

## V. SUBSIDIARIES

### 1. SBI CAPITAL MARKETS LIMITED (SBICAP)

(₹ crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of Ownership	Net Profit (Losses) for FY2020
SBI CAPITAL MARKETS LTD.	58.03	100%	215.42
SBICAP SECURITIES LIMITED (SSL)	NOT APPLICABLE		84.94
SBICAP VENTURES LIMITED (SVL)			11.01
SBICAP (UK) LIMITED (SUL)			(2.57)
SBICAP (SINGAPORE) LIMITED (SSGL)			0.46
SBICAP TRUSTEE CO. LIMITED (STCL)			20.51

SBICAPs is India's leading investment banker, offering a bouquet of investment banking and corporate advisory services to diversified clients across three product groups - Project Advisory and Structured Finance, Equity Capital Markets and Debt Capital Markets. These services include Project Advisory, Loan Syndication, Structured Debt Placement, Mergers and Acquisitions, Private Equity, Restructuring Advisory, Stressed Assets Resolution, IPO, FPO, Rights Issues, Debt, Hybrid Capital raising, Inv IT advisory, REIT advisory and COC advisory (Committee of Creditors). On a standalone basis, SBICAPs posted a PBT of ₹275.56 crore during FY 20 as against ₹242.60 crore during FY19 and a PAT of ₹215.42 crore for FY 20 as against ₹168.19 crore in FY19. On a consolidated basis it has posted a profit of ₹334.04 crore as against ₹236.38 crore in the previous year.

#### A. SBICAP SECURITIES LIMITED (SSL)

SSL, a wholly owned subsidiary of SBI Capital Markets Limited, besides offering equity broking services to retail and institutional clients both in cash as well as in Futures and Options segments, is also engaged in sales and distribution of other financial products such as Mutual Funds, Tax Free Bonds, Home Loan, Auto Loan, amongst others.

SSL has over 100 branches and offers Demat, e-broking, e-IPO, and e-MF services to both retail and institutional clients. SSL currently has over 20 lakh clients. The Company has booked gross revenue of ₹495.95 crore during FY 20 as against ₹404.52 crore in FY 19.

#### B. SBICAP VENTURES LIMITED (SVL)

SVL is a wholly owned subsidiary of SBI Capital Markets Limited. SVL is acting as the Asset Management Company. SVL is presently actively managing three funds – Neev Fund, SWAMIH Investment Fund I and SVL-SME fund.

#### NEEV FUND

Neev Fund, an AIF Cat I Infrastructure Fund had its final close on 31<sup>st</sup> March 2019 and is now fully invested with its capital of ₹430.23 crores deployed over 10 portfolio companies.

#### SWAMIH INVESTMENT FUND I

On September 14, 2019, the Honourable Finance Minister announced the setting up of a special window to provide last mile finance to complete stalled affordable / mid-income housing projects. SBICAP Ventures as the Investment Manager to the first AIF set-up under this window completed the registration of the SWAMIH Investment Fund I ("Fund") as a category II AIF under SEBI regulations.

The AIF has a target size of INR 12,500 crore with a green shoe option of INR 12,500 crore. The Fund has achieved its first closing on 6<sup>th</sup> Dec, 2019 at ₹10,037.50 crores with Government of India, SBI, LIC, HDFC Ltd and all major public sector banks as investors in the Fund. SWAMIH fund team has already held a series of meeting across the major cities to meet developers and provide information on the Fund.

#### SME FUND

SME fund was also launched on 19-11-2018, legal & tax advisors and trustee for SME fund have been appointed, and it is in process of drafting Investment Management Agreement and Contribution Agreement. The trust is registered and SEBI registration for the fund was received on 25-Sep-2019. The company is in process of meeting potential investors for investing in SME fund.

#### C. SBICAP (UK) LIMITED (SUL)

SUL, a wholly owned subsidiary of SBI Capital Markets Limited, is a relationship outfit for SBI Capital Markets Limited in UK and Europe. It has built relationships with FIs, Financial Institutions, Law Firms, Accounting Firms, amongst others, to market the business products of SBICAP. SBI London has also requisite regulatory approval to carry out the activities carried out by SUL. To improve the operational efficiency and minimize the cost, it has been decided to wind up SUL and carry out the business handled by SUL through SBI London.

#### D. SBICAP (SINGAPORE) LIMITED (SSGL)

SSGL, is a wholly owned subsidiary of SBI Capital Markets Limited. It commenced business in December 2012. It has built relationships with FIs, Financial Institutions, Law Firms, Accounting Firms, amongst others, to market the business products of SBICAP. It is specialized in marketing of Foreign Currency Bonds and securing clients for SBICAP SEC.

## E. SBICAP TRUSTEE CO. LIMITED (STCL)

SBICAP Trustee Co Limited (STCL), is a wholly owned subsidiary of SBI Capital Markets Limited. STCL commenced security trustee business with effect from 1<sup>st</sup> August 2008. STCL posted Net Profit

of ₹20.51 Crores during FY 20 as against ₹14.90 Crores in FY 19. STCL plays an active role in providing Security Trustee Services to High Value lending to Infra Projects, Large and Medium Corporates and is the No.1 Security Trustee in the industry. They also have significant presence as Debenture Trustee in the Debenture/Bond market.

STCL have launched the Virtual Data Room (VDR) platform which will help in disseminating information by ARCs and Lenders to prospective buyers of Stressed Assets.

## 2. SBI DFHI LIMITED (SBI DFHI)

(₹ crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of Ownership	Net Profit (Losses) for FY2020
SBI DFHI Limited	131.52	69.04%	₹ 176.34

SBI DFHI Limited is one of the largest standalone Primary Dealers (PD) with a pan India presence. As a Primary Dealer (PD) it is mandated to support the book building process in primary auctions and provide depth and liquidity to secondary markets in G-Sec. Besides Government

securities, it also deals in money market instruments, non G-Sec debt instruments, amongst others. As a PD, its business activities are regulated by RBI.

State Bank of India group holds 72.17% (SBI - 69.04% & SBI Capital Market Ltd-

3.13%) share in the Company, which posted a Net Profit of ₹176.34 crore as on 31<sup>st</sup> March 2020 as against ₹76.85 crore as on 31<sup>st</sup> March 2019. Total balance sheet size was ₹11,383.36 crore as on 31<sup>st</sup> March 2020 as against ₹7,357.25 crore as on 31<sup>st</sup> March 2019.

## 3. SBI CARDS & PAYMENT SERVICES LTD (SBICPSL) (FORMERLY SBI CARDS & PAYMENT SERVICES PVT LTD)

(₹ crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of Ownership	PAT FY2020
SBI Cards and Payment Services Limited	652.63	69.51%	1,245 (EX COVID 1,662)

Note: Ex COVID: After excluding COVID impacts of ₹ 489 Cr towards additional credit provisions and ₹ 90 Cr towards late fee reversals in Q4 FY20 and adjusted for tax

SBI Cards and Payment Services Limited (SBICPSL) is a subsidiary of State Bank of India wherein State Bank of India holds 69.51% stake. SBI Cards and Payment Services Limited (formerly known as SBI Cards and Payment Services Private Limited) ("SBI Card") is a non-banking financial company that offer extensive credit card portfolio to individual cardholders and corporate clients which includes lifestyle, rewards, travel & fuel and banking partnerships cards along with corporate cards covering all major cardholders' segments in terms of income profile and lifestyle. It has diversified customer acquisition network that enables to engage prospective customers across multiple channels. SBI Card is a technology driven company.

Furthermore, the IPO of SBI Cards, led to significant value discovery and is a strong indication of the Bank's ability to incubate



and nurture future industry leaders with a strong potential for value creation in the times ahead. During the quarter ended March 31, 2020, the Company had come up with an Initial Public Offering (IPO) of 137,149,314 Equity Shares of face value of ₹10 each comprising of a Fresh Issue of 6,622,516 Equity Shares and an Offer for Sale of 130,526,798 Equity Shares aggregating to ₹1,034,078.82 lakhs (Selling Shareholders ₹ 984,146.35 lakhs and ₹ 49,932.47 lakhs of the Company). The equity shares of the Company were listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited on March 16, 2020.

The company delivered Profit after Tax (PAT) of ₹ 1,245 Crore in FY20 as compared to ₹865 crore in FY19 at YoY growth of 44%. (Ex COVID PAT ₹ 1,662 Cr in FY20 at YoY growth of 92%).

#### Performance Highlights (FY20)

- PAT grew by 44% to ₹1,245 Crore (Ex COVID ₹1,662 Crore; up 92%).
- ROAA up by 64bps at 5.5% (Ex COVID at 7.2%)
- ROAE at 27.4% (FY19: 28.4%; FY20 Ex COVID at 35.0%)
- Capital Adequacy Ratio (CAR) at 22.4% (FY19: 20.1%); Tier 1 at 17.7% (FY19: 14.9%)

#### Key Metrics

- Cards grew by 28% to 1.05 Cr, Spends grew by 27% to ₹130,915 Crore, Receivables grew by 30% to ₹24,141 Crore
- Market share - Cards at 18.2%, up 68bps; Spends at 17.9%, up 77bps (Till Jan'20)
- Cost to Income ratio improved by 388bps to 56.6%
- GNPA improves by 43bps to 2.01%

#### Significant Awards received during FY20:

- Most Effective Arrangements: Financial Crime & Sanctions Compliance award at the Global 'Compliance Register Platinum Awards 2019' at London.
- Golden Bridge Awards in the categories of customer service department of year in 2019 at San Francisco

- Stevie (Gold Award) for customer service executive of year in 2019 and Stevie (Silver Award) for the customer service department of the year in 2019 by the International Business Awards at Vienna
- Champion Security Award for the South Asia region at Visa Security Summit 2019 held in Shanghai China.

## 4. SBI LIFE INSURANCE COMPANY LIMITED (SBILIFE)

Name of the subsidiary company	Ownership (SBI Interest)	% of Ownership	(₹ crore)
			Net Profit (Losses) FY2020
SBI Life Insurance Company Ltd.	575.99	57.60	1,422

SBI Life Insurance Co. Ltd. is one of the leading listed Life Insurance Company in India. Established in 2001, the Company offers a wide range of individual and group insurance solutions that meet various life stage needs of customers. The products include Savings, Protection, Pension, Health, etc. As on March 31, 2020 the promoters viz. State Bank of India and BNP Paribas Cardif holds 57.6% and 5.2% of the equity share capital respectively. The equity shares of the Company are listed on National Stock Exchange of India Limited ('NSE') and Bombay Stock Exchange Limited ('BSE').

SBI Life has a multi-channel distribution network comprising an expansive bancassurance channel, including State Bank, the largest bancassurance partner in India, a large and productive individual agent network comprising 130,418 agents as of March 31, 2020, as well as other distribution channels including direct sales and sales through corporate agents, brokers, insurance marketing firms and other intermediaries.

During the year ended March 31, 2020, the Company operated in sound and stable manner, with its sole objective of increasing insurance penetration and concentrating on individual regular business through an active and prudent strategy, sales team maintaining the quality as well as quantity and established a firmer market position. The Company has proven its market leadership in the

year ended March 31, 2020 with numero-uno position in Individual New Business Premium among private insurers.

Individual business has always been a part of core strategy of the Company. The company witnessed a 17% growth in Individual New Business Premium (NBP) vis-à-vis the industry growth of 4%. The market share of SBI Life Retail New Business Premium (NBP) among all private players as on 31<sup>st</sup> March 2020 is 22.4%. Total New Business of the Company for the year ended FY2020 stands at ₹ 16,592 crore; growth of 20%.

The Company continues to maintain the leadership position amongst private players in number of policies issued, which reflects mass coverage and strong market acceptance across geographies amongst life insurer. During the year, total 15,51,862 individual new policies were issued and registered growth of 2%.

SBI Life witnessed a PAT of ₹1,422 crore in FY2020 against ₹1,327 crore in FY2019, growth of 7%. Largest Asset Under Management amongst private life insurers. AUM of the Company recorded a growth of 14% at ₹1,60,363 crore as on 31<sup>st</sup> March 2020 as compared to ₹1,41,024 crore as on 31<sup>st</sup> March 2019. Operating return on embedded value of 20.5% as on 31<sup>st</sup> March 2020, one of the best amongst the peers.

Leveraging wider reach achieved through its network of 937 offices, SBI Life has systematically brought large rural areas under insurance reach.

**Awards and recognitions received during the year include:**

1. 'Best Life Insurance Company' Award at ICC Emerging Asia Insurance Conclave & Awards 2019.
2. Won Gold award - Life Insurance Provider of the Year 2019 (Private Sector) at Outlook Money Conclave and Awards 2019
3. Won a "SMART Life Insurance Award" in large category at ET Insurance Summit 2019
4. Won a Gold shield for "Excellence in Financial Reporting" at the ICAI Awards 2019
5. Received the Company Performance Award, 2019 under the category 'India's Leading Life Insurance Company - Private' at the BFSI Summit & Awards by Dun & Bradstreet

**5. SBI FUNDS MANAGEMENT PRIVATE LIMITED (SBIFMPL)**

(₹ Crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of Ownership	Net Profit (Losses) FY2020
SBI Funds Management Pvt. Ltd.	31.50	63%	603.45
SBI Mutual Fund Trustee Company Pvt. Ltd.	0.10	100%	1.95
SBI Funds Management (International) Pvt. Ltd.	100% by SBI Funds Management Private Limited	63%	2.41

SBIFMPL is a Joint Venture between SBI and AMUNDI (France), one of the world's leading fund management companies. The Asset Management Company of SBIFMPL, is amongst the fastest growing AMCs with a growth of over 31.5% against the industry average of 10.4% in 2019-20. In the last three years, SBIFMPL has achieved a CAGR of 33.4% against the industry average of around 13.9%.

As on quarter ended 31<sup>st</sup> March the fund house became the largest Mutual Fund manager in India with Quarterly Average Asset Under Management (QAAUM) of ₹3,73,537 crores moving up with 2

ranks in the financial year. Over all assets managed and advised by SBIFMPL was ₹10,33,663 crores as on 31<sup>st</sup> March 2020.

SBIFMPL has one of largest investor base of around 109 lakh investors with 13 Lac new customers added during the year. The Company has 14.5 Lakh direct investors and over 2.5 Lakh institutional investors including 1236 retirement funds. SBIFMPL is the Largest ETF manager in the country.

SBIFMPL posted a PAT of ₹603.45 crores during the period ended March 2020 as against ₹427.54 crores earned during

the year ended March 2019 under Indian Accounting Standard (Ind AS). The average "Assets Under Management" (AUM) of the Company during the quarter ended March 2020 were ₹3,73,537 crores with a market share of 13.82% as against the average assets under management of ₹2,83,807 crores with a market share of 11.59% during the quarter ended March, 2019. The Company has a fully owned foreign subsidiary viz. SBI Funds Management (International) Private Limited, which is based at Mauritius and manages Off-shore Fund. SBIFMPL also provides Portfolio Management services (PMS) and Alternative Investment Funds (AIF).

**6. SBI GLOBAL FACTORS LIMITED (SBIGFL)**

(₹ Crore)

Name of the subsidiary company	Ownership (SBI Interest)	% of Ownership	Net Profit (Losses) FY2020
SBI Global Factors Ltd.	137.79	86.18%	16.77

SBIGFL is a leading provider of factoring services for domestic and international trade. SBI holds 86.18% share in the Company. The Company's services are especially suitable for MSME clients for freeing up resources locked in book debts. By virtue of its membership of Factors Chain International (FCI), the Company is able to ameliorate credit risk from export receivables under the 2-factor model.

The Company reported a PBT of ₹40.28 crore during the period ended Mar 2020 against previous period ended Mar 2019 PBT of ₹4.28 crore. It's PAT during the period ended March 2020 is ₹16.77 crore against previous period ended Mar 2019 PAT of ₹1.68 crore (under IND AS). Turnover for 12 months ended FY2020 is ₹4,394 crore as compared to turnover of ₹4,387 crore in previous year. Funds in use (FIU) as on 31<sup>st</sup> Mar 2020 is ₹1,317

crore as compared to ₹1,374 crore as on 31<sup>st</sup> Mar 2019. However, the average FIU increased to ₹1305 crores in FY 2019-20 as compared to ₹1211 crores during previous year. The total income of the Company also increased to ₹118.65 crores in FY 2019-20 as against ₹108.64 crores last year.





## 9. SBI PENSION FUNDS PRIVATE LIMITED (SBIPF)

Name of the subsidiary company	(₹ Crore)		
	Ownership (SBI Interest)	% of Ownership	Net Profit (Losses) FY2020
SBI Pension Funds Pvt. Ltd.*	18	60%	2.28

\*SBI Capital Markets and SBI Funds Management are holding 20% equity each in the Company.

SBIPFPL has been appointed as the Pension Fund Manager (PFM) along with six others to manage the pension corpus under National Pension System (NPS). SBIPFPL is one of the three PFMs appointed by the Pension Fund Regulatory & Development Authority (PFRDA) for management of Pension Funds under the NPS for Central Government (except Armed Forces) and State Government employees and one of the seven PFMs appointed for management of Pension Funds under the Private Sector. The total Assets Under Management (AUM) of the company as on 31<sup>st</sup> March 2020 was ₹1,60,491 crore (YoY growth of 32%) against ₹1,21,959 crore on 31<sup>st</sup> March 2019.

The Company maintained lead position amongst PFMs in terms of AUM in both Government and Private Sectors. The overall AUM market share in Private Sector was 58%, while in the Government Sector it was 35%.

The Company was awarded 'Pension Fund House-2019' in Silver Category by Outlook Money. Outlook money Awards has been received by the company for 5<sup>th</sup> consecutive time in a row.

The company had obtained license from Regulator (PFRDA) to act as a Point of Presence (PoP) under NPS. In connection with this, the company had developed digital POP platform and it is fully functional from March 2020. Company has successfully registered its first corporate client

## 10. SBI INFRA MANAGEMENT SOLUTIONS PRIVATE LIMITED (SBIIMS)

SBIIMS is a wholly owned subsidiary incorporated on 17<sup>th</sup> June, 2016. The Company is operating on PAN India with 17 Circle Offices located at all SBI LHO Centres. The Company aims to provide

specialised services on premises and estate related matters to State Bank of India and to relieve State Bank of India officials from dealing with non-core activities.

SBIIMS has taken over all ongoing projects from your Bank as is where is basis and is executing them efficiently. SBIIMS has also successfully completed "Uniform Signage Project" by replacing old State Bank of India signage across India, which has resulted in the unique brand identity of State Bank of India. SBIIMS has also taken the challenge of completing your bank's ambitious "Uniform Branch Ambience Project" in time, which shall enable refined and delighted ambience of branches of State Bank of India.

## 11. SBI FOUNDATION

SBI Foundation was established by State Bank of India in 2015 as a Section VIII company under Companies Act (2013) to undertake the CSR activities of SBI and its Subsidiaries in a planned and focused manner.

To give back to the society by working towards the socio-economic well-being of the marginalised and vulnerable communities, your Bank is actively working towards the upliftment of underprivileged sections of the society with a vision to provide 'Service Beyond Banking'.

SBI Foundation has undertaken multiple initiatives to build momentum for a transforming India by creating an inclusive development paradigm that serves all Indians without any discrimination based on region, language, caste, creed, religion amongst others. For FY2020, the total CSR spend of SBI Foundation was ₹ 14.65 crore. The grants received from Bank and its subsidiaries amounted to ₹ 27.81 crore. The remaining/unspent funds are earmarked to various ongoing CSR projects and shall be utilised in subsequent months.

**The focus areas of activities undertaken by SBIF are illustrated below:**

- **Flagship Programs:** SBIF has three flagship programs:
  - i) SBI Youth for India – a 13month rural fellowship program connecting India's best young minds to work for rural communities
  - ii) Centre of Excellence for Persons with Disabilities – a program with an objective to be a centralised support Centre to empower PwDs
  - iii) SBI Gram Seva – the program aims at working towards holistic development of villages covering 50 villages across six states in India. Nearly, 55% of the allocated amount to SBIF was spent for the flagship programs.
- **Project under Education:** Education is one of the most powerful and proven tools to bring about transformational change in the social development landscape. Towards this end, State Bank of India aims to address the major hindrances in the education sector of India. To do so, your Bank undertakes initiatives such as enhancing access to quality education to slum children of Ahmedabad, strengthening quality of education in 3,000 Anganwadi Centers of Meghalaya, benefitting 60,000 children and Personal Safety Education and Child Sexual Abuse prevention trainings to children and caregivers. For Education projects, 11% of fund was spent for the FY2020.
- **Projects under Healthcare:** SBIF is committed to making a positive contribution to the lives of the unprivileged sections of the society by providing free access to quality healthcare through various initiatives such as Organ Donation, Home-based hospice and palliative care services, Cochlear Implants for children having hearing loss,

Medical-aid to cancer patients, Primary Healthcare services on four-wheelers, and Mitigating the damages of sickle cell anaemia by supporting sickling tests. For healthcare projects, 13% of fund was spent for the FY2020.

- Launch of Flagship Program on Healthcare:** Considering the enormity of the challenge posed by Covid-19 and its adverse impact on the health sector, the Foundation has launched a new flagship program on healthcare. The program is aimed to identify and implement possible areas of collaborative interventions for defeating COVID-19 in India in association with likeminded organisations upgrading Health infrastructure and Diagnostics Facilities, Patient Management, Capacity Building of Health Staff and Creating General Awareness for Public.

### RRBs Sponsored by SBI

With 2/3rds of our country's population living in Rural, it presents a huge yet under tapped opportunity for the Indian Banking Sector. Our large network of sponsored Regional Rural Banks (RRBs) is well placed, to play a larger role and have a great potential to address this scenario. Regional Rural Banks have a distinct competitive advantage, due to their large account base and decades of trust-earning service tradition, resulting in close proximity to the rural customers.

- The State Bank has sponsored (15) Regional Rural Banks operating at regional levels in (15) different States. These RRBs have a combined branch strength of (5,318) spread across (226) Districts. (as on 31<sup>st</sup> March 2020).

- State Bank of India holds 35% stake in each of them except Ellquai Dehati Bank (36.27%), Madhyanchal Gramin Bank (35.46%) and Utkal Gramin Bank (36.51%) as on 31<sup>st</sup> March 2020 with the Government of India holding 50% and the respective State Governments holding the remaining 15% stakes.
- The Sponsored RRBs of SBI are on CBS platform and offer banking services on par with any other commercial Banks operating in the country. The Banks have adopted the best practices and are well placed to handle the ever-evolving demands of customers, particularly in Rural and Semi-urban space, through their customer centric approach.

## 12.REGIONAL RURAL BANKS (RRBS)

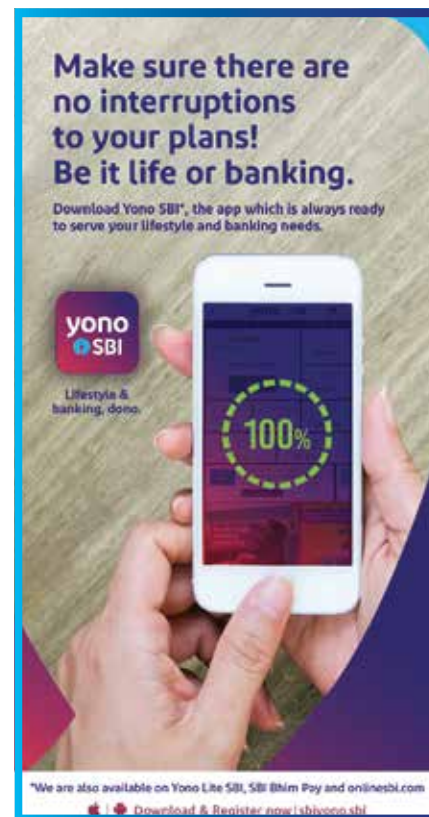
### OWNERSHIP PERCENTAGE OF SBI IN RRBS SPONSORED BY SBI

Sr. No.	Name of RRBs	%
1	Andhra Pradesh Grameena Vikas Bank	35.00%
2	Arunachal Pradesh Rural Bank	35.00%
3	Chhattisgarh Rajya Gramin Bank	35.00%
4	Ellaquai Dehati Bank \$\$	36.27%
5	Jharkhand Rajya Gramin Bank	35.00%
6	Madhyanchal Gramin Bank ##	35.46%
7	Meghalaya Rural Bank	35.00%
8	Mizoram Rural Bank	35.00%
9	Nagaland Rural Bank	35.00%
10	Purvanchal Bank	35.00%
11	Rajasthan Marudhara Gramin Bank	35.00%
12	Saurashtra Gramin Bank	35.00%
13	Telangana Grameena Bank	35.00%
14	Utkal Grameen Bank **	36.51%
15	Uttarakhand Gramin Bank	35.00%

\$\$ Sponsor Bank and State Govt have infused their part of ₹5.48 crore and ₹2.35 crore respectively of approved fresh infusion of Share Capital. As Central Govt is yet to infuse their part of share capital of ₹7.83 crore. On infusion of remaining capital of Central Govt, our share will be at 35%.

## Sponsor Bank and GOI have infused their part of ₹8.91 crore and ₹12.73 crore respectively of approved fresh infusion of Share Capital. As Govt of MP is yet to infuse their proportionate part of share capital of ₹3.82 crore. On infusion of remaining capital by Govt of MP, our share will be at 35%.

\*\* Sponsor Bank and GOI have infused their part of ₹93.856 crore and ₹134.08 crore respectively of approved fresh infusion of Share Capital. As the Government of Odisha is yet to infuse their proportionate part of share capital of ₹40.22 crore. On infusion of remaining capital by the Government of Odisha, our share will be at 35%.





**Business Highlights of FY 2020:**

- The aggregate deposits and advances of the (15) RRBs (sponsored by the Bank) as on (31<sup>st</sup> March 2020) stood at (1,07,539 crore) and (62,469 crore) respectively.
- During the year under review, despite the persistently challenging macroeconomic environment, the Bank improved its business, with Deposits growing by (11.59%) and Advances by (11.65%) on YoY. As a planned strategy to diversify to the portfolio, RRBs expanded their Housing Loan exposure by 30.84% (YoY) to take the portfolio to 7,492.21 crore.
- During FY2020, the RRBs together have posted a Net-Profit (₹260.29 crore) despite substantial provision of Pension ₹1,589.63 crore. The Banks continue to focus on improving earnings from their core banking business, strengthening the fee income streams and maintaining control on operating costs.
- The combined Gross Non-Performing Assets ratio of the RRBs has decreased to (6.37%) in current Financial year as against 6.97% in FY2019 due to focused approach for reduction of NPA. The Net NPA stands at (2.78%) as against (3.32%) in FY2019.
- Business per employee during FY2020 improved to (₹8.44 crore) (as on 31<sup>st</sup> March 2020) as against ₹7.35 crore in FY2019.

**Major Developments in FY 2020:**

The year under review witnessed several significant events, some of which are listed below:

- In January 2019, in line with a Government of India decision to amalgamate all RRBs operating in the state of Jharkhand, "Vananchal Gramin Bank" sponsored by SBI was amalgamated with Jharkhand Gramin Bank sponsored by Bank of India through a scheme of arrangements as facilitated by Ministry of Finance, Govt of India as new RRB "Jharkhand Rajya Gramin Bank" under the sponsorship of SBI w.e.f. 1<sup>st</sup> April 2019.

- In accordance with notification dated 26<sup>th</sup> November 2019 issued by the Government of India, Purvanchal Bank sponsored by us will be amalgamated with Baroda U.P. Bank under the sponsorship of Bank of Baroda w.e.f. 1<sup>st</sup> April 2020.
- The 14 RRBs with 4,718 Branch network, are expected to work more efficiently in the upcoming years, thanks to the introduction of Asset Management Hubs (AMHs) - a Centralised Credit Processing system.

**Schedule V, Part B - Management: Discussion and Analysis:**

In terms of compliance with the SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations 2018, following ratios have changed by more than 25%, as per details given below:

(in %)	Mar 19	Mar 20	Variation (bps)	% Change
Net Profit Margin	0.31	4.79	448	1453.11
Return on Net Worth	0.48	7.74	725	1495.77

**Net Profit Margin:**

The Net Profit has registered YoY growth of 1580.31% (from a profit of ₹ 862 Cr in FY19 to Net Profit of ₹ 14,488 Cr during FY20) as against YoY growth of only 8.19% in Total Income (from ₹ 2,79,644 Cr in FY19 to ₹ 3,02,545 Cr in FY20).

**Return on Net worth:**

The Net Profit has registered YoY growth of 1580.31% (from a profit of ₹ 862 Cr in FY19 to Net Profit of ₹ 14,488 Cr during FY20) as against YoY growth of only 9.79% in Net worth of the Bank (from ₹1,78,552 Cr in FY19 to ₹1,96,037 Cr in FY20).



Bank's Board of Directors and Other Senior Officials at the Annual Strategy Meet



## VI. RESPONSIBILITY STATEMENT

### THE BOARD OF DIRECTORS HEREBY STATES:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. that they have selected such accounting policies and applied them consistently and made judgements and estimates as are reasonable and prudent, so as to give a true and fair view of the state of affairs of your Bank as on the 31<sup>st</sup> March 2020, and of the profit and loss of Your Bank for the year ended on that date;
- iii. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Banking Regulation Act, 1949 and State Bank of India Act, 1955 for safeguarding the assets of your Bank and preventing and detecting frauds and other irregularities;
- iv. that they have prepared the annual accounts on a going concern basis;
- v. that the internal financial controls had been laid down, to be followed by your Bank and that such internal financial controls are adequate and were operating effectively; and
- vi. that proper system had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## VII. ACKNOWLEDGMENT

During the year, Shri Debasish Panda was nominated as Director on the Board u/s 19 (e) of SBI Act 1955 w.e.f. 24<sup>th</sup> January 2020 vice Shri Ravi Mital, who was nominated as Director w.e.f. 08<sup>th</sup> August 2019 vice Shri Rajiv Kumar. Shri Sanjeev Maheshwari was nominated as Director on the Board u/s 19 (d) of SBI Act 1955 w.e.f. 20<sup>th</sup> December 2019. Shri Challa Sreenivasulu Setty was appointed as Managing Director on the Board w.e.f. 20<sup>th</sup> January 2020.

Smt Anshula Kant, Managing Director resigned from the Board w.e.f. 31<sup>st</sup> August 2019 and Shri P K Gupta, Managing Director superannuated on 31<sup>st</sup> March 2020. The term of Dr Girish Ahuja, Director appointed by GOI u/s 19 (d) ended on 05<sup>th</sup> February 2020. Dr Pushpendra Rai has been renominated by GOI as Director u/s 19 (d) of the SBI Act, 1955 w.e.f. 6<sup>th</sup> February 2020 for a period of two years.

The Directors place on record their appreciation for the contributions made by the outgoing Managing Director, Smt Anshula Kant and Directors, Shri Rajiv Kumar, Shri Ravi Mital and Dr Girish Ahuja to the deliberations of the Board. The Directors welcomed the new Directors, Shri Sanjeev Maheshwari, Shri Debasish Panda and Managing Director, Shri Challa Sreenivasulu Setty on the Board.

The Directors also express their gratitude for the guidance and co-operation received from the Government of India, RBI, SEBI, IRDA and other government and regulatory agencies.

The Directors also thank all the valued clients, shareholders, Banks and financial institutions, stock exchanges, rating agencies and other stakeholders for their patronage and support and take this opportunity to express their appreciation for the dedicated and committed team of employees of the Bank.

For and on behalf of the  
Central Board of Directors

Chairman

Date: 05 June, 2020