

# State Bank of India

Balance Sheet as at 31<sup>st</sup> March, 2020

(000s omitted)

	Schedule No.	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	892,46,12	892,46,12
Reserves & Surplus	2	231114,96,63	220021,36,33
Deposits	3	3241620,73,43	2911386,01,07
Borrowings	4	314655,65,21	403017,11,82
Other Liabilities and Provisions	5	163110,10,41	145597,29,55
<b>TOTAL</b>		<b>3951393,91,80</b>	<b>3680914,24,89</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	6	166735,77,90	176932,41,75
Balances with Banks and money at call and short notice	7	84361,22,64	45557,69,40
Investments	8	1046954,51,75	967021,94,75
Advances	9	2325289,56,07	2185876,91,77
Fixed Assets	10	38439,28,18	39197,56,94
Other Assets	11	289613,55,26	266327,70,28
<b>TOTAL</b>		<b>3951393,91,80</b>	<b>3680914,24,89</b>
Contingent Liabilities	12	1214994,60,69	1116081,45,94
Bills for Collection	-	55758,16,19	70022,53,97
Significant Accounting Policies	17		
Notes to Accounts	18		

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

**Shri Challa Sreenivasulu Setty**

Managing Director  
(Retail & Digital Banking)

**Shri Arijit Basu**

Managing Director  
(Commercial Clients Group & IT)

**Shri Dinesh Kumar Khara**

Managing Director  
(Global Banking & Subsidiaries)

**Directors:**

Shri Sanjiv Malhotra  
Shri Bhaskar Pramanik  
Shri Basant Seth  
Dr. Pushpendra Rai  
Dr. Purnima Gupta  
Shri B. Venugopal  
Shri Chandan Sinha  
Shri Debasish Panda  
Shri Sanjeev Maheshwari

**Place:**

Udagamandalam  
New Delhi  
Kanpur  
New Delhi  
New Delhi  
Mumbai  
Mumbai  
New Delhi  
Mumbai

**Shri Rajnish Kumar**  
Chairman

**Place: Mumbai**

**Date : 5<sup>th</sup> June 2020**

In terms of our report of even date

**FOR J.C. BHALLA & CO.**

Chartered Accountants

**RAJESH SETHI**

**Partner:** M. No. 085669  
**Firm Regn. No.** 001111 N  
Place: New Delhi

**FOR RAY & RAY**

Chartered Accountants

**ARVIND NARAYAN YENNEMADI**

**Partner:** M. No. 031004  
**Firm Regn. No.** 301072 E  
Place: Mumbai

**FOR K. VENKATACHALAM  
AIYER & CO.**

Chartered Accountants

**A GOPALAKRISHNAN**

**Partner:** M. No. 018159  
**Firm Regn. No.** 004610 S  
Place: Ernakulam

**FOR G. P. AGRAWAL & CO.**

Chartered Accountants

**SUNITA KEDIA**

**Partner:** M. No. 60162  
**Firm Regn. No.** 302082 E  
Place: Kolkata

**FOR UMAMAHESWARA  
RAO & CO.**

Chartered Accountants

**G. SIVA RAMAKRISHNA PRASAD**

**Partner:** M. No. 024860  
**Firm Regn. No.** 004453 S  
Place: Hyderabad

**FOR CHATURVEDI & SHAH LLP**

Chartered Accountants

**VITESH D. GANDHI**

**Partner:** M. No. 110248  
**Firm Reg. No.** 101720W/W100355  
Place: Mumbai

**FOR O.P. TOTLA & CO.**

Chartered Accountants

**S. R. TOTLA**

**Partner:** M. No. 071774  
**Firm Regn. No.** 000734 C  
Place: Indore

**FOR S. K. KAPOOR & CO.**

Chartered Accountants

**V. B. SINGH**

**Partner:** M. No. 073124  
**Firm Regn. No.** 000745 C  
Place: Kanpur

**FOR SCV & CO. LLP**

Chartered Accountants

**SANJAY VASUDEVA**

**Partner:** M. No. 090989  
**Firm Regn. No.** 000235N/N500089  
Place: New Delhi

**FOR KHANDELWAL JAIN & CO.**

Chartered Accountants

**PANKAJ JAIN**

**Partner:** M. No. 48850  
**Firm Regn. No.** 105049 W  
Place: Mumbai

**FOR S K MITTAL & CO.**

Chartered Accountants

**S MURTHY**

**Partner:** M. No. 072290  
**Firm Regn. No.** 001135 N  
Place: New Delhi

**FOR N.C. RAJAGOPAL & CO.**

Chartered Accountants

**V. CHANDRASEKARAN**

**Partner:** M. No. 024844  
**Firm Regn. No.** 003398 S  
Place: Chennai

**FOR KARNAVAT & CO.**

Chartered Accountants

**VIRAL JOSHI**

**Partner:** M. No. 137686  
**Firm Regn. No.** 104863 W  
Place: Mumbai

**FOR SHAH GUPTA & CO.**

Chartered Accountants

**VIPUL K CHOKSI**

**Partner:** M. No. 37606  
**Firm Regn. No.** 109574 W  
Place: Mumbai

Date : June 05, 2020

## Schedule 1 - Capital

( 000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
Authorised Capital : 5000,00,00,000 shares of ₹ 1 each (Previous Year 5000,00,00,000 shares of ₹ 1 each)	5000,00,00	5000,00,00
Issued Capital : 892,54,05,164 equity shares of ₹ 1/- each (Previous Year 892,54,05,164 equity shares of ₹ 1/- each)	892,54,05	892,54,05
Subscribed and Paid up Capital : 892,46,11,534 equity shares of ₹ 1/- each (Previous Year 892,46,11,534 equity shares of ₹ 1/- each)	892,46,12	892,46,12
[The above includes 11,03,42,880 equity shares of ₹ 1/- each (Previous Year 12,10,71,350 equity shares of ₹ 1/- each) represented by 1,10,34,288 (Previous Year 1,21,07,135) Global Depository Receipts]		
<b>TOTAL</b>	<b>892,46,12</b>	<b>892,46,12</b>

## Schedule 2 - Reserves &amp; Surplus

( 000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
<b>I. Statutory Reserves</b>		
Opening Balance	65595,65,26	65336,98,37
Additions during the year	4346,43,32	258,66,89
Deductions during the year	-	-
	69942,08,58	65595,65,26
<b>II. Capital Reserves</b>		
Opening Balance	9770,86,64	9391,65,88
Additions during the year	3985,83,93	379,20,76
Deductions during the year	-	-
	13756,70,57	9770,86,64
<b>III. Share Premium</b>		
Opening Balance	79115,47,05	79124,21,51
Additions during the year	-	37,92
Deductions during the year	-	9,12,38
	79115,47,05	79115,47,05
<b>IV. Investment Fluctuation Reserve</b>		
Opening Balance	-	-
Additions during the year	1119,88,09	-
Deductions during the year	-	-
	1119,88,09	-

(000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
<b>V. Foreign Currency Translation Reserves</b>		
Opening Balance	6730,96,89	5720,58,73
Additions during the year	2844,98,23	1077,13,19
Deductions during the year	301,34,68	66,75,03
	9274,60,44	6730,96,89
<b>VI. Revenue and Other Reserves*</b>		
Opening Balance	49380,51,95	48893,23,87
Additions during the year	793,96,19	563,88,56
Deductions during the year	5532,62,60	76,60,48
	44641,85,54	49380,51,95
<b>VII. Revaluation Reserve</b>		
Opening Balance	24653,94,08	24847,98,65
Additions during the year	379,57,78	-
Deductions during the year	1270,85,29	194,04,57
	23762,66,57	24653,94,08
<b>VIII. Balance in Profit and Loss Account</b>	(10498,30,21)	(15226,05,54)
<b>TOTAL</b>	<b>231114,96,63</b>	<b>220021,36,33</b>

\* Note: Revenue and Other Reserves include

- (i) ₹ 5,00,00 thousand (Previous Year ₹ 5,00,00 thousand) of Integration and Development Fund (maintained under Section 36 of the State Bank of India Act, 1955)
- (ii) Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 ₹ 14032,22,76 thousand (Previous Year ₹ 13421,76,76 thousand)
- (iii) Investment Reserves Current Year ₹ 69,58,40 (Previous Year ₹ 371,84,01)

### Schedule 3 - Deposits

(000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
<b>A. I. Demand Deposits</b>		
(i) From Banks	5129,65,75	6894,62,06
(ii) From Others	222205,92,69	198980,62,74
<b>II. Savings Bank Deposits</b>	1206371,98,79	1091751,97,36
<b>III. Term Deposits</b>		
(i) From Banks	5973,24,84	8234,15,28
(ii) From Others	1801939,91,36	1605524,63,63
<b>TOTAL</b>	<b>3241620,73,43</b>	<b>2911386,01,07</b>
<b>B. (i) Deposits of Branches in India</b>	3124615,86,05	2814243,42,48
<b>(ii) Deposits of Branches outside India</b>	117004,87,38	97142,58,59
<b>TOTAL</b>	<b>3241620,73,43</b>	<b>2911386,01,07</b>

## Schedule 4 - Borrowings

(000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
<b>I. Borrowings in India</b>		
(i) Reserve Bank of India	33533,00,00	94319,00,00
(ii) Other Banks	40,00,00	260,00,00
(iii) Other Institutions and Agencies	6165,75,42	27853,89,24
<b>(iv) Capital Instruments:</b>		
a. Innovative Perpetual Debt Instruments(IPDI)	23535,70,00	19152,30,00
b. Subordinated Debt & Bonds	32006,73,80	28256,73,80
	<b>55542,43,80</b>	<b>47409,03,80</b>
<b>TOTAL</b>	<b>95281,19,22</b>	<b>169841,93,04</b>
<b>II. Borrowings outside India</b>		
(i) Borrowings and Refinance outside India	217104,50,99	231100,53,78
(ii) Capital Instruments:		
Innovative Perpetual Debt Instruments(IPDI)	2269,95,00	2074,65,00
<b>TOTAL</b>	<b>219374,45,99</b>	<b>233175,18,78</b>
<b>GRAND TOTAL</b>	<b>314655,65,21</b>	<b>403017,11,82</b>
Secured Borrowings included in I & II above	<b>42790,93,47</b>	<b>124028,25,70</b>

## Schedule 5 - Other Liabilities &amp; Provisions

(000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
I. Bills payable	26822,90,16	23875,66,31
II. Inter-office adjustments (Net)	-	21735,74,61
III. Interest accrued	15697,16,19	14479,87,48
IV. Deferred Tax Liabilities (Net)	6,16,17	2,33,15
V. Others (including provisions)*	120583,87,89	85503,68,00
<b>TOTAL</b>	<b>163110,10,41</b>	<b>145597,29,55</b>

\* Includes prudential provision for Standard Assets ₹ 11544,24,43 thousand (Previous Year ₹ 12396,67,91 thousand)

## Schedule 6 - Cash and Balances With Reserve Bank Of India

( 000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
I. Cash in hand (including foreign currency notes and gold)	20104,58,40	18777,94,34
II. Balances with Reserve Bank of India		
(i) In Current Account	146631,19,50	158154,47,41
(ii) In Other Accounts	-	-
<b>TOTAL</b>	<b>166735,77,90</b>	<b>176932,41,75</b>

## Schedule 7 - Balances With Banks And Money At Call &amp; Short Notice

( 000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
<b>I. In India</b>		
(i) Balances with banks		
(a) In Current Account	22,59,77	870,270
(b) In Other Deposit Accounts	-	-
(ii) Money at call and short notice		
(a) With banks	44747,71,31	4608,88,73
(b) With Other Institutions	-	-
<b>TOTAL</b>	<b>44770,31,08</b>	<b>4695,91,43</b>
<b>II. Outside India</b>		
(i) In Current Account	28303,47,50	19667,07,18
(ii) In Other Deposit Accounts	1379,28,32	2870,14,73
(iii) Money at call and short notice	9908,15,74	18324,56,06
<b>TOTAL</b>	<b>39590,91,56</b>	<b>40861,77,97</b>
<b>GRAND TOTAL (I and II)</b>	<b>84361,22,64</b>	<b>45557,69,40</b>

## Schedule 8 - Investments

( 000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
<b>I. Investments in India in</b>		
(i) Government Securities	803270,12,10	761883,12,15
(ii) Other approved securities	-	-
(iii) Shares	8221,43,31	9878,74,38
(iv) Debentures and Bonds	102363,82,19	84948,36,68
(v) Subsidiaries and/ or Joint Ventures (including Associates)	11744,07,18	5608,00,04
(vi) Others (Units of Mutual Funds, Commercial Papers etc.)	74057,22,82	53388,53,85
<b>TOTAL</b>	<b>999656,67,60</b>	<b>915706,77,10</b>

(000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
<b>II. Investments outside India in</b>		
(i) Government Securities (including local authorities)	17062,82,86	11644,84,99
(ii) Subsidiaries and/ or Joint Ventures abroad	4298,49,28	4298,49,28
(iii) Other Investments (Shares, Debentures etc.)	25936,52,01	35371,83,38
<b>TOTAL</b>	<b>47297,84,15</b>	<b>51315,17,65</b>
<b>GRAND TOTAL (I and II)</b>	<b>1046954,51,75</b>	<b>967021,94,75</b>
<b>III. Investments in India</b>		
(i) Gross Value of Investments	1010599,04,40	926650,59,97
(ii) Less: Aggregate of Provisions / Depreciation	10942,36,80	10943,82,87
(iii) Net Investments (vide I above) <b>TOTAL</b>	<b>999656,67,60</b>	<b>915706,77,10</b>
<b>IV. Investments outside India</b>		
(i) Gross Value of Investments	47448,66,41	51473,39,76
(ii) Less: Aggregate of Provisions / Depreciation	150,82,26	158,22,11
(iii) Net Investments (vide II above) <b>TOTAL</b>	<b>47297,84,15</b>	<b>51315,17,65</b>
<b>GRAND TOTAL (III and IV)</b>	<b>1046954,51,75</b>	<b>967021,94,75</b>

**Schedule 9 - Advances**

(000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
<b>A. I. Bills purchased and discounted</b>	<b>84017,46,96</b>	<b>80278,87,21</b>
II. Cash credits, overdrafts and loans repayable on demand	708726,92,91	776633,45,81
III. Term loans	1532545,16,20	1328964,58,75
<b>TOTAL</b>	<b>2325289,56,07</b>	<b>2185876,91,77</b>
<b>B. I. Secured by tangible assets (includes advances against Book Debts)</b>	<b>1673925,40,51</b>	<b>1582764,41,50</b>
II. Covered by Bank/ Government Guarantees	92117,72,36	80173,16,17
III. Unsecured	559246,43,20	522939,34,10
<b>TOTAL</b>	<b>2325289,56,07</b>	<b>2185876,91,77</b>
<b>C. (I) Advances in India</b>		
(i) Priority Sector	526675,87,35	520729,77,60
(ii) Public Sector	287504,28,69	240295,89,39
(iii) Banks	812,52,23	9174,06,50
(iv) Others	1154187,79,39	1114679,73,28
<b>TOTAL</b>	<b>1969180,47,66</b>	<b>1884879,46,77</b>
<b>(II) Advances outside India</b>		
(i) Due from banks	80372,75,07	69975,74,47
(ii) Due from others		
(a) Bills purchased and discounted	31091,11,08	26740,94,11
(b) Syndicated loans	172482,45,21	138191,25,40
(c) Others	72162,77,05	66089,51,02
<b>TOTAL</b>	<b>356109,08,41</b>	<b>300997,45,00</b>
<b>GRAND TOTAL [C (I) and C (II)]</b>	<b>2325289,56,07</b>	<b>2185876,91,77</b>

## Schedule 10 - Fixed Assets

(000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
<b>I. Premises (Including Revalued Premises)</b>		
At cost / revalued as at 31 <sup>st</sup> March of the preceding year	30831,77,23	30201,53,82
Additions:		
- during the year	299,15,09	669,84,09
- for Revaluation	3936,14,00	-
Deductions:		
- during the year	14,17,04	39,60,68
- for Revaluation	4735,02,74	-
Depreciation to date		
- on cost	833,18,06	714,18,98
- on Revaluation	670,54,22	497,17,97
	<b>28814,14,26</b>	<b>29620,40,28</b>
<b>II. Other Fixed Assets (including furniture and fixtures)</b>		
At cost / revalued as at 31 <sup>st</sup> March of the preceding year	31074,77,30	30114,90,96
Additions during the year	3352,06,86	2404,25,97
Deductions during the year	929,22,06	1444,39,63
Depreciation to date	24288,37,20	22186,23,44
	<b>9209,24,90</b>	<b>8888,53,86</b>
<b>III. Assets under Construction (Including Premises)</b>	<b>415,89,02</b>	<b>688,62,80</b>
<b>TOTAL (I, II, and III)</b>	<b>38439,28,18</b>	<b>39197,56,94</b>

## Schedule 11 - Other Assets

(000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
I. Inter-office adjustments (Net)	1936,15,88	-
II. Interest accrued	26252,46,38	26141,97,03
III. Tax paid in advance / tax deducted at source	34450,84,01	24376,29,42
IV. Deferred Tax Assets (Net)	2933,44,38	10422,49,17
V. Stationery and stamps	92,02,77	102,14,03
VI. Non-banking assets acquired in satisfaction of claims	56,10	73,71
VII. Others *	223948,05,74	205284,06,92
<b>TOTAL</b>	<b>289613,55,26</b>	<b>266327,70,28</b>

\*Includes Deposits placed with NABARD/SIDBI/NHB amounting to ₹ 163238,91,62 thousand (Previous Year ₹ 138245,29,37 thousand)



## Schedule 12 - Contingent Liabilities

( 000s omitted)

	As at 31.03.2020 (Current Year) ₹	As at 31.03.2019 (Previous Year) ₹
I. Claims against the bank not acknowledged as debts	71642,48,25	43357,92,57
II. Liability for partly paid investments/ Venture Funds	1682,66,59	472,87,61
III. Liability on account of outstanding forward exchange contracts	635813,45,45	596621,66,74
IV. Guarantees given on behalf of constituents		
(a) In India	165584,80,13	157186,66,27
(b) Outside India	70636,18,96	72425,94,84
V. Acceptances, endorsements and other obligations	132364,00,65	124194,94,04
VI. Other items for which the bank is contingently liable*	137271,00,66	121821,43,87
<b>TOTAL</b>	<b>1214994,60,69</b>	<b>1116081,45,94</b>

\*Includes Derivatives ₹ 132209,26,69 thousand (Previous Year ₹ 117435,24,87 thousand)

# State Bank Of India

Profit and Loss Account for the Year Ended 31<sup>st</sup> March, 2020

(000s omitted)

	Schedule No.	Year Ended 31.03.2020 (Current Year) ₹	Year Ended 31.03.2019 (Previous Year) ₹
<b>I. INCOME</b>			
Interest earned	13	257323,59,22	242868,65,35
Other Income	14	45221,47,80	36774,88,78
<b>TOTAL</b>		<b>302545,07,02</b>	<b>279643,54,13</b>
<b>II. EXPENDITURE</b>			
Interest expended	15	159238,76,57	154519,77,80
Operating expenses	16	75173,69,02	69687,73,74
Provisions and contingencies		53644,50,37	54573,79,61
<b>TOTAL</b>		<b>288056,95,96</b>	<b>278781,31,15</b>
<b>III. PROFIT</b>			
Net Profit for the year		14488,11,06	862,22,98
Profit/ (Loss) brought forward		(15226,05,54)	(15078,56,86)
<b>TOTAL</b>		<b>(737,94,48)</b>	<b>(14216,33,88)</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserve		4346,43,32	258,66,89
Transfer to Capital Reserve		3985,83,93	379,20,76
Transfer to Investment Fluctuation Reserve		1119,88,09	-
Transfer to Revenue and other Reserves		308,20,39	371,84,01
Balance carried over to Balance Sheet		(10498,30,21)	(15226,05,54)
<b>TOTAL</b>		<b>(737,94,48)</b>	<b>(14216,33,88)</b>
<b>V. EARNINGS PER EQUITY SHARE (Face value ₹ 1 per share)</b>			
Basic (in ₹)		16.23	0.97
Diluted (in ₹)		16.23	0.97
Significant Accounting Policies	17		
Notes to Accounts	18		

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

**Shri Challa Sreenivasulu Setty**

Managing Director  
(Retail & Digital Banking)

**Shri Arijit Basu**

Managing Director  
(Commercial Clients Group & IT)

**Shri Dinesh Kumar Khara**

Managing Director  
(Global Banking & Subsidiaries)

**Directors:**

Shri Sanjiv Malhotra  
Shri Bhaskar Pramanik  
Shri Basant Seth  
Dr. Pushpendra Rai  
Dr. Purnima Gupta  
Shri B. Venugopal  
Shri Chandan Sinha  
Shri Debasish Panda  
Shri Sanjeev Maheshwari

**Place:**

Udagamandalam  
New Delhi  
Kanpur  
New Delhi  
New Delhi  
Mumbai  
Mumbai  
New Delhi  
Mumbai

**Shri Rajnish Kumar**  
Chairman

**Place: Mumbai**

**Date : 5<sup>th</sup> June 2020**

In terms of our report of even date

**FOR J.C. BHALLA & CO.**

Chartered Accountants

**RAJESH SETHI**

**Partner:** M. No. 085669  
**Firm Regn. No.** 001111 N  
Place: New Delhi

**FOR RAY & RAY**

Chartered Accountants

**ARVIND NARAYAN YENNEMADI**

**Partner:** M. No. 031004  
**Firm Regn. No.** 301072 E  
Place: Mumbai

**FOR K. VENKATACHALAM  
AIYER & CO.**

Chartered Accountants

**A GOPALAKRISHNAN**

**Partner:** M. No. 018159  
**Firm Regn. No.** 004610 S  
Place: Ernakulam

**FOR G. P. AGRAWAL & CO.**

Chartered Accountants

**SUNITA KEDIA**

**Partner:** M. No. 60162  
**Firm Regn. No.** 302082 E  
Place: Kolkata

**FOR UMAMAHESWARA  
RAO & CO.**

Chartered Accountants

**G. SIVA RAMAKRISHNA PRASAD**

**Partner:** M. No. 024860  
**Firm Regn. No.** 004453 S  
Place: Hyderabad

**FOR CHATURVEDI & SHAH LLP**

Chartered Accountants

**VITESH D. GANDHI**

**Partner:** M. No. 110248  
**FirmReg. No.**101720W/W100355  
Place: Mumbai

**FOR O.P. TOTLA & CO.**

Chartered Accountants

**S. R. TOTLA**

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**FOR S. K. KAPOOR & CO.**

Chartered Accountants

**V. B. SINGH**

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Place: Kanpur

**FOR SCV & CO. LLP**

Chartered Accountants

**SANJAY VASUDEVA**

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**FOR KHANDELWAL JAIN & CO.**

Chartered Accountants

**PANKAJ JAIN**

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**Firm Regn. No.** 105049 W  
Place: Mumbai

**FOR S K MITTAL & CO.**

Chartered Accountants

**S MURTHY**

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Place: New Delhi

**FOR N.C. RAJAGOPAL & CO.**

Chartered Accountants

**V. CHANDRASEKARAN**

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**Firm Regn. No.** 003398 S  
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**FOR KARNAVAT & CO.**

Chartered Accountants

**VIRAL JOSHI**

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**Firm Regn. No.** 104863 W  
Place: Mumbai

**FOR SHAH GUPTA & CO.**

Chartered Accountants

**VIPUL K CHOKSI**

**Partner:** M. No. 37606  
**Firm Regn. No.** 109574 W  
Place: Mumbai

Date : June 05, 2020

**Schedule 13 - Interest Earned**

(000s omitted)

	Year ended 31.03.2020 (Current Year) ₹	Year ended 31.03.2019 (Previous Year) ₹
I. Interest / discount on advances / bills	179748,83,55	161640,23,23
II. Income on Investments	68204,72,38	74406,16,37
III. Interest on balances with Reserve Bank of India and other inter-bank funds	2920,40,56	1179,06,59
IV. Others	6449,62,73	5643,19,16
<b>TOTAL</b>	<b>257323,59,22</b>	<b>242868,65,35</b>

**Schedule 14 - Other Income**

(000s omitted)

	Year ended 31.03.2020 (Current Year) ₹	Year ended 31.03.2019 (Previous Year) ₹
I. Commission, exchange and brokerage	23725,05,94	23303,89,22
II. Profit/ (Loss) on sale of investments (Net) <sup>1</sup>	8575,65,21	3146,86,06
III. Profit/ (Loss) on revaluation of investments (Net)	-	(2124,03,82)
IV. Profit/ (Loss) on sale of land, buildings and other assets (Net)	(28,37,38)	(34,98,24)
V. Profit/ (Loss) on exchange transactions (Net)	2516,41,29	2155,75,29
VI. Income earned by way of dividends etc., from subsidiaries/ companies and/ or joint ventures abroad/ in India	212,03,35	348,01,18
VII. Miscellaneous Income <sup>2</sup>	10220,69,39	9979,39,09
<b>TOTAL</b>	<b>45221,47,80</b>	<b>36774,88,78</b>

<sup>1</sup>Profit/ (Loss) on sale of investments (Net) includes exceptional item of ₹ 6215.64 Crore (Previous year ₹ 473.12 Crore).

<sup>2</sup>Miscellaneous Income includes exceptional item of NIL (Previous year ₹ 1,087.43) and Recoveries made in write-off accounts ₹ 9250.23 Crore (Previous year ₹ 8,344.61 Crore).

**Schedule 15 - Interest Expended**

(000s omitted)

	Year ended 31.03.2020 (Current Year) ₹	Year ended 31.03.2019 (Previous Year) ₹
I. Interest on Deposits	147398,96,33	140272,36,59
II. Interest on Reserve Bank of India/ Inter-bank borrowings	6891,11,73	9838,95,98
III. Others	4948,68,51	4408,45,23
<b>TOTAL</b>	<b>159238,76,57</b>	<b>154519,77,80</b>

**Schedule 16 - Operating Expenses**

(000s omitted)

	Year ended 31.03.2020 (Current Year) ₹	Year ended 31.03.2019 (Previous Year) ₹
I. Payments to and provisions for employees	45714,96,78	41054,70,68
II. Rent, taxes and lighting	5339,11,88	5265,65,95
III. Printing and stationery	526,20,36	498,94,99
IV. Advertisement and publicity	246,16,76	354,05,58
V. Depreciation on Bank's property	3303,81,33	3212,30,65
VI. Directors' fees, allowances and expenses	1,86,42	1,34,65
VII. Auditors' fees and expenses (including branch auditors' fees and expenses)	244,67,58	293,67,65
VIII. Law charges	266,66,85	261,84,28
IX. Postages, Telegrams, Telephones etc.	349,13,89	387,01,81
X. Repairs and maintenance	924,32,58	904,08,56
XI. Insurance	3212,71,45	2845,44,78
XII. Other expenditure	15044,03,14	14608,64,16
<b>TOTAL</b>	<b>75173,69,02</b>	<b>69687,73,74</b>

## Schedule 17- Significant Accounting Policies

### A. Basis of Preparation

The Bank's financial statements are prepared under the historical cost convention, on the accrual basis of accounting on Going Concern basis, unless otherwise stated and conform in all material aspects to Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, regulatory norms/ guidelines prescribed by Reserve Bank of India (RBI), State Bank of India Act, 1955, Banking Regulation Act, 1949, Accounting Standards issued by Institute of Chartered Accountants of India (ICAI), and the practices prevalent in the banking industry in India.

### B. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions that are considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. The impact of any revision in these estimates is recognised prospectively from the period of change.

### C. Significant Accounting Policies

#### 1. Revenue recognition:

- 1.1 Income and expenditure are accounted on accrual basis, except otherwise stated. As regards Bank's foreign offices, income and expenditure are recognised as per the local laws of the country in which the respective foreign office is located.
- 1.2 Interest/ Discount income is recognised in the Profit and Loss Account as it accrues except: (i) income from Non-Performing Assets (NPAs), comprising of advances, leases and investments, which is recognised upon realisation, as per the prudential norms prescribed by RBI/ respective country regulators in the case of foreign offices (hereafter collectively referred to as Regulatory Authorities), (ii) overdue interest on investments and bills discounted, (iii) Income on Rupee Derivatives designated as "Trading", which are accounted on realisation.
- 1.3 Profit or Loss on sale of investments is recognised in the Profit and Loss Account. However, profit on sale of investments in the "Held to Maturity" category is appropriated (net of applicable taxes and amount required to be transferred to "Statutory Reserve Account") to "Capital Reserve Account".

- 1.4 Income from finance leases is calculated by applying the interest rate implicit in the lease to the net investment outstanding in the lease, over the primary lease period. Leases effective from April 1, 2001 are accounted as advances at an amount equal to the net investment in the lease as per Accounting Standard 19 – "Leases" issued by ICAI. The lease rentals are apportioned between principal and finance income based on a pattern reflecting a constant periodic return on the net investment outstanding in respect of finance leases. The principal amount is utilized for reduction in balance of net investment in lease and finance income is reported as interest income.
- 1.5 Income (other than interest) on investments in "Held to Maturity (HTM)" category acquired at a discount to the face value, is recognised as follows:
  - a. on interest bearing securities, it is recognised only at the time of sale/ redemption.
  - b. on zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.
- 1.6 Dividend income is recognised when the right to receive the dividend is established.
- 1.7 Commission on LC/ BG, Deferred Payment Guarantee, Government Business, ATM interchange fee & "Upfront fee on restructured account" are recognised on accrual basis proportionately over the period. All other commission and fee income are recognised on their realisation.
- 1.8 One time Insurance Premium paid under Special Home Loan Scheme (December 2008 to June 2009) is amortised over the average loan period of 15 years.
- 1.9 Brokerage, Commission etc. paid/ incurred in connection with the issue of Bonds/ Deposits are amortized over the tenure of related Bonds/ Deposits and the expenses incurred in connection with the issue are charged upfront.
- 1.10 The sale of NPA is accounted as per guidelines prescribed by RBI:
  - i. When the Bank sells its financial assets to Securitisation Company (SC)/ Reconstruction Company (RC), the same is removed from the books.
  - ii. If the sale is at a price below the Net Book Value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of sale.
  - iii. If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received, as permitted by the RBI.

## 2. Investments

The transactions in all securities are recorded on "Settlement Date".

### 2.1 Classification:

Investments are classified into three categories viz. Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) as per RBI Guidelines. For the purpose of disclosure in the Balance Sheet in Schedule 8, (I) 'Investments in India' are classified under six groups (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Bonds and Debentures, (v) Subsidiaries and Joint Ventures and (vi) Others and (II) 'Investments outside India' are classified under three categories – (i) Government Securities, (ii) Subsidiaries and/ or Joint Ventures abroad and (iii) Other Investments.

### 2.2 Basis of classification:

- i. Investments that the Bank intends to hold till maturity are classified as "Held to Maturity (HTM)".
- ii. Investments that are held principally for resale within 90 days from the date of purchase are classified as "Held for Trading (HFT)".
- iii. Investments, which are not classified in above two categories, are classified as "Available for Sale (AFS)".
- iv. An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.
- v. Investments in subsidiaries and joint ventures are classified as HTM except in respect of those investments which are acquired and held exclusively with a view to its subsequent disposal. These investments are classified as AFS.

### 2.3 Valuation:

- i. In determining the acquisition cost of an investment:
  - (a) Brokerage/ commission received on subscriptions is reduced from the cost.
  - (b) Brokerage, Commission, Securities Transaction Tax (STT) etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.
  - (c) Broken period interest paid/ received on debt instruments is treated as interest expense/ income and is excluded from cost/ sale consideration.
  - (d) Cost is determined on the weighted average cost method for investments under AFS and HFT category and on FIFO basis (first in first out) for investments under HTM category.

- ii. Transfer of securities from HFT/ AFS category to HTM category is carried out at the lower of acquisition cost/ book value/ market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for. However, transfer of securities from HTM category to AFS category is carried out on acquisition price/ book value. After transfer, these securities are immediately revalued and resultant depreciation, if any, is provided.
- iii. Treasury Bills and Commercial Papers are valued at carrying cost.
- iv. **Held to Maturity category:** a) Investments under Held to Maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period of remaining maturity on constant yield basis. Such amortisation of premium is adjusted against income under the head "interest on investments b) Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at historical cost. A provision is made for diminution, other than temporary, for each investment individually. c) Investments in Regional Rural Banks are valued at carrying cost (i.e. book value).
- v. **Available for Sale and Held for Trading categories:** Investments held under AFS and HFT categories are individually revalued at market price or fair value determined as per the regulatory guidelines and only the net depreciation of each group for each category (viz. (i) Government securities, (ii) Other Approved Securities, (iii) Shares, (iv) Bonds and Debentures, (v) Subsidiaries and Joint Ventures and (vi) others) is provided for and net appreciation is ignored. On provision for depreciation, the book value of the individual security remains unchanged after marking to market.
- vi. In case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts (SR), investment in SR is recognised at lower of: (i) Net Book Value (NBV) (i.e. book value less provisions held) of the financial asset; and (ii) Redemption value of SR. SRs issued by an SC/ ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ ARC, is reckoned for valuation of such investments.
- vii. Investments are classified as performing and non-performing, based on the guidelines issued by RBI in case of domestic offices and respective regulators in case of foreign offices. Investments of domestic offices become non-performing where:
  - (a) Interest/ installment (including maturity proceeds) is due and remains unpaid for more than 90 days.

- (b) In the case of equity shares, in the event the investment in shares of any company is valued at ₹ 1 per company on account of non availability of the latest balance sheet, those equity shares would be reckoned as NPI.
- (c) If any credit facility availed by an entity is NPA in the books of the Bank, investment in any of the securities issued by the same entity would also be treated as NPI and vice versa.
- (d) The above would apply mutatis-mutandis to Preference Shares where the fixed dividend is not paid.
- (e) The investments in debentures/ bonds, which are deemed to be in the nature of advance, are also subjected to NPI norms as applicable to investments.
- (f) In respect of foreign offices, provisions for NPIs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.
- viii. Accounting for Repo/ Reverse Repo transactions (other than transactions under the Liquidity Adjustment Facility (LAF) with RBI):
- (a) The securities sold and purchased under Repo/ Reverse Repo are accounted as Collateralized lending and borrowing transactions. However, securities are transferred as in the case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/ income, as the case may be. Balance in Repo Account is classified under Schedule 4 (Borrowings) and balance in Reverse Repo Account is classified under Schedule 7 (Balance with Banks and Money at call & short notice).
- (b) Interest expended/ earned on Securities purchased/ sold under LAF with RBI is accounted for as expenditure/ revenue.
- ix. Market repurchase and reverse repurchase transactions as well as the transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Borrowings and Lending transactions in accordance with the extant RBI guidelines.
- 3. Loans/ Advances and Provisions thereon:**
- 3.1 Loans and Advances are classified as performing and non-performing, based on the guidelines/ directives issued by the RBI. Loan Assets become Non-Performing Assets (NPAs) where:
- i. In respect of term loans, interest and/ or instalment of principal remains overdue for a period of more than 90 days;
- ii. In respect of Overdraft or Cash Credit advances, the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit/ drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance sheet, or if the credits are not adequate to cover the interest debited during the same period;
- iii. In respect of bills purchased/ discounted, the bill remains overdue for a period of more than 90 days;
- iv. In respect of agricultural advances: (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.
- 3.2 NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:
- i. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.
- ii. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months.
- iii. Loss: A loan asset where loss has been identified but the amount has not been fully written off.
- 3.3 Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:
- |                     |      |  |
|---------------------|------|--|
| Substandard Assets: | i.   | A general provision of 15% on the total outstanding;   |
|                     | ii.  | Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realisable value of security is not more than 10 percent ab-initio); |
|                     | iii. | Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available - 20%.                           |
| Doubtful Assets:    |      |  |
| -Secured portion:   | i.   | Upto one year – 25%  |
|                     | ii.  | One to three years – 40%   |
|                     | iii. | More than three years – 100%   |
| -Unsecured portion  |      | 100%   |
| Loss Assets:        |      | 100%.  |
- 3.4 In respect of foreign offices, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.
- 3.5 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.

- 3.6 For restructured/ rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans/ advances before and after restructuring is provided for, in addition to provision for the respective loans/ advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.
- 3.7 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.
- 3.8 Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.
- 3.9 In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others" and are not considered for arriving at the Net NPAs.
- 3.10 Appropriation of recoveries in NPAs are made in order of priority as under :
- Charges, Costs, Commission etc.
  - Unrealized Interest / Interest
  - Principal

However, in Compromise and Resolution/ Settlement through National Company Law Tribunal (NCLT) cases, the recoveries are appropriated as per the terms of respective compromise/ resolution/ settlement. In case of suit filed accounts, recovery is appropriated as per directives of respective courts.

#### 4. Floating Provisions:

The Bank has a policy for creation and utilisation of floating provisions separately for advances, investments and general purposes. The quantum of floating provisions to be created is assessed at the end of the financial year. The floating provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

#### 5. Provision for Country Exposure:

In addition to the specific provisions held according to the asset classification status, provisions are also made for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, insignificant, low, moderate, high, very high, restricted and off-credit and provisioning made as per extant RBI guidelines. If the country exposure (net) of the Bank in respect of

each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others".

#### 6. Derivatives:

- 6.1 The Bank enters into derivative contracts, such as foreign currency options, interest rate swaps, currency swaps, cross currency interest rate swaps and forward rate agreements in order to hedge on-balance sheet/ off-balance sheet assets and liabilities or for trading purposes. The swap contracts entered to hedge on-balance sheet assets and liabilities are structured in such a way that they bear an opposite and offsetting impact with the underlying on-balance sheet items. The impact of such derivative instruments is correlated with the movement of the underlying assets and accounted in accordance with the principles of hedge accounting.
- 6.2 Derivative contracts classified as hedge are recorded on accrual basis. Hedge contracts are not marked to market unless the underlying assets/ liabilities are also marked to market.
- 6.3 Except as mentioned above, all other derivative contracts are marked to market as per the Generally Accepted Accounting Practices prevalent in the industry. In respect of derivative contracts that are marked to market, changes in the market value are recognised in the Profit and Loss Account in the period of change. Any receivable under derivative contracts, which remain overdue for more than 90 days, are reversed through Profit and Loss Account to "Suspense Account Crystallised Receivables". In cases where the derivative contracts provide for more settlement in future and if the derivative contract is not terminated on the overdue receivables remaining unpaid for 90 days, the positive MTM pertaining to future receivables is also reversed from Profit and Loss Account to "Suspense Account - Positive MTM".
- 6.4 Option premium paid or received is recorded in Profit and Loss Account at the expiry of the option. The balance in the premium received on options sold and premium paid on options bought is considered to arrive at Mark-to-Market value for forex Over-the-Counter (OTC) options.
- 6.5 Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.
- #### 7. Fixed Assets, Depreciation and Amortisation:
- 7.1 Fixed Assets are carried at cost less accumulated depreciation/ amortisation.



- 7.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability.
- 7.3 The rates of depreciation and method of charging depreciation in respect of domestic operations are as under:

Sl. No.	Description of Fixed Assets	Method of charging depreciation	Depreciation/ amortisation rate
1	Computers	Straight Line Method	33.33% every year
2	Computer Software forming an integral part of the Computer hardware	Straight Line Method	33.33% every year
3	Computer Software which does not form an integral part of Computer hardware and cost of Software Development	Straight Line Method	33.33% every year
4	Automated Teller Machine/ Cash Deposit Machine Coin Dispenser / Coin Vending Machine	Straight Line Method	20.00% every year
5	Server	Straight Line Method	25.00% every year
6	Network Equipment	Straight Line Method	20.00% every year
7	Other fixed assets	Straight Line Method	On the basis of estimated useful life of the assets. Estimated useful life of major group of Fixed Assets are as under: Premises 60 Years Vehicles 5 Years Safe Deposit Lockers 20 Years Furniture & Fixtures 10 Years

- 7.4 In respect of assets acquired during the year (for domestic operations), depreciation is charged on proportionate basis for the number of days the assets have been put to use during the year.
- 7.5 Assets costing less than ₹ 1,000 each are charged off in the year of purchase.
- 7.6 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease and the lease rent is charged in the respective year(s).

- 7.7 In respect of assets given on lease by the Bank on or before 31<sup>st</sup> March 2001, the value of the assets given on lease is disclosed as Leased Assets under Fixed Assets, and the difference between the annual lease charge (capital recovery) and the depreciation is taken to Lease Equalisation Account.
- 7.8 In respect of fixed assets held at foreign offices, depreciation is provided as per the regulations / norms of the respective countries.
- 7.9 The Bank considers only immovable assets for revaluation. Properties acquired during the last three years are not revalued. Valuation of the revalued assets is done at every three years thereafter.
- 7.10 The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to Other Revenue Reserve.
- 7.11 The Revalued Asset is depreciated over the balance useful life of the asset as assessed at the time of revaluation.

#### 8. Leases:

The asset classification and provisioning norms applicable to advances, as laid down in Para 3 above, are applied to financial leases also.

#### 9. Impairment of Assets:

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future Net Discounted Cash Flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

#### 10. Effect of changes in the foreign exchange rate:

##### 10.1 Foreign Currency Transactions:

- Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing (spot/ forward) rates.

- iii. Foreign currency non-monetary items, which are carried at historical cost, are reported using the exchange rate on the date of the transaction.
- iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.
- v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting Profit or Loss is recognised in the Profit and Loss Account.
- vi. Foreign exchange forward contracts which are not intended for trading and are outstanding on the balance sheet date, are re-valued at the closing spot rate. The premium or discount arising at the inception of such forward exchange contract is amortised as expense or income over the life of the contract.
- vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.
- viii. Gains/ Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/ losses are recognised in the Profit and Loss Account.

## 10.2 Foreign Operations:

Foreign Branches of the Bank and Offshore Banking Units (OBU) have been classified as Non-integral Operations and Representative Offices have been classified as Integral Operations.

### a. Non-integral Operations:

- i. Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.
- ii. Income and expenditure of non-integral foreign operations are translated at quarterly average closing rates notified by FEDAI.
- iii. Exchange differences arising on investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the investment.
- iv. The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country on the balance sheet date.

### b. Integral Operations:

- i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- ii. Monetary foreign currency assets and liabilities of integral foreign operations are translated at closing (Spot/ Forward) exchange rates notified by FEDAI at the balance sheet date and the resulting Profit/ Loss is included in the Profit and Loss Account. Contingent Liabilities are translated at Spot rate.
- iii. Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate on the date of the transaction.

## 11. Employee Benefits:

### 11.1 Short Term Employee Benefits:

The undiscounted amounts of short-term employee benefits, such as medical benefits which are expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service.

### 11.2 Long Term Employee Benefits:

#### i. Defined Benefit Plans:

- a. The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a Trust established for this purpose and are charged to Profit and Loss Account. The Bank recognizes such annual contributions as an expense in the year to which it relates. Shortfall, if any, is provided for on the basis of actuarial valuation.
- b. The Bank operates Gratuity and Pension schemes which are defined benefit plans.
  - i) The Bank provides for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to the cap prescribed by the Statutory Authorities. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by Trustees based on an independent external actuarial valuation carried out annually.

- ii) The Bank provides for pension to all eligible employees. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the Pension Fund at 10% of salary in terms of SBI Pension Fund Rules. The pension liability is reckoned based on an independent actuarial valuation carried out annually and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.
- c. The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains/ losses are immediately recognised in the Profit and Loss Account and are not deferred.
- ii. Defined Contribution Plan:**
- The Bank operates a New Pension Scheme (NPS) for all officers/ employees joining the Bank on or after 1<sup>st</sup> August, 2010, which is a defined contribution plan, such new joiners not being entitled to become members of the existing SBI Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a matching contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in the Bank and earn interest at the same rate as that of the current account of Provident Fund balance. The Bank recognizes such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.
- iii. Other Long Term Employee Benefits:**
- a. All eligible employees of the Bank are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The costs of such long term employee benefits are internally funded by the Bank.
- b. The cost of providing other long term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost is immediately recognised in the Profit and Loss Account and is not deferred.

11.3 Employee benefits relating to employees employed at foreign offices are valued and accounted for as per the respective local laws/ regulations.

## 12. Segment Reporting

The Bank recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

## 13. Taxes on income:

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 – “Accounting for Taxes on Income” respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions. Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account. Deferred tax assets are recognised and re-assessed at each reporting date, based upon management’s judgment as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future profits.

## 14. Earnings per Share:

- 14.1 The Bank reports basic and diluted earnings per share in accordance with AS 20 – “Earnings per Share” issued by the ICAI. Basic Earnings per Share are computed by dividing the Net Profit after Tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding for the year.
- 14.2 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 year. Diluted Earnings per Share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

**15. Provisions, Contingent Liabilities and Contingent Assets:**

15.1 In conformity with AS 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the Bank recognises provisions only when it has a present obligation as a result of a past event, and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

15.2 No provision is recognised for:

- i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or
- ii. any present obligation that arises from past events but is not recognised because:
  - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - b. a reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

15.3 Provision for reward points in relation to the debit card holders of the Bank is being provided for on actuarial estimates.

15.4 Contingent Assets are not recognised in the financial statements.

**16. Bullion Transactions:**

The Bank imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are typically on a back-to-back basis and are priced to the customer based on price quoted by the supplier. The Bank earns a fee on such bullion transactions. The fee is classified under commission income. The Bank also accepts deposits and lends gold, which is treated as deposits/ advances as the case may be with the interest paid/ received classified as interest expense/ income. Gold Deposits, Metal Loan Advances and closing Gold Balances are valued at available Market Rate as on the date of Balance Sheet.

**17. Special Reserves:**

Revenue and other Reserve include Special Reserve created under Section 36(i)(viii) of the Income Tax Act, 1961. The Board of Directors of the Bank has passed a resolution approving creation of the reserve and confirming that it has no intention to make withdrawal from the Special Reserve.

**18. Share Issue Expenses:**

Share issue expenses are charged to the Share Premium Account.

**19. Cash and cash equivalents:**

Cash and cash equivalents include Cash and Balances with RBI, Balances with Banks and money at call and short notice.

## Schedule – 18: Notes To Accounts

### 18.1 Capital

#### 1. Capital Ratio

##### AS PER BASEL II

(Amount in ₹ Crore)

Sr. No.	Items	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
(i)	Common Equity Tier 1 Capital Ratio (%)		N.A.
(ii)	Tier 1 capital ratio (%)	10.71%	10.38%
(iii)	Tier 2 capital ratio (%)	2.42%	2.47%
(iv)	Total Capital Ratio (%)	13.13%	12.85%

##### AS PER BASEL III

Sr. No.	Items	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
(i)	Common Equity Tier 1 Capital Ratio (%)	9.77%	9.62%
(ii)	Tier 1 capital ratio (%)	11.00%	10.65%
(iii)	Tier 2 capital ratio (%)	2.06%	2.07%
(iv)	Total Capital Ratio (%)	13.06%	12.72%
(v)	Percentage of the Shareholding of Government of India	56.92%	57.13%
(vi)	Number of Shares held by Government of India	507,97,75,288	509,88,82,979
(vii)	Amount of Equity Capital raised	Nil	0.38
(viii)	Amount of Additional Tier 1(AT 1) capital raised of which		
	a) Perpetual Non-Cumulative Preference Shares (PNCPS)	Nil	Nil
	b) Perpetual Debt Instruments (PDI)	6,918.40	7,317.30
(ix)	Amount of Tier 2 capital raised of which		
	a) Debt Capital instruments	5,000.00	4,115.90
	b) Preference Share Capital Instruments {Perpetual Cumulative Preference Shares (PCPS)/Redeemable Non-Cumulative Preference Shares (RNCPS)/Redeemable Cumulative Preference Shares (RCPS)}	Nil	Nil

RBI vide circular No. DBR.No.BP.BC.83/21.06.201/2015-16 dated 1<sup>st</sup> March, 2016, has given discretion to banks to consider Revaluation Reserve, Foreign Currency Translation Reserve and Deferred Tax Asset for purposes of computation of Capital Adequacy as CET- I capital ratio. The Bank has exercised the option in the above computation.

#### 2. Share Capital

Expenses in relation to the issue of shares: ₹ Nil (Previous Year ₹ 9.12 crore) is debited to Share Premium Account.

#### 3. Innovative Perpetual Debt Instruments (IPDI)

The details of IPDI issued which qualify for Hybrid Tier I Capital and outstanding are as under:

##### A. Foreign

(₹ in crore)

Particulars	Date of Issue	Tenor	Amount	Equivalent ₹ as on 31 <sup>st</sup> March, 2020	Equivalent ₹ as on 31 <sup>st</sup> March, 2019
Additional Tier 1 (AT1) Bonds issued under MTN Programme 29 <sup>th</sup> series	22.09.2016	Perpetual Non Call 5 years	USD 300 million	2,269.95	2,074.65

These bonds have been listed in Singapore stock exchange (SGX).

**B. Domestic**

(₹ in crore)

Sr. No.	Nature of Bonds	Principal Amount	Date of Issue	Rate of Interest % p.a.
1.	e-SBH Tier -I Series XIII	200.00	20.09.2010	9.05
2.	SBI Non Convertible Perpetual Bonds 2016 Unsecured Basel III AT 1	2,100.00	06.09.2016	9.00
3.	SBI Non Convertible Perpetual Bonds 2016 Unsecured Basel III AT 1 Series II	2,500.00	27.09.2016	8.75
4.	SBI Non Convertible Perpetual Bonds 2016 Unsecured Basel III AT 1 Series III	2,500.00	25.10.2016	8.39
5.	SBI Non Convertible Perpetual Bonds 2017 Unsecured Basel III AT 1 Series IV	2,000.00	02.08.2017	8.15
6.	SBI Non Convertible Unsecured Basel III- AT 1 Bonds 2018	4,021.00	04.12.2018	9.56
7.	SBI Non Convertible Unsecured Basel III- AT 1 Bonds 2018 Series II	2,045.00	21.12.2018	9.37
8.	SBI Non Convertible Unsecured Basel III- AT 1 Bonds 2018 Series III	1,251.30	22.03.2019	9.45
9.	SBI Non Convertible Unsecured Basel III- AT 1 Bonds 2019-20 Series I	3,104.80	30.08.2019	8.75
10.	SBI Non Convertible Unsecured Basel III- AT 1 Bonds 2019-20 Series II	3,813.60	22.11.2019	8.50
<b>TOTAL</b>		<b>23,535.70</b>		

**4. Subordinated Debts**

The bonds are unsecured, long term, non-convertible and are redeemable at par. The details of outstanding subordinate debts are as under:-

(₹ in crore)

Sr. No.	Nature of Bonds	Principal Amount	Date of Issue /Date of Redemption	Rate of Interest % P.A.	Maturity Period In Months
1	e-SBBJ Lower Tier II (Series VI)	500.00	20.03.2012 20.03.2022	9.02	120
2	SBI Non Convertible (Private placement) Bonds 2013-14 ( Tier II)	2,000.00	02.01.2014 02.01.2024	9.69	120
3	e-SBM Tier II Basel III compliant	500.00	17.12.2014 17.12.2024	8.55	120
4	e -SBP Tier II Basel III compliant (Series I)	950.00	22.01.2015 22.01.2025	8.29	120
5	e- SBBJ Tier II Basel III compliant	200.00	20.03.2015 20.03.2025	8.30	120
6	e -SBH Tier II Basel III compliant (Series XIV)	393.00	31.03.2015 31.03.2025	8.32	120
7	SBI Non Convertible (Public issue) Bonds 2010 (Series II) (Lower Tier II)	866.92	04.11.2010 04.11.2025	9.50	180
8	SBI Non Convertible, Unsecured (Private Placement), Basel III compliant Tier II Bonds 2015-16 (Series I)	4,000.00	23.12.2015 23.12.2025	8.33	120
9	e -SBH Tier II Basel III compliant (Series XV)	500.00	30.12.2015 30.12.2025	8.40	120
10	e-SBM Tier II Basel III compliant	300.00	31.12.2015 31.12.2025	8.40	120
11	e-SBM Tier II Basel III compliant	200.00	18.01.2016 18.01.2026	8.45	120

(₹ in crore)

Sr. No.	Nature of Bonds	Principal Amount	Date of Issue /Date of Redemption	Rate of Interest % P.A.	Maturity Period In Months
12	e -SBH Tier II Basel III compliant (Series XVI)	200.00	08.02.2016 08.02.2026	8.45	120
13	SBI Non Convertible, Unsecured (Private Placement), Basel III compliant Tier 2 Bonds 2015-16 (Series II)	3,000.00	18.02.2016 18.02.2026	8.45	120
14	SBI Non Convertible (Public issue) Bonds 2011 Retail (Series IV) (Lower Tier II)	3,937.60	16.03.2011 16.03.2026	9.95	180
15	SBI Non Convertible (Public issue) Bonds 2011 Non Retail (Series IV) (Lower Tier II)	828.32	16.03.2011 16.03.2026	9.45	180
16	SBI Non Convertible, Unsecured (Private Placement), Basel III compliant Tier II Bonds 2015-16 (Series III)	3,000.00	18.03.2016 18.03.2026	8.45	120
17	SBI Non Convertible, Unsecured (Private Placement), Basel III compliant Tier II Bonds 2015-16 (Series IV)	500.00	21.03.2016 21.03.2026	8.45	120
18	e- SBT Tier II Basel III compliant (Series I)	515.00	30.03.2016 30.03.2026	8.45	120
19	e- SBT Upper Tier II (Series III)	500.00	26.03.2012 26.03.2027	9.25	180
20	SBI Non Convertible, Unsecured Basel III - Tier II Bonds 2018	4,115.90	02.11.2018 02.11.2028	8.90	120
21	SBI Non Convertible, Unsecured Basel III - Tier II Bonds 2019-20	5,000.00	28.06.2019 28.06.2029	7.99	120
<b>TOTAL</b>		<b>32,006.74</b>			

## 18.2 Investments

### 1. The Details of investments and the movement of provisions held towards depreciation on investments of the Bank are given below:

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
1. Value of Investments		
i) Gross value of Investments		
(a) In India	10,10,599.04	9,26,650.60
(b) Outside India	47,448.66	51,473.40
ii) Provision for Depreciation		
(a) In India	9,430.13	9,094.19
(b) Outside India	150.82	158.22
iii) Liability on Interest Capitalised on Restructured Accounts (LICRA)	1,512.24	1,849.64
iv) Net value of Investments		
(a) In India	9,99,656.67	9,15,706.77
(b) Outside India	47,297.84	51,315.18
2. Movement in provisions held towards depreciation on investments		
i) Balance at the beginning of the year	9,252.41	10,206.45
ii) Add: Provisions made during the year	5,237.78	1,863.13
iii) Less: Provision utilised during the year	33.48	-
iv) Less/(Add): Foreign Exchange revaluation adjustment	(38.04)	(22.24)
v) Less: Write off/Write back of excess provision during the year.	4,913.80	2,839.41
vi) Balance at the end of the year	9,580.95	9,252.41

#### Notes:

- a. Securities amounting to ₹ 4,225.76 crore (Previous Year ₹ 21,219.41 crore) are kept as margin with Clearing Corporation of India Limited (CCIL)/ NSCCL/MCX/ NSEIL/ BSE towards Securities Settlement.
- b. During the year, the Bank infused additional capital in its associates viz. i) Utkal Grameen Bank ₹ 143.77 crore, ii) Jharkhand Rajya Gramin Bank ₹ 86.68 crore, iii) Madhyanchal Gramin Bank ₹ 8.91 crore, iv) Ellaquai Dehati Bank ₹ 5.48 crore, v) Nagaland Rural Bank ₹ 0.48 crore and after infusion there is no change in Bank's stake.
- c. Bank has made an investment of ₹ 6,050.00 crore in Yes Bank Limited which constitutes 48.21% of the equity capital post investment. Due to categorization of this investment in AFS category and the change in accounting policy in this respect, there is no impact on the profit for the year.
- d. During the year, the Bank has sold its stake in the following subsidiaries: -
- 4,50,00,000 equity shares of SBI Life Insurance Company Ltd. at a profit of ₹ 3,484.30 crore. Thus, the Bank stake has reduced to 57.60% from 62.10%.

- 3,72,93,371 equity shares of SBI Cards and Payment Services Ltd. at a profit of ₹ 2,731.34 crore. Thus, the Bank stake has reduced to 69.51% from 74.00%.

- e. As per NCLT order pronounced on 4<sup>th</sup> June 2019, SBI Business Process Management Services Private Limited (a subsidiary) has been amalgamated with SBI Cards and Payment Services Private Limited (a subsidiary) w.e.f. 1<sup>st</sup> April 2018 with the latter being the surviving entity.

The name of SBI Cards and Payment Services Private Limited has changed to SBI Cards and Payment Services Limited w.e.f. 20.08.2019.

- f. The Bank exited from its RRBs as per details given below :-

(₹ in crore)

Name of RRB	Amount
Langpi Dehangi Rural Bank	10.83
Kaveri Grameena Bank	18.89

- g. In accordance with notification issued by Govt. of India, the following amalgamations have taken place in between the Regional Rural Banks (RRBs) sponsored by SBI and RRBs sponsored by other banks.



The details of amalgamation of RRBs, where the transferee RRBs are not sponsored by State Bank of India are as below: -

Name of transferor RRBs	Sponsor Bank of transferor RRBs	New Name after Amalgamation of RRBs	Sponsor Bank of transferee RRBs	Effective Date of Amalgamation
1. Pragathi Krishna Gramin Bank Kaveri Grameena Bank	Canara Bank State Bank of India	Karnataka Gramin Bank	Canara Bank	1 <sup>st</sup> April ,2019
2. Assam Gramin Vikash Bank Langpi Dehangi Rural Bank	United Bank of India State Bank of India	Assam Gramin Vikash Bank	United Bank of India	1 <sup>st</sup> April ,2019

The details of amalgamation of RRBs, where the transferee RRB is sponsored by State Bank of India are as below: -

Name of transferor RRBs	Sponsor Bank of transferor RRBs	New Name after Amalgamation of RRBs	Sponsor Bank of transferee RRBs	Effective Date of Amalgamation
1. Jharkhand Gramin Bank Vananchal Gramin Bank	Bank of India State Bank of India	Jharkhand Rajya Gramin Bank	State Bank of India	1 <sup>st</sup> April ,2019

## 2. Repo Transactions including Liquidity Adjustment Facility (LAF) (in face value terms)

The details of securities sold and purchased under repos and reverse repos including LAF during the year are given below:

(₹ in crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as on 31 <sup>st</sup> March 2020
<b>Securities sold under Repo</b>				
i. Government Securities	-	1,12,595.20	9,166.64	34,576.69
	(-)	(1,31,364.16)	(48,101.62)	(1,12,793.84)
ii. Corporate Debt Securities	-	15,795.87	10,778.12	8,696.38
	(-)	(12,382.91)	(7,742.36)	(10,264.00)
<b>Securities purchased under Reverse Repo</b>				
i. Government Securities	-	1,13,000.00	38,332.97	38,000.00
	(-)	(43,507.94)	(5,202.46)	(1,963.89)
ii. Corporate Debt Securities	-	3,292.71	592.93	3,292.71
	(-)	(860.43)	(816.74)	(859.81)

(Figures in brackets are for Previous Year).

### 3. Non-SLR Investment Portfolio

#### a) Issuer composition of Non SLR Investments

The issuer composition of Non-SLR investments of the Bank is given below:

(₹ in crore)

Sr. Issuer No.	Amount	Extent of Private Placement	Extent of "Below Investment Grade" Securities *	Extent of "Unrated" Securities *	Extent of "Unlisted" Securities *
i PSUs	62,047.29	45,135.13	-	-	-
	(48,324.45)	(18,145.75)	(356.64)	(-)	(-)
ii Fls	86,460.61	74,871.30	2,754.24	-	1,150.00
	(67,836.16)	(55,738.02)	(-)	(-)	(-)
iii Banks	24,856.99	12,624.53	585.10	23.62	23.62
	(19,374.89)	(1,457.62)	(1,177.32)	(23.62)	(23.62)
iv Private Corporates	35,680.14	25,758.70	901.99	-	-
	(41,791.89)	(23,398.59)	(826.18)	(341.30)	(24.70)
v Subsidiaries / Joint Ventures **	16,045.43	-	-	-	-
	(9,909.36)	(-)	(-)	(-)	(-)
vi Others	29,687.12	2,196.19	3,558.08	46.68	4.84
	(24,977.19)	(623.66)	(2,383.40)	(53.47)	(3.17)
vii Less: Provision held towards depreciation including LICRA	11,093.19	11.65	236.96	-	-
	(7,075.11)	(-)	(25.21)	(30.60)	(-)
<b>TOTAL</b>	<b>2,43,684.39</b>	<b>1,60,574.20</b>	<b>7,562.45</b>	<b>70.30</b>	<b>1,178.46</b>
	<b>(2,05,138.83)</b>	<b>(99,363.64)</b>	<b>(4,718.33)</b>	<b>(387.79)</b>	<b>(51.49)</b>

(Figures in brackets are for Previous Year).

\* Investments in Equity, Equity Oriented Mutual Funds, Venture Capital, Rated Assets Backed Securities, Central and State Government Securities and ARCIL are not segregated under these categories as these are exempt from rating/listing guidelines.

\*\* Investments in Subsidiaries/Joint Ventures have not been segregated into various categories as these are not covered under relevant RBI Guidelines.

#### b) Non Performing Non-SLR Investments

(₹ in crore)

Particulars	Current Year	Previous Year
Opening Balance	5,609.66	4,595.25
Additions during the year	3,686.05	1,986.35
Reductions during the year	299.91	971.94
Closing balance	8,995.80	5,609.66
<b>Total provisions held</b>	<b>7,970.83</b>	<b>5,209.17</b>

### 4. Sales And Transfers Of Securities To/From HTM Category

The value of sales and transfers of securities to/from HTM Category does not exceed 5% of the book value of investment held in HTM category at the beginning of the year.

## 5. Disclosure of Investment in Security Receipts (SRs)

(₹ in crore)

Particulars	SRs Issued within Past 5 Years	SRs issued more than 5 years ago but within past 8 Years	SRs issued more than 8 Years ago	Total
i Book value of SRs Backed by NPAs sold by the bank as underlying	2,657.86	6,077.67	25.78	8,761.31
Provision held against (i)	300.47	1,329.99	25.78	1,656.24
ii Book value of SRs Backed by NPAs sold by Other banks / financial institutions / non-banking Financial companies as Underlying	0.54	3.92	2.68	7.14
Provision held against (ii)	-	0.78	2.68	3.46
<b>Total (i) + (ii)</b>	<b>2,658.40</b>	<b>6,081.59</b>	<b>28.46</b>	<b>8,768.45</b>

## 6. Details of Investments in Security Receipts against NPAs sold to Securitisation Company (SC) / Reconstruction Company (RC)

(₹ in crore)

Particulars	Backed by NPAs sold by the bank as underlying		Backed by the NPAs sold by other banks/ financial institutions / non-banking financial companies as underlying		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Book Value of Investments in Security Receipts as on 31 <sup>st</sup> March, 2020	8,761.31	9,834.83	7.14	7.15	8,768.45	9,841.98
Book Value of Investments in Security Receipts made during the year	0.06	16.58	-	-	0.06	16.58

### 18.3 Derivatives

#### A. Forward Rate Agreements (FRA) / Interest Rate Swaps (IRS)

(₹ in crore)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
i)	The notional principal of swap agreements#	2,98,843.36	3,74,120.04
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	8,063.30	3,342.37
iii)	Collateral required by the Bank upon entering swaps	Nil	Nil
iv)	Concentration of credit risk arising from the swaps	Not significant	Not significant
v)	The fair value of the swap book	7,908.68	125.32

# IRS/FRA amounting to ₹ 32,134.98 crore (Previous Year ₹ 19,022.25 crore) entered with the Bank's own foreign offices are not shown here.

**Nature and terms of forward rate agreements and interest rate swaps as on 31<sup>st</sup> March, 2020 are given below:**

(₹ in crore)

Instrument	Nature	Nos	Notional Principal	Benchmark	Terms
IRS	Hedging	175	7,089.25	LIBOR	Fixed Receivable / Floating Payable
IRS	Hedging	1	192.94	LIBOR	Fixed Payable Vs Floating Receivable
IRS	Hedging	121	1,490.92	OTHERS	Fixed Receivable / Floating Payable
IRS	Hedging	39	25,615.09	LIBOR	Fixed Receivable / Floating Payable
IRS	Hedging	26	2,973.54	LIBOR	Floating Receivable / Fixed Payable
IRS	Trading	2	832.31	LIBOR	Floating Payable Vs Fixed Receivable
IRS	Trading	1993	1,06,806.98	LIBOR	Fixed Payable Vs Floating Receivable
IRS	Trading	2171	1,42,354.97	LIBOR	Floating Payable Vs Fixed Receivable
IRS	Trading	70	2,853.50	MIBOR	Fixed Payable Vs Floating Receivable
IRS	Trading	126	5,297.00	MIBOR	Floating Payable Vs Fixed Receivable
IRS	Trading	4	3,336.86	LIBOR	Fixed Receivable / Floating Payable
<b>TOTAL</b>			<b>2,98,843.36</b>		

**B. Exchange Traded Interest Rate Derivatives**

(₹ in crore)

Sr. No.	Particulars	Current Year	Previous Year
1	Notional principal amount of exchange traded interest rate derivatives undertaken during the year		
	a. Interest Rate Futures	Nil	Nil
	b. 10 Year Government of India Securities	63,670.92	42,099.96
2	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 <sup>st</sup> March, 2020		
	a. Interest Rate Futures	Nil	Nil
	b. 10 Year Government of India Securities	Nil	Nil
3	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective"	N.A.	N.A.
4	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective".	N.A.	N.A.

**C. Risk Exposure in Derivatives**

**(A) Qualitative Risk Exposure**

- i. The Bank currently deals in over-the-counter (OTC) interest rate and currency derivatives as also in Interest Rate Futures and Exchange Traded Currency Derivatives. Interest Rate Derivatives dealt by the Bank are rupee interest rate swaps, foreign currency interest rate swaps and forward rate agreements, cap, floor and collars. Currency derivatives dealt by the Bank are currency swaps, rupee dollar options and cross-currency options. The products are offered to the Bank's customers to hedge their exposures and the Bank also enters into derivatives contracts to cover off such exposures. Derivatives are used by the Bank both for trading as well as hedging balance sheet items. The Bank also runs option position in USD/INR,

which is managed through various types of loss limits and Greek limits.

- ii. Derivative transactions carry market risk i.e. the probable loss the Bank may incur as a result of adverse movements in interest rates/exchange rates and credit risk i.e. the probable loss the Bank may incur if the counterparties fail to meet their obligations. The Bank's "Policy for Derivatives" approved by the Board prescribes the market risk parameters (Greek limits, Loss Limits, cut-loss triggers, open position limits, duration, modified duration, PV01 etc.) as well as customer eligibility criteria (credit rating, tenure of relationship, limits and customer appropriateness and suitability of policy (CAS) etc.) for entering into derivative transactions. Credit risk is controlled by entering into derivative transactions only with

- counterparties satisfying the criteria prescribed in the Policy. Appropriate limits are set for the counterparties taking into account their ability to honour obligations and the Bank enters into ISDA agreement with each counterparty.
- iii. The Asset Liability Management Committee (ALCO) of the Bank oversees efficient management of these risks. The Bank's Market Risk Management Department (MRMD) identifies, measures, monitors market risk associated with derivative transactions, assists ALCO in controlling and managing these risks and reports compliance with policy prescriptions to the Risk Management Committee of the Board (RMCB) at regular intervals.
  - iv. The accounting policy for derivatives has been drawn-up in accordance with RBI guidelines, the details of which are presented under Schedule 17: Significant Accounting Policies (SAP) for the financial year 2019-20.
  - v. Interest Rate Swaps are mainly used at Foreign Offices for hedging of the assets and liabilities.
  - vi. Apart from hedging swaps, swaps at Foreign Offices consist of back to back swaps done at Bank's Foreign Offices which are done mainly for hedging of FCNR deposits at Global Markets, Kolkata.
  - vii. Majority of the swaps were done with First class counterparty banks.
  - viii. Derivative transactions comprise of swaps which are disclosed as contingent liabilities. The swaps are categorised as trading or hedging.
  - ix. Derivative deals are entered with only those interbank participants for whom counterparty exposure limits are sanctioned. Similarly, derivative deals entered with only those corporates for whom credit exposure limit is sanctioned. Collateral requirements for derivative transactions are laid down as a part of credit sanctions terms on a case by case basis. Such collateral requirements are determined based on usual credit appraisal process. The Bank retains the right to terminate transactions as a risk mitigation measure in certain cases.

**(B) Quantitative Risk Exposure**

(₹ in crore)

Particulars	Currency Derivatives		Interest Rate Derivatives	
	Current Year	Previous Year	Current Year	Previous Year
(I) Derivatives (Notional Principal Amount)				
(a) For hedging	14,407.12 @	8,983.92 @	35,421.64 #	41,908.78 #
(b) For trading *	6,55,991.56	2,47,198.72	2,77,804.99	3,37,642.76
(II) Marked to Market Positions				
(a) Asset	14,629.42	3,555.69	8,063.30	3,365.55
(b) Liability	14,009.98	3,130.82	6,086.78	3,240.23
(III) Credit Exposure	36,850.85	12,665.30	11,026.29	7,037.75
(IV) Likely impact of one percentage change in interest rate (100* PV01)				
(a) on hedging derivatives	1.07	1.08	4.60	150.90
(b) on trading derivatives	86.72	15.83	146.20	136.08
(V) Maximum and Minimum of 100* PV 01 observed during the year				
(a) on hedging - Maximum	1.07	1.08	460.31	255.40
- Minimum	-	-	-	-
(b) on trading - Maximum	2.91	24.41	1.85	149.73
- Minimum	-	(-) 129.75	0.03	0.08

@ The swaps amounting to ₹ 1,725.03 crore (Previous Year ₹ 245.10 crore) entered with the Bank's own foreign offices are not shown here.

# IRS/FRA amounting to ₹ 32,134.98 crore (Previous Year ₹ 19,022.25 crore) entered with the Bank's own Foreign offices are not shown here.

\* The forward contract deals with our own Foreign Offices are not included. Currency Derivatives ₹ 867.18 crore (Previous Year ₹ 427.12 crore) and Interest Rate Derivatives ₹ Nil (Previous Year ₹ Nil).

1. The outstanding notional amount of derivatives done between Global Markets Unit and International Banking Group as on 31<sup>st</sup> March, 2020 amounted to ₹ 34,727.19 crore (Previous Year ₹ 19,694.47 crore) and the derivatives done between SBI Foreign Offices as on 31<sup>st</sup> March, 2020 amounted to ₹ 10,222.51 crore (Previous Year ₹ 8,929.28 crore).
2. The outstanding notional amount of interest rate derivatives which are not marked -to-market (MTM) where the underlying Assets/Liabilities are not marked to market as on 31<sup>st</sup> March, 2020 amounted to ₹ 60,632.85 crore (Previous Year ₹ 45,661.89 crore).

## 18.4 Asset Quality

## a) Non-Performing Assets

(₹ in crore)

Particulars	As at	As at
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
I) Net NPAs to Net Advances (%)	2.23%	3.01%
II) Movement of NPAs (Gross)		
(a) Opening balance	1,72,750.36	2,23,427.46
(b) Additions (Fresh NPAs) during the year	49,826.28	32,738.05
Sub-total (i)	2,22,576.64	2,56,165.51
Less:		
(c) Reductions due to up gradations during the year	3,339.79	4,794.34
(d) Reductions due to recoveries (Excluding recoveries made from upgraded accounts)	17,782.63	19,715.63
(e) Technical/ Prudential Write-offs	-	5,139.76
(f) Reductions due to Write-offs during the year	52,362.37	53,765.42
Sub-total (ii)	73,484.79	83,415.15
(g) Closing balance (i-ii)	1,49,091.85	1,72,750.36
III) Movement of Net NPAs		
(a) Opening balance	65,894.74	1,10,854.70
(b) Additions during the year	6,758.88	27,008.89
(c) Reductions during the year	20,782.32	71,968.85
(d) Closing balance	51,871.30	65,894.74
IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	1,06,855.62	1,12,572.76
(b) Provisions made during the year	43,067.40	54,844.57
(c) Write-off / write-back of excess provisions	52,702.47	60,561.71
(d) Closing balance	97,220.55	1,06,855.62

## Notes:-

- a) Opening and closing balances of provision for NPAs include ECGC/CGFMU claims received and held pending adjustment of ₹ 235.61 crore (Previous Year ₹ 8.72 crore) and ₹ 305.54 crore (Previous Year ₹ 235.61 crore) respectively.
- b) As per RBI circular No. DBR.BP.BC.No.32/21.04.018/2018-19 dated 1<sup>st</sup> April, 2019, in case the additional provisioning for NPAs assessed by RBI exceeds 10% of the reported profit before provisions and contingencies and/or additional Gross NPAs identified by RBI exceeds 15% of published incremental Gross NPAs for the reference period then banks are required to disclose divergences from prudential norms on income recognition, asset classification and provisioning.

Accordingly, the following disclosure is made in respect of divergences for the F.Y. 2018-19: -

Divergence in Asset Classification and Provisioning for NPAs		(₹ in crore)
Particulars		
1	Gross NPAs as on March 31, 2019 as reported by the bank	1,72,750
2	Gross NPAs as on March 31, 2019 as assessed by RBI	1,84,682
3	Divergence in Gross NPAs (2-1)	11,932
4	Net NPAs as on March 31, 2019 as reported by the bank	65,895
5	Net NPAs as on March 31, 2019 as assessed by RBI	77,827
6	Divergence in Net NPAs (5-4)	11,932
7	Provisions for NPAs as on March 31, 2019 as reported by the bank	1,06,856
8	Provisions for NPAs as on March 31, 2019 as assessed by RBI	1,18,892
9	Divergence in provisioning (8-7)	12,036
10	Reported Net Profit after Tax (PAT) for the year ended March 31, 2019	862
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2019 after taking into account the divergence in provisioning	(-) 6,968

The Bank has made full provision against the said divergence during the year ended 31<sup>st</sup> March 2020.

## c) Restructured Accounts

(₹ in crore)

Sr. No.	Type of Restructuring Asset Classification Particulars	Under CDR Mechanism (f)					Under SME Debt Restructuring Mechanism (g)				
		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1, 2019 (Opening position)	4	-	44	9	57	28	167	142	17	354
	Borrowers	(8)	(3)	(65)	(8)	(84)	(48)	(169)	(171)	(18)	(406)
	Amount	146.04	-	6,236.10	656.53	7,038.67	46.11	307.32	415.80	6.65	775.88
	outstanding	(607.77)	(380.51)	(15,840.78)	(248.84)	(17,077.90)	(75.59)	(377.84)	(2,559.80)	(6.82)	(3,020.05)
	Provision thereon	0.96	-	-	-	0.96	10.26	6.43	24.88	0.27	41.84
	thereon	(7.06)	(28.17)	(106.20)	(-)	(141.43)	(18.23)	(26.85)	(115.41)	(0.39)	(160.88)
2	Fresh Restructuring during the current FY	-	-	-	-	-	790	6	1	-	797
	Borrowers	(-)	(-)	(-)	(-)	(-)	(-)	(28)	(4)	(3)	(35)
	Amount	26.57	-	-	-	26.57	154.84	4.44	1.38	-	160.66
	outstanding	(68.59)	(-)	(95.32)	(-)	(163.91)	(42.73)	(42.82)	(27.70)	(0.27)	(113.52)
	Provision thereon	0.02	-	-	-	0.02	0.24	2.72	0.40	-	3.36
	thereon	(0.09)	(-)	(-)	(-)	(0.09)	(-)	(3.74)	(0.45)	(0.27)	(4.46)
3	Up gradation to restructured standard category during current FY	-	-	-	-	-	1	-1	-	-	-
	Borrowers	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	Amount	-	-	-	-	-	18.11	-18.11	-	-	-
	outstanding	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	Provision thereon	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
4	Restructured Standard Advances which ceases 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	-2	-	-	-	-2	-	-	-	-	-
	Borrowers	(-1)	-	-	-	(-1)	(-2)	-	-	-	(-2)
	Amount	-155.08	-	-	-	-155.08	-	-	-	-	-
	outstanding	(-23.05)	-	-	-	(-23.05)	(-4.56)	-	-	-	(-4.56)
	Provision thereon	-	-	-	-	-	-	-	-	-	-
	thereon	(-)	(-)	(-)	(-)	(-)	(-0.23)	-	-	-	(-0.23)
5	Downgradations of restructured accounts during current FY	(-2)	(-2)	(1)	(3)	(-)	(-2)	(-7)	16	-	(-)
	Borrowers	(-2)	(-2)	(1)	(3)	(-)	(-2)	(2)	(-)	(-)	(-)
	Amount	-	-	-	-	-	-2.38	-67.31	69.69	-	-
	outstanding	(-332.43)	(-221.77)	(-87.04)	(641.24)	(-)	(-38.02)	(38.02)	(-)	(-)	(-)
	Provision thereon	-	-	-	-	-	-0.05	-8.78	8.83	-	-
	thereon	(-)	(-9.52)	(9.52)	(-)	(-)	(-0.35)	(0.35)	(-)	(-)	(-)
6	Write-offs of restructured accounts during current FY	(-1)	(-1)	(-22)	(-1)	(-23)	(-24)	(-53)	(-34)	(-3)	(-114)
	Borrowers	(-1)	(-1)	(-22)	(-2)	(-26)	(-16)	(-32)	(-33)	(-4)	(-85)
	Amount	-2.08	-	-4,309.80	-165.50	-4,477.38	-9.75	-8.84	-34.41	-0.27	-53.27
	outstanding	(-174.89)	(-158.74)	(-9,612.97)	(-233.55)	(-10,180.09)	(-29.63)	(-151.36)	(-2,171.70)	(-0.44)	(-2,353.13)
	Provision thereon	-0.07	-	-	-	-0.07	-1.95	-0.37	-17.85	-0.27	-20.44
	thereon	(-6.19)	(-18.65)	(-115.72)	(-)	(-140.56)	(-7.39)	(-24.51)	(-90.98)	(-0.39)	(-123.27)
7	Total Restructured Accounts as on 31 <sup>st</sup> March, 2020 (Closing Position)	2	-	22	8	32	786	112	125	14	1,037
	Borrowers	(4)	(-)	(44)	(9)	(57)	(28)	(167)	(142)	(17)	(354)
	Amount	15.45	-	1,926.30	491.03	2,432.78	206.93	217.50	452.46	6.38	883.27
	outstanding	(146.04)	(-)	(6,236.10)	(656.53)	(7,038.67)	(46.11)	(307.32)	(415.80)	(6.65)	(775.88)
	Provision thereon	0.91	-	-	-	0.91	8.50	-	16.26	-	24.76
	thereon	(0.96)	(-)	(-)	(-)	(0.96)	(10.26)	(6.43)	(24.88)	(0.27)	(41.84)

Sr. No.	Type of Restructuring Asset Classification Particulars	Others (3)			TOTAL (1 + 2 + 3)					
		Standard	Sub Doubtful	Loss	Total Standard	Sub Doubtful	Loss	Total		
1	Restructured Accounts as on April 1, 2019 (Opening position)	No. of Borrowers Amount	227 (335)	786 (1,094)	171 (45)	1484 (1,834)	394 (507)	972 (1,330)	197 (71)	1,895 (2,324)
	Amount outstanding	3,909.81 (4,179.74)	29.83 (3,933.96)	8,004.74 (29,631.18)	803.16 (966.41)	12,747.54 (38,711.28)	337.15 (4,692.31)	14,656.64 (48,031.77)	1,466.34 (1,222.07)	20,562.09 (58,809.23)
	Provision thereon	319.57 (350.99)	0.85 (80.14)	15.23 (170.62)	4.05 (0.64)	339.70 (602.39)	7.28 (135.15)	40.11 (892.24)	4.32 (1.03)	382.50 (904.69)
2	Fresh Restructuring during the current FY	No. of Borrowers Amount	61 (7)	21 (291)	1 (66)	4,896 (475)	67 (139)	22 (295)	1 (69)	5,693 (510)
	Amount outstanding	578.77 (9,347.86)	1.81 (2.96)	32.88 (94.95)	0.02 (3.95)	613.48 (9,449.72)	6.25 (45.78)	34.26 (217.96)	0.02 (4.23)	800.71 (9,727.15)
	Provision thereon	- (43.41)	65.61 (0.47)	2.09 (8.02)	0.24 (2.26)	67.94 (54.16)	68.33 (4.21)	2.49 (8.47)	0.24 (2.53)	71.32 (58.70)
3	Upgradation to restructured standard category during current FY	No. of Borrowers Amount	17 (7)	-7 (-)	-10 (-)	- (-)	-8 (-)	-10 (-)	- (-)	- (-)
	Amount outstanding	0.62 (0.29)	-0.36 (-0.29)	-0.26 (-)	- (-)	- (-)	-18.73 (0.29)	-18.47 (-0.29)	- (-)	- (-)
	Provision thereon	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
4	Restructured Standard Advances which ceases 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 Amount	-16 (-22)	- (-)	- (-)	-16 (-22)	-18 (-25)	- (-)	- (-)	-18 (-25)
	Amount outstanding	-1,130.83 (-9,421.29)	- (-)	-1,130.83 (-9,421.29)	-1,285.91 (-9,448.90)	- (-)	-1,285.91 (-9,448.90)	- (-)	- (-)	-1,285.91 (-9,448.90)
	Provision thereon	-28.19 (-4.31)	- (-)	-28.19 (-4.31)	-28.19 (-4.54)	- (-)	-28.19 (-4.54)	- (-)	- (-)	-28.19 (-4.54)
5	Downgradations of restructured accounts during current FY	No. of Borrowers Amount	-5 (-9)	-73 (-1)	47 (-79)	- (-)	-14 (-13)	-80 (-1)	63 (-78)	31 (92)
	Amount outstanding	-675.75 (-39.38)	631.60 (-1,256.52)	43.65 (-42.68)	0.50 (1,338.58)	- (-)	-678.13 (-409.83)	564.29 (-1,440.27)	113.34 (-129.72)	0.50 (1,979.82)
	Provision thereon	-11.57 (-1.17)	10.62 (-15.18)	0.45 (10.96)	0.50 (5.39)	- (-)	-11.62 (-1.52)	1.84 (-24.35)	9.28 (20.48)	0.50 (5.39)
	Write-offs of restructured accounts during current FY	No. of Borrowers Amount	-5 (-43)	-24 (-21)	-162 (-520)	-41 (-29)	-29 (-803)	-77 (-244)	-218 (-575)	-45 (-35)
	Amount outstanding	-483.01 (-157.41)	-126.56 (-2,650.27)	-5,601.59 (-21,678.71)	-454.17 (-1,505.78)	-6,665.33 (-25,992.17)	-494.84 (-361.87)	-135.40 (-2,960.38)	-9,945.80 (-33,463.39)	-619.94 (-1,739.76)
	Provision thereon	-95.96 (-69.35)	-0.28 (-64.58)	-2.36 (-174.37)	-2.19 (-4.24)	-100.79 (-312.54)	-97.98 (-82.93)	-0.65 (-107.73)	-20.21 (-381.07)	-2.46 (-4.63)
	Provision thereon	-69.35 (-104.18)	184 (227)	682 (786)	162 (171)	6,132 (1484)	5,892 (332)	829 (972)	184 (197)	7,201 (1895)
7	Total Restructured Accounts as on 31 <sup>st</sup> March, 2020 (Closing Position)	No. of Borrowers Amount	2,199.61 (3,909.81)	536.32 (29.83)	2,479.42 (8,004.74)	349.51 (803.16)	5,564.86 (12,747.54)	753.82 (337.15)	4,858.18 (14,656.62)	846.92 (1,466.35)
	Amount outstanding	183.85 (319.57)	76.80 (0.85)	15.41 (15.23)	2.60 (4.05)	278.66 (339.70)	193.26 (330.77)	76.80 (7.29)	31.67 (40.11)	2.60 (4.32)
	Provision thereon	319.57 (350.99)	0.85 (80.14)	15.23 (170.62)	4.05 (0.64)	339.70 (602.39)	7.28 (135.15)	40.11 (892.24)	4.32 (1.03)	382.50 (904.69)

Note:

- Increase in outstanding of ₹ 572 crore (Previous Year ₹ 8,263.39 crore) included in Fresh Additions.
- Closure of ₹ 5,616 crore (Previous Year ₹ 27,360.50 crore) and decrease in Outstanding of ₹ 597 crore (Previous Year ₹ 1,133.75 crore) is included in Write off.
- Total Column does not include standard assets moved out of higher provisioning.



- d) As per RBI circular no. DBR.No.BP. BC.18/21.04.048/2018-19 dated 01.01.2019, the details of restructured MSME accounts is as below:-

(₹ in crore)

Particulars	Current Year	Previous Year
No. of accounts restructured	60,057	17,419
Aggregate outstanding	2,872.49	627.64

- e) Details of Technical Write-offs and the recoveries made thereon:

(₹ in crore)

Sr No	Particulars	Current Year	Previous Year
i	Opening balance of Technical/Prudential written-off accounts as at April 1	5,139.76	4,537.11
ii	Add: Technical/ Prudential write-offs during the year	-	5,139.76
iii	Sub-total (A)	5,139.76	9,676.87
iv	Less: Recoveries made/ Actual written off from previously technical/prudential written-off accounts during the year (B)	5,139.76	4,537.11
v	Closing balance as at 31 <sup>st</sup> March (A-B)	-	5,139.76

- f) Details of financial assets sold to Securitisation Company (SC) / Reconstruction Company (RC) for Asset Reconstruction

(₹ in crore)

Sr No	Particulars	Current Year	Previous Year
i	No. of Accounts	32	47
ii	Aggregate value (net of provisions) of accounts sold to SC/RC	101.17	2,227.88
iii	Aggregate consideration*	1,236.62	4,330.99
iv	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v	Aggregate gain /(loss) over net book value #	1,135.45	2,103.11

\* SRs received as part of considerations have been recognised at lower of Net book Value/ Face Value as per RBI Guidelines.

# Includes amount of ₹ Nil (Previous Year ₹ 4.11 crore) credited to charges/ (interest) account.

- g) Excess Provision reversed to Profit & Loss Account on account of Sale of NPAs to Securitisation Company (SC) / Reconstruction Company (RC)

(₹ in crore)

Particulars	Current Year	Previous Year
Excess Provision reversed to P&L Account in case of Sale of NPAs	170.82	1,075.12

- h) Details of non-performing financial assets purchased

(₹ in crore)

Particulars	Current Year	Previous Year
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

- i) Details of non-performing financial assets sold

(₹ in crore)

Particulars	Current Year	Previous Year
1) No. of Accounts sold	15	29
2) Aggregate outstanding	551.59	6,545.21
3) Aggregate consideration received	271.15	3,155.43

- j) Provision on Standard Assets:

(₹ in crore)

Particulars	Current Year	Previous Year
Provision towards Standard Assets	11,544.24	12,396.68

## 18.5 Business Ratios

Particulars	Current Year	Previous Year
i. Interest Income as a percentage to Working Funds	6.45%	6.55%
ii. Non-interest income as a percentage to Working Funds	1.13%	0.99%
iii. Operating Profit as a percentage to Working Funds	1.71%	1.49%
iv. Return on Assets*	0.38%	0.02%
v. Business (Deposits plus advances) per employee (₹ in crore)	21.05	18.77
vi. Profit per employee (₹ in thousands)	578.98	33.39

\* (on net-assets basis)

**18.6 Asset Liability Management: Maturity pattern of certain items of assets and liabilities as at 31<sup>st</sup> March, 2020**

(₹ in crore)

	Day1	2-7 Days	8-14 Days	15 to 30 days and upto 2 months	Over 31 days and upto 3 months	Over 2 months and upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 Year	Over 1 Year & upto 3 years	Over 3 Years & upto 5 years	Over 5 Years	Total
Deposits	50,412.96	89,018.26	48,210.68	82,393.15	1,26,563.94	1,09,843.95	3,16,203.23	6,02,960.92	5,92,806.58	3,24,913.60	8,98,293.46	32,41,620.73
	(20,801.66)	(67,397.57)	(38,395.92)	(70,124.55)	(1,09,112.89)	(1,04,290.94)	(2,80,613.69)	(5,56,965.57)	(5,31,671.81)	(3,03,630.51)	(8,28,380.90)	(29,11,386.01)
Advances	57,442.98	14,151.74	16,608.14	31,096.94	42,616.30	44,774.93	75,159.25	1,16,239.21	10,82,113.87	2,09,766.10	6,35,320.10	23,25,289.56
	(23,338.39)	(13,259.37)	(10,239.57)	(38,815.39)	(31,390.31)	(33,817.93)	(69,805.47)	(1,00,265.25)	(10,91,890.56)	(2,90,220.65)	(4,82,834.03)	(21,85,876.92)
Investments	188.13	4,423.08	3,965.20	17,133.59	20,404.80	33,033.97	45,189.57	70,272.40	182,741.13	1,55,126.51	5,14,476.14	10,46,954.52
	(22.36)	(6,432.46)	(2,525.26)	(13,582.82)	(8,105.72)	(22,921.96)	(25,099.70)	(42,890.15)	(1,66,758.51)	(1,81,538.37)	(4,97,144.64)	(9,67,021.95)
Borrowings	915.24	13,829.39	4,180.76	9,892.09	20,370.67	27,941.89	41,265.36	55,907.52	78,368.05	49,093.15	12,891.53	3,14,655.65
	(16,679.67)	(89,536.61)	(3,684.07)	(20,965.35)	(57,773.72)	(20,810.07)	(27,681.37)	(34,911.01)	(47,258.20)	(28,896.05)	(54,821.00)	(4,03,017.12)
Foreign Currency Assets #	44,464.27	5,354.64	8,137.20	20,603.01	25,000.46	23,193.94	36,944.55	43,842.32	1,12,403.17	83,445.52	47,435.08	4,50,824.16
	(43,190.02)	(3,268.05)	(3,451.22)	(10,523.17)	(18,236.76)	(16,732.11)	(35,576.40)	(41,045.46)	(95,815.96)	(83,623.23)	(39,988.32)	(3,91,450.70)
Foreign Currency Liabilities \$	25,950.88	15,075.64	8,027.84	18,994.07	29,216.63	35,828.10	54,776.09	62,965.89	64,113.98	46,576.87	13,758.15	3,75,284.14
	(24,255.18)	(17,027.04)	(4,671.82)	(29,440.95)	(23,767.03)	(29,231.40)	(40,986.24)	(65,749.56)	(59,114.18)	(47,839.17)	(15,742.68)	(3,57,825.25)

# Foreign Currency Assets and Liabilities represent advances and investments (net of provision thereof).

\$ Foreign Currency Liabilities represent borrowings and deposits.

(Figures in brackets are as at 31<sup>st</sup> March, 2019).

## 18.7 Exposures

The Bank is lending to sectors, which are sensitive to asset price fluctuations.

### a) Real Estate Sector

(₹ in crore)

Particulars	Current Year	Previous Year
<b>I Direct exposure</b>		
i) Residential Mortgages	3,58,599.62	3,28,969.21
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	3,58,599.62	3,28,969.21
Of which (i) Individual housing loans up to ₹ 35 lacs (previous year ₹ 35 lac) in Metropolitan centres (Population >= 10 lacs) and ₹ 25 lacs (previous year ₹ 25 lacs) in other centres for purchase/construction of dwelling unit per family.	1,50,689.19	1,54,846.41
ii) Commercial Real Estate		
Lending secured by mortgages on Commercial Real Estates (office building, retail space, multi purpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc. Exposures would also include non fund based (NFB) limits.	31,607.67	38,764.19
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:	9,781.26	-
a) Residential	-	-
b) Commercial Real Estate	9,781.26	-
<b>II Indirect Exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	1,07,004.65	96,683.37
<b>Total Exposure to Real Estate Sector</b>	<b>5,06,993.20</b>	<b>4,64,416.77</b>

### b) Capital Market

(₹ in crore)

Particulars	Current Year	Previous Year
1) 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.	8,534.42	8,438.87
2) 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.	19.16	24.41
3) 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.	93.49	26.07
4) 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.	975.44	8,114.07
5) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	14.09	135.91
6) 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.	13.82	1.68
7) Bridge loans to companies against expected equity flows/issues.	Nil	Nil
8) 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.	Nil	Nil
9) Financing to stockbrokers for margin trading.	Nil	0.13
10) Exposures to Venture Capital Funds (both registered and unregistered)	3,352.74	2,185.02
<b>Total Exposure to Capital Market</b>	<b>13,003.16</b>	<b>18,926.16</b>

**c) Risk Category wise Country Exposure**

As per the extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in the following table. The country exposure (net funded) of the Bank for any country does not exceed 1% of its total assets except on USA, hence provision for the country exposure on USA has been made.

(₹ in crore)

Risk Category	Net Funded Exposure		Provision held	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Insignificant	16,716.77	90,015.33	Nil	121.06
Very Low	1,56,986.73	53,189.73	145.81	Nil
Low	20,546.89	11,366.00	Nil	Nil
Medium	8,326.76	17,523.32	Nil	Nil
High	21,883.14	7,126.62	Nil	Nil
Very High	10,242.33	8,314.33	Nil	Nil
Restricted	318.01	1,299.06	Nil	Nil
<b>TOTAL</b>	<b>2,35,020.63</b>	<b>1,88,834.39</b>	<b>145.81</b>	<b>121.06</b>

**d) Single Borrower and Group Borrower exposure limits exceeded by the Bank**

The Bank had taken single borrower exposure & Group Borrower exposure within the prudential limit prescribed by RBI.

**e) Unsecured Advances**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
a) Total Unsecured Advances of the bank	5,59,246.43	5,22,939.34
i) Of which amount of advances outstanding against charge over intangible securities such as rights, licences, authority etc.	Nil	Nil
ii) The estimated value of such intangible securities (as in (i) above).	Nil	Nil

**18.8 Miscellaneous**

**a. Disclosure of Penalties**

- Reserve Bank of India has imposed an aggregate penalty of ₹ 7.00 crore on the Bank for non-compliance of directions issued by RBI on Income Recognition and Asset Classification (IRAC) norms etc.
- Reserve Bank of India has imposed a penalty of ₹ 0.50 crore on the Bank for non-compliance with its directions relating to reporting of frauds.

**b. Penalty for Bouncing of SGL forms**

No penalty has been levied on the Bank for bouncing of SGL Forms.

**18.9 Disclosure Requirements as per the Accounting Standards**

**a) Accounting Standard – 5 “Net Profit or Loss for the period, Prior Period Items, and Changes in Accounting Policies”**

- During the year, there were no material prior period income / expenditure items.
- There is no change in the Significant Accounting Policies adopted during the year ended 31<sup>st</sup> March 2020 as compared to those followed in the previous financial year 2018-19 except in respect of investment in associates. This change does not have any impact on the financial results for the year ended 31<sup>st</sup> March 2020.

**b) Accounting Standard – 15 “Employee Benefits”**

**i. Defined Benefit Plans**

**1. Employee’s Pension Plan and Gratuity Plan**

The following table sets out the status of the Defined Benefit Pension Plan and Gratuity Plan as per the actuarial valuation by the independent Actuary appointed by the Bank:-

(₹ in crore)

Particulars	Pension Plans		Gratuity Plan	
	Current Year	Previous Year	Current Year	Previous Year
<b>Change in the present value of the defined benefit obligation</b>				
Opening defined benefit obligation at 1 <sup>st</sup> April, 2019	95,362.15	87,786.56	12,189.05	12,872.60
Current Service Cost	953.34	1,060.57	447.17	410.51
Interest Cost	7,428.71	6,812.24	947.09	1,001.49
Past Service Cost (Vested Benefit)	-	-	-	-
Actuarial losses (gains)	13,619.61	6,434.95	1,224.38	(107.62)
Benefits paid	(3,914.34)	(3,966.53)	(1,955.13)	(1,987.93)
Direct Payment by Bank	(3,619.10)	(2,765.64)	-	-
Closing defined benefit obligation at 31 <sup>st</sup> March, 2020	1,09,830.37	95,362.15	12,852.56	12,189.05
<b>Change in Plan Assets</b>				
Opening fair value of Plan Assets as at 1 <sup>st</sup> April, 2019	90,399.61	85,249.60	10,326.00	9,140.76
Expected Return on Plan Assets	7,015.01	6,615.37	803.36	711.15
Contributions by employer	2,407.68	2,391.18	1,146.88	2,359.86
Expected Contributions by the employees	0.28	0.34	-	-
Benefits Paid	(3,914.34)	(3,966.53)	(1,955.13)	(1,987.93)
Actuarial Gains / (Loss) on plan Assets	1,550.28	109.65	249.84	102.16
Closing fair value of plan assets as at 31 <sup>st</sup> March, 2020	97,458.52	90,399.61	10,570.95	10,326.00
<b>Reconciliation of present value of the obligation and fair value of the plan assets</b>				
Present Value of Funded obligation at 31 <sup>st</sup> March, 2020	1,09,830.37	95,362.15	12,852.56	12,189.05
Fair Value of Plan assets at 31 <sup>st</sup> March, 2020	97,458.52	90,399.61	10,570.95	10,326.00
Deficit/(Surplus)	12,371.85	4,962.54	2,281.61	1,863.05
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	12,371.85	4,962.54	2,281.61	1,863.05
<b>Amount Recognised in the Balance Sheet</b>				
Liabilities	1,09,830.37	95,362.15	12,852.56	12,189.05
Assets	97,458.52	90,399.61	10,570.95	10,326.00
Net Liability / (Asset) recognised in Balance Sheet	12,371.85	4,962.54	2,281.61	1,863.05
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	12,371.85	4,962.54	2,281.61	1,863.05
<b>Net Cost recognised in the profit and loss account</b>				
Current Service Cost	953.34	1,060.57	447.17	410.51
Interest Cost	7,428.71	6,812.24	947.09	1,001.49
Expected return on plan assets	(7,015.01)	(6,615.37)	(803.36)	(711.15)

Particulars	Pension Plans		Gratuity Plan	
	Current Year	Previous Year	Current Year	Previous Year
Expected Contributions by the employees	(0.28)	(0.34)	-	-
Past Service Cost (Amortised) Recognised	-	-	-	-
Past Service Cost (Vested Benefit) Recognised	-	-	-	2,707.50
Net actuarial losses (Gain) recognised during the year	12,069.33	6,325.30	974.54	(209.78)
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	13,436.09	7,582.40	1,565.44	3,198.57
<b>Reconciliation of expected return and actual return on Plan Assets</b>				
Expected Return on Plan Assets	7,015.01	6,615.37	803.36	711.15
Actuarial Gain/ (loss) on Plan Assets	1,550.28	109.65	249.84	102.16
Actual Return on Plan Assets	8,565.29	6,725.02	1,053.20	813.31
<b>Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet</b>				
Opening Net Liability/ (Asset) as at 1 <sup>st</sup> April, 2019	4,962.54	2,536.96	1,863.05	1,024.34
Expenses as recognised in profit and loss account	13,436.09	7,582.40	1,565.44	3,198.57
Paid by Bank Directly	(3,619.10)	(2,765.64)	-	-
Debited to Other Provision	-	-	-	-
Recognised in Reserve	-	-	-	-
Employer's Contribution	(2,407.68)	(2,391.18)	(1,146.88)	(2,359.86)
Net liability/(Asset) recognised in Balance Sheet	12,371.85	4,962.54	2,281.61	1,863.05

**Investments under Plan Assets of Pension Fund & Gratuity Fund as on 31<sup>st</sup> March, 2020 are as follows:**

Category of Assets	Pension Fund	Gratuity Fund
	% of Plan Assets	% of Plan Assets
Central Govt. Securities	23.60%	19.42%
State Govt. Securities	36.89%	36.84%
Debt Securities, Money Market Securities and Bank Deposits	30.68%	26.35%
Mutual Funds	3.36%	3.53%
Insurer Managed Funds	2.56%	10.85%
Others	2.91%	3.01%
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>

**Principal actuarial assumptions**

Particulars	Pension Plans	
	Current year	Previous year
Discount Rate	6.83%	7.79%
Expected Rate of return on Plan Asset	6.83%	7.79%
Salary Escalation Rate	5.40%	5.20%
Pension Escalation Rate	0.80%	0.40%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

**Principal actuarial assumptions**

Particulars	Gratuity Plans	
	Current year	Previous year
Discount Rate	6.84%	7.77%
Expected Rate of return on Plan Asset	6.84%	7.77%
Salary Escalation Rate	5.40%	5.20%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

**Surplus/ Deficit in the Plan****Gratuity Plan**

(₹ in crore)

Amount recognized in the Balance Sheet	Year ended 31-03-2016	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2019	Year ended 31-03-2020
Liability at the end of the year	7,332.14	7,291.02	12,872.60	12,189.05	12,852.56
Fair value of Plan Assets at the end of the year	6,879.77	7,281.18	9,140.76	10,326.00	10,570.95
Difference	452.37	9.84	3,731.84	1,863.05	2,281.61
Unrecognised Past Service Cost	-	-	2,707.50	-	-
Unrecognised Transition Liability	-	-	-	-	-
Amount Recognized in the Balance Sheet	452.37	9.84	1,024.34	1,863.05	2,281.61

**Experience adjustment**

(₹ in crore)

Amount recognized in the Balance Sheet	Year ended 31-03-2016	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2019	Year ended 31-03-2020
On Plan Liability (Gain) /Loss	326.09	10.62	399.62	(212.11)	382.17
On Plan Asset (Loss) /Gain	(43.09)	182.34	(25.96)	102.16	249.84

**Surplus/Deficit in the plan****Pension**

(₹ in crore)

Amount recognized in the Balance Sheet	Year ended 31-03-2016	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2019	Year ended 31-03-2020
Liability at the end of the year	59,151.41	67,824.90	87,786.56	95,362.15	1,09,830.37
Fair value of Plan Assets at the end of the year	53,410.37	64,560.42	85,249.60	90,399.61	97,458.52
Difference	5,741.04	3,264.48	2,536.96	4,962.54	12,371.85
Unrecognised Past Service Cost	-	-	-	-	-
Unrecognised Transition Liability	-	-	-	-	-
Amount Recognized in the Balance Sheet	5,741.04	3,264.48	2,536.96	4,962.54	12,371.85

**Experience adjustment**

(₹ in crore)

On Plan Liability (Gain) /Loss	5,502.35	3,007.59	4,439.54	3,642.57	4,078.53
On Plan Asset (Loss) /Gain	(162.93)	2,246.60	(135.07)	109.65	1,550.28

The expected contribution to the Pension and Gratuity fund for next year is ₹ 2,348.90 crore and ₹ 1,383.89 crore respectively.

As the plan assets are marked to market on the basis of the yield curve derived from government securities, the expected rate of return has been kept the same as the discount rate.

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible. The said estimates and assumptions have been relied upon by the auditors.

With a view to further strengthen the Pension Fund, it was decided to upwardly revise some of the assumptions.

## 2. Employees' Provident Fund

Actuarial valuation carried out in respect of interest shortfall in the Provident Fund Trust of the Bank, as per Deterministic Approach shows "Nil" liability, hence no provision is made in F.Y. 2019-20.

The following table sets out the status of Provident Fund as per the actuarial valuation by the independent Actuary appointed by the Bank:-

(₹ in crore)

Particulars	Provident Fund	
	Current Year	Previous Year
<b>Change in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation at 1 <sup>st</sup> April, 2019	30,487.93	29,934.63
Current Service Cost	1,017.99	943.07
Interest Cost	2,455.49	2,475.08
Employee Contribution (including VPF)	1,104.84	1,330.76
Actuarial losses/(gains)	208.49	-
Benefits paid	(4,086.25)	(4,195.61)
Closing defined benefit obligation at 31 <sup>st</sup> March, 2020	31,188.49	30,487.93
<b>Change in Plan Assets</b>		
Opening fair value of Plan Assets as at 1 <sup>st</sup> April, 2019	32,179.93	31,502.49
Expected Return on Plan Assets	2,455.49	2,475.08
Contributions	2,122.82	2,273.83
Provision for loss on maturity of non-performing investment	(467.66)	-
Benefits Paid	(4,086.25)	(4,195.61)
Actuarial Gains / (Loss) on plan Assets	(100.11)	124.14
Closing fair value of plan assets as at 31 <sup>st</sup> March, 2020	32,104.22	32,179.93
<b>Reconciliation of present value of the obligation and fair value of the plan assets</b>		
Present Value of Funded obligation at 31 <sup>st</sup> March, 2020	31,188.49	30,487.93
Fair Value of Plan assets at 31 <sup>st</sup> March, 2020	32,104.22	32,179.93
Deficit/(Surplus)	(915.73)	(1,692.00)
Net Asset not recognised in Balance Sheet	915.73	1,692.00
<b>Net Cost recognised in the profit and loss account</b>		
Current Service Cost	1,017.99	943.07
Interest Cost	2,455.49	2,475.08
Expected return on plan assets	(2,455.49)	(2,475.08)
Interest shortfall reversed	-	-
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	1,017.99	943.07
<b>Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet</b>		
Opening Net Liability as at 1 <sup>st</sup> April, 2019	-	-
Expense as above	1,017.99	943.07
Employer's Contribution	(1,017.99)	(943.07)
Net Liability/(Asset) Recognized In the Balance Sheet	-	-



**Investments under Plan Assets of Provident Fund as on 31<sup>st</sup> March, 2020 are as follows:**

Category of Assets	Provident Fund	
	% of Plan Assets	
Central Govt. Securities	34.72%	
State Govt. Securities	28.12%	
Debt Securities, Money Market Securities and Bank Deposits	31.20%	
Mutual Funds	2.62%	
Others	3.34%	
<b>TOTAL</b>	<b>100.00%</b>	

**Principal actuarial assumptions**

Particulars	Provident Fund	
	Current year	Previous year
Discount Rate	6.84%	7.77%
Guaranteed Return	8.50%	8.55%
Attrition Rate	2.00%	2.00%
Salary Escalation	5.40%	5.20%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

There is a guaranteed return applicable to liability under SBI Employees Provident Fund which shall not be lower of either:

- (a) one half percent above the average standard rate (adjusted up or down to the interest one quarter per cent) quoted by the bank for new deposits fixed for twelve months in the preceding year (ending on the preceding the 31<sup>st</sup> day of March); or
- (b) three percent per annum, subject to approval of Executive Committee.

**ii. Defined Contribution Plan:**

The Bank has a Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the Bank on or after August 1, 2010. The Scheme is managed by NPS Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2019-20, the Bank has contributed ₹ 541.97 crore (Previous Year ₹ 451.39 crore).

**iii. Long Term Employee Benefits (Unfunded Obligation):****(A) Accumulating Compensated Absences (Privilege Leave)**

The following table sets out the status of Accumulating Compensated Absences (Privilege Leave) as per the actuarial valuation by the independent Actuary appointed by the Bank:-

(₹ in crore)

Particulars	Accumulating Compensated Absences (Privilege Leave)	
	Current Year	Previous Year
<b>Change in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation at 1 <sup>st</sup> April, 2019	6,870.40	6,242.18
Current Service Cost	284.97	259.33
Interest Cost	533.83	485.64
Actuarial losses/(gains)	769.88	741.53
Benefits paid	(926.04)	(858.28)
Closing defined benefit obligation at 31 <sup>st</sup> March, 2020	7,533.04	6,870.40
<b>Net Cost recognised in the profit and loss account</b>		
Current Service Cost	284.97	259.33
Interest Cost	533.83	485.64

Particulars	Accumulating Compensated Absences (Privilege Leave)	
	Current Year	Previous Year
Actuarial (Gain)/ Losses	769.88	741.53
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	1,588.68	1,486.50
<b>Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet</b>		
Opening Net Liability as at 1 <sup>st</sup> April, 2019	6,870.40	6,242.18
Expense as above	1,588.68	1,486.50
Employer's Contribution	-	-
Benefit paid directly by the Employer	(926.04)	(858.28)
Net Liability/(Asset) Recognized In the Balance Sheet	7,533.04	6,870.40

**Principal actuarial assumptions**

Particulars	Current year	Previous year
Discount Rate	6.84%	7.77%
Salary Escalation	5.40%	5.20%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

**(B) Other Long Term Employee Benefits**

Amount of ₹ 21.71 crore (Previous Year ₹ 21.53 crore) is provided towards Other Long Term Employee Benefits as per the actuarial valuation by the independent Actuary appointed by the Bank and is included under the head "Payments to and Provisions for Employees" in Profit and Loss Account.

Details of Provisions made for various Other Long Term Employee Benefits during the year:

(₹ in crore)

Sr. No.	Long Term Employee Benefits	Current Year	Previous Year
1	Leave Travel and Home Travel Concession (Encashment/Availment)	20.00	35.00
2	Sick Leave	-	-
3	Silver Jubilee Award	3.91	(1.47)
4	Resettlement Expenses on Superannuation	1.01	(4.15)
5	Casual Leave	-	-
6	Retirement Award	(3.21)	(7.85)
<b>TOTAL</b>		<b>21.71</b>	<b>21.53</b>

**Principal actuarial assumptions**

Particulars	Current year	Previous year
Discount Rate	6.84%	7.77%
Salary Escalation	5.40%	5.20%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

**c) Accounting Standard – 17 “Segment Reporting”**

**1. Segment Identification**

**I. Primary (Business Segment)**

The following are the primary segments of the Bank:-

- Treasury
- Corporate / Wholesale Banking
- Retail Banking
- Other Banking Business.

The present accounting and information system of the Bank does not support capturing and extraction of the data in respect of the above segments separately. However, based on the present internal, organisational and management reporting structure and the nature of their risk and returns, the data on the primary segments have been computed as under:

**ii. Treasury –**

The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.

**iii. Corporate / Wholesale Banking –**

The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Commercial Clients Group and Stressed Assets Resolution Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices.

**iv. Retail Banking –**

The Retail Banking Segment comprises of retail branches, which primarily includes Personal

Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs.

**v. Other Banking business –**

Segments not classified under (i) to (iii) above are classified under this primary segment.

**II. Secondary (Geographical Segment)**

- i) Domestic Operations - Branches/Offices having operations in India
- ii) Foreign Operations - Branches/Offices having operations outside India and offshore Banking units having operations in India

**III. Pricing of Inter-segmental Transfers**

The Retail Banking segment is the primary resource mobilising unit. The Corporate/ Wholesale Banking and Treasury segments are recipient of funds from Retail Banking. Market related Funds Transfer Pricing (MRFTP) is followed under which a separate unit called Funding Centre has been created. The Funding Centre notionally buys funds that the business units raise in the form of deposits or borrowings and notionally sell funds to business units engaged in creating assets.

**IV. Allocation of Expenses, Assets and Liabilities**

Expenses incurred at Corporate Centre establishments directly attributable either to Corporate / Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of number of employees in each segment/ratio of directly attributable expenses.

The Bank has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated.

**2. Segment Information**  
**Part A: Primary (Business Segments)**

(₹ in crore)

<b>Business Segment</b>	<b>Treasury</b>	<b>Corporate / Wholesale Banking</b>	<b>Retail Banking</b>	<b>Other Banking Operations</b>	<b>Total</b>
Revenue (before exceptional items) #	75,054.51	90,248.46	1,30,906.66	-	2,96,209.63
	(77,651.11)	(78,599.78)	(1,20,968.24)	(-)	(2,77,219.13)
Unallocated Revenue #					119.80
					(863.86)
Total Revenue #					2,96,329.43
					(2,78,082.99)
Result (before exceptional items) #	9,446.53	(-) 3,996.75	18,058.78	-	23,508.56
	(6,831.17)	(-16,262.12)	(12,730.51)	(-)	(3,299.56)
Add: Exceptional Items #	6,215.64				6,215.64
	(473.12)				(473.12)
Result (after exceptional items) #	15,662.17	(-) 3,996.75	18,058.78	-	29,724.20
	(7304.29)	(-16,262.12)	(12,730.51)	(-)	(3,772.68)
Unallocated Income(+) / Expenses(-) - net #					(-) 4,661.44
					(-2,165.20@)
Profit before tax #					25,062.76
					(1,607.48)
Tax #					10,574.65
					(745.25)
Extraordinary Profit #					Nil
					Nil
Net Profit #					14,488.11
					(862.23)
<b>Other Information:</b>					
Segment Assets *	11,34,532.91	11,77,636.15	15,80,600.47	-	38,92,769.53
	(10,02,841.57)	(11,33,271.13)	(14,91,676.59)	(-)	(36,27,789.29)
Unallocated Assets *					58,624.39
					(53,124.96)
Total Assets*					39,51,393.92
					(36,80,914.25)
Segment Liabilities *	10,18,341.71	11,62,918.88	14,60,117.68	-	36,41,378.27
	(8,37,911.69)	(11,64,572.02)	(13,89,432.28)	(-)	(33,91,915.99)
Unallocated Liabilities*					78,008.22
					(68,084.44)
Total Liabilities *					37,19,386.49
					(34,60,000.43)

(Figures in brackets are for previous year) .

@ Includes exceptional item of ₹ 1,087.43 crores.

**Part B: Secondary (Geographic Segments)**

(₹ in crore)

	Domestic		Foreign		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue (before exceptional items) #	2,81,486.59	2,63,866.57	14,842.84	14,216.42	2,96,329.43	2,78,082.99
Net Profit#	10,332.81	(-) 3,075.19	4,155.30	3,937.42	14,488.11	862.23
Assets *	35,11,389.86	32,85,791.00	4,40,004.06	3,95,123.25	39,51,393.92	36,80,914.25
Liabilities*	32,79,382.43	30,64,877.18	4,40,004.06	3,95,123.25	37,19,386.49	34,60,000.43

# For the year ended 31<sup>st</sup> March, 2020.\* As at 31<sup>st</sup> March, 2020.**d) Accounting Standard – 18 “Related Party Disclosures”****1. Related Parties****A. SUBSIDIARIES****i. FOREIGN BANKING SUBSIDIARIES**

1. Commercial Indo Bank LLC, Moscow
2. Bank SBI Botswana Limited
3. SBI Canada Bank
4. State Bank of India (California)
5. State Bank of India (UK) Limited
6. SBI (Mauritius) Ltd.
7. PT Bank SBI Indonesia
8. Nepal SBI Bank Ltd.

**ii. DOMESTIC NON-BANKING SUBSIDIARIES**

1. SBI Capital Markets Ltd.
2. SBICAP Securities Ltd.
3. SBICAP Trustee Company Ltd.
4. SBICAP Ventures Ltd.
5. SBI DFHI Ltd.
6. SBI Global Factors Ltd.
7. SBI Infra Management Solutions Pvt. Ltd.
8. SBI Mutual Fund Trustee Company Pvt. Ltd.
9. SBI Payment Services Pvt. Ltd.
10. SBI Pension Funds Pvt. Ltd.
11. SBI Life Insurance Company Ltd.
12. SBI General Insurance Company Ltd.
13. SBI Cards and Payment Services Ltd.
14. SBI – SG Global Securities Services Pvt. Ltd.
15. SBI Funds Management Pvt. Ltd.
16. SBI Foundation.

**iii. FOREIGN NON-BANKING SUBSIDIARIES**

1. SBICAP (Singapore) Ltd.
2. SBICAP (UK) Ltd.
3. SBI Funds Management (International) Pvt. Ltd.
4. State Bank of India Servicios Limitada
5. Nepal SBI Merchant Banking Ltd.

**B. JOINTLY CONTROLLED ENTITIES**

1. C-Edge Technologies Ltd.
2. SBI Macquarie Infrastructure Management Pvt. Ltd.
3. SBI Macquarie Infrastructure Trustee Pvt. Ltd.
4. Macquarie SBI Infrastructure Management Pte. Ltd.
5. Macquarie SBI Infrastructure Trustee Ltd.
6. Oman India Joint Investment Fund – Management Company Pvt. Ltd.
7. Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.
8. Jio Payments Bank Ltd.

**C. ASSOCIATES****i. Regional Rural Banks**

1. Andhra Pradesh Grameena Vikas Bank
2. Arunachal Pradesh Rural Bank
3. Chhattisgarh Rajya Gramin Bank
4. Ellaquai Dehati Bank
5. Madhyanchal Gramin Bank
6. Meghalaya Rural Bank
7. Mizoram Rural Bank
8. Nagaland Rural Bank
9. Purvanchal Bank
10. Saurashtra Gramin Bank
11. Utkal Grameen Bank
12. Uttarakhand Gramin Bank
13. Jharkhand Rajya Gramin Bank
14. Rajasthan Marudhara Gramin Bank
15. Telangana Grameena Bank

**ii. Others**

1. SBI Home Finance Ltd.(under liquidation)
2. The Clearing Corporation of India Ltd.
3. Bank of Bhutan Ltd.
4. Yes Bank Ltd. (from 14<sup>th</sup> March 2020)

**D. Key Management Personnel of the Bank**

1. Shri Rajnish Kumar, Chairman
2. Shri P. K. Gupta, Managing Director (Retail & Digital Banking)
3. Shri Dinesh Kumar Khara, Managing Director (Global Banking & Subsidiaries)
4. Shri Arijit Basu, Managing Director (Commercial Clients Group & IT)
5. Ms. Anshula Kant, Managing Director (Stressed Assets, Risk and Compliance) 01.04.2019 to 31.08.2019.
6. Shri Challa Sreenivasulu Setty, Managing Director (Stressed Assets) w.e.f. 20.01.2020

**2. Parties with whom transactions were entered into during the year**

No disclosure is required in respect of related parties, which are "State-controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

**3. Transactions and Balances**

(₹ in crore)

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
<b>A. Outstanding as at 31<sup>st</sup> March,2020</b>			
Borrowings	Nil (Nil)	Nil (Nil)	Nil (Nil)
Deposit	746.45 (46.09)	Nil (Nil)	746.45 (46.09)
Other Liabilities	0.06 (Nil)	Nil (Nil)	0.06 (Nil)
Balance with Banks and Money at call and short notice	300.00 (Nil)	Nil (Nil)	300.00 (Nil)
Advance	113.50 (Nil)	Nil (Nil)	113.50 (Nil)

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Investment	11,003.36 (106.06)	Nil (Nil)	11,003.36 (106.06)
Other Assets	212.33 (200.38)	Nil (Nil)	212.33 (200.38)
Non-fund commitments (LCs/BGs)	Nil (Nil)	Nil (Nil)	Nil (Nil)
<b>Maximum outstanding during the year</b>			
Borrowings	Nil (Nil)	Nil (Nil)	Nil (Nil)
Deposit	767.06 (206.16)	Nil (Nil)	767.06 (206.16)
Other Liabilities	0.06 (Nil)	Nil (Nil)	0.06 (Nil)
Balance with Banks and Money at call and short notice	300.00 (Nil)	Nil (Nil)	300.00 (Nil)
Advance	113.50 (Nil)	Nil (Nil)	113.50 (Nil)
Investment	11,003.36 (106.06)	Nil (Nil)	11,003.36 (106.06)
Other Assets	212.33 (200.38)	Nil (Nil)	212.33 (200.38)
Non-fund commitments (LCs/BGs)	Nil (Nil)	Nil (Nil)	Nil (Nil)
<b>During the year ended 31<sup>st</sup> March,2020</b>			
Interest Income	4.89 (Nil)	Nil (Nil)	4.89 (Nil)
Interest expenditure	0.82 (Nil)	Nil (Nil)	0.82 (Nil)
Income earned by way of dividend	17.88 (21.78)	Nil (Nil)	17.88 (21.78)
Other Income	0.74 (0.73)	Nil (Nil)	0.74 (0.73)
Other expenditure	Nil (Nil)	Nil (Nil)	Nil (Nil)
Profit/(loss) on sale of land/building and other assets	Nil (Nil)	Nil (Nil)	Nil (Nil)
Management contracts	Nil (Nil)	1.38 (1.32)	1.38 (1.32)

Figures in brackets are for Previous Year.

There are no materially significant related party transactions during the year.

**e) Accounting Standard – 19 “Leases”**

**Premises taken on operating lease are given below:**

Operating leases primarily comprise office premises and staff residences, which are renewable at the option of the Bank.

- (i) Liability for Premises taken on Non-Cancellable operating lease are given below

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Not later than 1 year	116.77	136.94
Later than 1 year and not later than 5 years	399.69	485.41
Later than 5 years	104.46	110.90
<b>TOTAL</b>	<b>620.92</b>	<b>733.25</b>

- (ii) Amount of lease payments recognised in the P&L Account for operating leases is ₹ 3,338.32 crore (₹ 3,309.41 crore).

**f) Accounting Standard -20 “Earnings per Share”**

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 - “Earnings per Share”. “Basic earnings” per share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year.

Particulars	Current Year	Previous Year
<b>Basic and diluted</b>		
Number of Equity Shares outstanding at the beginning of the year	892,46,11,534	892,45,87,534
Number of Equity Shares issued during the year	Nil	24,000
Number of Equity Shares outstanding at the end of the year	892,46,11,534	892,46,11,534
Weighted average number of equity shares used in computing basic earnings per share	892,46,11,534	892,45,91,479
Weighted average number of shares used in computing diluted earnings per share	892,46,11,534	892,45,91,479
Net profit / (loss) (₹ in crore)	14,488.11	862.23
Basic earnings per share (₹)	16.23	0.97
Diluted earnings per share (₹)	16.23	0.97
Nominal value per share (₹)	1	1

**g) Accounting Standard – 22 “Accounting for Taxes on Income”**

**a. Current Tax :-**

During the year the Bank has debited to Profit & Loss Account ₹ 3,063.67 crore (Previous Year ₹ 208.87 crore credited) on account of current tax. The Current Tax in India has been calculated in accordance with the provisions of Income Tax Act 1961 after taking appropriate relief for taxes paid in foreign jurisdictions.

**b. Deferred Tax :-**

During the year, ₹ 7,510.99 crore has been debited to Profit and Loss Account (Previous Year ₹ 954.12 crore) on account of deferred tax.

The Bank has a net DTA of ₹ 2,927.28 crore (Previous Year net DTA of ₹ 10,420.16 crore), which comprises of DTL of ₹ 6.16 crore (Previous Year ₹ 2.33 crore) included under ‘Other Liabilities and Provisions’ and Deferred Tax Assets (DTA) of ₹ 2,933.44 crore (Previous Year ₹ 10,422.49 crore) included under ‘Other Assets’. The major components of DTA and DTL is given below:

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Deferred Tax Assets (DTA)</b>		
Provision for long term employee Benefits	6,425.50	5,321.84
Provision for advances	2,757.68	4,142.69
Provision for Other Assets/Other Liability	665.72	753.11
On Accumulated losses (including erstwhile ABs)	-	10,741.74
On Foreign Currency Translation Reserve	809.99	235.77
Depreciation on Fixed Assets	116.18	29.53
On account of Foreign Offices	253.17	277.67
<b>TOTAL</b>	<b>11,028.24</b>	<b>21,502.35</b>
<b>Deferred Tax Liabilities (DTL)</b>		
Interest accrued but not due on Securities	4,563.17	6,389.76
Special Reserve created u/s 36(1)(viii) of Income Tax Act 1961	3,531.63	4,690.10
On account of Foreign Offices	6.16	2.33
<b>TOTAL</b>	<b>8,100.96</b>	<b>11,082.19</b>
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>2,927.28</b>	<b>10,420.16</b>

- c. While recognising provision for income tax for the year ended 31<sup>st</sup> March 2020, the Bank has exercised the option of lower tax rate permitted under Section 115 BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Bank has re-measured its Deferred Tax Assets at 31<sup>st</sup> March, 2019 based on the tax rate prescribed in the said section and has reversed the MAT credit no longer available to it. The impact of these changes is a one-time charge of ₹ 3,392.31 crore which is included in Tax expenses of the Bank.

**h) Accounting Standard – 27 “Financial Reporting of interests in Joint Ventures”**

Investments include ₹ 97.66 crore (Previous Year ₹ 97.66 crore) representing Bank’s interest in the following jointly controlled entities.

Sr. No	Name of the Company	Amount ₹ in crore	Country of Residence	Holding %
1	C - Edge Technologies Ltd.	4.90 (4.90)	India	49%
2	SBI Macquarie Infrastructure Management Pvt. Ltd.	18.57 (18.57)	India	45%
3	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	0.03 (0.03)	India	45%
4	Maquarie SBI Infrastructure Management Pte. Ltd.	2.25 (2.25)	Singapore	45%
5	Macquarie SBI Infrastructure Trustee Ltd. #	- (-)	Bermuda	45%
6	Oman India Joint Investment Fund – Management Company Pvt. Ltd.	2.30 (2.30)	India	50%
7	Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.	0.01 (0.01)	India	50%
8	Jio Payments Bank	69.60 (69.60)	India	30%

# Indirect holding through Maquarie SBI Infra Management Pte. Ltd., against which the company has made 100% provision on investments.

(Figures in brackets relate to previous year).

As required by AS 27, the aggregate amount of the assets, liabilities, income, expenses, contingent liabilities and commitments related to the Bank’s interests in jointly controlled entities are disclosed as under:

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Liabilities</b>		
Capital & Reserves	242.72	214.01
Deposits	6.25	5.50
Borrowings	-	8.04
Other Liabilities & Provisions	59.47	56.99
<b>TOTAL</b>	<b>308.44</b>	<b>284.54</b>
<b>Assets</b>		
Cash and Balances with RBI	1.28	0.65
Balances with Banks and money at call and short notice	88.68	70.48
Investments	104.74	90.95
Advances	-	-
Fixed Assets	32.19	28.53
Other Assets	81.55	93.93
<b>TOTAL</b>	<b>308.44</b>	<b>284.54</b>
Capital Commitments	-	-
Other Contingent Liabilities	0.56	2.63
<b>Income</b>		
Interest earned	9.75	8.70
Other income	184.37	188.09
<b>TOTAL</b>	<b>194.12</b>	<b>196.79</b>
<b>Expenditure</b>		
Interest expended	0.28	0.20
Operating expenses	133.69	120.78
Provisions & contingencies	14.70	22.95
<b>TOTAL</b>	<b>148.67</b>	<b>143.93</b>
<b>Profit</b>	<b>45.45</b>	<b>52.86</b>

**i) Accounting Standards – 28 “Impairment of Assets”**

In the opinion of the Bank’s Management, there is no indication of impairment to the assets during the year to which Accounting Standard 28 – “Impairment of Assets” applies.



**j) Accounting Standard – 29 “Provisions, Contingent Liabilities and Contingent Assets”**

Description of Contingent liabilities:

Sr. No.	Particulars	Brief Description
1	Claims against the Bank not acknowledged as debts	The Bank is a party to various proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows. The Bank is also a party to various taxation matters in respect of which appeals are pending.
2	Liability on partly paid-up investments/ Venture Funds	This item represents amounts remaining unpaid towards liability for partly paid investments. This also includes undrawn commitments for Venture Capital Funds.
3	Liability on account of outstanding forward exchange contracts	The Bank enters into foreign exchange contracts in its normal course of business to exchange currencies at a pre-fixed price at a future date. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The notional amounts are recorded as Contingent Liabilities. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the interbank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.
4	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial Banking activities, the Bank issues documentary credits and guarantees on behalf of its customers. Documentary credits enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfil its financial or performance obligations.
5	Other items for which the Bank is contingently liable	The Bank enters into currency options, forward rate agreements, currency swaps and interest rate swaps with inter-Bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as Contingent Liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts. Further, these also include estimated amount of contracts remaining to be executed on capital account and not provided for, letter of comforts issued by the Bank on behalf of Associates & Subsidiaries, Bank's Liability under Depositors Education and Awareness Fund A/c and other sundry contingent liabilities.

The Contingent Liabilities mentioned above are dependent upon the outcome of Court/ arbitration/out of Court settlements, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be.

**k) Movement of provisions against Contingent Liabilities**

(₹ in crore)

Particulars	Current Year	Previous Year
Opening balance	525.26	503.16
Additions during the year	137.17	112.81
Amount utilised during the year	5.30	51.51
Unused amount reversed during the year	28.51	39.20
Closing balance	628.62	525.26

**18.10 Additional Disclosures**

**1. Provisions and Contingencies**

(₹ in crore)

Break up of “Provisions and Contingencies” shown under head Expenditure in Profit and loss account	Current Year	Previous Year
Provision for Taxation		
- Current Tax	2,803.14	491.13
- Deferred Tax	7,510.99	954.12
- Write Back/Additional Provision of Income Tax	260.53	(-) 700.00
Provision for Depreciation on Investments	538.55	(-) 762.09
Provision on Non-Performing Assets	42,997.50	54,617.72
Provision on Restructured Assets	(-) 221.54	(-) 88.66
Provision on Standard Assets	(-) 877.40	(-) 74.55
Other Provisions	632.73	136.13
<b>TOTAL</b>	<b>53,644.50</b>	<b>54,573.80</b>

**2. Floating Provisions**

(₹ in crore)

Particulars	Current Year	Previous Year
Opening Balance	193.75	193.75
Addition during the year	-	-
Draw down during the year	-	-
<b>Closing Balance</b>	<b>193.75</b>	<b>193.75</b>

**3. Draw down from Reserves**

During the year, no draw down has been made from reserves.

**4. Disclosure of complaints****A. Customer complaints (including complaints relating to ATM transactions)**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
No. of complaints pending at the beginning of the year	1,39,029	79,259
No. of complaints received during the year	38,08,400	42,21,491
No. of complaints redressed during the year	37,71,372	41,61,721
No. of complaints pending at the end of the year	1,76,057	1,39,029

Does not include complaints redressed within one working day.

**B. Awards passed by the Banking Ombudsman**

Particulars	Current Year	Previous Year
No. of unimplemented Awards at the beginning of the year	5	8
No. of Awards passed by the Banking Ombudsman during the year	15	19
No. of Awards implemented during the year	16	22
No. of unimplemented Awards at the end of the year	4	5

**5. Payment to Micro, Small & Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006**

There has been no reported cases of delayed payments of the principal amount or interest due thereon to Micro, Small & Medium Enterprises.

**6. Letter of Comfort**

The Bank has not issued any letter of comfort which are not recorded as contingent liabilities during the year ended 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2019.

**7. Provisioning Coverage Ratio (PCR):**

The Provisioning to Gross Non-Performing Assets ratio of the Bank as on 31<sup>st</sup> March, 2020 is 83.62 % (Previous Year 78.73 %).

**8. Fees/remuneration received in respect of the bancassurance business**

(₹ in crore)

Name of Company	Current Year	Previous Year
SBI Life Insurance Co. Ltd.	1,116.93	951.90
SBI General Insurance Co. Ltd.	314.52	270.86
NTUC and Manu Life Financial Limited	0.86	1.20
Tokio Marine and ACE	2.31	1.63
Unit Trust and LIC	0.35	0.47
AIA Singapore	1.12	0.64
<b>TOTAL</b>	<b>1,436.09</b>	<b>1,226.70</b>

**9. Concentration of Deposits, Advances, Exposures & NPAs (computed as per directions of RBI)****a) Concentration of Deposits**

(₹ in crore)

Particulars	Current Year	Previous Year
Total Deposits of twenty largest depositors	95,385.85	90,609.54
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	2.94%	3.11%

**b) Concentration of Advances**

(₹ in crore)

Particulars	Current Year	Previous Year
Total Advances to twenty largest borrowers	3,10,707.52	2,89,222.17
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	12.82%	12.61%

**c) Concentration of Exposures**

(₹ in crore)

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers/customers	5,25,714.23	4,47,140.43
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the Bank on borrowers/customers	13.93%	12.80%

**d) Concentration of NPAs**

(₹ in crore)

Particulars	Current Year	Previous Year
Total Exposure to top four NPA accounts	25,880.11	30,314.49

## 10. Sector –wise Advances

(₹ in crore)

Sr. Sector No.	Current Year			Previous year		
	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
<b>A Priority Sector</b>						
1 Agriculture & allied activities	2,04,185.71	32,558.27	15.95	1,99,789.60	23,335.83	11.68
2 Industry (Micro & Small, Medium and Large)	1,01,080.54	18,738.88	18.54	97,116.64	12,545.61	12.92
3 Services	83,870.61	5,289.20	6.31	99,232.43	9,674.48	9.75
4 Personal Loans	1,66,800.34	3,131.18	1.88	1,59,419.70	2,882.01	1.81
<b>Sub-total (A)</b>	<b>5,55,937.20</b>	<b>59,717.53</b>	<b>10.74</b>	<b>5,55,558.37</b>	<b>48,437.93</b>	<b>8.72</b>
<b>B Non Priority Sector</b>						
1 Agriculture & allied activities	2,235.29	229.81	10.28	19,403.93	89.00	0.46
2 Industry (Micro & Small, Medium and Large)	10,54,285.42	74,644.63	7.08	9,75,896.74	1,12,411.63	11.52
3 Services	2,21,642.21	9,686.06	4.37	2,47,541.38	8,007.30	3.23
4 Personal Loans	5,88,744.65	4,813.82	0.82	4,95,053.70	3,804.50	0.77
<b>Sub-total (B)</b>	<b>18,66,907.57</b>	<b>89,374.32</b>	<b>4.79</b>	<b>17,37,895.75</b>	<b>1,24,312.43</b>	<b>7.15</b>
<b>C Total (A+B)</b>	<b>24,22,844.77</b>	<b>1,49,091.85</b>	<b>6.15</b>	<b>22,93,454.12</b>	<b>1,72,750.36</b>	<b>7.53</b>

## 11. Overseas Assets, NPAs and Revenue

(₹ in crore)

Sr. No.	Particulars	Current Year	Previous Year
1	Total Assets	4,40,004.06	3,95,123.25
2	Total NPAs (Gross)	1,650.16	1,937.19
3	Total Revenue	14,842.84	14,216.42

## 12. Off-balance Sheet SPVs sponsored

	Name of the SPV Sponsored	
	Domestic	Overseas
<b>Current Year</b>	NIL	NIL
<b>Previous Year</b>	NIL	NIL

## 13. Disclosure relating to Securitisation

(₹ in crore)

Sr. No.	Particulars	Current Year		Previous Year	
		Number	Amount	Number	Amount
1.	No. of the SPVs sponsored by the Bank for securitization transactions	Nil	Nil	Nil	Nil
2.	Total amount of securitized assets as per the books of the SPVs sponsored by the bank	Nil	Nil	Nil	Nil
3.	Total amount of exposures retained by the bank to comply with MMR as on the date of balance sheet	Nil	Nil	Nil	Nil
	a) Off-balance sheet exposures				
	i. First Loss				
	ii. Others				
	b) On-balance sheet exposures				
	i. First Loss				
	ii. Others				
4.	Amount of exposures to securitisation transactions other than MMR	Nil	Nil	Nil	Nil
	a) Off-balance sheet exposures				
	i. Exposures to own securitisations				
	1. First Loss				
	2. Others				
	ii. Exposures to third party securitisations				
	1. First Loss				
	2. Others				
	b) On-balance sheet exposures				
	i. Exposures to own securitisations				
	1. First Loss				
	2. Others				
	ii. Exposures to third party securitisations				
	1. First Loss				
	2. Others				

## 14. Credit Default Swaps

(₹ in crore)

Sr. No.	Particulars	Current Year		Previous Year	
		As Protection Buyer	As Protection Seller	As Protection Buyer	As Protection Seller
1.	No. of transactions during the year	NIL	NIL	NIL	NIL
	a) of which transactions that are/may be physically settled				
	b) cash settled				
2.	Amount of protection bought / sold during the year	NIL	NIL	NIL	NIL
	a) of which transactions which are/ may be physically settled				
	b) cash settled				
3.	No. of transactions where credit event payment was received / made during the year	NIL	NIL	NIL	NIL
	a) pertaining to current year's transactions				
	b) pertaining to previous year(s)' transactions				
4.	Net income/ profit (expenditure/ loss) in respect of CDS transactions during year-to-date:	NIL	NIL	NIL	NIL
	a) premium paid / received				
	b) Credit event payments:				
	• made (net of the value of assets realised)				
	• received (net of value of deliverable obligation)				
5.	Outstanding transactions as on 31 <sup>st</sup> March:	NIL	NIL	NIL	NIL
	a) No. of Transactions				
	b) Amount of protection				
6.	Highest level of outstanding transactions during the year:	NIL	NIL	NIL	NIL
	a) No. of Transactions (as on 1 <sup>st</sup> April)				
	b) Amount of protection (as on 1 <sup>st</sup> April)				

**15. Intra-Group Exposures:**

(₹ in crore)

Sr. No.	Particulars	Current Year	Previous Year
i	Total amount of intra-group exposures	32,578.25	27,765.01
ii	Total amount of top-20 intra-group exposures	32,577.04	27,765.01
iii	Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	0.86%	0.79%
iv	Details of breach of limits on intra-group exposures and regulatory action thereon	Nil	Nil

**16. Unclaimed Liabilities transferred to Depositor Education and Awareness Fund (DEA Fund)**

(₹ in crore)

Particulars	Current Year	Previous Year
Opening balance of amounts transferred to DEA Fund	2,852.66	2,125.62
Add : Amounts transferred to DEA Fund during the year	557.22	736.65
Less : Amounts reimbursed by DEA Fund towards claims	22.23	9.61
Closing balance of amounts transferred to DEA Fund	3,387.65	2,852.66

**17. Unhedged Foreign Currency Exposure**

The Bank in accordance with RBI Circular No. DBOD.No.BP.BC.85/21.06.200/2013-14 dated 15<sup>th</sup> January 2014 on 'Capital and Provisioning Requirements for Exposure to entities has provided for Unhedged Foreign Currency Exposure'.

An amount of ₹ 108.84 crore (Previous Year ₹ 98.13 crore) was held as on 31<sup>st</sup> March 2020 for towards Currency Induced Credit Risk and Capital allocated for Currency Induced Credit Risk amounting to ₹ 28.54 crore (Previous Year ₹ 43.19 crore).

**18. As per RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated 17<sup>th</sup> April 2020, the asset classification and provisioning in respect of COVID -19 Regulatory Package is as below:-**

(₹ in crore)

Sr. No.	Particulars	Current Year
i.	Respective amounts where the moratorium /deferment was extended	5,63,896.15
ii.	Out of above (i) amount where asset classification benefits is extended	6,250.31
iii.	Provisions made during the year	1,172.00

**19. Liquidity Coverage Ratio (LCR):****a) Standalone LCR**

Liquidity Coverage Ratio (LCR) standard has been introduced with the objective that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

LCR has been defined as : 
$$\frac{\text{Stock of high quality liquid assets (HQLAs)}}{\text{Total net cash outflow over the next 30 calendar days}}$$

Liquid assets comprise of high quality assets that can be readily encashed or used as collateral to obtain cash in a range of stress scenarios. There are two categories of assets included in the stock of HQLAs, viz. Level 1 and Level 2 assets. While Level 1 assets are with 0% haircut, Level 2A and Level 2 B assets are with 15% and 50% haircuts respectively. The total net cash outflow is the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days. Total expected cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by the rates at which they are expected to run off or be drawn down. Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in up to an aggregate cap of 75% of total expected cash outflows.

## Quantitative Disclosure:

## LIQUIDITY COVERAGE RATIO

State Bank of India

(₹ in crore)

LCR Components	Quarter ended 31 <sup>st</sup> March 2020		Quarter ended 31 <sup>st</sup> December 2019		Quarter ended 30 <sup>th</sup> September 2019		Quarter ended 30 <sup>th</sup> June 2019		Quarter ended 31 <sup>st</sup> March 2019	
	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>										
1 Total High Quality Liquid Assets(HQLA)		8,92,622		8,55,661		7,78,396		7,14,428		6,99,153
<b>CASH OUTFLOWS</b>										
2 Retail Deposits and deposits from small business customers, of which:										
(i) Stable deposits	3,15,743	15,787	3,32,079	16,604	3,29,339	16,467	3,25,871	16,294	3,23,269	16,163
(ii) Less Stable Deposits	20,30,618	2,03,062	19,93,593	1,99,359	19,18,518	1,91,852	18,81,901	1,88,190	18,50,120	1,85,012
3 Unsecured wholesale funding, of which:										
(i) Operational deposits(all counterparties)	757	189	813	203	712	178	908	227	1,208	302
(ii) Non-operational deposits (all counterparties)	7,27,791	4,42,254	6,85,022	4,05,434	6,77,795	4,04,580	6,65,501	3,97,642	6,35,727	3,73,978
(iii) Unsecured debt	-	-	-	-	-	-	-	-	-	-
4 Secured wholesale funding	1,652	18	128	-	163	-	23,601	9	72,120	54
5 Additional requirements, of which										
(i) Outflows related to derivative exposures and other collateral requirements	1,56,235	1,56,235	1,39,378	1,39,378	1,36,479	1,36,479	1,56,233	1,56,233	1,70,833	1,70,833
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	42,467	6,050	46,145	6,787	42,098	6,396	42,285	6,309	39,337	6,053
6 Other contractual funding obligations	34,641	34,641	33,046	33,046	31,839	31,839	30,176	30,176	35,561	35,561
7 Other contingent funding obligations	5,56,385	19,965	5,66,220	20,252	5,46,604	19,520	5,53,283	19,955	5,72,831	20,941
8 TOTAL CASH OUTFLOWS	38,66,288	8,78,200	37,96,424	8,21,063	36,83,547	8,07,311	36,79,759	8,15,033	37,01,005	8,08,896
<b>CASH INFLOWS</b>										
9 Secured lending(eg. Reverse repos)	48,756	-	41,132	-	42,876	-	6,415	-	7,938	-
10 Inflows from fully performing exposures	2,41,553	2,21,788	2,11,675	1,97,465	2,02,274	1,86,506	2,21,243	2,04,882	2,39,416	2,22,009
11 Other cash inflows	42,453	34,750	50,232	42,212	53,284	44,462	49,555	41,558	37,977	31,086
12 TOTAL CASH INFLOWS	3,32,762	2,56,538	3,03,038	2,39,677	2,98,434	2,30,968	2,77,213	2,46,440	2,85,331	2,53,095
13 TOTAL HQLA		8,92,622		8,55,661		7,78,396		7,14,428		6,99,153
14 TOTAL NET CASH OUTFLOWS		6,21,662		5,81,386		5,76,343		5,68,594		5,55,801
15 LIQUIDITY COVERAGE RATIO(%)		143.59%		147.18%		135.06%		125.65%		125.79%

Note 1. In accordance with RBI Circular No. RBI/2014-15/529 DBR. No. BP.BC.80/21.06.201/2014-15 dated March 31, 2015 guidelines, average weighted and unweighted amounts have been calculated considering simple daily average from 1<sup>st</sup> January 2017 and taking 68 days data points for the quarter January March 2020.

Note 2. Bank has implemented OFSAA system whereby computation of daily LCR has been automated for Domestic operation since March 2018.

The LCR position is above the minimum 100% prescribed by RBI. Bank's LCR comes to 143.59% based on daily average of three months (Q4 FY19-20). The average HQLA for the quarter was ₹ 8,92,622 crore, of which, Level 1 assets constituted 94.50% of total HQLA. Government securities constituted 96.99% of Total Level 1 Assets. Level 2A Assets constitutes 4.99% of total HQLA and Level 2B assets constitutes 0.51% of total HQLA. The HQLA level has gone up by ₹ 36,961 crore mainly on account of higher deployment of resources in HQLA during the period. The net cash outflow position has gone up by ₹ 40,276 crore on account of increase in retail deposit and also non-operational deposits from PSE, NFC, Sovereign, other legal entities etc. Derivative exposures are considered insignificant due to almost matching inflows and outflows position. During the quarter, LCR for USD (significant Foreign Currency constituting more than 5% of the Balance Sheet of the Bank) was 103.31% on average.

Liquidity Management in the Bank is driven by the ALM Policy of the Bank and regulatory prescriptions. The Domestic and International Treasuries are reporting to the Asset Liability Management Committee (ALCO). The ALCO has been empowered by the Bank's Board to formulate the Bank's funding strategies to ensure that the funding sources are well diversified and is consistent with the operational requirements of the Bank.

All the major decisions of ALCO are being reported to the Bank's Board periodically. In addition to daily/monthly LCR reporting, Bank prepares daily Structural Liquidity statements to assess the liquidity needs of the Bank on an ongoing basis.

The Bank has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total funding sources, which are well diversified. Management is of the view that the Bank has sufficient liquidity cover to meet its likely future short term requirements.

#### **b. Consolidated LCR**

The RBI through a supplementary guideline issued on 31<sup>st</sup> March 2015 had stipulated the implementation of LCR at a consolidated level from 1<sup>st</sup> January 2016. Accordingly, SBI Group has been computing the Consolidated LCR.

The entities covered in the Group LCR are State Bank of India and eight Overseas Banking Subsidiaries: Bank SBI Botswana Ltd, Commercial Indo Bank LLC, Moscow, Nepal SBI Bank Ltd., State Bank of India (California), SBI Canada Bank, SBI (Mauritius) Ltd, PT Bank SBI Indonesia and State Bank of India (UK) Ltd.

SBI Group LCR comes out to 144.09% as on 31<sup>st</sup> March, 2020 based on average of three months January, February and March, 2020.

## LIQUIDITY COVERAGE RATIO

State Bank of India Group

(₹ in crore)

LCR Components	Quarter ended 31 <sup>st</sup> March 2020		Quarter ended 31 <sup>st</sup> December 2019		Quarter ended 30 <sup>th</sup> September 2019		Quarter ended 30 <sup>th</sup> June 2019		Quarter ended 31 <sup>st</sup> March 2019	
	Total Unweighted Value (Average)	Total weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
<b>High Quality Liquid Assets</b>										
1 Total High Quality Liquid Assets(HQLA)		8,97,905		8,60,122		7,81,476		7,17,540		7,01,837
<b>Cash Outflows</b>										
2 Retail Deposits and deposits from small business customers, of which:										
(i) Stable deposits	3,23,204	16,160	3,37,819	16,891	3,36,278	16,814	3,32,633	16,632	3,30,107	16,505
(ii) Less Stable Deposits	20,39,846	2,03,985	20,02,188	2,00,219	19,27,051	1,92,705	18,90,551	1,89,055	18,59,217	1,85,922
3 Unsecured wholesale funding, of which:										
(i) Operational deposits(all counterparties)	882	220	939	235	822	205	1,024	256	1,333	333
(ii) Non-operational deposits(all counterparties)	7,29,630	4,43,520	6,86,540	4,06,511	6,79,780	4,05,906	6,67,367	3,98,988	6,37,579	3,75,202
(iii) Unsecured debt	-	-	-	-	-	-	-	-	-	-
4 Secured wholesale funding	1,721	87	128	-	163	-	23,601	9	72,120	54
5 Additional requirements, of which										
(i) Outflows related to derivative exposures and other collateral requirements	1,56,243	1,56,243	1,39,379	1,39,379	1,36,480	1,36,480	1,56,236	1,56,236	1,70,834	1,70,834
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	44,002	7,007	48,086	7,707	44,661	7,409	44,642	7,334	41,230	6,839
6 Other contractual funding obligations	36,069	36,069	34,086	34,086	32,662	32,662	31,404	31,404	36,556	36,556
7 Other contingent funding obligations	5,58,222	20,021	5,68,053	20,308	5,48,431	19,576	5,55,308	20,017	5,74,764	21,000
8 TOTAL CASH OUTFLOWS	38,89,820	8,83,313	38,17,217	8,25,335	37,06,328	8,11,757	37,02,767	8,19,930	37,23,741	8,13,245
<b>Cash Inflows</b>										
9 Secured lending(eg. Reverse repos)	48,756	-	41,132	-	42,876	-	6,415	-	7,938	-
10 Inflows from fully performing exposures	2,46,736	2,24,450	2,15,832	1,98,971	2,06,377	1,88,101	2,25,721	2,06,750	2,44,205	2,24,094
11 Other cash inflows	43,430	35,712	51,102	43,069	53,894	45,051	50,368	42,344	38,892	31,972
12 Total Cash Inflows	3,38,922	2,60,162	3,08,066	2,42,039	3,03,148	2,33,152	2,82,504	2,49,094	2,91,034	2,56,066
13 TOTAL HQLA		8,97,905		8,60,122		7,81,476		7,17,540		7,01,837
14 TOTAL NET CASH OUTFLOWS		6,23,152		5,83,296		5,78,605		5,70,836		5,57,179
15 LIQUIDITY COVERAGE RATIO(%)		144.09%		147.46%		135.06%		125.70%		125.96%

**Note :** Monthly average of 3 months data considered for Overseas Banking Subsidiaries and daily average considered for SBI(Solo).

The Group has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total funding sources, and such funding sources are well diversified. Management is of the view that the Bank has sufficient liquidity cover to meet its likely future short term requirements.



## 20. Fraud Reported and provision made during the year:

Out of the total frauds of ₹ 44,622.45 crore in 6,964 cases (Previous year ₹ 12,387.13 crore in 2,616 cases) reported during the year, an amount of ₹ 44,419.46 crore in 651 cases (Previous year ₹ 12,310.90 crore in 581 cases) represents advances declared as frauds. Full provision has been made for the outstanding balance as on 31<sup>st</sup> March, 2020 in respect of frauds reported during the year except advance account declared as fraud during the year where Bank has chosen to make provision over four quarters. The unamortised provision amount of ₹ 5,230.37 crore as on 31<sup>st</sup> March 2020 has been debited to 'Other Reserves' by credit to 'Provisions' in term of RBI circular DBR. No.BP.BC.92/21.04.048/2015-16 dated 18<sup>th</sup> April 2016.

## 21. Inter Office Accounts

Inter Office Accounts between branches, controlling offices, local head offices and corporate centre establishments are being reconciled on an ongoing basis and no material effect is expected on the profit and loss account of the current year.

## 22. Sale of Assets to Reconstruction Companies

Shortfall on account of sale of assets to reconstruction companies during the year amounting to ₹ 0.84 crore (Previous Year ₹ 173.37 crore) has been fully charged in the current year.

## 23. Priority Sector Lending Certificate (PSLC)

The Bank has purchased the following PSLCs during the year:-

(₹ in crore)			
Sr. No.	Category	Current Year	Previous Year
1.	PSLC Micro Enterprises	47,525.75	16,272.75
2.	PSLC Agriculture	-	1,223.00
3.	PSLC General	30,451.25	33,557.50
4.	PSLC Small and Marginal Farmers	9,352.00	553.00
<b>TOTAL</b>		<b>87,329.00</b>	<b>51,606.25</b>

The Bank did not sell any PSLC during the year ended 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2019.

## 24. Counter Cyclical Provisioning Buffer (CCPB)

RBI vide Circular No. DBR.No.BP. BC.79/21.04.048/2014-15 dated 30<sup>th</sup> March 2015 on 'Utilisation of Floating Provisions/Counter Cyclical Provisioning Buffer' has allowed the banks, to utilise up to 50 percent of CCPB held by them as on 31<sup>st</sup> December 2014, for making specific provisions for Non-Performing Assets (NPAs) as per the policy approved by the Bank's Board of Directors.

During the year, the Bank has not utilized the CCPB for making specific provision for NPAs.

25. As per RBI letter no. DBR.No. BP. 15199/21.04.048/2016-17 and DBR. No. BP. 1906/21.04.048/2017-18 dated 23<sup>rd</sup> June 2017 and 28<sup>th</sup> August 2017 respectively, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the bank is holding total provision of ₹ 5,761.46 crores (93.53% of total outstanding) as on 31<sup>st</sup> March, 2020.

26. The bank has made a provision of ₹ 2,999.00 crore (Total cumulative till 31<sup>st</sup> March 2020 ₹ 8,642.41 crore) for the year ended 31<sup>st</sup> March, 2020 towards arrears of wages due for revision w.e.f 1<sup>st</sup> November, 2017.

27. Profit / (loss) on sale of investment (net) under schedule 14 "Other Income" includes:-

- ₹ 3,484.30 crore on sale of certain portion of investment in Bank's subsidiary - SBI Life Insurance Company Ltd.
- ₹ 2,731.34 crore on sale of certain portion of investment in Bank's subsidiary - SBI Cards and Payment Services Ltd.

## 28. Resolution of Stressed Assets

As per RBI circular DBR.No.BP.BC.45/21.04.048/2018-19 dated 7<sup>th</sup> June 2019, the Bank has implemented Resolution Plans for its 9 borrowers having exposure of ₹ 14,487.28 crore as on 31<sup>st</sup> March 2020.

Further, in terms of RBI circular DOR.No.BP. BC.62/21.04.048/2019-20 dated 17<sup>th</sup> April 2020 the Bank has extended resolution period for its 4 borrowers having exposure of ₹ 1,006.91 crore as on 31<sup>st</sup> March 2020.

29. RBI vide an email dated 19<sup>th</sup> May 2020 advised the Public Sector Banks that the requirement for reporting on "Whether the bank has adequate Internal Financial Controls with reference to Financial Statements and the operating effectiveness of such controls" in the Independent Auditors' Report is optional for financial year 2019-2020.

The bank has availed the option to fulfil the requirement from financial year 2020-2021 onwards.

30. The spread of COVID-19 across the globe has resulted in decline in economic activity and increase in volatility in financial markets. In this situation, though the challenges continue to unfold, the Bank is gearing itself on all fronts to meet the same. The situation continues to be uncertain and the Bank is evaluating the situation on an going basis. Major challenges for the Bank would arise from extended working capital cycle and waning cash flows. Despite these conditions, there would not be any significant impact on the liquidity and profitability of the Bank.

RBI vide Notification No. RBI/2019-20/186 DOR.No.BP. BC.47/21.04.048/2019-20 dated 27<sup>th</sup> March 2020, has announced measures to mitigate the burden of debt servicing brought about by disruptions on account of

COVID-19 pandemic and to ensure the continuity of viable businesses. The measures, inter alia, included Rescheduling of Payments -Term Loans and Working Capital Facilities, Easing of Working Capital Financing, Classification as Special Mention Account (SMA) and Non-performing Asset (NPA) etc. Accordingly the Bank has made the following provisions:-

- Provision @ 15% aggregating ₹ 938 crores against the accounts with outstanding of ₹ 6,250 crores which were standard as on 29<sup>th</sup> February 2020 but would have slipped to NPA/Sub-standard category as on 31<sup>st</sup> March 2020 had the RBI debt servicing relief as above not been reckoned.
- In respect of above accounts, interest income aggregating ₹ 234 crores has been reckoned in operating profit. However additional provision of ₹ 234 crores has been made against Standard Assets.

31. The bank has revalued immovable properties on 30<sup>th</sup> June 2019 (earlier revalued in June 2016) based on the reports obtained from the external independent valuers and the closing balance of Revaluation Reserve as on 31<sup>st</sup> March 2020, (net of amount transferred to General Reserve) is ₹ 23,762.67 crore (Previous year ₹ 24,653.94 crore).
32. Previous year figures have been regrouped/ reclassified, wherever necessary, to confirm to current year classification. In cases where disclosures have been made for the first time in terms of RBI guidelines / Accounting Standards, previous year's figures have not been mentioned.

# STATE BANK OF INDIA

Cash Flow Statement for the year ended 31<sup>st</sup> March, 2020

PARTICULARS	( 000s omitted)	
	Year ended 31.03.2020 (Current Year) ₹	Year ended 31.03.2019 (Previous Year) ₹
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit / (Loss) before Taxes	25062,76,50	1607,48,31
<b>Adjustments for:</b>		
Depreciation on Fixed Assets	3303,81,33	3212,30,65
(Profit)/Loss on sale of Fixed Assets (Net)	28,37,38	34,98,24
(Profit)/Loss on revaluation of Investments (Net)	-	2124,03,82
(Profit)/Loss on sale of Investments in Subsidiaries / Joint Ventures / Associates	(6215,64,59)	(473,12,00)
Provision for diminution in fair value & Non Performing Assets	42775,96,26	54529,06,14
Provision on Standard Assets	(877,40,17)	(74,55,42)
Provision for depreciation on Investments	538,55,05	(762,09,23)
Other provisions including provision for contingencies	632,73,80	136,12,79
Income from investment in Subsidiaries / Joint Ventures / Associates	(212,03,35)	(348,01,18)
Interest on Capital Instruments	4781,23,16	4112,28,55
	69818,35,37	64098,50,67
<b>Adjustments for :</b>		
Increase/(Decrease) in Deposits	330234,72,36	205042,72,57
Increase/ (Decrease) in Borrowings other than Capital Instruments	(96690,16,61)	37722,44,37
(Increase)/ Decrease in Investments other than investments in Subsidiaries / Joint Ventures / Associates	(74335,04,91)	94719,11,74
(Increase)/ Decrease in Advances	(182188,60,56)	(305525,79,00)
Increase/ (Decrease) in Other Liabilities	13206,59,82	(21247,50,61)
(Increase)/ Decrease in Other Assets	(21255,66,60)	(33604,14,67)
	38790,18,87	41205,35,07
Tax refund/ (Taxes paid )	(13102,32,71)	(6577,83,79)
<b>NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES (A)</b>	<b>25687,86,16</b>	<b>34627,51,28</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase)/ Decrease in Investments in Subsidiaries / Joint Ventures / Associates	(6136,07,14)	(2116,29,59)
Profit/(Loss) on sale of Investments in Subsidiaries / Joint Ventures / Associates	6215,64,59	473,12,00
Income from investment in Subsidiaries / Joint Ventures / Associates	212,03,35	348,01,18
(Increase)/ Decrease in Fixed Assets	(3268,37,96)	(2663,43,31)
<b>NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(2976,77,16)</b>	<b>(3958,59,72)</b>

(000s omitted)

PARTICULARS	Year ended 31.03.2020 (Current Year) ₹	Year ended 31.03.2019 (Previous Year) ₹
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity shares including share premium (Net of share issue expenses)	-	(8,74,21)
Issue/(Redemption) of Capital Instruments (Net)	8133,40,00	3033,20,00
Interest on Capital Instruments	(4781,23,16)	(4112,28,55)
Dividend paid including tax thereon	-	-
<b>NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES (C)</b>	<b>3352,16,84</b>	<b>(1087,82,76)</b>
<b>EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE (D)</b>	<b>2543,63,55</b>	<b>1010,38,16</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C+D)</b>	<b>28606,89,39</b>	<b>30591,46,96</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>222490,11,15</b>	<b>191898,64,19</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>251097,00,54</b>	<b>222490,11,15</b>
<b>Note:</b>		
<b>1 Components of Cash &amp; Cash Equivalents as at:</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Cash & Balances with Reserve Bank of India	166735,77,90	176932,41,75
Balances with Banks and Money at Call & Short Notice	84361,22,64	45557,69,40
	<b>251097,00,54</b>	<b>222490,11,15</b>
<b>2 Cash Flow from operating activities is reported by using indirect method.</b>		

**Shri Challa Sreenivasulu Setty**  
Managing Director  
(Retail & Digital Banking)

**Shri Arijit Basu**  
Managing Director  
(Commercial Clients Group & IT)

**Shri Dinesh Kumar Khara**  
Managing Director  
(Global Banking & Subsidiaries)

**Directors:**

Shri Sanjiv Malhotra  
Shri Bhaskar Pramanik  
Shri Basant Seth  
Dr. Pushpendra Rai  
Dr. Purnima Gupta  
Shri B. Venugopal  
Shri Chandan Sinha  
Shri Debasish Panda  
Shri Sanjeev Maheshwari

**Place:**

Udagamandalam  
New Delhi  
Kanpur  
New Delhi  
New Delhi  
Mumbai  
Mumbai  
New Delhi  
Mumbai

**Shri Rajnish Kumar**  
Chairman

**Place: Mumbai**

**Date : 5<sup>th</sup> June 2020**

In terms of our report of even date

**FOR J.C. BHALLA & CO.**

Chartered Accountants

**RAJESH SETHI**

**Partner:** M. No. 085669  
**Firm Regn. No.** 001111 N  
Place: New Delhi

**FOR RAY & RAY**

Chartered Accountants

**ARVIND NARAYAN YENNEMADI**

**Partner:** M. No. 031004  
**Firm Regn. No.** 301072 E  
Place: Mumbai

**FOR K. VENKATACHALAM  
AIYER & CO.**

Chartered Accountants

**A GOPALAKRISHNAN**

**Partner:** M. No. 018159  
**Firm Regn. No.** 004610 S  
Place: Ernakulam

**FOR G. P. AGRAWAL & CO.**

Chartered Accountants

**SUNITA KEDIA**

**Partner:** M. No. 60162  
**Firm Regn. No.** 302082 E  
Place: Kolkata

**FOR UMAMAHESWARA  
RAO & CO.**

Chartered Accountants

**G. SIVA RAMAKRISHNA PRASAD**

**Partner:** M. No. 024860  
**Firm Regn. No.** 004453 S  
Place: Hyderabad

**FOR CHATURVEDI & SHAH LLP**

Chartered Accountants

**VITESH D. GANDHI**

**Partner:** M. No. 110248  
**FirmReg. No.**101720W/W100355  
Place: Mumbai

**FOR O.P. TOTLA & CO.**

Chartered Accountants

**S. R. TOTLA**

**Partner:** M. No. 071774  
**Firm Regn. No.** 000734 C  
Place: Indore

**FOR S. K. KAPOOR & CO.**

Chartered Accountants

**V. B. SINGH**

**Partner:** M. No. 073124  
**Firm Regn. No.** 000745 C  
Place: Kanpur

**FOR SCV & CO. LLP**

Chartered Accountants

**SANJAY VASUDEVA**

**Partner:** M. No. 090989  
**Firm Regn. No.**000235N/N500089  
Place: New Delhi

**FOR KHANDELWAL JAIN & CO.**

Chartered Accountants

**PANKAJ JAIN**

**Partner:** M. No. 48850  
**Firm Regn. No.** 105049 W  
Place: Mumbai

**FOR S K MITTAL & CO.**

Chartered Accountants

**S MURTHY**

**Partner:** M. No. 072290  
**Firm Regn. No.** 001135 N  
Place: New Delhi

**FOR N.C. RAJAGOPAL & CO.**

Chartered Accountants

**V. CHANDRASEKARAN**

**Partner:** M. No. 024844  
**Firm Regn. No.** 003398 S  
Place: Chennai

**FOR KARNAVAT & CO.**

Chartered Accountants

**VIRAL JOSHI**

**Partner:** M. No. 137686  
**Firm Regn. No.** 104863 W  
Place: Mumbai

**FOR SHAH GUPTA & CO.**

Chartered Accountants

**VIPUL K CHOKSI**

**Partner:** M. No. 37606  
**Firm Regn. No.** 109574 W  
Place: Mumbai

Date : June 05, 2020

# INDEPENDENT AUDITORS' REPORT

To

**The President of India**

## REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### Opinion

1. We have audited the accompanying Standalone Financial Statements of State Bank of India ("the Bank") which comprise the Balance Sheet as at March 31, 2020, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and Notes to Standalone Financial Statements including Significant Accounting Policies and other explanatory information in which are included returns for the year ended on that date of:
  - i. The Central offices, 17 Local Head offices, 1 Admin & Business Unit, Global Market Unit, International Business Group, Corporate Accounts Group (Central), Commercial Client Group (Central), Stressed Asset Resolution Group (Central), Central Accounts Offices and 42 branches audited by us;
  - ii. 9135 Indian branches audited by respective Statutory Branch Auditors;
  - iii. 34 Foreign branches audited by respective Local Auditors;

The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India (RBI). Also incorporated in the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement are the returns from 14021 Indian branches (including other accounting units) which have not been subjected to audit. These unaudited branches account for 9.54 percent of advances, 24.70 per cent of deposits, 10.98 per cent of interest income and 23.37 per cent of interest expenses.

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 by the Banking Regulation Act, 1949 and State Bank of India Act, 1955 (together referred to as "the Act"), in the manner so required for the Bank and are in conformity with accounting principles generally accepted in India and give:

- a) true and fair view in case of the Balance Sheet, of the State of Affairs of the Bank as at March 31, 2020;
- b) true balance of profit in case of the Profit and Loss Account for the year ended on that date; and
- c) true and fair view of the cash flows in case of the Cash Flow Statement for the year ended on that date.

### Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing ("SAs") issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the Standalone Financial Statements, 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 opinion.

### Emphasis of Matter

3. We draw attention to Note No. 10.30 of Schedule 18 of the Standalone Financial Statements regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the Bank is evaluating the situation on an ongoing basis with respect to the challenges faced.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

4. 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 year ended March 31, 2020. 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. We have determined the matters described below to be the Key Audit Matters to be communicated in our report:

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
i	<p>Classification of Advances, Income Recognition, Identification of and provisioning for non-performing Advances (Refer Schedule 9 read with Note 3 of Schedule 17 to the financial statements)</p> <p>Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances.</p>	<p>Our audit approach towards advances with reference to the IRAC norms and other related circulars/directives issued by the RBI and also internal policies and procedures of the Bank includes the testing of the following</p> <ol style="list-style-type: none"> <li>a. The accuracy of the data input in the system for income recognition, classification into performing and non performing Advances and provisioning in accordance with the IRAC norm in respect of the branches allotted to us;</li> </ol>

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>Advances constitute 58.85 per cent of the Bank's total assets. They are, inter-alia, governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the RBI from time to time which provides guidelines related to classification of Advances into performing and non-performing Advances (NPA) except in case of foreign offices, classification of advances and provisioning thereof is made as per local regulations or RBI guidelines, whichever is more stringent. The Bank classifies these Advances based on IRAC norms as per its accounting policy No. 3.</p> <p>Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS) which also identifies whether the advances are performing or non-performing. Further,</p> <p>NPA classification and calculation of provision is done through another IT System viz. Centralised Credit Data Processing (CCDP) Application.</p> <p>The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed.</p> <p>Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/ judgement involved in valuation of securities, it is a matter of high importance for the intended users of the Standalone Financial Statements. Considering these aspects, we have determined this as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances.</p>	<ul style="list-style-type: none"> <li>b. Existence and effectiveness of monitoring mechanisms such as Internal Audit, Systems Audit, Credit Audit and Concurrent Audit as per the policies and procedures of the Bank;</li> <li>c. Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines;</li> <li>d. We have also relied on the reports of External IT System Audit experts with respect to the business logics / parameters inbuilt in CBS for tracking, identification and stamping of NPAs and provisioning in respect thereof.</li> <li>e. We tested the mapping of advances in the CCDP application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.</li> <li>f. We have examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI Inspection.</li> <li>g. In carrying out substantive procedures at the branches allotted to us, we have examined all large advances/ stressed advances while other advances have been examined on a sample basis including review of valuation reports of independent valuers provided by the Bank's management.</li> <li>h. We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provision;</li> <li>i. Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication.</li> </ul>
ii	<p>Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the financial statements)</p> <p>Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities.</p> <p>Investments constitute 26.50 per cent of the Bank's total assets. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of income and provision there against.</p>	<p>Our audit approach 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), provisioning/depreciation related to Investments. In particular,</p> <ul style="list-style-type: none"> <li>a. We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, provisioning/depreciation related to investments;</li> <li>b. We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments;</li> </ul>

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
	<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 FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc. Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on valuation of investments, classification, identification of non performing investments and provisioning related to investments.</p>	<ul style="list-style-type: none"> <li>c. 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. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample;</li> <li>d. We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision;</li> <li>e. We carried out substantive audit procedures to recompute independently the provision to be maintained and depreciation to be provided 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 in accordance with the RBI Circular for those selected sample of NPIs;</li> <li>f. We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.</li> </ul>
iii	<p>Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt (Schedule 12 read with Note 18.9 of Schedule 18 to the financial statements) :</p> <p>There is high level of judgement required in estimating the level of provisioning. 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>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved.</p>	<p>Our audit approach involved:</p> <ul style="list-style-type: none"> <li>a. Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances;</li> <li>b. Understanding the current status of the litigations/tax assessments;</li> <li>c. Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon;</li> <li>d. 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 our internal tax experts;</li> <li>e. 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>f. Verification of disclosures related to significant litigations and taxation matters.</li> </ul>



Sr. No.	Key Audit Matters	How the matter was addressed in our audit
iv	<p>Modified Audit Procedures carried out in light of COVID-19 outbreak:</p> <p>Due to COVID-19 pandemic, Nation-wide lockdown and travel restrictions imposed by Central / State Government / Local Authorities during the period of our audit and the RBI directions to Bank to facilitate carrying out audit remotely wherever physical access was not possible, audit could not be conducted by visiting the premises of certain Branches / LHOs/ Business Units in the Corporate Office of the bank.</p> <p>As we could not gather audit evidence in person/ physically/ through discussions and personal interactions with the officials at the Branches/Circle / Administrative /Corporate Offices, we have identified such modified audit procedures as a Key Audit Matter.</p> <p>Accordingly, our audit procedures were modified to carry out the audit remotely.</p>	<p>Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to the Branches/Circle /Administrative /Corporate Offices and carry out the audit processes physically at the respective offices.</p> <p>Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us by the Bank through digital medium, emails and remote access to CBS, CCDP and other relevant application software. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p> <p>Accordingly, we modified our audit procedures as follows:</p> <ol style="list-style-type: none"> <li>Conducted verification of necessary records/ documents/ CBS/ CCDP and other Application software electronically through remote access/emails in respect of some of the Branches / LHOs / Administrative Offices and other offices of the Bank wherever physical access was not possible.</li> <li>Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails and remote access over secure network of the Bank.</li> <li>Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels.</li> <li>Resolution of our audit observations telephonically/ through email instead of a face-to-face interaction with the designated officials.</li> </ol>

### Other Matters

5. We did not audit the financial statements / information of 9169 branches included in the Standalone Financial Statements of the Bank whose financial statements/ financial information reflects total assets of ₹30,87,788.72 crore at March 31, 2020 and total revenue of ₹1,20,151.17 crore for the year ended on that date, as considered in the Standalone Financial Statements. The financial statements/ information of these branches have been audited by the branch auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of above matter.

### Information Other than the Standalone Financial Statements and Auditors' Report thereon

6. The Bank's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance report (but does not include the Standalone Financial Statements and our auditors' report thereon), which we obtained at the time of issue of this auditors' report, and the Directors' Report including annexures in annual report, if any, thereon, which is expected to be made available to us after that date.

Our opinion on the Standalone Financial Statements does not cover the other information and Pillar 3 disclosures under the Basel III Disclosure and we do not and 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 identified above 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.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Directors' Report, including annexures in annual report, if any, thereon, if we conclude that there is a material misstatement therein, 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 Board of Directors 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 accounting principles generally accepted in India including the Accounting Standards issued by ICAI, and provisions of Section 29 of the Banking Regulation Act, 1949, the State Bank of India Act, 1955 and circulars and guidelines issued by RBI from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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.

Those Board of Directors are also responsible for overseeing the Bank's financial reporting process.

### **Auditors' 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 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 of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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 controls 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 of the current period and are therefore the Key Audit Matters. We describe these matters in our auditors' 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.

#### Report on Other Legal and Regulatory Requirements

9. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949; and these give information as required to be given by virtue of the provisions of the State Bank of India Act, 1955 and regulations there under.
- Subject to the limitations of the audit indicated in paragraphs 5 and 6 above and as required by the State Bank of India Act, 1955, and subject also to the limitations of disclosure required therein and as required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes 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; and
  - c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
10. We further report that:
- a) 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;
  - b) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
  - c) the reports on the accounts of the branch offices audited by branch auditors of the Bank as per the provisions of the section 29 of the Banking Regulation Act, 1949, and the State Bank of India Act, 1955 have been sent to us and have been properly dealt with by us in preparing this report; and
  - d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
11. As required by letter No. DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:
- a) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
  - b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the bank.
  - c) On the basis of the written representations received from the directors as on March 31, 2020, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013.
  - d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
  - e) As the Bank has exercised the option to implement "Internal Financial Controls with reference to the Financial Statements" from the financial year 2020-21 as permitted by RBI on May 19, 2020, we do not provide any comment in this regard.

**FOR J.C. BHALLA & CO.**

Chartered Accountants

**RAJESH SETHI****Partner:** M. No. 085669**Firm Regn. No.** 001111 N**UDIN:** 20085669AAAABA7352

Place: New Delhi

**FOR RAY & RAY**

Chartered Accountants

**ARVIND NARAYAN YENNEMADI****Partner:** M. No. 031004**Firm Regn. No.** 301072 E**UDIN:** 20031004AAAABW9223

Place: Mumbai

**FOR K. VENKATACHALAM  
AIYER & CO.**

Chartered Accountants

**A GOPALAKRISHNAN****Partner:** M. No. 018159**Firm Regn. No.** 004610 S**UDIN:** 20018159AAAAAF4367

Place: Ernakulam

**FOR G. P. AGRAWAL & CO.**

Chartered Accountants

**SUNITA KEDIA****Partner:** M. No. 60162**Firm Regn. No.** 302082 E**UDIN:** 20060162AAAABC8718

Place: Kolkata

**FOR UMAMAHESWARA  
RAO & CO.**

Chartered Accountants

**G. SIVA RAMAKRISHNA  
PRASAD****Partner:** M. No. 024860**Firm Regn. No.** 004453 S**UDIN:** 20024860AAAAAJ5174

Place: Hyderabad

**FOR CHATURVEDI & SHAH LLP**

Chartered Accountants

**VITESH D. GANDHI****Partner:** M. No. 110248**Firm Reg. No.** 101720W/W100355**UDIN:** 20110248AAAAAP1448

Place: Mumbai

**FOR O.P. TOTLA & CO.**

Chartered Accountants

**S. R. TOTLA****Partner:** M. No. 071774**Firm Regn. No.** 000734 C**UDIN:** 20071774AAAAAQ6602

Place: Indore

**FOR S. K. KAPOOR & CO.**

Chartered Accountants

**V. B. SINGH****Partner:** M. No. 073124**Firm Regn. No.** 000745 C**UDIN:** 20073124AAAABV9783

Place: Kanpur

**FOR SCV & CO. LLP**

Chartered Accountants

**SANJAY VASUDEVA****Partner:** M. No. 090989**Firm Regn. No.** 000235N/N500089**UDIN:** 20090989AAAAAC6930

Place: New Delhi

**FOR KHANDELWAL JAIN & CO.**

Chartered Accountants

**PANKAJ JAIN****Partner:** M. No. 48850**Firm Regn. No.** 105049 W**UDIN:** 20048850AAAAAB9318

Place: Mumbai

**FOR S K MITTAL & CO.**

Chartered Accountants

**S MURTHY****Partner:** M. No. 072290**Firm Regn. No.** 001135 N**UDIN:** 20072290AAAABD1545

Place: New Delhi

**FOR N.C. RAJAGOPAL & CO.**

Chartered Accountants

**V. CHANDRASEKARAN****Partner:** M. No. 024844**Firm Regn. No.** 003398 S**UDIN:** 20024844AAAABB9243

Place: Chennai

**FOR KARNAVAT & CO.**

Chartered Accountants

**VIRAL JOSHI****Partner:** M. No. 137686**Firm Regn. No.** 104863 W**UDIN:** 20137686AAAACM1164

Place: Mumbai

**FOR SHAH GUPTA & CO.**

Chartered Accountants

**VIPUL K CHOKSI****Partner:** M. No. 37606**Firm Regn. No.** 109574 W**UDIN:** 20037606AAAAAW5094

Place: Mumbai

Date : June 05, 2020