

Annual Report (Part-II)
2019-20



STRENGTHENING OUR SUPPORT

For Vibrant Economy through Strong MSMEs

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APPENDIX I

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

Independent Auditor's Report

THE SHAREHOLDERS

Small Industries Development Bank of India

1. Opinion

We have audited the accompanying Standalone Financial Statements of "Small Industries Development Bank of India" ("the Bank"), which comprise the Balance Sheet at March 31, 2020, the Profit and Loss Account, Statement of Cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at March 31, 2020, of its financial performance and its cash flows for the year then ended in accordance with Regulation 14 (i) of Small Industries Development Bank of India General Regulations 2000, and the Accounting principles generally accepted in India.

2. Basis for Opinion

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

3. Emphasis of Matter

- i. We draw attention to Note No 2 of schedule XVI to the standalone financials wherein in the view of the management the impact of the pandemic will depend on future developments and may be different from that estimated as at the date of approval of Bank's Financial Statements. In accordance with the RBI Circular dated March 27, 2020 for providing relief to borrowers on account of COVID-19 pandemic, the Bank offered moratorium of loan installments / interest payable to eligible borrowers as per Board approved policy. Accordingly the Bank has made provision as per RBI circular dated 17th April 2020 to the extent of five percent amounting ₹13.99 crore for March 2020 and remaining five percent is deferred to next quarter as per the above referred circular.
- ii. We draw attention to Note 3.1 where during the year, the Bank has re-assessed its unrecognised Deferred Tax Assets on entire provision held on Standard Assets. Accordingly, Deferred Tax Assets of ₹96,34,90,214 has been recognised during the current FY 2019-20.

Our opinion is not modified in respect of these matters.

4. Key Audit Matters

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

The key audit matters identified in our audit are:

Sr. No.	Key Audit Matter	Response to Key Audit Matter
1.	<p>Contingent Liability and Provision for Income Tax</p> <p>In the recognition and measurement of provisions, there is uncertainty about the timing or amount of the future expenditure required to settle the liability.</p> <p>In respect of contingent liabilities, there are estimates and assumptions made to determine the amount to be disclosed.</p>	<p>In respect of bad debts written off and claimed under section 36 (1) (vii) (c) of the Income Tax 1961, the Income Tax Department has disallowed the claim citing that the Bank has claimed double tax benefit as the Bank has already been allowed benefit at the time of making provision for doubtful debts.</p>

Sr. No.	Key Audit Matter	Response to Key Audit Matter
	<p>As a result, there is a high degree of judgment required for the recognition and measurement of provisions and disclosure of contingent liabilities.</p> <p>The Bank has reported contingent liabilities of Income Tax amounting to ₹5,71,61,67,906/- towards claims against the Bank not acknowledged as debts in the financial statements.</p>	<p>We have verified the previous pending litigation orders. In certain years, the Income Tax Appellate Tribunal has already allowed the Bank's claim, which is challenged by the Department before higher authorities. Further, the Bank has obtained views of external tax expert to ascertain the chances of sustainability of Bank's claim and based on their views, no provision for tax is made considering the same to be allowable.</p> <p>Thus, in respect to demands outstanding with regard to section 36 (1) (vii) (c) and other disallowances / matters, where the assessment has been made against the Bank and appeals are pending, the same are included in contingent liability and hence no provision is considered necessary.</p>
2.	<p>Information Technology general Controls:</p> <p>A significant part of the Bank's financial reporting process is heavily reliant on IT systems with automated processes and controls over the capture, storage and extraction of information.</p> <p>A fundamental component of these processes and controls is ensuring appropriate user access and change management protocols exist and being adhered to. These protocols are important because they ensure that access and changes to IT systems and related data are made and authorised in an appropriate manner.</p>	<p>We focused our audit on IT systems and controls that are significant to the Bank's financial reporting process.</p> <p>The Bank has a system in place for getting application software audits for identified Application Systems at reasonable intervals. Information Systems (IS) Audit is done at branches by officers of the Bank at reasonable intervals.</p> <p>We have relied on the Application Systems Audits carried by external consultants and IS audits done at the branches.</p> <p>We have reviewed reports of external consultants and IS audits done at the branches on sample basis and the same were found to be in order.</p> <p>Where required, we performed a greater level of testing to validate the integrity and reliability of data and reporting thereof.</p>

5. Other Information

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

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

As on date, the CMD's Statement, Directors' Report, Overall Business Operations, Management and Corporate Governance are under preparation. When we read the same and if we conclude that there is any material

misstatement therein, then we will communicate the matter to those charged with governance.

6. Other Matters

Incorporated in these financial statements are the returns of 25 Branches visited / reviewed by us for the purpose of audit including Head Office which accounts for 96.46% of Advances, 99.63% of Deposits, 100% of Borrowings, 95.64% of interest income on Advances, 99.31% of interest expense on Deposits and 100% of interest expense on Borrowings. These branches have been selected in consultation with the Bank. We have not visited remaining branches of the Bank and have reviewed their returns at the Head Office.

7. Responsibilities of Management for the Financial Statements

Management of Bank is responsible for the preparation and fair presentation of the financial statements in accordance with Small Industries Development

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

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

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

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

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

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

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

estimates and related disclosures made by management.

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

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

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

9. Report on Other Legal and Regulatory Requirements

We report that:

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

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

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

**CA Kiran K. Daftary
Partner
Membership No. 010279
UDIN: 20010279AAAAAN2925**

**Place : Mumbai
Date: May 15, 2020**

Balance Sheet

as at March 31, 2020

(Amount in ₹)

		March 31, 2020	March 31, 2019
CAPITAL AND LIABILITIES			
	Schedules		
Capital	I	5,31,92,20,310	5,31,92,20,310
Reserves, Surplus and Funds	II	1,84,65,53,87,321	1,61,53,16,39,410
Deposits	III	10,59,71,64,39,231	7,19,22,47,49,673
Borrowings	IV	5,57,03,38,37,542	5,96,99,79,07,871
Other Liabilities and Provisions	V	68,64,97,19,422	75,27,76,17,911
Deferred Tax Liability (refer Note 3)		1,52,32,715	25,71,28,715
Total		18,75,38,98,36,541	15,58,60,82,63,890
ASSETS			
Cash and Bank Balances	VI	64,83,38,91,127	54,05,25,12,178
Investments	VII	1,11,17,85,33,236	88,18,19,96,172
Loans & Advances	VIII	16,54,21,56,14,553	13,62,30,37,01,258
Fixed Assets	IX	2,86,71,15,169	2,85,40,92,585
Other Assets	X	42,29,46,82,456	51,21,59,61,697
Total		18,75,38,98,36,541	15,58,60,82,63,890
Contingent Liabilities	XI	76,13,98,91,761	93,65,32,75,072
Significant Accounting Policies	XV		
Notes to Accounts	XVI		

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

As per our report of even date

BY ORDER OF THE BOARD

For **Chhajed & Doshi**
Chartered Accountants
FRN.101794W

Rajendra Agrawal
General Manager
(Corporate Accounts Vertical)

Manoj Mittal
Deputy Managing Director

Mohammad Mustafa
Chairman & Managing Director

Kiran K Daftary
Partner
M.No. 010279

G Gopalakrishna
Director

Ashish Gupta
Director

New Delhi, May 15, 2020

Profit & Loss Account

for the year ended March 31, 2020

(Amount in ₹)

		March 31, 2020	March 31, 2019
INCOME	Schedules		
Interest and Discount	XII	1,10,20,93,69,739	94,82,13,19,357
Other Income	XIII	10,69,36,41,116	4,34,24,76,550
Total		1,20,90,30,10,855	99,16,37,95,907
EXPENDITURE			
Interest & Financial charges (refer Note 8)		77,22,05,87,193	69,03,01,12,006
Operating Expenses	XIV	6,07,45,88,592	5,12,37,49,980
Provisions & Contingencies		9,52,98,06,119	(2,48,79,420)
Total		92,82,49,81,904	74,12,89,82,566
Profit before Tax		28,07,80,28,951	25,03,48,13,341
Provision for Income Tax (refer Note 4)		5,17,47,06,878	6,05,64,69,013
Deferred Tax Adjustment [(Asset) / Liability] (refer Note 3)		(24,18,96,000)	(54,36,89,736)
Profit after Tax		23,14,52,18,073	19,52,20,34,064
Profit brought forward		49,99,16,015	43,13,26,886
Total Profit / (Loss)		23,64,51,34,088	19,95,33,60,950
Appropriations			
Transfer to General Reserve		22,10,00,00,000	16,64,00,00,000
Transfer to Special reserve u/s 36(1)(viii) of The Income Tax Act, 1961		55,00,00,000	70,00,00,000
Others			
Transfer to Investment Fluctuation Reserve		33,59,018	44,22,00,000
Transfer to Staff Welfare Fund		3,00,00,000	2,00,00,000
Dividend on Shares		-	1,36,96,99,230
Tax on Dividend		-	28,15,45,705
Surplus in Profit & Loss account carried forward		96,17,75,070	49,99,16,015
Total		23,64,51,34,088	19,95,33,60,950
Basic/Diluted Earnings Per Share (refer Note 20)		43.51	36.70
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

Rajendra Agrawal
General Manager
(Corporate Accounts Vertical)

Manoj Mittal
Deputy Managing Director

Mohammad Mustafa
Chairman & Managing Director

Kiran K Daftary
Partner
M.No. 010279

G Gopalakrishna
Director

Ashish Gupta
Director

New Delhi, May 15, 2020

Schedules to Balance Sheet

CAPITAL AND LIABILITIES

(Amount in ₹)

Schedule I: Capital	March 31, 2020	March 31, 2019
(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

(Amount in ₹)

Schedule II: Reserves, Surplus and Funds	March 31, 2020	March 31, 2019
A) Reserves		
i) General Reserve		
- Opening Balance	1,24,63,51,37,200	1,07,99,51,37,200
- Additions during the year	22,10,00,00,000	16,64,00,00,000
- Utilisations during the year	-	-
- Closing Balance	1,46,73,51,37,200	1,24,63,51,37,200
ii) Share Premium		
- Opening Balance	16,68,07,79,690	16,68,07,79,690
- Additions during the year	-	-
- Utilisations during the year	-	-
- Closing Balance	16,68,07,79,690	16,68,07,79,690
iii) Specific Reserves		
a) Investment Reserve		
- Opening Balance	-	-
- Additions during the year	-	-
- Utilisations during the year	-	-
- Closing Balance	-	-
b) Special Reserve created and maintained u/s 36 (1) (viii) of The Income Tax Act, 1961		
- Opening Balance	15,67,00,00,000	14,97,00,00,000
- Additions during the year	55,00,00,000	70,00,00,000
- Utilisations during the year	-	-
- Closing Balance	16,22,00,00,000	15,67,00,00,000
c) Other Reserves		
i) Investment Fluctuation Reserve		
- Opening Balance	1,14,59,86,026	70,37,86,026
- Additions during the year	33,59,018	44,22,00,000
- Utilisations during the year	-	-
- Closing Balance	1,14,93,45,044	1,14,59,86,026

Schedules to Balance Sheet

(Amount in ₹)

Schedule II: Reserves, Surplus and Funds	March 31, 2020	March 31, 2019
B) Surplus in Profit and Loss account	96,17,75,070	49,99,16,015
C) Funds		
a) National Equity Fund		
- Opening Balance	2,65,23,89,862	2,56,95,54,646
- Additions / Write back during the year	37,52,970	8,28,35,216
- Utilisations during the year	-	-
- Closing Balance	2,65,61,42,832	2,65,23,89,862
b) Staff Welfare Fund		
- Opening Balance	24,74,30,617	24,92,32,557
- Additions during the year	3,00,00,000	2,00,00,000
- Utilisations during the year	2,52,23,132	2,18,01,940
- Closing Balance	25,22,07,485	24,74,30,617
c) Others	-	-
Total	1,84,65,53,87,321	1,61,53,16,39,410

(Amount in ₹)

Schedule III: Deposits	March 31, 2020	March 31, 2019
A) Fixed Deposits	31,77,53,39,231	64,86,00,49,673
B) From Banks		
a) Under MSME Refinance Fund	9,39,05,30,50,000	5,80,00,00,000
b) Under MSME Risk Capital Fund	10,00,00,00,000	15,00,00,00,000
c) Others - From Foreign & Private Sector Banks	-	-
d) Under MSME India Aspiration Fund	7,02,35,25,000	9,36,47,00,000
e) Under Fund for Venture Capital in MSME sector 2014-15	71,86,45,25,000	50,00,00,00,000
Subtotal (B)	10,27,94,11,00,000	6,54,36,47,00,000
Total	10,59,71,64,39,231	7,19,22,47,49,673

(Amount in ₹)

Schedule IV: Borrowings	March 31, 2020	March 31, 2019
I) Borrowings in India		
1. From Reserve Bank of India	-	-
2. From Government of India (refer Note 12) (including Bonds subscribed by GOI)	21,07,48,45,249	21,46,93,19,323
3. Bonds & Debentures (refer Note 6)	1,75,62,50,00,000	1,44,95,50,00,000
4. From Other Sources		
- Commercial Paper	49,50,00,00,000	47,50,00,00,000
- Certificate of Deposits	1,98,90,00,00,000	1,51,55,00,00,000
- Term Loans from Banks	14,36,35,43,399	1,24,46,56,06,275
- Term Money Borrowings	-	-
- Others (refer Note 15)	4,74,98,02,338	14,99,20,398
Subtotal (I)	4,64,21,31,90,986	4,90,08,98,45,996

Schedules to Balance Sheet

(Amount in ₹)

Schedule IV: Borrowings	March 31, 2020	March 31, 2019
II) Borrowings outside India		
(a) KFW, Germany	11,60,28,09,154	14,44,29,19,606
(b) Japan International Cooperation Agency (JICA)	34,07,23,44,393	36,80,54,19,486
(c) IFAD, Rome (refer Note 18)	1,15,34,15,466	1,12,48,25,395
(d) World Bank	43,46,01,15,739	51,47,72,81,791
(e) Others	2,53,19,61,804	3,05,76,15,597
Subtotal (II)	92,82,06,46,556	1,06,90,80,61,875
Total (I & II)	5,57,03,38,37,542	5,96,99,79,07,871

(Amount in ₹)

Schedule V: Other Liabilities and Provisions	March 31, 2020	March 31, 2019
Interest Accrued	27,16,74,34,630	28,41,05,15,952
Provision for SIDBI Employees' Provident Fund	3,09,97,41,738	2,80,17,62,288
Provision for SIDBI Pension Fund	62,60,20,000	45,55,68,252
Provision for Sick Leave Fund	6,27,63,000	11,18,93,681
Provision for Medical Assistance Scheme Fund	21,30,15,000	18,00,58,808
Provision for Employees Benefit	1,66,08,07,000	1,09,09,74,143
Others (including provisions) (refer Note 14 & 23)	27,73,24,85,782	33,53,24,69,017
Provisions for Exchange Rate Fluctuation (refer Note 11)	1,53,73,62,766	1,53,73,62,766
Contingent provisions against standard assets (refer Note 24)	6,55,00,89,506	5,50,57,68,069
Proposed Dividend (including tax on dividend) (refer Note 21)	-	1,65,12,44,935
Total	68,64,97,19,422	75,27,76,17,911

ASSETS

(Amount in ₹)

Schedule VI: Cash & Bank Balances	March 31, 2020	March 31, 2019
1. Cash in Hand & Balances with Reserve Bank of India	6,16,569	6,09,656
2. Balances with other Banks		
(a) In India		
i) in current accounts	31,01,91,553	63,21,22,564
ii) in other deposit accounts	60,47,58,45,836	47,22,98,66,715
(b) Outside India		
i) in current accounts	5,19,09,337	16,18,137
ii) in other deposit accounts	3,99,53,27,832	6,18,82,95,106
Total	64,83,38,91,127	54,05,25,12,178

Schedules to Balance Sheet

(Amount in ₹)

Schedule VII: Investments [net of provisions]	March 31, 2020	March 31, 2019
A) Treasury operations		
1. Securities of Central and State Governments	4,91,62,54,874	4,46,80,73,744
2. Shares of Banks & Financial Institutions	-	-
3. Bonds & Debentures of Banks & Financial Institutions	7,39,95,25,696	6,40,56,57,541
4. Stocks, Shares, Bonds & Debentures of Industrial Concerns	1,99,92,72,771	1,99,92,72,771
5. Short Term Bills Rediscounting Scheme	-	-
6. Others	65,76,99,85,928	44,60,07,32,633
Subtotal (A)	80,08,50,39,269	57,47,37,36,689
B) Business Operations		
1. Shares of Banks & Financial Institutions	1,82,22,71,142	1,78,47,71,142
2. Bonds & Debentures of Banks & Financial Institutions	-	-
3. Stocks, Shares, bonds & Debentures of Industrial Concerns	4,63,89,03,959	4,85,32,42,053
4. Investment in Subsidiaries	17,51,04,98,740	17,51,04,98,740
5. Others	7,12,18,20,126	6,55,97,47,548
Subtotal (B)	31,09,34,93,967	30,70,82,59,483
Total (A+B)	1,11,17,85,33,236	88,18,19,96,172

(Amount in ₹)

Schedule VIII: Loans & Advances [Net of provisions]	March 31, 2020	March 31, 2019
A) Refinance to		
- Banks and Financial Institutions	14,32,32,64,04,547	11,62,77,55,95,686
- Micro Finance Institutions	18,21,00,01,621	11,71,50,70,388
- NBFC	1,03,74,97,12,032	93,69,98,42,689
- Bills Rediscounted	-	-
- Others (Resource Support)	-	-
Subtotal (A)	15,54,28,61,18,200	12,68,19,05,08,763
B) Direct Loans		
- Loans and Advances	98,66,91,14,927	88,96,65,09,187
- Receivable Finance Scheme	1,26,03,81,426	5,14,66,83,308
- Bills Discounted	-	-
Subtotal (B)	99,92,94,96,353	94,11,31,92,495
Total (A+B)	16,54,21,56,14,553	13,62,30,37,01,258

(Amount in ₹)

Schedule IX: Fixed Assets [Net of Depreciation]	March 31, 2020	March 31, 2019
1. Premises (refer Note 10)	2,83,87,18,310	2,83,23,37,105
2. Others	2,83,96,859	2,17,55,480
Total	2,86,71,15,169	2,85,40,92,585

Schedules to Balance Sheet

(Amount in ₹)

Schedule X: Other Assets:	March 31, 2020	March 31, 2019
Accrued Interest	20,69,30,66,262	32,90,17,83,584
Advance Tax (Net of provision)	3,88,74,70,623	3,73,69,24,296
Others	12,18,97,70,500	7,12,12,90,646
Expenditure to the extent not written off (refer Note 7)	5,52,43,75,071	7,45,59,63,171
Total	42,29,46,82,456	51,21,59,61,697

(Amount in ₹)

Schedule XI: Contingent Liabilities	March 31, 2020	March 31, 2019
i) Claims against the Bank not acknowledged as debts (refer Note 5)	5,74,27,63,852	6,98,13,20,359
ii) On account of Guarantees / Letters of Credit	46,99,22,915	54,95,08,487
iii) On account of Forward Contracts	5,79,87,607	1,03,14,60,100
iv) On account of Underwriting Commitments	-	-
v) On account of uncalled monies on partly paid shares, debentures	5,19,13,80,042	6,33,78,34,494
vi) Other items for which the Bank is contingently liable (derivative contracts etc.)	64,67,78,37,345	78,75,31,51,632
Total	76,13,98,91,761	93,65,32,75,072

Schedules to Profit & Loss Account

(Amount in ₹)

Schedule XII: Interest and Discount	March 31, 2020	March 31, 2019
1. Interest and Discount on Loans, Advances and Bills	1,03,92,13,18,393	91,28,15,41,701
2. Income on Investments / Bank balances	6,28,80,51,346	3,53,97,77,656
Total	1,10,20,93,69,739	94,82,13,19,357

(Amount in ₹)

Schedule XIII: Other Income:	March 31, 2020	March 31, 2019
1. Upfront and Processing Fees	47,71,19,491	31,36,51,911
2. Commission and Brokerage	1,25,57,895	1,49,28,003
3. Profit on sale of Investments	3,98,46,25,620	2,50,74,34,846
4. Income earned by way of dividends etc. from Subsidiaries / Associates	4,97,93,519	25,62,65,741
5. Provision of Earlier years written back	-	-
6. Others (refer Note 11 & 17)	6,16,95,44,591	1,25,01,96,049
Total	10,69,36,41,116	4,34,24,76,550

(Amount in ₹)

Schedule XIV: Operating Expenses:	March 31, 2020	March 31, 2019
Payments to and provisions for employees	3,93,57,01,040	3,68,56,94,181
Rent, Taxes and Lighting	16,53,46,313	18,91,63,591
Printing & Stationery	1,03,25,939	89,85,897
Advertisement and Publicity	9,89,69,313	5,47,52,845
Depreciation / Amortisation on Bank's Property	18,27,17,393	18,26,95,963
Directors' fees, allowances and expenses	42,99,620	34,08,920
Auditor's Fees	29,24,757	30,72,480
Law Charges	1,52,91,720	1,76,48,706
Postage, Courier, Telephones etc	22,66,850	20,68,494
Repairs and maintenance	17,21,34,109	12,34,73,048
Insurance	51,04,626	43,83,945
Contribution to CGTMSE	-	-
Other Expenditure	1,47,95,06,912	84,84,01,910
Total	6,07,45,88,592	5,12,37,49,980

Schedules to Balance Sheet

Schedule XV: Significant Accounting Policies

1 BASIS OF PREPARATION

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

Use of Estimates:

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

2 REVENUE RECOGNITION

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

A) INCOME:

- (i) Interest income including penal interest is accounted for on accrual basis, except in the case of non-performing assets where it is recognized upon realization.
- (ii) Income in the Profit & Loss Account is shown gross i.e. before provisions as per RBI guidelines and other provisions as per Bank's internal policy.
- (iii) Discount received in respect of bills discounted / rediscounted and on discounted instruments is recognized over the period of 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. Redemption of unit/shares in Venture Capital fund, while in HTM category is not treated as a sale.
 - (vii) Recovery in non-performing assets (NPA) is to be appropriated in the following order:
 - a) overdue interest upto the date of NPA,
 - b) principal,
 - c) cost & charges,
 - d) interest and
 - e) penal interest.
 - (viii) Gain/loss on sale of loans and advances through direct assignment is recognized in line with the extant RBI guidelines.
 - (ix) Amounts recovered against debts written-off in earlier years are recognized as income in the Profit and Loss account.
 - (x) Profit or loss on sale of investments in any category is taken to profit & loss account. However, in case of profit on sale of investments under "Held to Maturity" category an equivalent amount net of applicable taxes is appropriated to Capital Reserves.
 - (xi) Amount lying as unclaimed liabilities (other than statutory liabilities) for a period of more than seven years are recognized as income.
 - (xii) The Bank has accounted for interest on income tax refunds upon receipt of such refund orders / Order giving effects issued by Income Tax Department.
 - (xiii) Recoveries of CGTMSE fees, Valuation charges, Advocate fee, Insurance etc. from Borrowers are accounted on cash basis.
- #### B) EXPENDITURE:
- (i) All expenditures are accounted for on accrual basis except Development Expenditure which is accounted for on cash basis.

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

3 INVESTMENTS

- (i) In terms of extant guidelines of the Reserve Bank of India on investment classification and valuation, the entire investment portfolio is categorized as "Held to Maturity", "Available for Sale" and "Held for Trading". Investments are valued in accordance with RBI guidelines. The investments under each category are further classified as

- a) Government Securities,
- b) Other approved securities,
- c) Shares,
- d) Debentures & Bonds,
- e) Subsidiaries/ joint ventures and
- f) Others (Commercial Paper, Mutual Fund Units, Security Receipts, Certificate of Deposits etc.)

(a) Held to Maturity:

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

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

(b) Held for Trading:

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

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

(c) Available for Sale:

- (i) Investments which do not fall within the above two categories are categorized under Available for Sale. The individual scrip under this category is revalued and net depreciation under any of the classification mentioned above is recognized in the profit & loss account. Net appreciation under any classification is ignored. The book value of individual scrip is not changed after the revaluation.
- (ii) An investment is classified as 'Held to Maturity', 'Available for Sale' or 'Held for Trading' at the time of its purchase and subsequent shifting amongst categories and its valuation is done in conformity with RBI guidelines.
- (iii) Treasury Bills, Commercial Papers and Certificates of Deposit being discounted instruments are valued at carrying cost.
- (iv) The quoted Government Securities are valued at market prices and unquoted/ non-traded Government Securities are valued at prices declared by Financial Benchmark India Pvt. Ltd. (FBIL).
- (v) Investments which are made out of the Corpus or Funds provided by the Government of India and netted off from the related Fund balances are carried at cost and not subjected to RBI guidelines of valuation.
- (vi) Recording purchase and sale transactions in Investments is done following 'Settlement Date' accounting.
- (vii) The debentures / bonds / shares deemed to be in the nature of advance, are subject to the usual prudential norms applicable to loans & advances.
- (viii) Cost of investments is determined on the weighted average cost method.
- (ix) Brokerage, commission, etc. paid at the time of acquisition/ sale are recognized in the profit & loss account.
- (x) Broken period interest paid / received on debt investment is treated as interest expenses / income and is excluded from cost / sale consideration.

- (xi) In respect of unquoted investments in industrial concerns under Seed Capital Scheme, full provision has been made.
- (xii) Units of mutual fund are valued at repurchase price as per relevant RBI guidelines.
- (xiii) The unquoted fixed income securities (other than Government Securities) are valued on Yield to Maturity (YTM) basis with appropriate mark-up over the YTM rates for Central Government Securities of equivalent maturity. Such mark-up and YTM rates applied are as per the relevant rates published by FBIL.

4 FOREIGN CURRENCY TRANSACTIONS

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

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

5 DERIVATIVES

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

6 LOANS AND ADVANCES

- 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 reflect the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.
- (iii) Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Unrecognized deferred assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.
- (iv) Disputed taxes not provided for including departmental appeals are included under Contingent Liabilities.

8 SECURITISATION

- i. The Bank purchases credit rated Micro, Small and Medium Enterprises Asset pools from Banks / Non-Banking Finance Companies by way of pass-through certificates issued by the Special Purpose Vehicle. Such securitization transactions are classified as Investments under Held for Trading / Available for Sale category depending upon the investment objective.
- ii. The Bank purchases credit rated pool of Micro, Small and Medium Enterprises assets under bilateral direct assignment. Such direct assignment transactions are accounted for as 'advances' by the Bank.
- iii. The Bank enters into sale of Loans & Advances through direct assignment. In most of the cases, the Bank continues to service the Loans & Advances sold under these transactions and is entitled to the Residual interest on the Loans & Advances sold. Assets sold under direct assignment are derecognized in the books of the Bank based on the principle of surrender of control over the assets.
- iv. The residual income on the Loans & Advances sold is being recognized over the life of the underlying Loans & Advances.
- v. Security Receipts issued by the asset reconstruction companies are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time.

9 SALE OF FINANCIAL ASSETS TO ASSET RECONSTRUCTION COMPANIES (ARCS)

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

B] Benefits (Short – term) while in service

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

11 FIXED ASSETS AND DEPRECIATION

- i) Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any.
- ii) 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.
- iii) Depreciation for the full year, irrespective of date of capitalization, is provided on:
 - (a) Furniture and fixture: For assets owned by Bank @ 100 percent
 - (b) Computer and Computer Software @ 100 percent
 - (c) Building @ 5 percent on WDV basis

- (d) Electrical Installations: For assets owned by Bank @ 50 percent on WDV basis.
- (e) Motor Car - Straight Line Method @ 50 percent.
- iv) Depreciation on additions is provided for full year and no depreciation is provided in the year of sale/disposal.
- v) Leasehold land is amortized over the period of lease.

12 PROVISION FOR CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

13 GRANTS AND SUBSIDIES

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

14 OPERATING LEASE

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

15 IMPAIRMENT OF ASSETS

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

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

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

16 CASH AND CASH EQUIVALENTS

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

Schedule XVI: Notes to Accounts

1 Implementation of Ind-AS

As per RBI letter dated May 15, 2019 issued to the Bank, implementation of Ind-AS for AIFIs has been deferred till further notice. Accordingly, financial statements of the Bank are continued to be prepared under IGAAP. However, the Bank would continue to submit Proforma Ind AS financial statements on half-yearly basis to RBI as hitherto as advised in RBI letter dated May 15, 2019. At present, SIDBI is making use of Excel Sheets for conversion of IGAAP financial statements into Ind-AS Financial Statements. The Bank has already submitted IGAAP converted proforma Ind AS financial statements to RBI up to HYE September 30, 2019 as per the above circular.

2 COVID 19 Regulatory Package

The novel corona virus COVID-19 pandemic continues to spread rapidly across the globe including India. The COVID-19 outbreak was declared a global pandemic by the World Health Organization. Due to COVID-19 and lockdown in the country, there is unprecedented level of disruption on socio-economic front across the country. The extent to which COVID-19 pandemic will impact Bank's future operations and financials is dependent on the future developments, which are highly uncertain. The impact of global health pandemic may be different from that estimated as at the date of approval of Bank's Financial Statements and the Bank will continue to monitor any material changes to future economic conditions that may have any financial impact on the Bank. In accordance with the RBI Circular dated March 27, 2020 with regard to providing relief to borrowers on account of COVID-19 pandemic, the Bank offered moratorium of loan instalments/interest payable to eligible borrowers as per Board approved policy.

Accordingly, in terms of RBI circular dated April 17, 2020, the Bank has made a provision of ₹13.99 crore during the year ended March 31, 2020 as under:

Particulars	Amount (₹ crore)
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	620.66
Respective amount where asset classification benefits is extended	279.89
Provisions made during the year	13.99
Provisions adjusted during the respective accounting periods against slippages and the residual provisions	NA

3.1 As per the Accounting Standard 22, Accounting for Taxes on Income, the Bank has reviewed Deferred Tax Assets / Liabilities and recognized an amount of ₹24,18,96,000 as Deferred Tax Asset (Previous year - Deferred Tax Asset was ₹54,36,89,736) in the Profit & Loss Account for the year ended March 31, 2020. During the year, the Bank has re-assessed its unrecognised Deferred Tax Assets on entire provision held on Standard Assets. Accordingly, Deferred Tax Assets of ₹96,34,90,214 has been recognised during the current FY 2019-20.

3.2 The Break up of Deferred Tax Asset/ (Liability) as on March 31, 2020 is as under :

(Amount in ₹)

Timing Difference	March 31, 2020	March 31, 2019
	Deferred Tax Asset/(Liability)	Deferred Tax Asset/(Liability)
a) Provision for Depreciation	37,17,630	39,60,413
b) Special Reserve u/s 36(1)(viii) of the Income Tax Act 1961	(3,52,02,16,577)	(4,70,90,89,576)
c) Provisions for Bad & Doubtful Debts	1,20,50,72,585	2,30,45,14,771
d) Amortisation of Premium on Gov Bonds	(2,12,98,854)	(4,44,56,921)
e) Provision for Restructuring of Accounts	1,63,22,587	1,22,49,123
f) Brought Forward Long Term Capital Loss	-	22,05,17,373
g) Provision for Non Performing Investment	-	85,10,68,097
h) Provision for Standard Assets	1,64,85,24,603	58,61,97,116
i) Others	65,26,45,311	51,79,10,889
Net deferred tax Asset/(Liability)	(1,52,32,715)	(25,71,28,715)

4 Provision for Income Tax includes:

(Amount in ₹)

Sr. No.	Particulars	March 31, 2020	March 31, 2019
(i)	Current Income Tax Provision	5,18,46,80,000	6,10,49,78,330
(ii)	Short/(Excess) Income Tax Provision of Earlier Years	(99,73,122)	(4,85,09,317)

The Tax Liability has been vetted by the Tax consultant.

5 Contingent Liabilities referred to in Schedule XI

Contingent liabilities of ₹5,74,27,63,852 (Previous year ₹6,98,13,20,359) represents income tax /service tax /legal cases filed against SIDBI. This is being disputed by the Bank and based on expert's opinion, the provision is not considered necessary. It includes an amount of ₹1,73,22,02,927 (Previous year ₹1,63,32,91,167) pertaining to appeals filed by Income Tax Department against the Bank.

6 Bonds and Debentures' under Borrowings in Schedule IV includes the following :

(Amount in ₹)

	March 31, 2020	March 31, 2019
a) Unsecured Bonds	1,75,62,50,00,000	1,44,95,50,00,000

7 Expenditure to the extent not written off under Other Assets in Schedule X includes the following:

(Amount in ₹)

Particulars	March 31, 2020	March 31, 2019
a) Premium on transfer of RBI NIC(LTO) to Gov Bonds	8,46,26,725	12,70,85,209
b) Discount paid in Advance - Certificate of Deposit	4,72,11,42,319	6,73,24,68,721
c) Discount paid in Advance - Commercial Paper	67,03,00,288	56,66,99,947
d) Expenditure on Issuance of Unsecured Bonds	4,83,05,739	2,97,09,294
Total	5,52,43,75,071	7,45,59,63,171

8 Interest and Financial Charges

(Amount in ₹)

	March 31, 2020	March 31, 2019
a) Interest on Borrowings	21,44,36,98,531	28,72,48,01,168
b) Interest on Deposits	51,17,75,96,026	34,90,93,38,998
c) Financial Charges	4,59,92,92,636	5,39,59,71,840
Total	77,22,05,87,193	69,03,01,12,006

(Amount in ₹)

	March 31, 2020	March 31, 2019
Estimated amount of contracts remaining to be executed on Capital Account not provided for (net of advance paid)	21,02,888	2,92,86,993

10 Premises in Schedule IX include advances towards acquisition of Premises ₹11,06,68,896 (Previous year ₹11,06,68,896) and Capital Work in Progress ₹21,02,888 (Previous year ₹18,59,429). The advance of ₹11,06,68,896 was paid towards acquisition of office premises which was subsequently cancelled due to delay in implementation of the project. The Bank is in correspondence with the Agency for refund of the advance amount. The issue has been taken up with the concerned Govt. department and as per the current discussions with the agency/Ministry it is expected that the refund amount will be received during the next financial year. However, full provision of ₹11,06,68,896 (previous year Nil) has been made against this advance amount in current FY.

11 In respect of foreign currency borrowings of JPY 30 billion (JPY 8.78 billion as on March 31, 2020) 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. Adjustment to the Fund Account, if necessary, will be made as per directions of Government of India in future. In case, the balance in the Fund is insufficient, the claim will be on Government of India. As the present balance under ERFF is expected to take care of debt servicing and exchange rate fluctuations, further contribution to the ERFF has been discontinued till such time the ERFF balance remains surplus vis a vis the loan outstanding under JICA-V LoC. Meanwhile, GoI has since accorded its approval for prepayment of entire outstanding under JICA Line V. During current FY, the Bank has written back amount of ₹371.15 crore lying in Foreign Currency Conversion Adjustment Account, which was in the nature of excess provision / liability in respect of JICA V. The amount has been included in 'Other Income' under Schedule XIII.

12 The borrowing of ₹1,74,43,55,536 (Previous year ₹2,18,04,44,418) 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, 2020 in ERFF maintained for this loan is ₹1,61,64,60,277 (Previous year ₹2,07,46,84,419).

13 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 49.43 million (equivalent to ₹510.25 crore) as on March 31, 2020 [Previous year SDR 52.72 million (equivalent to ₹506.09 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'.

- 14** (a) Government of India (GoI) had created "India Microfinance Equity Fund (IMEF)" with SIDBI with a corpus of ₹300 crore which SIDBI had been operating / managing. However, looking to the orientation and outreach of MUDRA, the IMEF portfolio and its operations were shifted from SIDBI to MUDRA during FY 2019-20.
- (b) ASPIRE Fund is a ₹310 crore Fund of Funds, allocated by Ministry of Micro, Small & Medium Enterprises, Government of India, to be managed by SIDBI. The fund would be utilized to make investment in Venture Capital Funds targeting Start-ups/ early stage enterprises promoting Innovation, Entrepreneurship, Forward Backward linkage with multiple value chain of manufacturing and service delivery, accelerator support, etc. in the Agro based Industry and sectors to galvanize the rural economy. The investments (out of ASPIRE fund) are held by SIDBI in fiduciary capacity. The fund balance of ASPIRE Fund, net of investment is grouped under "Other Liabilities" in the Balance Sheet and all gains/ losses/income/expenditure are the part of the fund. The balance in the fund is ₹2,83,15,39,259 as on March 31, 2020 (Previous year ₹2,88,16,92,244).
- (c) Government of India has formulated a Scheme for Fund of Funds for Start-ups (FFS) with the principal objective of enhancing the equity availability to Start-ups. 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 ₹1,031.30 crore to SIDBI and also permitted to take further commitments under FFS. During the year, Government has advised SIDBI to continue to commitment to the Alternative Investment Fund (AIF). These investments (out of FFS) are held by SIDBI in fiduciary capacity. The fund balance of FFS, net of investment is grouped under "Other Liabilities" in the Balance Sheet and all gains/losses/income/expenditure are the part of the fund. The balance in the fund is ₹1,57,78,06,412 as on March 31, 2020 (Previous year ₹2,58,51,15,337).
- 15** The Bank has pledged Government Securities aggregating to face value ₹4,97,82,00,000 (book value ₹4,91,62,54,874) [Previous year ₹4,52,82,00,000 (book value ₹4,46,80,73,744)] with Clearing Corporation of India Ltd. for Triparty Repo Dealing and Settlement (TREPS).
- 16** 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 ₹11,35,47,446 as on March 31, 2020 (Previous year ₹3,77,40,11,137). As on March 31, 2020, the interest receivable on these foreign currency deposits matches with the interest payable on borrowings under various lines of credit.
- 17** Other income-Schedule XIII includes principal recoveries on account of advances written off in earlier years ₹1,02,21,91,305 (Previous year ₹36,79,23,266).
- 18** IFAD had extended a foreign currency loan to SIDBI of SDR 16.35 million, vide loan agreement dated February 18, 2002. As per the terms of loan agreement, IFAD had disbursed loan in USD and it is to be repaid in USD equivalent to SDR. The Bank has accounted accordingly in the books of account. The balance as on March 31, 2020 for this loan is ₹1,15,34,15,466 (Previous year ₹1,12,48,25,395).

19 Employee Benefits

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

(a) Defined contribution plan

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

(Amount in ₹)

Particulars	March 31, 2020	March 31, 2019
Employer's contribution to Provident Fund	8,01,88,984	8,45,92,109
Employer's contribution to New Pension Scheme	2,47,85,687	2,27,84,810

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

(₹ crore)

	Pension		Gratuity	
	FY 2020	FY 2019	FY 2020	FY 2019
1. Assumptions				
Discount Rate	7.00%	7.78%	7.00%	7.64%
Rate of Return on Plan Assets	7.00%	7.78%	7.00%	7.64%
Salary Escalation	5.50%	5.50%	5.50%	5.50%
Attrition rate	2.00%	2.00%	2.00%	2.00%
2. Table showing change in Benefit Obligation				
Liability at the beginning of the year	439.65	452.03	91.36	111.05
Interest Cost	34.20	34.94	6.63	8.59
Current Service Cost	13.79	12.05	5.18	4.47
Past Service Cost (Non Vested Benefit)	0.00	0.00	0.00	0.00
Past Service Cost (Vested Benefit)	0.00	0.00	0.00	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)	(35.02)	(24.25)	(11.07)	(12.40)
Actuarial (gain) / loss on obligations	77.26	(35.12)	7.54	(20.35)
Liability at the end of the year	529.88	439.65	99.64	91.36
3. Tables of Fair value of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	410.23	405.46	110.98	115.25
Expected Return on Plan Assets	33.28	31.34	8.06	8.43
Contributions	35.02	0.00	0.09	0.05
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)	(35.02)	(24.25)	(11.07)	(12.40)
Actuarial gain / (loss) on Plan Assets	25.18	(2.32)	0.09	(0.35)
Fair Value of Plan Assets at the end of the year	468.69	410.23	108.15	110.98
4. Table of Recognition of Actuarial Gains/ Losses				
Actuarial (Gains)/ Losses on obligation for the period	77.26	(35.12)	7.54	(20.35)
Actuarial (Gains)/ Losses on asset for the period	(25.18)	2.32	(0.09)	0.35
Actuarial (Gains)/ Losses recognized in Income & Expense Statement	52.08	(32.80)	7.45	(20.00)
5. Actual Return on Plan Assets				
Expected Return on Plan Assets	33.28	31.34	8.06	8.43
Actuarial Gain / (Loss) on Plan Assets	25.18	(2.32)	0.09	(0.35)
Actual Return on Plan Assets	58.46	29.02	8.15	8.08
6. Amount Recognised in the Balance Sheet				
Liability at the end of the year	(529.88)	(439.65)	(99.64)	(91.36)
Fair Value of Plan Assets at the end of the year	468.69	410.23	108.15	110.98
Difference	(61.19)	(29.42)	8.51	19.62
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	(61.19)	(29.42)	8.51	19.62

(₹ crore)

	Pension		Gratuity	
	FY 2020	FY 2019	FY 2020	FY 2019
7. Expenses Recognised in the Income Statement				
Current Service Cost	13.79	12.05	5.18	4.47
Interest Cost	34.20	34.94	6.63	8.59
Expected Return on Plan Assets	(33.28)	(31.34)	(8.06)	(8.43)
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	0.00	0.00
Recognition of Transition Liability during the year	0.00	0.00	0.00	0.00
Actuarial (Gain) / Loss	52.08	(32.80)	7.45	(20.00)
Expense Recognised in Profit & Loss Account	66.79	(17.15)	11.20	(15.37)
8. Balance Sheet Reconciliation				
Opening Net Liability	29.42	46.57	(19.62)	(4.20)
Expense as above	66.79	(17.15)	11.20	(15.37)
Employers Contribution	(35.02)	0.00	(0.09)	(0.05)
Amount recognised in the Balance Sheet	61.19	29.42	(8.51)	(19.62)

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.

(₹ crore)

	Pension		Gratuity	
	FY 2020	FY 2019	FY 2020	FY 2019
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	468.69	410.23	108.15	110.98
Other	0.00	0.00	0.00	0.00
Total	468.69	410.23	108.15	110.98

11. Experience Adjustment:

	Pension					Gratuity				
	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
On Plan Liability (Gain)/Loss	46.87	(22.03)	66.81	(5.53)	22.70	3.28	(19.71)	10.18	(7.91)	(6.20)
On Plan Asset (Loss)/Gain	25.17	(2.32)	0.32	0.58	(0.17)	(0.09)	(0.35)	(0.10)	0.29	(0.40)

Note : As the closing balance in Gratuity Fund is greater than the respective Actuarial liability as on March 31, 2020, no additional provision has been made during the current FY.

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

(₹ crore)

Sr. No.	Particulars	March 31, 2020	March 31, 2019
1	Ordinary Leave Encashment	23.43	20.63
2	Sick Leave	(4.91)	0.00
3	Resettlement Expenses	0.12	0.88
4	Post Retirement Medical Scheme Facilities	10.50	0.43

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

The Bank reports basic and diluted Earnings Per Share in accordance with AS 20. Basic Earnings per Share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding at the year end.

Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the period. Diluted Earnings per Share is computed by dividing the net profit after tax by the sum of the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end.

	March 31, 2020	March 31, 2019
Net Profit considered for EPS calculation (₹)	23,14,52,18,073	19,52,20,34,064
Weighted Average Number of equity shares of face value ₹10 each	53,19,22,031	53,19,22,031
Earning per share (₹)	43.51	36.70

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

21 The proposed dividend if any is accounted as liability in the books of accounts under Schedule V.

22 In the opinion of the Management, there is no material impairment of the fixed assets of the Bank in terms of Accounting Standard 28- Impairment of Assets.

23 Disclosures under Accounting Standard 29 for provisions in contingencies. The salary & allowances of the employees of the Bank are reviewed every five years. Such review is due from November 01, 2017.

(Amount in ₹)

Particulars	FY 2020	FY 2019
	Wage Arrears / Incentive ₹	Wage Arrears / Incentive ₹
Opening Balance	34,00,00,000	1,87,31,68,333
Additions:		
Arrears	42,00,00,000	34,00,00,000
Incentive	-	-
Utilisations:		1,43,16,70,278
Write back	-	44,14,98,055
Closing Balance	76,00,00,000	34,00,00,000

24 The Bank has put in place a mechanism to manage credit risk arising out of unhedged foreign currency exposures (UFCE) of its borrowers. A review of the UFCE across its portfolio is undertaken by the Bank on periodic basis. In terms of RBI circular DBOD No. BP.BC.85/21.06.200/2013-14 dated 15.01.2014 & subsequent clarification vide circular DBOD NO.BP.BC. 116/21.06.200/2013-14 dated 03.06.2014, based on available data, the provision for UFCE works out to ₹0.07 crore as on March 31, 2020 (Previous year ₹0.15 crore) which has been included under provisions for standard assets under Schedule V.

25 As per the practice consistently followed, redemption in Venture Capital Funds is accounted as per the distribution letter received from Venture Capital Funds, irrespective of the appropriation policy as specified in the contribution agreement.

26 Investor's Complaints:

As on 1st April, 2019 the Bank had "1" pending investor's complaints for disposal. During the current financial year "41" complaints were received from Investors and "42" complaints (including the "1" complaint pending on April 01, 2019) were disposed off during the year. Thus, no complaint is pending for disposal as on March 31, 2020.

27 Liability on account of Indirect Tax/Direct Tax (TDS) is recognized on the basis of return filed/GST Audit/assessment completed, which is subject to reconciliation and there will not be any material impact on financials as per management's estimate.

28 Balances in certain GL codes with their respective SL are under reconciliation and subject to confirmation, which will have no material impact on financials as per management's estimate.

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

As per RBI circular dated February 11, 2020 for restructuring of advances for Micro, Small and Medium Enterprises (MSME) Borrowers registered under Goods and Services Tax (GST) and also fulfilling other conditions as prescribed in the said RBI circular, the MSME accounts restructured under the scheme are as under:

No. of accounts restructured	Amount (₹ crore)
28	30.26

30 Prudential Framework for Resolution of Stressed Assets:

The number of cases where the Bank has implemented the Resolution Plan (RP) as per RBI circular dated June 7, 2019 for Prudential Framework for Resolution of Stressed Assets is Nil. Further, the accounts where the resolution period was extended in terms of RBI Circular dated April 17, 2020 on "COVID-19 Regulatory Package – Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets" is 'Nil'.

31 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.

32 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.

33 Previous year's figures have been re-grouped and re-classified wherever necessary to make them comparable with the current year's figures.

Additional disclosures

as per RBI guidelines

1 Capital adequacy

(₹ crore)

Sr. No.	Particulars	FY 2019-20	FY 2018-19
i)	Common Equity*	Not Applicable	Not Applicable
ii)	Additional Tier 1 capital*	Not Applicable	Not Applicable
iii)	Total Tier 1 capital	18,366.02	15,757.23
iv)	Tier 2 capital	0.00	0.00
v)	Total Capital (Tier 1+Tier 2)	18,366.02	15,757.23
vi)	Total Risk Weighted Assets (RWAs)	68,996.21	58,114.11
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)	26.62%	27.11%
ix)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	26.62%	27.11%
x)	Percentage of the shareholding of the Government of India	15.40	15.40
xi)	Amount of equity capital raised	0.00	0.00
xii)	Amount of Additional Tier 1 capital raised; of which	-	-
	a) Perpetual Non-Cumulative Preference Shares (PNCPS):	-	-
	b) Perpetual Debt Instruments (PDI)	-	-
xiii)	Amount of Tier 2 capital raised; of which	-	-
	a) Debt capital instruments:	-	-
	b) Perpetual Cumulative Preference Shares (PCPS)	-	-
	c) Redeemable Non-Cumulative Preference Shares (RNCPS)	-	-
	d) Redeemable Cumulative Preference Shares (RCPS)	-	-

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

2 Free Reserves and Provisions

(a) Provision on Standard Assets

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
Provisions towards Standard Assets (cumulative)	655.01	550.58

(b) Floating Provisions

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
Opening balance in the floating provisions account	1,348.53	1,742.21
The quantum of floating provisions made in the accounting year	0.00	0.00
Amount of draw down made during the accounting year*	248.57	393.68
Closing balance in the floating provisions account	1,099.96	1,348.53

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

3 Asset Quality and specific provisions

(a) Non-Performing Advances

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
(i) Net NPAs to Net Advances (%)	0.40%	0.21%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	867.91	902.42
(b) Additions during the year	871.56	308.38
(c) Reductions during the year	698.63	342.89
(d) Closing balance	1,040.84	867.91
(iii) Movement of Net NPAs *		
(a) Opening balance	292.55	250.63
(b) Additions during the year	445.77	107.40
(c) Reductions during the year	79.68	65.48
(d) Closing balance	658.64	292.55
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	575.35	651.78
(b) Provisions made during the year	429.11	201.51
(c) Write of / write back of excess provisions	622.27	277.94
(d) Closing balance	382.19	575.35

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

(b) Non-Performing Investments

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
(i) Net NPIs to Net Investments (%)	0.00%	8.03%
(ii) Movement of NPIs (Gross)		
(a) Opening balance	1,292.17	410.03
(b) Additions during the year	0.01	955.69
(c) Reductions during the year	948.56	73.55
(d) Closing balance	343.62	1,292.17
(iii) Movement of Net NPIs		
(a) Opening balance	708.44	0.00
(b) Additions during the year	0.00	708.44
(c) Reductions during the year	708.44	0.00
(d) Closing balance	0.00	708.44
(iv) Movement of provisions for NPIs (excluding provisions on standard assets)		
(a) Opening balance	583.73	410.03
(b) Provisions made during the year	708.45	247.25
(c) Write of / write back of excess provisions	948.56	73.55
(d) Closing balance	343.62	583.73

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

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
(i) Net NPAs to Net Assets (Advances + Investments) (%)	0.37%	0.69%
(ii) Movement of NPAs (Gross Advances + Gross Investments)		
(a) Opening balance	2,160.08	1,312.45
(b) Additions during the year	871.57	1,264.07
(c) Reductions during the year	1,647.19	416.44
(d) Closing balance	1,384.44	2,160.08
(iii) Movement of Net NPAs		
(a) Opening balance	1,000.98	250.63
(b) Additions during the year	445.77	815.83
(c) Reductions during the year	788.12	65.48
(d) Closing balance	658.63	1,000.98
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	1,159.09	1,061.81
(b) Provisions made during the year	1,137.56	448.77
(c) Write of / write back of excess provisions	1,570.83	351.49
(d) Closing balance	725.82	1,159.09

3 (d) Accounts Restructured Disclosure of Restructured Accounts

(₹ crore)

SI	Type of Restructuring →	Under CDR Mechanism			Under SME Debt Restructuring Mechanism			Others			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)*	0	0	-	-	-	21	10	34	-	-	65	21	10	34	-	65
	Amount outstanding	-	-	-	-	-	82.23	19.13	115.08	-	-	216.43	82.23	19.13	115.08	-	216.43
	Provision thereon	-	-	-	-	-	0.28	0.16	0.11	-	-	0.55	0.28	0.16	0.11	-	0.55
2	Fresh restructuring during the year	-	-	-	-	-	2	4	1	-	-	7	2	4	1	-	7
	Amount outstanding	-	-	-	-	-	1.06	16.27	1.83	-	-	19.15	1.06	16.27	1.83	-	19.15
	Provision thereon	-	-	-	-	-	0.05	2.03	-	-	2.08	0.05	2.03	-	-	-	2.08
3	Upgradations to restructured standard category during the FY	-	-	-	-	-	3	(2)	(1)	-	-	-	3	(2)	(1)	-	-
	Amount outstanding	-	-	-	-	-	10.55	(4.47)	(6.08)	-	-	-	10.55	(4.47)	(6.08)	-	-
	Provision thereon	-	-	-	-	-	0.01	(0.01)	-	-	-	0.01	(0.01)	-	-	-	-
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	-	-	-	-	-	(6)	(6)	-	-	(6)	(6)	(6)	-	-	-	(6)
	Amount outstanding	-	-	-	-	-	(26.26)	-	-	-	(26.26)	(26.26)	(26.26)	-	-	-	(26.26)
	Provision thereon	-	-	-	-	-	(0.03)	-	-	-	(0.03)	(0.03)	(0.03)	-	-	-	(0.03)
5	Downgradations of restructured accounts during the FY	-	-	-	-	-	(4)	(1)	5	-	-	-	(4)	(1)	5	-	-
	Amount outstanding	-	-	-	-	-	(21.14)	16.42	4.72	-	-	-	(21.14)	16.42	4.72	-	-
	Provision thereon	-	-	-	-	-	-	(0.13)	0.13	-	-	-	-	(0.13)	0.13	-	-
6	Write-offs of restructured accounts during the FY#	-	-	-	-	-	(1)	(1)	(25)	-	-	(27)	(1)	(1)	(25)	-	(27)
	Amount outstanding	-	-	-	-	-	(4.30)	(0.71)	(67.23)	-	-	(72.24)	(4.30)	(0.71)	(67.23)	-	(72.24)
	Provision thereon	-	-	-	-	-	0.25	(0.02)	(0.01)	-	-	0.23	0.25	(0.02)	(0.01)	-	0.23
7	Restructured Accounts as on March 31 of the FY (closing figures)*	-	-	-	-	-	15	10	14	-	-	39	15	10	14	-	39
	Amount outstanding	-	-	-	-	-	42.15	46.63	48.32	-	-	137.09	42.15	46.63	48.32	-	137.09
	Provision thereon	-	-	-	-	-	0.56	2.03	0.23	-	-	2.82	0.56	2.03	0.23	-	2.82

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

Including reduction of restructured account.

(e) Movement of Non-Performing Assets

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
Gross NPAs as on April 01	867.91	902.42
Additions (Fresh NPAs) during the year	871.55	308.38
Sub total (A)	1,739.46	1,210.80
Less :-		
(i) Upgradations	50.90	8.46
(ii) Recoveries (excluding recoveries made from upgraded accounts)	88.43	112.54
(iii) Technical / Prudential Write Offs	558.18	221.79
(iv) Write offs other than those under (iii) above	1.11	0.10
Sub-total (B)	698.62	342.89
Gross NPAs as on March 31 (A-B)	1,040.84	867.91

(f) Write-offs and recoveries

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
Opening balance of Technical / Prudential written off accounts as at April 01	1,563.29	1,458.52
Add : Technical / Prudential write offs during the year	558.18	221.79
Sub total (A)	2,121.47	1,680.31
Less : Actual write off	12.24	87.51
Less : Recoveries made from previously technical / prudential written off accounts during the year	102.22	29.51
Sub total (B)	114.46	117.02
Closing balance as at March 31 (A-B)	2,007.01	1,563.29

(g) Overseas Assets, NPAs and Revenue

Particulars	FY 2019-20	FY 2018-19
Total Assets	Nil	Nil
Total NPAs	Nil	Nil
Total Revenue	Nil	Nil

(h) Depreciation and provisions on investments

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
(1) Investments		
(i) Gross Investments	11,466.32	9,407.09
(a) In India	11,466.32	9,407.09
(b) Outside India	-	-
(ii) Provisions for Depreciation	348.48	588.90
(a) In India	348.48	588.90
(b) Outside India	-	-
(iii) Net Investments	11,117.83	8,818.19
(a) In India	11,117.83	8,818.19
(b) Outside India	-	-
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	5.16	49.38
(ii) Add: Provisions made during the year	7.08	6.36
(iii) Appropriation, if any, from Investment Fluctuation Reserve Account during the year	7.08	-
(iv) Less: Write off / write back of excess provisions during the year	-	-
(v) Less: Transfer, if any, to Investment Fluctuation Reserve Account*	7.41	50.58
(vi) Closing balance	4.83	5.16

* Transfer to Investment Fluctuation Reserve is net of provision of ₹0.34 crore made during FY 2019-20 and ₹44.22 crore made during FY 2018-19.

(i) Provisions and Contingencies

(₹ crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	FY 2019-20	FY 2018-19
Provisions for depreciation/NPI on Investment	703.89	(98.61)#
Provision towards NPA	118.50#	(1.32)#
Provision made towards Income tax (Including Deferred Tax Assets/Liability)	493.28	551.28
Other Provision and Contingencies (with details)	130.59\$	97.44\$

Net of write back of floating provision.

\$ includes provision for standard asset.

(j) Provisioning Coverage Ratio (PCR)

	FY 2019-20	FY 2018-19
Provisioning Coverage Ratio (PCR)*	78%	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 2018-19		Nil	Nil	Nil	Nil
Current Year FY 2019-20		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
Nil	Nil	Nil	Nil	Nil	Nil	Nil

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

No. of accounts where banks have decided to effect change in 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, 2020.

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, 2020
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	719.04	-	-	-	-
(ii) FIs	279.84	96.94	-	78.55	103.00
(iii) Banks	3,300.50	15.00	-	103.50	103.50
(iv) Private Corporates	487.15	172.05	-	360.30	351.41
(v) Subsidiaries/Joint ventures	1,751.05	1,751.05	-	1,751.05	1,751.05
(vi) Others	4,928.74	1,027.12	-	1,027.12	4,437.12
(vii) Provision held towards depreciation	(348.45)	-	-	-	-
Total	11,117.87	3,062.16	-	3,320.52	6,746.08

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

During the current FY, there was no shifting of investments to/from HTM category.

5 Details of Financial Assets purchased/ sold

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

(i) Details of Sales

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
(i) No. of accounts	1	1
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	0.56#	0
(iii) Aggregate consideration	3.72 (Cash-0.56)	15
(iv) Additional consideration realized in respect of accounts transferred in earlier years	5.24	28.05
(v) Aggregate gain / loss over net book value	5.80	3.30

only cash component has been considered.

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

(₹ crore)

Particulars	Book value of investments in security receipts	
	FY 2019-20	FY 2018-19
(i) Backed by NPAs sold by the AIFI as underlying	0.27	0.27
(ii) Backed by NPAs sold by banks / other financial institutions / non-banking financial companies as underlying	0.00	0.00
Total	0.27	0.27

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

(i) Details of non performing financial assets purchased:

Particulars	FY 2019-20	FY 2018-19
1. (a) No. of accounts purchased during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil
2. (a) Of these, number of accounts restructured during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil

(ii) Details of non performing financial assets sold:

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
1. No. of accounts sold	1	1
2. Aggregate outstanding	6.77	76.44
3. Aggregate consideration received	3.72 (Cash-0.56)	15.00

6 Operating Results

Particulars	FY 2019-20	FY 2018-19
(i) Interest income as a percentage to average working funds(%)	6.47	6.94
(ii) Non-interest income as a percentage to average working funds(%)	0.63	0.32
(iii) Operating profit as a percentage to average working funds (before provisions)(%)	2.21	1.83
(iv) Return on average assets (before provisions for taxation)(%)	1.65	1.83
(v) Net Profit per employee (₹ crore)	2.21	1.76

7 Credit Concentration risk

(a) Capital market exposure

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
(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;	459.43	488.27
(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;	-	-

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
(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)	1,541.26	1,596.22
Total Exposure to Capital Market	2,000.69	2,084.49

(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.

(₹ crore)

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

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

(₹ crore)

Sr. No.		FY 2019-20		FY 2018-19	
		As % to Total Assets	As % to Capital funds	As % to Total Assets	As % to Capital funds
1	The largest single borrower The largest borrower group	9.32	95.20	9.80	96.89
		As large borrowers are Primary Lending Institutions, the concept of borrower group is not applicable.			
2	The 20 largest single borrowers The 20 largest borrower group	68.47	699.18	71.01	702.36
		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 2019-20		FY 2018-19	
	Amount outstanding	% to total loan assets	Amount outstanding	% to total loan assets
Transport Equipment	2,930.06	1.77	1,492.04	1.09
Commercial Vehicles	1,646.58	0.99	813.53	0.59
Metal Products N.E.C.	865.67	0.52	496.71	0.36
Auto Ancillaries	602.87	0.36	815.70	0.60
Metal Products Parts except Machinery	473.29	0.29	432.30	0.32

(iv) Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is ₹15.11 crore as on March 31, 2020 and the estimated value of intangible security as on March 31, 2020 is Nil.

(v) The Bank had no factoring exposure during the current year and previous year.

(vi) The Bank had not exceeded the Prudential Exposure Limits during the current year and previous year.-

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

(i) Concentration of borrowings and Lines of Credit

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
Total borrowings from twenty largest lenders	1,24,109.00	96,518.43
Percentage of borrowings from twenty largest lenders to total borrowings	76.99%	73.33%

(ii) Concentration of Exposures

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
Total advances to twenty largest borrowers	1,24,205.94	1,10,147.71
Percentage of advances to twenty largest borrowers to Total Advances	74.91%	80.51%
Total Exposure to twenty largest borrowers / customers	1,28,411.56	1,10,673.09
Percentage of exposures to twenty largest borrowers / customers to Total Exposure	69.99%	74.82%

(iii) Sector-wise concentration of exposures and NPAs

(₹ crore)

Sr. No.	Sector	FY 2019-20			FY 2018-19		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
I.	Industrial sector	1,53,362.14	340.45	0.22%	1,26,257.02	860.68	0.68%
1	Central Government	-	-	-	-	-	-
2	Central PSUs	-	-	-	-	-	-
3	State Governments	-	-	-	-	-	-
4	State PSUs	112.92	-	-	295.25	111.05	37.61%
5	Scheduled Commercial Banks	1,43,119.72	-	-	1,16,010.07	-	0.00%
6	Regional Rural Banks	-	-	-	-	-	-
7	Co-operative Banks	-	-	-	-	-	-
8	Private sector (excluding banks)	10,129.50	340.45	3.36%	9,951.70	749.63	7.53%
II.	Micro-finance sector	1,821.80	0.80	0.04%	1,178.73	7.23	0.61%
III.	Others*	10,619.83	699.59	6.59%	9,369.98	-	0.00%
	Total (I+II+III)	1,65,803.77	1,040.84	0.63%	1,36,805.73	867.91	0.63%

* includes advances to NBFCs

8 Derivatives

(a) Forward Rate Agreement / Interest Rate Swap

Sr. No	Particulars	FY 2019-20	FY 2018-19
i)	The notional principal of swap agreements	USD 40,310,000	USD 40,310,000
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	USD 1,709,172.73	USD 209,019
iii)	Collateral required by the Bank upon entering into swaps	Nil	NIL
iv)	Concentration of credit risk arising from the swaps	USD 1,910,722.73	USD 6,193
v)	The fair value of the swap book	USD 1,709,172.73	USD (19,056)

(b) Exchange Traded Interest Rate Derivatives

Sr. No	Particulars	FY 2019-20	FY 2018-19
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

- 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.
- 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.
- 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 2019-20		FY 2018-19	
		Currency Derivatives	Interest rate Derivatives	Currency Derivatives	Interest rate Derivatives
1	Derivatives (Notional Principal Amount)	6,467.78	-	7,875.32	-
	(i) For hedging	6,467.78	-	7,875.32	-
	(ii) For trading	-	-	-	-
2	Marked to Market Positions [1]	645.81	-	134.09	-
	(i) Asset (+)	645.81	-	134.09	-
	(ii) Liability (-)	-	-	-	-
3	Credit Exposure [2]	999.34	-	698.06	-
4	Likely impact of one percentage change in interest rate (100* PV01)	131.06	-	143.04	-
	(i) On hedging derivatives	131.06	-	143.04	-
	(ii) On trading derivatives	-	-	-	-
5	Maximum and Minimum of 100*PV01 observed during the year				
	(i) On hedging	186.29/131.05	-	170.56/143.04	-
	(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, 2019		LoC issued during the year		LoCs redeemed during the year		LoCs outstanding as on March 31, 2020	
No of LoC	Amount	No of LoC	Amount	No of LoC	Amount	No of LoC	Amount
1	0.94	-	-	1	0.94	-	-

10 Asset Liability Management

(₹ crore)

	1 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & up to 6 months	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	13	2,208	2,399	2,528	15,571	82,587	16	702	1,06,024
Advances	5,624	9,086	20,454	18,947	39,569	64,403	3,826	762	1,62,671
Investments	10,336	475	629	461	1,010	363	58	3,784	17,116
Borrowings	2,625	500	10,435	5,622	10,066	16,876	167	340	46,631
Foreign Currency assets	15	6	576	141	683	3,565	4,513	104	9,603
Foreign Currency liabilities	7	8	606	174	801	2,954	3,147	2,059	9,756

11 Draw Down from Reserves

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

12 Business Ratios

Particulars	FY 2019-20	FY 2018-19
Return on average Equity (before provisions for taxation)(%)	16.00	16.15
Return on average assets (before provisions for taxation)(%)	1.65	1.83
Net Profit per employee (₹ crore)	2.21	1.76

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 2019-20	FY 2018-19
i No. of complaints pending at the beginning of the year	10	2
ii No. of complaints received during the year	216	183
iii No. of complaints redressed during the year	223	175
iv No. of complaints pending at the end of the year	3	10

15 Off-Balance Sheet SPVs Sponsored

The Bank had no Off-Balance Sheet SPVs sponsored during the current year and previous year.

16 Disclosure as per specific accounting standards

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

Income in Schedule XIII - 'Other Income' includes Prior Period Income of ₹3,72,25,52,439 for FY 2019-20 [Previous year ₹3,21,69,155] and Other Expenditure in Schedule XIV - 'Operating Expenses' for FY 2019-20 includes Prior Period Expenditure of (₹1,66,93,694) [Previous year (₹19,33,197)].

(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 Wholesale Operations (Direct Lending), Wholesale 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	
	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
1 Segment Revenue	1,048	1,007	9,633	8,261	1,038	649	11,719	9,917
Exceptional Items							371	-
Total							12,090	9,917
2 Segment Results	165	191	2,832	2,101	(317)	359	2,680	2,651
Exceptional Items							371	-
Total							3,051	2,651
Unallocable Expenses							243	148
Operating profit							2,808	2,503
Income Tax (Net of write back)							493	551
Net profit							2,315	1,952
3 Other information								
Segment Assets	10,121	9,526	1,57,312	1,29,971	17,675	14,236	1,85,108	1,53,733
Unallocated Assets							2,431	2,128
Total Assets							1,87,539	1,55,861
Segment Liabilities	7,281	6,726	1,45,082	1,18,901	15,092	12,016	1,67,455	1,37,643
Unallocated Liabilities							1,377	1,655
Total							1,68,832	1,39,298
Capital / Reserves	2,848	2,812	12,078	10,960	3,781	2,791	18,707	16,563
Total							18,707	16,563
Total Liabilities							1,87,539	1,55,861

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	-	187.29	13.92	0.27	-	201.48
Maximum during the year	-	187.29	13.92	1.00	-	202.21
Placement of deposits#	-	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-	-
Maximum during the year	-	-	-	-	-	-

(₹ crore)

Items / Related Party	Parent (as per ownership or control)	Sub- sidiaries	Associates/ Joint ventures	Key Management Personnel @	Relatives of Key Management Personnel	Total
Advances#	-	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-	-
Maximum during the year	-	-	-	-	-	-
Investments#	-	-	-	-	-	-
Outstanding at the year end	-	1,751.50	32.35	-	-	1,783.85
Maximum during the year	-	1,751.50	32.35	-	-	1,783.85
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	-	10.16	0.52	0.08	-	10.75
Interest received	-	-	-	-	-	-
Rendering of services*	-	4.26	2.88	-	-	7.14
Receiving of services*	-	0.08	0.03	-	-	0.11
Management contracts**	-	-	-	1.13	-	1.13

@ Wholetime 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

Rajendra Agrawal
General Manager
(Corporate Accounts Vertical)

Manoj Mittal
Deputy Managing Director

Mohammad Mustafa
Chairman & Managing Director

Kiran K Daftary
Partner
M.No. 010279

G Gopalakrishna
Director

Ashish Gupta
Director

New Delhi, May 15, 2020

Cash Flow Statement

for the year ended March 31, 2020

(Amount in ₹)

March 31, 2019	Particulars	March 31, 2020	March 31, 2020
	1. Cash Flow from Operating Activities		
25,03,48,13,341	Net Profit before tax as per P & L Account		28,07,80,28,951
	Adjustments for :		
18,26,95,963	Depreciation	18,27,17,393	
(3,41,44,22,655)	Provision for net depreciation in investments	7,03,89,36,030	
3,75,59,67,739	Provisions made (net of write back)	3,39,32,25,949	
(2,50,74,34,846)	Profit on sale of investments (net)	(3,98,46,25,620)	
(1,58,59,255)	Profit on sale of fixed assets	(44,18,584)	
(39,74,12,153)	Dividend Received on Investments	(48,48,52,951)	6,14,09,82,217
22,63,83,48,134	Cash generated from operations		34,21,90,11,168
	(Prior to changes in operating Assets and Liabilities)		
	Adjustments for net changes in :		
(19,82,00,32,174)	Current assets	9,07,18,25,569	
6,03,25,70,598	Current liabilities	(19,77,01,32,561)	
3,92,85,72,063	Bills of Exchange	3,96,15,78,214	
(4,12,47,82,85,157)	Loans & Advances	(2,93,93,81,01,120)	
1,30,90,67,95,800	Net Proceeds of Bonds and Debentures & other borrowings	(39,96,40,70,330)	
3,15,47,86,35,474	Deposits received	3,40,49,16,89,558	
24,04,82,56,604			(14,72,10,670)
46,68,66,04,738			34,07,18,00,498
(6,45,75,03,905)	Payment of Tax	(5,32,52,53,205)	(5,32,52,53,205)
40,22,91,00,833	Net Cash flow from operating Activities		28,74,65,47,293
	2. Cash Flow from Investing Activities		
(61,25,56,356)	Net (Purchase)/Sale of fixed assets	(19,13,21,393)	
(4,22,87,50,013)	Net (Purchase)/sale/redemption of Investments	2,63,38,96,495	
39,74,12,153	Dividend Received on Investments	48,48,52,951	
(4,44,38,94,216)	Net cash used in Investing Activities		2,92,74,28,053
	3. Cash flow from Financing Activities		
-	Proceeds from issuance of share capital & share premium	-	
(1,32,79,39,690)	Dividend on Equity Shares & tax on Dividend	(1,65,12,44,935)	
(1,32,79,39,690)	Net cash used in Financing Activities		(1,65,12,44,935)
34,45,72,66,927	4. Net increase/(decrease) in cash and cash equivalents		30,02,27,30,411
16,45,80,65,958	5. Cash and Cash Equivalents at the beginning of the period		50,91,53,32,885
50,91,53,32,885	6. Cash and Cash Equivalents at the end of the period		80,93,80,63,296

Cash Flow Statement

for the year ended March 31, 2020

(Amount in ₹)

March 31, 2019	Particulars	March 31, 2020	March 31, 2020
7. Cash and cash equivalents at the end of the period includes			
6,09,656	Cash in Hand		6,16,569
63,37,40,702	Current account balance with Bank		36,21,00,890
5,00,00,00,000	Mutual Funds		34,10,00,00,001
45,28,09,82,527	Deposits		46,47,53,45,836

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

Rajendra Agrawal
General Manager
(Corporate Accounts Vertical)

Manoj Mittal
Deputy Managing Director

Mohammad Mustafa
Chairman & Managing Director

Kiran K Daftary
Partner
M.No. 010279

G Gopalakrishna
Director

Ashish Gupta
Director

New Delhi, May 15, 2020



APPENDIX II

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

Independent Auditor's Report

THE SHAREHOLDERS

Small Industries Development Bank of India

1. Opinion

We have audited the accompanying Consolidated Financial Statements of "Small Industries Development Bank of India" ("the Bank"), its subsidiaries (the Bank and its subsidiaries together referred to as "the Group") and its associates, which comprise the consolidated Balance Sheet as at March 31, 2020, the consolidated Profit and Loss Account and consolidated Cash Flow Statement for the year then ended, notes to the consolidated financial statements and a summary of significant accounting policies ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statement give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the group as at 31st March 2020, of the consolidated Profits and its consolidated cash flows for the year then ended.

2. Basis for Opinion

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

3. Emphasis of Matter

- i. We draw attention to Note No 2 of Schedule XVI to the standalone financials wherein in the view of the management the impact of the pandemic will depend on future developments and may be different from that estimated as at the date of approval of Bank's Financial Statements. In accordance with the RBI Circular dated March

27, 2020 for providing relief to borrowers on account of COVID-19 pandemic, the Bank offered moratorium of loan installments / interest payable to eligible borrowers as per Board approved policy. Accordingly the Bank has made provision as per RBI circular dated 17th April 2020 to the extent of five percent amounting ₹13.99 crore for March 2020 and remaining five percent is deferred to next quarter as per the above referred circular.

- ii. We draw attention to Note 3.1 where during the year, the Bank has re-assessed its unrecognised Deferred Tax Assets on entire provision held on Standard Assets. Accordingly, Deferred Tax Assets of ₹96,34,90,214 has been recognised during the current FY 2019-20.
- iii. We draw attention to:
 - a) Note No. 4B of Annexure I to Consolidated Financial Statements with regard to non-consolidation of 5 associates, wherein as per the management the carrying amount of the investments are not realisable and are fully provided for.
 - b) Note No.4C and 4D of Annexure I to Consolidated Financial Statements with regard to non-consolidation of 5 associates, as in view of the management these are not significant components and hence not considered for consolidation.

Our opinion is not modified in respect of these matters.

4. Key Audit Matters

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

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

Sr. No.	Key Audit Matter	Response to Key Audit Matter
1.	<p>Contingent Liability and Provision for Income Tax:</p> <p>In the recognition and measurement of provisions, there is uncertainty about the timing or amount of the future expenditure required to settle the liability.</p> <p>In respect of contingent liabilities, there are estimates and assumptions made to determine the amount to be disclosed.</p> <p>As a result, there is a high degree of judgment required for the recognition and measurement of provisions and disclosure of contingent liabilities.</p> <p>The Bank has reported contingent liabilities of Income Tax amounting to ₹5,71,61,67,906/- towards claims against the Bank not acknowledged as debts in the financial statements.</p>	<p>In respect of bad debts written off and claimed under section 36 (1) (vii) (c) of the Income Tax 1961, the Income Tax Department has disallowed the claim citing that the Bank has claimed double tax benefit as the Bank has already been allowed benefit at the time of making provision for doubtful debts.</p> <p>We have verified the previous pending litigation orders. In certain years, the Income Tax Appellate Tribunal has already allowed the Bank's claim, which is challenged by the Department before higher authorities. Further, the Bank has obtained views of external tax expert to ascertain the chances of sustainability of Bank's claim and based on their views, no provision for tax is made considering the same to be allowable.</p> <p>Thus, in respect to demands outstanding with regard to section 36 (1) (vii) (c) and other disallowances / matters, where the assessment has been made against the Bank and appeals are pending, the same are included in contingent liability and hence no provision is considered necessary.</p>
2.	<p>Information Technology general Controls:</p> <p>A significant part of the Bank's financial reporting process is heavily reliant on IT systems with automated processes and controls over the capture, storage and extraction of information.</p> <p>A fundamental component of these processes and controls is ensuring appropriate user access and change management protocols exist and being adhered to. These protocols are important because they ensure that access and changes to IT systems and related data are made and authorised in an appropriate manner.</p>	<p>We focused our audit on IT systems and controls that are significant to the Bank's financial reporting process.</p> <p>The Bank has a system in place for getting application software audits for identified Application Systems at reasonable intervals. Information Systems (IS) Audit is done at branches by officers of the Bank at reasonable intervals.</p> <p>We have relied on the Application Systems Audits carried by external consultants and IS audits done at the branches.</p> <p>We have reviewed reports of external consultants and IS audits done at the branches on sample basis and the same were found to be in order.</p> <p>Where required, we performed a greater level of testing to validate the integrity and reliability of data and reporting thereof.</p>

5. Other Information

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

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

statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

6. Other Matters

We did not audit the financial statements of the 2 (Two) subsidiaries, whose financial statements reflect total assets of ₹51,29,38,503 as at March 31, 2020, total revenue of ₹12,97,87,262 and net negative cash flows amounting to ₹1,06,13,612 for the year then ended, as considered in the consolidated financial statements. The consolidated financial statements include Group's share of net loss of ₹20,46,639 for the year ended March 31, 2020 as considered in the consolidated financial statements, in respect of 2 (Two) associates whose financial statements have not been audited by us. These financial statements / financial information have been audited by other auditors, for the year ended March 31, 2020 in respect of the 2 (Two) Subsidiaries and for the year ended March 31, 2019 in respect of the 2 (Two) Associates, whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report is based solely on the report of the other auditors.

We did not audit the financial statements of the 1(One) subsidiary, whose financial statements reflect total assets of ₹1,96,99,47,75,631 as at March 31, 2020, Total revenue of ₹11,21,68,02,744 and net cash flows amounting to ₹20,98,07,08,556 for the year then ended, as considered in the consolidated financial statements. The consolidated financial statements also include share of Net loss of ₹2,28,52,353 for the year ended March 31, 2020 as considered in the consolidated financial statements, in respect of 5 (Five) Associate whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on such unaudited financial statements. We are unable to comment upon resultant impact, if any, on the Group's share of profit for the year ended March 31, 2020, had the aforesaid associates been audited.

Our opinion on the consolidated financial statements is not modified in respect of these matters with respect

to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

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

The Bank's Management is responsible for the preparation and presentation of these consolidated financial statements on the basis of separate financial statements and other financial information regarding components that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the applicable Accounting Standards issued by the Institute of Chartered Accountants of India. The respective Board of Directors of companies are responsible for maintenance of adequate accounting records, for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Bank's management, as aforesaid.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance

is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings,

including any significant deficiencies in internal control that we identify during our audit.

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

9. Report on Other Legal and Regulatory Requirements

We report that:

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

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

CA Kiran K. Daftary
Partner

Place : Mumbai
Date: May 15, 2020

Membership No. 010279
UDIN: 20010279AAAAAP9378

Consolidated Balance Sheet

as at March 31, 2020

(Amount in ₹)

		March 31, 2020	March 31, 2019
CAPITAL AND LIABILITIES			
	Schedules		
Capital	I	5,31,92,20,310	5,31,92,20,310
Reserves, Surplus and Funds	II	1,90,99,72,09,992	1,65,57,54,95,457
Deposits	III	12,28,46,64,39,231	8,69,22,47,49,673
Borrowings	IV	5,55,26,26,04,342	5,96,99,79,07,872
Other Liabilities and Provisions	V	73,90,24,11,267	77,16,91,50,528
Deferred Tax Liability		-	25,71,28,714
Total		20,53,94,78,85,142	17,14,54,36,52,554
ASSETS			
Cash and Bank Balances	VI	1,67,48,39,13,036	1,02,21,13,95,206
Investments	VII	94,31,56,18,297	76,35,87,98,386
Loans & Advances	VIII	17,45,11,06,62,486	14,80,77,29,95,380
Fixed Assets	IX	2,87,28,92,360	2,86,08,41,637
Other Assets	X	44,16,47,98,963	52,33,96,21,945
Total		20,53,94,78,85,142	17,14,54,36,52,554
Contingent Liabilities	XI	76,13,98,91,761	93,65,32,75,072

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 **Chhajed & Doshi**
Chartered Accountants
FRN.101794W

Rajendra Agrawal
General Manager
(Corporate Accounts Vertical)

Manoj Mittal
Deputy Managing Director

Mohammad Mustafa
Chairman & Managing Director

Kiran K Daftary
Partner
M.No. 010279

G Gopalakrishna
Director

Ashish Gupta
Director

New Delhi, May 15, 2020

Consolidated Profit & Loss Account

for the year ended March 31, 2020

(Amount in ₹)

		March 31, 2020	March 31, 2019
INCOME	Schedules		
Interest and Discount	XII	1,21,19,65,15,276	1,02,65,97,31,674
Other Income	XIII	10,79,07,90,942	4,88,04,64,863
Total		1,31,98,73,06,218	1,07,54,01,96,537
EXPENDITURE			
Interest & Financial charges		83,70,61,45,787	74,16,16,92,565
Operating Expenses	XIV	6,51,78,02,426	5,22,29,08,970
Provisions & Contingencies		10,13,16,71,331	2,88,16,40,963
Total		1,00,35,56,19,544	82,26,62,42,498
Profit before Tax		31,63,16,86,674	25,27,39,54,039
Provision for Income Tax		6,25,50,50,250	7,23,63,53,979
Deferred Tax Adjustment [(Asset) / Liability]		(9,68,48,721)	(1,55,60,01,189)
Share of (earning)/loss in associates		2,48,98,992	7,52,668
Profit after Tax		25,44,85,86,153	19,59,28,48,581
Profit brought forward		1,04,83,25,536	1,01,96,45,697
Total Profit / (Loss)		26,49,69,11,689	20,61,24,94,278
Appropriations			
Transfer to General Reserve		23,60,00,00,000	16,64,35,00,000
Transfer to Special reserve u/s 36(1)(viii) of The Income Tax Act, 1961		55,00,00,000	70,00,00,000
Transfer to Statutory Reserve u/s 45-IC of RBI Act, 1934		46,79,71,244	5,64,46,957
Others			
a) Transfer to Investment Fluctuation Reserve		33,59,018	44,22,00,000
Transfer to Staff Welfare Fund		3,00,00,000	2,00,00,000
Development Fund		-	-
Dividend on Shares		-	1,36,96,99,230
Tax on Dividend		99,74,273	33,23,22,555
Surplus in Profit & Loss account carried forward		1,83,56,07,154	1,04,83,25,536
Total		26,49,69,11,689	20,61,24,94,278
Basic/Diluted Earning Per Share		47.84	36.83

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

Rajendra Agrawal
General Manager
(Corporate Accounts Vertical)

Manoj Mittal
Deputy Managing Director

Mohammad Mustafa
Chairman & Managing Director

Kiran K Daftary
Partner
M.No. 010279

G Gopalakrishna
Director

Ashish Gupta
Director

New Delhi, May 15, 2020

Schedules to Consolidated Balance Sheet

CAPITAL AND LIABILITIES

(Amount in ₹)

Schedule I: Capital	March 31, 2020	March 31, 2019
(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)	5,31,92,20,310	5,31,92,20,310
- Preference Share Capital	-	-
Total	5,31,92,20,310	5,31,92,20,310

(Amount in ₹)

Schedule II: Reserves, Surplus and Funds	March 31, 2020	March 31, 2019
A) Reserves		
i) General Reserve		
- Opening Balance	1,27,39,01,55,390	1,10,47,31,22,302
- Additions during the year	23,60,45,72,817	16,91,70,33,088
- Utilisations during the year	-	-
- Closing Balance	1,50,99,47,28,207	1,27,39,01,55,390
ii) Share Premium		
- Opening Balance	16,68,07,79,690	16,68,07,79,690
- Additions during the year	-	-
- Utilisations during the year	-	-
- Closing Balance	16,68,07,79,690	16,68,07,79,690
iii) Specific Reserves		
a) Investment Reserve		
- Opening Balance	-	-
- Additions during the year	-	-
- Utilisations during the year	-	-
- Closing Balance	-	-
b) Special Reserve created and maintained u/s 36 (1) (viii) of The Income Tax Act, 1961		
- Opening Balance	15,67,00,00,000	14,97,00,00,000
- Additions during the year	55,00,00,000	70,00,00,000
- Utilisations during the year	-	-
- Closing Balance	16,22,00,00,000	15,67,00,00,000
c) Statutory Reserve created u/s 45-IC of Reserve Bank of India Act.		
- Opening Balance	72,04,28,337	66,39,81,380
- Additions during the year	46,79,71,244	5,64,46,957
- Utilisations during the year	-	-
- Closing Balance	1,18,83,99,581	72,04,28,337

Schedules to Consolidated Balance Sheet

(Amount in ₹)

Schedule II: Reserves, Surplus and Funds	March 31, 2020	March 31, 2019
d) Other Reserves		
i) Investment Fluctuation Reserve		
- Opening Balance	1,14,59,86,025	70,37,86,025
- Additions during the year	33,59,018	44,22,00,000
- Utilisations during the year		-
- Closing Balance	1,14,93,45,043	1,14,59,86,025
B) Surplus in Profit and Loss account	1,83,56,07,154	1,04,83,25,536
C) Funds		
a) National Equity Fund		
- Opening Balance	2,65,23,89,862	2,56,95,54,646
- Additions / Write back during the year	37,52,970	8,28,35,216
- Utilisations during the year		-
- Closing Balance	2,65,61,42,832	2,65,23,89,862
b) Staff Welfare Fund		
- Opening Balance	24,74,30,617	24,92,32,557
- Additions during the year	3,00,00,000	2,00,00,000
- Utilisations during the year	2,52,23,132	2,18,01,940
- Closing Balance	25,22,07,485	24,74,30,617
c) Others	2,00,00,000	2,00,00,000
Total	1,90,99,72,09,992	1,65,57,54,95,457

(Amount in ₹)

Schedule III: Deposits	March 31, 2020	March 31, 2019
A) Fixed Deposits	31,77,53,39,231	64,86,00,49,673
B) From Banks		
a) Under MSME Refinance Fund	9,39,05,30,50,000	5,80,00,00,00,000
b) Under MSME Risk Capital Fund	10,00,00,00,000	15,00,00,00,000
c) Others -From Foreign & Private Sector Banks		-
d) Under MSME India Aspiration Fund	7,02,35,25,000	9,36,47,00,000
e) Under Fund for Venture Capital in MSME sector 2014-15	71,86,45,25,000	50,00,00,00,000
f) Under Priority Sector Shortfall	1,68,75,00,00,000	1,50,00,00,00,000
Subtotal (B)	11,96,69,11,00,000	8,04,36,47,00,000
Total	12,28,46,64,39,231	8,69,22,47,49,673

Schedules to Consolidated Balance Sheet

(Amount in ₹)

Schedule IV: Borrowings	March 31, 2020	March 31, 2019
I) Borrowings in India		
1. From Reserve Bank of India	-	-
2. From Government of India (including Bonds subscribed by GOI)	21,07,48,45,249	21,46,93,19,323
3. Bonds & Debentures	1,75,62,50,00,000	1,44,95,50,00,000
4. From Other Sources		
- Commercial Paper	49,50,00,00,000	47,50,00,00,000
- Certificate of Deposits	1,97,12,87,66,800	1,51,55,00,00,000
- Term Loans from Banks	14,36,35,43,399	1,24,46,56,06,275
- Term Money Borrowings	-	-
- Others	4,74,98,02,338	14,99,20,398
Subtotal (I)	4,62,44,19,57,786	4,90,08,98,45,996
II) Borrowings outside India		
(a) KFW, Germany	11,60,28,09,154	14,44,29,19,606
(b) Japan International Cooperation Agency (JICA)	34,07,23,44,393	36,80,54,19,487
(c) IFAD, Rome	1,15,34,15,466	1,12,48,25,395
(d) World Bank	43,46,01,15,739	51,47,72,81,791
(e) Others	2,53,19,61,804	3,05,76,15,597
Subtotal (II)	92,82,06,46,556	1,06,90,80,61,876
Total (I & II)	5,55,26,26,04,342	5,96,99,79,07,872

(Amount in ₹)

Schedule V: Other Liabilities and Provisions	March 31, 2020	March 31, 2019
Interest Accrued	28,57,11,85,566	29,73,55,86,890
Provision for SIDBI Employees' Provident Fund	3,09,97,41,738	2,80,17,62,288
Provision for SIDBI Pension Fund	62,60,20,000	45,55,68,252
Provision for Sick Leave Fund	6,27,63,000	11,18,93,681
Provision for Medical Assistance Scheme Fund	21,30,15,000	18,00,58,808
Provision for Employees Benefit	1,66,82,59,449	1,09,09,74,143
Others (including provisions)	31,21,32,36,819	33,62,50,53,519
Provisions for Exchange Rate Fluctuation	1,53,73,62,766	1,53,73,62,766
Contingent provisions against standard assets	6,91,08,26,929	5,97,96,45,246
Proposed Dividend (including tax on dividend)	-	1,65,12,44,935
Total	73,90,24,11,267	77,16,91,50,528

Schedules to Consolidated Balance Sheet

ASSETS

(Amount in ₹)

Schedule VI: Cash & Bank Balances	March 31, 2020	March 31, 2019
1. Cash in Hand & Balances with Reserve Bank of India	6,30,354	6,14,123
2. Balances with other Banks		
(a) In India		
i) in current accounts	31,51,18,718	68,23,37,125
ii) in other deposit accounts	1,63,12,09,26,795	95,33,85,30,715
(b) Outside India		
i) in current accounts	5,19,09,337	16,18,137
ii) in other deposit accounts	3,99,53,27,832	6,18,82,95,106
Total	1,67,48,39,13,036	1,02,21,13,95,206

(Amount in ₹)

Schedule VII: Investments [Net of provisions]	March 31, 2020	March 31, 2019
A) Treasury operations		
1. Securities of Central and State Governments	4,91,62,54,874	4,46,80,73,744
2. Shares of Banks & Financial Institutions	-	-
3. Bonds & Debentures of Banks & Financial Institutions	7,39,95,25,696	6,40,56,57,540
4. Stocks, Shares, bonds & Debentures of Industrial Concerns	1,99,92,72,771	1,99,92,72,771
5. Short Term Bills Rediscounting Scheme	-	-
6. Others	65,76,99,85,928	44,60,07,32,633
Subtotal (A)	80,08,50,39,269	57,47,37,36,688
B) Business Operations		
1. Shares of Banks & Financial Institutions	1,82,22,71,142	1,78,47,71,142
2. Bonds & Debentures of Banks & Financial Institutions	5,65,33,000	5,65,33,000
3. Stocks, Shares, bonds & Debentures of Industrial Concerns	4,63,89,03,959	4,85,32,42,053
4. Investment in Subsidiaries	-	-
5. Others	7,71,28,70,927	12,19,05,15,503
Subtotal (B)	14,23,05,79,028	18,88,50,61,698
Total (A+B)	94,31,56,18,297	76,35,87,98,386

Schedules to Consolidated Balance Sheet

(Amount in ₹)

Schedule VIII: Loans & Advances [Net of provisions]	March 31, 2020	March 31, 2019
A) Refinance to		
- Banks and Financial Institutions	14,95,23,02,04,547	12,56,89,55,95,686
- Micro Finance Institutions	29,33,28,48,488	16,50,04,35,388
- NBFC	1,20,61,81,13,099	1,12,34,37,42,688
- Bills Rediscounted	-	-
- Others (Resource Support)	-	92,00,29,123
Subtotal (A)	16,45,18,11,66,134	13,86,65,98,02,885
B) Direct Loans		
- Loans and Advances	98,66,91,14,926	88,96,65,09,187
- Receivable Finance Scheme	1,26,03,81,426	5,14,66,83,308
- Bills Discounted	-	-
Subtotal (B)	99,92,94,96,352	94,11,31,92,495
Total (A+B)	17,45,11,06,62,486	14,80,77,29,95,380

(Amount in ₹)

Schedule IX: Fixed Assets [Net of Depreciation]	March 31, 2020	March 31, 2019
1. Premises	2,83,87,18,309	2,83,23,37,105
2. Others	3,41,74,051	2,85,04,532
Total	2,87,28,92,360	2,86,08,41,637

(Amount in ₹)

Schedule X: Other Assets:	March 31, 2020	March 31, 2019
Accrued Interest	21,60,56,24,776	33,80,66,88,189
Advance Tax (Net of provision)	4,08,79,40,451	3,79,52,73,496
Others	12,94,68,58,666	7,27,41,57,841
Expenditure to the extent not written off	5,52,43,75,070	7,46,35,02,419
Total	44,16,47,98,963	52,33,96,21,945

(Amount in ₹)

Schedule XI: Contingent Liabilities	March 31, 2020	March 31, 2019
i) Claims against the Bank not acknowledged as debts	5,74,27,63,852	6,98,13,20,359
ii) On account of Guarantees / Letters of Credit	46,99,22,915	54,95,08,487
iii) On account of Forward Contracts	5,79,87,607	1,03,14,60,100
iv) On account of Underwriting Commitments	-	-
v) On account of uncalled monies on partly paid shares, debentures	5,19,13,80,042	6,33,78,34,494
vi) Other items for which the Bank is contingently liable (derivative contracts etc.)	64,67,78,37,345	78,75,31,51,632
Total	76,13,98,91,761	93,65,32,75,072

Schedules to Consolidated Profit & Loss Account

(Amount in ₹)

Schedule XII: Interest and Discount	March 31, 2020	March 31, 2019
1. Interest and Discount on Loans, Advances and Bills	1,10,02,35,82,062	96,67,92,56,917
2. Income on Investments / Bank balances	11,17,29,33,214	5,98,04,74,757
Total	1,21,19,65,15,276	1,02,65,97,31,674

(Amount in ₹)

Schedule XIII: Other Income:	March 31, 2020	March 31, 2019
1. Upfront and Processing Fees	57,92,69,491	35,06,51,911
2. Commission and Brokerage	1,25,57,895	1,49,28,003
3. Profit on sale of Investments	4,01,85,64,459	3,24,91,18,727
4. Income earned by way of dividends etc. from Subsidiaries / Associates	12,75,000	92,75,000
5. Provision of Earlier Years written back	-	-
6. Others	6,17,91,24,097	1,25,64,91,222
Total	10,79,07,90,942	4,88,04,64,863

(Amount in ₹)

Schedule XIV: Operating Expenses:	March 31, 2020	March 31, 2019
Payments to and provisions for employees	3,94,77,42,252	3,68,87,39,790
Rent, Taxes and Lighting	17,31,83,525	19,69,05,286
Printing & Stationery	1,16,19,046	1,03,02,916
Advertisement and Publicity	38,31,97,069	5,63,94,542
Depreciation / Amortisation on Bank's Property	18,36,84,906	18,43,71,236
Directors' fees, allowances and expenses	56,56,120	42,61,620
Auditor's Fees	33,64,757	35,07,480
Law Charges	1,84,04,109	2,69,58,423
Postage, Courier, Telephones etc	26,42,172	24,78,076
Repairs and maintenance	17,23,03,019	12,35,98,554
Insurance	57,33,487	49,18,746
Contribution to CGTMSE	-	-
Other Expenditure	1,61,02,71,964	92,04,72,301
Total	6,51,78,02,426	5,22,29,08,970

Schedules to Consolidated Balance Sheet

Schedule XV: Consolidated Significant Accounting Policies

1 BASIS OF PREPARATION

The consolidated financial statements (CFS) have been prepared to comply in all material respects with the Small Industries Development Bank of India Act, 1989 (Parent), its subsidiaries and associates and regulations thereof, prudential norms prescribed by Reserve Bank of India, applicable Accounting Standards issued by the Institute of Chartered Accountants of India and 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 on 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) Acuité Ratings Pvt Ltd (Erstwhile SMERA)
- 2) India SME Asset Reconstruction Company Limited (ISARC)
- 3) India SME Technology Services Limited (ISTSL)
- 4) Delhi Financial Corporation (DFC)

- 5) Receivables Exchange of India Limited (RXIL)
- 6) KITCO Limited
- 7) APTICO Limited

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

- a. Accounts of SIDBI (Parent).
- b. Line by line aggregation of each item of asset/ liability/ income/expense of 3 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. Redemption of unit/shares in Venture Capital fund, while in HTM category is not treated as a sale.
 - vii. Recovery in non-performing assets (NPA) is to be appropriated in the following order :
 - a) overdue interest upto the date of NPA,
 - b) principal,
 - c) cost & charges,
 - d) interest and
 - e) penal interest.
 - viii. Gain/loss on sale of loans and advances through direct assignment is recognized in line with the extant RBI guidelines.
 - ix. Amounts recovered against debts written-off in earlier years are recognized as income in the Profit & Loss Account.
 - x. Profit or loss on sale of investments in any category is taken to profit & loss account. However, in case of profit on sale of investments under Held to Maturity category an equivalent amount is appropriated to Capital Reserves.
 - xi. Amount lying as unclaimed liabilities (other than statutory liabilities) for a period of more than seven years are recognized as income.
 - xii. The Bank has accounted for interest on income tax refunds upon receipt of such refund orders / Order giving effects issued by Income Tax Department.
 - xiii. Recoveries of CGTMSE fees, Valuation charges, Advocate fee, Insurance etc. from Borrowers are accounted on cash basis.
 - xiv. SVCL - Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. 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
- 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

B) EXPENDITURE:

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

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.
- vi. Exchange differences arising on the settlement of monetary items are recognized as income or expense in the period in which they arise.
- vii. Outstanding Forward Exchange Contracts which are not intended for trading are revalued at closing FEDAI rates.

5 DERIVATIVES

The Bank presently deals in currency derivatives viz., Cross Currency Interest Rate swaps for hedging its foreign currency liabilities. Based on RBI guidelines, the above derivatives undertaken for hedging purposes are accounted on an accrual basis. Contingent Liabilities on account of derivative contracts at contracted rupee amount are reported on the Balance Sheet date.

6 LOANS AND ADVANCES

- 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

1. Parent :

A] Post retirement benefits:

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

- (iii) Actuarial gains or losses are recognized in the Profit & Loss Account based on actuarial valuations for **the period in which they occur**
- (iv) New Pension Scheme is a defined contribution scheme and is applicable to employees who have joined Bank on or after December 01, 2011. Bank pays fixed contribution at pre determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit & Loss Account.
- (v) Actuarial gains or losses are recognized in the Profit & Loss Account based on actuarial valuations for the period in which they occur.
- (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. Incremental liability based on actuarial valuation as per the projected unit credit method as per the reporting date is charged as expense to the Statement of Profit and Loss. 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. The leave balance is classified as short term and long term based on the leave policy. The short term and long term leave have been valued on actuarial basis

as per the projected unit credit method. Further, employees can also encash 15 days of their accumulated leave every financial year.

11 FIXED ASSETS AND DEPRECIATION

1. Parent :

- i) Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any.
- ii) 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.
- iii) Depreciation for the full year, irrespective of date of capitalization, is provided on:
 - a) Furniture and fixture: For assets owned by Bank @ 100 percent
 - b) Computer and Computer Software @ 100 percent
 - c) Building @ 5 percent on WDV basis
 - d) Electrical Installations: For assets owned by Bank @ 50 percent on WDV basis.
 - e) Motor Car - Straight Line Method @ 50 percent.
- iv) Depreciation on additions is provided for full year and no depreciation is provided in the year of sale/ disposal.
- v) Leasehold land is amortised over the period of lease.

2. 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.

3. SVCL

Fixed Assets are stated at cost of acquisition less accumulated depreciation. 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

- 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.
- 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".
- Details of Subsidiaries included in consolidated financial statements are:**

(Amount in ₹)

Sr. No.	Particulars	Country of Incorporation	Proportion of ownership*	Profit/Loss	
				March 31, 2020	March 31, 2019
1	SIDBI Venture Capital Ltd.(SVCL)	India	100%	3,18,16,213	3,15,61,019
2	SIDBI Trustee Company Ltd.(STCL)	India	100%	51,13,156	47,62,125
3	Micro Units Development & Refinance Agency Ltd (Mudra Ltd)	India	100%	2,33,98,56,222	28,22,34,783
Total				2,37,67,85,591	31,85,57,927

Financial statements of all subsidiaries are audited for FY 2020 except Mudra Ltd.

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

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

(Amount in ₹)

Sr. No.	Name of the Associate	(%) Holding		Description	Investment	Investment		Share of Profit/(loss)		Share in reserves [1]	
		March 31, 2020	March 31, 2019			March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1	Acuité Ratings Pvt Ltd (Erstwhile SMERA) [2]	35.73	34.29	Credit Rating Agency for SME's	5,10,00,000	5,10,00,000	5,10,00,000	2,75,32,675	98,63,924	3,21,02,945	2,68,29,742
2	India SME Technology Services Limited [2]	22.73	22.72	Technology Support to SME's	1,00,00,000	1,00,00,000	1,00,00,000	(2,22,338)	18,00,797	89,96,541	68,65,267
3	India SME Asset Reconstruction Company Limited [2]	26.00 [3]	26.00 [3]	Asset Reconstruction Company	2,60,00,000	26,00,00,000	26,00,00,000	(2,22,31,686)	(2,39,44,518)	5,38,73,573	7,78,18,091
4	Delhi Finance Corporation [4]	23.71	23.71	State Financial Corporation	3,13,87,500	3,13,87,500	3,13,87,500	(51,43,321)	19,23,661	10,52,48,961	11,33,04,245
5	Receivables Exchange of India Limited [5]	30.00	30.00	Online platform for factoring / discounting of Trade Receivables (TReDS)	11,25,00,000	11,25,00,000	7,50,00,000	(2,37,70,722)	(1,17,68,479)	(3,72,98,218)	(2,48,55,859)
6	APTICO LIMITED [4]	41.29	41.29	Technical consultancy Organisation	80,10,000	54,70,975	54,70,975	30,96,682	(1,63,14,522)	3,66,34,212	5,29,48,734
7	KITCO LIMITED [5]	49.77	49.77	Technical consultancy Organisation	4,90,00,000	24,95,296	24,95,296	(41,60,282)	3,76,86,469	27,97,11,717	22,25,39,362
Total						47,28,53,771	43,53,53,771	(2,48,98,992)	(7,52,668)	47,92,69,731	47,54,49,582

- Included in Reserve Fund of ₹1,50,99,47,28,207/- (Previous year ₹1,10,75,55,22,814) in Schedule II A(i) of the Consolidated Balance Sheet.
- Acuité Ratings Pvt. Ltd., India SME Technology Services Limited & India SME Asset Reconstruction Company Limited figures are unaudited.
- Includes 11% holding by SVCL (100% subsidiary of SIDBI).
- DFC and APTICO figures are audited for the year ended on March 31, 2019.
- Considered on financials based on Ind-AS for year 31st March 2020 unaudited.

- 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, 2020	March 31, 2019			March 31, 2020	March 31, 2019
1	BSFC	48.43	48.43	State Financial Corporation	18,84,88,500	(18,84,88,500)	(18,84,88,500)
2	GSFC	28.41	28.41	State Financial Corporation	12,66,00,000	(12,66,00,000)	(12,66,00,000)
3	MSFC	39.99	39.99	State Financial Corporation	12,52,41,750	(12,52,41,750)	(12,52,41,750)
4	PFC	25.92	25.92	State Financial Corporation	5,23,51,850	(5,23,51,850)	(5,23,51,850)
5	UPSFC	20.27	20.27	State Financial Corporation	21,67,59,000	(21,67,59,000)	(21,67,59,000)
Total					70,94,41,100	(70,94,41,100)	(70,94,41,100)

The figures for SFC's other than MSFC, PFC and UPSFC are based on audited results for the year ended March 31,2019. Regarding MSFC and PFC, figures are based on audited results for the year ended March 31, 2016 and March 31, 2018 respectively. In respect of UPSFC, provisional results are available for the year ended March 31,2012.

Though the shareholding of the Bank in Rajasthan Asset Management Co. Pvt. Ltd and Karnataka Asset Management Co. Pvt. Ltd. is more than 20%, the same are not included in consolidation as the amount invested is not considered as material investment.

- 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', as they are classified as NPI and accordingly book value of investment is taken at ₹ 1/- each.

(Amount in ₹)

Sr. No.	Name of the Associate	(%) Holding		Description	Investment	
		March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019
1	Bihar Industrial and Technical Consultancy Organisation Ltd.	49.25	49.25	Technical Consultancy Organisation	1	1
2	North Eastern Industrial and Technical Consultancy Organisation Ltd.	43.44	43.44	Technical Consultancy Organisation	1	1
3	Orissa Industrial and Technical Consultancy Organisation Ltd.	49.42	49.42	Technical Consultancy Organisation	1	1
Total					3	3

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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1	DFC	Refinance assistance	-	-	-	5,59,00,000

- 6 As against depreciation policy of SIDBI whereby assets are depreciated on SLM / WDV at pre-determined rates, the subsidiaries and associates compute depreciation on SLM/ WDV basis as per Schedule II of the Companies Act, 2013. Thus, out of the total depreciation of ₹18,36,84,906/- (Previous year ₹18,43,71,236/-) included in Consolidated Financial Statements, ₹9,67,513/- being 0.53% (Previous year ₹16,75,273/- being 0.90%) of the amount is determined based on Depreciation provided as per the Companies Act, 2013.
- 7 Aggregate remuneration paid to whole time directors of SIDBI is ₹1,12,63,195/- (Previous year ₹93,15,485), SVCL is ₹52,76,465/- (Previous year ₹58,74,807) and Mudra Ltd. is ₹69,99,996/- (Previous year ₹46,47,848).

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, 2020	March 31, 2019
Employer's contribution to Provident Fund	8,01,88,984	8,45,92,109
Employer's contribution to New Pension Scheme	2,47,85,687	2,27,84,810

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

(₹ crore)

	Pension		Gratuity	
	FY 2020	FY 2019	FY 2020	FY 2019
1. Assumptions				
Discount Rate	7.00%	7.78%	7.00%	7.64%
Rate of Return on Plan Assets	7.00%	7.78%	7.00%	7.64%
Salary Escalation	5.50%	5.50%	5.50%	5.50%
Attrition rate	2.00%	2.00%	2.00%	2.00%
2. Table showing change in Benefit Obligation				
Liability at the beginning of the year	439.65	452.03	91.36	111.05
Interest Cost	34.20	34.94	6.63	8.59
Current Service Cost	13.79	12.05	5.18	4.47
Past Service Cost (Non Vested Benefit)	0.00	0.00	0.00	0.00
Past Service Cost (Vested Benefit)	0.00	0.00	0.00	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)	(35.02)	(24.25)	(11.07)	(12.40)
Actuarial (gain) / loss on obligations	77.26	(35.12)	7.54	(20.35)
Liability at the end of the year	529.88	439.65	99.64	91.36
3. Tables of Fair value of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	410.23	405.46	110.98	115.25
Expected Return on Plan Assets	33.28	31.34	8.06	8.43
Contributions	35.02	0.00	0.09	0.05
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)	(35.02)	(24.25)	(11.07)	(12.40)
Actuarial gain / (loss) on Plan Assets	25.18	(2.32)	0.09	(0.35)
Fair Value of Plan Assets at the end of the year	468.69	410.23	108.15	110.98
4. Table of Recognition of Actuarial Gains/ Losses				
Actuarial (Gains)/ Losses on obligation for the period	77.26	(35.12)	7.54	(20.35)
Actuarial (Gains)/ Losses on asset for the period	(25.18)	2.32	(0.09)	0.35
Actuarial (Gains)/ Losses recognized in Income & Expense Statement	52.08	(32.80)	7.45	(20.00)

(₹ crore)

	Pension		Gratuity	
	FY 2020	FY 2019	FY 2020	FY 2019
5. Actual Return on Plan Assets				
Expected Return on Plan Assets	33.28	31.34	8.06	8.43
Actuarial Gain / (Loss) on Plan Assets	25.18	(2.32)	(0.09)	(0.35)
Actual Return on Plan Assets	58.46	29.02	7.97	8.08
6. Amount Recognised in the Balance Sheet				
Liability at the end of the year	(529.88)	(439.65)	(99.64)	(91.36)
Fair Value of Plan Assets at the end of the year	468.69	410.23	108.15	110.98
Difference	(61.19)	(29.42)	8.51	19.62
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	(61.19)	(29.42)	8.51	19.62
7. Expenses Recognised in the Income Statement				
Current Service Cost	13.79	12.05	5.18	4.47
Interest Cost	34.20	34.94	6.63	8.59
Expected Return on Plan Assets	(33.28)	(31.34)	(8.06)	(8.43)
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	0.00	0.00
Recognition of Transition Liability during the year	0.00	0.00	0.00	0.00
Actuarial (Gain) / Loss	52.08	(32.80)	7.45	(20.00)
Expense Recognised in Profit & Loss account	66.79	(17.15)	11.20	(15.37)
8. Balance Sheet Reconciliation				
Opening Net Liability	29.42	46.57	(19.62)	(4.20)
Expense as above	66.79	(17.15)	11.20	(15.37)
Employers Contribution	(35.02)	-	(0.09)	(0.05)
Amount recognised in the Balance Sheet	61.19	29.42	(8.51)	(19.62)

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.

(₹ crore)

	Pension		Gratuity	
	FY 2020	FY 2019	FY 2020	FY 2019
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	468.69	410.23	108.15	110.98
Other	0.00	0.00	0.00	0.00
Total	468.69	410.23	108.15	110.98

11. Experience Adjustment:

	Pension					Gratuity				
	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
On Plan Liability (Gain)/Loss	46.87	(22.03)	66.81	(5.53)	22.70	3.28	(19.71)	10.18	(7.91)	(6.20)
On Plan Asset (Loss)/Gain	25.17	(2.32)	0.32	0.58	(0.17)	(0.09)	(0.35)	(0.10)	0.29	(0.40)

- (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	As on
		March 31, 2020	March 31, 2019
1	Ordinary Leave Encashment	23.43	20.63
2	Sick Leave	(4.91)	0.00
3	Resettlement Expenses	0.12	0.88
4	Post Retirement Medical Scheme Facilities	10.50	0.43

- (ii) **SVCL**

During the year, company has contributed a sum of ₹6,41,977/- to the SIDBI Venture Capital Limited Employees' Group Gratuity Assurance Scheme (Trust) for its employees

Details	Post Employment Benefits	Post Employment Benefits
	FY 2020	FY 2019
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	₹69,31,504	₹57,95,242
Fair value of plan assets	₹70,32,386	₹60,35,156
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	₹70,32,386	₹60,35,156
Movement in net liability:		
Opening net liability	(₹2,39,914)	₹13,20,072
Expenses	₹7,81,009	₹8,85,505
Contribution	(₹6,41,977)	(₹24,45,491)
Closing net liability	(₹1,00,882)	(₹2,39,914)
Expenses recognized in statement of profit & loss		
Current service cost	₹3,75,677	₹3,51,414
Interest cost	₹4,60,142	₹4,01,331
Expected return on plan assets	(₹4,79,191)	(₹2,94,537)
Expected return on reimbursement rights	N.A.	N.A.
Actuarial gains / (losses)	(₹4,24,381)	(₹4,27,297)
Total expenses recognized in statement of profit & loss	₹7,81,009	₹8,85,505
Past service cost	Nil	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	7.94%	8.09%
Expected rate of returns on plan assets	7.94%	8.09%
Expected rate of returns on reimbursement rights	Nil	Nil
Expected rate of salary increase	5.00%	5.00%
Medical cost trends	N.A.	N.A.
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Disability	Nil	Nil
Attrition	2.00%	2.00%
Retirement age	60 Years	60 Years

(iii) MUDRA

- (a) All the employees are on deputation from Small Industrial Development Bank of India (SIDBI), 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 except few employees which are on contract basis. Further, MUDRA has provided an amount of ₹20.54 lakh (March 2019: ₹23.83 lakh) to P&L A/c during the current year. The same would be paid to SIDBI, when such costs are demanded by the said companies. With respect to contract employees there is no post employees benefits are applicable.
- (b) Therefore no disclosures are required under 'Revised AS 15- Employees Benefit' issued under Companies Accounting Standard Rules, 2006'

9 Difference in Accounting Policy of SIDBI and its Associate Companies:-

Following are the major differences noticed in the significant accounting policies of Small Industries Development Bank of India and its Associates:-

(i) Basis of Preparation**SIDBI**

- 1) 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.
- 2) The financial statements have been prepared under the historical cost convention on an accrual basis, unless otherwise stated.

RXIL

- 1) The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and the provisions of the Companies Act, 2013 ('Act'). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.
- 2) The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that is measured at fair value, and defined benefit plans - plan assets measured at fair value.

KITCO

- 1) The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.
- 2) The financial statements have been prepared and presented under historical cost convention on the accrual basis of accounting, except for certain financial assets and liabilities that is measured at fair value at the end of each reporting period.

(ii) Revenue Recognition: Interest Income**SIDBI**

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.

RXIL

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

**(iii) Depreciation of Property, Plant & Equipment
SIDBI**

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.

RXIL

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

- (i) Furniture and Fixtures in a period of 5 to 10 years
- (ii) Office Equipment in 4 to 5 years
- (iii) Electrical Equipments in 10 years
- (iv) Computer systems office automation in 3 years
- (v) Computer systems – others and Computer software in 4 years
- (vi) Telecommunication systems in 4 years

KITCO

Depreciation of Fixed Assets is provided on the written down value method over the useful life of assets estimated by the management. Depreciation for assets purchased or sold during the period is proportionally charged. Individual low cost assets (acquired for ₹5,000 or less) and cost of library books and other reference material are fully depreciated during the year of acquisition.

The management estimates the useful life for the fixed assets as follows:

- (i) Furniture and Fixtures in a period of 10 years
- (ii) Office Equipment in a period of 5 years
- (iii) Electrical Fittings in a period of 10 years
- (iv) Vehicles in a period of 8 years
- (v) Computer and data processing units- End-user devices, desktops and laptops in a period of 3 years
- (vi) Computer and Data processing units- Servers and Networks in a period of 6 years
- (vii) Energy Audit Equipment in a period of 5 years

Intangible assets are amortized over a period of 3 years commencing from the date the asset is available to the company for use

10 Earning Per Share (EPS)*:

(Amount in ₹)

	FY 2019-20	FY 2018-19
Net Profit considered for EPS calculation	25,44,85,86,153	19,59,28,48,581
Weighted Average Number of equity shares of face value ₹10 each	53,19,22,031	53,19,22,031
Earning per share	47.84	36.83

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

- 11 As per the Accounting Standard 22, Accounting for Taxes on Income, the Bank has reviewed Deferred Tax Assets / Liabilities and recognized an amount of ₹9,68,48,720/- as Deferred Tax Asset (Previous year - Deferred Tax Asset was ₹1,55,60,01,189/-) in the Profit & Loss Account for the year ended March 31, 2020. During the year, the Bank has re-assessed its unrecognised Deferred Tax Assets on entire provision held on Standard Assets. Accordingly, Deferred Tax Assets of ₹96,34,90,214/- has been recognised during the current FY 2019-20.

The Break up of Deferred Tax Asset/ (Liability) as on March 31, 2020 is as under:

(Amount in ₹)

Sr. No.	Timing Difference	FY 2020	FY 2019
		Deferred Tax Asset/(Liability)	Deferred Tax Asset/(Liability)
1	Provision for Depreciation	37,17,630	39,60,413
2	Special Reserve u/s 36(1)(viii) of the Income Tax Act 1961	(3,52,02,16,577)	(4,70,90,89,576)
3	Provisions for Bad & Doubtful Debts	1,20,50,72,585	2,30,45,14,771
4	Amortisation of Premium on Gov Bonds	(2,12,98,854)	(4,44,56,921)
5	Provision for Restructuring of Accounts	1,63,22,587	1,22,49,123
6	Brought Forward Long Term Capital Loss	-	22,05,17,373
7	Provision for Non Performing Investment	-	85,10,68,098
8	Provision for Standard Assets	1,64,85,24,603	58,61,97,116
9	Others	1,52,43,68,776	1,53,46,81,634
	Net deferred tax Asset/(Liability)	85,64,90,750	75,96,42,030

- 12 Estimated amount of contracts remaining to be executed on capital account not provided for (net of advance paid) is ₹21,02,888/- (Previous year ₹2,92,86,993/-)

13 Prudential Framework for Resolution of Stressed Assets:

The number of cases where the Bank has implemented the Resolution Plan (RP) as per RBI circular dated June 7, 2019 for Prudential Framework for Resolution of Stressed Assets is Nil. Further, the accounts where the resolution period was extended in terms of RBI Circular dated April 17, 2020 on "COVID-19 Regulatory Package – Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets" is 'Nil'.

14 COVID-19 Regulatory Package - Disclosure in terms of RBI circular dated April 17, 2020:

The novel corona virus COVID-19 pandemic continues to spread rapidly across the globe including India. The COVID-19 outbreak was declared a global pandemic by the World Health Organization. Due to COVID-19 and lockdown in the country, there is unprecedented level of disruption on socio-economic front across the country. The extent to which COVID-19 pandemic will impact Bank's future operations and financials is dependent on the future developments, which are highly uncertain. The impact of global health pandemic may be different from that estimated as at the date of approval of Bank's Financial Statements and the Bank will continue to monitor any material changes to future economic conditions that may have any financial impact on the Bank. In accordance with the RBI Circular dated March 27, 2020 with regard to providing relief to borrowers on account of COVID-19 pandemic, the Bank offered moratorium of loan instalments/interest payable to eligible borrowers as per Board approved policy.

Accordingly, in terms of RBI circular dated April 17, 2020, the Bank has made a provision of ₹13.99 crore during the year ended March 31, 2020 as under:

Particulars	Amount (₹ crore)
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	620.66
Respective amount where asset classification benefits is extended	279.89
Provisions made during the year	13.99
Provisions adjusted during the respective accounting periods against slippages and the residual provisions	NA

- 15 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 2019-20	FY 2018-19
i)	Common Equity*	Not Applicable	Not Applicable
ii)	Additional Tier 1 capital*	Not Applicable	Not Applicable
(iii)	Total Tier 1 capital	19,873.61	17,271.00
(iv)	Tier 2 capital	691.08	597.96
v)	Total Capital (Tier 1+Tier 2)	20,564.69	17,868.96
vi)	Total Risk Weighted Assets (RWAs)	72,454.94	54,145.42
vii)	Common Equity Ratio (Common Equity as a percentage of RWAs) *	Not Applicable	Not Applicable
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	27.43%	31.90%
ix)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	28.38%	33.00%
x)	Percentage of the shareholding of the Government of India	15.40	15.40
xi)	Amount of equity capital raised	-	-
xii)	Amount of Additional Tier 1 capital raised; of which	-	-
a)	Perpetual Non-Cumulative Preference Shares (PNCPS):	-	-
b)	Perpetual Debt Instruments (PDI)	-	-
xiii)	Amount of Tier 2 capital raised; of which	-	-
a)	Debt capital instruments:	-	-
b)	Perpetual Cumulative Preference Shares (PCPS)	-	-
c)	Redeemable Non-Cumulative Preference Shares (RNCPS)	-	-
d)	Redeemable Cumulative Preference Shares (RCPS)	-	-

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

2 Free Reserves and Provisions

(a) Provision on Standard Assets

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
Provisions towards Standard Assets (cumulative)	691.08	597.97

(b) Floating Provisions

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
Opening balance in the floating provisions account	1,348.53	1,742.21
The quantum of floating provisions made in the accounting year	0.00	0
Amount of draw down made during the accounting year *	248.57	393.68
Closing balance in the floating provisions account	1,099.96	1,348.53

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

3 Asset Quality and specific provisions

(a) Non-Performing Advances

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
(i) Net NPAs to Net Advances (%)	0.42%	0.20%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	867.91	902.42
(b) Additions during the year	942.63	309.60
(c) Reductions during the year	698.63	344.11
(d) Closing balance	1,111.91	867.91
(iii) Movement of Net NPAs		
(a) Opening balance	292.55	250.63
(b) Additions during the year	516.84	108.62
(c) Reductions during the year	79.68	66.70
(d) Closing balance	729.71	292.55
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	575.35	651.78
(b) Provisions made during the year	500.18	201.51
(c) Write of / write back of excess provisions	622.27	277.94
(d) Closing balance	453.26	575.35

(b) Non-Performing Investments

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
(i) Net NPIs to Net Investments (%)	3.02%	13.01%
(ii) Movement of NPIs (Gross)		
(a) Opening balance	1,577.17	410.03
(b) Additions during the year	0.01	1,240.69
(c) Reductions during the year	948.56	73.55
(d) Closing balance	628.62	1,577.17
(iii) Movement of Net NPIs		
(a) Opening balance	993.44	0.00
(b) Additions during the year	0.00	993.44
(c) Reductions during the year	708.44	0.00
(d) Closing balance	285.00	993.44
(iv) Movement of provisions for NPIs (excluding provisions on standard assets)		
(a) Opening balance	868.73	410.03
(b) Provisions made during the year	708.45	532.25
(c) Write of / write back of excess provisions	948.56	73.55
(d) Closing balance	628.62	868.73

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

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
(i) Net NPAs to Net Assets (Advances + Investments) (%)	0.55%	0.83%
(ii) Movement of NPAs (Gross Advances + Gross Investments)		
(a) Opening balance	2,445.08	1,312.45
(b) Additions during the year	942.64	1,550.29
(c) Reductions during the year	1,647.18	417.66
(d) Closing balance	1,740.54	2,445.08
(iii) Movement of Net NPAs		
(a) Opening balance	1,285.98	250.63
(b) Additions during the year	516.84	1,102.05
(c) Reductions during the year	788.12	66.70
(d) Closing balance	1,014.70	1,285.98
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	1,444.09	1,061.81
(b) Provisions made during the year	1,208.63	733.77
(c) Write of / write back of excess provisions	1,570.83	351.49
(d) Closing balance	1,081.89	1,444.09

3 (d) Accounts Restructured Disclosure of Restructured Accounts

(₹ in crore)

SI	Type of Restructuring →	Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total		
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard		Doubtful	Loss
	Details ↓															
1	Restructured Accounts as on April 1 of the FY (opening figures)*	0	0	-	-	-	21	10	34	-	65	21	10	34	-	65
	Amount outstanding	-	-	-	-	-	82.23	19.13	115.08	-	216.43	82.23	19.13	115.08	-	216.43
	Provision thereon	-	-	-	-	-	0.28	0.16	0.11	-	0.55	0.28	0.16	0.11	-	0.55
2	Fresh restructuring during the year	-	-	-	-	-	2	4	1	-	7	2	4	1	-	7
	Amount outstanding	-	-	-	-	-	1.06	16.27	1.83	-	19.15	1.06	16.27	1.83	-	19.15
	Provision thereon	-	-	-	-	-	0.05	2.03	-	-	2.08	0.05	2.03	-	-	2.08
3	Upgradations to restructured standard category during the FY	-	-	-	-	-	3	(2)	(1)	-	-	3	(2)	(1)	-	-
	Amount outstanding	-	-	-	-	-	10.55	(4.47)	(6.08)	-	-	10.55	(4.47)	(6.08)	-	-
	Provision thereon	-	-	-	-	-	0.01	(0.01)	-	-	-	0.01	(0.01)	-	-	-
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	-	-	-	-	-	(6)	-	-	-	(6)	(6)	-	-	-	(6)
	Amount outstanding	-	-	-	-	-	(26.26)	-	-	-	(26.26)	(26.26)	-	-	-	(26.26)
	Provision thereon	-	-	-	-	-	(0.03)	-	-	-	(0.03)	(0.03)	-	-	-	(0.03)
5	Downgradations of restructured accounts during the FY	-	-	-	-	-	(4)	(1)	5	-	-	(4)	(1)	5	-	-
	Amount outstanding	-	-	-	-	-	(21.14)	16.42	4.72	-	-	(21.14)	16.42	4.72	-	-
	Provision thereon	-	-	-	-	-	-	(0.13)	0.13	-	-	-	(0.13)	0.13	-	-
6	Write-offs of restructured accounts during the FY#	-	-	-	-	-	(1)	(1)	(25)	-	(27)	(1)	(1)	(25)	-	(27)
	Amount outstanding	-	-	-	-	-	(4.30)	(0.71)	(67.23)	-	(72.24)	(4.30)	(0.71)	(67.23)	-	(72.24)
	Provision thereon	-	-	-	-	-	0.25	(0.02)	(0.01)	-	0.23	0.25	(0.02)	(0.01)	-	0.23
7	Restructured Accounts as on March 31 of the FY (closing figures)*	-	-	-	-	-	15	10	14	-	39	15	10	14	-	39
	Amount outstanding	-	-	-	-	-	42.15	46.63	48.32	-	137.09	42.15	46.63	48.32	-	137.09
	Provision thereon	-	-	-	-	-	0.56	2.03	0.23	-	2.82	0.56	2.03	0.23	-	2.82

* 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 ₹15.60 crore (27 borrower & provisions of ₹0.28 crore) which is reduction/recovery from existing restructured accounts and closure of 7 borrower amounting to ₹6.79 crore by way of recovery.

Including reduction of restructured account.

(e) Movement of Non-Performing Assets

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
Gross NPAs as on opening date of accounting period (Opening Balance)	1,152.91	902.42
Additions (Fresh NPAs) during the year	942.62	594.60
Sub total (A)	2,095.53	1,497.02
Less :-		
(i) Upgradations	50.90	8.46
(ii) Recoveries (excluding recoveries made from upgraded accounts)	88.43	113.76
(iii) Technical / Prudential Write Offs	558.18	221.79
(iv) Write offs other than those under (iii) above	1.11	0.10
Sub-total (B)	698.62	344.11
Gross NPAs as on 31st March of following year (Closing Balance) (A-B)	1,396.91	1,152.91

(f) Write-offs and recoveries

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
Opening balance of Technical / Prudential written off accounts as at April 1	1,563.29	1,458.52
Add : Technical / Prudential write offs during the year	558.18	221.79
Sub total (A)	2,121.47	1,680.31
Less : Actual write off	12.24	87.51
Less : Recoveries made from previously technical / prudential written off accounts during the year	102.22	29.51
Sub total (B)	114.46	117.02
Closing balance as at March 31 (A-B)	2,007.01	1,563.29

(g) Overseas Assets, NPAs and Revenue

Particulars	FY 2019-20	FY 2018-19
Total Assets	Nil	Nil
Total NPAs	Nil	Nil
Total Revenue	Nil	Nil

(h) Depreciation and provisions on investments

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
(1) Investments		
(i) Gross Investments	10,066.31	10,113.03
(a) In India	10,066.31	10,113.03
(b) Outside India	-	-
(ii) Provisions for Depreciation	634.74	874.99
(a) In India	634.74	874.99
(b) Outside India	-	-
(iii) Net Investments	9,431.57	9,238.04
(a) In India	9,431.57	9,238.04
(b) Outside India	-	-
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	291.25	50.18
(ii) Add: Provisions made during the year	7.28	291.65
(iii) Appropriation, if any, from Investment Fluctuation Reserve Account during the year	7.08	6.36
(iv) Less: Write off / write back of excess provisions during the year	-	-
(v) Less: Transfer, if any, to Investment Fluctuation Reserve Account*	7.41	50.58
(vi) Closing balance	291.12	291.25

* Transfer to Investment Fluctuation Reserve is net of provision of ₹0.34 crore made during FY 2019-20 and ₹44.22 crore made during FY 2018-19.

(i) Provisions and Contingencies

(₹ crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	FY 2019-20	FY 2018-19
Provisions for depreciation/NPI on Investment #	704.09	186.68
Provision towards NPA #	189.57	(1.32)
Provision made towards Income tax (Including Deferred Tax Assets/Liability)	615.81	770.90
Other Provision and Contingencies (with details)\$	119.28	102.61

Net of write back of floating provision.

\$ Provision for standard asset.

(j) Provisioning Coverage Ratio (PCR)

	FY 2019-20	FY 2018-19
Provisioning Coverage Ratio (PCR)*	80%	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 2018-19		Nil	Nil	Nil	Nil
Current Year FY 2019-20		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
Nil	Nil	Nil	Nil	Nil	Nil	Nil

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

No. of accounts where banks have decided to effect change in 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, 2020.

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

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2020
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	724.70	-	-	-	-
FIs	279.84	96.94	-	78.55	103.00
Banks	3,300.50	15.00	-	103.50	103.50
Private Corporates	487.15	172.05	-	360.30	351.41
Subsidiaries/Joint ventures	0.00	0.00	-	0.00	-
Others	4,987.83	1,027.12	-	1,027.12	4,437.12
Provision held towards depreciation	(348.45)	-	-	-	-
Total	9,431.57	1,311.11	0.00	1,569.47	4,995.03

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

During the current FY, there was no shifting of investments to/from HTM category.

5 Details of Financial Assets purchased/ sold

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

(i) Details of Sales

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
(i) No. of accounts (borrower)	1	1
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	0.56#	0.00
(iii) Aggregate consideration	3.72 (Cash-0.56)	15
(iv) Additional consideration realized in respect of accounts transferred in earlier years	5.24	28.05
(v) Aggregate gain / loss over net book value	5.80	3.30

only cash component has been considered.

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

(₹ crore)

Particulars	Book value of investments in security receipts	
	FY 2019-20	FY 2018-19
(i) Backed by NPAs sold by the AIFI as underlying	0.27	0.27
(ii) Backed by NPAs sold by banks / other financial institutions / non-banking financial companies as underlying	0.00	0.00
Total	0.27	0.27

(b) Details of Non Performing Financial Assets Purchased / Sold
(i) Details of non performing financial assets purchased:

Particulars	FY 2019-20	FY 2018-19
1. (a) No. of accounts purchased during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil
2. (a) Of these, number of accounts restructured during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil

(ii) Details of non performing financial assets sold:

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
No. of accounts sold	1	1
Aggregate outstanding	6.77	76.44
Aggregate consideration received	3.72 (Cash-0.56)	15.00

6 Operating Results

Particulars	FY 2019-20	FY 2018-19
(i) Interest income as a percentage to average working funds (%)	6.47	6.82
(ii) Non-interest income as a percentage to average working funds (%)	0.58	0.32
(iii) Operating profit as a percentage to average working funds (before provisions) (%)	2.23	1.87
(iv) Return on average assets (before provisions for taxation) (%)	1.69	1.68
(v) Net Profit per employee (₹ crore)	2.43	1.77

7 Credit Concentration risk
(a) Capital market exposure

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
(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;	470.43	499.27
(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;	-	-

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
(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)	1,546.36	1,600.50
Total Exposure to Capital Market	2,016.79	2,099.77

(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 % to capital Funds
-	-	-	-	-	-	-	-	-

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

Sr. No.		FY 2019-20		FY 2018-19	
		As % to Total Assets	As % to Capital funds	As % to Total Assets	As % to Capital funds
1	The largest single borrower The largest borrower group	9.89	98.79	8.90	85.44
		As large borrowers are Primary Lending Institutions, the concept of borrower group is not applicable.			
2	The 20 largest single borrowers The 20 largest borrower group	70.28	701.97	70.96	680.91
		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 2019-20		FY 2018-19	
	Amount outstanding	% to total loan assets	Amount outstanding	% to total loan assets
Transport Equipment	2,930.06	1.68	1,492.04	1.01
Commercial Vehicles	1,646.58	0.94	813.53	0.55
Metal Products N.E.C.	865.67	0.50	496.71	0.34
Auto Ancillaries	602.87	0.35	815.70	0.55
Metal Products Parts except Machinery	473.29	0.27	432.30	0.29

(iv) Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is ₹15.11 crore as on March 31, 2020 and the estimated value of intangible security as on March 31, 2020 is Nil.

(v) The Bank had no factoring exposure during the current year and previous year.

(vi) The Bank had not exceeded the Prudential Exposure Limits during the current year and previous year.

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

(i) Concentration of borrowings and Lines of Credit

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
Total borrowings from twenty largest lenders	1,34,526.27	96,518.43
Percentage of borrowings from twenty largest lenders to total borrowings	75.42%	65.83%

(ii) Concentration of Exposures

(₹ crore)

Particulars	FY 2019-20	FY 2018-19
Total advances to twenty largest borrowers	1,29,917.94	1,21,147.33
Percentage of advances to twenty largest borrowers to Total Advances	74.45%	81.81%
Total Exposure to twenty largest borrowers / customers	1,44,358.89	1,10,673.09
Percentage of exposures to twenty largest borrowers / customers to Total Exposure	70.72%	74.82%

(iii) Sector-wise concentration of exposures and NPAs

(₹ crore)

Sr. No.	Sector	FY 2019-20			FY 2018-19		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
I.	Industrial sector	1,59,652.52	340.45	0.21%	1,31,112.35	860.68	0.66%
1	Central Government	-	-	-	-	-	-
2	Central PSUs	-	-	-	-	-	-
3	State Governments	-	-	-	-	-	-
4	State PSUs	112.92	-	-	295.25	111.05	37.61%
5	Scheduled Commercial Banks	1,49,136.32	-	-	1,20,550.43	-	-
6	Regional Rural Banks	273.78	-	-	314.97	-	-
7	Co-operative Banks	-	-	-	-	-	-
8	Private sector (excluding banks)	10,129.50	340.45	3.36%	9,951.70	749.63	7.53%
II.	Micro-finance sector	2,938.16	4.88	0.17%	1,657.27	7.23	0.00
III.	Others*	12,373.66	766.58	6.20%	15,883.04	-	-
	Total (I+II+III)	1,74,964.34	1,111.91	0.64%	1,48,652.66	867.91	0.58%

* includes advances to NBFCs.

8 Derivatives

(a) Forward Rate Agreement / Interest Rate Swap

Sr. No	Particulars	FY 2019-20	FY 2018-19
i)	The notional principal of swap agreements	USD 40,310,000	USD 40,310,000
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	USD 1,709,172.73	USD 209,019
iii)	Collateral required by the Bank upon entering into swaps	Nil	NIL
iv)	Concentration of credit risk arising from the swaps	USD 1,910,722.73	USD 6,193
v)	The fair value of the swap book	USD 1,709,172.73	USD (19,056)

(b) Exchange Traded Interest Rate Derivatives

Sr. No	Particulars	FY 2019-20	FY 2018-19
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

- 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.
- 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.
- 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 2019-20		FY 2018-19	
		Currency Derivatives	Interest rate Derivatives	Currency Derivatives	Interest rate Derivatives
1	Derivatives (Notional Principal Amount)	6,467.78	-	7,875.32	-
	(i) For hedging	6,467.78	-	7,875.32	-
	(ii) For trading	-	-	-	-
2	Marked to Market Positions [1]	645.81	-	134.09	-
	(i) Asset (+)	645.81	-	134.09	-
	(ii) Liability (-)	-	-	-	-
3	Credit Exposure [2]	999.34	-	698.06	-
4	Likely impact of one percentage change in interest rate (100* PV01)	131.06	-	143.04	-
	(i) On hedging derivatives	131.06	-	143.04	-
	(ii) On trading derivatives	-	-	-	-
5	Maximum and Minimum of 100*PV01 observed during the year	-	-	-	-
	(i) On hedging	186.29/131.05	-	170.56/143.04	-
	(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, 2019		LoC issued during the year		LoCs redeemed during the year		LoCs outstanding as on March 31, 2020	
No of LoC	Amount	No of LoC	Amount	No of LoC	Amount	No of LoC	Amount
1	0.94	-	-	1	0.94	-	-

10 Asset Liability Management

(₹ crore)

	1 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & up to 6 months	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	659	3,458	4,711	2,528	21,598	82,587	16	702	1,16,259
Advances	5,719	9,086	20,917	20,535	42,756	68,089	3,826	762	1,71,690
Investments	10,336	475	806	461	1,010	363	58	3,784	17,293
Borrowings	2,625	500	10,435	5,622	16,941	26,876	167	340	63,506
Foreign Currency assets	15	6	576	141	683	3,565	4,513	104	9,603
Foreign Currency liabilities	7	8	606	174	801	2,954	3,147	2,059	9,756

11 Draw Down from Reserves

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

12 Business Ratios

Particulars	FY 2019-20	FY 2018-19
Return on average Equity (before provisions for taxation) (%)	17.55	17.11
Return on average assets (before provisions for taxation) (%)	1.69	1.98
Net Profit per employee (₹ crore)	2.43	1.77

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 2019-20	FY 2018-19
No. of complaints pending at the beginning of the year	10	2
No. of complaints received during the year	216	183
No. of complaints redressed during the year	223	175
No. of complaints pending at the end of the year	3	10

15 Off-Balance Sheet SPVs Sponsored

The Bank had no Off-Balance Sheet SPVs sponsored during the current year and previous year.

16 Disclosure as per specific accounting standards

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

Income in Schedule XIII - 'Other Income' includes Prior Period Income of ₹3,72,25,52,439/- for FY 2019-20 [Previous year ₹3,21,69,155] and Other Expenditure in Schedule XIV - 'Operating Expenses' for FY 2019-20 includes Prior Period Expenditure of ₹1,66,97,194/- [Previous year (₹19,33,197)].

(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 Wholesale Operations (Direct Lending), Wholesale 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	
	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
1 Segment Revenue	1,048	1,007	10,235	8,261	1,545	649	12,828	9,917
Exceptional Items							371	-
Total							13,199	9,917
2 Segment Results	165	191	2,975	2,293	(58)	220	3,082	2,704
Exceptional Items							371	-
Total							3,453	2,704
Unallocable Expenses							290	178
Operating profit							3,163	2,526
Income Tax (Net of write back)							616	568
Share of profit in associates							(2)	1
Net profit							2,545	1,959
3 Other information								
Segment Assets	10,121	9,526	1,66,227	1,29,971	26,520	14,236	2,02,868	1,53,733
Unallocated Assets							2,527	17,721
Total Assets							2,05,395	1,71,454
Segment Liabilities	7,281	6,726	1,53,997	1,18,901	22,886	15,287	1,84,164	1,40,914
Unallocated Liabilities							1,905	13,977
Total							1,86,069	1,54,891
Capital / Reserves	2,848	2,812	10,373	10,960	6,105	2,791	19,326	16,563
Total							19,326	16,563
Total Liabilities							2,05,395	1,71,454

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	-	-	13.92	0.27	-	14.19
Maximum during the year	-	-	13.92	1.00	-	14.92
Placement of deposits#	-	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-	-
Maximum during the year	-	-	-	-	-	-

(₹ crore)

Items / Related Party	Parent (as per ownership or control)	Sub- sidiaries	Associates/ Joint ventures	Key Management Personnel @	Relatives of Key Management Personnel	Total
Advances#	-	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-	-
Maximum during the year	-	-	-	-	-	-
Investments#	-	-	-	-	-	-
Outstanding at the year end	-	-	32.35	-	-	32.35
Maximum during the year	-	-	32.35	-	-	32.35
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	-	-	0.52	0.08	-	0.60
Interest received	-	-	-	-	-	-
Rendering of services*	-	-	2.13	-	-	2.13
Receiving of services*	-	-	0.03	-	-	0.03
Management contracts**	-	-	-	1.13	-	1.13

@ Wholetime 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

Rajendra Agrawal
General Manager
(Corporate Accounts Vertical)

Manoj Mittal
Deputy Managing Director

Mohammad Mustafa
Chairman & Managing Director

Kiran K Daftary
Partner
M.No. 010279

G Gopalakrishna
Director

Ashish Gupta
Director

New Delhi, May 15, 2020

Consolidated Cash Flow Statement

for the year ended March 31, 2020

(Amount in ₹)

March 31, 2019	Particulars	March 31, 2020	March 31, 2020
	1. Cash Flow from Operating Activities		
25,27,39,54,039	Net Profit before tax as per P & L Account		31,63,16,86,674
	Adjustments for :		
18,43,71,236	Depreciation	18,36,84,906	
(2,67,59,59,652)	Provision for net depreciation in investments	7,03,89,36,030	
5,92,27,06,235	Provisions made (net of write back)	3,98,96,93,639	
(3,24,91,18,727)	Profit on sale of investments (net)	(8,98,38,31,402)	
(1,58,59,255)	Profit on sale of fixed assets	(44,18,585)	
(15,04,21,412)	Dividend Received on Investments	(43,63,34,432)	1,78,77,30,156
25,28,96,72,464	Cash generated from operations		33,41,94,16,830
	(Prior to changes in operating Assets and Liabilities)		
	Adjustments for net changes in :		
(19,31,46,34,266)	Current assets	9,13,18,71,240	
(13,05,52,32,446)	Current liabilities	1,93,54,28,554	
3,92,85,72,063	Bills of Exchange	3,96,15,78,214	
(4,25,40,24,27,769)	Loans & Advances	(2,66,36,38,25,532)	
1,30,90,67,95,800	Net Proceeds of Bonds and Debentures & other borrowings	(41,73,53,03,530)	
3,34,22,86,35,472	Deposits received	3,40,49,16,89,558	
11,29,17,08,854			47,42,14,38,504
36,58,13,81,318			80,84,08,55,334
(7,58,07,86,087)	Payment of Tax	(6,54,77,52,940)	(6,54,77,52,940)
29,00,05,95,231	Net Cash flow from operating Activities		74,29,31,02,394
	2. Cash Flow from Investing Activities		
(61,84,35,555)	Net (Purchase)/Sale of fixed assets	(19,13,56,938)	
(24,87,22,25,578)	Net (Purchase)/sale/redemption of Investments	(21,88,40,35,324)	
39,74,12,153	Dividend Received on Investments	48,48,52,951	
(25,09,32,48,980)	Net cash used in Investing Activities		(21,59,05,39,311)
	3. Cash flow from Financing Activities		
-	Proceeds from issuance of share capital & share premium	-	
(1,62,57,07,281)	Dividend on Equity Shares & tax on Dividend	(1,70,97,37,727)	
(1,62,57,07,281)	Net cash used in Financing Activities		(1,70,97,37,727)
2,28,16,38,970	4. Net increase/(decrease) in cash and cash equivalents		50,99,28,25,356
69,83,29,32,942	5. Cash and Cash Equivalents at the beginning of the period		72,11,45,71,912
72,11,45,71,912	6. Cash and Cash Equivalents at the end of the period		1,23,10,73,97,268

Consolidated Cash Flow Statement

for the year ended March 31, 2020

(Amount in ₹)

March 31, 2019	Particulars	March 31, 2020	March 31, 2020
7. Cash and cash equivalents at the end of the period includes			
6,14,123	Cash in Hand		6,30,354
68,39,55,262	Current account balance with Bank		36,70,28,055
9,00,00,00,000	Mutual Funds		34,10,00,00,001
62,43,00,02,527	Deposits		88,63,97,38,858

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

For **Chhajed & Doshi**
Chartered Accountants
FRN.101794W

Rajendra Agrawal
General Manager
(Corporate Accounts Vertical)

Manoj Mittal
Deputy Managing Director

Mohammad Mustafa
Chairman & Managing Director

Kiran K Daftary
Partner
M.No. 010279

G Gopalakrishna
Director

Ashish Gupta
Director

New Delhi, May 15, 2020

Debenture Trustees

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

MILESTONE TRUSTESHIP SERVICES PVT. LTD.

402 A, Hallmark Business Plaza, Sant Dnyaneshwar Marg,
Opp. Guru Nanak Hospital, Bandra (East), Mumbai - 400 051

Contact: Ms. Dhvani Ajudiya

Direct: +91 22 6716 7014

Mobile: +91 91724 47719

Fax: +91 22 6716 7077

Email: dhvani@milestonetrustee.in

Website: www.milestonetrustee.in

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IDBI Trusteeship Services Ltd. (ITSL)

Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard
Estate, Mumbai - 400 001

Contact: Mr. Ritobrata Mitra

Direct: +91 22 4080 7023

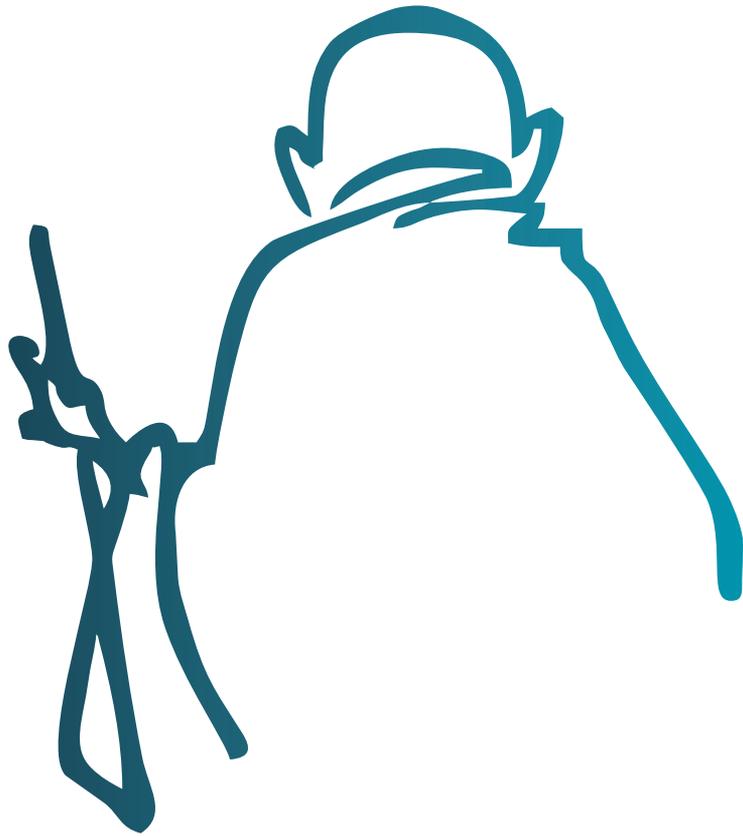
Mobile: +91 98922 58709

Fax: +91 022 6631 1776

Email: itsl@idbitrustee.com; response@idbitrustee.com

Website: www.idbitrustee.com

FY 2020



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