



# Azadi ke 75 Saal Udyam ka Amrit Kaal



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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 Board of Directors**  
**Small Industries Development Bank of India**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **Small Industries Development Bank of India** ('the Bank'), which comprise the standalone Balance Sheet as at March 31, 2022, the standalone Profit and Loss Account, the standalone Cash Flow statement for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required in accordance with Regulation 14(1) of the Small Industries Development Bank of India General Regulations, 2000 and give a true and fair view, in conformity with the Accounting Standards notified by the Institute of Chartered Accountants of India ("the ICAI") and accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2022, and its profit and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ('SAs') issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further

described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Bank in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Emphasis of Matter

We draw attention to Note No. 27 of Schedule XVI to the Standalone financial statements, regarding the impact of COVID-19 pandemic on the Bank's operations and asset quality for the year ended 31st March 2022. As stated therein, in view of continuing uncertainties, the extent of impact of the pandemic on the Bank's operations and financial position would depend on ongoing as well as future developments.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2022. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

### Description of Key Audit Matters

Key Audit Matter	How our audit addressed the Key Audit Matters
<p><b>Classification of Advances, Identification of Non-Performing Advances, Income Recognition and Provision on Advances (Schedule VIII read with Note 6 of Schedule XV to the standalone financial statements)</b></p> <p>(i) Advances include Refinance loans to banks, Financial Institutions, Micro Finance Institutions and NBFCs; and Direct loans including Cash credits, Overdrafts, Loans repayable on demand and Term loans.</p> <p>The Reserve Bank of India ('RBI') has prescribed the 'Prudential Norms on Income Recognition, Asset Classification and Provisioning' in respect of advances for banks ('IRACP Norms'), including circulars in relation to COVID-19 Regulatory Package – Asset Classification and Provisioning.</p>	<p>Our audit approach / procedures towards Classification of Advances, Identification of Non-performing Advances, Income Recognition and Provision on Advances included the following:</p> <ul style="list-style-type: none"> <li>Understanding and considering the Bank's accounting policies for NPA identification and provisioning and assessing compliance with the prudential norms prescribed by the RBI (IRACP Norms), including the additional provisions and asset classification benefit extended on restructured advances under RBI's COVID-19 Regulatory Package.</li> </ul>

Key Audit Matter	How our audit addressed the Key Audit Matters
<p>The identification of performing and non-performing advances (including advances restructured under applicable IRACP Norms) involves establishment of proper mechanism and the Bank is required to apply significant degree of judgement to identify and determine the amount of provision required against each advance applying both quantitative as well as qualitative factors prescribed by the regulations.</p> <p>Significant judgements and estimates for NPA identification and provisioning could give rise to material misstatements on:</p> <ul style="list-style-type: none"> <li>• Completeness and timing of recognition of non-performing assets in accordance with criteria as per IRACP norms;</li> <li>• Measurement of the provision for non-performing assets based on loan exposure, ageing and classification of the loan, realizable value of security;</li> <li>• Appropriate reversal of unrealized income on the NPAs.</li> </ul> <p>Since the classification of advances, identification of NPAs and creation of provision on advances (including additional provisions on restructured advances under applicable IRACP Norms) and income recognition on advances:</p> <ul style="list-style-type: none"> <li>• Requires proper control mechanism and significant level of estimation by the Bank;</li> <li>• Required to be aligned with changes in IRACP Norms during the year arising out of the COVID 19 pandemic</li> <li>• Has significant impact on the overall financial statements of the Bank;</li> </ul> <p>we have ascertained this area as a Key Audit Matter.</p>	<ul style="list-style-type: none"> <li>• Understanding the key controls (including system based automated controls) for identification and provisioning of impaired accounts based on the extant guidelines on IRACP laid down by the RBI.</li> <li>• Performing other procedures including substantive audit procedures covering the identification of NPAs by the Bank. These procedures included: <ul style="list-style-type: none"> <li>(a) Considering testing of the exception reports generated from the application systems where the advances have been recorded.</li> <li>(b) Considering the accounts reported by the Bank and other banks as Special Mention Accounts ("SMA") in RBI's central repository of information on large credits (CRILC) to identify stress.</li> <li>(c) Reviewing account statements, drawing power calculation, security and other related information of the borrowers selected based on quantitative and qualitative risk factors</li> <li>(d) Reading of minutes of credit and risk committee meetings and performing inquiries with the credit department to ascertain if there were indicators of stress or an occurrence of an event of default in a loan account or any product.</li> <li>(e) Considering Internal Audit and Concurrent Audit as per the policies and procedures of the Bank.</li> <li>(f) Reviewing the report submitted by external expert appointed by the Bank to verify compliance with the RBI circular on Automation of IRACP processes through the Bank's core banking system.</li> <li>(g) Examination of advances including stressed/ restructured advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines.</li> </ul> </li> </ul> <p>For Non-performing advances identified, we, based on factors including stressed sectors and account materiality, tested on a sample basis the asset classification dates, reversal of unrealized interest, value of available security and provisioning as per IRACP norms. We recomputed the provision for NPA on such samples after considering the key input factors and compared our measurement outcome to that prepared by management.</p>

Key Audit Matter	How our audit addressed the Key Audit Matters
<p>(ii) <b>Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule VII read with Note 3 of Schedule XV to the standalone financial statements)</b></p> <p>Investments are categorized under Treasury operations and Business Operations. Investments include investments made by the Bank in Central and State Governments Securities, Bonds, Debentures, Shares, Mutual Funds, VCFs and other approved securities. RBI Circulars and directives, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, non-recognition of income and provisioning against non-performing investments.</p> <p>The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FBIL/FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc.</p> <p>We identified valuation of investments and identification of NPI as a Key Audit Matter because of the management judgement involved in determining the value of certain investments (Bonds and Debentures, VCFs) based on applicable Regulatory guidelines and the Bank's policies, impairment assessment for HTM book based on management judgement, the degree of regulatory focus and the overall significance to the financial results of the Bank.</p>	<p>Our audit approach/procedures towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non-performing investments (NPIs) and provisioning/depreciation related to Investments. In particular -</p> <ul style="list-style-type: none"> <li>• We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, reversal of income on NPIs and provisioning/depreciation related to investments;</li> <li>• We assessed and evaluated the process adopted for collection of information from various sources for determining market value of these investments;</li> <li>• For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security;</li> <li>• We carried out substantive audit procedures to recompute independently the provision to be maintained in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained and if accrual of income is in accordance with the RBI Circular for those selected sample of NPIs.</li> </ul>
<p>(iii) <b>Information Technology ('IT') Systems and Controls for financial reporting</b></p> <p>The Bank's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.</p> <p>Due to the pervasive nature and complexity of the IT environment as well as its importance in relation to accurate and timely financial reporting, we have identified this area as a Key Audit Matter.</p>	<p>As a part of our audit procedures for review of the Bank's IT systems and related controls for financial reporting:</p> <ul style="list-style-type: none"> <li>• We tested the design and operating effectiveness of the Bank's IT systems and controls that are critical to financial reporting.</li> <li>• The Bank has a system in place for getting application software audits for identified Application Systems at reasonable intervals. Information System (IS) Audit is done at Branches by officers of the Bank at reasonable intervals.</li> <li>• We have reviewed and relied on the Application Systems Audits carried by external consultants and IS audits done at the branches.</li> </ul>

Key Audit Matter	How our audit addressed the Key Audit Matters
<p>(iv) <b>Assessment of Provisions and Contingent Liabilities (Note 10 and Note 12 of Schedule XV to the standalone financial statements)</b></p> <p>Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct Taxes, various claims filed by other parties not acknowledged as debt (Schedule XI to the standalone financial statements) and various employee benefits schemes (Schedule V to the standalone financial statements) was identified as a significant audit area.</p> <p>There is high level of judgement involved in estimating the level of provisioning required as well as in the disclosure of both Provisions and Contingent Liabilities in respect of tax matters and other legal claims. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.</p> <p>The valuations of the employee benefit liabilities are calculated with reference to multiple actuarial assumptions and inputs including discount rate, rate of inflation and mortality rates. The valuation of funded assets in respect of the same is also sensitive to changes in the assumptions.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of the matters which requires application of judgment in interpretation of law, circumstances of each case and estimates involved.</p>	<p>Our audit approach / procedures involved:</p> <ul style="list-style-type: none"> <li>• Understanding the current status of the litigations/tax assessments;</li> <li>• Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon;</li> <li>• Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of the Bank's tax consultants;</li> <li>• Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and</li> <li>• Ensuring completeness and accuracy of the data, the measurement of the fair value of the schemes' assets, understanding the judgements made in determining the assumptions used by management to value the employee liabilities with specific schemes and market practice.</li> <li>• Our audit procedures included an assessment of the assumptions used by the actuary by comparing life expectancy assumptions with relevant mortality tables, benchmarking inflation and discount rates against external market data. We verified the value of plan assets to the statements provided by asset management companies managing the plan assets.</li> <li>• Verification of disclosures related to significant litigations, taxation matters and Employee benefits liabilities in the standalone financial statements.</li> </ul>

### Information other than the standalone Financial Statements and Auditor's Report Thereon

The Bank's Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Bank's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Bank's annual report, if we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the standalone Financial Statements

The Bank's Management is responsible with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the Small Industries Development Bank of India General Regulations, 2000, and accounting principles generally accepted in India including the Accounting Standards issued by ICAI, and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Bank and for preventing

and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

Bank's Management are also responsible for overseeing the Bank's financial reporting process.

### **Auditor's Responsibilities for the audit of the standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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, but not for the purpose of expressing an opinion on the effectiveness.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates

and related disclosures in the standalone financial statements made by management.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

- (i) These standalone Financial Results incorporate the relevant returns of 26 branches visited/audited by us including Head Office which covers 95.50% of Advances, 99.22% of deposits and 100% of Borrowings as on 31st March 2022 and 91.95% of Interest income on advances, 98.28% of interest expense on deposits and 100% of interest expense on borrowings for the year ended 31st March 2022. These branches have



been selected in consultation with the management of the Bank. In conduct of our audit, we have relied upon various information and returns received from remaining branches of the Bank not visited by us and generated through centralized database at Head Office.

Our opinion is not modified in respect of the above matter.

### Report on Other Legal and Regulatory Requirements

The standalone Balance Sheet and the standalone Profit and Loss Account have been drawn up in accordance with the provisions of Regulation 14 (i) of the Small Industries Development Bank of India General Regulations, 2000.

We report that:

- (a) 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;
- (b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
- (c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

- (d) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- (e) The standalone Balance Sheet, the standalone Profit and Loss Account, the standalone Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (f) In our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards.

For **Borkar & Muzumdar**  
Chartered Accountants  
Firm's Registration No. 101569W

**Darshit Doshi**  
Partner

Place: Mumbai  
Date: May 17, 2022

Membership No. 133755  
UDIN: 22133755AJCJPP5778

# Balance Sheet

as at March 31, 2022

(Amount in ₹)

		March 31, 2022	March 31, 2021
<b>CAPITAL AND LIABILITIES</b>			
	<b>Schedules</b>		
Capital	I	5,68,54,11,690	5,31,92,20,310
Reserves, Surplus and Funds	II	2,40,14,53,18,104	2,07,56,28,92,633
Deposits	III	14,08,78,42,74,899	12,44,12,11,71,085
Borrowings	IV	7,57,12,43,67,199	3,90,90,19,08,226
Other Liabilities and Provisions	V	62,04,01,28,691	75,31,92,47,651
Deferred Tax Liability		74,55,585	-
<b>Total</b>		<b>24,73,78,69,56,168</b>	<b>19,23,22,44,39,905</b>
<b>ASSETS</b>			
Cash and Bank Balances	VI	1,79,18,31,07,719	1,38,07,95,68,421
Investments	VII	2,39,51,55,92,224	1,91,53,46,78,481
Loans & Advances	VIII	20,22,51,78,47,539	15,62,32,79,99,814
Fixed Assets	IX	2,93,12,40,397	2,77,32,26,435
Other Assets	X	29,63,91,68,289	28,50,89,66,754
<b>Total</b>		<b>24,73,78,69,56,168</b>	<b>19,23,22,44,39,905</b>
Contingent Liabilities	XI	53,37,90,27,297	59,50,61,36,098
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 **Borkar & Muzumdar**  
Chartered Accountants  
FRN.101569W

**Rajendra Agrawal**  
Chief Financial Officer

**Sudatta Mandal**  
Deputy Managing Director

**V. Satya Venkata Rao**  
Deputy Managing Director

**Sivasubramanian Ramann**  
Chairman & Managing Director

**Darshit Doshi**  
Partner  
M.No. 133755

**G Gopalakrishna**  
Director

**Ashish Gupta**  
Director

Place: Mumbai  
Date: May 17, 2022

# Profit & Loss Account

for the year ended March 31, 2022

(Amount in ₹)

		March 31, 2022	March 31, 2021
<b>INCOME</b>	<b>Schedules</b>		
Interest and Discount	XII	87,14,12,26,980	1,02,21,35,67,271
Other Income	XIII	4,25,05,99,071	9,44,26,93,251
<b>Total</b>		<b>91,39,18,26,051</b>	<b>1,11,65,62,60,522</b>
<b>EXPENDITURE</b>			
Interest & Financial charges		57,01,62,91,566	65,42,87,64,888
Operating Expenses	XIV	6,97,72,15,759	5,60,00,42,556
Provisions & Contingencies		3,51,81,16,045	9,15,23,84,536
<b>Total</b>		<b>67,51,16,23,370</b>	<b>80,18,11,91,980</b>
<b>Profit before Tax</b>		<b>23,88,02,02,681</b>	<b>31,47,50,68,542</b>
Provision for Income Tax		4,11,57,81,000	7,68,66,09,000
Deferred Tax Adjustment [(Asset) / Liability]		18,65,33,000	(19,43,10,130)
Profit after Tax		<b>19,57,78,88,681</b>	<b>23,98,27,69,672</b>
Profit brought forward		53,97,00,680	96,17,75,070
<b>Total Profit / (Loss)</b>		<b>20,11,75,89,361</b>	<b>24,94,45,44,742</b>
<b>Appropriations</b>			
Transfer to General Reserve		18,00,41,43,423	22,50,00,00,000
Transfer to Special reserve u/s 36(1)(viii) of The Income Tax Act, 1961		70,00,00,000	80,00,00,000
<b>Others</b>			
Transfer to Investment Fluctuation Reserve		10,96,07,912	-
Transfer to Staff Welfare Fund		10,56,54,000	4,10,00,000
Dividend on Shares		79,81,84,026	1,06,38,44,062
Tax on Dividend		-	-
Surplus in Profit & Loss account carried forward		40,00,00,000	53,97,00,680
<b>Total</b>		<b>20,11,75,89,361</b>	<b>24,94,45,44,742</b>
Basic/Diluted Earning Per Share		36.79	45.09
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 **Borkar & Muzumdar**  
Chartered Accountants  
FRN.101569W

**Rajendra Agrawal**  
Chief Financial Officer

**Sudatta Mandal**  
Deputy Managing Director

**V. Satya Venkata Rao**  
Deputy Managing Director

**Sivasubramanian Ramann**  
Chairman & Managing Director

**Darshit Doshi**  
Partner  
M.No. 133755

**G Gopalakrishna**  
Director

**Ashish Gupta**  
Director

Place: Mumbai  
Date: May 17, 2022

## Schedules to Balance Sheet

### Capital and Liabilities

(Amount in ₹)

Schedule I: Capital	March 31, 2022	March 31, 2021
<b>(a) Authorized Capital</b>	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>(b) Issued, Subscribed and Paid-up Capital :</b>	5,68,54,11,690	5,31,92,20,310
- Equity Share Capital (56,85,41,169 Equity Shares of ₹10/- each)	5,68,54,11,690	5,31,92,20,310
- Preference Share Capital	-	-
<b>Total</b>	<b>5,68,54,11,690</b>	<b>5,31,92,20,310</b>

(Amount in ₹)

Schedule II: Reserves, Surplus and Funds	March 31, 2022	March 31, 2021
<b>A) Reserves</b>		
<b>i) General Reserve</b>		
- Opening Balance	1,69,23,51,37,200	1,46,73,51,37,200
- Additions during the year	18,00,41,43,423	22,50,00,00,000
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>1,87,23,92,80,623</b>	<b>1,69,23,51,37,200</b>
<b>ii) Share Premium</b>		
- Opening Balance	16,68,07,79,690	16,68,07,79,690
- Additions during the year	13,86,18,08,620	-
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>30,54,25,88,310</b>	<b>16,68,07,79,690</b>
<b>iii) Specific Reserves</b>		
a) Investment Reserve		
- Opening Balance	-	-
- Additions during the year	-	-
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>-</b>	<b>-</b>
b) Special Reserve created and maintained u/s 36 (1) (viii) of The Income Tax Act, 1961		
- Opening Balance	17,02,00,00,000	16,22,00,00,000
- Additions during the year	70,00,00,000	80,00,00,000
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>17,72,00,00,000</b>	<b>17,02,00,00,000</b>
c) Other Reserves		
i) Investment Fluctuation Reserve		
- Opening Balance	1,14,93,45,044	1,14,93,45,044
- Additions during the year	10,96,07,912	-
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>1,25,89,52,956</b>	<b>1,14,93,45,044</b>

## Schedules to Balance Sheet

(Amount in ₹)

<b>Schedule II: Reserves, Surplus and Funds</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>B) Surplus in Profit and Loss account</b>	<b>40,00,00,000</b>	<b>53,97,00,680</b>
<b>C) Funds</b>		
a) National Equity Fund		
- Opening Balance	2,65,61,42,832	2,65,61,42,832
- Additions / Write back during the year	-	-
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>2,65,61,42,832</b>	<b>2,65,61,42,832</b>
b) Staff Welfare Fund		
- Opening Balance	28,17,87,187	25,22,07,485
- Additions during the year	10,56,54,000	4,10,00,000
- Utilisations during the year	5,90,87,804	1,14,20,298
- <b>Closing Balance</b>	<b>32,83,53,383</b>	<b>28,17,87,187</b>
c) Others	-	-
<b>Total</b>	<b>2,40,14,53,18,104</b>	<b>2,07,56,28,92,633</b>

(Amount in ₹)

<b>Schedule III: Deposits</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>A) Fixed Deposits</b>	<b>86,10,40,72,379</b>	<b>50,04,64,96,085</b>
<b>B) From Banks</b>		
a) Under MSME Refinance Fund	12,74,31,35,25,000	11,26,05,11,50,000
b) Under MSME Risk Capital Fund	5,00,00,00,000	10,00,00,00,000
c) Others -From Foreign & Private Sector Banks	7,93,64,00,000	-
d) Under MSME India Aspiration Fund	10,43,02,77,520	8,02,35,25,000
e) Under Fund for Venture Capital in MSME sector 2014-15	25,00,00,00,000	50,00,00,00,000
<b>Subtotal (B)</b>	<b>13,22,68,02,02,520</b>	<b>11,94,07,46,75,000</b>
<b>Total</b>	<b>14,08,78,42,74,899</b>	<b>12,44,12,11,71,085</b>

(Amount in ₹)

<b>Schedule IV: Borrowings</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>I) Borrowings in India</b>		
1. From Reserve Bank of India	1,44,20,00,00,000	-
2. From Government of India (including Bonds subscribed by GOI)	5,62,06,57,105	20,40,09,88,429
3. Bonds & Debentures	1,62,85,00,00,000	1,70,87,50,00,000
4. From Other Sources		
- Commercial Paper	50,00,00,00,000	38,75,00,00,000
- Certificate of Deposits	1,49,00,00,00,000	42,85,00,00,000
- Term Loans from Banks	1,68,89,90,51,099	48,14,20,83,006
- Term Money Borrowings	-	-
- Others	25,66,91,30,100	4,99,94,82,245
<b>Subtotal (I)</b>	<b>7,06,23,88,38,304</b>	<b>3,26,01,75,53,680</b>

## Schedules to Balance Sheet

(Amount in ₹)

<b>Schedule IV: Borrowings</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>II) Borrowings outside India</b>		
(a) KFW, Germany	5,60,16,04,462	7,92,50,08,344
(b) Japan International Cooperation Agency (JICA)	14,92,77,01,680	20,87,89,58,963
(c) IFAD, Rome	1,05,67,31,387	1,10,10,79,766
(d) World Bank	28,29,18,43,248	33,21,79,18,293
(e) Others	1,00,76,48,118	1,76,13,89,180
<b>Subtotal (II)</b>	<b>50,88,55,28,895</b>	<b>64,88,43,54,546</b>
<b>Total (I &amp; II)</b>	<b>7,57,12,43,67,199</b>	<b>3,90,90,19,08,226</b>

(Amount in ₹)

<b>Schedule V: Other Liabilities and Provisions</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Interest Accrued	15,72,51,17,292	20,83,21,62,892
Provision for SIDBI Employees' Provident Fund	3,61,97,08,540	3,26,55,18,260
Provision for SIDBI Pension Fund	16,01,409	13,50,36,000
Provision for Employees' Other Benefit	2,85,12,10,104	2,48,86,71,702
Provisions for Exchange Rate Fluctuation	1,53,73,62,766	1,53,73,62,766
Contingent provisions against standard assets	10,64,84,57,633	11,06,49,47,151
Proposed Dividend (including tax on dividend)	79,81,84,026	1,06,38,44,062
Funds viz. Aspire Fund, FoF for Startups, PRF, PRSF etc.	15,15,42,51,789	12,33,11,61,527
Floating provision	4,95,67,37,932	10,99,96,00,000
Others (including provisions)	6,74,74,97,200	11,60,09,43,291
<b>Total</b>	<b>62,04,01,28,691</b>	<b>75,31,92,47,651</b>

## Schedules to Balance Sheet

### Assets

(Amount in ₹)

<b>Schedule VI: Cash &amp; Bank Balances</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
1. Cash in Hand & Balances with Reserve Bank of India	7,18,409	6,54,935
2. Balances with other Banks		
<b>(a) In India</b>		
i) in current accounts	91,24,22,715	92,06,46,927
ii) in other deposit accounts	1,75,01,86,87,955	1,34,15,99,19,330
<b>(b) Outside India</b>		
i) in current accounts	1,63,27,034	1,90,00,930
ii) in other deposit accounts	3,23,49,51,606	2,97,93,46,299
<b>Total</b>	<b>1,79,18,31,07,719</b>	<b>1,38,07,95,68,421</b>

(Amount in ₹)

<b>Schedule VII: Investments [net of provisions]</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>A) Treasury operations</b>		
1. Securities of Central and State Governments	39,90,00,85,004	36,25,12,72,542
2. Bonds & Debentures of Banks & Financial Institutions	31,31,54,82,382	5,24,16,82,049
3. Stocks, Shares, Bonds & Debentures of Industrial Concerns	1,98,08,42,613	1,98,08,42,613
4. Mutual Funds	19,99,90,00,050	37,50,81,24,592
5. Commercial Paper	50,04,99,24,399	65,68,39,65,908
6. Certificate of Deposit	56,46,67,59,624	13,97,08,63,310
7. Others	9,00,00,00,000	-
<b>Subtotal (A)</b>	<b>2,08,71,20,94,072</b>	<b>1,60,63,67,51,014</b>
<b>B) Business Operations</b>		
1. Shares of Banks & Financial Institutions	1,84,97,71,142	1,84,97,71,142
2. Bonds & Debentures of Banks & Financial Institutions	-	-
3. Stocks, Shares, bonds & Debentures of Industrial Concerns	3,82,86,98,845	4,46,46,49,681
4. Investment in Subsidiaries	17,51,04,98,740	17,51,04,98,740
5. Investment in Venture Capital Fund - RCF	6,31,40,45,945	6,42,18,48,997
6. Others	1,30,04,83,480	65,11,58,907
<b>Subtotal (B)</b>	<b>30,80,34,98,152</b>	<b>30,89,79,27,467</b>
<b>Total (A+B)</b>	<b>2,39,51,55,92,224</b>	<b>1,91,53,46,78,481</b>

(Amount in ₹)

<b>Schedule VIII: Loans &amp; Advances [Net of Provisions]</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>A) Refinance to</b>		
- Banks and Financial Institutions	16,68,31,69,50,653	13,16,64,02,14,298
- Micro Finance Institutions	31,17,68,62,498	16,72,32,44,874
- NBFC	1,79,35,18,01,997	1,12,92,14,25,624
- Bills Rediscounted	-	-
<b>Subtotal (A)</b>	<b>18,78,84,56,15,148</b>	<b>14,46,28,48,84,796</b>
<b>B) Direct Loans</b>		
- Loans and Advances	1,43,30,55,40,693	1,15,81,08,75,592
- Receivable Finance Scheme	3,07,84,956	23,22,39,426
- Bills Discounted	33,59,06,742	-
<b>Subtotal (B)</b>	<b>1,43,67,22,32,391</b>	<b>1,16,04,31,15,018</b>
<b>Total (A+B)</b>	<b>20,22,51,78,47,539</b>	<b>15,62,32,79,99,814</b>

## Schedules to Balance Sheet

(Amount in ₹)

<b>Schedule IX: Fixed Assets [Net of Depreciation]</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
1. Premises	2,89,84,36,991	2,75,92,83,828
2. Others	3,28,03,406	1,39,42,607
<b>Total</b>	<b>2,93,12,40,397</b>	<b>2,77,32,26,435</b>

(Amount in ₹)

<b>Schedule X: Other Assets:</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Accrued Interest	14,76,59,58,673	17,39,56,29,640
Advance Tax (Net of provision)	1,70,86,89,498	78,02,94,395
Staff Loans	1,79,12,15,676	1,69,52,27,467
Derivative Assets	4,29,61,53,456	5,83,74,04,868
Expenditure to the extent not written off	6,61,38,10,576	1,94,24,53,524
Others	46,33,40,410	85,79,56,860
<b>Total</b>	<b>29,63,91,68,289</b>	<b>28,50,89,66,754</b>

(Amount in ₹)

<b>Schedule XI: Contingent Liabilities</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
i) Claims against the Bank not acknowledged as debts	6,56,25,72,519	5,06,41,82,735
ii) On account of Guarantees / Letters of Credit	31,50,24,390	20,23,30,137
iii) On account of Forward Contracts	6,51,81,80,889	21,81,77,727
iv) On account of Underwriting Commitments	-	-
v) On account of uncalled monies on partly paid shares, debentures & undrawn commitment under VCF etc.	95,64,22,740	17,46,36,734
vi) On account of derivative contracts	39,02,68,26,759	53,84,68,08,765
vii) Other items for which the Bank is contingently liable	-	-
<b>Total</b>	<b>53,37,90,27,297</b>	<b>59,50,61,36,098</b>



## Schedules to Profit and Loss Account

(Amount in ₹)

<b>Schedule XII: Interest and Discount</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
1. Interest and Discount on Loans, Advances and Bills	74,74,57,32,819	90,55,19,84,990
2. Income on Investments / Bank balances	12,39,54,94,161	11,66,15,82,281
<b>Total</b>	<b>87,14,12,26,980</b>	<b>1,02,21,35,67,271</b>

(Amount in ₹)

<b>Schedule XIII: Other Income</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
1. Upfront and Processing Fees	45,49,25,710	35,38,16,367
2. Commission and Brokerage	78,19,049	83,89,829
3. Profit on sale of Investments	70,43,74,178	1,25,88,60,175
4. Income earned by way of dividends etc. from Subsidiaries / Associates	28,62,08,148	25,39,38,889
5. Provision of Earlier Years written Back	-	-
6. Recoveries out of Bad Debts	2,03,12,69,846	1,42,52,18,289
7. Reversal of Provisions/ERFF under FCL	-	5,17,85,60,369
8. Others	76,60,02,140	96,39,09,333
<b>Total</b>	<b>4,25,05,99,071</b>	<b>9,44,26,93,251</b>

(Amount in ₹)

<b>Schedule XIV: Operating Expenses:</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Payments to and provisions for employees	3,69,97,48,021	3,87,77,13,208
Rent, Taxes and Lighting	15,78,39,382	14,97,56,156
Printing & Stationery, Postage/Courier & Tele and Insurance	1,33,07,053	1,23,90,186
Advertisement and Publicity	3,14,36,689	2,84,12,385
Depreciation / Amortisation on Bank's Property	36,18,71,759	24,03,93,728
Directors' fees, allowances and expenses	42,12,767	36,23,666
Auditor's Fees	44,59,176	28,66,387
Law Charges	2,31,71,360	1,41,97,202
Repairs and maintenance	12,04,79,601	11,20,92,010
Issue Expenses	1,21,01,863	42,82,499
Capital Commitment, Management Fees etc.	8,09,48,867	1,49,78,690
Input Tax Credit not Available	10,30,52,881	9,30,45,281
Other Expenditure	2,36,45,86,340	1,04,62,91,158
<b>Total</b>	<b>6,97,72,15,759</b>	<b>5,60,00,42,556</b>

## 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, Upfront fee/ Processing fee etc. from Borrowers are accounted on cash basis.
  - (xiv) Commission on LC/ BG are recognized on accrual basis proportionately over the period.
- #### B) Expenditure:
- (i) All expenditures are accounted for on accrual basis except Development Expenditure which is accounted for on cash basis.
  - (ii) Discount on Bonds and Commercial Papers issued are amortized over the tenure of Bonds and Commercial Paper. The expenses relating to issue of Bonds are amortized over the tenure of the Bonds.

### 3. Investments

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

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

**(a) Held to Maturity:**

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

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

**(b) Held for Trading:**

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

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

**(c) Available for Sale:**

Investments which do not fall within the above two categories are categorized under Available for Sale. The individual scrip under this category is revalued and net depreciation under any of the classification mentioned above is

recognized in the profit & loss account. Net appreciation under any classification is ignored. The book value of individual scrip is not changed after the revaluation.

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

- (xiv) Unquoted Shares are valued at breakup value, if the latest Audited Financial Statements of the investee companies are available, or at ₹1/- per Company as per RBI guidelines.

#### 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, 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 exchange rates notified by FEDAI.

#### 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 NPA 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 tax 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 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. 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 on a straight line basis over the lease term in accordance with AS-19.

### 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,

- the provision for impairment loss, if any required; or
- 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, money at call and short notice 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, 2021 as per the above circular.

2.1 As per the Accounting Standard 22, Accounting for Taxes on Income, the Bank has reviewed Deferred Tax Assets / Liabilities and recognized an amount of ₹ 18,65,33,000 as Deferred Tax Liability (Previous year - Deferred Tax Asset was ₹ 19,43,10,130) in the Profit & Loss Account for the year ended March 31, 2022.

### 2.2 The Break up of Deferred Tax Asset/ (Liability) as on March 31, 2022 is as under :

(Amount in ₹)

Timing Difference	March 31, 2022	March 31, 2021
	Deferred Tax Asset/(Liability)	Deferred Tax Asset/(Liability)
a) Provision for Depreciation	2,79,20,651	63,32,997
b) Special Reserve u/s 36(1)(viii) of the Income Tax Act 1961	(3,87,65,37,167)	(3,71,54,81,342)
c) Provisions for Bad & Doubtful Debts	45,75,76,825	46,46,70,676
d) Amortisation of Premium on GOI Bonds	-	(1,06,49,427)
e) Provision for Restructuring of Accounts	30,66,284	54,95,443
f) Brought Forward Long Term Capital Loss	-	-
g) Provision for Non Performing Investment	-	-
h) Provision for Standard Assets	2,68,00,01,893	2,78,48,23,976
i) Others	70,05,16,219	64,38,85,092
<b>Net deferred tax Asset/(Liability)</b>	<b>(74,55,295)</b>	<b>17,90,77,415</b>

**3 Provision for Income Tax includes:**

(Amount in ₹)

Sr. No.	Particulars	March 31, 2022	March 31, 2021
(i)	Current Income Tax Provision	4,11,57,81,000	7,68,66,09,000
(ii)	Short/(Excess) Income Tax Provision of Earlier Years	-	-

The Tax Liability has been vetted by the Tax consultant.

**4 Contingent Liabilities referred to in Schedule XI**

Contingent liabilities include "Claims against the Bank not acknowledged as debts" of ₹ 6,56,25,72,519 (Previous Year ₹ 5,06,41,82,735). These represents claims filed against the Bank in the normal course of business relating to various legal cases currently in progress and demands raised by income tax and other statutory authorities. These is being disputed by the Bank and based on expert's opinion, the provision is not considered necessary.

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

(Amount in ₹)

	March 31, 2022	March 31, 2021
a) Unsecured Bonds	1,62,85,00,00,000	1,70,87,50,00,000

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

(Amount in ₹)

Particulars	March 31, 2022	March 31, 2021
a) Premium on transfer of RBI NIC(LTO) to Gol Bonds	-	4,23,13,364
b) Interest Paid In Advance On Borrowings	59,83,56,164	-
c) Discount paid in Advance - Certificate of Deposit	5,65,04,43,605	1,64,39,75,891
d) Discount paid in Advance - Commercial Paper	35,82,12,235	24,13,15,527
e) Expenditure on Issuance of Unsecured Bonds	67,98,571	1,48,48,742
<b>Total</b>	<b>6,61,38,10,575</b>	<b>1,94,24,53,524</b>

**7 Interest and Financial Charges**

(Amount in ₹)

Particulars	March 31, 2022	March 31, 2021
a) Interest on Borrowings	12,20,11,85,354	15,86,39,50,186
b) Interest on Deposits	41,39,59,35,526	45,38,88,60,026
c) Financial Charges	3,41,91,70,686	4,17,59,54,676
<b>Total</b>	<b>57,01,62,91,566</b>	<b>65,42,87,64,888</b>

(Amount in ₹)

	March 31, 2022	March 31, 2021
Estimated amount of contracts remaining to be executed on Capital Account not provided for (net of advance paid)	1,89,87,686	75,66,907

**9** Premises in Schedule IX include advances towards acquisition of Premises ₹ 11,06,68,896 (Previous Year ₹ 11,06,68,896) and Capital Work in Progress ₹ 1,10,66,907(Previous Year ₹ 75,66,907). 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. However, as a prudential measure, full provision of ₹ 11,06,68,896 had already been made against this amount in FY 2020.

- 10** The borrowing of ₹ 87,21,77,772 (Previous Year ₹ 1,30,82,66,654) 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, 2022 in ERFF maintained for this loan is ₹ 55,46,12,637 (Previous Year ₹ 1,05,25,55,521).
- 11** 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 drawl effected under the above line aggregating SDR 45.31 million (equivalent to ₹ 474.85 crore) as on March 31, 2022 [Previous Year SDR 46.95 million (equivalent to ₹ 486.47 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'.
- 12** (a) 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 is being 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 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 ₹ 2,73,39,83,039 as on March 31, 2022 (Previous year ₹ 2,72,83,53,833).
- b) 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 ₹ 27,91,29,44,000 and also permitted to take further commitments under FFS. During the year, Government has advised SIDBI to continue to make 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 ₹ 7,13,38,30,407 as on March 31, 2022 (Previous year ₹ 1,69,55,48,687).
- c) Under the UP IT & Start-Up Policy 2017, the Government of Uttar Pradesh shall establish an initial Corpus of INR 1,000 crore to promote start-ups to establish and flourish in the state. The fund shall be in the form of fund of funds. In this model, the fund shall not be invested directly into start-up companies, rather it shall participate in SEBI approved funds. The funds shall be professionally managed by SIDBI, the Fund Manager. The Government of Uttar Pradesh has since released an amount of ₹ 15 crore. These investments (out of UP Startup Fund) are/shall be held by SIDBI in fiduciary capacity. The fund balance of UP Startup 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 ₹ 17,72,80,628 as on March 31, 2022 (Previous year ₹ 13,55,51,948).
- 13** The Bank has pledged Government Securities aggregating to face value ₹ 40,41,63,00,000 (book value ₹ 39,90,00,15,423) [Previous Year ₹ 30,32,82,00,000 (book value ₹ 30,00,18,54,173)] with Clearing Corporation of India Ltd. for Triparty Repo Dealing and Settlement (TREPS).
- 14** 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, 2022 for this loan is ₹ 1,05,67,31,387 (Previous Year ₹ 1,10,10,79,766)
- 15** Tier-1 capital Bonds of SIDBI held by Government of India (GOI) for ₹ 14,22,80,00,000 has been converted in Equity Share Capital of SIDBI as on March 30, 2022. Accordingly, 3,66,19,138 equity shares were issued to GOI at book value of ₹ 388.54 per share. Consequently, the paid-up share capital of the bank has increased to ₹ 5,68,54,11,690. The difference between the face value and Book value aggregating ₹ 13,86,18,08,620 has been credited to Share Premium (Reserve) Account.



## 16 Employee Benefits

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

### (a) Defined contribution plan

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

(Amount in ₹)

Particulars	March 31, 2022	March 31, 2021
Employer's contribution to Provident fund	7,68,83,415	7,90,27,233
Employer's contribution to New Pension Scheme	3,17,67,054	2,69,44,564

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

₹ crore

	Pension		Gratuity	
	FY 2022	FY 2021	FY 2022	FY 2021
<b>1. Assumptions</b>				
Discount Rate	7.25%	6.85%	6.90%	6.35%
Rate of Return on Plan Assets	7.25%	6.85%	6.90%	6.35%
Salary Escalation	5.50%	5.50%	5.50%	5.50%
Attrition rate	2.00%	2.00%	2.00%	2.00%
<b>2. Table showing change in Benefit Obligation</b>				
Liability at the beginning of the year	553.50	529.88	106.70	99.64
Interest Cost	22.69	30.78	6.56	6.54
Current Service Cost	14.97	14.92	5.97	5.68
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)	0.00	(32.86)	(6.61)	(9.75)
Actuarial (gain) / loss on obligations	(14.23)	10.78	(3.67)	4.59
<b>Liability at the end of the year</b>	<b>576.93</b>	<b>553.50</b>	<b>108.95</b>	<b>106.70</b>
<b>3. Tables of Fair value of Plan Assets</b>				
Fair Value of Plan Assets at the beginning of the year	501.50	468.69	105.73	108.15
Expected Return on Plan Assets	34.35	33.96	6.69	7.24
Contributions	0.00	32.86	0.33	0.22
Transfer from other company	0.00	0.00	0.00	0.00
(Transfer to other company)	0.00	0.00	0.00	0.00
(Benefit Paid)	0.00	(32.86)	(6.61)	(9.75)
Actuarial gain / (loss) on Plan Assets	53.76	(1.15)	(0.22)	(0.13)
Fair Value of Plan Assets at the end of the year	<b>589.61</b>	<b>501.50</b>	<b>105.92</b>	<b>105.73</b>
<b>4. Table of Recognition of Actuarial Gains/ Losses</b>				
Actuarial (Gains)/ Losses on obligation for the period	(14.23)	10.78	(3.67)	4.59
Actuarial (Gains)/ Losses on asset for the period	(53.76)	1.15	0.22	0.13
Actuarial (Gains)/ Losses recognized in Income & Expense Statement	<b>(67.99)</b>	<b>11.93</b>	<b>(3.45)</b>	<b>4.72</b>
<b>5. Actual Return on Plan Assets</b>				
Expected Return on Plan Assets	34.35	33.96	6.69	7.24
Actuarial Gain / (Loss) on Plan Assets	53.76	(1.15)	(0.22)	(0.13)
Actual Return on Plan Assets	<b>88.11</b>	<b>32.81</b>	<b>6.47</b>	<b>7.11</b>

₹ crore

	Pension		Gratuity	
	FY 2022	FY 2021	FY 2022	FY 2021
<b>6. Amount Recognised in the Balance Sheet</b>				
Liability at the end of the year	(576.93)	(553.50)	(108.95)	(106.70)
Fair Value of Plan Assets at the end of the year	589.61	501.50	105.92	105.73
Difference	12.68	(52.00)	(3.03)	(0.97)
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	<b>12.68</b>	<b>(52.00)</b>	<b>(3.03)</b>	<b>(0.97)</b>
<b>7. Expenses Recognised in the Income Statement</b>				
Current Service Cost	14.97	14.92	5.97	5.68
Interest Cost	22.69	30.78	6.56	6.54
Expected Return on Plan Assets	(34.35)	(33.96)	(6.69)	(7.24)
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	(67.99)	11.93	(3.45)	4.72
<b>Expense Recognised in Profit &amp; Loss account</b>	<b>(64.68)</b>	<b>23.67</b>	<b>2.39</b>	<b>9.70</b>
<b>8. Balance Sheet Reconciliation</b>				
Opening Net Liability	52.00	61.19	0.97	(8.51)
Expense as above	(64.68)	23.67	2.39	9.70
Employers Contribution	0.00	(32.86)	(0.33)	(0.22)
Amount recognised in the Balance Sheet	<b>(12.68)</b>	<b>52.00</b>	<b>3.03</b>	<b>0.97</b>
<b>9. Other Details</b>				
Salary escalation is considered in line with the industry practice considering promotion, demand and supply of the employees.				
<b>10. Category of Assets</b>				
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	589.61	501.50	105.92	105.73
Other	0.00	0.00	0.00	0.00
<b>Total</b>	<b>589.61</b>	<b>501.50</b>	<b>105.92</b>	<b>105.73</b>

**11. Experience Adjustment:**

	Pension					Gratuity				
	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
On Plan Liability (Gain)/ Loss	15.71	(1.14)	46.87	(22.03)	66.81	0.65	(0.43)	3.28	(19.71)	10.18
On Plan Asset (Loss)/ Gain	(53.76)	(1.15)	25.17	(2.32)	0.32	0.22	0.13	(0.09)	(0.35)	(0.10)

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

(Amount in ₹)

Sr. No	Particulars	March 31, 2022	March 31, 2021
1	Ordinary Leave Encashment	12.97	25.26
2	Sick Leave	0.47	0.34
3	Resettlement Expenses	0.30	(0.29)
4	Post Retirement Medical Scheme Facilities	9.84	4.16

**17 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.

	(Amount in ₹)	
	March 31, 2022	March 31, 2021
Net Profit considered for EPS calculation (₹)	19,57,78,88,681	23,98,27,69,672
Weighted Average Number of equity shares of face value ₹ 10 each	53,21,22,684	53,19,22,031
Earning per share (₹)	36.79	45.09

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

- 18** The proposed dividend, if any, is accounted as liability in the books of accounts under Schedule V.
- 19** 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.
- 20** 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 2022 Wage Arrears / Incentive ₹	FY 2021 Wage Arrears / Incentive ₹
<b>Opening Balance</b>	<b>1,07,63,00,000</b>	<b>76,00,00,000</b>
Additions:		
Arrears	31,50,00,000	31,63,00,000
Incentive		
Utilisations:		
Write back		
<b>Closing Balance</b>	<b>1,39,13,00,000</b>	<b>1,07,63,00,000</b>

- 21** 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. BPBC.85/21.06.200/2013-14 dated 15.01.2014 & subsequent clarification vide circular DBOD NO.BPBC. 116/21.06.200/2013-14 dated 03.06.2014, based on available data, the provision for UFCE works out to ₹ 1.65 crore as on March 31, 2022 (Previous year ₹ 0.02 crore) which has been included under provisions for standard assets under Schedule V.
- 22** 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.
- 23 Investor's Complaints:**  
As on 1st April, 2021 the Bank had "No" pending investor's complaints for disposal. During the current financial year "21" complaints were received from Investors and "20" complaints (including the complaint pending on April 01, 2021) were disposed off during the year. Accordingly "01" complaint was pending for disposal as on March 31, 2022, which was later on resolved on April 08, 2022.
- 24 Divergence in Asset Classification and Provisioning for NPAs**  
As required under RBI Circulars DBR.BP.BC.No.63/21.04.018/2016-17 dated April 18, 2017 and DBR.BP.BC. No.32/21.04.018/2018-19 dated April 1, 2019 on 'Divergence in the asset classification and provisioning', there has been no divergence in 'Gross NPA and Provisions' observed by RBI for FY 2020.

**25** 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 restructuring of advances was done for Micro, Small and Medium Enterprises (MSME) Borrowers registered under Goods and Services Tax (GST). The RBI, vide its Circular dated August 06, 2020 on 'Micro, Small and Medium Enterprises (MSME) Sector - Restructuring of Advances' extended the above scheme to support the viable MSME entities on account of the fallout of Covid19. Further RBI vide circular RBI/2021-22/32 DOR.STR. REC.12/21.04.048/2021-22 dated May 5, 2021 has advised Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs). The MSME accounts restructured under these guidelines are as under:

No. of accounts restructured	Amount (₹ in crore)
1189	844.51

**26 Prudential Framework for Resolution of Stressed Assets:**

- i) 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 there is "Nil" acquisition of shares due to conversion of debt to equity during a restructuring process, which would have been otherwise exempted from regulatory ceilings/restrictions on Capital Market Exposures, investment in Para-Banking activities and intra-group exposure.
- ii) In terms of RBI Circular dated August 06, 2020 on "Resolution Framework for COVID-19-related Stress" where the Bank has implemented resolution plan, disclosures as per the format prescribed in Format-B of said circular for the half year ending March 31, 2022 is as below:-

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A) *	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year \$	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	---	---	---	---	---
Corporate persons*	32.81	---	0	(0.18)	32.99
Of which MSMEs	32.81	---	0	(0.18)	32.99
Others	---	---	---	---	---
<b>Total</b>	<b>32.81</b>	<b>---</b>	<b>0</b>	<b>(0.18)</b>	<b>32.99</b>

\* Includes restructuring done in respect of requests received as of September 30, 2021 processed subsequently

\$ Represents net movement in balance outstanding.

- iii) The number of borrower accounts where Resolution Plan is implemented in terms of RBI circular no. DOR.STR. REC.11/21.04.048/2021-22 dated May 5, 2021 on Resolution Framework – 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses is nil. Further no modifications were sanctioned and implemented in respect of accounts which were implemented under Resolution Framework 1.0

**27** The extent to which the COVID19 pandemic will continue to impact the Bank's results will depend on ongoing as well as future developments.

**28** In view of the above, the Bank, as a prudent measure has made additional standard assets provisions for FY 2022 of ₹ 150.11 crore (previous year ₹ 174 crore) on certain segments of the portfolio which were considered as stressed based on its internal assessment.

**29** Details of loans transferred / acquired during the Year ended March 31, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

During the quarter and Year ended March 31, 2022:

- i. the Bank has not acquired any loan not in default through assignment.
- ii. the Bank has not transferred any non-performing assets (NPAs) to Asset Reconstruction Companies (ARCs)/ to permitted transferees/ to other transferees
- iii. the bank has not acquired any stressed loans and not transferred any loan not in default / Special Mention Accounts (SMA).
- iv. the bank has not invested in Security Receipts (SR) issued by Asset Reconstruction Companies (ARC) in respect of stressed loans transferred to ARCs.

**30** In accordance with RBI Master Direction RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021 – (Securitisation of Standard Assets) Directions, 2021, the outstanding amount of securitised assets as per books of the SPEs and total amount of exposures retained by the originator as on the date of balance sheet to comply with the MRR is NIL for Year ended March 31, 2022.

**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** 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 (As per Basel I)

(₹ crore)

Sr. No	Particulars	FY 2021-22	FY 2020-21
i)	Common Equity*	Not Applicable	Not Applicable
ii)	Additional Tier 1 capital*	Not Applicable	Not Applicable
(iii)	Total Tier 1 capital	22,621.82	21,021.12
(iv)	Tier 2 capital	15.41	0.00
v)	Total Capital (Tier 1+Tier 2)	22,637.23	21,021.12
vi)	Total Risk Weighted Assets (RWAs)	93,239.24	76,473.15
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)	24.26%	27.49%
ix)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	24.28%	27.49%
x)	Percentage of the shareholding of the Government of India	20.85	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 2021-22	FY 2020-21
Provisions towards Standard Assets (cumulative)	1,064.85	1,106.49

#### (b) Floating Provisions

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
Opening balance in the floating provisions account	1,099.96	1,099.96
The quantum of floating provisions made in the accounting year	0.00	0.00
Amount of draw down made during the accounting year*	604.29	0.00
Closing balance in the floating provisions account	495.67	1,099.96

\* Amount was utilised for making NPA provision in terms of RBI circular dated May 05, 2021 and as per Bank's Board approved policy on floating provision.

### 3. Asset Quality and specific provisions

#### (a) Non-Performing Advances

(₹ crore)		
Particulars	FY 2021-22	FY 2020-21
<b>(i) Net NPAs to Net Advances (%)</b>	<b>0.07%</b>	<b>0.12%</b>
<b>(ii) Movement of NPAs (Gross)</b>		
(a) Opening balance	282.31	1,040.84
(b) Additions during the year	1,030.59	135.11
(c) Reductions during the year	1,095.28	893.64
(d) Closing balance	<b>217.62</b>	<b>282.31</b>
<b>(iii) Movement of Net NPAs *</b>		
(a) Opening balance	185.25	658.64
(b) Additions during the year	5.90	(354.78)
(c) Reductions during the year	59.05	118.61
(d) Closing balance	<b>132.10</b>	<b>185.25</b>
<b>(iv) Movement of provisions for NPAs (excluding provisions on standard assets)</b>		
(a) Opening balance	97.05	382.19
(b) Provisions made during the year	1,024.70	489.89
(c) Write of / write back of excess provisions	1,036.23	775.03
(d) Closing balance	<b>85.52</b>	<b>97.05</b>

\*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 2021-22	FY 2020-21
<b>(i) Net NPIs Investment to Net Advances (%)</b>	<b>0.00%</b>	<b>0.00%</b>
<b>(ii) Movement of NPIs (Gross)</b>		
(a) Opening balance	344.62	343.62
(b) Additions during the year	5.54	1.00
(c) Reductions during the year	0.00	0.00
(d) Closing balance	<b>350.16</b>	<b>344.62</b>
<b>(iii) Movement of Net NPIs</b>		
(a) Opening balance	0.00	0.00
(b) Additions during the year	0.00	0.00
(c) Reductions during the year	0.00	0.00
(d) Closing balance	<b>0.00</b>	<b>0.00</b>
<b>(iv) Movement of provisions for NPIs (excluding provisions on standard assets)</b>		
(a) Opening balance	344.62	343.62
(b) Provisions made during the year	5.54	1.00
(c) Write of / write back of excess provisions	0.00	0.00
(d) Closing balance	<b>350.16</b>	<b>344.62</b>

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

(₹ crore)		
Particulars	FY 2021-22	FY 2020-21
<b>(i) Net NPAs to Net Assets (Advanced + investments) (%)</b>	<b>0.06%</b>	<b>0.11%</b>
<b>(ii) Movement of NPAs (Gross Advances + Gross investments)</b>		
(a) Opening balance	626.93	1,384.46
(b) Additions during the year	1,036.14	136.11
(c) Reductions during the year	1,095.28	893.64
(d) Closing balance	<b>567.79</b>	<b>626.93</b>
<b>(iii) Movement of Net NPAs</b>		
(a) Opening balance	185.25	658.64
(b) Additions during the year	5.90	(354.78)
(c) Reductions during the year	59.05	118.61
(d) Closing balance	<b>132.10</b>	<b>185.25</b>
<b>(iv) Movement of provisions for NPAs (excluding provisions on standard assets)</b>		
(a) Opening balance	441.68	725.82
(b) Provisions made during the year	1,030.24	490.89
(c) Write of / write back of excess provisions	1,036.23	775.03
(d) Closing balance	<b>435.69</b>	<b>441.68</b>

**(d) Disclosure of Restructured Accounts**

(₹ crore)

SI	Type of Restructuring →	Others						Total				
		Asset Classification →	Standard	Sub-Standard	Doubtful	Loss	Total Standard	Sub-Standard	Doubtful	Loss	Total	
Details ↓												
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of Borrowers	11	9	11	-	31	11	9	11	-	31
		Amount outstanding	52.45	22.35	76.58	-	151.38	52.45	22.35	76.58	-	151.38
		Provision thereon	0.01	1.10	0.53	-	1.64	0.01	1.10	0.53	-	1.64
2	Fresh restructuring during the year	No. of Borrowers	1	2	-	-	3	1	2	-	-	3
		Amount outstanding	3.30	6.36	-	-	9.66	3.30	6.36	-	-	9.66
		Provision thereon	-	0.02	-	-	0.02	-	0.02	-	-	0.02
3	Upgradations to restructured standard category during the FY	No. of Borrowers	6	(5)	(1)	-	-	6	(5)	(1)	-	-
		Amount outstanding	24.92	(12.87)	(12.05)	-	24.92	(12.87)	(12.05)	(12.05)	-	-
		Provision thereon	1.03	(0.97)	(0.06)	-	1.03	(0.97)	(0.06)	(0.06)	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers	(3)	-	-	-	(3)	-	-	-	-	(3)
		Amount outstanding	(8.93)	-	-	-	(8.93)	-	-	-	-	(8.93)
		Provision thereon	(0.01)	-	-	-	(0.01)	-	-	-	-	(0.01)
5	Downgradations of restructured accounts during the FY	No. of Borrowers	-	(3)	3	-	-	-	(3)	3	-	-
		Amount outstanding	-	(4.53)	4.53	-	-	-	(4.53)	4.53	-	-
		Provision thereon	-	(0.01)	0.01	-	-	-	(0.01)	0.01	-	-
6	Write-offs of restructured accounts during the FY	No. of Borrowers	(1)	(1)	(3)	-	(5)	(1)	(1)	(3)	-	(5)
		Amount outstanding	(1.79)	(4.95)	(36.38)	-	(43.12)	(1.79)	(4.95)	(36.38)	-	(43.12)
		Provision thereon	(0.85)	(0.12)	(0.43)	-	(1.40)	(0.85)	(0.12)	(0.43)	-	(1.40)
7	Restructured Accounts as on March 31 of the FY (closing figures)*	No. of Borrowers	14	2	10	-	26	14	2	10	-	26
		Amount outstanding	69.95	6.36	32.68	-	108.99	69.95	6.36	32.68	-	108.99
		Provision thereon	0.18	0.02	0.05	-	0.25	0.18	0.02	0.05	-	0.25

\* 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 increase in outstanding net of reduction / recovery of ₹ 2.20 crore and provision of (₹ 0.84 crore) in respect of existing restructured accounts and closure of 3 borrower amounting to ₹ 4.21 crore and provision of ₹ 0.01 crore.



## (e) Movement of Non-performing assets

(₹ crore)		
Particulars	FY 2021-22	FY 2020-21
Gross NPAs as on April 01	282.31	1,040.84
Additions (Fresh NPAs) during the year	1,030.59	135.11
<b>Sub total (A)</b>	<b>1,312.90</b>	<b>1,175.95</b>
Less :-		
(i) Upgradations	37.62	20.04
(ii) Recoveries (excluding recoveries made from upgraded accounts)	46.93	112.98
(iii) Technical / Prudential Write offs	1,005.06	760.62
(iv) Write offs other than those under (iii) above	5.67	-
<b>Sub-total (B)</b>	<b>1,095.28</b>	<b>893.64</b>
<b>Gross NPAs as on March 31 (A-B)</b>	<b>217.62</b>	<b>282.31</b>

## (f) Write-offs and recoveries

(₹ crore)		
Particulars	FY 2021-22	FY 2020-21
Opening balance of Technical / Prudential written off accounts as at April 01	2,624.88	2,007.01
Add : Technical / Prudential write offs during the year	1,005.06	760.62
<b>Sub total (A)</b>	<b>3,629.94</b>	<b>2,767.63</b>
Less : Actual write off	37.83	0.00
Less : Recoveries made from previously technical / prudential written off accounts during the year	202.92	142.75
<b>Sub total (B)</b>	<b>240.75</b>	<b>142.75</b>
<b>Closing balance as at March 31 (A-B)</b>	<b>3,389.19</b>	<b>2,624.88</b>

## (g) Overseas Assets, NPAs and Revenue

(₹ crore)		
Particulars	FY 2021-22	FY 2020-21
Total Assets	Nil	Nil
Total NPAs	Nil	Nil
Total Revenue	Nil	Nil

#### (h) Depreciation and provisions on investments

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
<b>(1) Investments</b>		
(i) Gross Investments	<b>24,306.52</b>	<b>19,517.54</b>
(a) In India	24,306.52	19,517.54
(b) Outside India	-	-
(ii) Provisions for Depreciation	<b>354.96</b>	<b>364.07</b>
(a) In India	354.96	364.07
(b) Outside India	-	-
(iii) Net Investments	<b>23,951.56</b>	<b>19,153.47</b>
(a) In India	23,951.56	19,153.47
(b) Outside India	-	-
<b>(2) Movement of provisions held towards depreciation on investments</b>		
(i) Opening balance	<b>19.45</b>	<b>4.83</b>
(ii) Add: Provisions made during the year	-	14.62
(iii) Appropriation, if any, from Investment Fluctuation Reserve Account during the year	-	-
(iv) Less: Write off / write back of excess provisions during the year*	14.65	-
(v) Less: Transfer, if any, to Investment Fluctuation Reserve Account	-	-
(vi) Closing balance	<b>4.80</b>	<b>19.45</b>

\*The Bank has appropriated ₹ 10.96 crore (net of applicable taxes) to Investment Fluctuation Reserve Account.

#### (i) Provisions and Contingencies

(₹ crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	FY 2021-22	FY 2020-21
Provisions for depreciation/NPI on Investment	(9.11)	15.62
Provision towards NPA	402.58 <sup>@</sup>	434.14
Provision made towards Income tax (Including Deferred Tax Assets/Liability)	430.23	749.23
Other Provision and Contingencies (with details)	(41.65) <sup>§</sup>	465.48

@ net of restructuring provision

# Net of write back of floating provision.

§ includes provision for standard asset.

#### (j) Provisioning Coverage Ratio (PCR)

Particulars	FY 2021-22	FY 2020-21
Provisioning Coverage Ratio (PCR)*	96.22%	93.24%

\* Floating provision has not been considered while calculating PCR.

#### (k) Provisioning pertaining to Fraud Accounts

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
No. of frauds reported during the year	1	5
Amount involved in fraud	6.67	323.54
Amount involved in fraud net of recoveries/write offs/unrealised interest as at the end of the year	6.47	285.28
Provision made during the year	-	183.60
Provision held as at the end of the year for the above accounts	6.47	285.28
Amount of unamortised provision debited from "other reserves" as at the end of the year	-	-

#### 4. Investment portfolio: constitution and operations

##### (a) Repo Transactions

(₹ crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2022
Securities sold under repo				
i. Government securities	-	3,735.68	348.89	2568.91
ii. Corporate debt securities	Nil	Nil	Nil	Nil
Securities purchased under reverse repo				
i. Government securities	-	21,610.09	6,450.69	299.89
ii. Corporate debt securities	Nil	Nil	Nil	Nil

(₹ crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2021
Securities sold under repo				
i. Government securities	-	1,024.92	59.11	499.95
ii. Corporate debt securities	Nil	Nil	Nil	Nil
Securities purchased under reverse repo				
i. Government securities	-	17,677.11	5,132.33	4,054.99
ii. Corporate debt securities	Nil	Nil	Nil	Nil

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

(₹ crore)

Issuer	Amount	Amount as on March 31, 2022			
		Investment made through private placement	Below Investment Grade Securities Held	Unrated securities held	Unlisted securities
(1)	(2)	(3)	(4)	(5)	(6)
(i) PSUs	1,255.53	995.52	-	-	-
(ii) FIs	7,774.07	7,391.18	-	78.55	1,497.08
(iii) Banks	5,901.64	5,798.13	10.00*	103.50	5,256.10
(iv) Private Corporates	642.88	424.02	-	373.50	364.61
(v) Subsidiaries/Joint ventures	1,751.05	1,751.05	-	1,751.05	1,751.05
(vi) Others	2,991.35	2,991.35	-	991.45	2,991.36
(vii) Provision held towards depreciation	(354.96)	-	-	-	-
<b>Total</b>	<b>19,961.56</b>	<b>19,351.25</b>	<b>10.00</b>	<b>3,298.05</b>	<b>11,860.20</b>

\* Due to rating downgrade subsequent to the date of investment.

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

During the current FY, the Bank shifted investments in Venture Capital Funds from HTM to AFS category in accordance with extant RBI guidelines. Except for the above, there was no shifting on 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 2021-22	FY 2020-21
(i) No. of accounts	Nil	Nil
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	Nil	Nil
(iii) Aggregate consideration	Nil	Nil
(iv) Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v) Aggregate gain / loss over net book value	Nil	Nil

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

(₹ crore)

Particulars	Book value of investments in security receipts	
	FY 2021-22	FY 2020-21
(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
<b>Total</b>	<b>0.27</b>	<b>0.27</b>

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

#### (i) Details of non performing financial assets purchased:

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
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 2021-22	FY 2020-21
1. No. of accounts sold	Nil	Nil
2. Aggregate outstanding	Nil	Nil
3. Aggregate consideration received	Nil	Nil

## 6. Operating Results

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
(i) Interest income as a percentage to average working funds(%)	4.28	5.67
(ii) Non-interest income as a percentage to average working funds(%)	0.21	0.52
(iii) Operating profit as a percentage to average working funds (before provisions)(%)	1.35	2.25
(iv) Return on average assets (before provisions for taxation)(%)	1.17	1.74
(v) Net Profit per employee (₹ crore)	1.99	2.37

## 7. Credit Concentration risk

### (a) Capital market exposure

Particulars	(₹ crore)	
	FY 2021-22	FY 2020-21
(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;	456.70	457.59
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
(ix) financing to stockbrokers for margin trading;	-	-
(x) all exposures to Venture Capital Funds (both registered and unregistered)	1,022.18	1,136.61
<b>Total Exposure to Capital Market</b>	<b>1,478.88</b>	<b>1,594.20</b>

### (b) Exposure to Country risk

Risk Category	(₹ crore)	
	FY 2021-22	
	Net Funded Exposure	Provision held
Insignificant	11,269.51	27.66
Low	998.70	-
Moderate	1.00	-
High	-	-
Very High	-	-
Restricted	-	-
Off-credit	-	-
<b>Total</b>	<b>12,269.21</b>	<b>27.66</b>

### (c) Prudential Exposure Limits - Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded.

(i) The number and amount 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
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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

Sr. No.	Particulars	FY 2021-22		FY 2020-21	
		As % to Total Assets	As % to Capital funds	As % to Total Assets	As % to Capital funds
1	The largest single borrower	17.51%	191.31%	9.20%	84.16%
	The largest borrower group	As large borrowers are Primary lending Institutions, the concept of borrower group is not applicable.			
2	The 20 largest single borrowers	65.53%	716.11%	61.24%	560.26%
	The 20 largest borrower group	As large borrowers are Primary lending Institutions the concept of borrower group is not applicable.			

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

(₹ crore)

Name of Industry	FY 2021-22		FY 2020-21	
	Credit Exposure	% to total loan assets	Credit Exposure	% to total loan assets
METAL PRODUCTS N.E.C.	1072.24	0.53	977.27	0.63
AUTO ANCILLARIES	871.11	0.43	694.96	0.44
PLASTIC MOULDED GOODS	601.17	0.30	537.01	0.34
METAL PRODUCTS PARTS EXCEPT MACHINERY	580.84	0.29	515.72	0.33
TEXTILE PRODUCTS	821.55	0.41	475.59	0.30

(iv) Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken 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 2021-22	FY 2020-21
Total borrowings from twenty largest lenders	1,81,350.77	1,33,870.69
Percentage of borrowings from twenty largest lenders to total borrowings	83.73%	81.88%

(ii) Concentration of Exposures

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
Total advances to twenty largest borrowers	1,61,623.21	1,17,479.65
Percentage of advances to twenty largest borrowers to Total Advances	79.88%	75.15%
Total Exposure to twenty largest borrowers / customers	1,75,921.47	1,17,855.32
Percentage of exposures to twenty largest borrowers / customers to Total Exposure	68.02%	68.99%

## (iii) Sector-wise concentration of exposures and NPAs

(₹ crore)

Sr. No.	Sector	FY 2021-22			FY 2020-21		
		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	1,81,265.82	199.00	0.11%	1,43,365.40	282.31	0.20%
1	Central Government	-	-	-	-	-	-
2	Central PSUs	-	-	-	-	-	-
3	State Governments	-	-	-	-	-	-
4	State PSUs	-	-	-	31.92	-	-
5	Scheduled Commercial Banks	1,66,831.69	-	-	1,31,632.10	-	-
6	Regional Rural Banks	-	-	-	-	-	-
7	Co-operative banks	-	-	-	-	-	-
8	Private sector (excluding banks)	14,434.13	199.00	1.38%	11,701.38	282.31	2.41%
II.	Micro-finance sector	3,136.30	18.62	0.59%	1,672.32	-	-
III.	Others*	17,935.18	-	-	11,292.14	-	-
	<b>Total (I+II+III)</b>	<b>2,02,337.30</b>	<b>217.62</b>	<b>0.11%</b>	<b>1,56,329.86</b>	<b>282.31</b>	<b>0.18%</b>

\* includes advances to NBFCs

## 8. Derivatives

## (a) Forward Rate Agreement / Interest Rate Swap

(₹ crore)

Sr. No	Particulars	FY 2021-22	FY 2020-21
i)	The notional principal of swap agreements	185.58	215.67
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	2.29	9.73
iii)	Collateral required by the bank upon entering into swaps	Nil	Nil
iv)	Concentration of credit risk arising from the swaps	3.25	10.97
v)	The fair value of the swap book	2.29	9.73

The nature and terms of the IRS as on March 31, 2022 are set out below:

Sl. No.	Nature	Nos.	Notional Principal	Benchmark	Terms
1	Hedging	1	INR 185,58,43,530.00	6 M USD LIBOR	Fixed receivable V/s floating payable

The nature and terms of the IRS as on March 31, 2021 are set out below:

Sl. No.	Nature	Nos.	Notional Principal	Benchmark	Terms
1	Hedging	1	INR 215,66,65,938.00	6 M USD LIBOR	Fixed receivable V/s floating payable

## (b) Exchange Traded Interest Rate Derivatives

(₹ crore)

Sr. No	Particulars	FY 2021-22	FY 2020-21
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument - wise)	NIL	NIL
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on March 31 (instrument - wise)	NIL	NIL
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument - wise)	NIL	NIL
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument - wise)	NIL	NIL

### (c) Disclosures on risk exposure in derivatives

#### (i) Qualitative Disclosures

- (1) The Bank uses Derivatives for hedging of interest rate and exchange risk arising out of mismatch in the assets and liabilities. All derivatives undertaken by Bank are for hedging purposes with underlying as Foreign Currency borrowings, which are not MTM, but only translated. The Bank does not undertake trading in Derivatives.
  - (2) Internal Control guidelines and accounting policies are framed and approved by the Board. The derivative structure is undertaken only after approval of the competent authority. The particulars of derivative details undertaken are also reported to ALCO/Board.
  - (3) The Bank has put systems in place for mitigating the risk arising out of derivative deals. The Bank follows the accrual method for accounting the transactions arising out of derivative deals.
- (d) Disclosure on Credit default swap - Bank has not undertaken any credit default swap during the year.

#### (ii) Quantitative Disclosures

(₹ crore)

Sr. No.	Particulars	FY 2021-22		FY 2020-21	
		Currency Derivatives	Interest rate Derivatives	Currency Derivatives	Interest rate Derivatives
1	Derivatives ( Notional Principal Amount )	3,902.68	185.58	5,384.68	215.67
	(i) For hedging	3,902.68	185.58	5,384.68	215.67
	(ii) For trading	-	-	-	-
2	Marked to Market Positions [1]	296.35	2.29	360.81	9.73
	(i) Asset (+)	296.35	2.29	423.85	9.73
	(ii) Liability (-)	-	-	(63.04)	-
3	Credit Exposure [2]	557.49	3.25	635.21	10.96
4	Likely impact of one percentage change in interest rate (100* PV01)	56.18	(0.02)	86.83	(4.75)
	(i) On hedging derivatives	56.18	(0.02)	86.83	(4.75)
	(ii) On trading derivatives	-	-	-	-
5	Maximum and Minimum of 100*PV01 observed during the year				
	(i) On hedging	88.26/56.18	(2.37)/(4.82)	467.38/1.09	(4.75)/(7.99)
	(ii) On trading	-	-	-	-

### 9. Disclosure of Letters of Comfort (LoCs) issued

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 April 01, 2021		LoC issued during the year		LoCs redeemed during the year		LoCs outstanding as on March 31, 2022	
No of LoC	Amount	No of LoC	Amount	No of LoC	Amount	No of LoC	Amount
-	-	-	-	-	-	-	-

### 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	24	357	2,278	21,136	26,849	88,439	1,227	568	1,40,878
Advances	4,958	119	28,100	22,701	51,876	90,688	3,260	550	2,02,252
Investments	3,348	3,127	4,813	14,759	10,855	58	844	3,284	41,088
Borrowings	6,567	3,865	28,593	3,008	17,812	13,817	1,010	1,040	75,712
Foreign Currency Assets	12	5	600	645	728	3,569	130	18	5,707
Foreign Currency Liabilities	6	5	523	54	606	2,357	872	808	5,231



## 11. Draw Down from Reserves

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

## 12. Business Ratios

Particulars	FY 2021-22	FY 2020-21
Return on average Equity (before provisions for taxation)(%)	10.55	15.86
Return on average assets (before provisions for taxation)(%)	1.17	1.74
Net Profit per employee (₹ crore)	1.99	2.37

## 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

### 1. Complaints received by the bank from its customers

Particulars	FY 2021-22	FY 2020-21
1 No. of complaints pending at the beginning of the year	7	3
2 No. of complaints received during the year	234	357
3 No. of complaints disposed during the year	240	353
3(i) Of which, number of complaints rejected by the Bank	19	27
4 No. of complaints pending at the end of the year	1	7

### 2. Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>Current Year</b>					
Loans and advances	-	43	(27.12)	-	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	26	160	-	-
Others	7	165	(42.71)	1	-
<b>Previous Year</b>					
Loans and advances	-	59	126.92	-	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	10	42.86	-	-
Others	3	288	57.38	7	4

RBI vide their Circular CEPD.CO.PRD.Cir.No.01/13.01.013/2020-21 dated 27.01.2021 on Strengthening of Grievance Redress Mechanism in Banks had categorized grievances under 16 categories and had advised Banks to make disclosures accordingly. For this purpose, grievances received during FY 2020-21 and FY 2021-22 have been reclassified as per the RBI guidelines.

## 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 ₹ 4,66,88,641 for FY 2021-22 [Previous Year ₹ 517,47,91,918] and Other expenditure in schedule XIV - 'Operating Expenses' for FY 2021-22 includes Prior Period Expenditure of (₹ 2,58,64,368) [Previous Year (₹ 3,48,09,052)].

**(b) Accounting Standard 17 – Segment Reporting**

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

**Part A: BUSINESS SEGMENTS**

(₹ crore)

Business Segments	Wholesale Operations (Direct Lending)		Wholesale Operations (Refinance)		Treasury		Total	
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
<b>1 Segment Revenue</b>	1,209	1,162	6,587	8,580	1,343	906	9,139	10,648
Exceptional Items							-	518
<b>Total</b>							<b>9,139</b>	<b>11,166</b>
<b>2 Segment Results</b>	340	190	1,689	2,391	601	276	2,630	2,857
Exceptional Items							-	518
<b>Total</b>							<b>2,630</b>	<b>3,375</b>
Unallocable Expenses							242	227
<b>Operating profit</b>							<b>2,388</b>	<b>3,148</b>
Income Tax (Net of write back)							430	750
<b>Net profit</b>							<b>1,958</b>	<b>2,398</b>
<b>3 Other information</b>								
<b>Segment Assets</b>	14,432	11,678	1,89,084	1,46,141	42,083	33,116	2,45,599	1,90,935
Unallocated Assets							1,780	1,387
<b>Total Assets</b>							<b>2,47,379</b>	<b>1,92,322</b>
<b>Segment Liabilities</b>	10,617	8,387	1,74,444	1,34,556	35,888	26,501	2,20,949	1,69,444
Unallocated Liabilities							2,145	1,884
<b>Total</b>							<b>2,23,094</b>	<b>1,71,328</b>
<b>Capital / Reserves</b>	3,753	3,261	14,472	11,414	6,060	6,319	24,285	20,994
<b>Total</b>							<b>24,285</b>	<b>20,994</b>
<b>Total Liabilities</b>							<b>2,47,379</b>	<b>1,92,322</b>

**Part B: GEOGRAPHIC SEGMENTS - The operations of the Bank is confined to India only, hence no reportable geographic segments.**

**(c) Accounting Standard 18 – Related Party Disclosures**
**(i) Details of Related Parties**

Name of the entity	Nature of Relationship
SIDBI Venture Capital Ltd	Subsidiary
SIDBI Trustee Company Ltd	Subsidiary
Micro Units Development & Refinance Agency Ltd	Subsidiary
India SME Technology Services Limited	Associate
Acuite Ratings Pvt Ltd	Associate
Receivables Exchange of India Limited	Associate
India SME Asset Reconstruction Company Limited	Associate
APITCO LIMITED*	Associate
KITCO LIMITED	Associate

\*Investment sold on November 20, 2021

**(ii) Key management personnel**

Shri Sivasubramanian Ramann	Chairman & Managing Director
Shri V. Satya Venkata Rao	Deputy Managing Director
Shri Sudatta Mandal	Deputy Managing Director

## (iii) Significant transactions with related parties

(₹ crore)

Items / Related Party	Sub-sidiaries	Associates/ Joint ventures	Key Management Personnel @	Relatives of Key Management Personnel	Total
<b>Borrowings<sup>#</sup></b>	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
<b>Deposit<sup>#</sup></b>	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	4.00	1.00	-	5.00
<b>Placement of deposits<sup>#</sup></b>	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
<b>Advances<sup>#</sup></b>	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
<b>Investments<sup>#</sup></b>	-	-	-	-	-
Outstanding at the year end	1,751.05	36.10	-	-	1,787.15
Maximum during the year	1,751.05	36.10	-	-	1,787.15
<b>Non funded commitments<sup>#</sup></b>	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
<b>Leasing arrangements availed<sup>#</sup></b>	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
<b>Leasing arrangements provided<sup>#</sup></b>	-	-	-	-	-
Outstanding at the year end	-	-	-	-	-
Maximum during the year	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-
<b>Interest paid</b>	-	0.06	0.04	-	0.10
<b>Interest received</b>	-	-	-	-	-
<b>Dividend received</b>	28.31	0.31	-	-	28.62
<b>Dividend paid</b>	-	-	-	-	-
<b>Rendering of services<sup>*</sup></b>	7.25	2.13	-	-	9.38
<b>Receiving of services<sup>*</sup></b>	0.66	0.15	-	-	0.81
<b>Management contracts<sup>**</sup></b>	-	-	1.36	-	1.36

@Whole time directors of the Board

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

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

\*\* Remuneration to Key Management Personnel.

## 17. Unamortised Pension and Gratuity Liabilities

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

As per our report of even date

BY ORDER OF THE BOARD

For **Borkar & Muzumdar**  
Chartered Accountants  
FRN.101569W

**Rajendra Agrawal**  
Chief Financial Officer

**Sudatta Mandal**  
Deputy Managing Director

**V. Satya Venkata Rao**  
Deputy Managing Director

**Sivasubramanian Ramann**  
Chairman & Managing Director

**Darshit Doshi**  
Partner  
M.No. 133755

**G Gopalakrishna**  
Director

**Ashish Gupta**  
Director

Place: Mumbai  
Date: May 17, 2022

# Cash Flow Statement

for the year ended March 31, 2022

(Amount in ₹)

31.03.2021	Particulars	31.03.2022	31.03.2022
	<b>1. Cash Flow from Operating Activities</b>		
31,47,50,68,542	Net Profit before tax as per P & L Account		23,88,02,02,681
	Adjustments for :		
24,03,93,728	Depreciation	36,18,71,759	
15,61,67,178	Provision for net depreciation in investments	5,53,33,454	
9,69,17,38,961	Provisions made (net of write back)	3,98,31,68,645	
(1,25,88,60,175)	Profit on sale of investments (net)	(70,43,74,178)	
(7,63,220)	Profit on sale of fixed assets	(14,25,891)	
(4,53,97,66,761)	Dividend Received on Investments	(47,78,14,759)	3,21,67,59,030
<b>35,76,39,78,253</b>	<b>Cash generated from operations</b>		<b>27,09,69,61,711</b>
	(Prior to changes in operating Assets and Liabilities)		
	Adjustments for net changes in :		
10,85,76,16,887	Current assets	(38,08,83,847)	
(6,94,89,88,288)	Current liabilities	(17,31,75,47,708)	
1,39,26,20,479	Bills of Exchange	(13,44,52,273)	
93,34,65,07,455	Loans & Advances	(4,59,94,00,35,099)	
(1,66,13,19,29,316)	Net Proceeds of Bonds and Debentures & other borrowings	3,66,22,24,58,973	
1,84,40,47,31,854	Deposits received	1,64,66,31,03,814	
<b>1,16,92,05,59,071</b>			<b>53,11,26,43,861</b>
1,52,68,45,37,324			80,20,96,05,572
(4,57,94,32,771)	Payment of Tax	(5,04,41,76,103)	(5,04,41,76,103)
<b>1,48,10,51,04,553</b>	<b>Net Cash flow from operating Activities</b>		<b>75,16,54,29,469</b>
	<b>2. Cash Flow from Investing Activities</b>		
(14,57,41,774)	Net (Purchase)/Sale of fixed assets	(51,84,59,830)	
(1,54,33,87,55,349)	Net (Purchase)/sale/redemption of Investments	(1,42,32,30,93,515)	
4,53,97,66,761	Dividend Received on Investments	47,78,14,759	
<b>(1,49,94,47,30,362)</b>	<b>Net cash used in Investing Activities</b>		<b>(1,42,36,37,38,586)</b>
	<b>3. Cash flow from Financing Activities</b>		
-	Proceeds from issuance of share capital & share premium	14,22,80,00,000	
-	Dividend on Equity Shares & tax on Dividend	(1,06,38,44,062)	
-	<b>Net cash used in Financing Activities</b>		<b>13,16,41,55,938</b>
<b>(1,83,96,25,809)</b>	<b>4. Net increase/(decrease) in cash and cash equivalents</b>		<b>(54,03,41,53,179)</b>
<b>80,93,80,63,296</b>	<b>5. Cash and Cash Equivalents at the beginning of the period</b>		<b>79,09,84,37,487</b>
<b>79,09,84,37,487</b>	<b>6. Cash and Cash Equivalents at the end of the period</b>		<b>25,06,42,84,308</b>
	<b>7. Cash and cash equivalents at the end of the period includes</b>		
6,54,935	Cash in Hand		7,18,409
93,96,47,857	Current account balance with Bank		92,87,49,749
37,50,81,24,592	Mutual Funds		19,99,90,00,050
40,65,00,10,103	Deposits		4,13,58,16,100

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 **Borkar & Muzumdar**  
Chartered Accountants  
FRN.101569W

**Rajendra Agrawal**  
Chief Financial Officer

**Sudatta Mandal**  
Deputy Managing Director

**V. Satya Venkata Rao**  
Deputy Managing Director

**Sivasubramanian Ramann**  
Chairman & Managing Director

**Darshit Doshi**  
Partner  
M.No. 133755

**G Gopalakrishna**  
Director

**Ashish Gupta**  
Director

Place: Mumbai  
Date: May 17, 2022



## **Appendix II**

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

# Independent Auditor's Report

## The Board of Directors Small Industries Development Bank of India

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **Small Industries Development Bank of India** (hereinafter referred as the 'the Bank') and its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group') and its associates which comprise the consolidated Balance Sheet as at March 31, 2022, the consolidated Profit and Loss Account and the consolidated Cash Flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of Subsidiaries, the unaudited financial statements and the other financial information of the Associates as furnished by the management, the aforesaid consolidated financial statements give the information required in accordance with Regulation 14(1) of the Small Industries Development Bank of India General Regulations, 2000 and give a true and fair view, in conformity with the Accounting Standards notified by the Institute of Chartered Accountants of India ("the ICAI") and accounting principles generally accepted in India, of the state of affairs of the Group and its associates as at March 31, 2022, of its consolidated profit and consolidated cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. 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 and its associates in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Emphasis of Matter

- I. We draw attention to Note No. 14 of "Annexure I- Additional Notes" to the consolidated financial statements, regarding the impact of COVID-19 pandemic in the accounts for the year ended 31st March 2022. As stated therein, in view of continuing uncertainties, the extent of impact of the pandemic on the Bank's operations and financial position would depend on ongoing as well as future developments.
- II. We draw attention to Note Nos 2A(7), 2B and 2C of "Annexure I- Additional Notes" to Consolidated Financial Statements with regard to non-consolidation of 7 associates wherein as per the management the carrying amount of the investments are not realisable and are fully provided for.

Our opinion on the consolidated financial statements is not modified in respect of above matters.

#### 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 for the financial year ended March 31, 2022. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

#### Description of Key Audit Matters

Key Audit Matters	How our audit addressed the Key Audit Matters
<b>Classification of Advances, Identification of Non-Performing Advances, Income Recognition and Provision on Advances (Schedule VIII read with Note 6 of Schedule XV to the consolidated financial statements)</b>	
<p>(i) Advances include Refinance loans to banks, Financial Institutions, Micro Finance Institutions and NBFCs; and Direct loans including Cash credits, Overdrafts, Loans repayable on demand and Term loans.</p> <p>The Reserve Bank of India ('RBI') has prescribed the 'Prudential Norms on Income Recognition, Asset Classification and Provisioning' in respect of advances for banks ('IRACP Norms'), including circulars in relation to COVID-19 Regulatory Package – Asset Classification and Provisioning.</p>	<p>Our audit approach / procedures towards Classification of Advances, Identification of Non-performing Advances, Income Recognition and Provision on Advances included the following:</p> <ul style="list-style-type: none"> <li>• Understanding and considering the Bank's accounting policies for NPA identification and provisioning and assessing compliance with the prudential norms prescribed by the RBI (IRACP Norms) including the additional provisions and asset classification benefit extended on restructured advances under RBI's COVID-19 Regulatory Package.</li> </ul>

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>The identification of performing and non-performing advances (including advances restructured under applicable IRACP Norms) involves establishment of proper mechanism and the Bank is required to apply significant degree of judgement to identify and determine the amount of provision required against each advance applying both quantitative as well as qualitative factors prescribed by the regulations.</p> <p>Significant judgements and estimates for NPA identification and provisioning could give rise to material misstatements on:</p> <ul style="list-style-type: none"> <li>• Completeness and timing of recognition of non-performing assets in accordance with criteria as per IRACP norms;</li> <li>• Measurement of the provision for non-performing assets based on loan exposure, ageing and classification of the loan, realizable value of security;</li> <li>• Appropriate reversal of unrealized income on the NPAs.</li> </ul> <p>Since the classification of advances, identification of NPAs and creation of provision on advances (including additional provisions on restructured advances under applicable IRACP Norms) and income recognition on advances:</p> <ul style="list-style-type: none"> <li>• Requires proper control mechanism and significant level of estimation by the Bank;</li> <li>• Has significant impact on the overall financial statements of the Bank;</li> <li>• Required to be aligned with changes in IRACP Norms during the year arising out of the COVID 19 pandemic;</li> </ul> <p>we have ascertained this area as a Key Audit Matter.</p>	<ul style="list-style-type: none"> <li>• Understanding the key controls (including system based automated controls) for identification and provisioning of impaired accounts based on the extant guidelines on IRACP laid down by the RBI.</li> <li>• Performing other procedures including substantive audit procedures covering the identification of NPAs by the Bank. These procedures included: <ul style="list-style-type: none"> <li>i. Considering testing of the exception reports generated from the application systems where the advances have been recorded.</li> <li>ii. Considering the accounts reported by the Bank and other banks as Special Mention Accounts ("SMA") in RBI's central repository of information on large credits (CRILC) to identify stress.</li> <li>iii. Reviewing account statements, drawing power calculation, security and other related information of the borrowers selected based on quantitative and qualitative risk factors</li> <li>iv. Reading of minutes of credit and risk committee meetings and performing inquiries with the credit department to ascertain if there were indicators of stress or an occurrence of an event of default in a loan account or any product.</li> <li>v. Considering Internal Audit and Concurrent Audit as per the policies and procedures of the Bank.</li> <li>vi. Reviewing the report submitted by external expert appointed by the Bank to verify compliance with the RBI circular on Automation of IRACP processes through the Bank's core banking system.</li> <li>vii. Examination of advances including stressed/restructured advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines.</li> </ul> </li> </ul> <p>For Non- performing advances identified, we, based on factors including stressed sectors and account materiality, tested on a sample basis the asset classification dates, reversal of unrealized interest, value of available security and provisioning as per IRACP norms. We recomputed the provision for NPA on such samples after considering the key input factors and compared our measurement outcome to that prepared by management.</p>
<p><b>(ii) Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule VII read with Note 3 of Schedule XV to the consolidated financial statements)</b></p> <p>Investments are categorized under Treasury operations and Business Operations. Investments include investments made by the Bank in Central and State Governments Securities, Bonds, Debentures, Shares, Mutual Funds, VCFs and other approved securities. RBI Circulars and directives, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, non-recognition of income and provisioning against non-performing investments.</p>	<p>Our audit approach/procedures towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non-performing investments (NPIs) and provisioning/ depreciation related to Investments. In particular -</p> <ul style="list-style-type: none"> <li>• We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, reversal of income on NPIs and provisioning/ depreciation related to investments;</li> </ul>

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FBIL/FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc.</p> <p>We identified valuation of investments and identification of NPI as a Key Audit Matter because of the management judgement involved in determining the value of certain investments (Bonds and Debentures, VCFs) based on applicable Regulatory guidelines and the Bank's policies, impairment assessment for HTM book based on management judgement, the degree of regulatory focus and the overall significance to the financial results of the Bank.</p>	<ul style="list-style-type: none"> <li>• We assessed and evaluated the process adopted for collection of information from various sources for determining market value of these investments;</li> <li>• For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security;</li> <li>• We carried out substantive audit procedures to recompute independently the provision to be maintained in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained and if accrual of income is in accordance with the RBI Circular for those selected sample of NPIs</li> </ul>
<p><b>(iii) Information Technology ('IT') Systems and Controls for financial reporting</b></p>	
<p>The Bank's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.</p> <p>Due to the pervasive nature and complexity of the IT environment as well as its importance in relation to accurate and timely financial reporting, we have identified this area as a Key Audit Matter.</p>	<p>As a part of our audit procedures for review of the Bank's IT systems and related controls for financial reporting:</p> <ul style="list-style-type: none"> <li>• We tested the design and operating effectiveness of the Bank's IT systems and controls that are critical to financial reporting.</li> <li>• The Bank has a system in place for getting application software audits for identified Application Systems at reasonable intervals. Information System (IS) Audit is done at Branches by officers of the Bank at reasonable intervals.</li> <li>• We have reviewed and relied on the Application Systems Audits carried by external consultants and IS audits done at the branches.</li> </ul>
<p><b>(iv) Assessment of Provisions and Contingent Liabilities (Note 10 and Note 12 of Schedule XV to the consolidated financial statements)</b></p>	
<p>Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct Taxes, various claims filed by other parties not acknowledged as debt (Schedule XI to the consolidated financial statements) and various employee benefits schemes (Schedule V to the consolidated financial statements) was identified as a significant audit area.</p> <p>There is high level of judgement involved in estimating the level of provisioning required as well as in the disclosure of both Provisions and Contingent Liabilities in respect of tax matters and other legal claims. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.</p>	<p>Our audit approach / procedures involved:</p> <ul style="list-style-type: none"> <li>• Understanding the current status of the litigations/tax assessments;</li> <li>• Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon;</li> <li>• Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of the Bank's tax consultants;</li> <li>• Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and</li> </ul>



Key Audit Matters	How our audit addressed the Key Audit Matters
<p>The valuations of the employee benefit liabilities are calculated with reference to multiple actuarial assumptions and inputs including discount rate, rate of inflation and mortality rates. The valuation of funded assets in respect of the same is also sensitive to changes in the assumptions.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of the matters which requires application of judgment in interpretation of law, circumstances of each case and estimates involved.</p>	<ul style="list-style-type: none"> <li>Ensuring completeness and accuracy of the data, the measurement of the fair value of the schemes' assets, understanding the judgements made in determining the assumptions used by management to value the employee liabilities with specific schemes and market practice.</li> <li>Our audit procedures included an assessment of the assumptions used by the actuary by comparing life expectancy assumptions with relevant mortality tables, benchmarking inflation and discount rates against external market data. We verified the value of plan assets to the statements provided by asset management companies managing the plan assets.</li> <li>Verification of disclosures related to significant litigations, taxation matters and Employee benefits liabilities in the consolidated financial statements.</li> </ul>

### Information other than the consolidated Financial Statements and Auditor's Report Thereon

The Bank's Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Bank's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available 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. When we read the Bank's annual report, if we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

The Bank's Management is responsible with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with the Small Industries Development Bank of India General Regulations, 2000, and accounting principles generally accepted in India including the Accounting Standards issued by ICAI, and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. The respective Management of the entities included in the Group and of its associates 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 adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Management of the entities included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates 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 Management of the entities included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

### Auditor's Responsibilities for the audit of the consolidated 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 consolidated 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, but not for the purpose of expressing an opinion on the effectiveness of the Bank's Internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial statements 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 appropriateness of this assumption. 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 consolidated 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 and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We

remain solely responsible for our audit opinion. Our responsibilities in this regard are further described under 'Other Matters' in this audit report.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

- I. These Consolidated Financial Results incorporate the relevant returns of 26 branches of the Bank visited/ audited by us including Bank's Head Office which covers 95.50% of Advances, 99.22% of deposits and 100% of Borrowings of the Bank as on 31st March 2022 and 91.95% of Interest income on advances, 98.28% of interest expense on deposits and 100% of interest expense on borrowings of the Bank for the year ended 31st March 2022. These branches have been selected in consultation with the management of the Bank. In conduct of our audit, we have relied upon various information and returns received from remaining branches of the Bank not visited by us and generated through centralized data base at Bank's Head Office.
- II. We did not audit the financial statements of the Three Subsidiaries, whose financial statements reflect total assets of ₹ 33,227.90 crore as at 31st March 2022, total revenues of ₹ 1,031.01 crore and total net profit after tax of ₹ 238.31 crore for the year ended 31st March 2022 and net cash inflow amounting to ₹ 1,718.18 crore for the year ended on that date, as considered in the consolidated financial statements, which have been audited by other independent auditors, whose reports have been furnished to us by the Management. 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 our report is based solely on the report of the other auditors.

III. The consolidated financial statements also include the Group's share of Net loss of ₹ 5.80 crore for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of associates 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 associates, is based solely on such unaudited financial statements/financial information. We have relied on the management's written representation to us that the effect of the changes / adjustments, if any, required to be made to the reported numbers of these Associates consequent to their audit would not be material for the Group.

Our opinion on the consolidated financial statements and our Report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters and with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

#### **Report on Other Legal and Regulatory Requirements**

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.

We report that:

- a) 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;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Bank so far as it appears from our examination of those books and the reports of the other auditors;
- c) The consolidated Balance Sheet, the consolidated Profit and Loss Account, the consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the applicable Accounting Standards.

For **Borkar & Muzumdar**  
Chartered Accountants  
Firm's Registration No. 101569W

**Darshit Doshi**  
Partner

Place: Mumbai  
Date: May 17, 2022

Membership No. 133755  
UDIN: 22133755AJCKLZ9767

# Consolidated Balance Sheet

as at March 31, 2022

(Amount in ₹)

		March 31, 2022	March 31, 2021
<b>CAPITAL AND LIABILITIES</b>	<b>SCHEDULES</b>		
Capital	I	5,68,54,11,689	5,31,92,20,310
Reserves, Surplus and Funds	II	2,50,62,78,84,150	2,15,99,74,22,124
Deposits	III	17,07,04,29,74,899	14,43,64,76,71,085
Borrowings	IV	7,57,12,43,67,200	3,90,90,19,08,226
Other Liabilities and Provisions	V	68,31,68,04,164	81,04,70,88,307
Deferred Tax Liability		-	-
<b>Total</b>		<b>27,88,79,74,42,102</b>	<b>21,36,91,33,10,052</b>
<b>ASSETS</b>			
Cash and Bank Balances	VI	3,07,71,86,06,790	2,30,76,75,40,365
Investments	VII	2,22,43,61,70,888	1,74,51,74,80,720
Loans & Advances	VIII	22,22,90,63,21,987	16,98,59,34,02,553
Fixed Assets	IX	2,93,91,01,100	2,78,11,70,106
Other Assets	X	32,79,72,41,337	30,25,37,16,308
<b>Total</b>		<b>27,88,79,74,42,102</b>	<b>21,36,91,33,10,052</b>
Contingent Liabilities	XI	53,37,90,27,297	59,50,61,36,098

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 **Borkar & Muzumdar**  
Chartered Accountants  
FRN.101569W

**Rajendra Agrawal**  
Chief Financial Officer

**Sudatta Mandal**  
Deputy Managing Director

**V. Satya Venkata Rao**  
Deputy Managing Director

**Sivasubramanian Ramann**  
Chairman & Managing Director

**Darshit Doshi**  
Partner  
M.No. 133755

**G Gopalakrishna**  
Director

**Ashish Gupta**  
Director

Place: Mumbai  
Date: May 17, 2022

# Consolidated Profit & Loss Account

for the year ended March 31, 2022

(Amount in ₹)

		March 31, 2022	March 31, 2021
<b>INCOME</b>	<b>SCHEDULES</b>		
Interest and Discount	XII	97,15,63,76,643	1,12,14,30,74,986
Other Income	XIII	4,17,42,36,689	9,29,57,83,352
<b>Total</b>		<b>1,01,33,06,13,332</b>	<b>1,21,43,88,58,338</b>
<b>EXPENDITURE</b>			
Interest & Financial charges		63,63,01,56,138	71,90,88,70,723
Operating Expenses	XIV	7,11,77,65,894	5,71,33,89,306
Provisions & Contingencies		3,78,96,12,908	9,43,00,01,542
<b>Total</b>		<b>74,53,75,34,940</b>	<b>87,05,22,61,571</b>
<b>Profit before Tax</b>		<b>26,79,30,78,392</b>	<b>34,38,65,96,767</b>
Provision for Income Tax		4,99,84,22,319	7,82,66,84,203
Deferred Tax Adjustment [(Asset) / Liability]		11,67,75,995	33,54,64,587
Share of (earning)/loss in associates		5,80,86,505	14,89,71,485
<b>Profit after Tax</b>		<b>21,61,97,93,573</b>	<b>26,07,54,76,492</b>
Profit brought forward		3,01,46,01,008	1,83,56,07,154
<b>Total Profit / (Loss)</b>		<b>24,63,43,94,581</b>	<b>27,91,10,83,646</b>
<b>Appropriations</b>			
Transfer to General Reserve		18,00,54,03,423	22,50,12,00,000
Transfer to Special reserve u/s 36(1)(viii) of The Income Tax Act, 1961		70,00,00,000	80,00,00,000
Transfer to Statutory Reserve u/s 45-IC of RBI Act, 1934		46,56,33,348	49,04,38,576
<b>Others</b>			
a) Transfer to Investment Fluctuation Reserve		10,96,07,912	-
Transfer to Staff Welfare Fund		10,56,54,000	4,10,00,000
Development Fund		-	-
Dividend on Shares		79,81,84,026	1,06,38,44,062
Tax on Dividend		-	-
Surplus in Profit & Loss account carried forward		4,44,99,11,872	3,01,46,01,008
<b>Total</b>		<b>24,63,43,94,581</b>	<b>27,91,10,83,646</b>
Basic/Diluted Earning Per Share		40.63	49.02

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 **Borkar & Muzumdar**  
Chartered Accountants  
FRN.101569W

**Rajendra Agrawal**  
Chief Financial Officer

**Sudatta Mandal**  
Deputy Managing Director

**V. Satya Venkata Rao**  
Deputy Managing Director

**Sivasubramanian Ramann**  
Chairman & Managing Director

**Darshit Doshi**  
Partner  
M.No. 133755

**G Gopalakrishna**  
Director

**Ashish Gupta**  
Director

Place: Mumbai  
Date: May 17, 2022

## Schedules to Consolidated Balance Sheet

### Capital and Liabilities

(Amount in ₹)

Schedule I: Capital	March 31, 2022	March 31, 2021
<b>(a) Authorized Capital</b>		
- 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>(b) Issued, Subscribed and Paid-up Capital :</b>		
- Equity Share Capital (56,85,41,169 Equity Shares of ₹10/- each)	5,68,54,11,689	5,31,92,20,310
- Preference Share Capital	-	-
<b>Total</b>	<b>5,68,54,11,689</b>	<b>5,31,92,20,310</b>

(Amount in ₹)

Schedule II: Reserves, Surplus and Funds	March 31, 2022	March 31, 2021
<b>A) Reserves</b>		
<b>i) General Reserve</b>		
- Opening Balance	1,73,49,59,28,207	1,50,99,47,28,207
- Additions during the year	18,01,15,35,086	22,50,12,00,000
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>1,91,50,74,63,293</b>	<b>1,73,49,59,28,207</b>
<b>ii) Share Premium</b>		
- Opening Balance	16,68,07,79,690	16,68,07,79,690
- Additions during the year	13,86,18,08,620	-
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>30,54,25,88,310</b>	<b>16,68,07,79,690</b>
<b>iii) Specific Reserves</b>		
a) Investment Reserve		
- Opening Balance	-	-
- Additions during the year	-	-
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>-</b>	<b>-</b>
b) Special Reserve created and maintained u/s 36 (1) (viii) of The Income Tax Act, 1961		
- Opening Balance	17,02,00,00,000	16,22,00,00,000
- Additions during the year	70,00,00,000	80,00,00,000
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>17,72,00,00,000</b>	<b>17,02,00,00,000</b>
c) Statutory Reserve created u/s 45-IC of Reserve Bank of India Act.		
- Opening Balance	1,67,88,38,157	1,18,83,99,581
- Additions during the year	46,56,33,348	49,04,38,576
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>2,14,44,71,505</b>	<b>1,67,88,38,157</b>
d) Other Reserves		
i) Investment Fluctuation Reserve		
- Opening Balance	1,14,93,45,043	1,14,93,45,043
- Additions during the year	10,96,07,912	-
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>1,25,89,52,955</b>	<b>1,14,93,45,043</b>

## Schedules to Consolidated Balance Sheet

(Amount in ₹)

<b>B) Surplus in Profit and Loss account</b>	<b>4,44,99,11,872</b>	<b>3,01,46,01,008</b>
<b>C) Funds</b>		
a) National Equity Fund		
- Opening Balance	2,65,61,42,832	2,65,61,42,832
- Additions / Write back during the year	-	-
- Utilisations during the year	-	-
- <b>Closing Balance</b>	<b>2,65,61,42,832</b>	<b>2,65,61,42,832</b>
b) Staff Welfare Fund		
- Opening Balance	28,17,87,187	25,22,07,485
- Additions during the year	10,56,54,000	4,10,00,000
- Utilisations during the year	5,90,87,804	1,14,20,298
- <b>Closing Balance</b>	<b>32,83,53,383</b>	<b>28,17,87,187</b>
c) Others	2,00,00,000	2,00,00,000
<b>Total</b>	<b>2,50,62,78,84,150</b>	<b>2,15,99,74,22,124</b>

(Amount in ₹)

<b>Schedule III: Deposits</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>A) Fixed Deposits</b>	<b>86,10,40,72,379</b>	<b>50,04,64,96,085</b>
<b>B) From Banks</b>		
a) Under MSME Refinance Fund	12,74,31,35,25,000	11,26,05,11,50,000
b) Under MSME Risk Capital Fund	5,00,00,00,000	10,00,00,00,000
c) Others -From Foreign & Private Sector Banks	7,93,64,00,000	-
d) Under MSME India Aspiration Fund	10,43,02,77,520	8,02,35,25,000
e) Under Fund for Venture Capital in MSME sector 2014-15	25,00,00,00,000	50,00,00,00,000
f) Under Priority Sector Shortfall	2,98,25,87,00,000	1,99,52,65,00,000
<b>Subtotal (B)</b>	<b>16,20,93,89,02,520</b>	<b>13,93,60,11,75,000</b>
<b>Total</b>	<b>17,07,04,29,74,899</b>	<b>14,43,64,76,71,085</b>

(Amount in ₹)

<b>Schedule IV: Borrowings</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>I) Borrowings in India</b>		
1. From Reserve Bank of India	1,44,20,00,00,000	-
2. From Government of India (including Bonds subscribed by GOI)	5,62,06,57,105	20,40,09,88,429
3. Bonds & Debentures	1,62,85,00,00,000	1,70,87,50,00,000
4. From Other Sources		
- Commercial Paper	50,00,00,00,000	38,75,00,00,000
- Certificate of Deposits	1,49,00,00,00,000	42,85,00,00,000
- Term Loans from Banks	1,68,89,90,51,099	48,14,20,83,006
- Term Money Borrowings	-	-
- Others	25,66,91,30,100	4,99,94,82,245
<b>Subtotal (I)</b>	<b>7,06,23,88,38,304</b>	<b>3,26,01,75,53,680</b>

## Schedules to Consolidated Balance Sheet

(Amount in ₹)

<b>Schedule IV: Borrowings</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>II) Borrowings outside India</b>		
(a) KFW, Germany	5,60,16,04,462	7,92,50,08,344
(b) Japan International Cooperation Agency (JICA)	14,92,77,01,680	20,87,89,58,963
(c) IFAD, Rome	1,05,67,31,387	1,10,10,79,766
(d) World Bank	28,29,18,43,248	33,21,79,18,293
(e) Others	1,00,76,48,119	1,76,13,89,180
<b>Subtotal (II)</b>	<b>50,88,55,28,896</b>	<b>64,88,43,54,546</b>
<b>Total (I &amp; II)</b>	<b>7,57,12,43,67,200</b>	<b>3,90,90,19,08,226</b>

(Amount in ₹)

<b>Schedule V: Other Liabilities and Provisions</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Interest Accrued	17,19,38,84,962	22,14,73,99,407
Provision for SIDBI Employees' Provident Fund	3,61,97,08,540	3,26,55,18,260
Provision for SIDBI Pension Fund	16,01,409	13,50,36,000
Provision for Employees' Other Benefit	2,85,85,20,654	2,50,67,34,898
Provisions for Exchange Rate Fluctuation	1,53,73,62,768	1,53,73,62,766
Contingent provisions against standard assets	11,44,67,32,156	11,65,00,62,425
Proposed Dividend (including tax on dividend)	79,81,84,026	1,06,38,44,062
Funds viz. Aspire Fund, FoF for Startups, PRF, PRSF etc.	15,15,42,51,789	12,33,11,61,527
Floating provision	4,95,67,37,932	10,99,96,00,000
Others (including provisions)	10,74,98,19,928	15,41,03,68,962
<b>Total</b>	<b>68,31,68,04,164</b>	<b>81,04,70,88,307</b>



## Schedules to Consolidated Balance Sheet

### Assets

(Amount in ₹)

<b>Schedule VI: Cash &amp; Bank Balances</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
1. Cash in Hand & Balances with Reserve Bank of India	7,23,087	6,63,600
2. Balances with other Banks		
<b>(a) In India</b>		
i) in current accounts	91,26,88,841	93,19,80,206
ii) in other deposit accounts	3,03,55,39,16,222	2,26,83,65,49,330
<b>(b) Outside India</b>		
i) in current accounts	1,63,27,034	1,90,00,930
ii) in other deposit accounts	3,23,49,51,606	2,97,93,46,299
<b>Total</b>	<b>3,07,71,86,06,790</b>	<b>2,30,76,75,40,365</b>

(Amount in ₹)

<b>Schedule VII: Investments [net of provisions]</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>A) Treasury operations</b>		
1. Securities of Central and State Governments	39,90,00,85,004	36,25,12,72,542
2. Bonds & Debentures of Banks & Financial Institutions	31,31,54,82,382	5,24,16,82,049
3. Stocks, Shares, bonds & Debentures of Industrial Concerns	1,98,08,42,613	1,98,08,42,613
4. Mutual Funds	19,99,90,00,050	37,50,81,24,592
5. Commercial Paper	50,04,99,24,399	65,68,39,65,908
6. Certificate of Deposit	56,46,67,59,624	13,97,08,63,310
7. Others	9,00,00,00,000	-
<b>Subtotal (A)</b>	<b>2,08,71,20,94,072</b>	<b>1,60,63,67,51,014</b>
<b>B) Business Operations</b>		
1. Shares of Banks & Financial Institutions	1,84,97,71,142	1,84,97,71,142
2. Bonds & Debentures of Banks & Financial Institutions	5,65,33,000	5,65,33,000
3. Stocks, Shares, bonds & Debentures of Industrial Concerns	3,93,64,98,845	4,46,46,49,681
4. Investment in Subsidiaries	-	-
5. Investment in Venture Capital Fund - RCF	6,31,40,45,945	6,42,18,48,997
6. Others	1,56,72,27,884	1,08,79,26,886
<b>Subtotal (B)</b>	<b>13,72,40,76,816</b>	<b>13,88,07,29,706</b>
<b>Total (A+B)</b>	<b>2,22,43,61,70,888</b>	<b>1,74,51,74,80,720</b>

(Amount in ₹)

<b>Schedule VIII: Loans &amp; Advances [Net of Provisions]</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>A) Refinance to</b>		
- Banks and Financial Institutions	18,32,97,60,08,903	14,31,27,54,73,388
- Micro Finance Institutions	42,11,55,15,973	26,99,06,19,241
- NBFC	2,03,61,89,01,279	1,24,28,41,94,906
- Bills Rediscounted	-	-
- Others (Subscription to Pass Through Certificate (PTC))	52,36,63,441	-
<b>Subtotal (A)</b>	<b>20,79,23,40,89,596</b>	<b>15,82,55,02,87,535</b>
<b>B) Direct Loans</b>		
- Loans and Advances	1,43,30,55,40,693	1,15,81,08,75,592
- Receivable Finance Scheme	3,07,84,956	23,22,39,426
- Bills Discounted	33,59,06,742	-
<b>Subtotal (B)</b>	<b>1,43,67,22,32,391</b>	<b>1,16,04,31,15,018</b>
<b>Total (A+B)</b>	<b>22,22,90,63,21,987</b>	<b>16,98,59,34,02,553</b>

## Schedules to Consolidated Balance Sheet

(Amount in ₹)

<b>Schedule IX: Fixed Assets [Net of Depreciation]</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
1. Premises	2,89,84,36,991	2,75,92,83,828
2. Others	4,06,64,109	2,18,86,278
<b>Total</b>	<b>2,93,91,01,100</b>	<b>2,78,11,70,106</b>

(Amount in ₹)

<b>Schedule X: Other Assets:</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Accrued Interest	17,14,85,64,429	18,48,06,59,934
Advance Tax (Net of provision)	1,71,25,78,669	78,40,01,791
Staff Loans	1,79,12,15,676	1,69,52,27,467
Derivative Assets	4,29,61,53,456	5,83,74,04,868
Expenditure to the extent not written off	6,61,38,10,576	1,94,24,53,524
Others	1,23,49,18,531	1,51,39,68,724
<b>Total</b>	<b>32,79,72,41,337</b>	<b>30,25,37,16,308</b>

(Amount in ₹)

<b>Schedule XI: Contingent Liabilities</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
i) Claims against the Bank not acknowledged as debts	6,56,25,72,519	5,06,41,82,735
ii) On account of Guarantees / Letters of Credit	31,50,24,390	20,23,30,137
iii) On account of Forward Contracts	6,51,81,80,889	21,81,77,727
iv) On account of Underwriting Commitments	-	-
v) On account of uncalled monies on partly paid shares, debentures & undrawn commitment under VCF etc.	95,64,22,740	17,46,36,734
vi) On account of derivative contracts	39,02,68,26,759	53,84,68,08,765
vii) Other items for which the Bank is contingently liable	-	-
<b>Total</b>	<b>53,37,90,27,297</b>	<b>59,50,61,36,098</b>

## Schedules to Consolidated Profit and Loss Account

(Amount in ₹)

<b>Schedule XII: Interest and Discount</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
1. Interest and Discount on Loans, Advances and Bills	79,90,41,21,266	95,55,49,76,984
2. Income on Investments / Bank balances	17,25,22,55,377	16,58,80,98,002
<b>Total</b>	<b>97,15,63,76,643</b>	<b>1,12,14,30,74,986</b>

(Amount in ₹)

<b>Schedule XIII: Other Income</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
1. Upfront and Processing Fees	56,15,83,560	40,28,86,367
2. Commission and Brokerage	78,19,049	83,89,829
3. Profit on sale of Investments	77,17,94,503	1,27,43,88,726
4. Income earned by way of dividends etc. from Subsidiaries / Associates	30,60,000	25,50,000
5. Provision of earlier years written back	75,00,000	5,96,524
6. Recoveries out of Bad Debts	2,03,12,69,846	1,42,52,18,289
7. Reversal of Provisions/ERFF under FCL	-	5,17,85,60,369
8. Others	79,12,09,731	1,00,31,93,248
<b>Total</b>	<b>4,17,42,36,689</b>	<b>9,29,57,83,352</b>

(Amount in ₹)

<b>Schedule XIV: Operating Expenses:</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Payments to and provisions for employees	3,73,19,04,827	3,90,39,87,544
Rent, Taxes and Lighting	15,68,56,386	15,10,55,154
Printing & Stationery, Postage/Courier & Telephone and Insurance	1,41,95,518	1,39,17,644
Advertisement and Publicity	3,19,63,215	2,91,30,216
Depreciation / Amortisation on Bank's Property	36,43,50,321	24,08,96,441
Directors' fees, allowances and expenses	63,77,767	56,65,658
Auditor's Fees	52,87,176	36,96,387
Law Charges	4,06,12,250	1,90,74,526
Repairs and maintenance	13,04,14,423	12,09,70,459
Issue Expenses	1,21,01,863	42,82,499
Capital Commitment, Management Fees etc.	8,09,48,867	1,49,78,690
Input Tax Credit not Available	10,30,52,881	9,30,45,281
Other Expenditure	2,43,97,00,400	1,11,26,88,807
<b>Total</b>	<b>7,11,77,65,894</b>	<b>5,71,33,89,306</b>

## 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) and regulations thereof, applicable prudential norms prescribed by Reserve Bank of India, applicable provisions of the Companies Act, 2013, 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 Small Industries Development Bank of India ("the Bank" or "SIDBI"), 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 for FY 2021-22 and 2020-21 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 for FY 2021-22 are:

- 1) Acuité Ratings Pvt Ltd (Erstwhile SMERA)
- 2) India SME Asset Reconstruction Company Limited (ISARC)
- 3) Delhi Financial Corporation (DFC)
- 4) Receivables Exchange of India Limited (RXIL)
- 5) KITCO Limited

Associates included in consolidated financial statements for FY 2020-21 are:

- 1) Acuité Ratings Pvt Ltd (Erstwhile SMERA)
- 2) India SME Asset Reconstruction Company Limited (ISARC)
- 3) Delhi Financial Corporation (DFC)
- 4) Receivables Exchange of India Limited (RXIL)
- 5) KITCO Limited
- 6) APITCO Limited (De-invested during FY 2022)

Consolidated financial statements of the Group (comprising of 3 subsidiaries, 5 associates as per details given above) have been prepared on the basis of:

- a. 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 are adjusted, wherever necessary and practicable, to conform to the Accounting Policies of the Parent. In case of difference in Accounting Policies, the Financial Statements of Associates, adjustments have not been made as in the opinion of Management of the Bank the same are not material.

### 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 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 is 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, Upfront fee/ Processing fee etc. from Borrowers are accounted on cash basis.
- xiv. Commission on LC/ BG are recognized on accrual basis proportionately over the period.
- xv. MUDRA - Administrative income on Interest Subvention Scheme is accounted for on accrual basis as percentage of work completed.
- xvi. 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. Revenue is not recognized where drawdowns in respective venture capital funds / alternative investments funds are not received as there is no certainty that economic benefits will flow to the Company and in such cases it will be accounted on receipt basis as and when received.

The Company accrues income by way of management fee on a quarterly basis / annual basis (as stipulated in the respective funds documents) from the Venture Capital Funds / Alternative Investments Funds managed by it.

The Company recognizes income @ 5% of the net profits received from sale of investments assigned by IIBI

- xvii. STCL - 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.

The Company accrues income by way of trusteeship fee on a quarterly basis / annual basis (as stipulated in the agreements with respective funds) from the venture capital funds / alternative investments funds managed by it.

#### **B) Expenditure:**

- i. All expenditures are accounted for on accrual basis except Development Expenditure which is accounted for on cash basis.
- ii. Discount on Bonds and Commercial papers issued are amortized over the tenure of Bonds and Commercial Paper. The expenses relating to issue of Bonds are amortized over the tenure of the Bonds.

### **3. Investments:**

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

**(a) Held to Maturity:**

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

**(b) Held for Trading:**

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

**(c) Available for Sale:**

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

- (ii) An investment is classified as Held To Maturity, Available For Sale or Held For Trading at the time of its purchase and subsequent shifting amongst categories and its valuation is done in conformity with RBI guidelines.
- (iii) Treasury Bills, Commercial Papers and Certificates of Deposit, being discounted instruments, are valued at carrying cost.
- (iv) The quoted Government Securities are valued at market prices and unquoted/non-traded government securities are valued at prices declared by Financial Benchmark India Pvt. Ltd.(FBIL).
- (v) Investments which are made out of the Corpus or Funds provided by the Government of India (GOI) and netted off from the related Fund balances are carried at cost and not subject to RBI guidelines of valuation.

- (vi) Recording purchase and sale transactions in Investments is done following 'Settlement Date' accounting.
- (vii) The debentures / bonds / shares deemed to be in the nature of advance, are subject to the usual prudential norms applicable to loans & advances.
- (viii) Cost of investments is determined on the weighted average cost method.
- (ix) Brokerage, commission, etc. paid at the time of acquisition/ sale are recognized in the profit & loss account.
- (x) Broken period interest paid / received on debt investment is treated as interest expenses / income and is excluded from cost / sale consideration.
- (xi) In respect of unquoted investments in industrial concerns under Seed Capital Scheme, full provision has been made.
- (xii) Units of mutual fund are valued at repurchase price as per relevant RBI guidelines.
- (xiii) The unquoted fixed income securities (other than government securities) are valued on Yield to Maturity (YTM) basis with appropriate mark-up over the YTM rates for Central Government securities of equivalent maturity. Such mark-up and YTM rates applied are as per the relevant rates published by FBIL.
- (xiv) Unquoted Shares are valued at breakup value, if the latest Audited Financial Statements of the investee companies are available, or at ₹ 1/- per Company as per RBI guidelines.

**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, 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 exchange rates notified by FEDAI.

## 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 NPA 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.
- v. MUDRA: MUDRA has been subscribing to Pass Through Certificates backed by loans receivables originated by various MFIs / Banks / Non-Banking Finance Companies. Such securitization transactions are classified as Loans and Advances and are shown in the Balance Sheet on gross basis, which are at Book value and provisions are shown separately. However, provision on Standard Assets are made as per RBI guidelines.

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

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

- (i) The sale of NPA's is on cash basis or investment in Security Receipt (SR) basis. In case of sale on

SR basis, the sale consideration or part thereof is treated as investment in the form of SRs.

- (ii) The assets if sold at a price below the Net Book Value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit & Loss A/c. In case the sale value is higher than NBV, the excess provision held can be reversed to profit & loss account in the year the amounts are received. Reversal of excess provision is limited to the extent to which cash received exceeds the NBV of the asset.

## 10. PROVISIONING FOR STAFF BENEFITS :

### A] Post retirement benefits:

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

- 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.

#### **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. In respect of computer software the cost is amortised based on accounting standard 26 issued by ICAI. Assets costing ₹ 5,000/- or less have been depreciated over period of one year.

#### **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%.

### **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 is recognized as an expense/income in the Profit & Loss Account on a straight line basis over the lease term in accordance with AS-19.

### **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, money at call and short notice and investment in Mutual Fund with an original maturity of three months or less.

## Additional Notes to Consolidated Accounts

### Annexure - I

1. Details of Subsidiaries included in consolidated financial statements are:

(Amount in ₹)

Sl. No.	Name of the subsidiary	Country of Incorporation	Proportion of ownership*	Profit/Loss for the year ended	
				31-Mar-22	31-Mar-21
1	SIDBI Venture Capital Ltd.(SVCL)	India	100%	5,03,20,749	4,75,54,472
2	SIDBI Trustee Company Ltd.(STCL)	India	100%	46,52,056	50,02,018
3	Micro Units Development & Refinance Agency Ltd (Mudra Ltd)	India	100%	2,32,81,66,742	2,45,21,92,879
<b>Total</b>				<b>2,38,31,39,547</b>	<b>2,50,47,49,369</b>

Financial statements of all the subsidiaries are audited for FY 2022 .

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

2.A Details of Associates included in consolidated financial statements in current and previous year are as follows :

(Amount in ₹)

Sl. No.	Name of the Associate	(% ) Holding		Description	Investment (Face Value)	Investment		Share of Profit/(loss) for the year ended <sup>[1]</sup>		Share in reserves as at <sup>[1]</sup>	
		31-Mar-22	31-Mar-21			31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
1	Acuité Ratings Pvt Ltd (Erstwhile SMERA) <sup>[2]</sup>	35.73	35.73	Credit Rating Agency for SME's	5,10,00,000	5,10,00,000	5,10,00,000	5,18,19,174	3,60,22,888	15,36,09,345	9,56,58,508
2	India SME Asset Reconstruction Company Limited <sup>[3]</sup>	26.00 <sup>[3]</sup>	26.00 <sup>[3]</sup>	Asset Reconstruction Company	26,00,00,000	26,00,00,000	26,00,00,000	72,192	16,43,292	3,33,57,371	3,32,85,178
3	Delhi Finance Corporation <sup>[4]</sup>	23.66	23.71	State Financial Corporation	6,27,75,000	3,13,87,500	3,13,87,500	(2,20,74,735)	(10,04,72,015)	(2,24,41,109)	(3,66,375)
4	Receivables Exchange of India Limited <sup>[5]</sup>	30.00	30.00	Online platform for factoring / discounting of Trade Receivables (TReDS)	15,00,00,000	15,00,00,000	15,00,00,000	(7,04,071)	(1,64,89,459)	(7,82,62,470)	(7,75,58,399)
5	APITCO LIMITED <sup>[6]</sup>	0.00	41.29	Technical consultancy Organisation	-	-	54,70,975	(3,45,22,441)	(52,08,453)	-	3,45,22,441
6	KITCO LIMITED <sup>[6]</sup>	49.77	49.77	Technical consultancy Organisation	4,90,00,000	24,95,296	24,95,296	(5,26,76,624)	(5,56,93,535)	16,71,81,276	21,98,57,900
7	India SME Technology Services Limited	22.73	22.73	Technology Support to SME's	1,00,00,000	1	1	-	(87,74,203)	-	-
<b>Total</b>						<b>49,48,82,797</b>	<b>50,03,53,772</b>	<b>(5,80,86,505)</b>	<b>(14,89,71,485)</b>	<b>25,34,44,413</b>	<b>30,53,99,253</b>

- Share of Profit/(loss) of (₹ 5,80,86,505) (Previous Year ₹ 14,89,71,485/-) is debited to Consolidated Profit & Loss statement under the head "Share of (earning)/loss in associates" for year ending March 2022.
  - Share in Reserves of Associates of ₹ 25,34,44,413- (Previous Year ₹ 30,53,99,253/-) is Included in Schedule II - Reserve, Surplus and Funds of the Consolidated Balance Sheet for year- ending March 2022.
- Acuité Ratings Pvt. Ltd figures are based on unaudited financial statements for year ending March 2022.
- India SME Asset Reconstruction Company Limited's figures are based on unaudited financial statements for year ending March 2022. Includes 11% holding by SVCL (100% subsidiary of SIDBI).

4. Delhi Finance Corporation figures are based on audited financial statements for the year ending March 31, 2021.
  5. Receivables Exchange of India Limited's and KITCO Ltd. figures are based on unaudited financial statements as per IND AS for the year ending March 2022.
  6. APITCO Ltd. which was considered for consolidation of accounts during FY 2021 has been disinvested during FY 2022.
  7. One of the associates viz. ISTSL is under liquidation and therefore, not being considered for consolidation in preparation of Consolidated Financial Statements as per Accounting Standard 21. SIDBI has made full provision on investment in this associate in its financial statements for year ending March 2021. Further, as a matter of prudence, the carried forward Share of reserves in this associate of ₹ 87,74,203 is debited to Consolidated Profit & Loss statement for year ending March 2021.
- 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 ₹)

Sl. No.	Name of the Associate	(% ) Holding		Description	Investment	Diminution in value of Investment	
		31-Mar-22	31-Mar-21			31-Mar-22	31-Mar-21
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	24.18	24.18	State Financial Corporation	21,67,59,000	(21,67,59,000)	(21,67,59,000)
<b>Total</b>					<b>70,94,41,100</b>	<b>(70,94,41,100)</b>	<b>(70,94,41,100)</b>

The figures for GSFC are based on audited results for the year ended March 31, 2021. Regarding PFC, BSFC and MSFC figures are based on audited results for the year ended March 31, 2020, March 31, 2019 and March 31, 2016 respectively. In respect of UPSFC, audited results are available for the year ended March 31, 2014.

- 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 ₹)

Sl. No.	Name of the Associate	(% ) Holding		Description	Investment	
		31-Mar-22	31-Mar-21		31-Mar-22	31-Mar-21
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	Technical Consultancy Organisation	-	1
3	Orissa Industrial and Technical Consultancy Organisation Ltd. \$	-	49.67	Technical Consultancy Organisation	-	1
					<b>1</b>	<b>3</b>

\$ SIDBI's entire stake in above 2 TCOs viz. NEITCO & ORITCO were sold during 2022.

- 3 There are no significant transactions with Associates during the current year and previous year.
- 4 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 ₹ 36,43,50,321/- (Previous Year ₹ 24,08,96,441/-) included in Consolidated Financial Statements, ₹ 24,78,562/- being 0.68% (Previous Year ₹ 5,02,713/- being 0.21%) of the amount is determined based on Depreciation provided as per the Companies Act, 2013.

## 5 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, 2022	March 31, 2021
Employer's contribution to Provident fund	7,68,83,415	7,90,27,233
Employer's contribution to New Pension Scheme	3,17,67,054	2,69,44,564

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

₹ crore

	Pension		Gratuity	
	FY 2022	FY 2021	FY 2022	FY 2021
<b>1. Assumptions</b>				
Discount Rate	7.25%	6.85%	6.90%	6.35%
Rate of Return on Plan Assets	7.25%	6.85%	6.90%	6.35%
Salary Escalation	5.50%	5.50%	5.50%	5.50%
Attrition rate	2.00%	2.00%	2.00%	2.00%
<b>2. Table showing change in Benefit Obligation</b>				
Liability at the beginning of the year	553.50	529.88	106.70	99.64
Interest Cost	22.69	30.78	6.56	6.54
Current Service Cost	14.97	14.92	5.97	5.68
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)	0.00	(32.86)	(6.61)	(9.75)
Actuarial (gain) / loss on obligations	(14.23)	10.78	(3.67)	4.59
<b>Liability at the end of the year</b>	<b>576.93</b>	<b>553.50</b>	<b>108.95</b>	<b>106.70</b>
<b>3. Tables of Fair value of Plan Assets</b>				
Fair Value of Plan Assets at the beginning of the year	501.50	468.69	105.73	108.15
Expected Return on Plan Assets	34.35	33.96	6.69	7.24
Contributions	0.00	32.86	0.33	0.22
Transfer from other company	0.00	0.00	0.00	0.00
(Transfer to other company)	0.00	0.00	0.00	0.00
(Benefit Paid)	0.00	(32.86)	(6.61)	(9.75)
Actuarial gain / (loss) on Plan Assets	53.76	(1.15)	(0.22)	(0.13)
Fair Value of Plan Assets at the end of the year	<b>589.61</b>	<b>501.50</b>	<b>105.92</b>	<b>105.73</b>

₹ crore

	Pension		Gratuity	
	FY 2022	FY 2021	FY 2022	FY 2021
<b>4. Table of Recognition of Actuarial Gains/ Losses</b>				
Actuarial (Gains)/ Losses on obligation for the period	(14.23)	10.78	(3.67)	4.59
Actuarial (Gains)/ Losses on asset for the period	(53.76)	1.15	0.22	0.13
Actuarial (Gains)/ Losses recognized in Income & Expense Statement	<b>(67.99)</b>	<b>11.93</b>	<b>(3.45)</b>	<b>4.72</b>
<b>5. Actual Return on Plan Assets</b>				
Expected Return on Plan Assets	34.35	33.96	6.69	7.24
Actuarial Gain / (Loss) on Plan Assets	53.76	(1.15)	(0.22)	(0.13)
Actual Return on Plan Assets	<b>88.11</b>	<b>32.81</b>	<b>6.47</b>	<b>7.11</b>
<b>6. Amount Recognised in the Balance Sheet</b>				
Liability at the end of the year	(576.93)	(553.50)	(108.95)	(106.70)
Fair Value of Plan Assets at the end of the year	589.61	501.50	105.92	105.73
Difference	12.68	(52.00)	(3.03)	(0.97)
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
<b>Net Amount recognised in the Balance Sheet</b>	<b>12.68</b>	<b>(52.00)</b>	<b>(3.03)</b>	<b>(0.97)</b>
<b>7. Expenses Recognised in the Income Statement</b>				
Current Service Cost	14.97	14.92	5.97	5.68
Interest Cost	22.69	30.78	6.56	6.54
Expected Return on Plan Assets	(34.35)	(33.96)	(6.69)	(7.24)
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	(67.99)	11.93	(3.45)	4.72
<b>Expense Recognised in Profit &amp; Loss account</b>	<b>(64.68)</b>	<b>23.67</b>	<b>2.39</b>	<b>9.70</b>
<b>8. Balance Sheet Reconciliation</b>				
Opening Net Liability	52.00	61.19	0.97	(8.51)
Expense as above	(64.68)	23.67	2.39	9.70
Employer's Contribution	0.00	(32.86)	(0.33)	(0.22)
<b>Amount recognised in the Balance Sheet</b>	<b>(12.68)</b>	<b>52.00</b>	<b>3.03</b>	<b>0.97</b>

**9. Other Details**

Salary escalation is considered in line with the industry practice considering promotion, demand and supply of the employees.

₹ crore

	Pension		Gratuity	
	FY 2022	FY 2021	FY 2022	FY 2021
<b>10. Category of Assets</b>				
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	589.61	501.50	105.92	105.73
Other	0.00	0.00	0.00	0.00
<b>Total</b>	<b>589.61</b>	<b>501.50</b>	<b>105.92</b>	<b>105.73</b>

**11. Experience Adjustment:**

	Pension					Gratuity				
	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
On Plan Liability (Gain)/ Loss	15.71	(1.14)	46.87	(22.03)	66.81	0.65	(0.43)	3.28	(19.71)	10.18
On Plan Asset (Loss)/ Gain	(53.76)	(1.15)	25.17	(2.32)	0.32	0.22	0.13	(0.09)	(0.35)	(0.10)

- (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, 2022	March 31, 2021
1	Ordinary Leave Encashment	12.97	25.26
2	Sick Leave	0.47	0.34
3	Resettlement Expenses	0.30	(0.29)
4	Post Retirement Medical Scheme Facilities	9.84	4.16

(ii) SVCL

During the year, the Company has contributed a sum of ₹ 6,20,896/- (previous year - ₹ 4,21,596/-) to SIDBI Venture Capital Limited Employees' Group Gratuity Assurance Scheme (Trust) for its employees.

(Amount in ₹)

Details	Post Employment Benefits	Post Employment Benefits
	FY 2022	FY 2021
Nature of benefit	Gratuity	Gratuity
<b>Assets &amp; liabilities recognized in balance sheet</b>		
Present value of unfunded defined benefit obligations	Nil	Nil
Present value of funded or partly funded defined benefit obligations	64,60,592	77,75,429
Fair value of plan assets	66,14,266	76,04,491
Past service cost not recognized in balance sheet	Nil	Nil
Any amount not 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
<b>Amounts included in fair value of plan assets:</b>		
Own financial instruments	Nil	Nil
Property or other assets used	Nil	Nil
Insurer managed funds	66,14,266	76,04,491

(Amount in ₹)

Details	Post Employment Benefits	Post Employment Benefits
	FY 2022	FY 2021
<b>Movement in net liability:</b>		
Opening net liability	1,70,938	(1,00,882)
Expenses	2,96,284	6,93,416
Contribution	(6,20,896)	(4,21,596)
Closing net liability	1,53,674	1,70,938
<b>Expenses recognized in statement of profit &amp; loss</b>		
Current service cost	3,19,723	3,16,508
Interest cost	5,32,617	4,80,353
Expected return on plan assets	(5,20,908)	(4,87,344)
Expected return on reimbursement rights	N.A.	N.A.
Actuarial gains / (losses)	(35,148)	(3,83,899)
Total expenses recognized in statement of profit & loss	2,96,284	6,93,416
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
<b>Actuarial Assumptions</b>		
Discount rates	6.85%	6.93%
Expected rate of returns on plan assets	6.85%	6.93%
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	3.00%	2.00%
Retirement age	60 Years	60 Years

**(iii) MUDRA**

- (a) All the employees are on deputation from Small Industries 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 ₹ 12.18 Lakh (March 2021: ₹ 19.61 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 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'

**6 Earning Per Share (EPS)\*:**

(Amount in ₹)

	March 31, 2022	March 31, 2021
Net Profit considered for EPS calculation	21,61,97,93,573	26,07,54,76,492
Weighted Average Number of equity shares of face value ₹ 10 each	53,21,22,684	53,19,22,031
Earning per share	40.63	49.02

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

- 7 As per the Accounting Standard 22, Accounting for Taxes on Income, the Bank has reviewed Deferred Tax Assets / Liabilities and recognized an amount of ₹ 11,67,75,995/- as Deferred Tax Liability (Previous year - Deferred Tax Asset was ₹ 33,54,64,587/-) in the Profit & Loss Account for the year ended March 31, 2022.

The Break up of Deferred Tax Asset/ (Liability) as on March 31, 2022 is as under :

Sr. No	Timing Difference	FY 2021-22 (₹)	FY 2020-21 (₹)
		Deferred Tax Asset/ (Liability)	Deferred Tax Asset/ (Liability)
1	Provision for Depreciation	2,79,93,040	67,00,765
2	Special Reserve u/s 36(1)(viii) of the Income Tax Act 1961	(3,87,65,37,167)	(3,71,54,81,342)
3	Provisions for Bad & Doubtful Debts	66,39,15,061	65,68,80,198
4	Amortisation of Premium on GOI Bonds	-	(1,06,49,427)
5	Provision for Restructuring of Accounts	30,66,284	54,95,443
6	Brought Forward Long Term Capital Loss	-	-
7	Provision for Non Performing Investment	-	-
8	Provision for Standard Assets	2,88,09,11,626	2,93,20,85,788
9	Others	70,49,01,616	64,59,94,738
<b>Net deferred tax Asset/(Liability)</b>		<b>40,42,50,460</b>	<b>52,10,26,163</b>

- 8 (i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advance paid) is ₹ 1,89,87,686/- (Previous year ₹ 75,66,907/-). (ii) MUDRA The company has a capital commitment towards development of intangible capital assets of ₹ 0.14 crore.

#### 9 Prudential Framework for Resolution of Stressed Assets:

- i) 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 there is "Nil" acquisition of shares due to conversion of debt to equity during a restructuring process, which would have been otherwise exempted from regulatory ceilings/restrictions on Capital Market Exposures, investment in Para-Banking activities and intra-group exposure.
- ii) In terms of RBI Circular dated August 06, 2020 on "Resolution Framework for COVID-19-related Stress" where the Bank has implemented resolution plan, disclosures as per the format prescribed in Format-B of said circular for the half year ending March 31, 2022 is as below:-

₹ crore

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A) *	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year \$	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	---	---	---	---	---
Corporate persons*	32.81	---	0	(0.18)	32.99
Of which MSMEs	32.81	---	0	(0.18)	32.99
Others	---	---	---	---	---
<b>Total</b>	<b>32.81</b>	<b>---</b>	<b>0</b>	<b>(0.18)</b>	<b>32.99</b>

\* Includes restructuring done in respect of requests received as of September 30,2021 processed subsequently

\$ Represents net movement in balance outstanding.



- iii. The number of borrower accounts where Resolution Plan is implemented in terms of RBI circular no. DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 on Resolution Framework – 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses is nil. Further no modifications were sanctioned and implemented in respect of accounts which were implemented under Resolution Framework 1.0

#### 10 Contingent Liabilities referred to in Schedule XI

Contingent liabilities include "Claims against the Bank not acknowledged as debts" of ₹ 6,56,25,72,519 (Previous Year ₹ 5,06,41,82,735). These represents claims filed against the Bank in the normal course of business relating to various legal cases currently in progress and demands raised by income tax and other statutory authorities. These are being disputed by the Bank and based on expert's opinion, the provision is not considered necessary.

- 11 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.
- 12 Disclosures under Accounting Standard 29 for provisions in contingencies. The salary & allowances of the employees of the Bank are reviewed every five years. Such review is due from November 01, 2017.

Particulars	(Amount in ₹)	
	FY 2022 Wage Arrears / Incentive	FY 2021 Wage Arrears / Incentive
<b>Opening Balance</b>	<b>1,07,63,00,000</b>	<b>76,00,00,000</b>
Additions:		
Arrears	31,50,00,000	31,63,00,000
Incentive		
Utilisations:		
Write back		
<b>Closing Balance</b>	<b>1,39,13,00,000</b>	<b>1,07,63,00,000</b>

#### 13 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 restructuring of advances was done for Micro, Small and Medium Enterprises (MSME) Borrowers registered under Goods and Services Tax (GST). The RBI, vide its Circular dated August 06, 2020 on 'Micro, Small and Medium Enterprises (MSME) Sector - Restructuring of Advances' extended the above scheme to support the viable MSME entities on account of the fallout of Covid19. Further RBI vide circular RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 has advised Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs). The MSME accounts restructured under these guidelines are as under:

No. of accounts restructured	Amount (₹ in crore)
1189	844.51

- 14 The extent to which the COVID19 pandemic will continue to impact the Bank's results will depend on ongoing as well as future developments.
- 15 In view of the above, the Bank, as a prudent measure has made additional standard assets provisions for FY 2022 of ₹ 150.11 crore (previous year ₹ 174 crore) on certain segments of the portfolio which were considered as stressed based on its internal assessment.
- 16 Tier-1 capital Bonds of SIDBI held by Government of India (GOI) for ₹ 14,22,80,00,000 has been converted in Equity Share Capital of SIDBI as on March 30, 2022. Accordingly, 3,66,19,138 equity shares were issued to GOI at book value of ₹ 388.54 per share. Consequently, the paid-up share capital of the bank has increased to ₹ 5,68,54,11,690. The difference between the face value and Book value aggregating ₹ 13,86,18,08,620 has been credited to Share Premium (Reserve) Account.
- 17 In accordance with RBI Master Direction RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021 – (Securitisations of Standard Assets) Directions, 2021, the outstanding amount of securitised assets as per books of the SPEs and total amount of exposures retained by the originator as on the date of balance sheet to comply with the MRR is NIL for Year ended March 31, 2022.

- 18 MUDRA India Microfinance Equity Fund (IMEF) :** Government of India (GOI) has created "India Microfinance Equity Fund(IMEF)" with SIDBI with a corpus of ₹ 300 crore. The fund shall be utilised for extending equity or any other form of capital to Tier-II and Tier-III NBFC MFIs and all Non-NBFC MFIs, with a focus on smaller socially oriented MFIs with the objective of poverty alleviation and achieving long term sustainability of operations in unserved and underserved parts of the country. During FY 2019-20 the corpus fund of IMEF has been transferred from SIDBI to MUDRA. The fund has been operated / managed by MUDRA for which 1% per annum administrative fee on the drawn amount has been charged to the fund and is received by MUDRA. Further, the inflows and outflows are credited / debited to the fund. Hence, fund balance of IMEF, net of investment is grouped under "Other Current Liabilities" in the Balance Sheet. The balance in the fund is ₹ 3,10,80,74,899/- as on March 31, 2022. The entire fund is transferred back to SIDBI on April 04, 2022
- 19** Details of loans transferred / acquired during the Year ended March 31, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:
- During the quarter and Year ended March 31, 2022:
- the Bank has not acquired any loan not in default through assignment.
  - the Bank has not transferred any non-performing assets (NPAs) to Asset Reconstruction Companies (ARCs)/ to permitted transferees/ to other transferees
  - the Bank has not acquired any stressed loans and not transferred any loan not in default / Special Mention Accounts (SMA).
  - the Bank has not invested in Security Receipts (SR) issued by Asset Reconstruction Companies (ARC) in respect of stressed loans transferred to ARCs.
- 20** 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).
- 21 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, 2021 as per the above circular.
- 22** 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.
- 23** Previous year's figures have been re-grouped and re-classified wherever necessary to make them comparable with the current year's figures.

# Additional consolidated disclosures

as per RBI guidelines

## 1. Capital adequacy (As per Basel I)

(₹ crore)

Sr. No	Particulars	FY 2021-22	FY 2020-21
i)	Common Equity*	Not Applicable	Not Applicable
ii)	Additional Tier 1 capital*	Not Applicable	Not Applicable
iii)	Total Tier 1 capital	24,425.84	22,650.64
iv)	Tier 2 capital	1,007.56	740.56
v)	Total Capital (Tier 1+Tier 2)	25,433.40	23,391.20
vi)	Total Risk Weighted Assets (RWAs)	97,386.78	78,712.08
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)	25.08%	28.78%
ix)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	26.12%	29.72%
x)	Percentage of the shareholding of the Government of India	20.85	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 2021-22	FY 2020-21
Provisions towards Standard Assets (cumulative)	1,144.68	1,165.01

### (b) Floating Provisions

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
Opening balance in the floating provisions account	1,099.96	1,099.96
The quantum of floating provisions made in the accounting year	0.00	0.00
Amount of draw down made during the accounting year *	604.29	0.00
Closing balance in the floating provisions account	495.67	1,099.96

\* Amount was utilised for making NPA provision in terms of RBI circular dated May 05, 2021 and as per Bank's Board approved policy on floating provision.

### 3. Asset Quality and specific provisions

#### (a) Non-Performing Advances

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
<b>(i) Net NPAs to Net Advances (%)</b>	<b>0.06%</b>	<b>0.11%</b>
<b>(ii) Movement of NPAs (Gross)</b>		
(a) Opening balance	358.68	1,111.91
(b) Additions during the year	1,036.20	147.11
(c) Reductions during the year	1,095.28	900.34
(d) Closing balance	<b>299.60</b>	<b>358.68</b>
<b>(iii) Movement of Net NPAs *</b>		
(a) Opening balance	185.25	729.71
(b) Additions during the year	11.51	(413.85)
(c) Reductions during the year	64.66	130.61
(d) Closing balance	<b>132.10</b>	<b>185.25</b>
<b>(iv) Movement of provisions for NPAs (excluding provisions on standard assets)</b>		
(a) Opening balance	173.42	453.26
(b) Provisions made during the year	1,030.31	495.19
(c) Write of / write back of excess provisions	1,036.23	775.03
(d) Closing balance	<b>167.50</b>	<b>173.42</b>

\*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 2021-22	FY 2020-21
<b>(i) Net NPAs to Net Advances (%)</b>	<b>0.00%</b>	<b>0.00%</b>
<b>(ii) Movement of NPAs (Gross)</b>		
(a) Opening balance	344.62	628.62
(b) Additions during the year	5.54	1.00
(c) Reductions during the year	0.00	285.00
(d) Closing balance	<b>350.16</b>	<b>344.62</b>
<b>(iii) Movement of Net NPAs</b>		
(a) Opening balance	0.00	285.00
(b) Additions during the year	0.00	0.00
(c) Reductions during the year	0.00	285.00
(d) Closing balance	<b>0.00</b>	<b>0.00</b>
<b>(iv) Movement of provisions for NPAs (excluding provisions on standard assets)</b>		
(a) Opening balance	344.62	628.62
(b) Provisions made during the year	5.54	1.00
(c) Write of / write back of excess provisions	0.00	285.00
(d) Closing balance	<b>350.16</b>	<b>344.62</b>

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

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
<b>(i) Net NPAs to Net Assets (Advanced + investments) (%)</b>	<b>0.05%</b>	<b>0.10%</b>
<b>(ii) Movement of NPAs (Gross Advances + Gross investments)</b>		
(a) Opening balance	703.31	1,740.54
(b) Additions during the year	1041.73	148.11
(c) Reductions during the year	1,095.28	1,185.34
(d) Closing balance	<b>649.76</b>	<b>703.31</b>
<b>(iii) Movement of Net NPAs *</b>		
(a) Opening balance	185.25	1,014.70
(b) Additions during the year	11.51	(698.84)
(c) Reductions during the year	64.66	130.61
(d) Closing balance	<b>132.10</b>	<b>185.25</b>
<b>(iv) Movement of provisions for NPAs (excluding provisions on standard assets)</b>		
(a) Opening balance	518.05	1,081.89
(b) Provisions made during the year	1,035.84	502.89
(c) Write of / write back of excess provisions	1,036.23	1,066.73
(d) Closing balance	<b>517.66</b>	<b>518.05</b>

(d) Disclosure of Restructured Account

(₹ crore)

SI	Type of Restructuring →	Others						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)*	11	9	11	-	31	11	9	11	-	31
	Amount outstanding	52.45	22.35	76.58	-	151.38	52.45	22.35	76.58	-	151.38
	Provision thereon	0.01	1.10	0.53	-	1.64	0.01	1.10	0.53	-	1.64
2	Fresh restructuring during the year	1	2	-	-	3	1	2	0	-	3
	Amount outstanding	3.30	6.36	-	-	9.66	3.30	6.36	-	-	9.66
	Provision thereon	-	0.02	-	-	0.02	-	0.02	-	-	0.02
3	Upgradations to restructured standard category during the FY	6	(5)	(1)	-	-	6	(5)	(1)	-	-
	Amount outstanding	24.92	(12.87)	(12.05)	-	24.92	(12.87)	(12.05)	(12.05)	-	-
	Provision thereon	1.03	(0.97)	(0.06)	-	1.03	(0.97)	(0.06)	(0.06)	-	-
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	(3)	-	-	-	(3)	(3)	-	-	-	(3)
	Amount outstanding	(8.93)	-	-	-	(8.93)	(8.93)	-	-	-	(8.93)
	Provision thereon	(0.01)	-	-	-	(0.01)	(0.01)	-	-	-	(0.01)
5	Downgradations of restructured accounts during the FY	-	(3)	3	-	-	-	(3)	3	-	-
	Amount outstanding	-	(4.53)	4.53	-	-	-	(4.53)	4.53	-	-
	Provision thereon	-	(0.01)	0.01	-	-	-	(0.01)	0.01	-	-
6	Write-offs of restructured accounts during the FY#	(1)	(1)	(3)	-	(5)	(1)	(1)	(3)	-	(5)
	Amount outstanding	(1.79)	(4.95)	(36.38)	-	(43.12)	(1.79)	(4.95)	(36.38)	-	(43.12)
	Provision thereon	(0.85)	(0.12)	(0.43)	-	(1.40)	(0.85)	(0.12)	(0.43)	-	(1.40)
7	Restructured Accounts as on March 31 of the FY (closing figures)*	14	2	10	-	26	14	2	10	-	26
	Amount outstanding	69.95	6.36	32.68	-	108.99	69.95	6.36	32.68	-	108.99
	Provision thereon	0.18	0.02	0.05	-	0.25	0.18	0.02	0.05	-	0.25

\* 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 increase in outstanding net of reduction / recovery of ₹ 2.20 crore and provision of (₹ 0.84 crore) in respect of existing restructured accounts and closure of 3 borrower amounting to ₹ 4.21 crore and provision of ₹ 0.01 crore.

## (e) Movement of Non-performing assets

(₹ crore)		
Particulars	FY 2021-22	FY 2020-21
Gross NPAs as on opening date of accounting period (Opening Balance)	358.68	1,396.91
Additions (Fresh NPAs) during the year	1,036.20	147.11
<b>Sub total (A)</b>	<b>1,394.88</b>	<b>1,544.02</b>
Less :-		
(i) Upgradations	37.62	20.04
(ii) Recoveries (excluding recoveries made from upgraded accounts)	46.93	119.68
(iii) Technical / Prudential Write offs	1,005.06	760.62
(iv) Write offs other than those under (iii) above	5.67	285.00
<b>Sub-total (B)</b>	<b>1,095.28</b>	<b>1,185.34</b>
<b>Gross NPAs as on 31st March of following year (Closing Balance) (A-B)</b>	<b>299.60</b>	<b>358.68</b>

## (f) Write-offs and recoveries

(₹ crore)		
Particulars	FY 2021-22	FY 2020-21
Opening balance of Technical / Prudential written off accounts as at April 1	2,624.88	2,007.01
Add : Technical / Prudential write offs during the year	1,005.06	760.62
<b>Sub total (A)</b>	<b>3,629.94</b>	<b>2,767.63</b>
Less : Actual write off	37.83	0.00
Less : Recoveries made from previously technical / prudential written off accounts during the year	202.92	142.75
<b>Sub total (B)</b>	<b>240.75</b>	<b>142.75</b>
<b>Closing balance as at March 31 (A-B)</b>	<b>3,389.19</b>	<b>2,624.88</b>

## (g) Overseas Assets, NPAs and Revenue

(₹ crore)		
Particulars	FY 2021-22	FY 2020-21
Total Assets	Nil	Nil
Total NPAs	Nil	Nil
Total Revenue	Nil	Nil

#### (h) Depreciation and provisions on investments

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
<b>(1) Investments</b>		
(i) Gross Investments	<b>22,574.77</b>	<b>17,786.59</b>
(a) In India	22,574.77	17,786.59
(b) Outside India		
(ii) Provisions for Depreciation	<b>356.49</b>	<b>365.38</b>
(a) In India	356.49	365.38
(b) Outside India		
(iii) Net Investments	<b>22,218.28</b>	<b>17,421.21</b>
(a) In India	22,218.28	17,421.21
(b) Outside India		
<b>(2) Movement of provisions held towards depreciation on investments</b>		
(i) Opening balance	<b>20.76</b>	<b>291.12</b>
(ii) Add: Provisions made during the year	0.22	14.64
(iii) Appropriation, if any, from Investment Fluctuation Reserve Account during the year	-	-
(iv) Less: Write off / write back of excess provisions during the year*	14.65	(285.00)
(v) Less: Transfer, if any, to Investment Fluctuation Reserve Account	-	-
(vi) Closing balance	<b>6.33</b>	<b>20.76</b>

\*The Bank has appropriated ₹ 10.96 crore (net of applicable taxes) to Investment Fluctuation Reserve Account.

#### (i) Provisions and Contingencies

(₹ crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	FY 2021-22	FY 2020-21
Provisions for depreciation/NPI on Investment	(8.89)	15.64
Provision towards NPA	408.19 <sup>@</sup>	439.44
Provision made towards Income tax (Including Deferred Tax Assets/Liability)	511.52	816.21
Other Provision and Contingencies (with details) <sup>§</sup>	(20.33) <sup>§</sup>	487.92

@ net of restructuring provision

§ includes provision for standard asset.

# Net of write back of floating provision.

#### (j) Provisioning Coverage Ratio (PCR)

Particulars	FY 2021-22	FY 2020-21
Provisioning Coverage Ratio (PCR)*	96.30%	93.41%

\* Floating provision has not been considered while calculating PCR.

#### (k) Provisioning pertaining to Fraud Accounts

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
No. of frauds reported during the year	1	5
Amount involved in fraud (₹ in crore)	6.67	323.54
Amount involved in fraud net of recoveries/write offs/unrealised interest as at the end of the year (₹ in crore)	6.47	285.28
Provision made during the year (₹ in crore)	-	183.6
Provision held as at the end of the year for the above accounts (₹ in crore)	6.47	285.28
Amount of unamortised provision debited from "other reserves" as at the end of the year (₹ in crore)	-	-



#### 4. Investment portfolio: constitution and operations

##### (a) Repo Transactions

(₹ crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2022
Securities sold under repo				
i. Government securities	-	3,735.68	348.89	2,568.91
ii. Corporate debt securities	Nil	Nil	Nil	Nil
Securities purchased under reverse repo				
i. Government securities	-	21,610.09	6,450.69	299.89
ii. Corporate debt securities	Nil	Nil	Nil	Nil

(₹ crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2021
Securities sold under repo				
i. Government securities	-	1,024.92	59.11	499.95
ii. Corporate debt securities	Nil	Nil	Nil	Nil
Securities purchased under reverse repo				
i. Government securities	-	17,677.11	5,132.33	4,054.99
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	1,261.18	995.52	-	-	-
FIs	7,774.07	7,391.18	-	78.55	1,497.08
Banks	5,901.64	5,798.13	10.00*	103.50	5,256.10
Private Corporates	642.88	424.02	-	373.50	364.61
Subsidiaries/Joint ventures	0.00	0.00	-	0.00	0.00
Others	2,993.99	2,993.99	-	994.09	2,994.00
Provision held towards depreciation	(354.96)	-	-	-	-
<b>Total</b>	<b>18,218.80</b>	<b>17,602.84</b>	<b>10.00</b>	<b>1,549.64</b>	<b>10,111.79</b>

\* Due to rating downgrade subsequent to the date of investment.

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

During the current FY, the Bank shifted investments in Venture Capital Funds from HTM to AFS category in accordance with extant RBI guidelines. Except for the above, there was no shifting on 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 2021-22	FY 2020-21
(i) No. of accounts (borrower)	Nil	Nil
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	Nil	Nil
(iii) Aggregate consideration	Nil	Nil
(iv) Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v) Aggregate gain / loss over net book value	Nil	Nil

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

(₹ crore)

Particulars	Book value of investments in security receipts	
	FY 2021-22	FY 2020-21
(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
<b>Total</b>	<b>0.27</b>	<b>0.27</b>

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

#### (i) Details of non performing financial assets purchased:

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
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 2021-22	FY 2020-21
No. of accounts sold	Nil	Nil
Aggregate outstanding	Nil	Nil
Aggregate consideration received	Nil	Nil

## 6. Operating Results

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
(i) Interest income as a percentage to average working funds	4.21	5.57
(ii) Non-interest income as a percentage to average working funds	0.18	0.46
(iii) Operating profit as a percentage to average working funds (before provisions)	1.33	2.18
(iv) Return on average assets (before provisions for taxation)	1.16	1.71
(v) Net Profit per employee (₹ crore)	2.13	2.50

## 7. Credit Concentration risk

### (a) Capital market exposure

Particulars	(₹ crore)	
	FY 2021-22	FY 2020-21
(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;	456.70	468.59
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
(ix) financing to stockbrokers for margin trading;	-	-
(x) all exposures to Venture Capital Funds (both registered and unregistered)	1,024.82	1,140.06
<b>Total Exposure to Capital Market</b>	<b>1,481.52</b>	<b>1,608.65</b>

### (b) Exposure to Country risk

Risk Category	(₹ crore)	
	Net Funded Exposure	Provision held
Insignificant	11,269.51	27.66
Low	998.70	-
Moderate	1.00	-
High	-	-
Very High	-	-
Restricted	-	-
Off-credit	-	-
<b>Total</b>	<b>12,269.21</b>	<b>27.66</b>

### (c) Prudential Exposure Limits - Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded.

(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
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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

(₹ crore)

Sr. No.	Particulars	FY 2021-22		FY 2020-21	
		As % to Total Assets	As % to Capital funds	As % to Total Assets	As % to Capital funds
1	The largest single borrower	15.53	170.28	8.28	75.63
	The largest borrower group	As large borrowers are Primary lending Institutions, the concept of borrower group is not applicable.			
2	The 20 largest single borrowers	61.06	669.47	59.73	545.63
	The 20 largest borrower group	As large borrowers are Primary lending Institutions the concept of borrower group is not applicable.			

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

(₹ crore)

Name of Industry	FY 2021-22		FY 2020-21	
	Amount. Outstanding	% to total loan assets	Amount. Outstanding	% to total loan assets
METAL PRODUCTS N.E.C.	1,072.24	0.48	977.27	0.63
AUTO ANCILLARIES	871.11	0.39	694.96	0.44
PLASTIC MOULDED GOODS	601.17	0.27	537.01	0.34
METAL PRODUCTS PARTS EXCEPT MACHINERY	580.84	0.26	515.72	0.33
TEXTILE PRODUCTS	821.55	0.37	475.59	0.30

(iv) Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken 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 2021-22	FY 2020-21
Total borrowings from twenty largest lenders	2,07,923.53	1,51,599.34
Percentage of borrowings from twenty largest lenders to total borrowings	84.38%	82.64%

(ii) Concentration of Exposures

(₹ crore)

Particulars	FY 2021-22	FY 2020-21
Total advances to twenty largest borrowers	1,69,786.49	1,27,260.75
Percentage of advances to twenty largest borrowers to Total Advances	76.35%	74.88%
Total Exposure to twenty largest borrowers / customers	2,06,873.95	1,36,729.01
Percentage of exposures to twenty largest borrowers / customers to Total Exposure	70.82%	70.49%

## (iii) Sector-wise concentration of exposures and NPAs

(₹ crore)

Sr. No.	Sector	FY 2021-22			FY 2020-21		
		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	1,97,731.72	199.00	0.10%	1,54,828.92	282.31	0.18%
1	Central Government	-	-	-	-	-	0.00
2	Central PSUs	-	-	-	-	-	0.00
3	State Governments	-	-	-	-	-	0.00
4	State PSUs	-	-	-	31.92	-	-
5	Scheduled Commercial Banks	1,82,705.34	-	-	1,42,840.85	-	-
6	Regional Rural Banks	592.25	-	-	254.77	-	0.00
7	Co-operative banks	-	-	-	-	-	0.00
8	Private sector (excluding banks)	14,434.13	199.00	1.38%	11,701.38	282.31	2.41%
II.	Micro-finance sector	4,230.17	40.32	0.95%	2,699.06	16.09	0.60%
III.	Others*	20,414.26	60.28	0.30%	12,428.42	60.28	0.49%
	<b>Total (I+II+III)</b>	<b>2,22,376.15</b>	<b>299.60</b>	<b>0.13%</b>	<b>1,69,956.40</b>	<b>358.68</b>	<b>0.21%</b>

\* includes advances to NBFCs

## 8. Derivatives

## (a) Forward Rate Agreement / Interest Rate Swap

(₹ crore)

Sr. No	Particulars	FY 2021-22	FY 2020-21
i)	The notional principal of swap agreements	185.58	215.67
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	2.29	9.73
iii)	Collateral required by the bank upon entering into swaps	Nil	Nil
iv)	Concentration of credit risk arising from the swaps	3.25	10.97
v)	The fair value of the swap book	2.29	9.73

The nature and terms of the IRS as on March 31, 2022 are set out below:

Sl. No.	Nature	Nos.	Notional Principal	Benchmark	Terms
1	Hedging	1	INR 1,85,58,43,530.00	6 M USD LIBOR	Fixed receivable V/s floating payable

The nature and terms of the IRS as on March 31, 2021 are set out below:

Sl. No.	Nature	Nos.	Notional Principal	Benchmark	Terms
1	Hedging	1	INR 2,15,66,65,938.00	6 M USD LIBOR	Fixed receivable V/s floating payable

## (b) Exchange Traded Interest Rate Derivatives

(₹ crore)

Sr. No	Particulars	FY 2021-22	FY 2020-21
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument - wise)	NIL	NIL
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on March 31 (instrument - wise)	NIL	NIL
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument - wise)	NIL	NIL
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument - wise)	NIL	NIL

### (c) Disclosures on risk exposure in derivatives

#### (i) Qualitative Disclosures

- (1) The Bank uses Derivatives for hedging of interest rate and exchange risk arising out of mismatch in the assets and liabilities. All derivatives undertaken by Bank are for hedging purposes with underlying as Foreign Currency borrowings, which are not MTM, but only translated. The Bank does not undertake trading in Derivatives.
- (2) Internal Control guidelines and accounting policies are framed and approved by the Board. The derivative structure is undertaken only after approval of the competent authority. The particulars of derivative details undertaken are also reported to ALCO/Board.
- (3) The Bank has put systems in place for mitigating the risk arising out of derivative deals. The Bank follows the accrual method for accounting the transactions arising out of derivative deals.

### (d) Disclosure on Credit default swap - Bank has not undertaken any credit default swap during the year.

#### (ii) Quantitative Disclosures

(₹ crore)

Sr. No.	Particulars	FY 2021-22		FY 2020-21	
		Currency Derivatives	Interest rate Derivatives	Currency Derivatives	Interest rate Derivatives
1	Derivatives ( Notional Principal Amount )	3,902.68	185.58	5,384.68	215.67
	(i) For hedging	3,902.68	185.58	5,384.68	215.67
	(ii) For trading	-	-	-	-
2	Marked to Market Positions [1]	296.35	2.29	360.81	9.73
	(i) Asset (+)	296.35	2.29	423.85	9.73
	(ii) Liability (-)	-	-	(63.04)	-
3	Credit Exposure [2]	557.49	3.25	635.21	10.96
4	Likely impact of one percentage change in interest rate (100* PV01)	56.18	(0.02)	86.83	(4.75)
	(i) On hedging derivatives	56.18	(0.02)	86.83	(4.75)
	(ii) On trading derivatives	-	-	-	-
5	Maximum and Minimum of 100*PV01 observed during the year	-	-	-	-
	(i) On hedging	88.26/56.18	(2.37)/(4.82)	467.38/1.09	(4.75)/(7.99)
	(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 April 01, 2021		LoC issued during the year		LoCs redeemed during the year		LoCs outstanding as on March 31, 2022	
No of LoC	Amount	No of LoC	Amount	No of LoC	Amount	No of LoC	Amount
-	-	-	-	-	-	-	-

## 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	24	357	4,778	21,136	29,349	1,13,265	1,227	568	1,70,704
Advances	5,107	122	28,643	25,261	56,856	1,02,410	3,260	550	2,22,209
Investments	3,348	3,127	4,813	14,759	10,855	58	844	3,284	41,088
Borrowings	6,567	3,865	28,593	3,008	17,812	13,817	1,010	1,040	75,712
Foreign Currency assets	12	5	600	645	728	3,569	130	18	5,707
Foreign Currency liabilities	6	5	523	54	606	2,357	872	808	5,231

ALM includes figures of SIDBI and MUDRA only.

## 11. Draw Down from Reserves

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

## 12. Business Ratios

Particulars	FY 2021-22	FY 2020-21
Return on average Equity (before provisions for taxation) (%)	11.47	16.60
Return on average assets (before provisions for taxation) (%)	1.16	1.71
Net Profit per employee (₹ crore)	2.13	2.50

## 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

### 1. Complaints received by the bank from its customers

Particulars	FY 2021-22	FY 2020-21
1 No. of complaints pending at the beginning of the year	7	3
2 No. of complaints received during the year	234	357
3 No. of complaints redressed during the year	240	353
3(i) Of which, number of complaints rejected by the Bank	19	27
4 No. of complaints pending at the end of the year	1	7

### 2. Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>Current Year</b>					
Loans and advances	-	43	(27.12)	-	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	26	160	-	-
Others	7	165	(42.71)	1	-
<b>Previous Year</b>					
Loans and advances	-	59	126.92	-	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	10	42.86	-	-
Others	3	288	57.38	7	4

RBI vide their Circular CEPD.CO.PRD.Cir.No.01/13.01.013/2020-21 dated 27.01.2021 on Strengthening of Grievance Redress Mechanism in Banks had categorized grievances under 16 categories and had advised Banks to make disclosures accordingly. For this purpose, grievances received during FY 2020-21 and FY 2021-22 have been reclassified as per the RBI guidelines.

## 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 ₹ 4,66,88,641/- for FY 2021-22 [Previous Year ₹ 5,17,47,91,918] and Other expenditure in schedule XIV - 'Operating Expenses' for FY 2021-22 includes Prior Period Expenditure of (₹ 2,58,64,368/-) [Previous Year (₹ 3,48,13,281)].

**(b) Accounting Standard 17 – Segment Reporting**

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

**Part A: BUSINESS SEGMENTS**

Business Segments	Wholesale Operations (Direct Lending)		Wholesale Operations (Refinance)		Treasury		Total	
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
<b>1 Segment Revenue</b>	1,209	1,161	7,597	9,570	1,327	895	10,133	11,626
Exceptional Items							-	518
<b>Total</b>							<b>10,133</b>	<b>12,144</b>
<b>2 Segment Results</b>	339	190	2,000	2,699	580	258	2,919	3,147
Exceptional Items							-	518
<b>Total</b>							<b>2,919</b>	<b>3,665</b>
Unallocable Expenses							240	227
Operating profit							2,679	3,438
Income Tax (Net of write back)							511	816
Share of profit in associates							(6)	(15)
<b>Net profit</b>							<b>2,162</b>	<b>2,607</b>
<b>3 Other information</b>								
<b>Segment Assets</b>	14,433	11,678	2,22,253	1,69,174	40,391	31,421	2,77,077	2,12,273
Unallocated Assets							1,803	1,418
<b>Total Assets</b>							<b>2,78,880</b>	<b>2,13,691</b>
<b>Segment Liabilities</b>	10,618	8,387	2,04,270	1,55,074	35,894	26,509	2,50,782	1,89,970
Unallocated Liabilities							2,765	1,883
<b>Total</b>							<b>2,53,547</b>	<b>1,91,853</b>
<b>Capital / Reserves</b>	3,753	3,261	17,194	13,931	4,386	4,646	25,333	21,838
<b>Total</b>							<b>25,333</b>	<b>21,838</b>
<b>Total Liabilities</b>							<b>2,78,880</b>	<b>2,13,691</b>

**Part B: GEOGRAPHIC SEGMENTS - The operations of the Bank is confined to India only, hence no reportable geographic segments.**

**(c) Accounting Standard 18 – Related Party Disclosures**
**(i) Key management personnel**

Shri Sivasubramanian Ramann	Chairman & Managing Director
Shri V. Satya Venkata Rao	Deputy Managing Director
Shri Sudatta Mandal	Deputy Managing Director



## (ii) Significant transactions with related parties

(₹ crore)

Items / Related Party	Key Management Personnel @	Relatives of Key Management Personnel	Total
<b>Borrowings#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Deposit#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	1.00	-	1.00
<b>Placement of deposits#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Advances#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Investments#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Non funded commitments#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Leasing arrangements availed#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
<b>Leasing arrangements provided#</b>	-	-	-
Outstanding at the year end	-	-	-
Maximum during the year	-	-	-
Purchase of fixed assets	-	-	-
Sale of fixed assets	-	-	-
<b>Interest paid</b>	0.04	-	0.04
<b>Interest received</b>	-	-	-
<b>Dividend received</b>	-	-	-
<b>Dividend paid</b>	-	-	-
<b>Rendering of services*</b>	-	-	-
<b>Receiving of services*</b>	-	-	-
<b>Management contracts**</b>	1.36	-	1.36

@Whole time directors of the Board

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

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

\*\* Remuneration to Key Management Personnel.

**17. Unamortised Pension and Gratuity Liabilities**

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

As per our report of even date

BY ORDER OF THE BOARD

For **Borkar & Muzumdar**  
Chartered Accountants  
FRN.101569W

**Rajendra Agrawal**  
Chief Financial Officer

**Sudatta Mandal**  
Deputy Managing Director

**V. Satya Venkata Rao**  
Deputy Managing Director

**Sivasubramanian Ramann**  
Chairman & Managing Director

**Darshit Doshi**  
Partner  
M.No. 133755

**G Gopalakrishna**  
Director

**Ashish Gupta**  
Director

Place: Mumbai  
Date: May 17, 2022

# Consolidated Cash Flow Statement

for the year ended March 31, 2022

(₹ crore)

March 31, 2021	Particulars	March 31, 2022	March 31, 2022
	<b>1. Cash Flow from Operating Activities</b>		
34,38,65,96,767	Net Profit before tax as per P & L Account		26,79,30,78,392
	Adjustments for :		
24,08,96,441	Depreciation	36,43,50,321	
15,61,67,178	Provision for net depreciation in investments	5,53,33,454	
9,96,54,25,918	Provisions made (net of write back)	4,25,62,57,499	
(6,26,11,65,982)	Profit on sale of investments (net)	(5,61,92,51,814)	
(7,76,607)	Profit on sale of fixed assets	(14,17,772)	
(4,28,83,77,871)	Dividend Received on Investments	(19,46,66,611)	(1,13,93,94,923)
<b>34,19,87,65,844</b>	<b>Cash generated from operations</b>		<b>25,65,36,83,469</b>
	(Prior to changes in operating Assets and Liabilities)		
	Adjustments for net changes in :		
10,78,68,65,477	Current assets	(1,69,73,67,138)	
23,82,87,52,411	Current liabilities	81,68,99,06,362	
1,39,26,20,479	Bills of Exchange	(13,44,52,273)	
47,97,61,52,650	Loans & Advances	(5,24,06,31,06,808)	
(1,66,13,19,29,316)	Net Proceeds of Bonds and Debentures & other borrowings	3,66,23,05,27,707	
1,53,62,00,55,791	Deposits received	1,46,00,55,73,814	
<b>71,47,25,17,492</b>			<b>68,03,10,81,664</b>
1,05,67,12,83,336			93,68,47,65,133
(4,83,84,41,797)	Payment of Tax	(5,95,87,95,346)	(5,95,87,95,346)
<b>1,00,83,28,41,539</b>	<b>Net Cash flow from operating Activities</b>		<b>87,72,59,69,787</b>
	<b>2. Cash Flow from Investing Activities</b>		
(14,84,01,808)	Net (Purchase)/Sale of fixed assets	(52,08,63,542)	
(1,47,57,92,56,439)	Net (Purchase)/sale/redemption of Investments	(1,37,41,19,14,844)	
4,53,97,66,761	Dividend Received on Investments	47,78,14,760	
<b>(1,43,18,78,91,486)</b>	<b>Net cash used in Investing Activities</b>		<b>(1,37,45,49,63,626)</b>
	<b>3. Cash flow from Financing Activities</b>		
-	Proceeds from issuance of share capital & share premium	14,22,80,00,000	
(25,13,88,890)	Dividend on Equity Shares & tax on Dividend	(1,34,69,92,211)	
<b>(25,13,88,890)</b>	<b>Net cash used in Financing Activities</b>		<b>12,88,10,07,789</b>
<b>(42,60,64,38,837)</b>	<b>4. Net increase/(decrease) in cash and cash equivalents</b>		<b>(36,84,79,86,050)</b>
<b>1,23,10,73,97,268</b>	<b>5. Cash and Cash Equivalents at the beginning of the period</b>		<b>80,50,09,58,431</b>
<b>80,50,09,58,431</b>	<b>6. Cash and Cash Equivalents at the end of the period</b>		<b>43,65,29,72,381</b>
	<b>7. Cash and cash equivalents at the end of the period includes</b>		
6,63,600	Cash in Hand		7,23,087
95,09,81,136	Current account balance with Bank		92,90,15,875
37,50,81,24,592	Mutual Funds		19,99,90,00,050
42,04,11,89,103	Deposits		22,72,42,33,369

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 Annexure 1

As per our report of even date

BY ORDER OF THE BOARD

For **Borkar & Muzumdar**  
Chartered Accountants  
FRN.101569W

**Rajendra Agrawal**  
Chief Financial Officer

**Sudatta Mandal**  
Deputy Managing Director

**V. Satya Venkata Rao**  
Deputy Managing Director

**Sivasubramanian Ramann**  
Chairman & Managing Director

**Darshit Doshi**  
Partner  
M.No. 133755

**G Gopalakrishna**  
Director

**Ashish Gupta**  
Director

Place: Mumbai  
Date: May 17, 2022



Small Industries Development Bank of India

[www.sidbi.in](http://www.sidbi.in)

