



Annual Report 2017-18

(Part - II)



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



APPENDIX I:

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

INDEPENDENT AUDITORS' REPORT

To
The Shareholders of
Small Industries Development Bank of India

Report on the Financial Statements

We have audited the accompanying Financial Statements of Small Industries Development Bank of India ("the Bank") which comprises the Balance Sheet as at 31st March, 2018 and the Profit & Loss Account and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Incorporated in these financial statements are the returns of 25 Branches visited by us for the purpose of audit and the same including Head Office accounts for 98.31% of Advances, 99.60% of Deposits, 100% of Borrowings, 95.36% of interest income on Advances, 99.37% 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 balance branches of the Bank and have reviewed their returns at the Head Office.

Management Responsibility for the Financial Statements

The Bank's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with Small Industries Development Bank of India General Regulations, 2000, the accounting principles generally accepted in India, including the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and applicable RBI guidelines as issued from time to time. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Bank 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 of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Bank's Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Small Industries Development Bank of India General Regulations, 2000 in the manner so required to the extent required by the Bank and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Bank as at 31st March 2018,
- b) in the case of the Profit and Loss Account, of the profit of the Bank for the year ended 31st March 2018,
- c) in the case of cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

We report that:

1. The Balance Sheet and Profit and Loss Account 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.

2. 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.
3. 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.
4. 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.
5. The transactions of the Bank, which have come

to our notice, have been within the powers of the Bank.

6. The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
7. In our opinion, the aforesaid financial statements dealt with by this report comply with the applicable Accounting Standards.

For Chhajer & Doshi
Chartered Accountants
FRN. 101794W

Kiran K. Daftary
Partner
M.No. 010279

Place: Camp Delhi
Date: May 12, 2018



Balance Sheet as at March 31, 2018

[Amount in ₹]

CAPITAL AND LIABILITIES	SCHEDULES	March 31, 2018	March 31, 2017
Capital	I	5,31,92,20,310	5,31,92,20,310
Reserves, Surplus and Funds	II	1,43,59,98,17,005	1,30,69,51,76,335
Deposits	III	4,03,74,61,14,199	1,58,61,92,17,622
Borrowings	IV	4,66,09,11,12,071	4,34,42,90,58,053
Other Liabilities and Provisions	V	69,13,74,48,226	67,54,21,68,867
Deferred Tax Liability (refer Note 20)		80,08,18,451	21,84,93,690
Total		10,88,69,45,30,262	7,96,82,33,34,877
ASSETS			
Cash and Bank Balances	VI	10,31,46,03,434	9,82,29,33,216
Investments	VII	92,02,12,79,977	77,58,15,40,345
Loans & Advances	VIII	9,52,90,68,68,896	6,82,89,63,15,860
Fixed Assets	IX	2,40,83,72,938	2,05,67,86,919
Other Assets	X	31,04,34,05,017	24,46,57,58,537
Total		10,88,69,45,30,262	7,96,82,33,34,877
Contingent Liabilities	XI	89,79,97,51,555	1,00,11,75,13,357
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

R K Das
Chief General Manager
(Corporate Accounts Vertical)

Manoj Mittal
Dy. Managing Director

Ajay Kumar Kapur
Dy. Managing Director

Mohammad Mustafa
Chairman &
Managing Director

Kiran K Daftary
Partner
M.No. 010279

Sharad Sharma
Director

J Chandrasekaran
Director

New Delhi
May 12, 2018

Profit & Loss Account for the year ended March 31, 2018

[Amount in ₹]

INCOME	SCHEDULES	March 31, 2018	March 31, 2017
Interest and Discount	XII	61,79,65,52,201	60,70,83,67,227
Other Income	XIII	4,20,75,66,787	2,74,96,49,654
Total		66,00,41,18,988	63,45,80,16,881
EXPENDITURE			
Interest & Financial charges (refer Note 3)		40,82,58,44,806	40,46,36,24,495
Operating Expenses	XIV	5,10,70,54,913	5,32,66,67,698
Provisions & Contingencies		44,67,44,477	79,30,41,637
Total		46,37,96,44,196	46,58,33,33,830
Profit before Tax		19,62,44,74,792	16,87,46,83,051
Provision for Income Tax (refer Note 21)		4,74,99,75,461	5,87,37,95,960
Deferred Tax Adjustment		58,23,24,762	(20,09,06,482)
[(Asset) / Liability] (refer Note 20) Profit after Tax		14,29,21,74,569	11,20,17,93,573
Profit brought forward		43,56,01,325	40,45,78,028
Total Profit / (Loss)		14,72,77,75,894	11,60,63,71,601
Appropriations			
Transfer to General Reserve		12,20,00,00,000	9,30,00,00,000
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		-	2,02,40,174
Transfer to Staff Welfare Fund		2,00,00,000	2,00,00,000
Dividend on Shares		1,14,36,32,367	93,93,08,909
Tax on Dividend		23,28,16,641	19,12,21,193
Surplus in Profit & Loss account carried forward		43,13,26,886	43,56,01,325
Total		14,72,77,75,894	11,60,63,71,601
Basic/Diluted Earning Per Share (refer Note 17 and 31)		26.87	21.47
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
FRN.101794W

R K Das
Chief General Manager
(Corporate Accounts Vertical)

Manoj Mittal
Dy. Managing Director

Ajay Kumar Kapur
Dy. Managing Director

Mohammad Mustafa
Chairman & Managing Director

Kiran K Daftary
Partner
M.No. 010279

Sharad Sharma
Director

J Chandrasekaran
Director

New Delhi
May 12, 2018

Schedules to Balance Sheet

[Amount in ₹]

	CAPITAL AND LIABILITIES	March 31, 2018	March 31, 2017
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	95,79,51,37,200	85,94,31,73,555
	- Additions during the year	12,20,00,00,000	9,85,19,63,645
	- Utilisations during the year	-	-
	- Closing Balance	1,07,99,51,37,200	95,79,51,37,200
	ii) Share Premium		
	- Opening Balance	16,68,07,79,690	7,13,01,77,500
	- Additions during the year	-	9,55,06,02,190
	- Utilisations during the year	-	-
	- Closing Balance	16,68,07,79,690	16,68,07,79,690
	iii) Specific Reserves		
	a) Investment Reserve		
	- Opening Balance	-	55,19,63,645
	- Additions during the year	-	-
	- Utilisations during the year	-	55,19,63,645
	- Closing Balance	-	-
	b) Special Reserve created and maintained u/s 36 (1) (viii) of The Income Tax Act, 1961		
	- Opening Balance	14,27,00,00,000	13,57,00,00,000
	- Additions during the year	70,00,00,000	70,00,00,000
	- Utilisations during the year	-	-
	- Closing Balance	14,97,00,00,000	14,27,00,00,000
	c) Other Reserves		
	i) Investment Fluctuation Reserve		
	- Opening Balance	70,37,86,026	68,35,45,852

Schedules to Balance Sheet

[Amount in ₹]

	CAPITAL AND LIABILITIES	March 31, 2018	March 31, 2017
	- Additions during the year	-	2,02,40,174
	- Utilisations during the year		
	- Closing Balance	70,37,86,026	70,37,86,026
	B) Surplus in Profit and Loss account	43,13,26,886	43,56,01,325
	C) Funds		
	a) National Equity Fund		
	- Opening Balance	2,56,29,86,071	2,55,40,61,491
	- Additions / Write back during the year	65,68,575	89,24,580
	- Utilisations during the year	-	-
	- Closing Balance	2,56,95,54,646	2,56,29,86,071
	b) Staff Welfare Fund		
	- Opening Balance	24,68,86,023	24,52,11,745
	- Additions during the year	2,00,00,000	2,00,00,000
	- Utilisations during the year	1,76,53,466	1,83,25,722
	- Closing Balance	24,92,32,557	24,68,86,023
	c) Others	-	-
	Total	1,43,59,98,17,005	1,30,69,51,76,335
Schedule III	Deposits		
	A) Fixed Deposits	53,74,61,14,199	20,48,37,42,622
	B) From Banks		
	a) Under MSME Refinance Fund	2,80,00,00,00,000	90,00,00,00,000
	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	5,00,00,00,000	5,00,00,00,000
	e) Under Fund for Venture Capital in MSME sector 2014-15	50,00,00,00,000	28,13,54,75,000
	Subtotal (B)	3,50,00,00,00,000	1,38,13,54,75,000
	Total	4,03,74,61,14,199	1,58,61,92,17,622
Schedule IV	Borrowings		
	I) Borrowings in India		
	1. From Reserve Bank of India	-	-
	2. From Government of India (refer Note 7) (including Bonds subscribed by GOI)	22,16,75,23,471	22,50,10,65,132
	3. Bonds & Debentures (refer Note 1)	1,65,49,00,00,000	93,01,00,00,000
	4. From Other Sources		
	- Commercial Paper	57,00,00,00,000	1,75,80,00,00,000
	- Certificate of Deposits	1,02,03,00,00,000	10,75,00,00,000

Schedules to Balance Sheet

[Amount in ₹]

	CAPITAL AND LIABILITIES	March 31, 2018	March 31, 2017
	- Term Loans from Banks	5,14,97,50,157	6,43,37,83,120
	- Term Money Borrowings	-	-
	- Others (refer Note 11)	2,99,81,04,466	13,71,89,34,745
	Subtotal (I)	3,54,83,53,78,094	3,22,21,37,82,997
	II) Borrowings outside India		
	(a) KFW, Germany	15,46,66,00,852	13,82,11,29,853
	(b) Japan International Cooperation Agency (JICA)	41,56,06,40,163	43,35,71,46,562
	(c) IFAD, Rome (refer Note 15)	1,16,52,80,010	1,12,73,11,010
	(d) World Bank	49,29,67,67,641	49,82,91,45,632
	(e) Others	3,76,64,45,311	4,08,05,41,999
	Subtotal (II)	1,11,25,57,33,977	1,12,21,52,75,056
	Total (I & II)	4,66,09,11,12,071	4,34,42,90,58,053
Schedule V	Other Liabilities and Provisions:		
	Interest Accrued	20,79,29,45,100	15,00,12,66,810
	Provision for SIDBI Employees' Provident Fund	2,17,11,80,143	1,94,67,77,333
	Provision for SIDBI Pension Fund	45,98,78,213	3,10,02,47,991
	Provision for Sick Leave Fund	21,12,89,197	15,64,21,851
	Provision for Medical Assistance Scheme Fund	19,30,76,860	24,20,93,347
	Provision for Employees Benefit	2,72,65,14,780	2,13,50,44,197
	Others (including provisions) (refer Notes 10, 24 and 27)	35,84,05,17,044	39,10,40,81,495
	Provisions for Exchange Rate Fluctuation (refer Note 6)	1,53,73,62,766	1,53,73,62,766
	Contingent provisions against standard assets (refer Note 25)	3,82,82,35,115	3,18,83,42,975
	Proposed Dividend (including tax on dividend) (refer Note 18)	1,37,64,49,008	1,13,05,30,102
	Total	69,13,74,48,226	67,54,21,68,867

Schedules to Balance Sheet

[Amount in ₹]

	ASSETS	March 31, 2018	March 31, 2017
Schedule VI	Cash & Bank Balances		
	1. Cash in Hand & Balances with Reserve Bank of India	6,13,630	6,75,054
	2. Balances with other Banks		
	(a) In India		
	i) in current accounts	20,69,20,084	27,84,72,360
	ii) in other deposit accounts (refer Note 12)	2,49,98,73,284	2,35,19,83,362
	(b) Outside India		
	i) in current accounts	6,58,942	4,51,903
	ii) in other deposit accounts	7,60,65,37,494	7,19,13,50,537
	Total	10,31,46,03,434	9,82,29,33,216
Schedule VII	Investments [net of provisions]		
	A) Treasury operations		
	1. Securities of Central and State Governments	4,55,71,12,568	3,96,80,00,401
	2. Shares of Banks & Financial Institutions	23,95,12,137	23,95,12,137
	3. Bonds & Debentures of Banks & Financial Institutions	12,66,68,18,755	10,97,74,52,685
	4. Stocks, Shares, Bonds & Debentures of Industrial Concerns	2,48,80,48,275	2,48,80,48,275
	5. Short Term Bills Rediscounting Scheme	-	-
	6. Others	42,66,30,80,482	32,02,75,73,351
	Subtotal (A)	62,61,45,72,217	49,70,05,86,849
	B) Business Operations		
	1. Shares of Banks & Financial Institutions	1,75,12,24,775	1,14,92,61,420
	2. Bonds & Debentures of Banks & Financial Institutions	-	-
	3. Stocks, Shares, bonds & Debentures of Industrial Concerns	3,82,54,41,280	4,05,77,31,494
	4. Investment in Subsidiaries	17,51,04,98,740	17,51,04,98,740
	5. Others	6,31,95,42,965	5,16,34,61,842
	Subtotal (B)	29,40,67,07,760	27,88,09,53,496
	Total (A+B)	92,02,12,79,977	77,58,15,40,345
Schedule VIII	Loans & Advances [Net of Provisions]		
	A) Refinance to		
	- Banks and Financial Institutions (refer Note.8)	7,26,22,51,69,807	4,85,03,25,11,104
	- Micro Finance Institutions	15,79,76,70,001	23,07,50,81,449
	- NBFC	1,14,11,67,93,703	68,66,82,93,916
	- Bills Rediscounted	-	-
	- Others (Resource Support)	-	-
	Subtotal (A)	8,56,13,96,33,511	5,76,77,58,86,469

Schedules to Balance Sheet

[Amount in ₹]

	ASSETS	March 31, 2018	March 31, 2017
	B) Direct Loans		
	- Loans and Advances	87,74,77,86,153	95,40,64,92,741
	- Receivable Finance Scheme	9,01,94,49,232	10,70,86,54,657
	- Bills Discounted	-	52,81,993
	Subtotal (B)	96,76,72,35,385	1,06,12,04,29,391
	Total (A+B)	9,52,90,68,68,896	6,82,89,63,15,860
Schedule IX	Fixed Assets (refer Note 23) [Net of Depreciation]		
	1. Premises (refer Note.5 and 14)	2,38,98,20,372	2,03,57,06,345
	2.Others	1,85,52,566	2,10,80,574
	Total	2,40,83,72,938	2,05,67,86,919
Schedule X	Other Assets:		
	Accrued Interest	16,46,00,48,900	16,14,41,28,757
	Advance Tax (Net of provision)	3,38,43,98,721	3,23,22,13,344
	Others	5,64,18,92,790	1,63,77,66,607
	Expenditure to the extent not written off (refer Note.2)	5,55,70,64,606	3,45,16,49,829
	Total	31,04,34,05,017	24,46,57,58,537
Schedule XI	CONTINGENT LIABILITIES		
	i) Claims against the Bank not acknowledged as debts(refer Note 22)	3,53,80,94,592	3,78,35,70,266
	ii) On account of Guarantees / Letters of Credit	59,49,90,462	1,06,70,90,288
	iii) On account of Forward Contracts	57,76,04,313	4,18,59,06,954
	iv) On account of Underwriting Commitments	-	-
	v) On account of uncalled monies on partly paid shares, debentures	-	-
	vi) Other items for which the Bank is contingently liable (derivative contracts etc.)	85,08,90,62,188	91,08,09,45,849
	Total	89,79,97,51,555	1,00,11,75,13,357

Schedules to Profit & Loss Account

[Amount in ₹]

		March 31, 2018	March 31, 2017
Schedule XII	Interest and Discount		
	1. Interest and Discount on Loans, Advances and Bills	58,22,02,55,330	57,07,98,42,609
	2. Income on Investments / Bank balances	3,57,62,96,871	3,62,85,24,618
	Total	61,79,65,52,201	60,70,83,67,227
Schedule XIII	Other Income:		
	1. Upfront and Processing Fees	20,95,56,263	28,42,39,805
	2. Commission and Brokerage	1,83,08,305	2,42,76,355
	3. Profit on sale of Investments	1,16,51,82,129	1,44,29,13,742
	4. Income earned by way of dividends etc. from Subsidiaries / Associates	18,06,26,903	6,14,14,574
	5. Provision of Earlier Years written Back	-	-
	6. Others (refer Note 13)	2,63,38,93,187	93,68,05,178
	Total	4,20,75,66,787	2,74,96,49,654
Schedule XIV	Operating Expenses:		
	Payments to and provisions for employees (refer Note 16.9)	3,79,44,65,377	4,07,09,39,524
	Rent, Taxes and Lighting	20,06,75,587	21,20,12,457
	Printing & Stationery	98,12,612	1,04,85,129
	Advertisement and Publicity	3,39,22,299	2,77,29,482
	Depreciation / Amortisation on Bank's Property	1,13,3,97,507	20,05,08,564
	Directors' fees, allowances and expenses	55,98,607	57,67,190
	Auditor's Fees	35,73,052	64,46,071
	Law Charges	1,37,60,919	1,53,25,992
	Postage, Courier, Telephones etc	23,26,271	28,62,042
	Repairs and maintenance	9,45,67,488	10,95,30,935
	Insurance	47,17,314	53,97,631
	Contribution to CGTMSE	-	4,44,41,750
	Other Expenditure	83,02,37,880	61,52,20,931
	Total	5,10,70,54,913	5,32,66,67,698

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 / re discounted and on discounted instruments is recognised over the period of usage 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.
- 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.

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: 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.
- 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.

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

- i. 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

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.
- (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/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 recognised over the period of service, which entitles the employees to such benefits.

11. FIXED ASSETS AND DEPRECIATION

- a) 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.

- d) 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.

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 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.

Schedule XVI - Notes of Accounts

[Amount in ₹]

		March 31, 2018	March 31, 2017
1	Bonds and Debentures' under Borrowings in schedule IV includes the following :		
	a) Unsecured Bonds	1,65,49,00,00,000	93,01,00,00,000
2	Expenditure to the extent not written off' under Other Assets in schedule X includes the following:		
	a) Premium on transfer of RBI NIC(LTO) to GoI Bonds	16,92,53,445	21,15,66,806
	b) Discount paid in Advance Certificate of Deposit	4,41,28,19,648	58,74,85,424
	c) Discount paid in Advance - Commercial Paper	95,13,63,287	2,63,83,88,518
	d) Expenditure on Issuance of Unsecured Bonds	2,36,28,226	1,42,09,081
3	Interest and Financial Charges		
	a) Interest on Borrowings	17,36,82,65,296	22,65,83,66,622
	b) Interest on Deposits	17,28,27,64,801	10,99,39,06,063
	c) Financial Charges	6,17,48,14,710	6,81,13,51,810
	Total	40,82,58,44,807	40,46,36,24,495
4	Estimated amount of contracts remaining to be executed on Capital Account not provided for (net of advance paid)	1,02,46,63,903	3,21,29,675

- 5 Premises in Schedule IX include advances towards acquisition of Premises ₹ 11,06,68,896 (Previous Year ₹ 12,34,099) and Capital Work in Progress ₹ 3,83,22,688 (Previous Year ₹ 3,41,88,676).
- 6 In respect of foreign currency borrowings of JPY 30 billion (JPY 11.71 billion as on March 31, 2018) 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 ₹ 348,90,46,842 (Previous Year - ₹ 346,38,73,018) 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 from current year till such time the ERFF balance remains surplus vis a vis the loan outstanding under JICA-V LoC.
- 7 The borrowing of ₹ 261,65,33,300 (Previous Year - ₹ 305,26,22,182) 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, 2018 in ERFF maintained for this loan is ₹ 250,24,79,068 (Previous Year - ₹ 281,96,49,464).
- 8 Refinance to Banks and Financial Institutions under Loans & Advances - schedule VIII includes Refinance to Small Finance Banks (SFBs) ₹ 37,03,72,29,886 as on March 31, 2018 [Previous Year- ₹ 5,85,00,00,000].
- 9 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 56.02 million (equivalent to ₹ 532.30 Crore) as on March 31, 2018 [Previous Year SDR 59.31 million (equivalent to ₹ 522.04 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'.

- 10 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 1% per annum 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 ₹ 216,42,49,205 as on March 31 2018 (Previous year ₹ 194,61,83,900).
- b) ASPIRE Fund is a ₹ 60 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 verticals and sectors to galvanize the rural economy. Additional amount of ₹ 40 Crore has been released to SIDBI during January 2018 out of the additional commitment of ₹ 250 Crore by MoMSME. These investments 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 ₹ 90,49,90,811 as on March 31 2018 (Previous year ₹ 56,44,38,500).
- 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 out of the corpus of FFS to SIDBI and further permitted to take further commitments of ₹ 1600 Crore. These investments 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 ₹ 510,77,99,574 as on March 31 2018 (Previous year ₹ 589,95,88,134).
- 11 The Bank has pledged Government Securities & Treasury Bills aggregating to face value ₹ 452,82,00,000 (book value ₹ 471,36,68,932) [Previous Year ₹ 382,82,00,000 (book value ₹ 401,24,61,432)] with Clearing Corporation of India Ltd. for Collateralised Borrowings and Lending Obligations (CBLO). The Bank has placed Fixed Deposits with IDBI Bank to cover its operations under Working Capital arrangement with IDBI Bank.
- 12 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 ₹ 514,97,50,157 as on March 31, 2018 (Previous Year ₹ 643,37,83,119). As on March 31, 2018, the interest receivable on these foreign currency deposits matches with the interest payable on borrowings under various lines of credit.
- 13 Other income - Schedule XIII includes principal recoveries on account of advances written off in earlier years ₹ 182,80,34,855 (previous year ₹ 46,52,53,766).
- 14 Conveyance deed in respect of certain Officer's Flats has not been executed due to pending legal matter, the net W.D.V. of these flats is ₹ 2,79,17,744 (Previous year ₹ 786,93,743) as on March 31, 2018. 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.
- 15 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, 2018 for this loan is ₹ 116,52,80,010 (Previous Year ₹ 112,73,11,010).

- 16 **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, 2018	March 31, 2017
Employer's contribution to Provident fund	5,83,87,971	4,36,88,123
Employer's contribution to New Pension Scheme	1,91,20,772	1,45,96,318

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

(₹ Crore)

		Pension		Gratuity	
		FY 2018	FY 2017	FY 2018	FY 2017
1. Assumptions					
	Discount Rate	7.72%	7.21%	7.73%	7.29%
	Rate of Return on Plan Assets	7.72%	7.21%	7.73%	7.29%
	Salary Escalation	6.00%	7.00%	6.00%	7.00%
	Attrition rate	2.00%	2.00%	2.00%	2.00%
2. Table showing change in Benefit Obligation					
	Liability at the beginning of the year	408.10	344.27	75.49	73.09
	Interest Cost	29.42	26.72	5.50	5.81
	Current Service Cost	12.73	10.83	5.27	4.92
	Past Service Cost (Non Vested Benefit)	0.00	0.00	0.00	0.00
	Past Service Cost (Vested Benefit)	0.00	0.00	31.43	0.00
	Liability Transferred in	0.00	0.00	0.00	0.00
	(Liability Transferred out)	0.00	0.00	0.00	0.00
	(Benefit Paid)	0.00	0.00	(4.58)	(4.62)
	Actuarial (gain) / loss on obligations	1.78	26.28	(2.06)	(3.71)
	Liability at the end of the year	452.03	408.10	111.05	75.49
3. Tables of Fair value of Plan Assets					
	Fair Value of Plan Assets at the beginning of the year	98.07	90.47	111.78	106.46
	Expected Return on Plan Assets	7.07	7.02	8.15	8.47
	Contributions	300.00	0.00	0.00	1.19
	Transfer from other company	0.00	0.00	0.00	0.00
	(Transfer to other company)	0.00	0.00	0.00	0.00
	(Benefit Paid)	0.00	0.00	(4.58)	(4.62)
	Actuarial gain / (loss) on Plan Assets	0.32	0.58	(0.10)	0.29
	Fair Value of Plan Assets at the end of the year	405.46	98.07	115.25	111.79
4. Table of Recognition of Actuarial Gains/ Losses					
	Actuarial (Gains)/ Losses on obligation for the period	1.78	26.28	(2.07)	(3.71)
	Actuarial (Gains)/ Losses on asset for the period	(0.32)	(0.58)	0.10	(0.29)
	Actuarial (Gains)/ Losses recognized in Income & Expense Statement	1.46	25.70	(1.97)	(4.00)

		Pension		Gratuity	
		FY 2018	FY 2017	FY 2018	FY 2017
5.	Actual Return on Plan Assets				
	Expected Return on Plan Assets	7.07	7.02	8.15	8.47
	Actuarial Gain / (Loss) on Plan Assets	0.32	0.58	(0.10)	0.29
	Actual Return on Plan Assets	7.39	7.60	8.05	8.76
6.	Amount Recognised in the Balance Sheet				
	Liability at the end of the year	(452.02)	(408.09)	(111.05)	(75.50)
	Fair Value of Plan Assets at the end of the year	405.46	98.07	115.25	111.79
	Difference	(46.56)	(310.02)	4.20	36.29
	Unrecognised Past Service Cost at the end of the year	0.00	0.00	0.00	0.00
	Unrecognised Transitional Liability at the end of the year	0.00	0.00	0.00	0.00
	Net Amount recognised in the Balance Sheet	(46.56)	(310.02)	4.20	36.29
7.	Expenses Recognised in the Income Statement				
	Current Service Cost	12.73	10.84	5.27	4.92
	Interest Cost	22.35	19.69	(2.64)	(2.66)
	Expected Return on Plan Assets	0.00	0.00	(1.97)	(4.00)
	Past Service Cost (Non Vested Benefit) recognised during the year	0.00	0.00	0.00	0.00
	Past Service Cost (Vested Benefit) recognised during the year	0.00	0.00	31.43	0.00
	Recognition of Transition Liability during the year	0.00	0.00	0.00	0.00
	Actuarial (Gain) / Loss	1.46	25.70	0.00	0.00
	Expense Recognised in Profit & Loss account	36.54	56.23	32.09	(1.74)
8.	Balance Sheet Reconciliation				
	Opening Net Liability	310.02	253.80	(36.29)	(33.37)
	Expense as above	36.54	56.23	32.09	(1.74)
	Employers Contribution	(300)	0.00	0.00	(1.18)
	Amount recognised in the Balance Sheet	46.56	310.03	(4.20)	(36.29)
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.				
	Estimated Contribution for next year (12 months)	28.55	25.08	1.40	0.00
10.	Category of Assets				
	Government of India Assets	0.00	0.00	0.00	0.00
	Corporate Bonds	0.00	0.00	0.00	0.00
	Special Deposits Scheme	0.00	0.00	0.00	0.00
	Equity Shares of Listed Companies	0.00	0.00	0.00	0.00
	Property	0.00	0.00	0.00	0.00
	Insurer Managed Funds (LIC of India)	405.46	98.07	115.25	111.79
	Other	0.00	0.00	0.00	0.00
	Total	405.46	98.07	115.25	111.79

11.	Experience Adjustment:	Pension					Gratuity				
	Financial Year	2018	2017	2016	2015	2014	2018	2017	2016	2015	2014
	On Plan Liability (Gain)/Loss	66.81	(5.53)	22.70	(0.90)	24.34	10.18	(7.91)	(6.20)	(0.56)	(3.72)
	On Plan Asset (Loss)/Gain	0.32	0.58	(0.17)	(1.43)	0.32	(0.10)	0.29	(0.40)	0.21	0.62

(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	As on March 31, 2018	As on March 31, 2017
1	Ordinary Leave Encashment	11.84	5.82
2	Sick Leave	5.49	0.69
3	Resettlement Expenses	0.00	0.06
4	Post Retirement Medical Scheme Facilities	(3.51)	4.33

17 Earning Per Share (EPS) (AS-20)* :

Particulars	March 31, 2018	March 31, 2017
Net Profit considered for EPS calculation (₹)	14,29,21,74,569	11,20,17,93,573
Weighted Average Number of equity shares of face value ₹ 10 each	53,19,22,031	52,18,38,283
Earning per share (₹)	26.87	21.47

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

18 The proposed dividend (including dividend distribution tax) is accounted as liability in the books of accounts under Schedule V.

19 During the current FY, the balance in the Investment Reserve is Nil (Previous Year ₹ 55.20 crore as per Board approval was transferred to General Reserve).

20 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 ₹ 58,23,24,762 as Deferred Tax Liability (Previous year - Deferred Tax Asset was ₹ 20,09,06,482/-) in the Profit & Loss Account for the year ended March 31, 2018. The Break up of Deferred Tax Asset/(Liability) as on March 31, 2018 is as follows :

Timing Difference	Deferred Tax Asset/(Liability) ₹	
	March 31, 2018	March 31, 2017
a) Provision for Depreciation	(1,21,30,753)	95,77,629
b) Special Reserve u/s 36(1)(viii) of the Income Tax Act 1961	(4,44,78,09,616)	(4,21,81,48,976)
c) Provisions for Bad & Doubtful Debts	2,53,21,09,985	2,11,36,06,638
d) Amortisation of Premium on GOI Bonds	(5,86,23,034)	(7,32,66,842)
e) Provision for Restructuring of Accounts	1,66,89,571	3,73,31,705
f) Others	1,16,89,45,397	1,91,24,06,158
Net deferred tax Asset/(Liability)	(80,08,18,451)	(21,84,93,688)

21 Provision for Income Tax includes: [Amount in ₹]

Sr. No.	Particulars	FY 2017-18	FY 2016-17
(i)	Current Income Tax Provision	4,78,49,10,162	5,23,80,62,259
(ii)	Short/(Excess) Income Tax Provision of Earlier Years	(3,49,34,701)	63,57,33,700

- 22 Contingent liabilities of ₹ 353,80,94,592 (Previous Year ₹ 378,35,70,266) represents income tax, and service tax liability. This is being disputed by the Bank and based on expert's opinion the provision is not considered necessary. It includes an amount of ₹ 163,32,91,167 (Previous Year ₹ 51,82,80,309) pertaining to appeals filed by Income Tax Department against the Bank.
- 23 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.
- 24 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. Pending settlement of arrears from November 01, 2012, adhoc provision has been made, details of which are as under:

Particulars	FY 2017-18		FY 2016-17	
	Wage Arrears / Incentive ₹	Other Provisions ₹	Wage Arrears / Incentive ₹	Other Provisions ₹
Opening Balance	1,72,11,68,333	4,71,960	82,93,00,000	3,75,81,575
Additions:				
Arrears	16,00,00,000	-	89,00,00,000	-
Incentive	-	-	95,00,000	-
Utilisations:			76,31,667	
Write back(Incentive)	80,00,000	-	-	3,71,09,615
Closing Balance	1,87,31,68,333	4,71,960	1,72,11,68,333	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 for which Bank is contingently liable.

- 25 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 ₹0.17 crore as on March 31, 2018 (Previous year ₹ 0.14 crore) which has been included under provisions for standard assets under Schedule V. Further, the additional capital requirement on account of UFCE works out to 'NIL' as on March 31, 2018 (Previous year Nil).
- 26 Liability on account of Indirect Tax (Service Tax/GST) is recognized on the basis of return filed/assessment completed.
- 27 Other liabilities under Schedule V includes credit balance of ₹ 28.49 crore(Previous Year ₹ 11.46 crore) in IDBI CPA account which is under reconciliation.
- 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 **Investor's Complaints:** As on 1st April, 2017 the Bank had No pending investor's complaints. During the current financial year "4" complaints were received from Investors and "3" complaints were disposed off during the year. Thus, "1" complaints is pending for disposal as on March 31, 2018.
- 30 **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 i) standalone for the half year ended September 30, 2016 ii) both standalone and consolidated for the year ended March 31, 2017 iii) standalone for the half year ended September 30, 2017, 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.

- 31 **Earnings Per Share(EPS):** 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.
- 32 **Resolution of Stressed Assets – Revised Framework :** As per RBI circular dated February 12, 2018 on Resolution of Stressed Assets - Revised Framework, the Framework for Revitalizing Distressed Assets, Corporate Debt Restructuring Scheme, Flexible Structuring of Existing Long Term Project Loans, Strategic Debt Restructuring Scheme (SDR), Change in Ownership outside SDR and Scheme for Sustainable Structuring of Stressed Assets have been withdrawn. Hence, Loan Recovery Policy including Resolution Plan to the extent applicable is being modified incorporating the necessary changes.
- 33 **Spreading of MTM losses:** As per RBI circular dated April 02, 2018 on Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Banks - Spreading of MTM losses, SIDBI has spreaded MTM losses of ₹ 9.09 Crore and ₹ 8.49 Crore for quarters ended December 31, 2017 and March 31, 2018 in four quarters respectively. Subsequently, MTM losses have been appropriated at the time of shifting of the securities from AFS to HTM category as per the Board approval.
- 34 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.
- 35 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.
- 36 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 2017-18	FY 2016-17
i)	Common Equity*	Not Applicable	Not Applicable
ii)	Additional Tier 1 capital*	Not Applicable	Not Applicable
iii)	Total Tier 1 capital	14,038.50	12,895.49
iv)	Tier 2 capital	0.00	0.00
v)	Total Capital (Tier 1+Tier 2)	14,038.50	12,895.49
vi)	Total Risk Weighted Assets (RWAs)	52,523.92	45,371.40
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)	26.73%	28.42%
ix)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	26.73%	28.42%
x)	Percentage of the shareholding of the Government of India	15.40	15.40
xi)	Amount of equity capital raised	0.00	44.94
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

(₹ Crore)

Sl. No.	Particulars	FY 2017-18	FY 2016-17
(a)	Provision on Standard Assets		
	Provisions towards Standard Assets (cumulative)	382.82	318.83
(b)	Floating Provisions		
	Opening balance in the floating provisions account	2,057.81	2,333.91
	The quantum of floating provisions made in the accounting year	0.00	0.00
	Amount of draw down made during the accounting year	315.60 **	276.10*
	Closing balance in the floating provisions account	1,742.21	2,057.81

* Amount was utilised for making NPA/NPI provisions in respect of 3 borrower accounts as per the Bank's policy on floating provision.

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

3. Asset Quality and specific provisions

(₹ Crore)

Sl.No.	Particulars	FY 2017-18	FY 2016-17
(a)	Non-Performing Advances		
(i)	Net NPAs to Net Advances (%)	0.26%	0.44%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	823.28	1,008.18
	(b) Additions during the year	424.42	354.03
	(c) Reductions during the year	345.28	538.93
	(d) Closing balance	902.42	823.28
(iii)	Movement of Net NPAs *		
	(a) Opening balance	302.25	481.41
	(b) Additions during the year	28.62	(2.75)
	(c) Reductions during the year	80.24	176.41
	(d) Closing balance	250.63	302.25
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	521.03	526.77
	(b) Provisions made during the year	408.70	356.78
	(c) Write off / write back of excess provisions	277.95	362.52
	(d) Closing balance	651.78	521.03
	*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		
(i)	Net NPIs to Net Investments (%)	0.00%	0.00%
(ii)	Movement of NPIs (Gross)		
	(a) Opening balance	419.60	621.14
	(b) Additions during the year	9.81	1.27
	(c) Reductions during the year	19.38	202.81
	(d) Closing balance	410.03	419.60
(iii)	Movement of Net NPIs		
	(a) Opening balance	0.00	101.26
	(b) Additions during the year	0.00	(62.51)
	(c) Reductions during the year	0.00	38.75
	(d) Closing balance	0.00	0.00
(iv)	Movement of provisions for NPIs (excluding provisions on standard assets)		
	(a) Opening balance	419.60	519.88
	(b) Provisions made during the year	9.81	63.78
	(c) Write off / write back of excess provisions	19.38	164.06
	(d) Closing balance	410.03	419.60

(₹ Crore)

Sl.No.	Particulars	FY 2017-18	FY 2016-17
(c)	Non-Performing Assets (a+b)		
(i)	Net NPAs to Net Assets (Advanced + investments) (%)	0.24%	0.40%
(ii)	Movement of NPAs (Gross Advances + Gross investments)		
	(a) Opening balance	1,242.88	1,629.32
	(b) Additions during the year	434.23	355.30
	(c) Reductions during the year	364.66	741.74
	(d) Closing balance	1,312.45	1,242.88
(iii)	Movement of Net NPAs		
	(a) Opening balance	302.25	582.67
	(b) Additions during the year	28.62	(65.26)
	(c) Reductions during the year	80.24	215.16
	(d) Closing balance	250.63	302.25
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	940.63	1,046.65
	(b) Provisions made during the year	418.51	420.56
	(c) Write off / write back of excess provisions	297.33	526.58
	(d) Closing balance	1,061.81	940.63

3 (d) Accounts Restructured : Disclosure of Restructured Accounts

(₹ Crore)

Sl. No.	Type of Restructuring →		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification Details ↓		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of Borrowers	0	0	6	-	6	-	-	-	-	-	29	17	39	-	85	29	17	45	-	91
		Amount outstanding	-	-	188.68	-	188.68	-	-	-	-	-	204.67	63.54	97.03	-	365.24	204.67	63.54	285.71	-	553.92
		Provision thereon	-	-	-	-	-	-	-	-	-	-	0.97	0.27	1.39	-	2.63	0.97	0.27	1.39	-	2.63
2	Fresh restructuring during the year	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	4	7	2	-	13	4	7	2	-	13
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	24.48	15.01	3.84	-	43.33	24.48	15.01	3.84	-	43.33
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	0.09	0.04	-	0.13	-	0.09	0.04	-	0.13
3	Upgradations to restructured standard category during the FY	No. of Borrowers	0	0	-	-	-	-	-	-	-	-	6	-4	-2	-	-	6	-4	-2	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	27.63	(7.81)	(19.82)	-	-	27.63	(7.81)	(19.82)	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	0.10	(0.10)	-	-	-	0.10	(0.10)	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers	0	-	-	-	0	-	-	-	-	-	-10	-	-	-	-10	-10	-	-	-	-10
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(32.79)	-	-	-	(32.79)	(32.79)	-	-	-	(32.79)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(0.43)	-	-	-	(0.43)	(0.43)	-	-	-	(0.43)
5	Downgradations of restructured accounts during the FY	No. of Borrowers	0	-	-	-	-	-	-	-	-	-	-4	-6	10	-	-	-4	-6	10	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(60.48)	8.15	52.33	-	-	(60.48)	8.15	52.33	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(0.20)	0.11	0.09	-	-	(0.20)	0.11	0.09	-	-
6	Write-offs of restructured accounts during the FY	No. of Borrowers	-	-	-5	-	-5	-	-	-	-	-	-10	-2	-18	-	-30	-10	-2	-23	-	-35
		Amount outstanding	-	(151.49)	-	-	(151.49)	-	-	-	-	-	(88.82)	(21.11)	(35.06)	-	(144.99)	(88.82)	(21.11)	(186.55)	-	(296.48)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(0.53)	(0.14)	(1.04)	-	(1.71)	(0.53)	(0.14)	(1.04)	-	(1.71)
7	Restructured Accounts as on March 31 of the FY (closing figures)*	No. of Borrowers	-	-	1	-	1	-	-	-	-	-	15	12	31	-	58	15	12	32	-	59
		Amount outstanding	-	-	37.19	-	37.19	-	-	-	-	-	74.69	57.78	98.32	-	230.79	74.69	57.78	135.51	-	267.98
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(0.08)	0.23	0.48	-	0.63	(0.08)	0.23	0.48	-	0.63

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

Note: Figures at Sr. No.6 includes ₹ 74.17 crore (37 borrower & provisions of ₹ 0.55 crore) which is reduction/recovery from existing restructured accounts by way of recovery.

(e) Movement of Non-performing assets

(₹ Crore)

Particulars	FY 2017-18	FY 2016-17
Gross NPAs as on April 01, 2017	823.28	1,008.18
Additions (Fresh NPAs) during the year	424.42	354.03
Sub total (A)	1,247.70	1,362.21
Less :-		
(i) Upgradations	17.15	40.13
(ii) Recoveries (excluding recoveries made from upgraded accounts)	133.45	181.41
(iii) Technical / Prudential Write offs	187.75	294.35
(iv) Write offs other than those under (iii) above*	6.93	23.04
Sub-total (B)	345.28	538.93
Gross NPAs as on March 31, 2018 (A-B)	902.42	823.28

(f) Write-offs and recoveries

(₹ Crore)

Particulars	FY 2017-18	FY 2016-17
Opening balance of Technical / Prudential written off accounts as at April 1, 2017	1,573.68	1,377.70
Add : Technical / Prudential write offs during the year	187.75	294.35
Sub total (A)	1,761.43	1,672.05
Less : Actual write off	1.81	51.85
Less : Recoveries made from previously technical / prudential written off accounts during the year	301.10	46.52
Sub total (B)	302.91	98.37
Closing balance as at March 31, 2018 (A-B)	1,458.52	1,573.68

(g) Overseas Assets, NPAs and Revenue

Particulars	FY 2017-18	FY 2016-17
Total Assets	Nil	Nil
Total NPAs	Nil	Nil
Total Revenue	Nil	Nil

(h) Depreciation and provisions on investments

(₹ Crore)

	Particulars	FY 2017-18	FY 2016-17
(1)	Investments		
	(i) Gross Investments	9,661.54	8,225.90
	(a) In India	9,661.54	8,225.90
	(b) Outside India	-	-
	(ii) Provisions for Depreciation	459.42	467.74
	(a) In India	459.42	467.74
	(b) Outside India	-	-
	(iii) Net Investments	9,202.13	7,758.16
	(a) In India	9,202.13	7,758.16
	(b) Outside India	-	-
(2)	Movement of provisions held towards depreciation on investments		
	(i) Opening balance	48.14	50.16
	(ii) Add: Provisions made during the year	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*	-	2.02
	(vi) Closing balance	49.38	48.14

* Transfer to Investment Fluctuation Reserve is net of provision of Nil made during FY 2017-18 and ₹2.02 crore made during FY 2016-17.

(i) Provisions and Contingencies

(₹ Crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	FY 2017-18	FY 2016-17
Provisions for depreciation/NPI on Investment	(8.33) #	(24.50) #
Provision towards NPA	0.00 #	103.80 #
Provision made towards Income tax (Including Deferred Tax Assets/Liability)	533.23	567.29
Other Provision and Contingencies (with details)	53.00 \$	0.00

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

(j) Provisioning Coverage Ratio (PCR)

	FY 2017-18	FY 2016-17
Provisioning Coverage Ratio (PCR)*	89%	87%

* Floating provision has not been considered while calculating PCR.

(k) Disclosures on Flexible Structuring of Existing Loans**(₹ Crore)**

Period	No. of borrowers taken up for flexible structuring	Amount of loans taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring	
		Classified as Standard	Classified as NPA	Before applying flexible structuring	After applying flexible structuring
Previous Year FY 2016-17	Nil	Nil	Nil	Nil	Nil
Current Year FY 2017-18	Nil	Nil	Nil	Nil	Nil

(l) 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 as standard	Classified as NPA	Classified as standard	Classified as NPA
1	Nil	3.98*	Nil	Nil	Nil	3.98*

* Out of the total outstanding debt of ₹ 3.98 crore, as per SDR proposal ₹ 1.19 crore has been converted into equity and the balance outstanding of ₹ 2.79 crore is held as debt categorized as NPA. Subsequently, SDR has failed and lead bank is in the process of submitting application with NCLT.

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

No. of accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending		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	
	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)**(₹ Crore)**

No. of project loan accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		
	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, 2018.

(₹ Crore)

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

4. Investment portfolio: constitution and operations**(a) Repo Transactions**

(₹ Crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2018
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)

Issuer	Amount	Amount of			
		Investment made through private placement	Below Investment Grade Securities Held	Unrated securities held	Unlisted securities
(1)	(2)	(3)	(4)	(5)	(6)
(i) PSUs	527.77	-	-	-	-
(ii) FIs	1,683.26	76.24	-	61.73	86.18
(iii) Banks	1,628.76	80.00	-	103.50	103.50
(iv) Private Corporates	1,275.68	309.51	-	346.81	314.19
(v) Subsidiaries/Joint ventures	1,751.05	1,751.05	-	1,751.05	1,751.05
(vi) Others	2,795.03	873.65	-	873.65	2,323.65
(vii) Provision held towards depreciation	-459.42	-	-	-	-
Total	9,202.13	3,090.45	-	3,136.74	4,578.57

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

During the current FY, the Bank sold investments of ₹ 5.00 Crore in Tier I capital Bond of Corporation Bank from Held to Maturity(HTM) category in accordance with extant RBI guidelines. Except for the above, there was no shifting of investments to/from HTM category.

5. Details of Financial Assets purchased/ sold

(₹ Crore)

Particulars		FY 2017-18	FY 2016-17
(a)	Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset Reconstruction		
(i)	Details of Sales		
	(i) No. of accounts	105	1
	(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	0.00	13.17
	(iii) Aggregate consideration	64.07	27.66
	(iv) Additional consideration realized in respect of accounts transferred in earlier years	0.00	0.00
	(v) Aggregate gain / loss over net book value	9.61	14.49
(ii)	Details of Book Value of Investments in Security Receipts		
		Book Value of Investments in Security Receipts	
	(i) Backed by NPAs sold by the AIFI as underlying	9.76	9.49
	(ii) Backed by NPAs sold by banks / other financial institutions / non-banking financial companies as underlying	0.00	0.00
	Total	9.76	9.49
(b)	Details of Non Performing Financial Assets Purchased / Sold		
(i)	Details of non performing financial assets purchased:		
	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:		
	1. No. of accounts sold	105	1
	2. Aggregate outstanding	114.07	23.04
	3. Aggregate consideration received	64.07	27.66

6. Operating Results

(₹ Crore)

Particulars		FY 2017-18	FY 2016-17
(i)	Interest income as a percentage to average working funds	6.95	7.68
(ii)	Non-interest income as a percentage to average working funds	0.47	0.35
(iii)	Operating profit as a percentage to average working funds (before provisions)	2.26	2.24
(iv)	Return on average assets (before provisions for taxation)	2.21	2.14
(v)	Net Profit per employee (₹ crore)	1.26	0.96

7. Credit Concentration risk

(a) Capital market exposure

(₹ Crore)

Particulars		FY 2017-18	FY 2016-17
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	559.66	537.72
(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;	-	-
(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;	-	-
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market 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;	-	-
(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)	873.65	746.72
	Total Exposure to Capital Market	1,433.31	1,284.44

(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.

Sl. No.	PAN Number	Borrower Name	Industry Code	Industry Name	Sector	Amount Funded	Amount Non-Funded	Exposure as %age to capital Funds
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

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

Sr. No.	Particulars	FY 2017-18		FY 2016-17	
		As % to Total Assets	As % to Capital funds	As % to Total Assets	As % to Capital funds
1	The largest single borrower	11.38	88.28	18.70	115.54
	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	79.34	615.32	77.23	477.19
	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 2017-18		FY 2016-17	
	Amount Outstanding	% to total loan assets	Amount Outstanding	% to total loan assets
TRANSPORT EQUIPMENT	1,418.29	1.48	735.10	1.07
AUTO ANCILLARIES	1,146.56	1.20	1,255.39	1.82
METAL PRODUCTS N.E.C.	413.56	0.43	495.09	0.72
METAL PRODUCTS PARTS EXCEPT MACHINERY	394.68	0.41	396.79	0.58
PHARMACEUTICAL PREPARATIONS -ALLOPATHIC	354.70	0.37	368.01	0.53

(iv) Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is ₹ 1662.88 crore as on March 31, 2018 and the estimated value of intangible security as on March 31, 2018 is ₹ 163.61 crore.

(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 (₹ Crore)

Particulars		FY 2017-18	FY 2016-17
(i) Concentration of borrowings and lines of credit			
Total borrowings from twenty largest lenders		57,825.00	44,425.40
Percentage of borrowings from twenty largest lenders to total borrowings		66.48%	74.91%
(ii) Concentration of Exposures			
Total advances to twenty largest borrowers		72,346.86	51,430.65
Percentage of advances to twenty largest borrowers to Total Advances		75.41%	75.31%
Total Exposure to twenty largest borrowers / customers		86,382.24	62,136.93
Percentage of exposures to twenty largest borrowers / customers to Total Exposure		70.52%	66.65%

(iii) Sector-wise concentration of exposures and NPAs

(₹ Crore)

Sr. No.	Sector	FY 2017-18			FY 2016-17		
		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	79,239.93	894.66	1.13%	59,051.33	823.28	1.39%
1	Central Government	-	-	-	-	-	-
2	Central PSUs	-	-	-	-	-	-
3	State Governments	-	-	-	-	-	-
4	State PSUs	377.74	0.10	0.03%	861.13	1.10	0.13%
5	Scheduled Commercial Banks	68,541.16	-	0.00%	47,058.22	-	0.00%
6	Regional Rural Banks	-	-	-	-	-	-
7	Co-operative banks	-	-	-	-	-	-
8	Private sector (excluding banks)	10,321.03	894.56	8.67%	11,131.98	822.18	7.39%
II.	Micro-finance sector	1,587.16	7.76	0.49%	2,307.51	-	0.00%
III.	Others*	15,115.40	-	0.00%	7,451.83	-	0.00%
	Total (I+II+III)	95,942.49	902.42	0.94%	68,810.67	823.28	1.20%

* includes advances to NBFCs and Small Finance Banks.

8. Derivatives

Sr. No	Particulars	FY 2017-18	FY 2016-17
(a)	Forward Rate Agreement / Interest Rate Swap		
i)	The notional principal of swap agreements	USD 40,310,000	NIL
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	NIL	NIL
iii)	Collateral required by the bank upon entering into swaps	NIL	NIL
iv)	Concentration of credit risk arising from the swaps	USD 201,550	NIL
v)	The fair value of the swap book	USD(571,037)	NIL
(b)	Exchange Traded Interest Rate Derivatives		
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

(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

(₹ Crore)

Sr. No.	Particulars	FY 2017-18		FY 2016-17	
		Currency Derivatives	Interest rate Derivatives	Currency Derivatives	Interest rate Derivatives
1	Derivatives (Notional Principal Amount)	8,508.91	-	9,108.09	-
(i)	For hedging	8,508.91	-	9,108.09	-
(ii)	For trading	-	-	-	-
2	Marked to Market Positions [1]	240.04	-	-122.27	-
(i)	Asset (+)	240.04	-	-122.27	-
(ii)	Liability (-)	-	-	-	-
3	Credit Exposure [2]	803.78	-	747.61	-
4	Likely impact of one percentage change in interest rate (100* PV01)	167.74		204.22	
(i)	On hedging derivatives	167.74	-	204.22	-
(ii)	On trading derivatives	-	-	-	-
5	Maximum and Minimum of 100*PV01 observed during the year				
(i)	On hedging	186.30/167.74	-	258.27/204.22	-
(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, 2017		LoC issued during the year		LoCs redeemed during the year		LoCs outstanding as on March 31, 2018	
No of LoC	Amount	No of LoC	Amount	No of LoC	Amount	No of LoC	Amount
1	1.80	0	0.00	1	1.80	0	0.00

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	271	346	192	5,974	3,992	28,591	1,009	0	40,375
Advances	3,283	9	4,071	9,562	8,958	59,834	6,242	764	92,723
Investments	2,026	1,000	185	1,300	550	195	364	4,202	9,822
Borrowings	300	400	8,134	22	17,159	6,228	2,741	502	35,486
Foreign Currency assets	11	95	722	120	1,023	3,154	2,903	3,370	11,398
Foreign Currency liabilities	0	0	445	56	571	2,978	2,118	4,956	11,124

11. Draw Down from Reserves

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

12. Business Ratios

Particulars	FY 2017-18	FY 2016-17
Return on average Equity (before provisions for taxation)	14.05	13.70
Return on average assets (before provisions for taxation)	2.21	2.14
Net Profit per employee (₹ crore)	1.26	0.96

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

Particulars	FY 2017-18	FY 2016-17
i No. of complaints pending at the beginning of the year	2	2
ii No. of complaints received during the year	63	67
iii No. of complaints redressed during the year	63	67
iv No. of complaints pending at the end of the year	2	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 ₹23,48,64,069 for FY 2017-18 [Previous Year ₹1,78,32,983] and Other expenditure in schedule XIV - 'Operating Expenses' for FY 2017-18 includes Prior Period Expenditure of (₹3,68,62,070) [Previous Year (₹41,27,095)].

(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

(₹ Crore)

Business Segments		Wholesale Operations (Direct Lending)		Wholesale Operations (Refinance)		Treasury		Total	
Particulars		FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017
1	Segment Revenue	1,212	1,243	4,897	4,577	491	526	6,600	6,346
	Exceptional Items							-	-
	Total							6,600	6,346
2	Segment Results	200	22	1,759	1,634	142	170	2,101	1,826
	Exceptional Items							-	-
	Total							2,101	1,826
	Unallocable Expenses							139	139
	Operating profit							1,962	1,687
	Income Tax (Net of write back)							533	567
	Net profit							1,429	1,120
3	Other information								
	Segment Assets	9,744	10,709	87,021	59,097	10,405	8,841	1,07,170	78,647
	Unallocated Assets							1,699	1,035
	Total Assets							1,08,869	79,682
	Segment Liabilities	6,969	7,499	78,207	51,806	7,422	5,476	92,598	64,781
	Unallocated Liabilities							1,661	1,581
	Total							94,259	66,362
	Capital / Reserves	2,793	3,215	8,448	6,372	3,369	3,733	14,610	13,320
	Total							14,610	13,320
	Total Liabilities							1,08,869	79,682

Part B: GEOGRAPHIC SEGMENTS - Nil**(c) Accounting Standard 18 – Related Party Disclosures**

(₹ Crore)

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		121.89	-	0.27	-	122.16
Maximum during the year		121.89	-	0.27	-	122.16
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		6.32	-	-	-	6.32
Interest received		-	2.16	-	-	2.16
Rendering of services*		12.54	2.00	-	-	14.54
Receiving of services*		-	-	-	-	-
Management contracts*		-	-	0.77**	-	0.77

@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 actuarial gains/ losses are taken to the profit & loss account and are not amortized.

As per our report of even date

BY ORDER OF THE BOARD

For Chhaged & Doshi
Chartered Accountants
FRN.101794W

R K Das
Chief General Manager
(Corporate Accounts Vertical)

Manoj Mittal
Dy. Managing Director

Ajay Kumar Kapur
Dy. Managing Director

Mohammad Mustafa
Chairman &
Managing Director

Kiran K Daftary
Partner
M.No. 010279

Sharad Sharma
Director

J Chandrasekaran
Director

New Delhi
May 12, 2018

Cash Flow Statement for the year ended March 31, 2018

March 31, 2017	Particulars	March 31, 2018	March 31, 2018`
	1. Cash Flow from Operating Activities		
16,87,46,83,051	Net Profit before tax as per P & L Account		19,62,44,74,792
	Adjustments for :		
20,05,08,564	Depreciation	11,33,97,507	
61,30,31,066	Provision for net depreciation in investments	(19,31,47,663)	
1,78,24,55,144	Provisions made (net of write back)	1,37,18,92,139	
(1,44,29,13,742)	Profit on sale of investments (net)	(1,16,51,82,129)	
(35,54,143)	Profit on sale of fixed assets	(22,69,860)	
(18,02,93,561)	Dividend Received on Investments	(24,50,87,253)	(12,03,97,259)
17,84,39,16,378	Cash generated from operations (Prior to changes in operating Assets & Liabilities)		19,50,40,77,533
	Adjustments for net changes in :		
(3,45,61,29,798)	Current assets	(6,46,88,49,539)	
(5,03,77,84,236)	Current liabilities	1,37,73,08,438	
4,04,85,71,508	Bills of Exchange	1,81,37,84,030	
(30,55,75,66,206)	Loans & Advances	(2,73,12,53,68,132)	
10,86,22,06,929	Net Proceeds of Bonds and Debentures & other borrowings	31,66,20,54,018	
2,86,79,89,717	Deposits received	2,45,12,68,96,577	
(21,27,27,12,087)			38,58,25,392
(3,42,87,95,709)			19,88,99,02,924
(6,73,92,53,652)	Payment of Tax	(4,89,37,07,102)	(4,89,37,07,102)
(10,16,80,49,361)	Net Cash flow from operating Activities		14,99,61,95,822
	2. Cash Flow from Investing Activities		
(15,01,82,785)	Net (Purchase)/Sale of fixed assets	(46,27,13,666)	
17,64,78,04,520	Net (Purchase)/sale/redemption of Investments	(17,21,88,77,127)	
18,02,93,561	Dividend Received on Investments	24,50,87,253	
17,67,79,15,295	Net cash used in Investing Activities		(17,43,65,03,540)
	3. Cash flow from Financing Activities		
10,00,00,00,000	Proceeds from issuance of share capital & share premium		
(1,12,72,63,816)	Dividend on Equity Shares & tax on Dividend	(1,09,55,95,401)	
8,87,27,36,184	Net cash used in Financing Activities		(1,09,55,95,401)
16,38,26,02,118	4. Net increase/(decrease) in cash and cash equivalents		(3,53,59,03,119)
11,96,79,04,451	5. Cash and Cash Equivalents at the beginning of the period		28,35,05,06,570
28,35,05,06,570	6. Cash and Cash Equivalents at the end of the period		24,81,46,03,451

March 31, 2017	Particulars	March 31, 2018	March 31, 2018
	7. Cash and cash equivalents at the end of the period includes		
6,75,054	Cash in Hand		6,13,630
27,89,24,263	Current account balance with Bank		20,75,79,026
18,52,75,73,354	Mutual Funds		14,50,00,00,018
9,54,33,33,899	Deposits		10,10,64,10,778

Note : Cash Flow statement has been prepared as per the Indirect Method prescribed in AS-3 (Revised) 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India (ICAI)

Significant Accounting Policies XV

Notes to Accounts XVI

As per our report of even date

BY ORDER OF THE BOARD

For Chhajed & Doshi
Chartered Accountants
FRN.101794W

R K Das
Chief General Manager
(Corporate Accounts Vertical)

Manoj Mittal
Dy. Managing Director

Ajay Kumar Kapur
Dy. Managing Director

Mohammad Mustafa
Chairman &
Managing Director

Kiran K Daftary
Partner
M.No. 010279

Sharad Sharma
Director

J Chandrasekaran
Director

New Delhi
May 12, 2018



APPENDIX II:

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

INDEPENDENT AUDITORS' REPORT

To
The Board of Directors
Small Industries Development Bank of India

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Small Industries Development Bank of India ("the Bank")** and its subsidiaries and associates (the Bank, its subsidiaries and associates constitute "the Group") as at **March 31, 2018** which comprises the consolidated Balance Sheet as at **March 31, 2018**, and the consolidated Profit and Loss account and consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information ("the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Bank's Management is responsible for the preparation 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. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Bank 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Group's management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and on consideration of the report of the other auditor on separate financial statements and on other financial information of the subsidiaries and associates, as mentioned in the 'Other Matter' paragraph below, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2018,
- ii) in the case of the Consolidated Profit & Loss Account, of the profit of the Group for the year ended on that date,

- iii) In the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

We draw attention to:

- a) Note nos 4B and 4D of Annexure I to Consolidated Accounts with regard to non-consolidation of 7 associates, wherein as per the management the carrying amount of the investments are not realisable and are fully provided for.
- b) Note nos 4C and 4D of Annexure I to Consolidated Accounts with regard to non-consolidation of 7 associates, as in view of the management these are not significant components and hence not considered for consolidation.

Our opinion is not qualified in respect of these matters.

Other Matters

We did not audit the financial statements of the 3 subsidiaries, whose financial statements reflect total assets of ₹ 1,71,99,59,86,882/- as at March 31, 2018, total revenue of ₹ 8,20,61,60,076/- and net cash flows amounting to ₹ 23,43,47,24,593/- for the year then ended, as considered in the consolidated financial statements. We also did not audit the financial statements of 1 associate in whose Group's share of net profit amounting to ₹ 19,23,661/- for the year ended March 31, 2018, based on its audited financial statement for the year ended March 2017, as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion and our report 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 the report of the other auditors.

The Consolidated financial statements also include the Group's share of net profit of ₹ 27,84,172/- for the year ended March 31, 2018, as considered in the consolidated financial statements in respect of 4 associates, whose financial statements have not been audited by us. The financial statements are unaudited and have been furnished to us by the Management and our opinion and our report on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of these 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, 2018, had the aforesaid associates been audited. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements is not qualified 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.

Report on Other Legal and Regulatory Requirements

We report that:

1. 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.
2. 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.
3. 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.
4. 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.
5. In our opinion, the aforesaid consolidated financial statements comply with the applicable Accounting Standards.

FOR CHHAJED & DOSHI
Chartered Accountants
FRN.101794W

Kiran K. Daftary
Partner
M.No. 010279

Place: Camp Delhi
Date: May 12, 2018

Consolidated Balance Sheet as at March 31, 2018

[Amount in ₹]

CAPITAL AND LIABILITIES	SCHEDULES	March 31, 2018	March 31, 2017
Capital	I	5,31,92,20,309	5,31,92,20,309
Reserves, Surplus and Funds	II	1,47,35,01,02,299	1,33,00,14,67,502
Deposits	III	5,53,74,61,14,199	2,39,86,92,17,622
Borrowings	IV	4,64,87,21,70,971	4,33,82,44,06,602
Other Liabilities and Provisions	V	71,22,71,37,897	68,67,61,06,996
Deferred Tax Liability		79,62,76,937	21,60,46,642
Total		12,43,31,10,22,612	8,80,90,64,65,673
ASSETS			
Cash and Bank Balances	VI	67,39,00,91,227	31,51,65,20,257
Investments	VII	87,40,36,31,601	79,39,51,07,745
Loans & Advances	VIII	10,53,46,75,11,351	7,42,41,79,39,816
Fixed Assets	IX	2,41,09,52,297	2,05,93,43,964
Other Assets	X	32,63,88,36,136	25,51,75,53,891
Total		12,43,31,10,22,612	8,80,90,64,65,673
Contingent Liabilities	XI	89,79,97,51,555	1,00,11,96,46,746
Consolidated Significant Accounting Policies (Schedule 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 Chhajer & Doshi
Chartered Accountants
FRN.101794W

R K Das
Chief General Manager
(Corporate Accounts Vertical)

Manoj Mittal
Dy. Managing Director

Ajay Kumar Kapur
Dy. Managing Director

Mohammad Mustafa
Chairman &
Managing Director

Kiran K Daftary
Partner
M.No. 010279

Sharad Sharma
Director

J Chandrasekaran
Director

New Delhi
May 12, 2018

Consolidated Profit & Loss Account for the year ended March 31, 2018

[Amount in ₹]

INCOME	SCHEDULES	March 31, 2018	March 31, 2017
Interest and Discount	XII	68,41,85,19,311	65,08,49,00,033
Other Income	XIII	5,43,93,33,090	3,79,81,19,063
Total		73,85,78,52,401	68,88,30,19,096
EXPENDITURE			
Interest & Financial charges		45,91,11,15,653	43,86,47,21,888
Operating Expenses	XIV	5,21,72,11,197	5,47,24,19,960
Provisions & Contingencies		65,65,91,422	91,58,70,357
Total		51,78,49,18,272	50,25,30,12,205
Profit before Tax		22,07,29,34,129	18,63,00,06,891
Provision for Income Tax		5,72,72,84,096	6,55,15,17,517
Deferred Tax Adjustment [(Asset) / Liability]		58,02,30,296	(20,13,83,841)
Share of earning/(loss) in associates		47,07,833	93,41,843
Profit after Tax		15,77,01,27,570	12,28,92,15,058
Profit brought forward		92,33,44,965	72,65,74,101
Total Profit / (Loss)		16,69,34,72,535	13,01,57,89,159
Appropriations			
Transfer to General Reserve		13,25,60,00,000	10,00,60,00,000
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		31,64,38,121	21,56,73,919
Others			
a) Transfer to Investment Fluctuation Reserve		-	2,02,40,173
Transfer to Staff Welfare Fund		2,00,00,000	2,00,00,000
Development Fund		2,00,00,000	
Dividend on Shares		1,14,36,32,367	93,93,08,909
Tax on Dividend		26,77,56,350	19,12,21,193
Surplus in Profit & Loss account carried forward		96,96,45,697	92,33,44,965
Total		16,69,34,72,535	13,01,57,89,159
Basic/Diluted Earning Per Share		29.65	23.55
Consolidated Significant Accounting Policies (Schedule XV) and Notes to Accounts (Annexure I) 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
FRN.101794W

R K Das
Chief General Manager
(Corporate Accounts Vertical)

Manoj Mittal
Dy. Managing Director

Ajay Kumar Kapur
Dy. Managing Director

Mohammad Mustafa
Chairman &
Managing Director

Kiran K Daftary
Partner
M.No. 010279

Sharad Sharma
Director

J Chandrasekaran
Director

New Delhi
May 12, 2018

Schedules to Consolidated Balance Sheet as at March 31, 2018

[Amount in ₹]

	CAPITAL AND LIABILITIES	March 31, 2018	March 31, 2017
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 :		
	- 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	97,26,61,41,469	86,70,72,65,377
	- Additions during the year	13,25,69,80,834	10,55,88,76,092
	- Utilisations during the year	-	-
	- Closing Balance	1,10,52,31,22,303	97,26,61,41,469
	ii) Share Premium		
	- Opening Balance	16,68,07,79,690	7,13,01,77,500
	- Additions during the year	-	9,55,06,02,190
	- Utilisations during the year	-	-
	- Closing Balance	16,68,07,79,690	16,68,07,79,690
	iii) Specific Reserves		
	a) Investment Reserve		
	- Opening Balance	-	55,19,63,645
	- Additions during the year	-	-
	- Utilisations during the year	-	55,19,63,645
	- Closing Balance	-	-
	b) Special Reserve created and maintained u/s 36 (1) (viii) of The Income Tax Act, 1961		
	- Opening Balance	14,27,00,00,000	13,57,00,00,000
	- Additions during the year	70,00,00,000	70,00,00,000
	- Utilisations during the year	-	-
	- Closing Balance	14,97,00,00,000	14,27,00,00,000
	c) Statutory Reserve created u/s 45-IC of Reserve Bank of India Act.		
	- Opening Balance	34,75,43,259	13,18,69,340

Schedules to Consolidated Balance Sheet as at March 31, 2018

[Amount in ₹]

	CAPITAL AND LIABILITIES	March 31, 2018	March 31, 2017
	- Additions during the year	31,64,38,121	21,56,73,919
	- Utilisations during the year	-	-
	- Closing Balance	66,39,81,380	34,75,43,259
	d) Other Reserves		
	i) Investment Fluctuation Reserve		
	- Opening Balance	70,37,86,025	68,35,45,852
	- Additions during the year	-	2,02,40,173
	- Utilisations during the year	-	-
	- Closing Balance	70,37,86,025	70,37,86,025
	B) Surplus in Profit and Loss account	96,96,45,697	92,33,44,965
	C) Funds		
	a) National Equity Fund		
	- Opening Balance	2,56,29,86,071	2,55,40,61,491
	- Additions / Write back during the year	65,68,575	89,24,580
	- Utilisations during the year	-	-
	- Closing Balance	2,56,95,54,646	2,56,29,86,071
	b) Staff Welfare Fund		
	- Opening Balance	24,68,86,023	24,52,11,745
	- Additions during the year	2,00,00,000	2,00,00,000
	- Utilisations during the year	1,76,53,465	1,83,25,722
	- Closing Balance	24,92,32,558	24,68,86,023
	c) Others	2,00,00,000	-
	Total	1,47,35,01,02,299	1,33,00,14,67,502
Schedule III	Deposits		
	A) Fixed Deposits	53,74,61,14,199	20,48,37,42,622
	B) From Banks		
	a) Under MSME Refinance Fund	2,80,00,00,00,000	90,00,00,00,000
	b) Under MSME Risk Capital Fund	15,00,00,00,00,000	15,00,00,00,00,000
	c) Others -From Foreign & Private Sector Banks	-	-
	d) Under MSME India Aspiration Fund	5,00,00,00,00,000	5,00,00,00,00,000
	e) Under Fund for Venture Capital in MSME sector 2014-15	50,00,00,00,00,000	28,13,54,75,000
	f) Under Priority Sector Shortfall	1,50,00,00,00,00,000	81,25,00,00,00,000
	Subtotal (B)	5,00,00,00,00,00,000	2,19,38,54,75,000
	Total	5,53,74,61,14,199	2,39,86,92,17,622

Schedules to Consolidated Balance Sheet as at March 31, 2018

[Amount in ₹]

	CAPITAL AND LIABILITIES	March 31, 2018	March 31, 2017
Schedule IV	Borrowings		
	I) Borrowings in India		
	1. From Reserve Bank of India	-	-
	2. From Government of India (including Bonds subscribed by GOI)	22,16,75,23,471	22,50,10,65,132
	3. Bonds & Debentures	1,65,49,00,00,000	93,01,00,00,000
	4. From Other Sources		
	- Commercial Paper	57,00,00,00,000	1,75,80,00,00,000
	- Certificate of Deposits	1,00,81,10,58,900	10,14,53,48,550
	- Term Loans from Banks	5,14,97,50,157	6,43,37,83,119
	- Term Money Borrowings	-	-
	- Others	2,99,81,04,466	13,71,89,34,746
	Subtotal (I)	3,53,61,64,36,994	3,21,60,91,31,547
	II) Borrowings outside India		
	(a) KFW, Germany	15,46,66,00,852	13,82,11,29,853
	(b) Japan International Cooperation Agency (JICA)	41,56,06,40,163	43,35,71,46,562
	(c) IFAD, Rome	1,16,52,80,010	1,12,73,11,009
	(d) World Bank	49,29,67,67,641	49,82,91,45,632
	(e) Others	3,76,64,45,311	4,08,05,41,999
	Subtotal (II)	1,11,25,57,33,977	1,12,21,52,75,055
	Total (I & II)	4,64,87,21,70,971	4,33,82,44,06,602
Schedule V	Other Liabilities and Provisions:		
	Interest Accrued	22,37,10,53,077	15,79,60,82,361
	Provision for SIDBI Employees' Provident Fund	2,17,11,80,143	1,94,67,77,333
	Provision for SIDBI Pension Fund	45,98,78,213	3,10,02,47,991
	Provision for Sick Leave Fund	21,12,89,197	15,64,21,851
	Provision for Medical Assistance Scheme Fund	19,30,76,860	24,20,93,347
	Provision for Employees Benefit	2,72,65,14,780	2,13,50,44,197
	Others (including provisions)	35,92,99,17,876	39,22,92,18,456
	Provisions for Exchange Rate Fluctuation	1,53,73,62,766	1,53,73,62,766
	Contingent provisions against standard assets	4,25,04,15,977	3,40,23,28,592
	Proposed Dividend (including tax on dividend)	1,37,64,49,008	1,13,05,30,102
	Total	71,22,71,37,897	68,67,61,06,996

Schedules to Consolidated Balance Sheet as at March 31, 2018

[Amount in ₹]

	ASSETS	March 31, 2018	March 31, 2017
Schedule VI	Cash & Bank Balances		
	1. Cash in Hand & Balances with Reserve Bank of India	6,24,411	6,83,614
	2. Balances with Other Banks		
	(a) In India		
	i) in current accounts	20,97,24,902	27,87,20,038
	ii) in other deposit accounts	59,57,25,45,478	24,04,53,14,166
	(b) Outside India		
	i) in current accounts	6,58,942	4,51,902
	ii) in other deposit accounts	7,60,65,37,494	7,19,13,50,537
	Total	67,39,00,91,227	31,51,65,20,257
Schedule VII	Investments [net of provisions]		
	A) Treasury operations		
	1. Securities of Central and State Governments	4,55,71,12,568	3,96,80,00,401
	2. Shares of Banks & Financial Institutions	23,95,12,137	23,95,12,137
	3. Bonds & Debentures of Banks & Financial Institutions	12,66,68,18,755	10,97,74,52,685
	4. Stocks, Shares, bonds & Debentures of Industrial Concerns	2,48,80,48,275	2,48,80,48,275
	5. Short Term Bills Rediscounting Scheme	-	-
	6. Others	42,66,30,80,482	32,02,75,73,351
	Subtotal (A)	62,61,45,72,217	49,70,05,86,849
	B) Business Operations		
	1. Shares of Banks & Financial Institutions	1,75,12,24,775	1,14,92,61,420
	2. Bonds & Debentures of Banks & Financial Institutions	5,65,33,000	5,65,33,000
	3. Stocks, Shares, bonds & Debentures of Industrial Concerns	3,82,54,41,280	4,05,77,31,494
	4. Investment in Subsidiaries	-	-
	5. Others	19,15,58,60,329	24,43,09,94,982
	Subtotal (B)	24,78,90,59,384	29,69,45,20,896
	Total (A+B)	87,40,36,31,601	79,395,107,745
Schedule VIII	Loans & Advances [Net of Provisions]		
	A) Refinance to		
	- Banks and Financial Institutions	8,07,41,45,29,762	5,29,70,48,57,960
	- Micro Finance Institutions	21,69,19,52,501	33,93,43,58,549
	- NBFC	1,27,59,37,93,703	72,65,82,93,916
	- Bills Rediscounted	-	-
	- Others (Resource Support)	-	-
	Subtotal (A)	9,56,70,02,75,966	6,36,29,75,10,425

Schedules to Consolidated Balance Sheet as at March 31, 2018

[Amount in ₹]

	ASSETS	March 31, 2018	March 31, 2017
	B) Direct Loans		
	- Loans and Advances	87,74,77,86,153	95,40,64,92,741
	- Receivable Finance Scheme	9,01,94,49,232	10,70,86,54,657
	- Bills Discounted	-	52,81,993
	Subtotal (B)	96,76,72,35,385	1,06,12,04,29,391
	Total (A+B)	10,53,46,75,11,351	7,42,41,79,39,816
Schedule IX	Fixed Assets [Net of Depreciation]		
	1. Premises	2,38,98,20,372	2,03,57,06,345
	2. Others	2,11,31,925	2,36,37,619
	Total	2,41,09,52,297	2,05,93,43,964
Schedule X	Other Assets:		
	Accrued Interest	17,83,55,60,886	17,02,33,62,481
	Advance Tax (Net of provision)	3,41,21,79,862	3,31,31,93,676
	Others	5,81,89,52,288	1,70,67,30,165
	Expenditure to the extent not written off	5,57,21,43,100	3,47,42,67,569
	Total	32,63,88,36,136	25,51,75,53,891
Schedule XI	CONTINGENT LIABILITIES		
	i) Claims against the Bank not acknowledged as debts	3,53,80,94,592	3,78,57,03,656
	ii) On account of Guarantees / Letters of Credit	59,49,90,462	1,06,70,90,288
	iii) On account of Forward Contracts	57,76,04,313	4,18,59,06,954
	iv) On account of Underwriting Commitments	-	-
	v) On account of uncalled monies on partly paid shares, debentures	-	-
	vi) Other items for which the Bank is contingently liable (derivative contracts etc.)	85,08,90,62,188	91,08,09,45,848
	Total	89,79,97,51,555	1,00,11,96,46,746

Schedules to Consolidated Profit & Loss Account as at March 31, 2018

[Amount in ₹]

	INCOME	March 31, 2018	March 31, 2017
Schedule XII	Interest and Discount		
	1. Interest and Discount on Loans, Advances and Bills	62,84,01,08,672	59,79,42,76,215
	2. Income on Investments / Bank balances	5,57,84,10,639	5,29,06,23,818
	Total	68,41,85,19,311	65,08,49,00,033
Schedule XIII	Other Income:		
	1. Upfront and Processing Fees	23,34,06,263	33,63,39,805
	2. Commission and Brokerage	1,83,08,305	2,42,76,355
	3. Profit on sale of Investments	2,51,13,83,994	2,34,88,06,643
	4. Income earned by way of dividends etc. from Subsidiaries / Associates	90,20,000	10,20,000
	5. Provision of Earlier Years written Back	-	-
	6. Others	2,66,72,14,528	1,08,76,76,260
	Total	5,43,93,33,090	3,79,81,19,063
Schedule XIV	Operating Expenses:		
	Payments to and provisions for employees	3,80,13,70,805	4,15,82,86,656
	Rent, Taxes and Lighting	21,23,12,511	22,61,72,820
	Printing & Stationery	1,15,32,954	1,15,67,839
	Advertisement and Publicity	3,48,51,209	2,79,65,165
	Depreciation / Amortisation on Bank's Property	11,44,13,211	20,14,10,951
	Directors' fees, allowances and expenses	60,71,999	67,57,190
	Auditor's Fees	43,68,052	70,86,071
	Law Charges	1,94,38,172	1,74,88,521
	Postage, Courier, Telephones etc	29,57,364	32,16,068
	Repairs and maintenance	9,48,00,843	10,97,93,926
	Insurance	52,33,581	5,7,78,557
	Contribution to CGTMSE	-	4,44,41,750
	Other Expenditure	90,98,60,496	65,24,54,446
	Total	5,21,72,11,197	5,47,24,19,960

Schedules to Consolidated Balance Sheet as at March 31, 2018

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) 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)

Consolidated financial statements of the Group

(comprising of 3 subsidiaries, 5 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.
- 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 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.

- 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. 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: 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.
- 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.

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

- i. 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.
- (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/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 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

- a) 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.
- d) 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.

Additional Notes to Consolidated Accounts

Annexure - I : Significant Accounting Policies

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".

3 Details of Subsidiaries included in consolidated financial statements are:

[Amount in ₹]

Sr. No.	Name of the subsidiary	Country of Incorporation	Proportion of ownership*	Profit/Loss	
				March 31, 2018	March 31, 2017
1	SIDBI Venture Capital Ltd. (SVCL)	India	100%	5,81,74,926	5,58,21,174
2	SIDBI Trustee Company Ltd. (STCL)	India	100%	44,88,788	42,85,700
3	Micro Units Development & Refinance Agency Ltd (Mudra Ltd)	India	100%	1,58,21,90,607	1,07,83,69,592
	Total			1,64,48,54,321	1,13,84,76,466

Financial statements of subsidiaries are audited.

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

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

[Amount in ₹]

Sr. No.	Name of the Associate	(%) Holding	
		March 31, 2018	March 31, 2017
1	SMERA	34.29	34.29
2	ISTSL	22.72	22.72
3	ISARC	26.00 **	26.00 **
4	DFC	23.71	23.76
5	ReXil	30.00	30.00

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

4.A (ii) Details of Associates included in consolidated financial statements are as follows : [Amount in ₹]

Sr. No.	Description	Investment	Investment	
			March 31, 2018	March 31, 2017
1	Credit Rating Agency for SME's	4,97,50,000	5,10,00,000	5,10,00,000
2	Technology Support to SME's	99,96,800	1,00,00,000	1,00,00,000
3	Asset Reconstruction Company	2,60,00,000	26,00,00,000	26,00,00,000
4	State Financial Corporation	3,13,87,500	3,13,87,500	6,27,75,000
5	Online platform for factoring / discounting of Trade Receivables (TReDS)		7,50,00,000	7,50,00,000
	Total		42,73,87,500	45,87,75,000

4.A (iii) Details of Associates included in consolidated financial statements are as follows : [Amount in ₹]

Sr. No.	Description	Share of Profit/(loss)		Share in reserves *	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
1	Credit Rating Agency for SME's	1,32,22,177	14,63,401	1,36,07,565	1,17,87,717
2	Technology Support to SME's	27,04,101	11,07,528	42,19,190	30,94,396
3	Asset Reconstruction Company	34,94,723	98,89,481	7,44,28,865	6,46,08,880
4	State Financial Corporation	19,23,661	66,41,010	11,35,43,183	10,73,97,090
5	Online platform for factoring / discounting of Trade Receivables (TReDS)	(1,66,36,829)	(97,59,577)	(85,90,142)	-
	Total	47,07,833	93,41,843	19,72,08,661	18,68,88,083

* Included in Reserve Fund of ₹ 98,31,69,76,210 (Previous year ₹ 97,26,61,41,469) in Schedule II A(i) of the Consolidated Balance sheet.

B. 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 of the Associate	(%) Holding		Description	Investment	Diminution in value of Investment	
		March 31, 2018	March 31, 2017			March 31, 2018	March 31, 2017
1	BSFC	48.43	48.43	SFC *	18,84,88,500	(18,84,88,500)	(18,84,88,500)
2	GSFC	28.41	28.41	SFC *	12,66,00,000	(12,66,00,000)	(12,66,00,000)
3	JKSFC	23.00	28.65	SFC *	3,42,20,000	(3,42,20,000)	(10,46,20,000)
4	MSFC	39.99	39.99	SFC *	12,52,41,750	(12,52,41,750)	(12,52,41,750)
5	PFC	25.92	25.92	SFC *	5,23,51,850	(5,23,51,850)	(5,23,51,850)
6	UPSFC	20.27	20.27	SFC *	21,67,59,000	(21,67,59,000)	(21,67,59,000)
	Total				74,36,61,100	(74,36,61,100)	(81,40,61,100)

* State Financial Corporation

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. No.	Name of the Associate	(%) Holding		Description	Investment	
		March 31, 2018	March 31, 2017		March 31, 2018	March 31, 2017
1	APITCO Ltd.	41.29	41.29	Technical Consultancy Organisation	54,70,975	54,70,975
2	KITCO Ltd.	49.77	49.77	Technical Consultancy Organisation	24,95,296	24,95,296
3	Bihar Industrial and Technical Consultancy Organisation Ltd.	49.25	49.25	Technical Consultancy Organisation	1	1
4	North Eastern Industrial and Technical Consultancy Organisation Ltd.	43.44	43.44	Technical Consultancy Organisation	1	1
5	Orissa Industrial and Technical Consultancy Organisation Ltd.	49.42	49.42	Technical Consultancy Organisation	1	1
6	WEBCON Consulting (India) Ltd. *	21.67	21.67	Technical Consultancy Organisation	4,86,783	4,86,783
	Total				84,53,057	84,53,057

*(Erstwhile West Bengal Consultancy Organisation Ltd.)

D. Financial statements of the associates other than State Financial Corporations's (SFC) mentioned in 4A and 4B are unaudited for the year ended 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.

5. Details of significant transaction with associate are as under :-

[Amount in ₹]

Sr. No.	Name of the Associate	Particulars	Disbursements		Repayments (including interests)	
			March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
1	DFC	Refinance assistance	-	-	5,06,54,683	5,45,96,792

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 ₹ 11,44,13,211 (Previous Year ₹ 20,14,10,951) included in Consolidated Financial Statements, ₹ 10,15,704 being 0.89% (Previous Year ₹ 9,02,387 being 0.45%) of the amount is determined based on Depreciation provided as per the Companies Act, 2013.

7. Aggregate remuneration paid to whole time director of SIDBI is ₹ 74,00,120 (Previous year ₹ 66,71,115), SVCL is ₹ 40,19,260 (Previous Year ₹ 57,23,206) and Mudra Ltd. is ₹ 97,71,989 (Previous Year ₹ 67,46,805).

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, 2018	March 31, 2017
Employer's contribution to Provident fund	5,83,87,971	4,36,88,123
Employer's contribution to New Pension Scheme	1,91,20,772	1,45,96,318

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

(₹ Crore)

FINANCIAL YEAR	Pension		Gratuity	
	2018	2017	2018	2017
1. Assumptions				
Discount Rate	7.72%	7.21%	7.73%	7.29%
Rate of Return on Plan Assets	7.72%	7.21%	7.73%	7.29%
Salary Escalation	6.00%	7.00%	6.00%	7.00%
Attrition rate	2.00%	2.00%	2.00%	2.00%
2. Table showing change in Benefit Obligation				
Liability at the beginning of the year	408.10	344.27	75.49	73.09
Interest Cost	29.42	26.72	5.50	5.81
Current Service Cost	12.73	10.83	5.27	4.92
Past Service Cost (Non Vested Benefit)	0.00	0.00	0.00	0.00
Past Service Cost (Vested Benefit)	0.00	0.00	31.43	0.00
Liability Transferred in	0.00	0.00	0.00	0.00
(Liability Transferred out)	0.00	0.00	0.00	0.00
(Benefit Paid)	0.00	0.00	(4.58)	(4.62)
Actuarial (gain) / loss on obligations	1.78	26.28	(2.06)	(3.71)
Liability at the end of the year	452.03	408.10	111.05	75.49
3. Tables of Fair value of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	98.07	90.47	111.78	106.46
Expected Return on Plan Assets	7.07	7.02	8.15	8.47
Contributions	300.00	0.00	0.00	1.19
Transfer from other company	0.00	0.00	0.00	0.00
(Transfer to other company)	0.00	0.00	0.00	0.00
(Benefit Paid)	0.00	0.00	(4.58)	(4.62)
Actuarial gain / (loss) on Plan Assets	0.32	0.58	(0.10)	0.29
Fair Value of Plan Assets at the end of the year	405.46	98.07	115.25	111.79
4. Table of Recognition of Actuarial Gains/ Losses				
Actuarial (Gains)/ Losses on obligation for the period	1.78	26.28	(2.07)	(3.71)
Actuarial (Gains)/ Losses on asset for the period	(0.32)	(0.58)	0.10	(0.29)
Actuarial (Gains)/ Losses recognized in Income & Expense Statement	1.46	25.70	(1.97)	(4.00)
5. Actual Return on Plan Assets				
Expected Return on Plan Assets	7.07	7.02	8.15	8.47
Actuarial Gain / (Loss) on Plan Assets	0.32	0.58	(0.10)	0.29
Actual Return on Plan Assets	7.39	7.60	8.05	8.76

(₹ Crore)

FINANCIAL YEAR	Pension		Gratuity	
	2018	2017	2018	2017
6. Amount Recognised in the Balance Sheet				
Liability at the end of the year	(452.03)	(408.09)	(111.05)	(75.50)
Fair Value of Plan Assets at the end of the year	405.46	98.07	115.25	111.79
Difference	(46.56)	(310.02)	4.20	36.29
Unrecognised Past Service Cost at the end of the year	0.00	0.00	0.00	0.00
Unrecognised Transitional Liability at the end of the year	0.00	0.00	0.00	0.00
Net Amount recognised in the Balance Sheet	(46.56)	(310.02)	4.20	36.29
7. Expenses Recognised in the Income Statement				
Current Service Cost	12.73	10.84	5.27	4.92
Interest Cost	22.35	19.69	(2.64)	(2.66)
Expected Return on Plan Assets	0.00	0.00	(1.97)	(4.00)
Past Service Cost (Non Vested Benefit) recognised during the year	0.00	0.00	0.00	0.00
Past Service Cost (Vested Benefit) recognised during the year	0.00	0.00	31.43	0.00
Recognition of Transition Liability during the year	0.00	0.00	0.00	0.00
Actuarial (Gain)/ Loss	1.46	25.70	0.00	0.00
Expense Recognised in Profit & Loss account	36.54	56.23	32.09	(1.74)
8. Balance Sheet Reconciliation				
Opening Net Liability	310.02	253.80	(36.29)	(33.37)
Expense as above	36.54	56.23	32.09	(1.74)
Employers Contribution	(300)	0.00	0.00	(1.18)
Amount recognised in the Balance Sheet	46.56	310.03	(4.20)	(36.29)
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.				
Estimated Contribution for next year (12 months)	28.55	25.08	1.40	0.00
10. Category of Assets				
Government of India Assets	0.00	0.00	0.00	0.00
Corporate Bonds	0.00	0.00	0.00	0.00
Special Deposits Scheme	0.00	0.00	0.00	0.00
Equity Shares of Listed Companies	0.00	0.00	0.00	0.00
Property	0.00	0.00	0.00	0.00
Insurer Managed Funds (LIC of India)	405.46	98.07	115.25	111.79
Other	0.00	0.00	0.00	0.00
Total	405.46	98.07	115.25	111.79

11. Experience Adjustment:

₹ Crore

Financial Year	Pension					Gratuity				
	2018	2017	2016	2015	2014	2018	2017	2016	2015	2014
On Plan Liability (Gain)/Loss	66.81	(5.53)	22.70	(0.90)	24.34	10.18	(7.91)	(6.20)	(0.56)	(3.72)
On Plan Asset (Loss)/Gain	0.32	0.58	(0.17)	(1.43)	0.32	(0.10)	0.29	(0.40)	0.21	0.62

(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	As on March 31, 2018	As on March 31, 2017
1	Ordinary Leave Encashment	11.84	5.82
2	Sick Leave	5.49	0.69
3	Resettlement Expenses	0.00	0.06
4	Post Retirement Medical Scheme Facilities	(3.51)	4.33

(ii) SVCL : During the year, company has contributed a sum of ₹39,858/- to the SIDBI Venture Capital Limited Employees' Group Gratuity Assurance Scheme (Trust) for its employees

Details	Post Employment Benefits	
	FY 2018	FY 2017
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	₹49,60,831	₹47,67,159
Fair value of plan assets	₹36,40,759	₹36,43,439
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	₹36,40,759	₹36,43,439
Movement in net liability:		
Opening net liability	₹11,23,720	₹3,17,913
Expenses	₹2,36,210	₹9,05,494
Contribution	(₹39,858)	(₹99,687)
Closing net liability	₹13,20,072	₹11,23,720

Details	Post Employment Benefits	
	FY 2018	FY 2017
Expenses recognized in statement of profit & loss		
Current service cost	₹3,63,229	₹4,28,952
Interest cost	₹3,64,211	₹3,00,097
Expected return on plan assets	(₹2,78,359)	(₹2,73,456)
Expected return on reimbursement rights	N.A.	N.A.
Actuarial gains / (losses)	₹17,39,236	(₹4,49,901)
Total expenses recognized in statement of profit & loss	₹2,36,210	₹9,05,494
Past service cost	₹15,26,365	Nil
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%	7.64%
Expected rate of returns on plan assets	8.09%	7.64%
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)		
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 ₹42,99,540/- 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, 2018 (₹)	March 31, 2017 (₹)
Net Profit considered for EPS calculation	15,77,01,27,573	12,28,92,15,058
Weighted Average Number of equity shares of face value ₹10 each	53,19,22,031	52,18,38,283
Earning per share	29.65	23.55
*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 ₹ 58,02,30,296/- as Deferred Tax Asset (Previous year - Deferred Tax Asset was ₹ 20,13,83,841/-) in the Profit and Loss Account for the year ended March 31, 2018. The Break up of Deferred Tax Asset/(Liability) as on March 31, 2018 is as follows :

Sr. No.	Timing Difference	Deferred Tax Asset/(Liability)	
		FY 2017-18 (₹)	FY 2016-17 (₹)
1	Provision for Depreciation	(1,20,11,396)	95,74,653
2	Special Reserve u/s 36(1)(viii) of the Income Tax Act 1961	(4,44,78,09,616)	(4,21,81,48,976)
3	Provisions for Bad & Doubtful Debts	2,53,21,09,985	2,11,36,06,638
4	Amortisation of Premium on GOI Bonds	(5,86,23,034)	(7,32,66,842)
5	Provision for Restructuring of Accounts	1,66,89,571	3,73,31,705
6	Others	1,17,33,67,554	1,91,48,56,181
	Net deferred tax Asset/(Liability)	(79,62,76,936)	(21,60,46,641)

11. Contingent Liabilities : Estimated amount of contracts remaining to be executed on capital account not provided for (net of advance paid) is ₹10,24,663,903 (Previous year ₹32,129,675)

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 2017-18	FY 2016-17
i)	Common Equity*	Not Applicable	Not Applicable
ii)	Additional Tier 1 capital*	Not Applicable	Not Applicable
(iii)	Total Tier 1 capital	15,716.32	14,500.49
(iv)	Tier 2 capital	425.04	340.23
v)	Total Capital (Tier 1+Tier 2)	16,141.36	14,840.72
vi)	Total Risk Weighted Assets (RWAs)	47,454.90	48,234.34
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)	33.12%	30.06%
ix)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	34.01%	30.77%
x)	Percentage of the shareholding of the Government of India	15.40	15.40
xi)	Amount of equity capital raised	-	44.94
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

(₹ Crore)

Sl. No.	Particulars	FY 2017-18	FY 2016-17
(a)	Provision on Standard Assets		
	Provisions towards Standard Assets (cumulative)	425.04	340.23
(b)	Floating Provisions		
	Opening balance in the floating provisions account	2,057.81	2,333.91
	The quantum of floating provisions made in the accounting year	-	-
	Amount of draw down made during the accounting year	315.60**	276.10*
	Closing balance in the floating provisions account	1,742.21	2,057.81

* Amount was utilised for making NPA/NPI provisions in respect of 3 borrower accounts as per the Bank's policy on floating provision.

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

3. Asset Quality and specific provisions

(₹ Crore)

Sl.No.	Particulars	FY 2017-18	FY 2016-17
(a)	Non-Performing Advances		
(i)	Net NPAs to Net Advances (%)	0.24%	0.41%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	823.28	1008.18
	(b) Additions during the year	424.42	354.03
	(c) Reductions during the year	345.28	538.93
	(d) Closing balance	902.42	823.28
(iii)	Movement of Net NPAs *		
	(a) Opening balance	302.25	481.41
	(b) Additions during the year	28.62	(2.75)
	(c) Reductions during the year	80.24	176.41
	(d) Closing balance	250.63	302.25
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	521.03	526.77
	(b) Provisions made during the year	408.70	356.78
	(c) Write of / write back of excess provisions	277.95	362.52
	(d) Closing balance	651.78	521.03
(b)	Non-Performing Investments		
(i)	Net NPIs to Net Investments (%)	0.00%	0.00%
(ii)	Movement of NPIs (Gross)		
	(a) Opening balance	419.60	621.14
	(b) Additions during the year	9.81	1.27
	(c) Reductions during the year	19.38	202.81
	(d) Closing balance	410.03	419.60
(iii)	Movement of Net NPIs		
	(a) Opening balance	0.00	101.26
	(b) Additions during the year	0.00	(62.51)
	(c) Reductions during the year	0.00	38.75
	(d) Closing balance	0.00	0.00
(iv)	Movement of provisions for NPIs (excluding provisions on standard assets)		
	(a) Opening balance	419.60	519.88
	(b) Provisions made during the year	9.81	63.78
	(c) Write of / write back of excess provisions	19.38	164.06
	(d) Closing balance	410.03	419.60

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

Sl.No.	Particulars	FY 2017-18	FY 2016-17
(c)	Non-Performing Assets (a+b)		
(i)	Net NPAs to Net Assets (Advanced + investments) (%)	0.22%	0.40%
(ii)	Movement of NPAs (Gross Advances + Gross investments)		
	(a) Opening balance	1,242.88	1,629.32
	(b) Additions during the year	434.23	355.30
	(c) Reductions during the year	364.67	741.74
	(d) Closing balance	1,312.44	1,242.88
(iii)	Movement of Net NPAs		
	(a) Opening balance	302.25	582.67
	(b) Additions during the year	28.62	(65.26)
	(c) Reductions during the year	80.24	215.16
	(d) Closing balance	250.63	302.25
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	940.63	1,046.65
	(b) Provisions made during the year	418.51	420.56
	(c) Write of / write back of excess provisions	297.33	526.58
	(d) Closing balance	1,061.81	940.63

3 (d) Accounts Restructured : Disclosure of Restructured Accounts

(₹ Crore)

Sl	Type of Restructuring →		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total					
	Asset Classification	Details ↓	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of Borrowers	0	0	6	-	-	6	-	-	-	-	29	17	39	-	85	29	17	45	-	91	
		Amount outstanding	-	-	188.68	-	188.68	-	204.67	63.54	97.03	-	365.24	204.67	63.54	285.71	-	553.92	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	0.97	0.26	1.39	-	2.63	0.97	0.26	1.39	-	2.63	0.97	0.26	1.39	-	2.63
		No. of Borrowers	-	-	-	-	-	-	4	7	2	-	13	4	7	2	-	13	4	7	2	-	13
2	Fresh restructuring during the year	Amount outstanding	-	-	-	-	-	24.48	15.01	3.84	-	43.33	24.48	15.01	3.84	-	43.33	24.48	15.01	3.84	-	43.33	
		Provision thereon	-	-	-	-	-	-	-	0.09	0.04	-	0.13	-	0.09	0.04	-	0.13	-	0.09	0.04	-	0.13
		No. of Borrowers	0	0	-	-	-	-	6	-4	-2	-	-	6	-4	-2	-	-	6	-4	-2	-	-
		Amount outstanding	-	-	-	-	-	-	27.63	(7.81)	(19.82)	-	-	27.63	(7.81)	(19.82)	-	-	27.63	(7.81)	(19.82)	-	-
3	Upgradations to restructured standard category during the FY	Provision thereon	-	-	-	-	-	0.10	(0.10)	-	-	-	0.10	(0.10)	-	-	-	0.10	(0.10)	-	-	-	
		No. of Borrowers	0	-	0	-	-	-	-10	-	-	-	-10	-	-	-	-	-10	-	-	-	-	-10
		Amount outstanding	-	-	-	-	-	-	(32.79)	-	-	-	(32.79)	(32.79)	-	-	-	(32.79)	-	-	-	-	(32.79)
		Provision thereon	-	-	-	-	-	-	(0.43)	-	-	-	(0.43)	(0.43)	-	-	-	(0.43)	-	-	-	-	(0.43)
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers	0	-	-	-	-	-	-6	10	-	-	-4	-6	10	-	-	-4	-6	10	-	-	-
		Amount outstanding	-	-	-	-	-	-	(60.48)	8.15	52.33	-	-	(60.48)	8.15	52.33	-	-	(60.48)	8.15	52.33	-	-
		Provision thereon	-	-	-	-	-	-	(0.20)	0.11	0.09	-	-	(0.20)	0.11	0.09	-	-	(0.20)	0.11	0.09	-	-
		No. of Borrowers	-	-	-5	-	-	-	-10	-2	-18	-	-30	-10	-2	-23	-	-35	-10	-2	-23	-	-35
5	Downgradations of restructured accounts during the FY	Amount outstanding	-	-	-	-	-	(88.82)	(21.11)	(35.06)	-	(144.99)	(88.82)	(21.11)	(186.55)	-	(296.48)	(88.82)	(21.11)	(186.55)	-	(296.48)	
		Provision thereon	-	-	-	-	-	-	(0.52)	(0.14)	(1.04)	-	(1.71)	(0.52)	(0.14)	(1.04)	-	(1.71)	(0.52)	(0.14)	(1.04)	-	(1.71)
		No. of Borrowers	-	-	1	-	-	-	15	12	31	-	58	15	12	32	-	59	15	12	32	-	59
		Amount outstanding	-	-	37.19	-	-	-	74.69	57.78	98.32	-	230.79	74.69	57.78	135.51	-	267.98	74.69	57.78	135.51	-	267.98
6	Write-offs of restructured accounts during the FY	Provision thereon	-	-	-	-	-	(0.08)	0.23	0.48	-	0.63	(0.08)	0.23	0.48	-	0.63	(0.08)	0.23	0.48	-	0.63	
		No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures)*	No. of Borrowers	-	-	1	-	-	-	15	12	31	-	58	15	12	32	-	59	15	12	32	-	59
		Amount outstanding	-	-	37.19	-	-	-	74.69	57.78	98.32	-	230.79	74.69	57.78	135.51	-	267.98	74.69	57.78	135.51	-	267.98
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).
Note: Figures at Sr. No.6 includes ₹74.17 crore (37 borrower & provisions of ₹0.55 crore) which is reduction/recovery from existing restructured accounts by way of recovery.

(e) Movement of Non-performing assets

(₹ Crore)

Particulars	FY 2017-18	FY 2016-17
Gross NPAs as on April 01, 2017	823.28	1,008.18
Additions (Fresh NPAs) during the year	424.42	354.03
Sub total (A)	1,247.70	1,362.21
Less :-		
(i) Upgradations	17.15	40.13
(ii) Recoveries (excluding recoveries made from upgraded accounts)	133.45	181.41
(iii) Technical / Prudential Write offs	187.75	294.35
(iv) Write offs other than those under (iii) above	6.93	23.04
Sub-total (B)	345.28	538.93
Gross NPAs as on March 31, 2018 (A-B)	902.42	823.28

(f) Write-offs and recoveries

(₹ Crore)

Particulars	FY 2017-18	FY 2016-17
Opening balance of Technical / Prudential written off accounts as at April 1, 2017	1,573.68	1,377.70
Add : Technical / Prudential write offs during the year	187.75	294.35
Sub Total (A)	1,761.43	1,672.05
Less : Actual write off	1.81	51.85
Less : Recoveries made from previously technical / prudential written off accounts during the year	301.11	46.52
Sub Total (B)	302.92	98.37
Closing balance as at March 31, 2018 (A-B)	1,458.51	1,573.68

(g) Overseas Assets, NPAs and Revenue

Particulars	FY 2017-18	FY 2016-17
Total Assets	Nil	Nil
Total NPAs	Nil	Nil
Total Revenue	Nil	Nil

(h) Depreciation and provisions on investments

(₹ Crore)

	Particulars	FY 2017-18	FY 2016-17
(1)	Investments		
	(i) Gross Investments	9,200.42	8,407.88
	(a) In India	9,200.42	8,407.88
	(b) Outside India	-	-
	(ii) Provisions for Depreciation	460.22	468.37
	(a) In India	460.22	468.37
	(b) Outside India	-	-
	(iii) Net Investments	8,740.20	7,939.51
	(a) In India	8,740.20	7,939.51
	(b) Outside India	-	-
(2)	Movement of provisions held towards depreciation on investments	-	-
	(i) Opening balance	48.77	50.18
	(ii) Add: Provisions made during the year	4.21	0.61
	(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*	-	2.02
	(vi) Closing balance	50.01	48.77

* Transfer to Investment Fluctuation Reserve is net of provision of NIL during FY 2017-18 and ₹2.02 crore made during FY 2016-17.

(i) Provisions and Contingencies

(₹ Crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	FY 2017-18	FY 2016-17
Provisions for depreciation/NPI on Investment #	(7.54)	(23.89)
Provision towards NPA #	0.00	103.80
Provision made towards Income tax (Including Deferred Tax Assets/Liability)	630.74	635.01
Other Provision and Contingencies (with details)\$	73.82	11.68

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

(j) Provisioning Coverage Ratio (PCR)

Particulars	FY 2017-18	FY 2016-17
Provisioning Coverage Ratio (PCR)*	89%	87%

* Floating provision has not been considered while calculating PCR.

(k) Disclosures on Flexible Structuring of Existing Loans

(₹ Crore)

Period	No. of borrowers taken up for flexibly structuring	Amount of loans taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring	
		Classified as Standard	Classified as NPA	Before applying flexible structuring	After applying flexible structuring
Previous Year FY 2016-17	Nil	Nil	Nil	Nil	Nil
Current Year FY 2017-18	Nil	Nil	Nil	Nil	Nil

(l) 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 as standard	Classified as NPA	Classified as standard	Classified as NPA
1	Nil	3.98*	Nil	Nil	Nil	3.98*

* Out of the total outstanding debt of ₹ 3.98 crore, as per SDR proposal ₹ 1.19 crore has been converted into equity and the balance outstanding of ₹ 2.79 crore is held as debt categorized as NPA. Subsequently, SDR has failed and lead bank is in the process of submitting application with NCLT.

(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 ownership	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending		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	
	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 where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		
	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, 2018.

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

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, 2018
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)

Issuer	Amount	Amount of			
		Investment made through private placement	Below Investment Grade Securities Held	Unrated securities held	Unlisted securities
(1)	(2)	(3)	(4)	(5)	(6)
PSUs	674.12	-	-	-	141.00
FIs	1,805.45	76.24	-	61.73	208.07
Banks	1,628.76	80.00	-	103.50	103.50
Private Corporate	1,275.68	309.51	-	346.81	314.19
Subsidiaries/Joint ventures		-	-	-	-
Others	3,816.40	873.65	-	873.65	2,933.65
Provision held towards depreciation	-460.21				
Total	8,740.20	1,339.40	-	1,385.69	3,700.41

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

During the current FY, the Bank sold investments of ₹ 5.00 Crore in Tire I capital Bond of Corporation Bank from Held to Maturity (HTM) category in accordance with extant RBI guidelines. Except for the above, there was no shifting of investments to/from HTM category.

5. Details of Financial Assets purchased/ sold

(₹ Crore)

Particulars		FY 2017-18	FY 2016-17
(a)	Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction		
(I)	Details of Sales		
	(i) No. of accounts (borrower)	105	1
	(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	0.00	13.17
	(iii) Aggregate consideration	64.07	27.66
	(iv) Additional consideration realized in respect of accounts transferred in earlier years	0.00	0
	(v) Aggregate gain / loss over net book value	9.61	14.49
(II)	Details of Book Value of Investments in Security Receipts		
	Book value of investments in security receipts		
	(i) Backed by NPAs sold by the AIFI as underlying	9.76	9.49
	(ii) Backed by NPAs sold by banks / other financial institutions/ non-banking financial companies as underlying	0.00	0.00
	Total	9.76	9.49
(b)	Details of Non Performing Financial Assets Purchased / Sold		
(i)	Details of non performing financial assets purchased:		
	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:		
	No. of accounts sold	105	1
	Aggregate outstanding	114.07	23.04
	Aggregate consideration received	64.07	27.66

6. Operating Results

Particulars		FY 2017-18	FY 2016-17
(i)	Interest income as a percentage to average working funds	6.86	7.59
(ii)	Non-interest income as a percentage to average working funds	0.55	0.44
(iii)	Operating profit as a percentage to average working funds (before provisions)	2.28	2.28
(iv)	Return on average assets (before provisions for taxation)	2.21	2.17
(v)	Net Profit per employee (₹ crore)	1.39	1.05

7. Credit Concentration risk

(a) Capital market exposure

(₹ Crore)

Particulars		FY 2017-18	FY 2016-17
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	570.66	548.72
(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;	-	-
(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;	-	-
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market 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;	-	-
(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)	877.43	749.79
Total Exposure to Capital Market		1,448.09	1,298.51

(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.

Sl. No.	PAN Number	Borrower Name	Industry Code	Industry Name	Sector	Amount Funded	Amount Non-Funded	Exposure as %age to capital Funds
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

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

Sr. No.	Particulars	FY 2017-18		FY 2016-17	
		As % to Total Assets	As % to Capital funds	As % to Total Assets	As % to Capital funds
1	The largest single borrower	9.49	73.10	16.91	100.40
	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	66.95	515.69	71.47	424.25
	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 2017-18		FY 2016-17	
	Amount Outstanding	% to total loan assets	Amount Outstanding	% to total loan assets
TRANSPORT EQUIPMENT	1,418.29	1.35	735.10	0.99
AUTO ANCILLARIES	1,146.56	1.09	1,255.39	1.69
METAL PRODUCTS N.E.C.	413.56	0.39	495.09	0.67
METAL PRODUCTS PARTS EXCEPT MACHINERY	394.68	0.37	396.79	0.53
PHARMACEUTICAL PREPARATIONS -ALLOPATHIC	354.70	0.34	368.01	0.50

(iv) Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is ₹1662.90 crore as on March 31, 2018 and the estimated value of intangible security as on March 31, 2018 is ₹163.61 crore.

(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

(₹ Crore)

Particulars		FY 2017-18	FY 2016-17
(i) Concentration of borrowings and lines of credit			
	Total borrowings from twenty largest lenders	58,482.38	49,658.04
	Percentage of borrowings from twenty largest lenders to total borrowings	57.41%	73.71%
(ii) Concentration of Exposures			
	Total advances to twenty largest borrowers	74,274.86	52,805.39
	Percentage of advances to twenty largest borrowers to Total Advances	70.51%	71.13%
	Total Exposure to twenty largest borrowers / customers	83,239.27	65,657.52
	Percentage of exposures to twenty largest borrowers / customers to Total Exposure	66.97%	64.44%

(iii) Sector-wise concentration of exposures and NPAs

(₹ Crore)

Sr. No.	Sector	FY 2017-18			FY 2016-17		
		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	87,186.15	894.66	1.03%	63,518.56	823.28	1.30%
1	Central Government	-	-	-	-	-	-
2	Central PSUs	-	-	-	-	-	-
3	State Governments	-	-	-	-	-	-
4	State PSUs	257.19	0.10	0.04%	861.13	1.10	0.13%
5	Scheduled Commercial Banks	76,087.06	-	-	51,248.41	-	-
6	Regional Rural Banks	520.87	-	-	277.04	-	-
7	Co-operative banks	-	-	-	-	-	-
8	Private sector (excluding banks)	10,321.03	894.56	8.67%	11,131.98	822.18	7.39%
II.	Micro-finance sector	2,176.59	7.76	0.36%	3,393.44	-	-
III.	Others*	17,134.27	-	-	7,850.83	-	-
	Total (I+II+III)	106,497.01	902.42	0.85%	74,762.83	823.28	1.10%

* includes advances to NBFCs and Small Finance Banks.

8. Derivatives

Sr. No	Particulars	FY 2017-18	FY 2016-17
(a)	Forward Rate Agreement / Interest Rate Swap		
i)	The notional principal of swap agreements	USD 40,310,000	-
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	NIL	-
iii)	Collateral required by the bank upon entering into swaps	NIL	-
iv)	Concentration of credit risk arising from the swaps	USD 201,550	-
v)	The fair value of the swap book	USD (571,037)	-
(b)	Exchange Traded Interest Rate Derivatives		
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

(₹ Crore)

Sr. No.	Particulars	FY 2017-18		FY 2016-17	
		Currency Derivatives	Interest rate Derivatives	Currency Derivatives	Interest rate Derivatives
1	Derivatives (Notional Principal Amount)	8,508.91		9,108.09	
(i)	For hedging	8,508.91	-	9,108.09	-
(ii)	For trading	-	-	-	-
2	Marked to Market Positions [1]	240.04		(122.27)	
(i)	Asset (+)	240.04	-	(122.27)	-
(ii)	Liability (-)	-	-	-	-
3	Credit Exposure [2]	803.78	-	747.61	-
4	Likely impact of one percentage change in interest rate (100* PV01)	167.74		204.22	
(i)	On hedging derivatives	167.74	-	204.22	-
(ii)	On trading derivatives	-	-	-	-
5	Maximum and Minimum of 100*PV01 observed during the year				
(i)	On hedging	186.30/167.74	-	258.27/204.22	-
(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, 2017		LoC issued during the year		LoCs redeemed during the year		LoCs outstanding as on March 31, 2018	
No of LoC	Amount	No of LoC	Amount	No of LoC	Amount	No of LoC	Amount
1	1.80	0	0.00	1	1.80	0	0.00

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	271	346	5,191	5,974	3,992	38,591	1,009	-	55,374
Advances	3,474	57	5,372	10,632	10,552	65,824	6,602	764	1,03,277
Investments	2,805	1,200	3,909	2,096	1,606	195	364	4,202	16,377
Borrowings	300	400	8,134	22	17,159	6,228	2,741	502	35,486
Foreign Currency assets	11	95	722	120	1,023	3,154	2,903	3,370	11,398
Foreign Currency liabilities	-	-	445	56	571	2,978	2,118	4,956	11,124

11. Draw Down from Reserves

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

12. Business Ratios

Particulars	FY 2017-18	FY 2016-17
Return on average Equity (before provisions for taxation)	15.44	14.68
Return on average assets (before provisions for taxation)	2.21	2.17
Net Profit per employee (₹ crore)	1.39	1.05

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

Particulars	FY 2017-18	FY 2016-17
i No. of complaints pending at the beginning of the year	2	2
ii No. of complaints received during the year	63	67
iii No. of complaints redressed during the year	63	67
iv No. of complaints pending at the end of the year	2	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' for FY 2017-18 includes Prior Period Income of ₹ 24,23,74,283/- (Previous Year ₹1,78,32,983) and Other expenditure in schedule XIV – 'Operating Expenses' for FY 2017-18 includes Prior Period Expenditure of ₹6,72,68,874/- (Previous Year ₹41,27,095/-).

(b) Accounting Standard 17 – Segment Reporting - As required as per RBI master directions and Accounting Standard-17, the Bank has disclosed "Business segment" as the Primary Segment. Since the Bank and its subsidiaries operate in India, there are no reportable geographical segments. Under Business Segment, the Bank has identified Whole Sale Operations (Direct Lending), Whole Sale Operations (Refinance), Treasury and Other Business as its four reporting segments. The other business includes the operations of two subsidiaries of the Bank viz SIDBI Venture Capital Limited and SIDBI Trustee Company Limited.

Part A: BUSINESS SEGMENTS

(₹ Crore)

Business Segments		Wholesale Operations (Direct Lending)		Wholesale Operations (Refinance)		Treasury		Other Business		Total	
Particulars		FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017
1	Segment Revenue	1,212	1,243	5,364	5,107	793	520	17	18	7,386	6,888
	Exceptional Items									-	-
	Total									7,386	6,888
2	Segment Results	200	22	1,958	1,806	209	165	9	9	2,376	2,002
	Exceptional Items									-	-
	Total									2,376	2,002
	Unallocable Expenses									169	139
	Operating profit									2,207	1,863
	Income Tax (Net of write back)									631	635
	Share of profit in associates									1	1
	Net profit									1,577	1,229
3	Other information										
	Segment Assets	9,744	10,709	97,463	69,192	15,356	7,109	48	46	1,22,611	87,056
	Unallocated Assets									1,720	1,035
	Total Assets									1,24,331	88,091
	Segment Liabilities	6,969	7,499	88,649	59,979	11,852	5,476	5	5	1,07,475	72,959
	Unallocated Liabilities									1,871	1,581
	Total									1,09,346	74,540
	Capital/ Reserves	2,793	3,215	6,717	6,577	5,432	3,733	43	26	14,985	13,551
	Total									14,985	13,551
	Total Liabilities									1,24,331	88,091

Part B: GEOGRAPHIC SEGMENTS - Nil**(c) Accounting Standard 18 – Related Party Disclosures**

(₹ Crore)

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	-	-	-	0.27	-	0.27
Maximum during the year	-	-	-	0.27	-	0.27
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	-	-	28.60	-	-	28.60
Maximum during the year	-	-	28.60	-	-	28.60
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	-	-	-	-	-	-
Interest received	-	-	2.16	-	-	2.16
Rendering of services*	-	-	2.00	-	-	2.00
Receiving of services*	-	-	-	-	-	-
Management contracts*	-	-	-	1.78**	-	1.78**

@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 actuarial gains/ losses are taken to the profit & loss account and are not amortized.

As per our report of even date

BY ORDER OF THE BOARD

For Chhajed & Doshi
Chartered Accountants
FRN.101794W

R K Das
Chief General Manager
(Corporate Accounts Vertical)

Manoj Mittal
Dy. Managing Director

Ajay Kumar Kapur
Dy. Managing Director

Mohammad Mustafa
Chairman &
Managing Director

Kiran K Daftary
Partner
M.No. 010279

Sharad Sharma
Director

J Chandrasekaran
Director

New Delhi
May 12, 2018

Consolidated Cash Flow Statement for the year ended March 31, 2018

(Amount in ₹)

March 31, 2017	Particulars	March 31, 2018	March 31, 2018
	1. Cash Flow from Operating Activities		
18,63,00,06,890	Net Profit before tax as per P & L Account		22,07,29,34,129
	Adjustments for :		
20,14,10,951	Depreciation	11,44,13,211	
61,30,31,066	Provision for net depreciation in investments	(19,31,47,663)	
1,89,75,58,851	Provisions made (net of write back)	1,57,99,47,620	
(2,34,88,06,643)	Profit on sale of investments (net)	(2,51,13,83,994)	
(35,54,143)	Profit on sale of fixed assets	(22,69,860)	
(11,98,96,737)	Dividend Received on Investments	(7,34,78,100)	(1,08,59,18,785)
18,86,97,50,235	Cash generated from operations (Prior to changes in operating Assets and Liabilities)		20,98,70,15,344
	Adjustments for net changes in :		
(3,35,97,77,242)	Current assets	(6,96,24,96,647)	
(4,19,37,68,002)	Current liabilities	2,09,36,84,066	
4,04,85,71,508	Bills of Exchange	1,81,37,84,030	
(58,77,96,88,144)	Loans & Advances	(3,17,53,17,83,144)	
10,86,22,06,929	Net Proceeds of Bonds and Debentures & other borrowings	31,66,20,54,018	
34,11,79,89,717	Deposits received	3,13,87,68,96,577	
(17,30,44,65,234)			24,95,21,38,900
1,56,52,85,001			45,93,91,54,244
(7,49,43,40,588)	Payment of Tax	(5,889,7,36,590)	(5,88,97,36,590)
(5,92,90,55,586)	Net Cash flow from operating Activities		40,04,94,17,654
	2. Cash Flow from Investing Activities		
(15,14,63,380)	Net (Purchase)/Sale of fixed assets	(46,37,51,683)	
17,95,34,79,388	Net (Purchase)/sale/redemption of Investments	(16,49,23,60,626)	
11,98,96,737	Dividend Received on Investments	24,50,87,253	
17,92,19,12,744	Net cash used in Investing Activities		(16,71,10,25,056)
	3. Cash flow from Financing Activities		
19,99,99,99,999	Proceeds from issuance of share capital & share premium	-	
(1,13,95,59,966)	Dividend on Equity Shares & tax on Dividend	(1,30,21,42,163)	
18,86,04,40,033	Net cash used in Financing Activities		(1,30,21,42,163)
30,85,32,97,191	4. Net increase/(decrease) in cash and cash equivalents		22,03,62,50,435
36,51,05,43,619	5. Cash and Cash Equivalents at the beginning of the period		67,36,38,40,810
67,36,38,40,810	6. Cash and Cash Equivalents at the end of the period		89,40,00,91,245

(Amount in ₹)

March 31, 2017	Particulars	March 31, 2018	March 31, 2018
	7. Cash and cash equivalents at the end of the period includes		
6,83,614	Cash in Hand		6,24,411
27,91,71,940	Current account balance with Bank		21,03,83,844
35,84,73,20,553	Mutual Funds		22,01,00,00,018
31,23,66,64,703	Deposits		67,17,90,82,972

Note : Cash Flow statement has been prepared as per the Indirect Method prescribed in AS-3 (Revised)

'Cash Flow Statement' issued by the Institute of Chartered Accountants of India (ICAI)

Significant Accounting Policies XV

Notes to Accounts XVI

As per our report of even date

BY ORDER OF THE BOARD

For Chhajed & Doshi
Chartered Accountants
FRN.101794W

R K Das
Chief General Manager
(Corporate Accounts Vertical)

Manoj Mittal
Dy. Managing Director

Ajay Kumar Kapur
Dy. Managing Director

Mohammad Mustafa
Chairman &
Managing Director

Kiran K Daftary
Partner
M.No. 010279

Sharad Sharma
Director

J Chandrasekaran
Director

New Delhi
May 12, 2018



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