert to ascertain the chances of sustainability of Bank's claim and based on their views, no provision for tax is made considering the same to be allowable.

Sr. No.	Key Audit Matter	Response to Key Audit Matter
	The Bank has reported contingent liabilities of Income Tax amounting to ₹ 6,98,13,20,359/- towards claims against the Bank not acknowledged as debts in the financial statements.	Thus, in respect to demands outstanding with regard to section 36 (1) (viia) (c) and other disallowances / matters, where the assessment has been made against the Bank and appeals are pending, the same are included in contingent liability and hence no provision is considered necessary.
2.	Information Technology general Controls:	
	A significant part of the Bank's financial reporting process is heavily reliant on IT systems with automated processes and controls over the capture, storage and extraction of information. A fundamental component of these processes and controls is ensuring appropriate user access and change management protocols exist and being adhered to. These protocols are important because they ensure that access and changes to IT systems and related data are made and authorised in an appropriate manner.	We focused our audit on IT systems and controls that are significant to the Bank's financial reporting process. The Bank has a system in place for getting application software audits for identified Application Systems at reasonable intervals. Information Systems (IS) Audit is done at branches by officers of the Bank at reasonable intervals. We have relied on the Application Systems Audits carried by external consultants and IS audits done at the branches. We have reviewed reports of external consultants and IS audits done at the branches on sample basis and the same were found to be in order. Where required, we performed a greater level of testing to validate the integrity and reliability of data and reporting thereof.

5. Other Information

The Bank's Board of Directors is responsible for the Other Information. The Other Information comprises the information included in the CMD's Statement, Directors' Report, Overall Business Operations, Management and Corporate Governance but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance / conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

As on date, the CMD's Statement, Directors' Report, Overall Business Operations, Management and Corporate Governance are under preparation. When we read the same and if we conclude that there is any material misstatement therein, then we will communicate the matter to those charged with governance.

6. Other Matters

Incorporated in these financial statements are the returns of 25 Branches visited by us for the purpose of audit including Head Office which accounts for 97.22% of Advances, 99.61% of Deposits, 100% of Borrowings, 95.49% of interest income on Advances, 99.51% of interest expense on Deposits and 100% of interest expense on Borrowings. These branches have been selected in consultation with the Bank. We have not visited remaining branches of the Bank and have reviewed their returns at the Head Office.

7. Responsibilities of Management for the Financial Statements

Management of Bank is responsible for the preparation and fair presentation of the financial statements in accordance with Small Industries Development Bank of India General Regulations 2000, and the Accounting principles generally accepted in India, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

8. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis

of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

9. Report on Other Legal and Regulatory Requirements

We report that:

- The Balance Sheet, Profit and Loss Account and Cash Flow Statement have been drawn up in accordance with the requirements of the Regulation 14(i) of the Small Industries Development Bank of India General Regulations, 2000.
- ii. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory.
- iii. In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books.

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- iv. The Balance Sheet, the Statement of Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with Books of Account.
- v. The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
- vi. The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
- vii. In our opinion, the aforesaid financial statements dealt with by this report comply with the applicable Accounting Standards.

For CHHAJED & DOSHI Chartered Accountants [Firm's Reg. No. 101794W]

Camp: Lucknow Date: 10th May 2019 CA Kiran K. Daftary Partner Membership No. 010279



Balance Sheet

as at March 31, 2019

			(Amount in ₹)
	SCHEDULES	March 31, 2019	March 31, 2018
CAPITAL AND LIABILITIES			
Capital		5,31,92,20,310	5,31,92,20,310
Reserves, Surplus and Funds		1,61,53,16,39,410	1,43,59,98,17,005
Deposits		7,19,22,47,49,673	4,03,74,61,14,199
Borrowings	IV	5,96,99,79,07,871	4,66,09,11,12,071
Other Liabilities and Provisions	V	75,27,76,17,911	69,13,74,48,226
Deferred Tax Liability (refer Note 2)		25,71,28,715	80,08,18,451
Total		15,58,60,82,63,890	10,88,69,45,30,262
ASSETS			
Cash and Bank Balances	VI	54,05,25,12,178	10,31,46,03,434
Investments	VII	88,18,19,96,172	92,02,12,79,977
Loans & Advances	VIII	13,62,30,37,01,258	9,52,90,68,68,896
Fixed Assets	IX	2,85,40,92,585	2,40,83,72,938
Other Assets	Х	51,21,59,61,697	31,04,34,05,017
Total		15,58,60,82,63,890	10,88,69,45,30,262
Contingent Liabilities	XI	93,65,32,75,072	89,79,97,51,555
Significant Accounting Policies	XV		
Notes to Accounts	XVI		
The Schedules referred to above form an integral part of the Balance Sheet.			

As per our report of even date

BY ORDER OF THE BOARD

For Chhajed & Doshi Chartered Accountants FRN: 101794W

Rajendra Agrawal General Manager (Corporate Accounts Vertical)

Manoj Mittal Dy. Managing Director

Ajay Kumar Kapur Dy. Managing Director

Ashish Gupta

Director

Mohammad Mustafa

Chairman & Managing Director

Kiran K Daftary

Partner M. No.: 010279

Lucknow, May 10, 2019

Director

G Gopalakrishna

Profit & Loss Account

for the year ended March 31, 2019

	SCHEDULES	March 31, 2019	(Amount in ₹ March 31, 2018
IN COME	SCHEDULES	Warch 31, 2019	March 31, 2018
INCOME			
Interest and Discount	XII	94,82,13,19,357	61,79,65,52,201
Other Income	XIII	4,34,24,76,550	4,20,75,66,787
Total		99,16,37,95,907	66,00,41,18,988
EXPENDITURE			
Interest & Financial charges (refer Note 7)		69,03,01,12,006	40,82,58,44,806
Operating Expenses	XIV	5,12,37,49,980	5,10,70,54,913
Provisions & Contingencies		(2,48,79,420)	44,67,44,477
Total		74,12,89,82,566	46,37,96,44,196
Profit before Tax		25,03,48,13,341	19,62,44,74,792
Provision for Income Tax (refer Note 3)		6,05,64,69,013	4,74,99,75,461
Deferred Tax Adjustment [(Asset) / Liability] (refer Note 2)		(54,36,89,736)	58,23,24,762
Profit after Tax		19,52,20,34,064	14,29,21,74,569
Profit brought forward		43,13,26,886	43,56,01,325
Total Profit / (Loss)		19,95,33,60,950	14,72,77,75,894
Appropriations			
Transfer to General Reserve		16,64,00,00,000	12,20,00,00,000
Transfer to Special reserve u/s 36(1)(viii) of The Income Tax Act, 1961		70,00,00,000	70,00,00,000
Others			
Transfer to Investment Fluctuation Reserve		44,22,00,000	-
Transfer to Staff Welfare Fund		2,00,00,000	2,00,00,000
Dividend on Shares		1,36,96,99,230	1,14,36,32,367
Tax on Dividend		28,15,45,705	23,28,16,641
Surplus in Profit & Loss account carried forward		49,99,16,015	43,13,26,886
Total		19,95,33,60,950	14,72,77,75,894
Basic/Diluted Earning Per Share (refer Note 20)		36.70	26.87
Significant Accounting Policies	XV		
Notes to Accounts	XVI		
The Schedules referred to above form an integral part of the Profit & Loss Account.			

As per our report of even date

BY ORDER OF THE BOARD

For Chhajed & Doshi Chartered Accountants Rajendra Agrawal General Manager

Manoj Mittal Dy. Managing Director

Ajay Kumar Kapur Dy. Managing Director Mohammad Mustafa

FRN: 101794W

(Corporate Accounts Vertical)

G Gopalakrishna

Director

Ashish Gupta

Chairman & Managing Director

Kiran K Daftary

Partner M. No.: 010279

Lucknow, May 10, 2019

Director

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			(Amount in ₹)
	CAPITAL AND LIABILITIES	March 31, 2019	March 31, 2018
Schedule I:	Capital		
	(a) Authorized Capital	10,00,00,00,000	10,00,00,00,000
	 Equity Share Capital (75,00,00,000 Equity Shares of ₹ 10/- each) 	7,50,00,00,000	7,50,00,00,000
	 Preference Share Capital (25,00,00,000 Redeemable Preference Shares of ₹ 10/- each) 	2,50,00,00,000	2,50,00,00,000
(b) Issued, Subscribed and Paid-up Capital:		5,31,92,20,310	5,31,92,20,310
	- Equity Share Capital (53,19,22,031 Equity Shares of ₹ 10/- each)	5,31,92,20,310	5,31,92,20,310
	- Preference Share Capital	-	-
	Total	5,31,92,20,310	5,31,92,20,310
Schedule II:	Reserves, Surplus and Funds		
	A) Reserves		
	i) General Reserve		
	- Opening Balance	1,07,99,51,37,200	95,79,51,37,200
	- Additions during the year	16,64,00,00,000	12,20,00,00,000
	- Utilisations during the year	-	-
	- Closing Balance	1,24,63,51,37,200	1,07,99,51,37,200
	ii) Share Premium		
	- Opening Balance	16,68,07,79,690	16,68,07,79,690
	- Additions during the year	-	-
	- Utilisations during the year	-	_
	- Closing Balance	16,68,07,79,690	16,68,07,79,690
	iii) Specific Reserves		
	a) Investment Reserve		
	- Opening Balance	-	-
	- Additions during the year	-	-
	- Utilisations during the year	-	-
	- Closing Balance	-	-
	b) Special Reserve created and maintained u/s 36 (1) (viii) of The Income Tax Act, 1961		
	- Opening Balance	14,97,00,00,000	14,27,00,00,000
	- Additions during the year	70,00,00,000	70,00,00,000
	- Utilisations during the year	-	-
	- Closing Balance	15,67,00,00,000	14,97,00,00,000
	c) Other Reserves		
	i) Investment Fluctuation Reserve		
	- Opening Balance	70,37,86,026	70,37,86,026
	- Additions during the year	44,22,00,000	-
	- Utilisations during the year		
	- Closing Balance	1,14,59,86,026	70,37,86,026

	CAPITAL AND LIABILITIES	March 31, 2019	(Amount in ₹) March 31, 2018
	B) Surplus in Profit and Loss account	49,99,16,015	43,13,26,886
	C) Funds		
	a) National Equity Fund		
	- Opening Balance	2,56,95,54,646	2,56,29,86,071
	- Additions / Write back during the year	8,28,35,216	65,68,575
	- Utilisations during the year	-	-
	- Closing Balance	2,65,23,89,862	2,56,95,54,646
	b) Staff Welfare Fund		
	- Opening Balance	24,92,32,557	24,68,86,023
	- Additions during the year	2,00,00,000	2,00,00,000
	- Utilisations during the year	2,18,01,940	1,76,53,466
	- Closing Balance	24,74,30,617	24,92,32,557
	c) Others	-	-
	Total	1,61,53,16,39,410	1,43,59,98,17,005
Schedule III	Deposits		
	A) Fixed Deposits	64,86,00,49,673	53,74,61,14,199
	B) From Banks		
	a) Under MSME Refinance Fund	5,80,00,00,00,000	2,80,00,00,00,000
	b) Under MSME Risk Capital Fund	15,00,00,00,000	15,00,00,00,000
	c) Others -From Foreign & Private Sector Banks	-	-
	d) Under MSME India Aspiration Fund	9,36,47,00,000	5,00,00,00,000
	e) Under Fund for Venture Capital in MSME sector 2014-15	50,00,00,00,000	50,00,00,00,000
	Subtotal (B)	6,54,36,47,00,000	3,50,00,00,00,000
	Total	7,19,22,47,49,673	4,03,74,61,14,199
Schedule IV	Borrowings		
	I) Borrowings in India		
	1. From Reserve Bank of India	-	-
	2. From Government of India (refer Note 11)	21,46,93,19,323	22,16,75,23,471
	(including Bonds subscribed by GOI)		
	3. Bonds & Debentures (refer Note 5)	1,44,95,50,00,000	1,65,49,00,00,000
	4. From Other Sources		
	- Commercial Paper	47,50,00,00,000	57,00,00,00,000
	- Certificate of Deposits	1,51,55,00,00,000	1,02,03,00,00,000
	- Term Loans from Banks	1,24,46,56,06,275	5,14,97,50,157
	- Term Money Borrowings	-	-
	- Others (refer Note 14)	14,99,20,398	2,99,81,04,466



			(Amount in ₹)
	CAPITAL AND LIABILITIES	March 31, 2019	March 31, 2018
	II) Borrowings outside India		
	(a) KFW, Germany	14,44,29,19,606	15,46,66,00,852
	(b) Japan International Cooperation Agency (JICA)	36,80,54,19,486	41,56,06,40,163
	(c) IFAD, Rome (refer Note 18)	1,12,48,25,395	1,16,52,80,010
	(d) World Bank	51,47,72,81,791	49,29,67,67,641
	(e) Others	3,05,76,15,597	3,76,64,45,311
	Subtotal (II)	1,06,90,80,61,875	1,11,25,57,33,977
	Total (I & II)	5,96,99,79,07,871	4,66,09,11,12,071
Schedule V	Other Liabilities and Provisions:		
	Interest Accrued	28,41,05,15,952	20,79,29,45,100
	Provision for SIDBI Employees' Provident Fund	2,80,17,62,288	2,17,11,80,143
	Provision for SIDBI Pension Fund	45,55,68,252	45,98,78,213
	Provision for Sick Leave Fund	11,18,93,681	21,12,89,197
	Provision for Medical Assistance Scheme Fund	18,00,58,808	19,30,76,860
	Provision for Employees Benefit	1,09,09,74,143	2,72,65,14,780
	Others (including provisions) (refer Note 13 & 23)	33,53,24,69,017	35,84,05,17,044
	Provisions for Exchange Rate Fluctuation (refer Note 10)	1,53,73,62,766	1,53,73,62,766
	Contingent provisions against standard assets (refer Note 24)	5,50,57,68,069	3,82,82,35,115
	Proposed Dividend (including tax on dividend) (refer Note 21)	1,65,12,44,935	1,37,64,49,008
	Total	75,27,76,17,911	69,13,74,48,226

			(Amount in ₹)
	ASSETS	March 31, 2019	March 31, 2018
Schedule VI	Cash & Bank Balances		
	1. Cash in Hand & Balances with Reserve Bank of India	6,09,656	6,13,630
	2. Balances with other Banks		
	(a) In India		
	i) in current accounts	63,21,22,564	20,69,20,084
	ii) in other deposit accounts	47,22,98,66,715	2,49,98,73,284
(b) Outside India			
	i) in current accounts	16,18,137	6,58,942
	ii) in other deposit accounts	6,18,82,95,106	7,60,65,37,494
	Total	54,05,25,12,178	10,31,46,03,434
Schedule VII	Investments [Net of Provisions]		
	A) Treasury operations		
	1. Securities of Central and State Governments	4,46,80,73,744	4,55,71,12,568
	2. Shares of Banks & Financial Institutions	-	23,95,12,137
	 Bonds & Debentures of Banks & Financial Institutions 	6,40,56,57,541	12,66,68,18,755
	4. Stocks, Shares, Bonds & Debentures of Industrial Concerns	1,99,92,72,771	2,48,80,48,275
	5. Short Term Bills Rediscounting Scheme	-	-
	6. Others	44,60,07,32,633	42,66,30,80,482
	Subtotal (A)	57,47,37,36,689	62,61,45,72,217
	B) Business Operations		
	1. Shares of Banks & Financial Institutions	1,78,47,71,142	1,75,12,24,775
	2. Bonds & Debentures of Banks & Financial Institutions	-	-
	3. Stocks, Shares, bonds & Debentures of Industrial Concerns	4,85,32,42,053	3,82,54,41,280
	4. Investment in Subsidiaries	17,51,04,98,740	17,51,04,98,740
	5. Others	6,55,97,47,548	6,31,95,42,965
	Subtotal (B)	30,70,82,59,483	29,40,67,07,760
	Total (A+B)	88,18,19,96,172	92,02,12,79,977
Schedule VIII	Loans & Advances [Net of Provisions]		
	A) Refinance to		
	- Banks and Financial Institutions	11,62,77,55,95,686	7,26,22,51,69,807
	Micro Finance Institutions	11,71,50,70,388	15,79,76,70,001
	- NBFC	93,69,98,42,689	1,14,11,67,93,703
	- Bills Rediscounted		
	- Others (Resource Support)		
	Subtotal (A)	12,68,19,05,08,763	8,56,13,96,33,511



			(Amount in ₹)
	ASSETS	March 31, 2019	March 31, 2018
	B) Direct Loans		
	- Loans and Advances	88,96,65,09,187	87,74,77,86,153
	- Receivable Finance Scheme	5,14,66,83,308	9,01,94,49,232
	- Bills Discounted	-	-
	Subtotal (B)	94,11,31,92,495	96,76,72,35,385
	Total (A+B)	13,62,30,37,01,258	9,52,90,68,68,896
Schedule IX	Fixed Assets [Net of Depreciation]		
	1. Premises (refer Note 9 & 17)	2,83,23,37,105	2,38,98,20,372
	2. Others	2,17,55,480	1,85,52,566
	Total	2,85,40,92,585	2,40,83,72,938
Schedule X	Other Assets:		
	Accrued Interest	32,90,17,83,584	16,46,00,48,900
	Advance Tax (Net of provision)	3,73,69,24,296	3,38,43,98,721
	Others	7,12,12,90,646	5,64,18,92,790
	Expenditure to the extent not written off (refer Note 6)	7,45,59,63,171	5,55,70,64,606
	Total	51,21,59,61,697	31,04,34,05,017
Schedule XI	CONTINGENT LIABILITIES		
	i) Claims against the Bank not acknowledged as debts (refer Note 4)	6,98,13,20,359	3,53,80,94,592
	ii) On account of Guarantees / Letters of Credit	54,95,08,487	59,49,90,462
	iii) On account of Forward Contracts	1,03,14,60,100	57,76,04,313
	iv) On account of Underwriting Commitments	-	-
	v) On account of uncalled monies on partly paid shares, debentures	6,33,78,34,494	-
	vi) Other items for which the Bank is contingently liable (derivative contracts etc.)	78,75,31,51,632	85,08,90,62,188
	Total	93,65,32,75,072	89,79,97,51,555

Schedules to Profit & Loss Account

			(Amount in ₹)
		March 31, 2019	March 31, 2018
Schedule XII	Interest and Discount		
	1. Interest and Discount on Loans, Advances and Bills	91,28,15,41,701	58,22,02,55,330
	2. Income on Investments / Bank balances	3,53,97,77,656	3,57,62,96,871
	Total	94,82,13,19,357	61,79,65,52,201
Schedule XIII	Other Income:		
	1. Upfront and Processing Fees	31,36,51,911	20,95,56,263
	2. Commission and Brokerage	1,49,28,003	1,83,08,305
	3. Profit on sale of Investments	2,50,74,34,846	1,16,51,82,129
	4. Income earned by way of dividends etc. from Subsidiaries / Associates	25,62,65,741	18,06,26,903
	5. Provision of Earlier Years written Back	-	-
	6. Others (refer Note 16)	1,25,01,96,049	2,63,38,93,187
	Total	4,34,24,76,550	4,20,75,66,787
Schedule XIV	Operating Expenses:		
	Payments to and provisions for employees	3,68,56,94,181	3,79,44,65,377
	Rent, Taxes and Lighting	18,91,63,591	20,06,75,587
	Printing & Stationery	89,85,897	98,12,612
	Advertisement and Publicity	5,47,52,845	3,39,22,299
	Depreciation / Amortisation on Bank's Property	18,26,95,963	11,33,97,507
	Directors' fees, allowances and expenses	34,08,920	55,98,607
	Auditor's Fees	30,72,480	35,73,052
	Law Charges	1,76,48,706	1,37,60,919
	Postage, Courier, Telephones etc	20,68,494	23,26,271
	Repairs and maintenance	12,34,73,048	9,45,67,488
	Insurance	43,83,945	47,17,314
	Contribution to CGTMSE	-	-
	Other Expenditure	84,84,01,910	83,02,37,880
	Total	5,12,37,49,980	5,10,70,54,913

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Schedules to Balance Sheet

SCHEDULE XV – SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION

The financial statements have been prepared to comply in all material respects with the Small Industries Development Bank of India Act, 1989 and regulations thereof, prudential norms prescribed by Reserve Bank of India, applicable Accounting Standards issued by the Institute of Chartered Accountants of India and practices prevailing in the Banking Industry. The financial statements have been prepared under the historical cost convention on an accrual basis, unless otherwise stated. Except otherwise mentioned, the accounting policies that are applied by the Bank, are consistent with those used in the previous year.

Use of Estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as of the date of the financial statements and the reported income and expenses for the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods in accordance with the requirements of the respective accounting standard.

2. REVENUE RECOGNITION

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured.

A) INCOME:

- (i) Interest income including penal interest is accounted for on accrual basis, except in the case of non-performing assets where it is recognized upon realization.
- (ii) Income in the Profit & Loss Account is shown gross i.e. before provisions as per RBI guidelines and other provisions as per Bank's internal policy.
- (iii) Discount received in respect of bills discounted / rediscounted and on discounted instruments is recognized over the period of usance of the instruments on a constant yield basis.

- (iv) Commitment charges, service charges on seed capital / soft loan assistance and royalty income are accounted for on accrual basis in respect of standard (performing) assets.
- (v) Dividend on shares held in industrial concerns and financial institutions is recognized as income when the right to receive the dividend is established.
- (vi) Income from Venture Capital funds are accounted on realization basis. Redemption of unit/shares in Venture Capital fund, while in HTM category is not treated as a sale.
- (vii) Recovery in non-performing assets (NPA) is to be appropriated in the following order:
 - a) overdue interest upto the date of NPA,
 - b) principal,
 - c) cost &charges,
 - d) interest and
 - e) penal interest.
- (viii) Gain/loss on sale of loans and advances through direct assignment is recognized in line with the extant RBI guidelines.
- (ix) Amounts recovered against debts written-off in earlier years are recognized as income in the Profit and Loss account.
- (x) Profit or loss on sale of investment: Profit or loss on sale of investments in any category is taken to profit & loss account. However, in case of profit on sale of investments under "Held to Maturity" category an equivalent amount net of applicable taxes is appropriated to Capital Reserves.
- (xi) Amount lying as unclaimed liabilities (other than statutory liabilities) for a period of more than seven years are recognized as income.
- (xii) The bank has accounted for interest on income tax refunds upon receipt of such refund orders / Order giving effects issued by Income Tax Department.

B) EXPENDITURE:

- (i) All expenditures are accounted for on accrual basis except Development Expenditure which is accounted for on cash basis.
- (ii) Discount on Bonds and Commercial Papers issued are amortized over the tenure of Bonds

and Commercial Paper. The expenses relating to issue of Bonds are amortized over the tenure of the Bonds.

3. INVESTMENTS

- (i) In terms of extant guidelines of the Reserve Bank of India on investment classification and valuation, the entire investment portfolio is categorized as "Held to Maturity", "Available for Sale" and "Held for Trading". Investments are valued in accordance with RBI guidelines. The investments under each category are further classified as
 - a) Government Securities,
 - b) Other approved securities,
 - c) Shares,
 - d) Debentures & Bonds,
 - e) Subsidiaries/ joint ventures and
 - f) Others (Commercial Paper, Mutual Fund Units, Security Receipts, Certificate of Deposits etc.)

(a) Held to Maturity:

Investments acquired with the intention to hold till maturity are categorized under Held to Maturity. Such investments are carried at acquisition cost unless it is more than the face value, in which case the premium is amortized over the period remaining to maturity. Investments in subsidiaries classified as Held To Maturity.

Diminution, other than temporary, in the value of investments under this category is provided for each investment individually.

(b) Held for Trading:

Investments acquired for resale within 90 days with the intention to take advantage of the short-term price/interest rate movements are categorized under Held for Trading. The investments in this category are revalued scrip-wise and net appreciation /depreciation is recognized in the profit & loss account, with corresponding change in the book value of the individual scrips.

In respect of traded/ quoted investments, the market price is taken from the trades/ quotes available on the stock exchanges.

(c) Available for Sale:

 Investments which do not fall within the above two categories are categorized under Available for Sale. The individual scrip under this category is revalued and net depreciation under any of the classification mentioned above is recognized in the profit & loss account. Net appreciation under any classification is ignored. The book value of individual scrip is not changed after the revaluation.

- (ii) An investment is classified as 'Held To Maturity', 'Available For Sale' or 'Held For Trading' at the time of its purchase and subsequent shifting amongst categories and its valuation is done in conformity with RBI guidelines.
- (iii) Treasury Bills, commercial papers and certificates of deposit being discounted instruments are valued at carrying cost.
- (iv) The quoted Government Securities are valued at market prices and unquoted/ non-traded government securities are valued at prices declared by Financial Benchmark India Pvt. Ltd. (FBIL).
- (v) Investments which are made out of the Corpus or Funds provided by the Government of India and netted off from the related Fund balances are carried at cost and not subjected to RBI guidelines of valuation.
- (vi) Recording purchase and sale transactions in Investments is done following 'Settlement Date' accounting.
- (vii) The debentures / bonds / shares deemed to be in the nature of advance, are subject to the usual prudential norms applicable to loans & advances.
- (viii) Cost of investments is determined on the weighted average cost method.
- (ix) Brokerage, commission, etc. paid at the time of acquisition/ sale are recognized in the profit & loss account.
- (x) Broken period interest paid / received on debt investment is treated as interest expenses / income and is excluded from cost / sale consideration.
- (xi) In respect of unquoted investments in industrial concerns under Seed Capital Scheme, full provision has been made.
- (xii) Units of mutual fund are valued at repurchase price as per relevant RBI guidelines.



(xiii) The unquoted fixed income securities (other than government securities) are valued on Yield to Maturity (YTM) basis with appropriate mark-up over the YTM rates for Central Government securities of equivalent maturity. Such mark-up and YTM rates applied are as per the relevant rates published by FBIL.

4. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded in the books of account in respective foreign currencies at the exchange rate prevailing on the date of transaction. Accounting for transactions involving foreign exchange is done in accordance with Accounting Standard (AS)-11 issued by Institute of Chartered Accountants of India, as per following provisions:

- (i) Contingent liability in respect of outstanding forward exchange contracts is calculated at the contracted rates of exchange and in respect of guarantees; acceptances, endorsements and other obligations are calculated at the closing exchange rates notified by Foreign Exchange Dealers' Association of India ('FEDAI').
- (ii) Foreign currency Assets and Liabilities are translated at the closing exchange rates notified by FEDAI as at the Balance Sheet date
- (iii) Foreign currency Income and Expenditure items are translated at monthly intervals through actual sale/purchase and recognized in the profit & loss account accordingly.
- (iv) The revaluation difference on foreign currency LoC is adjusted and recorded in a special account opened and maintained, in consultation with GOI for managing exchange risk.
- (v) The Bank follows hedge accounting in respect of foreign exchange contracts and derivative transactions as per RBI guidelines.
- (vi) Exchange differences arising on the settlement of monetary items are recognized as income or expense in the period in which they arise.
- (vii) Outstanding Forward Exchange Contracts which are not intended for trading are revalued at closing FEDAI rates.

5. DERIVATIVES

The Bank presently deals in currency derivatives viz., Cross Currency Interest Rate Swaps for hedging its foreign currency liabilities. Based on RBI guidelines, the above derivatives undertaken for hedging purposes are accounted on an accrual basis. Contingent Liabilities on account of derivative

contracts at contracted rupee amount are reported on the Balance Sheet date.

6. LOANS AND ADVANCES

- Assets representing loan and other assistance portfolios are classified as performing and non-performing based on the RBI guidelines.
 Provision for non-performing assets is made in accordance with the RBI guidelines.
- ii. Advances stated in the Balance Sheet are net of provisions made for non-performing advances, and restructured assets.
- iii. General provision on Standard Assets is made as per RBI guidelines.
- iv. Floating provision is made and utilized as per RBI guidelines and Board approved policy.

7. TAXATION

- (i) Tax expense comprises both current tax and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act,1961 and the Income Computation and Disclosure Standards (ICDS).
- (ii) Deferred income taxes reflect the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.
- (iii) Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Unrecognized deferred assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.
- (iv) Disputed taxes not provided for including departmental appeals are included under Contingent Liabilities.

8. SECURITISATION

i. The Bank purchases credit rated Micro, Small and Medium Enterprises Asset pools from Banks / Non-Banking Finance Companies by way of pass- through certificates issued by the Special Purpose Vehicle. Such securitization transactions are classified as Investments under Held for Trading / Available for Sale category depending upon the investment objective.

- ii. The Bank purchases credit rated pool of Micro, Small and Medium Enterprises assets under bilateral direct assignment. Such direct assignment transactions are accounted for as 'advances' by the Bank.
- iii. The Bank enters into sale of Loans & Advances through direct assignment. In most of the cases, the Bank continues to service the Loans & Advances sold under these transactions and is entitled to the Residual interest on the Loans & Advances sold. Assets sold under direct assignment are derecognized in the books of the Bank based on the principle of surrender of control over the assets.
- iv. The residual income on the Loans & Advances sold is being recognized over the life of the underlying Loans & Advances.
- v. Security Receipts issued by the asset reconstruction companies are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time.

9. SALE OF FINANCIAL ASSETS TO ASSET RECONSTRUCTION COMPANIES (ARCs):

- The sale of NPA's is on cash basis or investment in Security Receipt (SR) basis. In case of sale on SR basis, the sale consideration or part thereof is treated as investment in the form of SRs.
- ii. The assets if sold at a price below the Net Book Value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit & Loss A/c. In case the sale value is higher than NBV, the excess provision held can be reversed to profit & loss account in the year the amounts are received. Reversal of excess provision is limited to the extent to which cash received exceeds the NBV of the asset.

10. PROVISIONING FOR STAFF BENEFITS

- A] Post retirement benefits:
- i. Provident Fund is a defined contribution scheme administered by the Bank and the contributions are charged to the Profit & Loss Account.
- ii. Gratuity liability and Pension liability are defined benefit obligations and other longterm employee benefits like compensated absences, post-retirement medical benefits, leave fare concession etc. are provided based on the independent actuarial valuation as at the Balance Sheet date using the projected unit credit method as per AS 15 (Revised 2005) -Employee Benefits.

- Actuarial gains or losses are recognized in the profit & loss account based on actuarial valuations for the period in which they occur.
- New Pension Scheme is a defined contribution scheme and is applicable to employees who have joined bank on or after December 01, 2011.
 Bank pays fixed contribution at pre-determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit & Loss Account.
- Actuarial gains/losses are immediately taken to the profit & loss account and are not deferred.
- vi. Payments made under the Voluntary Retirement Scheme are charged to the Profit & Loss account in the year of expenses incurred.

B] Benefits (Short - term) while in service

Liability on account of Short-term benefits are determined on an undiscounted basis and recognized over the period of service, which entitles the employees to such benefits.

11. FIXED ASSETS AND DEPRECIATION

- Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any.
- b) Cost of asset includes purchase cost and all expenditure incurred on the asset before put to use. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefits from such assets or their functioning capability.
- c) Depreciation for the full year, irrespective of date of capitalization, is provided on:
 - (i) Furniture and fixture: For assets owned by Bank @ 100 percent
 - (ii) Computer and Computer Software @ 100 percent
 - (iii) Building @ 5 percent on WDV basis
 - (iv) Electrical Installations: For assets owned by Bank @ 50 percent on WDV basis.
 - (v) Motor Car Straight Line Method @ 50 percent.
- Depreciation on additions is provided for full year and no depreciation is provided in the year of sale/disposal.
- e) Leasehold land is amortized over the period of lease.



12. PROVISION FOR CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In accordance with AS-29 Provisions, Contingent Liabilities and Contingent Assets, the Bank recognizes provisions involving substantial degree of estimation in measurement when it has a present obligation as a result of past event, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are not provided for and are disclosed in the balance sheet and details given by way of Schedule to the Balance Sheet. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

13. GRANTS AND SUBSIDIES

Grants and subsidies from the Government and other agencies are accounted as per the terms and conditions of the agreement.

14. OPERATING LEASE

Lease rentals is recognized as an expense/income in the Profit & Loss Account as they become due for payments.

15. IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/external factors, to recognize,

- a) the provision for impairment loss, if any required; or
- b) the reversal, if any, required for impairment loss recognized in the previous periods.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with RBI, balances with other banks and investment in Mutual Fund with an original maturity of three months or less.

SCHEDULE XVI - NOTES TO ACCOUNTS

1 Implementation of Ind-AS:

As per RBI circular dated August 04, 2016 SIDBI has to comply with the Indian Accounting Standards (Ind-AS) for financial statements for accounting periods beginning from April 1, 2018 onwards and submit proforma Ind-AS financial statements to RBI from the half-year ended September 30, 2016. A Screening Committee comprising of Senior Officers has been constituted who provide guidance and oversees the progress of implementation of Ind-AS in the Bank. The Proforma Financial Statements from half year ended September 30, 2016 till the half year ended September 30, 2018, have been submitted to RBI. At present, SIDBI is making use of Excel sheets for conversion of IGAAP Financial Statements into Ind-AS compliant stand-alone and consolidated Financial Statements. SIDBI has written to RBI seeking clarification on methodology of calculation of Expected Credit Loss (ECL) and for seeking formats of Ind-AS compliant Financial Statements for which RBI reply is still awaited. Pending receipt of Ind-AS formats & guidance from RBI as also pending clarification from RBI regarding deferment of implementation of Ind-AS for AIFIs and consequent modification in Balance Sheet format prescribed under Regulation 14 (i) of the Small Industries Development Bank of India General Regulations, 2000, the annual financial statements is continued to be prepared under IGAAP. RBI has been kept informed in this regard.

2.1 As per the Accounting Standard 22, Accounting for Taxes on Income, the Bank has reviewed the Deferred Tax Expenditure / Saving and recognized an amount of ₹ 54,36,89,736 as Deferred Tax Asset (Previous year - Deferred Tax Liability was ₹ 58,23,24,762) in the Profit & Loss Account for the year ended March 31, 2019. During the year the bank has for the first time recongised Deferred Tax Asset amouting to ₹ 1,65,77,82,586/- on carried Forward Long Term Capital Losses, Provision for Non Performing Investments and provision on Standard Assets made during the current FY 2018-19.

2.2	The Break up of Deferred	Tax Asset/	(Liability) as on	March 31, 2019 is as under:
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(Amount in ₹						
Timing Difference	Deferred Tax Asset/(Liability)					
	March 31, 2019 March 31,					
a) Provision for Depreciation	39,60,413	(1,21,30,753)				
b) Special Reserve u/s 36(1)(viii) of the Income Tax Act 1961	(4,70,90,89,576)	(4,44,78,09,616)				
c) Provisions for Bad & Doubtful Debts	2,30,45,14,771	2,53,21,09,985				
d) Amortisation of Premium received on Issued on GOI Bonds	(4,44,56,921)	(5,86,23,034)				
e) Provision for Restructuring of Accounts	1,22,49,123	1,66,89,571				
f) Brought Forward Long Term Capital Loss	22,05,17,373	-				
g) Provision for Non Performing Investment	85,10,68,097	-				
h) Provision for Standard Assets	58,61,97,116	-				
i) Others	51,79,10,890	1,16,89,45,396				
Net deferred tax Asset/(Liability)	(25,71,28,714)	(80,08,18,451)				

3 Provision for Income Tax includes:

			(Amount in ₹)
Sr. No.	Particulars	March 31, 2019	March 31, 2018
(i)	Current Income Tax Provision	6,10,49,78,330	4,78,49,10,162
(ii)	Short/(Excess) Income Tax Provision of Earlier Years	(4,85,09,317)	(3,49,34,701)

The Tax Liability has been vetted by Tax consultant.

4 Contigent Liabilities referred to in Schedule XI (i):As compiled and certified by the Management:

Contingent liabilities of ₹ 6,98,13,20,359 (Previous Year ₹ 3,53,80,94,592) represents income tax / service tax / legal cases filed against SIDBI. This is being disputed by the Bank and based on expert's opinion, the provision is not considered necessary. It includes an amount of ₹ 1,63,32,91,167 (Previous Year ₹ 1,63,32,91,167) pertaining to appeals filed by Income Tax Department against the Bank.

5 'Bonds and Debentures' under Borrowings in schedule IV includes the following:

		(Amount in ₹)
	March 31, 2019	March 31, 2018
a) Unsecured Bonds	1,44,95,50,00,000	1,65,49,00,00,000

6 Expenditure to the extent not written off' under Other Assets in schedule X includes the following:

(Amount				
	March 31, 2019	March 31, 2018		
a) Premium on transfer of RBI NIC(LTO) to Gol Bonds	12,70,85,209	16,92,53,445		
b) Discount paid in Advance Certificate of Deposit	6,73,24,68,721	4,41,28,19,648		
c) Discount paid in Advance - Commercial Paper	56,66,99,947	95,13,63,287		
d) Expenditure on Issuance of Unsecured Bonds	2,97,09,294	2,36,28,226		
Total	7,45,59,63,171	5,55,70,64,606		

7 Interest and Financial Charges

		(Amount in ₹)
	March 31, 2019	March 31, 2018
a) Interest on Borrowings	28,72,48,01,168	17,36,82,65,296
b) Interest on Deposits	34,90,93,38,998	17,28,27,64,801
c) Financial Charges	5,39,59,71,840	6,17,48,14,710
Total	69,03,01,12,006	40,82,58,44,807



			(Amount in ₹)
8		March 31, 2019	March 31, 2018
	Estimated amount of contracts remaining to be executed on Capital Account not provided for (net of advance paid)	2,92,86,993	1,02,46,63,903

- 9 Premises in Schedule IX include advances towards acquisition of Premises ₹ 11,06,68,896 (Previous Year ₹ 11,06,68,896) and Capital Work in Progress ₹ 18,59,429 (Previous Year ₹ 3,83,22,688). The advance towards acquisition of Premises ₹ 11,06,68,896 was paid towards acquisition of office premises, proposal of which was subsequently cancelled. The Bank is in correspondence with the Agency for refund of the advance amount. The issue has been taken up with the concerned Govt. department. The deal has not been officially cancelled. Hence the amount is not considered doubtful.
- 10 In respect of foreign currency borrowings of JPY 30 billion (JPY 10.24 billion as on March 31, 2019) under Line V from Japan International Cooperation Agency (JICA) (previously known as Japan Bank of International Cooperation-JBIC), Exchange Rate Fluctuation Fund (ERFF) has been created as per terms agreed with Government of India (GOI) and included in Foreign Currency Fluctuation Reserve Fund. Applicable interest at notified rate is credited to this ERFF account and interest payable to JICA at contracted rate is debited out of this account. Also, half yearly compounding is calculated on the opening balance in ERFF account at notified rate. The difference on account of exchange fluctuation arising on principal account amounting to ₹ 2,68,24,49,630.06 (Previous Year ₹ 3,48,90,46,842) has been netted off against ERFF as permitted by the Government of India. Adjustment to the Fund Account, if necessary, will be made as per directions of Government of India in future. In case, the balance in the Fund is insufficient, the claim will be on Government of India. As the present balance under ERFF is expected to take care of debt servicing and exchange rate fluctuations, further contribution to the ERFF has been discontinued till such time the ERFF balance remains surplus vis a vis the loan outstanding under JICA-V LoC.
- 11 The borrowing of ₹ 2,18,04,44,418 (Previous Year ₹ 2,61,65,33,300) from Govt. of India under the JICA IV loan is carried forward in the 'schedule IV Borrowings' to the Balance Sheet at its historic rupee value since SIDBI's liability towards principal repayment under the agreement, is not expected to exceed the aggregate of rupee borrowings and the balance in the ERFF maintained for this loan. Applicable interest at 8% is credited to this ERFF account and interest payable in JPY (converted to equivalent INR) is debited out of this account. The balance as on March 31, 2019 in ERFF maintained for this loan is ₹ 2,07,46,84,419 (Previous Year ₹ 2,50,24,79,068).
- 12 The Bank has contracted a line of credit for USD 300 million from World Bank for scaling up Sustainable and Responsible Micro Finance Project including IDA portion aggregating SDR 65.9 million (equivalent of USD 100 million). Under IDA line, Govt. of India is the borrower and rupee funds are lent to SIDBI by GOI though the exchange risk on the underlying is required to be borne by SIDBI as per the terms of the agreement. Thus, though GOI released rupee funds to SIDBI, the same was recorded as SDR liability in the books of SIDBI to depict correct position so that revaluation difference gets suitably reflected in the year end figures. Accordingly, the drawal effected under the above line aggregating SDR 52.72 million (equivalent to ₹ 506.09 crore) as on March 31,2019 [Previous Year SDR 56.02 million (equivalent to ₹ 532.30 crore)] from GOI is recorded as SDR liability and the underlying liability has been hedged by way of Cross Currency Interest Rate Swaps. The same has been grouped under schedule IV 'Borrowings in India'.
- 13 a) Government of India (GOI) has created "India Microfinance Equity Fund (IMEF)" with SIDBI with a corpus of ₹ 300 crore. The Fund shall be utilised for extending equity or any other form of capital to Tier II and Tier III NBFC MFIs and all Non-NBFC MFIs, with a focus on smaller socially oriented MFIs with the objective of poverty alleviation and achieving long term sustainability of operations in unserved and underserved parts of the country. "The fund is operated/managed by SIDBI for which an administrative fee for managing the fund is received by SIDBI. Further, the inflows and outflows are debited/credited to the fund. Hence, fund balance of IMEF, net of investment is grouped under "Other Liabilities" in the Balance Sheet and all gains/losses/income/ expenditure are the part of the fund. The balance in the fund is ₹ 2,39,72,13,696 as on March 31 2019 (Previous year ₹ 2,16,42,49,205).

- b) ASPIRE Fund is a ₹ 310 crore Fund of Funds, allocated by Ministry of Micro, Small & Medium Enterprises, Government of India, to be managed by SIDBI. The Fund would be utilized to make investment in Venture Capital Funds targeting Start Ups/ early stage enterprises promoting Innovation, Entrepreneurship, Forward Backward linkage with multiple value chain of manufacturing and service delivery, accelerator support, etc. in the Agro based Industry and sectors to galvanize the rural economy. The entire corpus of ₹ 310 crore has been released by Government, out of which ₹ 210 crore has been released during the FY 2019. These investments (out of ASPIRE fund) are held by SIDBI in fiduciary capacity. The fund balance of ASPIRE Fund, net of investment is grouped under "Other Liabilities" in the Balance Sheet and all gains/losses/income/expenditure are the part of the fund. The balance in the fund is ₹ 2,88,16,92,244 as on March 31 2019 (Previous year ₹ 90,49,90,811).
- c) Government of India has formulated a Scheme for Fund of Funds for Startups (FFS) with the principal objective of enhancing the equity availability to Startups. Under the Scheme, an amount of ₹ 10,000 crore has been proposed as FFS to be managed by SIDBI. The Government has since released an amount of ₹ 600 crore to SIDBI and also permitted to take further commitments of ₹ 1600 crore. During the year, Government has advised SIDBI to continue to commitment to the Alternative Investment Fund(AIF). These investments (out of FFS) are held by SIDBI in fiduciary capacity. The fund balance of FFS, net of investment is grouped under "Other Liabilities" in the Balance Sheet and all gains/losses/income/expenditure are the part of the fund. The balance in the fund is ₹ 2,58,51,15,337 as on March 31 2019 (Previous year ₹ 5,10,77,99,574).
- 14 The Bank has pledged Government Securities aggregating to face value ₹ 4,52,82,00,000 (book value ₹ 4,46,80,73,744) [Previous Year ₹ 4,52,82,00,000 (book value ₹ 4,71,36,68,932)] with Clearing Corporation of India Ltd. for Triparty Repo Dealing and Settlement (TREPS).
- 15 As a part of hedging strategy, the Bank has placed foreign currency deposits with scheduled commercial banks out of the funds drawn under various lines of credit and have availed overdraft facility in INR against these foreign currency deposits. Outstanding balances under these overdraft facility aggregated to ₹ 3,77,40,11,137 as on March 31, 2019 (Previous Year ₹ 5,14,97,50,157). As on March 31, 2019, the interest receivable on these foreign currency deposits matches with the interest payable on borrowings under various lines of credit.
- 16 Other income-Schedule XIII includes principal recoveries on account of advances written off in earlier years ₹ 36,79,23,266 (previous year ₹ 1,82,80,34,855).
- 17 The Bank has acquired certain freehold land from Government authorities. As per the practice prevailing for acquiring land from Land Development Authorities, the Bank has agreed to make payment of future claims, if any, received in respect of such land. Till date no claim has been received.
- 18 IFAD had extended a foreign currency loan to SIDBI of SDR 16.35 million, vide loan agreement dated February 18, 2002. As per the terms of loan agreement, IFAD had disbursed loan in USD and it is to be repaid in USD equivalent to SDR. The Bank has accounted accordingly in the books of account. The balance as on March 31, 2019 for this loan is ₹ 1,12,48,25,395 (Previous Year ₹ 1,16,52,80,010).

19 Employee Benefits

In accordance with the Accounting Standard on "Employee Benefits" (AS 15) (Revised 2005) issued by the Institute of Chartered Accountants of India, the Bank has classified the various benefits provided to the employees as under:

(a) Defined contribution plan

The Bank has recognized the following amounts in Profit & Loss Account:

		(Amount in ₹)
Particulars	March 31, 2019	March 31, 2018
Employer's contribution to Provident fund	8,45,92,109	5,83,87,971
Employer's contribution to New Pension Scheme	2,27,84,810	1,91,20,772



(b) The Bank is having defined benefit Pension Plans and Gratuity Scheme which are managed by the Trust.

		Pen	sion	Grat	(₹ crore) t uity
		FY 2019	FY 2018	FY 2019	FY 2018
1.	Assumptions				
	Discount Rate	7.78%	7.72%	7.64%	7.73%
	Rate of Return on Plan Assets	7.78%	7.72%	7.64%	7.73%
	Salary Escalation	5.50%	6.00%	5.50%	6.00%
	Attrition rate	2.00%	2.00%	2.00%	2.00%
2.	Table showing change in Benefit Obligation				
	Liability at the beginning of the year	452.03	408.10	111.05	75.49
	Interest Cost	34.94	29.42	8.59	5.50
	Current Service Cost	12.05	12.73	4.47	5.27
	Past Service Cost (Non Vested Benefit)	-	-	-	-
	Past Service Cost (Vested Benefit)	-	-	-	31.43
	Liability Transferred in	-	-	-	-
	(Liability Transferred out)	-	-	-	-
	(Benefit Paid)	(24.25)	-	(12.40)	(4.58)
	Actuarial (gain) / loss on obligations	(35.12)	1.78	(20.35)	(2.06)
	Liability at the end of the year	439.65	452.03	91.36	111.05
3.	Tables of Fair value of Plan Assets				
	Fair Value of Plan Assets at the beginning of the year	405.46	98.07	115.25	111.78
	Expected Return on Plan Assets	31.34	7.07	8.43	8.15
	Contributions	-	300.00	0.05	-
	Transfer from other company	-	-	-	-
	(Transfer to other company)	-	-	-	-
	(Benefit Paid)	(24.25)	-	(12.40)	(4.58)
	Actuarial gain / (loss) on Plan Assets	(2.32)	0.32	(0.35)	(0.10)
	Fair Value of Plan Assets at the end of the year	410.23	405.46	110.98	115.25
4.	Table of Recognition of Actuarial Gains/ Losses				
	Actuarial (Gains)/ Losses on obligation for the period	(35.12)	1.78	(20.35)	(2.07)
	Actuarial (Gains)/ Losses on asset for the period	2.32	(0.32)	0.35	0.10
	Actuarial (Gains)/ Losses recognized in Income & Expense Statement	(32.80)	1.46	(20.00)	(1.97)
5.	Actual Return on Plan Assets				
	Expected Return on Plan Assets	31.34	7.07	8.43	8.15
	Actuarial Gain / (Loss) on Plan Assets	(2.32)	0.32	(0.35)	(0.10)

					(₹ crore)
			sion	Grat	
		FY 2019	FY 2018	FY 2019	FY 2018
6.	Amount Recognised in the Balance Sheet				
	Liability at the end of the year	(439.65)	(452.02)	(91.36)	(111.05)
	Fair Value of Plan Assets at the end of the year	410.23	405.46	110.98	115.25
	Difference	(29.42)	(46.56)	19.62	4.20
	Unrecognised Past Service Cost at the end of the year	-	-	-	-
	Unrecognised Transitional Liability at the end of the year	-	-	-	-
	Net Amount recognised in the Balance Sheet	(29.42)	(46.56)	19.62	4.20
7.	Expenses Recognised in the Income Statement				
	Current Service Cost	12.05	12.73	4.47	5.27
	Interest Cost	34.94	29.42	8.59	5.51
	Expected Return on Plan Assets	(31.34)	(7.07)	(8.43)	(8.15)
	Past Service Cost (Non Vested Benefit) recognised during the year	-	-	-	-
	Past Service Cost (Vested Benefit) recognised during the year	-	-	-	31.43
	Recognition of Transition Liability during the year	-	-	-	-
	Actuarial (Gain) / Loss	(32.80)	1.46	(20.00)	(1.97)
	Expense Recognised in Profit & Loss account	(17.15)	36.54	(15.37)	32.09
B .	Balance Sheet Reconciliation				
	Opening Net Liability	46.57	310.02	(4.20)	(36.29)
	Expense as above	(17.15)	36.54	(15.37)	32.09
	Employers Contribution	-	(300.00)	(0.05)	-
	Amount recognised in the Balance Sheet	29.42	46.56	(19.62)	(4.20)

9. Other Details

Salary escalation is considered as advised by the Bank which is in line with the industry practice considering promotion, demand and supply of the employees.

	Pension		Gratuity		
	FY 2019	FY 2018	FY 2019	FY 2018	
10. Category of Assets					
Government of India Assets	-	-	-	-	
Corporate Bonds	-	-	-	-	
Special Deposits Scheme	-	-	-	-	
Equity Shares of Listed Companies	-	-	-	-	
Property	-	-	-	-	
Issuer Managed Funds (LIC of India)	410.23	405.46	110.98	115.25	
Other	-	-	-	-	
Total	410.23	405.46	110.98	115.25	



11. Experience Adjustment:

	Pension						Gratuity	/		
	FY 2019	FY 2018				FY 2019			1	FY 2015
On Plan Liability (Gain)/Loss	(22.03)	66.81	(5.53)	22.70	(0.90)	19.71	10.18	(7.91)	(6.20)	(0.56)
On Plan Asset (Loss)/Gain	(2.32)	0.32	0.58	(0.17)	(1.43)	(0.35)	(0.10)	0.29	(0.40)	0.21

Note: As the closing balances in Pension and Graturity Fund are greater than the respective Actuarial liability as on March 31, 2019, no additional provision has been made during the current FY.

(c) The following are the amount charged to Profit & Loss Account relating to other long term benefits plan based on the actuarial valuation provided by independent actuary.

	(Amount in						
Sr. No	Particulars	March 31, 2019	March 31, 2018				
1	Ordinary Leave Encashment	20.63	11.84				
2	Sick Leave	-	5.49				
3	Resettlement Expenses	0.88	-				
4	Post Retirement Medical Scheme Facilities	0.43	(3.51)				

20 Earnings Per Share (EPS) (AS-20)*:

The Bank reports basic and diluted Earnings Per Share in accordance with AS 20. Basic Earnings per Share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding at the year end. Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the period. Diluted Earnings per Share is computed by dividing the net profit after tax by the sum of the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end.

	March 31, 2019	March 31, 2018
Net Profit considered for EPS calculation (\mathfrak{F})	19,52,20,34,065	14,29,21,74,569
Weighted Average Number of equity shares of face value ₹ 10 each	53,19,22,031	53,19,22,031
Earning per share (₹)	36.70	26.87

* Basic & Diluted EPS are same as there are no dilutive potential Equity Shares.

- **21** The proposed dividend (including dividend distribution tax) is accounted as liability in the books of accounts under Schedule V.
- **22** In the opinion of the Management, there is no material impairment of the fixed assets of the Bank in terms of Accounting Standard 28- Impairment of Assets.
- **23** Disclosures under Accounting Standard 29 for provisions in contingencies. The salary & allowances of the employees of the Bank are reviewed every five years. Such review is due from November 01, 2017.

Particulars	FY 2	FY 2019		FY 2018	
	Wage Arrears/ Incentive (₹)	Other Provisions (₹)	Wage Arrears/ Incentive (₹)	Other Provisions (₹)	
Opening Balance	1,87,31,68,333	4,71,960	1,72,11,68,333	4,71,960	
Additions:					
Arrears	34,00,00,000	-	16,00,00,000	-	
Incentive	-	-	-	-	
Utilisations:	1,43,16,70,278				
Write back	44,14,98,055	-	80,00,000	-	
Closing Balance	34,00,00,000	4,71,960	1,87,31,68,333	4,71,960	

Other Provisions represents claims filed against the Bank in the normal course of business relating to various legal cases and other claims.

- 24 The Bank has put in place a mechanism to manage credit risk arising out of unhedged foreign currency exposures (UFCE) of its borrowers. A review of the UFCE across its portfolio is undertaken by the Bank on periodic basis. In terms of RBI circular DBOD No. BP.BC.85/21.06.200/2013-14 dated 15.01.2014 & subsequent clarification vide circular DBOD NO.BP.BC. 116/21.06.200/2013-14 dated 03.06.2014, based on available data, the provision for UFCE works out to ₹ 0.15 crore as on March 31, 2019 (Previous year ₹ 0.17 crore) which has been included under provisions for standard assets under Schedule V.
- **25** As per the practice consistently followed, redemption in Venture Capital Funds is accounted as per the distribution letter received from Venture Capital Funds, irrespective of the appropriation policy as specified in the contribution agreement. Investments in units/ shares in Venture Capital Funds is subject to confirmation/ reconciliation.

26 Investor's Complaints:

As on 1st April, 2018 the Bank had "1" pending investor's complaints for disposal. During the current financial year "25" complaints were received from Investors and "25" complaints (including the "1" complaint pending on April 01, 2018) were disposed off during the year. Thus, "1" complaint is pending for disposal as on March 31, 2019.

- 27 Liability on account of Indirect Tax (Service Tax/GST) is recognized on the basis of return filed/assessment completed.
- **28** Some of the balances of current liabilities are subject to confirmation and consequential adjustment if any. Further, balances in certain GL codes with their respective SL are under reconciliation, which will have no material impact.

29 Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances for MSME Borrowers registered under Goods and Services Tax (GST):

As per RBI circular dated January 01, 2019 for restructuring of advances for Micro, Small and Medium Enterprises (MSME) Borrowers registered under Goods and Services Tax (GST) and also fulfilling other condition as prescribed in the said RBI circular, the MSME accounts restructured under the scheme are as under:

No. of accounts restructured	Amount (₹ in crore)
73	171.35

- **30** Regulation 14 of Small Industries Development Bank of India General Regulations, 2000 prescribes separate format for presentation of accounts under Small Industries Development Assistance Fund(SIDAF) and General Fund. As no separate SIDAF has been notified by the Central Government, the same is not being maintained by SIDBI.
- **31** The Bank has long term contracts mainly in nature of derivative contracts which are assessed for material foreseeable losses. At the year end, the Bank has reviewed and recorded adequate provision as required, for material foreseeable losses on such long term contracts in the books of account.
- **32** Previous year's figures have been re-grouped and re-classified wherever necessary to make them comparable with the current years figures.



Additional Disclosures

as per RBI Guidelines

1. Capital adequacy

	(₹ crore)		
Sr. No	Particulars	FY 2018-19	FY 2017-18
i)	Common Equity*	Not Applicable	Not Applicable
ii)	Additional Tier 1 capital*	Not Applicable	Not Applicable
iii)	Total Tier 1 capital	15757.23	14038.50
iv)	Tier 2 capital	-	-
V)	Total Capital (Tier 1+Tier 2)	15757.23	14038.50
vi)	Total Risk Weighted Assets (RWAs)	58114.11	52523.92
vii)	Common Equity Ratio (Common Equity as a percentage of RWAs) *	Not Applicable	Not Applicable
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	27.11%	26.73%
ix)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	27.11%	26.73%
x)	Percentage of the shareholding of the Government of India	15.40	15.40
xi)	Amount of equity capital raised	-	-
xii)	Amount of Additional Tier 1 capital raised; of which	-	_
	a) Perpetual Non-Cumulative Preference Shares (PNCPS):	-	-
	b) Perpetual Debt Instruments (PDI)	-	-
xiii)	Amount of Tier 2 capital raised; of which	-	-
	a) Debt capital instruments:	-	-
	b) Perpetual Cumulative Preference Shares (PCPS)	-	_
	c) Redeemable Non-Cumulative Preference Shares (RNCPS)	-	-
	d) Redeemable Cumulative Preference Shares (RCPS)	-	-

* The figures are not being calculated at present, since BASEL-III is not applicable.

2. Free Reserves and Provisions

(a) Provision on Standard Assets

		(₹ crore)
Particulars	FY 2018-19	FY 2017-18
Provisions towards Standard Assets (cumulative)	550.58	382.82

(b) Floating Provisions

		(₹ crore)
Particulars	FY 2018-19	FY 2017-18
Opening balance in the floating provisions account	1,742.21	2,057.81
The quantum of floating provisions made in the accounting year	-	-
Amount of draw down made during the accounting year*	393.68	315.60
Closing balance in the floating provisions account	1,348.53	1,742.21

* Amount was utilised for making NPA/NPI provisions as per the Bank's Board approved policy on floating provision

3. Asset Quality and specific provisions

(a) Non-Performing Advances

			(₹ crore)
Par	ticulars	FY 2018-19	FY 2017-18
(i)	Net NPAs to Net Advances (%)	0.21%	0.26%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	902.42	823.28
	(b) Additions during the year	308.38	424.42
	(c) Reductions during the year	342.89	345.28
	(d) Closing balance	867.91	902.42
(iii)	Movement of Net NPAs *		
	(a) Opening balance	250.63	302.25
	(b) Additions during the year	107.40	28.62
	(c) Reductions during the year	65.48	80.24
	(d) Closing balance	292.55	250.63
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	651.78	521.03
	(b) Provisions made during the year	201.51	408.70
	(c) Write of / write back of excess provisions	277.94	277.95
	(d) Closing balance	575.35	651.78

* The Net NPA will be NIL for the current year and previous year, if the amount of floating provision is adjusted against the same.

(b) Non-Performing Investments

			(₹ crore)
Particu	lars	FY 2018-19	FY 2017-18
(i) Ne	t NPIs to Net Investments (%)	8.03%	-
(ii) Mo	vement of NPIs (Gross)		
(a)	Opening balance	410.03	419.60
(b)	Additions during the year	955.69	9.81
(C)	Reductions during the year	73.55	19.38
(d)	Closing balance	1,292.17	410.03
(iii) Mo	vement of Net NPIs		
(a)	Opening balance	-	-
(b)	Additions during the year	708.44	-
(C)	Reductions during the year	-	-
(d)	Closing balance	708.44	-
(iv) Mo	vement of provisions for NPIs		
(ex	cluding provisions on standard assets)		
(a)	Opening balance	410.03	419.60
(b)	Provisions made during the year	247.25	9.81
(C)	Write of / write back of excess provisions	73.55	19.38
(d)	Closing balance	583.73	410.03



(c) Non-Performing Assets (a+b)

Par	ticul	ars	FY 2018-19	FY 2017-18	
(i)	Net	NPAs to Net Assets (Advances + investments) (%)	0.69%	0.24%	
(ii)	Mo	vement of NPAs (Gross Advances + Gross investments)			
	(a)	Opening balance	1,312.45	1,242.88	
	(b)	Additions during the year	1,264.07	434.23	
	(C)	Reductions during the year	416.44	364.66	
	(d)	Closing balance	2,160.08	1,312.45	
(iii)	Mo	vement of Net NPAs			
	(a)	Opening balance	250.63	302.25	
	(b)	Additions during the year	815.83	28.62	
	(C)	Reductions during the year	65.48	80.24	
	(d)	Closing balance	1,000.98	250.63	
(iv)		vement of provisions for NPAs			
	(exe	cluding provisions on standard assets)			
	(a)	Opening balance	1,061.81	940.63	
	(b)	Provisions made during the year	448.77	418.51	
	(C)	Write of / write back of excess provisions	351.49	297.33	
	(d)	Closing balance	1,159.09	1,061.81	

Tvne of Restructuring →	Ť		Under CDR	Under CDR Mechanism		Under SMI	Under SME Debt Bestructuring Mechanism	nd Mec	hanism		ö	Others					Total		
Asset Classification →	n î	Standard		Doubtful Loss	s Total		Sub- Doubt Standard	Doubtful Loss Total	ss Tota	al Standard	Standard	Doubtful	I Loss	s Total	Standard	Standard	Doubtful	Loss	Total
Bestructured	No of Borrowers			-	-	ľ		-	-	15		31		58	С. Г.		32	'	59
Accounts as on April 1 of the FY	Amount			37.19 -	37 19	-	,		-	74.6	57.	98.32		230.79	74.	57.	135.51	'	267.98
(opening figures)*	Provision thereon			-			-	'	-	- (0.08)	0.23	0.48		0.63	(0.08)	0.23	0.48	'	0.63
Fresh restructuring No. of Borrowers	No. of Borrowers			-		1	1			- 14				23		0	-	'	23
during the year	Amount outstanding			1	•	1		-		- 57		(1)	2	- 71.22	56.	9.49	4.80	1	71.22
	Provision thereon			-			1			•	0			- 0.41	0.26	0.15	1		0.41
Upgradations	No. of Borrowers			'	•	-	-	-		- 2	-	(2)			2	0	(2)	'	'
to restructured standard category	Amount outstanding				•	1	1	-	1	- 2	1	(2)		•	2.02	(0.05)	(1.97)	'	
during the FY	Provision thereon			1	•	1	1	1	-	•	'			•	0.04	1	(0.04)	'	
Restructured	No. of Borrowers				•	'				- (9)				(6)	(6)				6
standard advances Amount which cease to outstanc	Amount outstanding				1	1				- (28)				(28.16)	(28.16)				(28.16)
attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown	Provision thereon				•	1				1				(0.05)	(0.05)				(0.05)
as restructured standard advances at the beginning of the next FY																			
Downgradations	No. of Borrowers			'			-			- (1)		00		'	(1)		00		
of restructured accounts during	Amount outstanding			1	•	•	1		1	- (11)	(57)	68		•	(11.01)	(57.31)	68.32	1	
the FY	Provision thereon			1	•	'	1			•	'			•	'	(0.11)	0.11	'	
Write-offs of	No. of Borrowers	-	-	- (1)	(1)	1	1	1	-	- (1)	(2)	(4)		- (7)	(1)	(2)	(2)	1	(8)
restructured accounts during	Amount outstanding			- (37)	- (37)	1	1		1	- (15)	(21)	(21)		- (57.41)	(15.27)	(21.03)	(58.30)	-	(94.60)
the FY#	Provision thereon			1	•	'	1	-	-	•	'			- (0.45)	-	(0.04)	(0.40)	·	(0.45)
Restructured	No. of Borrowers		-		•	1	1	'	-	- 20	11	34		- 65	20	11	34	'	65
≻	Amount outstanding			1	•	I	1	1	1	- 79.19	(11.12)	148.36		216.43	79.19	(11.12)	148.36	I	216.43
(closing figures)*	Provision thereon									7	000	L C			7	000	L C		0 55

APPENDIX-I

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(e) Movement of Non-performing assets

Particulars	FY 2018-19	FY 2017-18	
Gross NPAs as on April 01, 2018	902.42	823.28	
Additions (Fresh NPAs) during the year	308.38	424.42	
Sub total (A)	1,210.80	1,247.70	
Less:-			
(i) Upgradations	8.46	17.15	
(ii) Recoveries (excluding recoveries made from upgraded accounts)	112.54	133.45	
(iii) Technical / Prudential Write offs	221.79	187.75	
(iv) Write offs other than those under (iii) above*	0.10	6.93	
Sub-total (B)	342.89	345.28	
Gross NPAs as on March 31, 2019 (A-B)	867.91	902.42	

(f) Write-offs and recoveries

		(₹ crore)
Particulars	FY 2018-19	FY 2017-18
Opening balance of Technical / Prudential written off accounts as at April 1, 2018	1,458.52	1,573.68
Add: Technical / Prudential write offs during the year	221.79	187.75
Sub total (A)	1,680.31	1,761.43
Less: Actual write off	87.51	1.81
Less: Recoveries made from previously technical / prudential written off accounts during the year	29.51	301.10
Sub total (B)	117.02	302.91
Closing balance as at March 31, 2019 (A-B)	1,563.29	1,458.52

(g) Overseas Assets, NPAs and Revenue

Particulars	FY 2018-19	FY 2017-18
Total Assets	Nil	Nil
Total NPAs	Nil	Nil
Total Revenue	Nil	Nil

			(₹ crore)
Particu	ars	FY 2018-19	FY 2017-18
(1) Inv	estments		
(i)	Gross Investments	9,407.09	9,661.54
	(a) In India	9,407.09	9,661.54
	(b) Outside India	-	-
(ii)	Provisions for Depreciation	588.90	459.42
	(a) In India	588.90	459.42
	(b) Outside India	-	-
(iii)	Net Investments	8,818.19	9,202.12
	(a) In India	8,818.19	9,202.12
	(b) Outside India	-	-
	vement of provisions held towards depreciation on estments		
(i)	Opening balance	49.38	48.14
(ii)	Add: Provisions made during the year	6.36	4.21
(iii)	Appropriation, if any, from Investment Fluctuation Reserve Account during the year	-	-
(iv)	Less: Write off / write back of excess provisions during the year	-	2.97
(v)	Less: Transfer, if any, to Investment Fluctuation Reserve Account*	50.58	
(vi)	Closing balance	5.16	49.38

(h) Depreciation and provisions on investments

* Transfer to Investment Fluctuation Reserve is net of provision of ₹ 44.22 crore made during FY 2018-19 and Nil made during FY 2017-18.

(i) Provisions and Contingencies

		(₹ crore)
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	FY 2018-19	FY 2017-18
Provisions for depreciation/NPI on Investment	(98.61)#	(8.33)#
Provision towards NPA	(1.32)#	-
Provision made towards Income tax (Including Deferred Tax Assets/Liability)	551.28	533.23
Other Provision and Contingencies (with details)	97.44 \$	53.00\$

Net of write back of floating provision.

\$ includes provision for standard asset.

(j) Provisioning Coverage Ratio (PCR)

	FY 2018-19	FY 2017-18
Provisioning Coverage Ratio (PCR)*	87%	89%

* Floating provision has not been considered while calculating PCR.

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(k) Disclosures on Flexible Structuring of Existing Loans

Period	No. of borrowers taken up	Amount of loan flexible st		duration of loa	ghted average ns taken up for tructuring
	for flexibly structuring	Classified as Standard	Classified as NPA	Before applying flexible structuring	After applying flexible structuring
Previous Year FY 2017-18	Nil	Nil	Nil	Nil	Nil
Current Year FY 2018-19	Nil	Nil	Nil	Nil	Nil

(Forero)

(I) Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period)

					_	(₹ crore)
No. of accounts where SDR has been invoked	Amount outs on the repo		Amount outs on the repo with respect where conver to equity is	rting date to accounts sion of debt	Amount outs on the repo with respect where conver to equity has	rting date to accounts sion of debt
	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
Nil	Nil	Nil	Nil	Nil	Nil	Nil

(m) Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period)

No. of accounts where banks have decided to effect change in		outstanding as eporting date date with to account conversion equity/invo pledge of equ is pend		reporting respect ts where of debt to ocation of uity shares	as on the i date with to accoun conversion equity/invo pledge of eq	Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares has taken place		Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
ownership	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	

(n) Disclosures on Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period)

No. of project loan accounts	Amount outstanding as on the reporting date				
where banks have decided to effect change in ownership	Classified as standard	Classified as standard restructured	Classified as NPA		
Nil	Nil	Nil	Nil		

(o) Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A), as on March 31, 2019.

No. of accounts where S4A has	Aggregate	Amount or	Provision Held	
been applied	amount outstanding	In Part A	In Part B	Heid
Classified as Standard	Nil	Nil	Nil	Nil
Classified as NPA	Nil	Nil	Nil	Nil

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4. Investment portfolio: constitution and operations

(a) Repo Transactions

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2019
Securities sold under repo				
i. Government securities	Nil	Nil	Nil	Nil
ii. Corporate debt securities	Nil	Nil	Nil	Nil
Securities purchased under reverse repo				
i. Government securities	Nil	Nil	Nil	Nil
ii. Corporate debt securities	Nil	Nil	Nil	Nil

(b) Disclosure of Issuer Composition for Investment in Debt Securities

					(₹ crore)	
		Amount of				
lssuer	Amount	Investment made through private placement	Below Investment Grade Securities Held	Unrated securities held	Unlisted securities	
(1)	(2)	(3)	(4)	(5)	(6)	
(i) PSUs	518.58	-	-	-	-	
(ii) Fls	1,224.42	96.94	-	78.55	103.00	
(iii) Banks	3,385.50	25.00	-	103.50	103.50	
(iv) Private Corporates	613.30	197.15	-	385.40	345.84	
(v) Subsidiaries/Joint ventures	1,751.05	1,751.05	-	1,751.05	251.05	
(vi) Others	1,914.24	967.45	-	967.45	1,467.45	
(vii) Provision held towards depreciation	(588.90)	-	-	-	-	
Total	8,818.19	3,037.59	-	3,285.95	2,270.84	

(c) Sale & transfers of securities to /from HTM category:

During the current FY, the Bank has shifted G-Securities held under AFS category to HTM category as approved by board dated 06/04/2018. The total outstanding of G-Sec portfolio as on date of Shifting was ₹ 452.83 crore (Face Value). Except for the above, there was no shifting of investments to/from HTM category.

5. Details of Financial Assets purchased/ sold

(a) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

(i) Details of Sales

		(₹ crore)
Particulars	FY 2018-19	FY 2017-18
(i) No. of accounts	1	105
 (ii) Aggregate value (net of provisions) of accounts sold to SC/RC 	-	-
(iii) Aggregate consideration	15.00	64.07
 (iv) Additional consideration realized in respect of accounts transferred in earlier years 	28.05	_
(v) Aggregate gain / loss over net book value	3.30	9.61



(ii) Details of Book Value of Investments in Security Receipts

		(₹ crore)
Particulars	Book value of in securit	f investments ty receipt
	FY 2018-19	FY 2017-18
(i) Backed by NPAs sold by the AIFI as underlying	0.27	9.76
(ii) Backed by NPAs sold by banks/other financial institutions/ non-banking financial companies as underlying	-	-
Total	0.27	9.76

(b) Details of Non Performing Financial Assets Purchased / Sold

(i) Details of non performing financial assets purchased:

Particulars	FY 2018-19	FY 2017-18
1. (a) No. of accounts purchased during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil
2. (a) Of these, number of accounts restructured during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil

(ii) Details of non performing financial assets sold:

			(₹ crore)
Pa	rticulars	FY 2018-19	FY 2017-18
1.	No. of accounts sold	1	105
2.	Aggregate outstanding	76.44	114.07
З.	Aggregate consideration received	15.00	64.07

6. Operating Results

Particulars	FY 2018-19	FY 2017-18
(i) Interest income as a percentage to average working funds (%)	6.94	6.95
(ii) Non-interest income as a percentage to average working funds (%)	0.32	0.47
(iii) Operating profit as a percentage to average working funds (before provisions) (%)	1.83	2.26
(iv) Return on average assets (before provisions for taxation) (%)	1.83	2.21
(v) Net Profit per employee (₹ crore)	1.76	1.26

7. Credit Concentration risk

(a) Capital market exposure

Particulars	FY 2018-19	(₹ crore) FY 2017-18
 direct investment in equity shares, convertible bonds convertible debentures and units of equity oriented mutua funds the corpus of which is not exclusively invested in corporate debt; 		559.66
 (ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds; 	J	-
 (iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security; 		-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	2	-
 (v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and marker makers; 		-
 (vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources; 	6	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;		-
(ix) financing to stockbrokers for margin trading;	-	-
(x) all exposures to Venture Capital Funds(both registered and unregistered)	1,596.22	2,792.22
Total Exposure to Capital Market	2,084.49	3,351.88

(b) Exposure to Country risk

The bank had no overseas exposure during the current year and previous year.

(c) Prudential Exposure Limits - Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the AIFI

(i) The number and amount (not the name of the borrower) of exposures in excess of the prudential exposure limits during the year.

SI. No.	PAN Number	Borrower Name	Industry Code	Industry Name	Sector	Amount Funded	Amount Non-Funded	Exposure as % to Capital Funds
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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Sr.		FY 20	18-19	FY 2017-18		
No.		As % to Total Assets	As % to Capital funds	As % to Total Assets	As % to Capital funds	
1.	The largest single borrower	9.80	96.89	11.38	88.28	
	The largest borrower group	As large borrowers are Primary lending Institutions, the concept of borrower group is not applicable.				
2.	The 20 largest single borrowers	71.01	702.36	79.34	615.32	
	The 20 largest borrower group	As large borrowers are Primary lending Institutions, the concept of borrower group is not applicable.				

(ii) Credit exposure as percentage to capital funds and as percentage to total assets, in respect of:

(iii) Credit exposure to the five largest industrial sectors as percentage to total loan assets:

				(₹ crore)
Name of Industry	FY 20 ⁻	18-19	FY 20 ⁻	17-18
	Credit Exposure	% to total loan assets	Credit Exposure	% to total loan assets
TRANSPORT EQUIPMENT	1,492.04	1.09	1,418.29	1.48
AUTO ANCILLARIES	815.70	0.60	1,146.56	1.20
COMMERCIAL VEHICLES	813.53	0.59	315.65	0.33
METAL PRODUCTS N.E.C.	496.71	0.36	413.56	0.43
METAL PRODUCTS PARTS EXCEPT MACHINARY	432.30	0.32	394.68	0.41

- (iv) Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is Nil as on March 31, 2019 and the estimated value of intangible security as on March 31, 2019 is Nil.
- (v) The bank had no factoring exposure during the current year and previous year.
- (vi) The bank had not exceeded the Prudential Exposure Limits during the current year and previous year.

(d) Concentration of borrowings /lines of credit, credit exposures and NPAs

(i) Concentration of borrowings and lines of credit

		(₹ crore)
	FY 2018-19	FY 2017-18
Total borrowings from twenty largest lenders	96,518.43	57,825.00
Percentage of borrowings from twenty largest lenders to	73.33%	66.48%
total borrowings		

(ii) Concentration of Exposures

		(₹ crore)
	FY 2018-19	FY 2017-18
Total advances to twenty largest borrowers	1,10,147.71	72,346.86
Percentage of advances to twenty largest borrowers to Total Advances	80.51%	75.41%
Total Exposure to twenty largest borrowers / customers	1,10,673.09	86,382.24
Percentage of exposures to twenty largest borrowers / customers to Total Exposure	74.82%	70.52%

(iii	Sector-wise	e concentration	of ex	posures and NPAs
------	-------------	-----------------	-------	------------------

		·					(₹ crore)
Sr.	Sector		FY 2018-1	9		FY 2017-1	8
No.		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
I.	Industrial sector	1,21,709.27	860.68	0.71%	79,239.93	894.66	1.13%
	1. Central Government	-	-	-	-	-	-
	2. Central PSUs	-	-	-	-	-	-
	3. State Governments	-	-	-	-	-	-
	4. State PSUs	295.25	111.05	37.61%	377.74	0.10	0.03%
	5. Scheduled Commercial Banks	1,11,462.32	-	-	68,541.16	-	-
	6. Regional Rural Banks	-	-	-	-	-	-
	7. Co-operative banks	-	-	-	-	-	-
	8. Private sector (excluding banks)	9,951.70	749.63	7.53%	10,321.03	894.56	8.67%
11.	Micro-finance sector	1,178.73	7.23	0.61%	1,587.16	7.76	0.49%
.	Others*	13,917.73	-	-	15,115.40	-	-
	Total (I+II+III)	1,36,805.73	867.91	0.63%	95,942.49	902.42	0.94%

* includes advances to NBFCs and Small Finance Banks.

8. Derivatives

(a) Forward Rate Agreement / Interest Rate Swap

			(\$ USD)
Sr. No	Particulars	FY 2018-19	FY 2017-18
i)	The notional principal of swap agreements	USD 40,310,000	USD 40,310,000
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	USD 209,019	NIL
iii)	Collateral required by the bank upon entering into swaps	NIL	NIL
iv)	Concentration of credit risk arising from the swaps	USD 6,193	USD 201,550
V)	The fair value of the swap book	USD (19,056)	USD (571,037)

(b) Exchange Traded Interest Rate Derivatives

Sr. No	Particulars	FY 2018-19	FY 2017-18
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument - wise)	NIL	NIL
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on March 31 (instrument - wise)	NIL	NIL
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument - wise)	NIL	NIL
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument - wise)	NIL	NIL

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(c) Disclosures on risk exposure in derivatives

- (i) Qualitative Disclosures
 - (1) 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.
 - (2) Internal Control guidelines and accounting policies are framed and approved by the Board. The derivative structure is undertaken only after approval of the competent authority. The particulars of derivative details undertaken are also reported to ALCO/Board.
 - (3) 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.

(Fororo)

(ii) Quantitative Disclosures

	(₹ crore)								
Sr.	Particulars	FY 201	8-19	FY 201	7-18				
No.		Currency Derivatives	Interest rate Derivatives	Currency Derivatives	Interest rate Derivatives				
1	Derivatives (Notional Principal Amount)	7,875.32		8,508.91					
	(i) For hedging	7,875.32	-	8,508.91	-				
	(ii) For trading	-	-	-	-				
2	Marked to Market Positions [1]	134.09		240.04					
	(i) Asset (+)	134.09	-	240.04	-				
	(ii) Liability (-)	-	-	-	-				
3	Credit Exposure [2]	698.06	-	803.78	-				
4	Likely impact of one percentage change in interest rate (100*PV01)	143.04		167.74					
	(i) On hedging derivatives	143.04	-	167.74	-				
	(ii) On trading derivatives	-	-	-	-				
5	Maximum and Minimum of 100*PV01 observed during the year								
	(i) On hedging	170.56/143.04	-	186.30/167.74	-				
	(ii) On trading	-	-	-	-				

9. Disclosure of Letters of Comfort (LoCs) issued by AIFIs

The particulars of Letters of Comfort (LoCs) issued during the year, assessed financial impact, and assessed cumulative financial obligations under the LoCs issued in the past and outstanding is as under:

							(₹ crore)
LoCs outstanding as on March 31, 2018		LoC issued during the year		LoCs redeemed during the year		LoCs outstanding as on March 31, 2019	
No of LoC	Amount	No of LoC	Amount	No of LoC	Amount	No of LoC	Amount
-	-	1	0.94	-	-	1	0.94

10. Asset Liability Management

	1 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & up to 6 months	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	296	172	2,635	1,028	5,763	61,149	506	436	71,985
Advances	2,340	7,102	21,952	13,979	15,565	67,183	4,211	552	1,32,884
Investments	6,730	-	1,400	5	434	109	1,114	4,136	13,928
Borrowings	15	620	12,019	8,403	13,237	12,966	1,858	531	49,649
Foreign Currency assets	174	86	1,556	285	984	3,408	2,218	2,595	11,306
Foreign Currency liabilities	2	-	1,319	148	544	2,782	2,478	3,983	11,256

11. Draw Down from Reserves

There is no draw down from Reserves during the current year and previous year.

12. Business Ratios

Particulars	FY 2018-19	FY 2017-18
Return on average Equity (before provisions for taxation) (%)	16.15	14.05
Return on average assets (before provisions for taxation) (%)	1.83	2.21
Net Profit per employee (₹ crore)	1.76	1.26

13. Disclosure of Penalties imposed by RBI

RBI had not imposed any penalty on the Bank during the current year and previous year.

14. Customer Complaints

Par	ticulars	FY 2018-19	FY 2017-18
i	No. of complaints pending at the beginning of the year	2	2
ii	No. of complaints received during the year	183	63
iii	No. of complaints redressed during the year	175	63
iv	No. of complaints pending at the end of the year	10	2

15. Off-Balance Sheet SPVs Sponsored

The Bank had no Off-balance sheet SPVs sponsored during the current year and previous year.

16. Disclosure as per specific accounting standards

(a) Accounting Standard 5 – Net Profit or Loss for the period, prior period items and changes in accounting policies

Income in schedule XIII - 'other income' includes Prior Period Income of ₹ 3,21,69,155 for FY 2018-19 [Previous Year ₹ 23,48,64,069] and Other expenditure in schedule XIV - 'Operating Expenses' for FY 2018-19 includes Prior Period Expenditure of (₹ 19,33,197) [Previous Year (₹ 3,68,62,070)].

(b) Accounting Standard 17 – Segment Reporting

As required under RBI master directions and Accounting Standard-17 'Segment Reporting' the Bank has disclosed "Business segment" as the Primary Segment. Since the Bank operates in India, there are no reportable geographical segments. Under Business Segment, the Bank has identified Whole Sale Operations (Direct Lending), Whole Sale Operations (Refinance) and Treasury as its three reporting segments. These segments have been identified after considering the nature and risk profile of the products and services, the organization structure and the internal reporting system of the Bank. Previous year's figures have been regrouped and reclassified to conform to the current year's methodology.



Part A: BUSINESS SEGMENTS

Business Segments		Opera	Wholesale Operations (Direct Lending)		Wholesale Operations (Refinance)		Treasury		Total	
	Particulars	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	
1	Segment Revenue	1,007	1,212	8,261	4,897	649	491	9,917	6,600	
	Exceptional Items							-	-	
	Total							9,917	6,600	
2	Segment Results	191	200	2,101	1,759	359	142	2,651	2,101	
	Exceptional Items							-	-	
	Total							2,651	2,101	
	Unallocable Expenses							148	139	
	Operating profit							2,503	1,962	
	Income Tax (Net of write back)							551	533	
	Net profit							1,952	1,429	
3	Other information									
	Segment Assets	9,526	9,744	1,29,971	87,021	14,236	10,405	1,53,733	1,07,170	
	Unallocated Assets							2,128	1,699	
	Total Assets							1,55,861	1,08,869	
	Segment Liabilities	6,726	6,969	1,18,901	78,207	12,016	7,422	1,37,643	92,598	
	Unallocated Liabilities							1,655	1,661	
	Total							1,39,298	94,259	
	Capital / Reserves	2,812	2,793	10,960	8,448	2,791	3,369	16,563	14,610	
	Total							16,563	14,610	
	Total Liabilities							1,55,861	1,08,869	

Part B: GEOGRAPHIC SEGMENTS - Nil

(c) Accounting Standard 18 – Related Party Disclosures

Items / Related Party	Parent (as per ownership or control)	Sub-sidiaries	Associates/ Joint ventures	Key Management Personnel @	Relatives of Key Management Personnel	Total
Borrowings#						
Outstanding at the year end	-	-	-	-	-	-
Maximum during the year	-	-	-	-	-	-
Deposit#						
Outstanding at the year end	-	-	0.50	0.81	-	1.31
Maximum during the year	-	121.89	0.50	0.81	-	123.21
Placement of deposits#	-	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-	-
Maximum during the year	-	-	-	-	-	-
Advances#						
Outstanding at the year end	-	-	-	-	-	-
Maximum during the year	-	-	-	-	-	-
Investments#						
Outstanding at the year end	-	1,751.05	28.60	-	-	1,779.65
Maximum during the year	-	1,751.05	28.60	-	-	1,779.65
Non funded commitments#	-	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-	-
Maximum during the year	-	-	-	-	-	-
Leasing arrangements availed#						
Outstanding at the year end	-	-	-	-	-	-
Maximum during the year	-	-	-	-	-	-
Leasing arrangements provided#						
Outstanding at the year end	-	-	-	-	-	-
Maximum during the year	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-
Interest paid	-	1.79	0.03	0.02	-	1.84
Interest received						
Rendering of services*	-	36.57	3.31	-	-	39.89
Receiving of services*	-	-	-	-	-	-
Management contracts*	-	-	-	0.93**	-	0.93**

@ Whole time directors of the Board

The outstanding at the year end and the maximum during the year are to be disclosed

* Contract services etc. and not services like remittance facilities, locker facilities etc.

** Remuneration to Key Management Personnel.



As per our report of even date

17. Unamortised Pension and Gratuity Liabilities

The pension and gratuity liability are provided for on the basis of an actuarial valuation made at the end of each financial year based on the projected unit credit method. The acturial gains/ losses are taken to the profit & loss account and are not amortized.

BY ORDER OF THE BOARD

For Chhajed & Doshi	Rajendra Agrawal	Manoj Mittal	Ajay Kumar Kapur	Mohammad Mustafa
Chartered Accountants FRN: 101794W	General Manager (Corporate Accounts Vertical)	Dy. Managing Director	Dy. Managing Director	Chairman & Managing Directo
Kiran K Daftary		G Gopalakrishna	Ashish Gupta	
Partner M. No.: 010279		Director	Director	

Lucknow, May 10, 2019

Cash Flow Statement

for the year ended March 31, 2019

				(Amount in ₹)
March 31, 2018	Pa	ticulars	March 31, 2019	March 31, 2019
	1.	Cash Flow from Operating Activities		
19,62,44,74,792		Net Profit before tax as per P & L Account		25,03,48,13,341
		Adjustments for:		
11,33,97,507		Depreciation	18,26,95,963	
(19,31,47,663)		Provision for net depreciation in investments	(2,67,88,91,954)	
1,37,18,92,139		Provisions made (net of write back)	3,02,04,37,038	
(1,16,51,82,129)		Profit on sale of investments (net)	(2,50,74,34,846)	
(22,69,860)		Profit on sale of fixed assets	(1,58,59,255)	
(24,50,87,253)		Dividend Received on Investments	(39,74,12,153)	(2,39,64,65,207)
19,50,40,77,533		Cash generated from operations		22,63,83,48,134
		(Prior to changes in operating Assets and Liabilities)		
		Adjustments for net changes in:		
(6,46,88,49,539)		Current assets	(19,82,00,32,174)	
1,37,73,08,438		Current liabilities	6,03,25,70,598	
1,81,37,84,030		Bills of Exchange	3,92,85,72,063	
(2,73,12,53,68,132)		Loans & Advances	(4,12,47,82,85,157)	
31,66,20,54,018		Net Proceeds of Bonds and Debentures & other borrowings	1,30,90,67,95,800	
2,45,12,68,96,577		Deposits received	3,15,47,86,35,474	
38,58,25,392				24,04,82,56,604
19,88,99,02,925				46,68,66,04,738
(4,89,37,07,102)		Payment of Tax	(6,45,75,03,905)	(6,45,75,03,905)
14,99,61,95,823		Net Cash flow from operating Activities		40,22,91,00,833
	2.	Cash Flow from Investing Activities		
(46,27,13,666)		Net (Purchase)/Sale of fixed assets	(61,25,56,356)	
(17,21,88,77,127)		Net (Purchase)/sale/redemption of Investments	(4,44,81,08,213)	
24,50,87,253		Dividend Received on Investments	39,74,12,153	
(17,43,65,03,540)		Net cash used in Investing Activities		(4,66,32,52,416)
	3.	Cash flow from Financing Activities		
-		Proceeds from issuance of share capital & share premium	-	
(1,09,55,95,401)		Dividend on Equity Shares & tax on Dividend	(1,32,79,39,690)	
(1,09,55,95,401)		Net cash used in Financing Activities		(1,32,79,39,690)
(3,53,59,03,118)	4.	Net increase/(decrease) in cash and cash equivalents		34,23,79,08,727
28,35,05,06,570	5.	Cash and Cash Equivalents at the beginning of the period		24,81,46,03,452

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				(Amount in ₹)
March 31, 2018	Particulars		March 3	1, 2019 March 31, 2019
	7 Cash and cash equival includes	ents at the end of the	e period	
6,13,630	6,13,630 Cash in Hand			6,09,656
20,75,79,026	Current account balanc	e with Bank		63,37,40,702
14,50,00,00,018	Mutual Funds			5,00,00,00,000
10,10,64,10,778	Deposits			53,41,81,61,821
	atement has been prepared y the Institute of Chartered A ng Policies XV	•		
Notes to Accounts	XVI			
As per our report of even	date	BY ORDER O	F THE BOARD	
For Chhajed & Doshi	Rajendra Agrawal	Manoj Mittal	Ajay Kumar Kapur	Mohammad Mustafa
Chartered Accountants FRN: 101794W	General Manager (Corporate Accounts Vertical)	Dy. Managing Director	Dy. Managing Director	Chairman & Managing Director

G Gopalakrishna

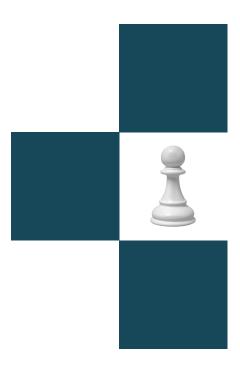
Director

Ashish Gupta

Director

Kiran K Daftary Partner M. No.: 010279

Lucknow, May 10, 2019



APPENDIX II

Consolidated Balance Sheet along with Profit and Loss Account and Cash Flow Statement of SIDBI





Independent Auditor's Report

The Shareholders Small Industries Development Bank of India

Report on Consolidated Financial Statements

1. Opinion

We have audited the accompanying Consolidated Financial Statements of "Small Industries Development Bank of India" ("the Bank"), its subsidiaries and associates (the Bank, its subsidiaries and associates constitute "the Group") as at March 31, 2019 which comprises the consolidated Balance Sheet as at March 31, 2019, and the consolidated Profit and Loss account and consolidated Cash Flow Statement for the year then ended, notes to the consolidated financial statements and a summary of significant accounting policies ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statement give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the group as at 31st March 2019, of the consolidated Profits and its consolidated cash flows for the year then ended.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Emphasis of Matter

- i. Refer Note No. 1 of Standalone Financial Statement of the Bank -As per RBI circular dated August 4, 2016, financial statements of the bank are required to be presented in accordance with the IND AS for accounting periods beginning from April 1, 2018. However, as per the bank, pending modification in SIDBI Regulations, 2000 regarding the IND- AS Formats and guidance from RBI, the financials for the year ended are continued to be presented as per Indian GAAP.
- ii. We draw attention to:
 - a) Note No. 4B of Annexure I to Consolidated Financial Statements with regard to non-consolidation of 6 (six) associates, wherein as per the management the carrying amount of the investments are not realisable and are fully provided for.
 - b) Note No. 4C of Annexure I to Consolidated Financial Statements with regard to nonconsolidation of 4 (four) associates, as in view of the management these are not significant components and hence not considered for consolidation.

Our opinion is not modified in respect of these matters.

4. Key Audit Matters

of making provision for doubtful debts.

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

	,	
Sr. No.	Key Audit Matter	Response to Key Audit Matter
1.	Contingent Liability and Provision for Income Tax:	
	In the recognition and measurement of provisions, there is uncertainty about the timing or amount of the future expenditure required to settle the liability.	In respect of bad debts written off and claimed under section 36 (1) (viia) (c) of the Income Tax 1961, the Income Tax Department has disallowed the claim citing that the Bank has claimed double tax benefit as the Bank has already been allowed benefit at the time
	In respect of contingent lightlitics there	the Bank has already been allowed benefit at the time

Key audit matters applicable only to the Bank are as under:

In respect of contingent liabilities, there

are estimates and assumptions made to determine the amount to be disclosed.

lo.	Key Audit Matter	Response to Key Audit Matter
	As a result, there is a high degree of judgment required for the recognition and measurement of provisions and disclosure of contingent liabilities. The Bank has reported contingent liabilities of Income Tax amounting to ₹ 6,98,13,20,359/- towards claims against the Bank not acknowledged as debts in the financial statements	We have verified the previous pending litigation orders In certain years, the Income Tax Appellate Tribunal has already allowed the Bank's claim, which is challenged by the Department before higher authorities. Further the Bank has obtained views of external tax expert to ascertain the chances of sustainability of Bank's claim and based on their views, no provision for tax is made considering the same to be allowable. Thus, in respect to demands outstanding with regard to section 36 (1) (viia) (c) and other disallowances matters, where the assessment has been made agains the Bank and appeals are pending, the same are included in contingent liability and hence no provision is considered necessary.
	Information Technology general Controls:	
	A significant part of the Bank's financial reporting process is heavily reliant on IT	We focused our audit on IT systems and controls tha are significant to the Bank's financial reporting process
	systems with automated processes and controls over the capture, storage and extraction of information. A fundamental component of these processes	The Bank has a system in place for getting application software audits for identified Application Systems a reasonable intervals. Information Systems (IS) Audit is done at branches by officers of the Bank at reasonable
	and controls is ensuring appropriate user	intervals.
	access and change management protocols exist and being adhered to. These protocols are important because they ensure that access and changes to IT systems and related data	We have relied on the Application Systems Audits carried by external consultants and IS audits done a the branches.
	are made and authorised in an appropriate manner.	We have reviewed reports of external consultants and IS audits done at the branches on sample basis and the same were found to be in order.
		Where required, we performed a greater level of testing to validate the integrity and reliability of data and reporting thereof.

5. Other Information

The Bank's Board of Directors is responsible for the Other Information. The Other Information comprises the information included in the CMD's Statement, Directors' Report, Overall Business Operations, Management and Corporate Governance but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the Other Information and we do not express any form of assurance / conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. As on date, the CMD's Statement, Directors' Report, Overall Business Operations, Management and Corporate Governance of the bank are under preparation. When we read the same and if we conclude that there is any material misstatement therein, then we will communicate the matter to those charged with governance.

6. Other Matters

We did not audit the financial statements of the 2 (Two) subsidiaries, whose financial statements reflect total assets of ₹ 47,87,01,427 as at March 31, 2019, total revenue of ₹ 14,53,52,847 and net cash flows amounting to ₹ (1,44,77,419) for the year then ended, as considered in the consolidated financial statements. The consolidated financial statements also include Group's share of net profit of ₹ 19,39,45,043 for the year ended March 31, 2019 as considered in the consolidated financial statements,



in respect of 6 (Six) associates whose financial statements have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report is based solely on the report of the other auditors.

We did not audit the financial statements of the 1 (One) subsidiary, whose financial statements reflect total assets of ₹ 1,72,51,03,67,166 as at March 31, 2019, Total revenue of ₹ 8,61,46,36,871 and net cash flows amounting to ₹ (23,64,35,51,458) for the year then ended, as considered in the consolidated financial statements. The consolidated financial statements also include Group's share of Net loss of ₹ 1,17,68,479 for the year ended March 31, 2019 as considered in the consolidated financial statements, in respect of 1 (One) Associate whose financial statements have not been audited by us.

These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on such unaudited financial statements.

We are unable to comment upon resultant impact, if any, on the Group's share of profit for the year ended March 31, 2019, had the aforesaid associates been audited.

Our opinion on the consolidated financial statements is not modified in respect of these matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

7. Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

The Bank's Management is responsible for the preparation and presentation of these consolidated financial statements on the basis of separate financial statements and other financial information regarding components that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the applicable Accounting Standards issued by the Institute of Chartered Accountants of India. The respective Board of directors of companies

are responsible for maintenance of adequate accounting records, for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Bank's management, as aforesaid.

In preparing the consolidated financial statements, the respective Board of directors of the bank and companies included in the Group and of its associates are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The respective Board of directors of the bank and companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the group.

8. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

 Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude the appropriateness on of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

9. Report on Other Legal and Regulatory Requirements

We report that:

- The consolidated financial statements have been prepared by the Bank's Management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements", Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of the separate financial statements of the Bank, its subsidiaries and associates.
- ii. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements and have found them to be satisfactory.
- iii. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors
- iv. The Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with Books of Account maintained for the purpose of preparation of the consolidated financial statements.
- v. In our opinion, the aforesaid consolidated financial statements comply with the applicable Accounting Standards.

For CHHAJED & DOSHI Chartered Accountants [Firm's Reg. No. 101794W]

Camp: Lucknow Date: 10th May 2019 CA Kiran K. Daftary Partner Membership No. 010279



Consolidated Balance Sheet

as at March 31, 2019

			(Amount in ₹)
	SCHEDULES	March 31, 2019	March 31, 2018
CAPITAL AND LIABILITIES			
Capital		5,31,92,20,309	5,31,92,20,309
Reserves, Surplus and Funds	II	1,65,57,54,95,458	1,47,35,01,02,299
Deposits		8,69,22,47,49,673	5,53,74,61,14,199
Borrowings	IV	5,96,99,79,07,872	4,64,87,21,70,971
Other Liabilities and Provisions	V	77,16,91,50,528	71,22,71,37,897
Deferred Tax Liability		25,71,28,714	79,62,76,937
Total		17,14,54,36,52,554	12,43,31,10,22,612
ASSETS			
Cash and Bank Balances	VI	1,02,21,13,95,206	67,39,00,91,227
Investments	VII	76,35,87,98,386	87,40,36,31,601
Loans & Advances	VIII	14,80,77,29,95,380	10,53,46,75,11,351
Fixed Assets	IX	2,86,08,41,637	2,41,09,52,297
Other Assets	Х	52,33,96,21,945	32,63,88,36,136
Total		17,14,54,36,52,554	12,43,31,10,22,612
Contingent Liabilities	XI	93,65,32,75,072	89,79,97,51,555
Consolidated Significant Accounting Policies (Sche	dule XV) and Notes to	Accounts (Annexure I)	

The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date

BY ORDER OF THE BOARD

For Chhajed & Doshi	Rajendra Agrawal	Manoj Mittal	Ajay Kumar Kapur	Mohammad Mustafa
Chartered Accountants FRN: 101794W	General Manager (Corporate Accounts Vertical)	Dy. Managing Director	Dy. Managing Director	Chairman & Managing Director
Kiran K Daftary		G Gopalakrishna	Ashish Gupta	
Partner M. No.: 010279		Director	Director	

Lucknow, May 10, 2019

Consolidated Profit & Loss Account

for the year ended March 31, 2019

			(Amount in ₹)
	SCHEDULES	March 31, 2019	March 31, 2018
INCOME			
Interest and Discount	XII	1,02,65,97,31,674	68,41,85,19,311
Other Income	XIII	4,88,04,64,863	5,43,93,33,090
Total		1,07,54,01,96,537	73,85,78,52,401
EXPENDITURE			
Interest & Financial charges		74,16,16,92,565	45,91,11,15,653
Operating Expenses	XIV	5,22,29,08,970	5,21,72,11,197
Provisions & Contingencies		2,88,16,40,963	65,65,91,422
Total		82,26,62,42,498	51,78,49,18,272
Profit before Tax		25,27,39,54,039	22,07,29,34,129
Provision for Income Tax		7,23,63,53,979	5,72,72,84,096
Deferred Tax Adjustment [(Asset) / Liability]		(1,55,60,01,189)	58,02,30,296
Share of earning/(loss) in associates		(7,52,668)	47,07,833
Profit after Tax		19,59,28,48,581	15,77,01,27,570
Profit brought forward		1,01,96,45,697	92,33,44,965
Total Profit / (Loss)		20,61,24,94,278	16,69,34,72,535
Appropriations			
Transfer to General Reserve		16,64,35,00,000	13,25,60,00,000
Transfer to Special reserve u/s 36(1)(viii) of The Income Tax Act, 1961		70,00,00,000	70,00,00,000
Transfer to Statutory Reserve u/s 45-IC of RBI Act, 1934		5,64,46,957	31,64,38,121
Others			
a) Transfer to Investment Fluctuation Reserve		44,22,00,000	-
Transfer to Staff Welfare Fund		2,00,00,000	2,00,00,000
Development Fund		-	2,00,00,000
Dividend on Shares		1,36,96,99,230	1,14,36,32,367
Tax on Dividend		33,23,22,555	26,77,56,350
Surplus in Profit & Loss account carried forward		1,04,83,25,536	96,96,45,697
Total		20,61,24,94,278	16,69,34,72,535
Basic/Diluted Earning Per Share		36.83	29.65

The Schedules referred to above form an integral part of the Profit & Loss Account.

As per our report of even date

BY ORDER OF THE BOARD

For Chhajed & Doshi Chartered Accountants **Rajendra Agrawal** General Manager

Dy. Managing Director (Corporate Accounts Vertical)

Ajay Kumar Kapur Dy. Managing Director **Mohammad Mustafa**

Chairman & Managing Director

FRN: 101794W

G Gopalakrishna

Manoj Mittal

Director

Ashish Gupta

Director

Lucknow, May 10, 2019

Kiran K Daftary

M. No.: 010279

Partner



			(Amount in ₹)
	CAPITAL AND LIABILITIES	March 31, 2019	March 31, 2018
Schedule I:	Capital		
	(a) Authorized Capital		
	- Equity Share Capital (75,00,00,000 Equity Shares of ₹ 10/- each)	7,50,00,00,000	7,50,00,00,000
	 Preference Share Capital (25,00,00,000 Redeemable Preference Shares of ₹ 10/- each) 	2,50,00,00,000	2,50,00,00,000
	(b) Issued, Subscribed and Paid-up Capital:	5,31,92,20,310	5,31,92,20,310
	- Equity Share Capital (53,19,22,031 Equity Shares of ₹ 10/- each)	5,31,92,20,309	5,31,92,20,309
	- Preference Share Capital	-	-
	Total	5,31,92,20,309	5,31,92,20,309
Schedule II:	Reserves, Surplus and Funds		
	A) Reserves		
	i) General Reserve		
	- Opening Balance	1,10,47,31,22,302	97,26,61,41,469
	- Additions during the year	16,91,70,33,089	13,25,69,80,834
	- Utilisations during the year	-	-
	- Closing Balance	1,27,39,01,55,391	1,10,52,31,22,303
	ii) Share Premium		
	- Opening Balance	16,68,07,79,690	16,68,07,79,690
	- Additions during the year	-	-
	- Utilisations during the year	-	-
	- Closing Balance	16,68,07,79,690	16,68,07,79,690
	iii) Specific Reserves		
	a) Investment Reserve		
	- Opening Balance	-	-
	- Additions during the year	-	-
	- Utilisations during the year	-	-
	- Closing Balance	-	-
	b) Special Reserve created and maintained u/s 36 (1) (viii) of The Income Tax Act, 1961		
	- Opening Balance	14,97,00,00,000	14,27,00,00,000
	- Additions during the year	70,00,00,000	70,00,00,000
	- Utilisations during the year	-	-
	- Closing Balance	15,67,00,00,000	14,97,00,00,000
	c) Statutory Reserve created u/s 45-IC of Reserve Bank of India Act.		
	- Opening Balance	66,39,81,380	34,75,43,259
	- Additions during the year	5,64,46,957	31,64,38,121
	- Utilisations during the year		
	- Closing Balance	72,04,28,337	66,39,81,380

			(Amount in ₹)
	CAPITAL AND LIABILITIES	March 31, 2019	March 31, 2018
	d) Other Reserves		
	i) Investment Fluctuation Reserve		
	- Opening Balance	70,37,86,025	70,37,86,025
	- Additions during the year	44,22,00,000	-
	- Utilisations during the year		-
	- Closing Balance	1,14,59,86,025	70,37,86,025
	B) Surplus in Profit and Loss account	1,04,83,25,536	96,96,45,697
	C) Funds		
	a) National Equity Fund		
	- Opening Balance	2,56,95,54,646	2,56,29,86,071
	- Additions / Write back during the year	8,28,35,216	65,68,575
	- Utilisations during the year	-	-
	- Closing Balance	2,65,23,89,862	2,56,95,54,646
	b) Staff Welfare Fund		
	- Opening Balance	24,92,32,557	24,68,86,023
	- Additions during the year	2,00,00,000	2,00,00,000
	- Utilisations during the year	2,18,01,940	1,76,53,465
	- Closing Balance	24,74,30,617	24,92,32,558
	c) Others	2,00,00,000	2,00,00,000
	Total	1,65,57,54,95,458	1,47,35,01,02,299
Schedule III	Deposits		
	A) Fixed Deposits	64,86,00,49,673	53,74,61,14,199
	B) From Banks		
	a) Under MSME Refinance Fund	5,80,00,00,00,000	2,80,00,00,00,000
	b) Under MSME Risk Capital Fund	15,00,00,00,000	15,00,00,00,000
	c) Others -From Foreign & Private Sector Banks	-	-
	d) Under MSME India Aspiration Fund	9,36,47,00,000	5,00,00,00,000
	e) Under Fund for Venture Capital in MSME sector 2014-15	50,00,00,00,000	50,00,00,00,000
	f) Under Priority Sector Shortfall	1,50,00,00,00,000	1,50,00,00,00,000
	Subtotal (B)	8,04,36,47,00,000	5,00,00,00,00,000
	Total	8,69,22,47,49,673	5,53,74,61,14,199



			(Amount in ₹)
	CAPITAL AND LIABILITIES	March 31, 2019	March 31, 2018
Schedule IV	Borrowings		
	I) Borrowings in India		
	1. From Reserve Bank of India	-	-
	2. From Government of India	21,46,93,19,323	22,16,75,23,471
	(including Bonds subscribed by GOI)		
	3. Bonds & Debentures	1,44,95,50,00,000	1,65,49,00,00,000
	4. From Other Sources		
	- Commercial Paper	47,50,00,00,000	57,00,00,00,000
	- Certificate of Deposits	1,51,55,00,00,000	1,00,81,10,58,900
	- Term Loans from Banks	1,24,46,56,06,275	5,14,97,50,157
	- Term Money Borrowings	-	-
	- Others	14,99,20,398	2,99,81,04,466
	Subtotal (I)	4,90,08,98,45,996	3,53,61,64,36,994
	II) Borrowings outside India		
	(a) KFW, Germany	14,44,29,19,606	15,46,66,00,852
	(b) Japan International Cooperation Agency (JICA)	36,80,54,19,487	41,56,06,40,163
	(c) IFAD, Rome	1,12,48,25,395	1,16,52,80,010
	(d) World Bank	51,47,72,81,791	49,29,67,67,641
	(e) Others	3,05,76,15,597	3,76,64,45,311
	Subtotal (II)	1,06,90,80,61,876	1,11,25,57,33,977
	Total (I & II)	5,96,99,79,07,872	4,64,87,21,70,971
Schedule V	Other Liabilities and Provisions:		
	Interest Accrued	29,73,55,86,890	22,37,10,53,077
	Provision for SIDBI Employees' Provident Fund	2,80,17,62,288	2,17,11,80,143
	Provision for SIDBI Pension Fund	45,55,68,252	45,98,78,213
	Provision for Sick Leave Fund	11,18,93,681	21,12,89,197
	Provision for Medical Assistance Scheme Fund	18,00,58,808	19,30,76,860
	Provision for Employees Benefit	1,09,09,74,143	2,72,65,14,780
	Others (including provisions)	33,62,50,53,519	35,92,99,17,876
	Provisions for Exchange Rate Fluctuation	1,53,73,62,766	1,53,73,62,766
	Contingent provisions against standard assets	5,97,96,45,246	4,25,04,15,977
	Proposed Dividend (including tax on dividend)	1,65,12,44,935	1,37,64,49,008
	Total	77,16,91,50,528	71,22,71,37,897

			(Amount in ₹)
	ASSETS	March 31, 2019	March 31, 2018
Schedule VI	Cash & Bank Balances		
	1. Cash in Hand & Balances with Reserve Bank of India	6,14,123	6,24,411
	2. Balances with other Banks		
	(a) In India		
	i) in current accounts	68,23,37,125	20,97,24,902
	ii) in other deposit accounts	95,33,85,30,715	59,57,25,45,478
	(b) Outside India		
	i) in current accounts	16,18,137	6,58,942
	ii) in other deposit accounts	6,18,82,95,106	7,60,65,37,494
	Total	1,02,21,13,95,206	67,39,00,91,227
Schedule VII	Investments [Net of Provisions]		
	A) Treasury operations		
	1. Securities of Central and State Governments	4,46,80,73,744	4,55,71,12,568
	2. Shares of Banks & Financial Institutions	-	23,95,12,137
	 Bonds & Debentures of Banks & Financial Institutions 	6,40,56,57,540	12,66,68,18,755
	4. Stocks, Shares, Bonds & Debentures of Industrial Concerns	1,99,92,72,771	2,48,80,48,275
	5. Short Term Bills Rediscounting Scheme	-	-
	6. Others	44,60,07,32,633	42,66,30,80,482
	Subtotal (A)	57,47,37,36,688	62,61,45,72,217
	B) Business Operations		
	1. Shares of Banks & Financial Institutions	1,78,47,71,142	1,75,12,24,775
	2. Bonds & Debentures of Banks & Financial Institutions	5,65,33,000	5,65,33,000
	 Stocks, Shares, bonds & Debentures of Industrial Concerns 	4,85,32,42,053	3,82,54,41,280
	4. Investment in Subsidiaries	-	-
	5. Others	12,19,05,15,503	19,15,58,60,329
	Subtotal (B)	18,88,50,61,698	24,78,90,59,384
	Total (A+B)	76,35,87,98,386	87,40,36,31,601
Schedule VIII	Loans & Advances [Net of Provisions]		
	A) Refinance to		
	- Banks and Financial Institutions	12,56,89,55,95,686	8,07,41,45,29,762
	Micro Finance Institutions	16,50,04,35,388	21,69,19,52,501
	- NBFC	1,12,34,37,42,688	1,27,59,37,93,703
	- Bills Rediscounted		
	- Others (Resource Support)	92,00,29,123	
	Subtotal (A)	13,86,65,98,02,885	9,56,70,02,75,966



		(Amount in	
	ASSETS	March 31, 2019	March 31, 2018
	B) Direct Loans		
	- Loans and Advances	88,96,65,09,187	87,74,77,86,153
	- Receivable Finance Scheme	5,14,66,83,308	9,01,94,49,232
	- Bills Discounted	-	
	Subtotal (B)	94,11,31,92,495	96,76,72,35,385
	Total (A+B)	14,80,77,29,95,380	10,53,46,75,11,351
Schedule IX	Fixed Assets [Net of Depreciation]		
	1. Premises	2,83,23,37,105	2,38,98,20,372
	2. Others	2,85,04,532	2,11,31,925
	Total	2,86,08,41,637	2,41,09,52,297
Schedule X	Other Assets:		
	Accrued Interest	33,80,66,88,189	17,83,55,60,886
	Advance Tax (Net of provision)	3,79,52,73,496	3,41,21,79,862
	Others	7,27,41,57,841	5,81,89,52,288
	Expenditure to the extent not written off	7,46,35,02,419	5,57,21,43,100
	Total	52,33,96,21,945	32,63,88,36,136
Schedule XI	CONTINGENT LIABILITIES		
	i) Claims against the Bank not acknowledged as debts	6,98,13,20,359	3,53,80,94,592
	ii) On account of Guarantees / Letters of Credit	54,95,08,487	59,49,90,462
	iii) On account of Forward Contracts	1,03,14,60,100	57,76,04,313
	iv) On account of Underwriting Commitments	-	-
	v) On account of uncalled monies on partly paid shares, debentures	6,33,78,34,494	-
	vi) Other items for which the Bank is contingently liable (derivative contracts etc.)	78,75,31,51,632	85,08,90,62,188
	Total	93,65,32,75,072	89,79,97,51,555

Schedules to Consolidated Profit & Loss Account

			(Amount in ₹)
		March 31, 2019	March 31, 2018
Schedule XII	Interest and Discount		
	1. Interest and Discount on Loans, Advances and Bills	96,67,92,56,917	62,84,01,08,672
	2. Income on Investments / Bank balances	5,98,04,74,757	5,57,84,10,639
	Total	1,02,65,97,31,674	68,41,85,19,311
Schedule XIII	Other Income:		
	1. Upfront and Processing Fees	35,06,51,911	23,34,06,263
	2. Commission and Brokerage	1,49,28,003	1,83,08,305
	3. Profit on sale of Investments	3,24,91,18,727	2,51,13,83,994
	4. Income earned by way of dividends etc. from Subsidiaries / Associates	92,75,000	90,20,000
	5. Provision of Earlier Years written Back	-	-
	6. Others	1,25,64,91,222	2,66,72,14,528
	Total	4,88,04,64,863	5,43,93,33,090
Schedule XIV	Operating Expenses:		
	Payments to and provisions for employees	3,68,87,39,790	3,80,13,70,805
	Rent, Taxes and Lighting	19,69,05,286	21,23,12,511
	Printing & Stationery	1,03,02,916	1,15,32,954
	Advertisement and Publicity	5,63,94,542	3,48,51,209
	Depreciation / Amortisation on Bank's Property	18,43,71,236	11,44,13,211
	Directors' fees, allowances and expenses	42,61,620	60,71,999
	Auditor's Fees	35,07,480	43,68,052
	Law Charges	2,69,58,423	1,94,38,172
	Postage, Courier, Telephones etc.	24,78,076	29,57,364
	Repairs and maintenance	12,35,98,554	9,48,00,843
	Insurance	49,18,746	52,33,581
	Contribution to CGTMSE	-	-
	Other Expenditure	92,04,72,301	90,98,60,496
	Total	5,22,29,08,970	5,21,72,11,197

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Schedules to Consolidated Balance Sheet

SCHEDULE XV – CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION

The consolidated financial statements (CFS) have been prepared to comply in all material respects with the Small Industries Development Bank of India Act, 1989 (Parent), its subsidiaries and associates and regulations thereof, prudential norms prescribed by Reserve Bank of India, applicable Accounting Standards issued by the Institute of Chartered Accountants of India, practices prevailing in the Banking Industry. The consolidated financial statements have been prepared under the historical cost convention on an accrual basis, unless otherwise stated. Except otherwise mentioned, the accounting policies that are applied by the Bank, are consistent with those used in the previous year.

Use of Estimates:

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as of the date of the consolidated financial statements and the reported income and expenses for the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods in accordance with the requirements of the respective accounting standard.

Consolidation Procedures:

Subsidiaries included in consolidated financial statements are:

- 1) Micro Units Development & Refinance Agency (Mudra)
- 2) SIDBI Venture Capital Limited (SVCL).
- 3) SIDBI Trustee Company Limited (STCL).

Associates included in consolidated financial statements are:

- 1) Acuitě Ratings & Research Limited [Erstwhile SMERA Ratings Limited (SMERA)]
- 2) India SME Asset Reconstruction Company Limited (ISARC)
- 3) India SME Technology Services Limited (ISTSL)
- 4) Delhi Financial Corporation (DFC)
- 5) Receivables Exchange of India Limited (RXIL)

- 6) KITCO Limited
- 7) APITCO Limited

Consolidated financial statements of the Group (comprising of 3 subsidiaries, 7 associates as per details given above) have been prepared on the basis of:

- a. Audited accounts of SIDBI (Parent) & 3 subsidiaries companies.
- b. Line by line aggregation of each item of asset/ liability/income/expense of the subsidiaries with the respective item of the Parent, and after eliminating all material intra-group balances / transactions, unrealised profit/loss as per AS 21 (Consolidated Financial Statements) issued by the Institute of Chartered Accountants of India (ICAI)
- c. Investments in Associates are accounted for under the Equity Method as per AS 23 (Accounting for Investments in Associates in Consolidated Financial Statements) issued by ICAI based on the audited Financial Statements of the associates.
- d. In case of difference in Accounting Policies, the Financial Statements of Subsidiaries and Associates are adjusted, wherever necessary and practicable, to conform to the Accounting Policies of the Parent.

2. REVENUE RECOGNITION

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured.

A) INCOME:

- i. Interest income including penal interest is accounted for on accrual basis, except in the case of non-performing assets where it is recognized upon realization.
- Income in the Profit & Loss Account is shown gross i.e. before provisions as per RBI guidelines and other provisions as per Bank's internal policy.
- Discount received in respect of bills discounted / rediscounted and on discounted instruments is recognised over the period of usance of the instruments on a constant yield basis.
- iv. Commitment charges, service charges on seed capital / soft loan assistance and royalty

income are accounted for on accrual basis in respect of standard (performing) assets.

- v. Dividend on shares held in industrial concerns and financial institutions is recognized as income when the right to receive the dividend is established.
- vi. Income from Venture Capital funds are accounted on realization basis. Redemption of unit/shares in Venture Capital fund, while in HTM category is not treated as a sale.
- vii. Recovery in non-performing assets (NPA) is to be appropriated in the following order:
 - a) overdue interest upto the date of NPA,
 - b) principal,
 - c) cost & charges,
 - d) interest and
 - e) penal interest.
- viii. Gain/loss on sale of loans and advances through direct assignment is recognized in line with the extant RBI guidelines.
- ix. Amounts recovered against debts written-off in earlier years are recognized as income in the Profit & Loss account.
- x. Profit or loss on sale of investment: Profit or loss on sale of investments in any category is taken to profit & loss account. However, in case of profit on sale of investments under Held to Maturity category an equivalent amount is appropriated to Capital Reserves.
- xi. Amount lying as unclaimed liabilities (other than statutory liabilities) for a period of more than seven years are recognized as income.
- xii. The bank has accounted for interest on income tax refunds upon receipt of such refund orders/ Order giving effects issued by Income Tax Department.
- xiii. SVCL Management fees accrue on a quarterly basis from the venture capital funds/AFIs managed by it. Interest on Fixed deposits/tax free bonds are recognized on time proportion basis. The Company recognizes income @ 5% of the net profits received from sale of investments assigned by IIBI

B) EXPENDITURE:

i. All expenditures are accounted for on accrual basis except Development Expenditure which is accounted for on cash basis.

ii. Discount on Bonds and Commercial papers issued are amortized over the tenure of Bonds and Commercial Paper. The expenses relating to issue of Bonds are amortized over the tenure of the Bonds.

3. INVESTMENTS:

- (i) In terms of extant guidelines of the Reserve Bank of India on investment classification and valuation, the entire investment portfolio is categorized as "Held to Maturity", "Available for Sale" and "Held for Trading". Investments are valued in accordance with RBI guidelines. The investments under each category are further classified as:
 - a) Government Securities,
 - b) Other approved securities,
 - c) Shares,
 - d) Debentures & Bonds,
 - e) Subsidiaries/joint ventures and
 - f) Others (Commercial Paper, Mutual Fund Units, Security Receipts, Certificate of Deposits etc.)

(a) Held to Maturity:

Investments acquired with the intention to hold till maturity are categorized under Held to Maturity. Such investments are carried at acquisition cost unless it is more than the face value, in which case the premium is amortized over the period remaining to maturity. Investments in subsidiaries are classified as Held To Maturity. Diminution, other than temporary, in the value of investments under this category is provided for each investment individually.

(b) Held for Trading:

Investments acquired for resale within 90 days with the intention to take advantage of the short-term price/interest rate movements are categorized under Held for Trading. The investments in this category are revalued scrip-wise and net appreciation/depreciation is recognized in the profit & loss account, with corresponding change in the book value of the individual scrips. In respect of traded/ quoted investments, the market price is taken from the trades/ quotes available on the stock exchanges.

(c) Available for Sale:

(i) Investments which do not fall within the above two categories are categorized



under Available for Sale. The individual scrip under this category is revalued and net depreciation under any of the classification mentioned above is recognized in the profit & loss account. Net appreciation under any classification is ignored. The book value of individual scrip is not changed after the revaluation.

- (ii) An investment is classified as Held To Maturity, Available For Sale or Held For Trading at the time of its purchase and subsequent shifting amongst categories and its valuation is done in conformity with RBI guidelines.
- (iii) Treasury Bills, Commercial Papers and Certificates of Deposit, being discounted instruments, are valued at carrying cost.
- (iv) The quoted Government Securities are valued at market prices and unquoted/ non-traded government securities are valued at prices declared by Financial Benchmark India Pvt. Ltd. (FBIL).
- (v) Investments which are made out of the Corpus or Funds provided by the Government of India (GOI) and netted off from the related Fund balances are carried at cost and not subject to RBI guidelines of valuation.
- (vi) Recording purchase and sale transactions in Investments is done following 'Settlement Date' accounting.
- (vii) The debentures / bonds / shares deemed to be in the nature of advance, are subject to the usual prudential norms applicable to loans & advances.
- (viii) Cost of investments is determined on the weighted average cost method.
- (ix) Brokerage, commission, etc. paid at the time of acquisition/ sale are recognized in the profit & loss account.
- (x) Broken period interest paid / received on debt investment is treated as interest expenses / income and is excluded from cost / sale consideration.
- (xi) In respect of unquoted investments in industrial concerns under Seed Capital Scheme, full provision has been made.
- (xii) Units of mutual fund are valued at repurchase price as per relevant RBI guidelines.

(xiii) The unquoted fixed income securities (other than government securities) are valued on Yield to Maturity (YTM) basis with appropriate mark-up over the YTM rates for Central Government securities of equivalent maturity. Such mark-up and YTM rates applied are as per the relevant rates published by FBIL.

4. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded in the books of account in respective foreign currencies at the exchange rate prevailing on the date of transaction. Accounting for transactions involving foreign exchange is done in accordance with Accounting Standard (AS)-11 issued by Institute of Chartered Accountants of India, as per following provisions:

- i. Contingent liability in respect of outstanding forward exchange contracts is calculated at the contracted rates of exchange and in respect of guarantees; acceptances, endorsements and other obligations are calculated at the closing exchange rates notified by Foreign Exchange Dealers' Association of India ('FEDAI').
- ii. Foreign currency Assets and Liabilities are translated at the closing exchange rates notified by FEDAI as at the Balance sheet date.
- Foreign currency Income and Expenditure items are translated at monthly intervals through actual sale/purchase and recognized in the profit & loss account accordingly.
- iv. The revaluation difference on foreign currency LoC is adjusted and recorded in a special account opened and maintained, in consultation with GOI for managing exchange risk.
- v. The Bank follows hedge accounting in respect of foreign exchange contracts and derivative transactions as per RBI guidelines.
- vi. Exchange differences arising on the settlement of monetary items are recognized as income or expense in the period in which they arise.
- vii. Outstanding Forward Exchange Contracts which are not intended for trading are revalued at closing FEDAI rates.

5. DERIVATIVES

The Bank presently deals in currency derivatives viz., Cross Currency Interest Rate swaps for hedging its foreign currency liabilities. Based on RBI guidelines, the above derivatives undertaken for hedging purposes are accounted on an accrual

basis. Contingent Liabilities on account of derivative contracts at contracted rupee amount are reported on the Balance Sheet date.

6. LOANS AND ADVANCES

- Assets representing loan and other assistance portfolios are classified as performing and non-performing based on the RBI guidelines.
 Provision for non-performing assets is made in accordance with the RBI guidelines.
- ii. Advances stated in the Balance Sheet are net of provisions made for non-performing advances, and restructured assets.
- iii. General provision on Standard Assets is made as per RBI guidelines.
- iv. Floating provision is made and utilized as per RBI guidelines and Board approved policy.

7. TAXATION

- (i) Tax expense comprises both current tax and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act,1961 and the Income Computation and Disclosure Standards (ICDS).
- (ii) Deferred income taxes reflects the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.
- (iii) Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Unrecognized deferred assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.
- (iv) Disputed taxes not provided for including departmental appeals are included under Contingent Liabilities.

8. SECURITISATION

(i) The Bank purchases credit rated Micro, Small and Medium Enterprises Asset pools from Banks / Non-Banking Finance Companies by way of pass- through certificates issued by the Special Purpose Vehicle. Such securitisation transactions are classified as investments under Held for Trading / Available for Sale category depending upon the investment objective.

- (ii) The Bank purchases credit rated pool of Micro, Small and Medium Enterprises assets under bilateral direct assignment. Such direct assignment transactions are accounted for as 'advances' by the Bank.
- (iii) The Bank enters into sale of Loans & Advances through direct assignment. In most of the cases, the Bank continues to service the Loans & Advances sold under these transactions and is entitled to the Residual interest on the Loans & Advances sold. Assets sold under direct assignment are derecognized in the books of the Bank based on the principle of surrender of control over the assets.
- (iv) The residual income on the Loans & Advances sold is being recognised over the life of the underlying Loans & Advances.
- (v) Security Receipts issued by the asset reconstruction companies are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time.

9. SALE OF FINANCIAL ASSETS TO ASSET RECONSTRUCTION COMPANIES (ARCs):

- (i) The sale of NPA's is on cash basis or investment in Security Receipt (SR) basis. In case of sale on SR basis, the sale consideration or part thereof is treated as investment in the form of SRs.
- (ii) The assets if sold at a price below the Net Book Value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit & Loss A/c. In case the sale value is higher than NBV, the excess provision held can be reversed to profit & loss account in the year the amounts are received. Reversal of excess provision is limited to the extent to which cash received exceeds the NBV of the asset.

10. PROVISIONING FOR STAFF BENEFITS: Parent:

A] Post retirement benefits:

- (i) Provident Fund is a defined contribution scheme administered by the Bank and the contributions are charged to the Profit & Loss Account.
- (ii) Gratuity liability and Pension liability are defined benefit obligations and other long term employee benefits like compensated absences, post retirement medical benefits,



leave fare concession etc. are provided based on the independent actuarial valuation as at the Balance sheet date using the projected unit credit method as per AS 15 (Revised 2005) -Employee Benefits.

- (iii) Actuarial gains or losses are recognized in the profit & loss account based on actuarial valuations for the period in which they occur
- (iv) New Pension Scheme is a defined contribution scheme and is applicable to employees who have joined bank on or after December 01, 2011. Bank pays fixed contribution at pre determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit & Loss Account.
- (v) Actuarial gains or losses are immediately taken to the profit and loss account and are not deferred.
- (vi) Payments made under the Voluntary Retirement Scheme are charged to the Profit & Loss account in the year of expenses incurred.

B] Benefits (Short - term) while in service

Liability on account of Short term benefits are determined on an undiscounted basis and recognised over the period of service, which entitles the employees to such benefits.

SVCL:

Employee Benefits

Defined Contribution Schemes:

Company's Contribution to Provident Fund, etc. is charged to the Statement of Profit & Loss as and when incurred.

Defined Benefit Plans:

The Company also provides for retirement benefits in the form of gratuity. Such benefits are provided for based on valuation, as at the balance sheet date, made by an independent actuary. The company has taken a group gratuity policy with Life Insurance Corporation of India ("LIC") and is funded.

Performance Pay:

Performance Pay is an annual incentive to employees based on the Company's financial performance and employees performance.

Leave Encashment:

The Company provides for retirement benefits in the form of leave encashment. Such benefits are provided for based on valuation, as at the balance sheet date, made by an independent actuary. Further, employees can also encash 15 days on their accumulated leave every financial year.

11. FIXED ASSETS AND DEPRECIATION

- Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any.
- b) Cost of asset includes purchase cost and all expenditure incurred on the asset before put to use. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefits from such assets or their functioning capability.
- c) Depreciation for the full year, irrespective of date of capitalization, is provided on:
 - (i) Furniture and fixture: For assets owned by Bank @ 100 percent
 - (ii) Computer and Computer Software @ 100 percent
 - (iii) Building @ 5 percent on WDV basis
 - (iv) Electrical Installations: For assets owned by Bank @ 50 percent on WDV basis.
 - (v) Motor Car Straight Line Method @ 50 percent.
- Depreciation on additions is provided for full year and no depreciation is provided in the year of sale/disposal.
- e) Leasehold land is amortised over the period of lease.

11.1 FIXED ASSETS AND DEPRECIATION (subsidiaries)

i) MUDRA - Fixed assets are stated at cost of acquisition including incidental expenses. All costs directly attributable to bringing the asset to the working condition for its intended use including financing costs are also capitalized. Depreciation is provided on Straight Line Method on the basis of useful life under Schedule II to the Companies Act, 2013. Assets costing ₹ 5,000/- or less have been depreciated over period of one year.

ii) SVCL - Fixed Assets are stated at cost of acquisition. Depreciation on Fixed Assets is provided on Written down Value Method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013. Cost of mobile / telephone instruments/ tablet devices purchased are fully charged to revenue in the year of purchase. Depreciation on assets whose actual cost is not more than five thousand rupees has been provided at the rate of 100%. Depreciation is charged on monthly basis.

12. PROVISION FOR CONTINGENT LIABILITIES AND CONTINGENT ASSETS.

In accordance with AS-29 Provisions, Contingent Liabilities and Contingent Assets, the Bank recognizes provisions involving substantial degree of estimation in measurement when it has a present obligation as a result of past event, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent Assets are neither recognized nor disclosed in the consolidated financial statements. Contingent liabilities are not provided for and are disclosed in the balance sheet and details given by way of Schedule to the Balance Sheet. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

13. GRANTS AND SUBSIDIES

Grants and subsidies from the Government and other agencies are accounted as per the terms and conditions of the agreement.

14. OPERATING LEASE

Lease rentals are recognized as an expense/income in the Profit & Loss Account as they become due for payments.

15. IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/external factors, to recognize,

- a) the provision for impairment loss, if any required; or
- b) the reversal, if any, required for impairment loss recognized in the previous periods.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with RBI, balances with other banks and investment in Mutual Fund with an original maturity of three months or less.

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Additional Notes to Consolidated Accounts

Annexure - I

- 1 All the significant accounting policies as mentioned in Schedule XV of the standalone financial statements have also been followed in the preparation of consolidated financial statements.
- 2 The financial statements of the Bank and its subsidiary companies are combined on a line to line basis by adding together the book values of like items of Assets, Liabilities, Income and Expenses after fully eliminating intra group balances and inter group transactions in accordance with AS-21" Consolidated Financial Statements". The Associates are accounted for using the equity method as prescribed by AS-23 "Accounting for Investments in Associates in Consolidated Financial Statements".

					(Amount in K)	
Sr.	Name of the subsidiary	Country of	Proportion of	Profit/Loss		
No.		•	ownership*	March 31, 2019	March 31, 2018	
1	SIDBI Venture Capital Ltd.(SVCL)	India	100%	3,15,61,019	5,81,74,926	
2	SIDBI Trustee Company Ltd.(STCL)	India	100%	47,62,125	44,88,788	
3	Micro Units Development & Refinance Agency Ltd (Mudra Ltd)	India	100%	28,22,34,783	1,58,21,90,607	
Total				31,85,57,927	1,64,48,54,321	

(A non a sup t in F)

3 Details of Subsidiaries included in consolidated financial statements are:

Financial statements of all subsidiaries are audited for FY 2019 except Mudra Limited.

*As all shares of the subsidiaries are owned by SIDBI directly or indirectly, no separate disclosure relating to minority interest is reflected.

4.A Details of Associates included in consolidated financial statements are as follows:

											(Amount in ₹)
Sr.	Name of the	(%) Holding		Description	Investment	Inves	tment	Share of Pr	ofit/(loss)	Share in r	eserves *
No.	Associate	March 31, 2019	March 31, 2018			March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
1	Acuitě Ratings & Research Ltd [Erstwhile SMERA Ratings Ltd (SMERA)]	34.29	34.29	Credit Rating Agency for SME's	4,97,50,000	5,10,00,000	5,10,00,000	98,63,924	1,32,22,177	2,68,29,742	1,36,07,565
2	India SME Technology Services Limited	22.72	22.72	Technology Support to SME's	99,96,800	1,00,00,000	1,00,00,000	18,00,797	27,04,101	68,65,267	42,19,190
3	INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED	26.00**	26.00**	Asset Reconstruction Company	2,60,00,000	26,00,00,000	26,00,00,000	(2,39,44,518)	34,94,723	7,78,18,091	7,44,28,865
4	Delhi Finance Corporation	23.71	23.71	State Financial Corporation	3,13,87,500	3,13,87,500	3,13,87,500	-	19,23,661	11,33,04,245	11,35,43,183
5	Receivables Exchange of India Limited #	30.00	30.00	Online platform for factoring / discounting of Trade Receivables (TReDS)	7,50,00,000	7,50,00,000	7,50,00,000	(1,17,68,479)	(1,66,36,829)	(2,48,55,859)	(85,90,142)
6	APITCO LIMITED	41.29	41.29	Technical consultancy Organisation	80,00,000	54,70,975	54,70,975	(1,63,14,522)	-	5,29,48,734	
7	KITCO LIMITED	49.77	49.77	Technical consultancy Organisation	4,90,00,000	24,95,296	24,95,296	22,25,39,362	-	22,25,39,362	
Tota	al					43,53,53,771	43,53,53,771	18,21,76,564	47,07,833	47,54,49,582	19,72,08,660

* Included in Reserve Fund of ₹ 1,10,75,55,22,814 (Previous year ₹ 98,31,69,76,210) in Schedule II A(i) of the Consolidated Balance sheet.

** Includes 11% holding by SVCL (100% subsidiary of SIDBI).

Considered on financials based on Ind-AS for year 31 March 2019 unaudited.



В	The results of the following associates are not included in the consolidated financial statements. However, full
	provision has been made in the financial statements for diminution in value of investment.

	(Amount in ₹)										
Sr. No.	Name (%) Holding of the		olding Description		Investment	Diminution in value of Investment					
	Associate	March 31, 2019	1, 2019 31, 2018			March 31, 2019	March 31, 2018				
1	BSFC	48.43	48.43	State Financial Corporation	18,84,88,500	(18,84,88,500)	(18,84,88,500)				
2	GSFC	28.41	28.41	State Financial Corporation	12,66,00,000	(12,66,00,000)	(12,66,00,000)				
3	JKSFC	23.00	23.00	State Financial Corporation	3,42,20,000	(3,42,20,000)	(3,42,20,000)				
4	MSFC	39.99	39.99	State Financial Corporation	12,52,41,750	(12,52,41,750)	(12,52,41,750)				
5	PFC	25.92	25.92	State Financial Corporation	5,23,51,850	(5,23,51,850)	(5,23,51,850)				
6	UPSFC	20.27	20.27	State Financial Corporation	21,67,59,000	(21,67,59,000)	(21,67,59,000)				
Tota	ıl	74,36,61,100 (74,36,61,		(74,36,61,100)	(74,36,61,100)						

Financial statements of the associates other than State Financial Corporation's (SFC) mentioned in 4A and 4B are unaudited for the year ended March 31,2019.

Regarding KITCO and APITCO, the figures are audited for the year ended on March 31, 2018. The figures for SFC's other than MSFC, PFC and UPSFC are based on audited results for the year ended March 31, 2017. Regarding MSFC and PFC, figures are based on audited results for the year ended March 31, 2016. In respect of UPSFC, provisional results are available for the year ended March 31, 2012. Regarding BSFC and GSFC, the figures are for the year ended March 31, 2018 audited.

C In case of following entities, though the bank holds more than 20% of voting power, they are not treated as investment in associate under AS 23 'Accounting for Investment in Associates in Consolidated Financial Statements', because they are not considered as material investments requiring consolidation.

						(Amount in ₹)
Sr.	Name of the Associate	(%) H	olding	Description	Inves	tment
No.		March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018
1	Bihar Industrial and Technical Consultancy Organisation Ltd.	49.25	49.25	Technical Consultancy Organisation	1	1
2	North Eastern Industrial and Technical Consultancy Organisation Ltd.	43.44	43.44	Technical Consultancy Organisation	1	1
3	Orissa Industrial and Technical Consultancy Organisation Ltd.	49.42	49.42	Technical Consultancy Organisation	1	1
4	WEBCON Consulting (India) Ltd. (Erstwhile West Bengal Consultancy Organisation Ltd.) #	21.67	21.67	Technical Consultancy Organisation	-	4,86,783
Tota	al				3	4,86,786

Stake in WEBCON Consulting (India) Ltd. (Erstwhile West Bengal Consultancy Organisation Ltd.) has been divested during FY 2019.

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5 Details of significant transaction with associate are as under:

	(Amount in F							
Sr.	Name of the	Particulars	Disburs	ements	Repayments (inc	luding interests)		
No.	Associate		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018		
1	DFC	Refinance assistance	-	-	5,59,00,000.00	5,06,54,683		

- 6 As against depreciation policy of SIDBI whereby assets are depreciated on SLM / WDV at pre-determined rates, the subsidiaries and associates compute depreciation on SLM/ WDV basis as per Schedule II of the Companies Act, 2013. Thus out of the total depreciation of ₹ 18,43,71,236 (Previous Year ₹ 11,44,13,211) included in Consolidated Financial Statements, ₹ 16,75,273 being 0.90% (Previous Year ₹ 1,015,704 being 0.89%) of the amount is determined based on Depreciation provided as per the Companies Act, 2013.
- Aggregate remuneration paid to whole time director of SIDBI is ₹ 93,15,485 (Previous year ₹ 74,00,120), SVCL is
 ₹ 58,74,807/- (Previous Year ₹ 40,19,260) and Mudra Ltd. is ₹ 34,58,626/- (Previous Year ₹ 97,71,989).

8 Employee Benefits

(i) SIDBI

In accordance with the Accounting Standard on "Employee Benefits" (AS 15) (Revised 2005) issued by the Institute of Chartered Accountants of India, the Bank has classified the various benefits provided to the employees as under:

(a) Defined contribution plan

The Bank has recognized the following amounts in Profit & Loss Account:

		(Amount in ₹)
Particulars	March 31, 2019	March 31, 2018
Employer's contribution to Provident fund	8,45,92,109	5,83,87,971
Employer's contribution to New Pension Scheme	2,27,84,810	1,91,20,772

(b) The Bank is having defined benefit Pension Plans and Gratuity Scheme which are managed by the Trust.

					(₹ crore)
		Pen	sion	Grat	uity
		FY 2019	FY 2018	FY 2019	FY 2018
1.	Assumptions				
	Discount Rate	7.78%	7.72%	7.64%	7.73%
	Rate of Return on Plan Assets	7.78%	7.72%	7.64%	7.73%
	Salary Escalation	5.50%	6.00%	5.50%	6.00%
	Attrition rate	2.00%	2.00%	2.00%	2.00%
2.	Table showing change in Benefit Obligation				
	Liability at the beginning of the year	452.03	408.10	111.05	75.49
	Interest Cost	34.94	29.42	8.59	5.50
	Current Service Cost	12.05	12.73	4.47	5.27
	Past Service Cost (Non Vested Benefit)	-	-	-	-
	Past Service Cost (Vested Benefit)	-	-	-	31.43
	Liability Transferred in	-	-	-	-
	(Liability Transferred out)	-	-	-	-
	(Benefit Paid)	(24.25)	-	(12.40)	(4.58)
	Actuarial (gain) / loss on obligations	(35.12)	1.78	(20.35)	(2.06)
	Liability at the end of the year	439.65	452.03	91.36	111.05

		Pen	sion	Grat	tuity
		FY 2019	FY 2018	FY 2019	FY 2018
3.	Tables of Fair value of Plan Assets				
	Fair Value of Plan Assets at the beginning of the year	405.46	98.07	115.25	111.78
	Expected Return on Plan Assets	31.34	7.07	8.43	8.15
	Contributions	-	300.00	0.05	-
	Transfer from other company	-	-	-	-
	(Transfer to other company)	-	-	-	-
	(Benefit Paid)	(24.25)	-	(12.40)	(4.58)
	Actuarial gain / (loss) on Plan Assets	(2.32)	0.32	(0.35)	(0.10)
	Fair Value of Plan Assets at the end of the year	410.23	405.46	110.98	115.25
4.	Table of Recognition of Actuarial Gains/ Losses				
	Actuarial (Gains)/ Losses on obligation for the period	(35.12)	1.78	(20.35)	(2.07)
	Actuarial (Gains)/ Losses on asset for the period	2.32	(0.32)	0.35	0.10
	Actuarial (Gains)/ Losses recognized in Income & Expense Statement	(32.80)	1.46	(20.00)	(1.97)
5.	Actual Return on Plan Assets				
	Expected Return on Plan Assets	31.34	7.07	8.43	8.15
	Actuarial Gain / (Loss) on Plan Assets	(2.32)	0.32	(0.35)	(0.10)
	Actual Return on Plan Assets	29.02	7.39	8.08	8.05
6.	Amount Recognised in the Balance Sheet				
	Liability at the end of the year	(439.65)	(452.03)	(91.36)	(111.05)
	Fair Value of Plan Assets at the end of the year	410.23	405.46	110.98	115.25
	Difference	(29.42)	(46.56)	19.62	4.20
	Unrecognised Past Service Cost at the end of the year	-	-	-	-
	Unrecognised Transitional Liability at the end of the year	-	-	-	-
	Net Amount recognised in the Balance Sheet	(29.42)	(46.56)	19.62	4.20
7.	Expenses Recognised in the Income Statement				
	Current Service Cost	12.05	12.73	4.47	5.27
	Interest Cost	34.94	22.35	8.59	(2.64)
	Expected Return on Plan Assets	(31.34)	-	(8.43)	(1.97)
	Past Service Cost (Non Vested Benefit) recognised during the year	-	-	-	-
	Past Service Cost (Vested Benefit) recognised during the year	-	-	-	31.43
	Recognition of Transition Liability during the year	-	-	-	-
	Actuarial (Gain) / Loss	(32.80)	1.46	(20.00)	-
	Expense Recognised in Profit & Loss account	(17.15)	36.54	(15.37)	32.09

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(₹ cro								
		Pen	sion	Gratuity				
		FY 2019	FY 2018	FY 2019	FY 2018			
8.	Balance Sheet Reconciliation							
	Opening Net Liability	46.57	310.02	(4.20)	(36.29)			
	Expense as above	(17.15)	36.54	(15.37)	32.09			
	Employers Contribution	-	(300.00)	(0.05)	-			
	Amount recognised in the Balance Sheet	29.42	46.56	(19.62)	(4.20)			

9. Other Details

Salary escalation is considered as advised by the Bank which is in line with the industry practice considering promotion, demand and supply of the employees.

(₹ crc							
	Pen	sion	Grat	uity			
	FY 2019	FY 2018	FY 2019	FY 2018			
10. Category of Assets							
Government of India Assets	-	-	-	-			
Corporate Bonds	-	-	-	-			
Special Deposits Scheme	-	-	-	-			
Equity Shares of Listed Companies	-	-	-	-			
Property	-	-	-	-			
Insurer Managed Funds (LIC of India)	410.23	405.46	110.98	115.25			
Other	-	-	-	-			
Total	410.23	405.46	110.98	115.25			

11. Experience Adjustment:

(₹ crore)

		Pension						Gratuity	y	
	FY 2019	FY 2018			FY 2015				FY 2016	FY 2015
On Plan Liability (Gain)/Loss	(22.03)	66.81	(5.53)	22.70	(0.90)	19.71	10.18	(7.91)	(6.20)	(0.56)
On Plan Asset (Loss)/Gain	(2.32)	0.32	0.58	(0.17)	(1.43)	(0.35)	(0.10)	0.29	(0.40)	0.21

(c) The following are the amount charged to Profit & Loss Account relating to other long term benefits plan based on the actuarial valuation provided by independent actuary.

			(₹ crore)
Sr. No	Particulars	March 31, 2019	March 31, 2018
1	Ordinary Leave Encashment	20.63	11.84
2	Sick Leave	-	5.49
3	Resettlement Expenses	0.88	-
4	Post Retirement Medical Scheme Facilities	0.43	(3.51)

(ii) SVCL

During the year, company has contributed a sum of ₹ 24,45,491/- to the SIDBI Venture Capital Limited Employees' Group Gratuity Assurance Scheme (Trust) for its employees

Details	Post Employr	nent Benefits
	FY 2019	FY 2018
Nature of benefit	Gratuity	Gratuity
Assets & liabilities recognized in balance sheet		
Present value of unfunded defined benefit obligations	Nil	Nil
Present value of funded or partly funded defined benefit obligations	₹ 57,95,242	₹ 49,60,831
Fair value of plan assets	₹ 60,35,156	₹ 36,40,759
Past service cost not recognized in balance sheet	Nil	Nil
Any amount nor recognized as asset	Nil	Nil
Fair value of any reimbursement rights recognized as asset	Nil	Nil
Other amounts, if any, recognized in balance sheet	Nil	Nil
Amounts included in fair value of plan assets:		
Own financial instruments	Nil	Nil
Property or other assets used	Nil	Nil
Insurer managed funds	₹ 60,35,156	₹ 36,40,759
Movement in net liability:		
Opening net liability	₹ 13,20,072	₹ 11,23,720
Expenses	₹ 8,85,505	₹ 2,36,210
Contribution	(₹ 24,45,491)	(₹ 39,858)
Closing net liability	(₹ 2,39,914)	₹ 13,20,072
Expenses recognized in statement of profit & loss		
Current service cost	₹ 3,51,414	₹ 3,63,229
Interest cost	₹ 4,01,331	₹ 3,64,211
Expected return on plan assets	(₹ 2,94,537)	(₹ 2,78,359)
Expected return on reimbursement rights	N.A.	N.A.
Actuarial gains / (losses)	(₹ 4,27,297)	₹ 17,39,236
Total expenses recognized in statement of profit & loss	₹ 8,85,505	₹ 2,36,210
Past service cost	Nil	₹ 15,26,365
Effect of curtailment / settlement	Nil	Nil
Effect of limit in para 59(b)	N.A.	N.A.
Actual return of plan assets and on reimbursement rights recognized as asset	Nil	Nil
Actuarial Assumptions		
Discount rates	8.09%	8.09%
Expected rate of returns on plan assets	8.09%	8.09%
Expected rate of returns on reimbursement rights	Nil	Nil
Expected rate of salary increase	5.00%	5.00%
Medical cost trends	N.A.	N.A.
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Disability	Nil	Nil
Attrition	2.00%	2.00%
Retirement age	60 Years	60 Years



(iii) MUDRA

- (a) As most of the employees are on deputation from Small Industrial Development Bank of India (SIDBI) / National bank for Agriculture and Rural Development (NABARD), Gratuity, Leave Encashment and Arrears of Salary in respect of employees deputed to MUDRA are taken care by the employer, who have deputed the employees to this company. However the MUDRA has provided an amount of ₹ 6,53,57,119/- to P& L A/c during the current Year. The same would be paid to SIDBI/NABARD when such costs are demanded by the said companies.
- (b) Therefore no disclosures are required under 'Revised AS 15- Employees Benefit' issued under Companies Accounting Standard Rules, 2006'

9 Earning Per Share (EPS)*:

	March 31, 2019	March 31, 2018
Net Profit considered for EPS calculation (\mathbf{F})	19,59,28,48,581	15,77,01,27,573
Weighted Average Number of equity shares of face value ₹ 10 each	53,19,22,031	53,19,22,031
Earning per share (₹)	36.83	29.65

* Basic & Diluted EPS are same as there are no dilutive potential Equity Shares.

10 As per the Accounting Standard 22, Accounting for Taxes on Income, the Bank has reviewed the Deferred Tax Expenditure / Saving and recognised an amount of ₹ 1,55,60,01,189/- as Deferred Tax Asset (Previous year - Deferred Tax Asset was ₹ 58,02,30,296/-) in the Profit and Loss Account for the year ended March 31, 2019. The Break up of Deferred Tax Asset/ (Liability) as on March 31, 2019 is as follows:

Sr.		Deferred Tax A	sset/(Liability)
No.		FY 2019 (₹)	FY 2018 (₹)
1	Provision for Depreciation	39,60,413	(1,20,11,396)
2	Special Reserve u/s 36(1)(viii) of the Income Tax Act 1961	(4,70,90,89,576)	(4,44,78,09,616)
3	Provisions for Bad & Doubtful Debts	2,30,45,14,771	2,53,21,09,985
4	Amortisation of Premium on GOI Bonds	(4,44,56,921)	(5,86,23,034)
5	Provision for Restructuring of Accounts	1,22,49,123	1,66,89,571
6	Brought Forward Long Term Capital Loss	22,05,17,373	
7	Provision for Non Performing Investment	85,10,68,098	
8	Provision for Standard Assets	58,61,97,116	
9	Others	1,53,46,81,634	1,17,33,67,554
	Net deferred tax Asset/(Liability)	75,96,42,030	(79,62,76,936)

11 Contingent Liabilities

Estimated amount of contracts remaining to be executed on capital account not provided for (net of advance paid) is ₹ 2,92,86,993/- (Previous year ₹ 1,02,46,63,903/-)

12 Additional statutory information disclosed in separate financial statements of the parent and the subsidiaries have no bearing on the true and fair view of the Consolidated Financial Statements and also the information pertaining to the items which are not material have not been disclosed in the Consolidated Financial Statements in view of the general clarification issued by the Institute of Chartered Accountants of India (ICAI).

Additional consolidated Disclosures

as per RBI Guidelines

1. Capital adequacy

			(₹ crore)
Sr. No	Particulars	FY 2018-19	FY 2017-18
i)	Common Equity*	Not Applicable	Not Applicable
ii)	Additional Tier 1 capital*	Not Applicable	Not Applicable
iii)	Total Tier 1 capital	17,271.00	15,716.32
iv)	Tier 2 capital	597.96	425.04
V)	Total Capital (Tier 1+Tier 2)	17,868.96	16,141.36
vi)	Total Risk Weighted Assets (RWAs)	54,145.42	47,454.90
vii)	Common Equity Ratio (Common Equity as a percentage of RWAs) *	Not Applicable	Not Applicable
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	31.90%	33.12%
ix)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	33.00%	34.01%
x)	Percentage of the shareholding of the Government of India	15.40	15.40
xi)	Amount of equity capital raised	-	-
xii)	Amount of Additional Tier 1 capital raised; of which	-	-
	a.) Perpetual Non-Cumulative Preference Shares (PNCPS):	-	-
	b.) Perpetual Debt Instruments (PDI)	-	-
xiii)	Amount of Tier 2 capital raised; of which	-	-
	a.) Debt capital instruments:	-	-
	b.) Perpetual Cumulative Preference Shares (PCPS)	-	_
	c.) Redeemable Non-Cumulative Preference Shares (RNCPS)		
	d.) Redeemable Cumulative Preference Shares (RCPS)	-	-

* The figures are not being calculated at present, since BASEL-III is not applicable.

2. Free Reserves and Provisions

(a) Provision on Standard Assets

		(₹ crore)
Particulars	FY 2018-19	FY 2017-18
Provisions towards Standard Assets (cumulative)	597.97	425.04

(b) Floating Provisions

		(₹ crore)
Particulars	FY 2018-19	FY 2017-18
Opening balance in the floating provisions account	1,742.21	2,057.81
The quantum of floating provisions made in the accounting year	-	-
Amount of draw down made during the accounting year*	393.68	315.6**
Closing balance in the floating provisions account	1,348.53	1,742.21

* Amount was utilised for making NPA/NPI provisions as per the Bank's Board approved policy on floating provision

** The amount was utilized for making NPA provisions as per the bank's approved policy on floating provision.

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3. Asset Quality and specific provisions

(a) Non-Performing Advances

			(₹ crore)
Parti	culars	FY 2018-19	FY 2017-18
(i) I	Net NPAs to Net Advances (%)	0.20%	0.24%
(ii) I	Movement of NPAs (Gross)		
(a) Opening balance	902.42	823.28
((b) Additions during the year	309.60	424.42
(c) Reductions during the year	344.11	345.28
((d) Closing balance	867.91	902.42
(iii) I	Movement of Net NPAs *		
(a) Opening balance	250.63	302.25
((b) Additions during the year	108.62	28.62
(c) Reductions during the year	66.70	80.24
((d) Closing balance	292.55	250.63
	Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	651.78	521.03
(b) Provisions made during the year	201.51	408.70
(c) Write off / write back of excess provisions	277.94	277.95
((d) Closing balance	575.35	651.78

* The Net NPA will be NIL for the current year and previous year, if the amount of floating provision is adjusted against the same.

(b) Non-Performing Investments

		(₹ crore)
Particulars	FY 2018-19	FY 2017-18
(i) Net NPIs to Net Investments (%)	13.01%	-
(ii) Movement of NPIs (Gross)		
(a) Opening balance	410.03	419.60
(b) Additions during the year	1,240.69	9.81
(c) Reductions during the year	73.55	19.38
(d) Closing balance	1,577.17	410.03
(iii) Movement of Net NPIs		
(a) Opening balance	-	-
(b) Additions during the year	993.44	-
(c) Reductions during the year	-	_
(d) Closing balance	993.44	-
(iv) Movement of provisions for NPIs (excluding provisions on standard assets)		
(a) Opening balance	410.03	419.60
(b) Provisions made during the year	532.25	9.81
(c) Write off / write back of excess provisions	73.55	19.38
(d) Closing balance	868.73	410.03

(c) Non-Performing Assets (a+b)

			(₹ crore)
Particu	ılars	FY 2018-19	FY 2017-18
(i) Ne	t NPAs to Net Assets (Advanced + investments) (%)	0.83%	0.22%
(ii) Mo	ovement of NPAs (Gross Advances + Gross investments)		
(a)	Opening balance	1,312.45	1,242.88
(b)	Additions during the year	1,550.29	434.23
(c)	Reductions during the year	417.66	364.67
(d)	Closing balance	2,445.08	1,312.45
(iii) Mo	ovement of Net NPAs		
(a)	Opening balance	250.63	302.25
(b)	Additions during the year	1,102.05	28.62
(c)	Reductions during the year	66.70	80.24
(d)	Closing balance	1,285.98	250.63
• •	ovement of provisions for NPAs ccluding provisions on standard assets)		
(a)	Opening balance	1,061.81	940.63
(b)	Provisions made during the year	733.77	418.51
(c)	Write off / write back of excess provisions	351.49	297.33
(d)	Closing balance	1,444.09	1,061.81

																					(Trore)
Type of Restructuring	t Bu	-	Under CDR Mechanism	Mechanis	Ë	_	Jnder SMI	E Debt Resi	Under SME Debt Restructuring Mechanism	Mechan	ism		đ	Others				Ĕ	Total		
Asset Classification Details ↓	Î	Standard	Sub- Standard	Sub- Doubtful Loss To Idard	Loss 1	a	Standard	Sub- Standard	Sub- Doubtful Loss Total Standard	Loss T	otal S		Sub- Standard	Doubtful L	Loss	Total S	Standard	Sub- Standard	Doubtful	Loss	Total
ured	No. of Borrowers	1	'	-	1	-	'	'	1	'	·	15	12	31	·	58	15	12	32	'	59
ы У.	Amount outstanding	1		37.19	'	37.19	'			'		74.69	57.78	98.32	-	230.79	74.69	57.78	135.51	'	267.98
(opening figures)*	Provision thereon		'		.	•		'		'	•	(0.08)	0.23	0.48	'	0.63	(0.08)	0.23	0.48	'	0.63
Fresh restructuring No. of Borrowers	No. of Borrowers		'		1	•	'	-		'	•	14	8	-	'	23	14	8	-	'	23
during the year	Amount outstanding	1	'		'	•	1	1	1	1	•	57	6	5	1	71.22	56.93	9.49	4.80	'	71.2
	Provision thereon	1	'		-	•	'	'		'	•	0	0	-	'	0.41	0.26	0.15	'	'	0.41
Upgradations	No. of Borrowers	1	1		-	•	1	1	1	'	•	2	1	(2)		•	2	0	(2)	'	
d gory	Amount outstanding	1	1		1	•	1	1		1	•	2	1	(2)	1	'	2.02	(0.05)	(1.97)	1	
during the FY	Provision thereon	'	1		1	•	•	1		'	•	1	'	•	'	•	0.04	•	(0.04)	'	
Restructured	No. of Borrowers	•				•	'				•	(6)				(6)	(6)		, ,		6)
ances o ind	Amount outstanding					1	1				1	(28)			<u> </u>	(28.16)	(28.16)				(28.16)
risk weight at the end of the FV and hence need not be shown as restructured standard advances at the beginning of the next FY	Provision thereon	1				1	1				1	1				(0.05)	(0.05)				(0.05)
Downgradations	No. of Borrowers	'	'		'	•	'	'		'	•	(1)	(2)	8	•	'	(1)	(2)	8	'	
uctured ts during	Amount outstanding		1		'	•	'	'		'	•	(11)	(57)	68	'	•	(11.01)	(57.31)	68.32	'	
the FY	Provision thereon	'	'		'	1	'	'	'	'	•	'	'	'	1	'	'	(0.11)	0.11	'	
	No. of Borrowers	'	'	(1)	-	Ξ	'	'	-	'	•	(1)	(2)	(4)	•	6	(1)	(2)	(5)	'	8
red : during	Amount outstanding	1	I	(37)	-	(37)	1	1	ī	1	•	(15)	(21)	(21)	-	(57.41)	(15.27)	(21.03)	(58.30)	'	(94.60)
	Provision thereon	'	'		'	•	'	'	'	'	•	'	'	'	'	(0.45)	'	(0.04)	(0.40)	'	(0.45)
	No. of Borrowers				'	•	'			'	•	20	1	34		65	20	1	34	'	65
\succ	Amount outstanding	1	I		'	•	1	1	I	1	•	79.19	(11.12)	148.36	'	216.43	79.19	(11.12)	148.36	1	216.43
(closing figures)* Provision	Provision	1	I		'	'	1	1	1	'	•	0.17	0.22	0.15	,	0.55	017	0 22	0 15	'	0.55

Note: Figures at Sr. No.6 includes ₹ 28.92 crore (33 borrower & provisions of ₹ 0.45 crore) which is reduction/recovery from existing restructured accounts and closure of 5 borrower amounting to ₹ 16.09 crore by way of recovery. # Including reduction of restructure accounts.

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(e) Movement of Non-performing assets

		(₹ crore)
Particulars	FY 2018-19	FY 2017-18
Gross NPAs as on April 01, 2018	902.42	823.28
Additions (Fresh NPAs) during the year	594.60	424.42
Sub total (A)	1,497.02	1,247.70
Less:-		
(i) Upgradations	8.46	17.15
(ii) Recoveries (excluding recoveries made from upgraded accounts)	113.76	133.45
(iii) Technical / Prudential Write offs	221.79	187.75
(iv) Write offs other than those under (iii) above	0.10	6.93
Sub-total (B)	344.11	345.28
Gross NPAs as on March 31, 2019 (A-B)	1,152.91	902.42

(f) Write-offs and recoveries

		(₹ crore)
Particulars	FY 2018-19	FY 2017-18
Opening balance of Technical / Prudential written off accounts as at April 1, 2018	1,458.52	1,573.68
Add: Technical / Prudential write offs during the year	221.79	187.75
Sub total (A)	1,680.31	1,761.43
Less: Actual write off	87.51	1.81
Less: Recoveries made from previously technical / prudential written off accounts during the year	29.51	301.11
Sub total (B)	117.02	302.91
Closing balance as at March 31, 2019 (A-B)	1,563.29	1,458.52

(g) Overseas Assets, NPAs and Revenue

Particulars	FY 2018-19	FY 2017-18
Total Assets	-	-
Total NPAs	-	-
Total Revenue	-	-



(h) Depreciation and provisions on investments

			(₹ crore)
Partie	culars	FY 2018-19	FY 2017-18
(1) li	nvestments		
(i) Gross Investments	10,113.03	9,200.42
	(a) In India	10,113.03	9,200.42
	(b) Outside India	-	-
(i	i) Provisions for Depreciation	874.99	460.22
	(a) In India	874.99	460.22
	(b) Outside India	-	-
(i	ii) Net Investments	9,238.04	8,740.20
	(a) In India	9,238.04	8,740.20
	(b) Outside India	-	-
• •	Novement of provisions held towards depreciation on nvestments	-	-
(i) Opening balance	50.01	48.77
(i	i) Add: Provisions made during the year	291.65	4.21
(i	ii) Appropriation, if any, from Investment Fluctuation Reserve Account during the year	-	-
(i	 v) Less: Write off / write back of excess provisions during the year 	-	2.97
()	 V) Less: Transfer, if any, to Investment Fluctuation Reserve Account* 	50.58	-
()	vi) Closing balance	341.66	50.01

* Transfer to Investment Fluctuation Reserve is net of provision of ₹ 44.22 crore made during FY 2018-19 and Nil made during FY 2017-18.

(i) Provisions and Contingencies

		(₹ crore)
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	FY 2018-19	FY 2017-18
Provisions for depreciation/NPI on Investment #	186.68	(7.54)
Provision towards NPA#	(1.32)	-
Provision made towards Income tax (Including Deferred Tax Assets/Liability)	770.90	630.74
Other Provision and Contingencies (with details)\$	102.61	73.82

Net of write back of floating provision.\$ Provision for standard asset.

(j) Provisioning Coverage Ratio (PCR)

	FY 2018-19	FY 2017-18
Provisioning Coverage Ratio (PCR)*	87%	89%

* Floating provision has not been considered while calculating PCR.

(k) Disclosures on Flexible Structuring of Existing Loans

					(₹ crore)
Period	No. of borrowers taken up	Amount of loans taken up for flexible structuring		duration of loa	ghted average ns taken up for tructuring
	for flexibly structuring	Classified as Standard	Classified as NPA	Before applying flexible structuring	After applying flexible structuring
Previous Year FY 2017-18	-	-	-	-	-
Current Year FY 2018-19	-	-	-	-	-

(I) Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period)

. ,						(₹ crore)
No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
	Classified as standard	Classified as NPA	Classified Classified as standard as NPA		Classified as standard	Classified as NPA
-	-	Nil	-	-	-	Nil

(m) Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period)

No. of accounts where banks have decided to effect change in	Amount outs on the repo		Amount ou as on the i date with to accoun conversion equity/invo pledge of eq is pen	reporting respect ts where of debt to ocation of uity shares	Amount ou as on the r date with to accoun conversion equity/invo pledge of eq has take	reporting respect ts where of debt to ocation of uity shares	Amount ou as on the r date with to accoun change in ov envisaged b of fresh sha of promote	reporting respect ts where wnership is y issuance res or sale
ownership	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
-	-	-	-	-	-	-	-	-

(n) Disclosures on Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period)

No. of project loan accounts	Amount ou	Itstanding as on the repo	g as on the reporting date			
where banks have decided to effect change in ownership	Classified as standard	Classified as standard restructured	Classified as NPA			
-	-	-	-			

(o) Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A), as on March 31, 2019

No. of accounts where S4A has	Aggregate	Amount outstanding		Provision
been applied	amount	In Part A	In Part B	Held
Classified as Standard	-	-	-	-
Classified as NPA	-	-	-	-

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4. Investment portfolio: constitution and operations

(a) Repo Transactions

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2019
Securities sold under repo				
i. Government securities	-	-	-	-
ii. Corporate debt securities	-	-	-	-
Securities purchased under reverse repo				
i. Government securities	-	-	-	-
ii. Corporate debt securities	-	-	-	-

(b) Disclosure of Issuer Composition for Investment in Debt Securities

		(₹ crore				
		Amount of				
Issuer	Amount	Investment made through private placement	Below Investment Grade Securities Held	Unrated securities held	Unlisted securities	
(1)	(2)	(3)	(4)	(5)	(6)	
(i) PSUs	524.23	-	-	-		
(ii) Fls	1,224.42	96.94	-	78.55	103.00	
(iii) Banks	3,385.50	25.00	-	103.50	103.50	
(iv) Private Corporates	613.30	197.15	-	385.40	345.84	
(v) Subsidiaries/Joint ventures			-		-	
(vi) Others	2,314.24	967.45	-	967.45	1,467.45	
(vii) Provision held towards depreciation	-588.90		-			
Total	7,472.79	1,286.53	-	1,534.90	2,019.79	

(c) Sale & transfers of securities to /from HTM category:

During the current FY, the Bank has shifted G-Securities held under AFS category to HTM category as approved by board dated 06/04/2018. The total outstanding of G-Sec portfolio as on date of Shifting was ₹ 452.83 crore (Face Value). Except for the above, there was no shifting of investments to/from HTM category.

5. Details of Financial Assets purchased/ sold

(a) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

(i) Details of Sales

		(₹ crore)
Particulars	FY 2018-19	FY 2017-18
(i) No. of accounts (borrower)	1	105
 (ii) Aggregate value (net of provisions) of accounts sold to SC/RC 	-	_
(iii) Aggregate consideration	15	64.07
(iv) Additional consideration realized in respect of accounts transferred in earlier years	28.05	-
(v) Aggregate gain / loss over net book value	3.3	9.61

(ii) Details of Book Value of Investments in Security Receipts

		(₹ crore)
Particulars		f investments ty receipt
	FY 2018-19	FY 2017-18
(i) Backed by NPAs sold by the AIFI as underlying	0.27	9.76
(ii) Backed by NPAs sold by banks / other financial institutions/ non-banking financial companies as underlying	-	-
Total	0.27	9.76

(b) Details of Non Performing Financial Assets Purchased / Sold

(i) Details of non performing financial assets purchased:

Particulars	FY 2018-19	FY 2017-18
1. (a) No. of accounts purchased during the year	-	-
(b) Aggregate outstanding	-	-
2. (a) Of these, number of accounts restructured during the year	-	-
(b) Aggregate outstanding	-	-

(ii) Details of non performing financial assets sold:

			(₹ crore)
Pa	rticulars	FY 2018-19	FY 2017-18
1.	No. of accounts sold	1	105
2.	Aggregate outstanding	76.44	114.07
3.	Aggregate consideration received	15.00	64.07

6. Operating Results

Particulars	FY 2018-19	FY 2017-18
(i) Interest income as a percentage to average working funds	6.82	6.86
(ii) Non-interest income as a percentage to average working funds	0.32	0.55
(iii) Operating profit as a percentage to average working funds (before provisions)	1.87	2.28
(iv) Return on average assets (before provisions for taxation)	1.68	2.21
(v) Net Profit per employee (₹ crore)	1.77	1.39



7. Credit Concentration risk

(a) Capital market exposure

		(₹ crore)
Particulars	FY 2018-19	FY 2017-18
 direct investment in equity shares, convertible be convertible debentures and units of equity oriented m funds the corpus of which is not exclusively investe corporate debt; 	utual	570.66
 (ii) advances against shares / bonds / debentures or other secu or on clean basis to individuals for investment in shares (inclu IPOs / ESOPs), convertible bonds, convertible debentures units of equity oriented mutual funds; 	uding	-
 (iii) advances for any other purposes where shares or conve bonds or convertible debentures or units of equity orie mutual funds are taken as primary security; 		-
 (iv) advances for any other purposes to the extent secured b collateral security of shares or convertible bonds or conver debentures or units of equity oriented mutual funds i.e. w the primary security other than shares / convertible bon convertible debentures / units of equity oriented mutual funds does not fully cover the advances; 	rtible vhere nds /	-
 (v) secured and unsecured advances to stockbrokers guarantees issued on behalf of stockbrokers and m makers; 		-
 (vi) loans sanctioned to corporates against the security of sh / bonds / debentures or other securities or on clean for meeting promoter's contribution to the equity of companies in anticipation of raising resources; 	basis	-
(vii) bridge loans to companies against expected equity flows issues;	/ -	-
(viii) underwriting commitments taken up by the banks in res of primary issue of shares or convertible bonds or conve debentures or units of equity oriented mutual funds;		-
(ix) financing to stockbrokers for margin trading;	-	-
(x) all exposures to Venture Capital Funds (both registered and unregistered)	1,600.50	2,796.00
Total Exposure to Capital Market	2,099.77	3,366.66

(b) Exposure to Country risk

The bank had no overseas exposure during the current year and previous year.

(c) Prudential Exposure Limits - Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the AIFI

(i) The number and amount (not the name of the borrower) of exposures in excess of the prudential exposure limits during the year.

SI. No.	PAN Number	Borrower Name	Industry Code	Industry Name	Sector	Amount Funded	Amount Non-Funded	Exposure as % to Capital Funds
-	-	-	-	-	-	-	-	-

(ii) Credit exposure as percentage to capital funds and as percentage to total assets, in respect of:

Sr.	Particulars	FY 2018-19		FY 20	17-18
No.		As % to Total Assets	As % to Capital funds	As % to Total Assets	As % to Capital funds
1.	The largest single borrower	8.90	85.44	9.49	73.10
	The largest borrower group	As large borrowers are Primary lending Institutions, the concept of borrower group is not applicable.			
2.	The 20 largest single borrowers	70.96	680.91	66.95	515.69
	The 20 largest borrower group	As large borrowers are Primary lending Institutions, the concept of borrower group is not applicable.			

(iii) Credit exposure to the five largest industrial sectors as percentage to total loan assets:

				(₹ crore)
Name of Industry	FY 2018-19		FY 20 ⁻	17-18
	Amount Outstanding	% to total loan assets	Amount Outstanding	% to total loan assets
TRANSPORT EQUIPMENT	1,492.04	1.01	1,418.29	1.35
AUTO ANCILLARIES	815.70	0.55	1,146.56	1.09
COMMERCIAL VEHICLES	813.53	0.55	315.65	0.30
METAL PRODUCTS N.E.C.	496.71	0.34	413.56	0.39
METAL PRODUCTS PARTS EXCEPT MACHINERY	432.30	0.29	394.68	0.37

- (iv) Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is Nil as on March 31, 2019 and the estimated value of intangible security as on March 31, 2019 is Nil.
- (v) The bank had no factoring exposure during the current year and previous year.
- (vi) The bank had not exceeded the Prudential Exposure Limits during the current year and previous year.

(d) Concentration of borrowings /lines of credit, credit exposures and NPAs

(i) Concentration of borrowings and lines of credit

		(₹ crore)
Particulars	FY 2018-19	FY 2017-18
Total borrowings from twenty largest lenders	96,518.43	58,482.38
Percentage of borrowings from twenty largest lenders to	65.83%	57.41%
total borrowings		

(ii) Concentration of Exposures

		(₹ crore)
Particulars	FY 2018-19	FY 2017-18
Total advances to twenty largest borrowers	1,21,147.33	74,274.86
Percentage of advances to twenty largest borrowers to Total Advances	81.81%	70.51%
Total Exposure to twenty largest borrowers / customers	1,10,673.09	83,239.27
Percentage of exposures to twenty largest borrowers / customers to Total Exposure	74.82%	66.97%

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(iii) Sector-wise concentration of exposu	res and NPAs
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Sr.	Sector		FY 2018-1	9	(₹ crore) FY 2017-18			
No.		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	
I.	Industrial sector	1,31,112.35	860.68	0.66%	87,186.15	894.66	1.03%	
	1. Central Government	-	-			-		
	2. Central PSUs	-	-			-		
	3. State Governments	-	-			-		
	4. State PSUs	295.25	111.05	37.61%	257.19	0.10	0.04%	
	5. Scheduled Commercial Banks	1,20,550.44	-	-	76,087.06	-	-	
	6. Regional Rural Banks	314.97	-	-	520.87	-	-	
	7. Co-operative banks	-	-	-	-	-	-	
	8. Private sector (excluding banks)	9,951.70	749.63	7.53%	10,321.03	894.56	8.67%	
11.	Micro-finance sector	1,657.27	7.23	-	2,176.59	7.76	-	
111.	Others*	15,883.04	-		17,134.27	-		
	Total (I+II+III)	1,48,652.66	867.91	0.58%	1,06,497.01	902.42	0.85%	

* includes advances to NBFCs and Small Finance Banks.

8. Derivatives

(a) Forward Rate Agreement / Interest Rate Swap

Sr. No	Particulars	FY 2018-19	FY 2017-18
i)	The notional principal of swap agreements	USD 40,310,000	USD 40,310,000
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	USD 209,019	NIL
iii)	Collateral required by the bank upon entering into swaps	NIL	NIL
iv)	Concentration of credit risk arising from the swaps	USD 6,193	USD 201,550
V)	The fair value of the swap book	USD (19,056)	USD (571,037)

(b) Exchange Traded Interest Rate Derivatives

Sr. No	Particulars	FY 2018-19	FY 2017-18
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument - wise)	-	-
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on March 31 (instrument - wise)	-	-
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument - wise)	-	-
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument - wise)	-	-

(c) Disclosures on risk exposure in derivatives

(i) Qualitative Disclosures

- (1) 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.
- (2) Internal Control guidelines and accounting policies are framed and approved by the Board. The derivative structure is undertaken only after approval of the competent authority. The particulars of derivative details undertaken are also reported to ALCO/Board.
- (3) 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.

(ii)	Quantitative Disclosures
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					(₹ crore)
Sr.	Particulars	FY 201	8-19	FY 201	7-18
No.		Currency Derivatives	Interest rate Derivatives	Currency Derivatives	Interest rate Derivatives
1	Derivatives (Notional Principal Amount)	7,875.32		8,508.91	
	(i) For hedging	7,875.32	-	8,508.91	-
	(ii) For trading	-	-	-	-
2	Marked to Market Positions [1]	134.09		240.04	
	(i) Asset (+)	134.09	-	240.04	-
	(ii) Liability (-)	-	-	-	-
3	Credit Exposure [2]	698.06	-	803.78	-
4	Likely impact of one percentage change in interest rate (100* PV01)	143.04		167.74	
	(i) On hedging derivatives	143.04	-	167.74	-
	(ii) On trading derivatives	-	-	-	-
5	Maximum and Minimum of 100*PV01 observed during the year	-			
	(i) On hedging	170.56/143.04	-	186.30/167.74	-
	(ii) On trading	-	-	-	-

9. Disclosure of Letters of Comfort (LoCs) issued by AIFIs

The particulars of Letters of Comfort (LoCs) issued during the year, assessed financial impact, and assessed cumulative financial obligations under the LoCs issued in the past and outstanding is as under:

							(₹ crore)
LoCs outsta March 3	nding as on 31, 2018	LoC issued during the year		LoCs redeemed during the year		LoCs outsta March 3	nding as on 81, 2019
No of LoC	Amount	No of LoC	Amount	No of LoC	Amount	No of LoC	Amount
0	-	1	0.94	0	-	1	0.94



10. Asset Liability Management

									(₹ crore)
	1 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	296.00	975.05	3,537.49	2,264.07	7,607.48	61,149.00	506.00	436.00	76,771.09
Advances	2,404.14	7,125.10	22,358.73	15,243.44	19,147.74	73,549.29	4,350.50	552.00	1,44,730.94
Investments	6,930.00	200.00	1,400.00	5.00	434.00	109.00	1,114.00	4,136.00	14,328.00
Borrowings	15.00	620.00	12,019.00	9,653.00	15,112.00	24,841.00	1,858.00	531.00	64,649.00
Foreign Currency assets	174.00	86.00	1,556.00	285.00	984.00	3,408.00	2,218.00	2,595.00	11,306.00
Foreign Currency liabilities	2.00	-	1,319.00	148.00	544.00	2,782.00	2,478.00	3,983.00	11,256.00

(Fororo)

11. Draw Down from Reserves

There is no draw down from Reserves during the current year and previous year.

12. Business Ratios

Particulars	FY 2018-19	FY 2017-18
Return on average Equity (before provisions for taxation) (%)	17.11	15.44
Return on average assets (before provisions for taxation) (%)	1.98	2.21
Net Profit per employee (₹ crore)	1.77	1.39

13. Disclosure of Penalties imposed by RBI

RBI had not imposed any penalty on the Bank during the current year and previous year.

14. Customer Complaints

Par	ticulars	FY 2018-19	FY 2017-18
i	No. of complaints pending at the beginning of the year	2	2
ii	No. of complaints received during the year	183	63
iii	No. of complaints redressed during the year	175	63
iv	No. of complaints pending at the end of the year	10	2

15. Off-Balance Sheet SPVs Sponsored

The Bank had no Off-balance sheet SPVs sponsored during the current year and previous year.

16. Disclosure as per specific accounting standards

(a) Accounting Standard 5 – Net Profit or Loss for the period, prior period items and changes in accounting policies

Income in schedule XIII - 'other income' includes Prior Period Income of ₹ 3,21,69,155 for FY 2018-19 [Previous Year ₹ 24,23,74,283] and Other expenditure in schedule XIV - 'Operating Expenses' for FY 2018-19 includes Prior Period Expenditure of (₹ 19,33,197) [Previous Year (₹ 6,72,86,874)].

(b) Accounting Standard 17 – Segment Reporting

As required under RBI master directions and Accounting Standard-17 'Segment Reporting' the Bank has disclosed "Business segment" as the Primary Segment. Since the Bank operates in India, there are no reportable geographical segments. Under Business Segment, the Bank has identified Whole Sale Operations (Direct Lending), Whole Sale Operations (Refinance) and Treasury as its three reporting segments. These segments have been identified after considering the nature and risk profile of the products and services, the organization structure and the internal reporting system of the Bank. Previous year's figures have been regrouped and reclassified to conform to the current year's methodology.

Part A: BUSINESS SEGMENTS

Bu	siness Segments	ess Segments Wholesale Operations (Direct Lending)		Wholesale Operations (Refinance)		Treasury		Total	
	Particulars	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
1	Segment Revenue	1,007	1,212	8,261	5,364	649	810	9,917	7,386
	Exceptional Items							-	-
	Total							9,917	7386
2	Segment Results	191	200	2,293	1,956	220	218	2,704	2,376
	Exceptional Items							-	-
	Total							2,704	2376
	Unallocable Expenses							179	169
	Operating profit							2,526	2207
	Income Tax (Net of write back)							568	631
	Share of profit in associates							1	1
	Net profit							1,959	1577
3	Other information								
	Segment Assets	9,526	9,744	1,29,971	97,462	14,236	15,404	1,53,733	1,22,611
	Unallocated Assets							17,721	1,720
	Total Assets							1,71,454	1,24,331
	Segment Liabilities	6,726	6,936	1,18,901	88,689	15,287	11,858	1,40,914	1,07,475
	Unallocated Liabilities							13,977	1,871
	Total							1,54,891	1,09,346
	Capital / Reserves	2,812	2,793	10,960	6,798	2,790	5,475	16,563	14,985
	Total							16,563	14,985
	Total Liabilities							1,71,454	1,24,331

Part B: GEOGRAPHIC SEGMENTS - Nil

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(c) Accounting Standard 18 – Related Party Disclosures

Items / Related Party	Parent (as per ownership or control)	Sub-sidiaries	Associates/ Joint ventures	Key Management Personnel@	Relatives of Key Management Personnel	Total
Borrowings#						
Outstanding at the year end	-	-	-	-	-	-
Maximum during the year	-	-	-	-	-	-
Deposit#						
Outstanding at the year end	-	-	0.50	0.81	-	1.31
Maximum during the year	-	121.89	0.50	0.81	-	123.21
Placement of deposits#	-	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-	-
Maximum during the year	-	-	-	-	-	-
Advances#						
Outstanding at the year end	-	-	-	-	-	-
Maximum during the year	-	-	-	-	-	-
Investments#						
Outstanding at the year end	-	1,751.05	28.60	-	-	1,779.65
Maximum during the year	-	1,751.05	28.60	-	-	1,779.65
Non funded commitments#	-	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-	-
Maximum during the year	-	-	-	-	-	-
Leasing arrangements availed#						
Outstanding at the year end	-	-	-	-	-	-
Maximum during the year	-	-	-	-	-	-
Leasing arrangements provided#						
Outstanding at the year end	-	-	-	-	-	-
Maximum during the year	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-
Interest paid	-	1.79	0.03	0.02	-	1.84
Interest received						
Rendering of services*	-	36.57	3.31	-	-	39.89
Receiving of services*	-	-	-	-	-	-
Management contracts*	-	-	-	0.93**	-	0.93**

@ Whole time directors of the Board

The outstanding at the year end and the maximum during the year are to be disclosed

* Contract services etc. and not services like remittance facilities, locker facilities etc.

** Remuneration to Key Management Personnel.

17. Unamortised Pension and Gratuity Liabilities

The pension and gratuity liability are provided for on the basis of an actuarial valuation made at the end of each financial year based on the projected unit credit method. The acturial gains/ losses are taken to the profit & loss account and are not amortized.

As per our report of even o	late	BY ORDER O		
For Chhajed & Doshi	Rajendra Agrawal	Manoj Mittal	Ajay Kumar Kapur	Mohammad Mustafa
Chartered Accountants FRN: 101794W	General Manager (Corporate Accounts Vertical)	Dy. Managing Director	Dy. Managing Director	Chairman & Managing Director

G Gopalakrishna

Director

Ashish Gupta

Director

Kiran K Daftary

Partner M. No.: 010279

Lucknow, May 10, 2019



Consolidated Cash Flow Statement

for the year ended March 31, 2019

				(Amount in ₹)
March 31, 2018		Particulars	March 31, 2019	March 31, 2019
	1.	Cash Flow from Operating Activities		
22,07,29,34,129		Net Profit before tax as per P & L Account		25,27,39,54,039
		Adjustments for:		
11,44,13,211		Depreciation	18,43,71,236	
(19,31,47,663)		Provision for net depreciation in investments	(2,67,59,59,652)	
1,57,99,47,620		Provisions made (net of write back)	5,92,27,06,235	
(2,51,13,83,994)		Profit on sale of investments (net)	(3,24,91,18,727)	
(22,69,860)		Profit on sale of fixed assets	(1,58,59,255)	
(7,34,78,100)		Dividend Received on Investments	(15,04,21,412)	1,57,18,425
20,98,70,15,344		Cash generated from operations		25,28,96,72,464
		(Prior to changes in operating Assets and Liabilities)		
		Adjustments for net changes in:		
(6,96,24,96,647)		Current assets	(19,31,46,34,266)	
2,09,36,84,066		Current liabilities	(13,05,52,32,446)	
1,81,37,84,030		Bills of Exchange	3,92,85,72,063	
(3,17,53,17,83,144)		Loans & Advances	(4,25,40,24,27,769)	
31,66,20,54,018		Net Proceeds of Bonds and Debentures & other borrowings	1,30,90,67,95,800	
3,13,87,68,96,577		Deposits received	3,34,22,86,35,474	11,29,17,08,854
24,95,21,38,900				
45,93,91,54,244				36,58,13,81,318
(5,88,97,36,590)		Payment of Tax		(7,58,07,86,087)
40,04,94,17,654		Net Cash flow from operating Activities		29,00,05,95,231
	2.	Cash Flow from Investing Activities		
(46,37,51,683)		Net (Purchase)/Sale of fixed assets	(61,84,35,556)	
(16,49,23,60,626)		Net (Purchase)/sale/redemption of Investments	(5,34,25,60,587)	
24,50,87,253		Dividend Received on Investments	39,74,12,153	
(16,71,10,25,056)		Net cash used in Investing Activities		(5,56,35,83,990)
	3.	Cash flow from Financing Activities		
		Proceeds from issuance of share capital & share premium		
(1,30,21,42,163)		Dividend on Equity Shares & tax on Dividend	(1,62,57,07,281)	
(1,30,21,42,163)		Net cash used in Financing Activities		(1,62,57,07,281)
22,03,62,50,435	4.	Net increase/(decrease) in cash and cash equivalents		21,81,13,03,960
67,36,38,40,810	5.	Cash and Cash Equivalents at the beginning of the period		89,40,00,91,245
89,40,00,91,245	6	Cash and Cash Equivalents at the end of the period		1,11,21,13,95,205

					(Amount in ₹)
March 31, 2018	Particulars		March 3	1, 2019	March 31, 2019
	7 Cash and cash equival includes	ents at the end of the	e period		
6,24,411	Cash in Hand				6,14,123
21,03,83,844	Current account balance with Bank				68,39,55,262
22,01,00,00,018	Mutual Funds				9,00,00,00,000
67,17,90,82,972	Deposits				1,01,52,68,25,820
	5	Accountants of India (I		A3-3 (RE	eviseu) Casil Filow
As per our report of even date BY ORDER OF THE BC		F THE BOARD			
For Chhajed & Doshi Chartered Accountants FRN: 101794W	Rajendra Agrawal General Manager (Corporate Accounts Vertical)	Manoj Mittal Dy. Managing Director	Ajay Kumar Kapur Dy. Managing Director		nammad Mustafa n & Managing Director
Kiran K Daftary Partner M. No.: 010279		G Gopalakrishna Director	Ashish Gupta Director		

Lucknow, May 10, 2019

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Small Industries Development Bank of India www.sidbi.in WYATTPrism (info@wyatt.co.in)

