State Bank of India

Consolidated Balance Sheet as on 31st March 2020

(000s omitted)

	Schedule No.	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
CAPITAL AND LIABILITIES			
Capital	1	892,46,12	892,46,12
Reserves & Surplus	2	250167,66,30	233603,19,93
Minority Interest		7943,82,20	6036,99,13
Deposits	3	3274160,62,54	2940541,06,11
Borrowings	4	332900,67,03	413747,66,10
Other Liabilities and Provisions	5	331427,10,24	293642,82,22
TOTAL		**4197492,34,43**	**3888464,19,61**
ASSETS			
Cash and Balances with Reserve Bank of India	6	166968,46,05	177362,74,09
Balances with Banks and Money at Call & Short Notice	7	87346,80,31	48149,52,30
Investments	8	1228284,27,77	1119269,81,62
Advances	9	2374311,18,12	2226853,66,72
Fixed Assets	10	40078,16,81	40703,05,26
Other Assets	11	300503,45,37	276125,39,62
TOTAL		**4197492,34,43**	**3888464,19,61**
Contingent Liabilities	12	1221083,11,09	1121246,27,83
Bills for Collection		55790,69,54	70047,22,64
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)

In term of our Report of even date.
For J.C. Bhalla & Co.
Chartered Accountants

Shri Rajnish Kumar
Chairman

Shri Rajesh Sethi
Partner
Mem. No. : 085669
Firm Regn. No. : 001111N

Place : New Delhi

Place: Mumbai
Date : 5th June 2020

Schedules

Schedule 1 - Capital

(000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
Authorised Capital : 5000,00,00,000 equity shares of ₹ 1 /- each (Previous Year 5000,00,00,000 equity 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]		
TOTAL	**892,46,12**	**892,46,12**

Schedule 2 - Reserves & Surplus

(000s omitted)

		As on 31.03.2020 (Current Year) ₹		As on 31.03.2019 (Previous Year) ₹	
I.	**Statutory Reserves**				
	Opening Balance	66344,10,03		65958,04,13	
	Additions during the year	4538,17,61		386,05,90	
	Deductions during the year	-		-	
			70882,27,64		66344,10,03
II.	**Capital Reserves #**				
	Opening Balance	9957,28,52		9578,07,76	
	Additions during the year	3985,83,93		379,20,76	
	Deductions during the year	-		-	
			13943,12,45		9957,28,52
III.	**Share Premium**				
	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
IV.	**Investment Fluctuation Reserve**				
	Opening Balance	-		-	
	Additions during the year	1119,88,09		-	
	Deductions during the year	-		-	
			1119,88,09		-

(000s omitted)

			As on 31.03.2020 (Current Year) ₹		As on 31.03.2019 (Previous Year) ₹
V.	**Foreign Currency Translation Reserves**				
	Opening Balance	7455,38,21		6379,09,54	
	Additions during the year	3069,98,94		1143,03,70	
	Deductions during the year	301,34,68		66,75,03	
			10224,02,47		7455,38,21
VI.	**Revaluation Reserve**				
	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
VII.	**Revenue and Other Reserves**				
	Opening Balance	54405,42,03		53483,27,03	
	Additions during the year ##	3767,84,51		1213,96,33	
	Deductions during the year	5691,30,26		291,81,33	
			52481,96,28		54405,42,03
VIII.	**Balance in Profit and Loss Account**		(1361,74,25)		(8328,39,99)
TOTAL			**250167,66,30**		**233603,19,93**

includes Capital Reserve on consolidation ₹ 176,58,27 thousand (Previous Year ₹ 123,66,46 thousand)

net of consolidation adjustments

Schedule 3 - Deposits

(000s omitted)

				As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
A.	**I.**	**Demand Deposits**			
		(i)	From Banks	4750,67,24	6722,18,31
		(ii)	From Others	224677,63,39	201073,14,59
	II.	**Savings Bank Deposits**		1216783,00,49	1102172,37,48
	III.	**Term Deposits**			
		(i)	From Banks	6071,72,75	8235,22,81
		(ii)	From Others	1821877,58,67	1622338,12,92
TOTAL				**3274160,62,54**	**2940541,06,11**
B.	**(i)**	**Deposits of Branches in India**		3122567,41,87	2812134,71,07
	(ii)	**Deposits of Branches outside India**		151593,20,67	128406,35,04
TOTAL				**3274160,62,54**	**2940541,06,11**

Schedule 4 - Borrowings

(000s omitted)

				As on 31.03.2020 (Current Year) ₹		As on 31.03.2019 (Previous Year) ₹
I.	**Borrowings in India**					
	(i)	Reserve Bank of India		34981,75,00		96089,00,00
	(ii)	Other Banks		10041,13,63		4741,05,31
	(iii)	Other Institutions and Agencies		11419,94,71		32112,46,32
	(iv)	**Capital Instruments:**				
		a. Innovative Perpetual Debt Instruments(IPDI)	23535,70,00		19152,30,00	
		b. Subordinated Debt & Bonds	32929,05,15	56464,75,15	29153,93,90	48306,23,90
	TOTAL			**112907,58,49**		**181248,75,53**
II.	**Borrowings outside India**					
	(i)	Borrowings and Refinance outside India		217066,00,49		229909,13,07
	(ii)	Capital Instruments:				
		a. Innovative Perpetual Debt Instruments(IPDI)	2269,95,00		2074,65,00	
		b. Subordinated Debt & Bonds	657,13,05	2927,08,05	515,12,50	2589,77,50
	TOTAL			**219993,08,54**		**232498,90,57**
GRAND TOTAL (I & II)				**332900,67,03**		**413747,66,10**
Secured Borrowings included in I & II above				50555,91,20		127177,07,29

Schedule 5 - Other Liabilities & Provisions

(000s omitted)

		As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
I.	Bills payable	26889,76,23	23914,03,90
II.	Inter Bank Adjustments (net)	85,41,80	-
III.	Inter Office adjustments (net)	10,35,41	21735,79,14
IV.	Interest accrued	15477,09,06	14232,96,48
V.	Deferred Tax Liabilities (net)	6,60,61	4,17,10
VI.	Liabilities relating to Policyholders in Insurance Business	159661,49,04	140095,62,31
VII.	Provision for Standard Assets	12444,21,66	12709,13,43
VIII.	Others (including provisions)	116852,16,43	80951,09,86
TOTAL		**331427,10,24**	**293642,82,22**

Schedule 6 - Cash and Balances with Reserve Bank of India

(000s omitted)

		As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
I.	Cash in hand (including foreign currency notes and gold)	20334,94,93	19144,28,44
II.	Balances with Reserve Bank of India		
	(i) In Current Account	146633,51,12	158197,60,63
	(ii) In Other Accounts	-	20,85,02
TOTAL		**166968,46,05**	**177362,74,09**

Schedule 7 - Balances with Banks and Money at Call & Short Notice

(000s omitted)

		As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
I.	**In India**		
	(i) Balances with banks		
	(a) In Current Account	638,49,62	971,83,35
	(b) In Other Deposit Accounts	1429,61,02	1959,46,21
	(ii) Money at call and short notice		
	(a) With banks	44747,71,31	4608,88,73
	(b) With Other Institutions	8,69,42	-
TOTAL		**46824,51,37**	**7540,18,29**
II.	**Outside India**		
	(i) In Current Account	30104,93,22	20571,96,27
	(ii) In Other Deposit Accounts	1672,52,29	3205,38,56
	(iii) Money at call and short notice	8744,83,43	16831,99,18
TOTAL		**40522,28,94**	**40609,34,01**
GRAND TOTAL (I and II)		**87346,80,31**	**48149,52,30**

Schedule 8 - Investments

(000s omitted)

		As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
I.	**Investments in India in**		
	(i) Government Securities	872769,55,20	817674,70,52
	(ii) Other Approved Securities	19106,17,68	13769,53,82
	(iii) Shares	42165,97,57	42825,92,12
	(iv) Debentures and Bonds	145276,27,74	123765,40,08
	(v) Subsidiary and Associates #	12365,01,58	3383,71,53
	(vi) Others (Units of Mutual Funds, Commercial Papers etc.)	85958,98,41	63902,23,56
TOTAL		**1177641,98,18**	**1065321,51,63**

(000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
II. Investments outside India in		
(i) Government Securities (including local authorities)	20791,80,59	14513,99,84
(ii) Associates #	147,64,44	136,33,52
(iii) Other Investments (Shares, Debentures, etc.)	29702,84,56	39297,96,63
TOTAL	**50642,29,59**	**53948,29,99**
GRAND TOTAL (I and II)	**1228284,27,77**	**1119269,81,62**
III. Investments in India		
(i) Gross Value of Investments	1190907,75,38	1076615,05,40
(ii) Less: Aggregate of Provisions / Depreciation	13265,77,20	11293,53,77
Net Investments (vide I above)	**1177641,98,18**	**1065321,51,63**
IV. Investments outside India		
(i) Gross Value of Investments	50809,67,49	54146,46,58
(ii) Less: Aggregate of Provisions / Depreciation	167,37,90	198,16,59
Net Investments (vide II above)	**50642,29,59**	**53948,29,99**
GRAND TOTAL (III and IV)	**1228284,27,77**	**1119269,81,62**
# Investment in Associates (In India and Outside India)		
Equity Investment in Associates	8872,23,62	706,97,00
Add : Goodwill on acquisition of Associates	-	-
Less : Capital reserve on acquisition of Associates (please refer note no. 1.1.(h) of schedule 18)	1947,52,79	-
Less : Provision for diminution	-	-
Cost of Investment in Associates	6924,70,83	706,97,00
Add : Post-acquisition profit/(loss) and Reserve of Associates (Equity Method)	5583,95,19	2809,08,05
TOTAL	**12508,66,02**	**3516,05,05**

Schedule 9 - Advances

(000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
A. (i) Bills purchased and discounted	85155,97,89	81528,37,41
(ii) Cash Credits,Overdrafts and Loans Repayable on demand	729647,05,50	799218,03,33
(iii) Term Loans	1559508,14,73	1346107,25,98
TOTAL	**2374311,18,12**	**2226853,66,72**
B. (i) Secured by tangible assets (includes advances against Book Debts)	1697284,07,32	1603654,21,87
(ii) Covered by Bank / Government Guarantees	92305,71,86	80289,66,46
(iii) Unsecured	584721,38,94	542909,78,39
TOTAL	**2374311,18,12**	**2226853,66,72**
C. (I) Advances in India		
(i) Priority Sector	526675,87,35	520729,77,60
(ii) Public Sector	287505,82,43	240295,89,39
(iii) Banks	975,10,49	9494,93,60
(iv) Others	1171958,80,62	1127585,24,83
TOTAL	**1987115,60,89**	**1898105,85,42**

(000s omitted)

	As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
(II) Advances outside India		
(i) Due from banks	80561,91,32	69802,85,72
(ii) Due from others		
(a) Bills purchased and discounted	31106,22,11	26741,06,57
(b) Syndicated loans	186697,53,45	150765,88,72
(c) Others	88829,90,35	81438,00,29
TOTAL	**387195,57,23**	**328747,81,30**
GRAND TOTAL [C (I) and C (II)]	**2374311,18,12**	**2226853,66,72**

Schedule 10 - Fixed Assets

(000s omitted)

	As on 31.03.2020 (Current Year) ₹		As on 31.03.2019 (Previous Year) ₹	
I. Premises				
At cost/revalued as on 31st March of the preceding year	31600,97,61		30933,23,37	
Additions:				
- during the year	307,09,16		707,34,92	
- for Revaluation	3936,14,00		-	
Deductions				
- during the year	14,82,49		39,60,68	
- for Revaluation	4735,02,74		-	
Depreciation to date:				
- on cost	927,92,12		793,71,67	
- on Revaluation	670,54,22	29495,89,20	497,17,97	30310,07,97
II. Other Fixed Assets (including furniture and fixtures)				
At cost/revaluation as on 31st March of the preceding year	33185,43,15		31649,29,47	
Additions during the year	3768,90,47		3018,06,52	
Deductions during the year	933,14,28		1481,92,84	
Depreciation to date	26053,57,37	9967,61,97	23627,73,26	9557,69,89
III. Leased Assets				
At cost/revalued as on 31st March of the preceding year	155,09,22		120,02,20	
Additions during the year	102,00,56		35,64,65	
Deductions during the year	16,70,94		57,63	
Depreciation to date (including provisions)	95,49,35		82,11,57	
	144,89,49		72,97,65	
Less : Lease Adjustment Account	-	144,89,49	-	72,97,65
IV. Assets under Construction (including Premises)		469,76,15		762,29,75
TOTAL (I, II, III and IV)		**40078,16,81**		**40703,05,26**

Schedule 11 - Other Assets

(000s omitted)

		As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
I.	Inter Office adjustments (net)	1936,15,88	7,71,53
II.	Inter Bank Adjustments (net)	-	123,67,98
III.	Interest accrued	29344,58,26	29047,16,58
IV.	Tax paid in advance / tax deducted at source	35004,45,14	24699,95,89
V.	Stationery and Stamps	105,33,37	133,99,80
VI.	Non-banking assets acquired in satisfaction of claims	14,54,49	23,65,84
VII.	Deferred tax assets (net)	3500,19,46	10983,19,07
VIII.	Deposits placed with NABARD/SIDBI/NHB	163238,91,62	138245,29,37
IX.	Others #	67359,27,15	72860,73,56
TOTAL		**300503,45,37**	**276125,39,62**

Includes Goodwill on consolidation ₹ 1549,98,82 thousand (Previous Year ₹ 1734,07,01 thousand)

Schedule 12 - Contingent Liabilities

(000s omitted)

		As on 31.03.2020 (Current Year) ₹	As on 31.03.2019 (Previous Year) ₹
I.	Claims against the group not acknowledged as debts	72055,46,41	43964,90,09
II.	Liability for partly paid investments / Venture Funds	2555,80,84	1127,87,61
III.	Liability on account of outstanding forward exchange contracts	637499,92,10	597800,34,53
IV.	Guarantees given on behalf of constituents		
	(a) In India	165739,85,02	157417,08,56
	(b) Outside India	70998,07,06	72739,27,63
V.	Acceptances, endorsements and other obligations	132630,74,41	124526,15,33
VI.	Other items for which the group is contingently liable	139603,25,25	123670,64,08
TOTAL		**1221083,11,09**	**1121246,27,83**
Bills for collection		**55790,69,54**	**70047,22,64**

State Bank of India

Consolidated Profit and Loss Account for the Year Ended 31st March 2020

(000s omitted)

		Schedule No.	Year Ended 31.03.2020 (Current Year) ₹	Year Ended 31.03.2019 (Previous Year) ₹
I.	**INCOME**			
	Interest earned	13	269851,65,54	253322,17,41
	Other Income	14	98158,99,38	77365,18,53
	TOTAL		**368010,64,92**	**330687,35,94**
II.	**EXPENDITURE**			
	Interest expended	15	161123,79,86	155867,46,03
	Operating expenses	16	131781,56,30	114800,30,80
	Provisions and contingencies		56928,45,91	56950,51,70
	TOTAL		**349833,82,07**	**327618,28,53**
III.	**PROFIT/(LOSS)**			
	Net Profit /(Loss) for the year (before adjustment for Share in Profit of Associates and Minority Interest)		18176,82,85	3069,07,41
	Add: Share in Profit of Associates		2963,14,04	281,47,94
	Less: Minority Interest		1372,16,67	1050,91,44
	Net Profit/(Loss) for the Group		19767,80,22	2299,63,91
	Profit/(Loss) Brought forward		(8328,39,99)	(9941,19,94)
	TOTAL		**11439,40,23**	**(7641,56,03)**
IV.	**APPROPRIATIONS**			
	Transfer to Statutory Reserves		4538,17,61	386,05,90
	Transfer to Other Reserves		8254,91,35	243,79,58
	Tax on Dividend		8,05,52	56,98,48
	Balance carried over to Balance Sheet		(1361,74,25)	(8328,39,99)
	TOTAL		**11439,40,23**	**(7641,56,03)**
	Basic Earnings per Share		₹ 22.15	₹ 2.58
	Diluted Earnings per Share		₹ 22.15	₹ 2.58
	Significant Accounting Policies	17		
	Notes to Accounts	18		

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)

In term of our Report of even date.
For J.C. Bhalla & Co.
Chartered Accountants

Shri Rajnish Kumar
Chairman

Shri Rajesh Sethi
Partner
Mem. No. : 085669
Firm Regn. No. : 001111N

Place: Mumbai
Date : 5th June 2020

Place : New Delhi

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	185494,19,47	166124,58,30
II.	Income on Investments	74812,87,02	80243,50,66
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	3066,24,77	1324,75,88
IV.	Others	6478,34,28	5629,32,57
TOTAL		**269851,65,54**	**253322,17,41**

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	23571,28,64	22801,37,60
II.	Profit / (Loss) on sale of investments (Net) #	9202,71,19	3933,13,61
III.	Profit / (Loss) on revaluation of investments (Net)	-	(2124,03,82)
IV.	Profit /(Loss) on sale of land, building and other assets including leased assets (net)	(28,33,75)	(32,35,82)
V.	Profit / (Loss) on exchange transactions (Net)	2581,57,85	2209,07,07
VI.	Dividends from Associates in India/ abroad	14,66,77	11,71,87
VII.	Income from Finance Lease	-	-
VIII.	Credit Card membership/ service fees	4122,14,91	3179,78,08
IX.	Insurance Premium Income (net)	43176,55,90	35225,02,54
X.	Recoveries made in Write-off Accounts	9568,52,52	8607,44,37
XI.	Miscellaneous Income	5949,85,35	3554,03,03
TOTAL		**98158,99,38**	**77365,18,53**

Profit/(Loss) on sale of investments (Net)includes exceptional item of ₹ 5,781.56 crore (Previous year ₹ 466.48 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	148136,84,44	140920,19,82
II.	Interest on Reserve Bank of India/ Inter-bank borrowings	7191,76,51	10103,57,61
III.	Others	5795,18,91	4843,68,60
TOTAL		**161123,79,86**	**155867,46,03**

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	48850,94,64	43795,01,41
II.	Rent, taxes and lighting	5630,95,83	5553,08,91
III.	Printing & Stationery	651,58,62	595,00,09
IV.	Advertisement and publicity	2830,69,52	2360,81,37
V.	(a) Depreciation on Fixed Assets (other than Leased Assets)	3631,44,29	3479,97,41
	(b) Depreciation on Leased Assets	30,11,56	15,91,80
VI.	Directors' fees, allowances and expenses	11,15,54	9,71,04
VII.	Auditors' fees and expenses (including branch auditors' fees and expenses)	256,01,79	307,00,17
VIII.	Law charges	488,83,43	578,53,06
IX.	Postages, Telegrams, Telephones, etc.	571,68,38	568,56,57
X.	Repairs and maintenance	1121,27,27	1057,77,33
XI.	Insurance	3235,50,89	2860,59,09
XII.	Other Operating Expenses relating to Credit Card Operations	1542,56,89	1105,59,01
XIII.	Other Operating Expenses relating to Insurance Business	46728,37,12	37907,82,48
XIV.	Other Expenditure	16200,40,53	14604,91,06
TOTAL		**131781,56,30**	**114800,30,80**

Schedule 17- Significant Accounting Policies

A. Basis of Preparation:

The accompanying financial statements have been 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, Insurance Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority (PFRDA), SEBI (Mutual Funds) Regulations, 1996, Companies Act 2013, Accounting Standards issued by Institute of Chartered Accountants of India (ICAI), and the prevalent accounting practices in India. In case of foreign entities, Generally Accepted Accounting Principles as applicable to the foreign entities are followed.

B. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions that are considered in the reported amounts 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. Basis of Consolidation:

1. Consolidated financial statements of the Group (comprising of 28 subsidiaries, 8 Joint Ventures and 18 Associates) have been prepared on the basis of:

a. Audited financial statements of State Bank of India (Parent).

b. Line by line aggregation of each item of asset/liability/income/expense of the subsidiaries with the respective item of the Parent, and after eliminating all material intra-group balances/transactions, unrealised profit/loss, and making necessary adjustments wherever required for non-uniform accounting policies as per AS 21 “Consolidated Financial Statements” issued by the ICAI.

c. Consolidation of Joint Ventures – ‘Proportionate Consolidation’ as per AS 27 “Financial Reporting of Interests in Joint Ventures” issued by the ICAI.

d. Accounting for investment in ‘Associates’ under the ‘Equity Method’ as per AS 23 “Accounting for Investments in Associates in Consolidated Financial Statements” issued by the ICAI.

2. The difference between cost to the group of its investment in the subsidiary entities and the group’s portion of the equity of the subsidiaries is recognised in the financial statements as goodwill / capital reserve.

3. Minority interest in the net assets of the consolidated subsidiaries consists of:

a. The amount of equity attributable to the minority at the date on which investment in a subsidiary is made, and

b. The minority share of movements in revenue reserves/loss (equity) since the date the parent-subsidiary relationship came into existence.

D. Significant Accounting Policies

1. Revenue recognition:

1.1 Income and expenditure are accounted on accrual basis, except otherwise stated. As regards, foreign offices/entities, income and expenditure are recognised as per the local laws of the country in which the respective foreign offices/entities are 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 the RBI/ respective country regulators in the case of foreign offices/entities (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:

i. on Interest bearing securities, it is recognised only at the time of sale/ redemption.

ii. 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 the 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.

1.11 Non-banking entities:

Merchant Banking:

a. Issue management and advisory fees are recognised based on the stage of completion of assignments and as per the terms of the agreement with the client, net of pass-through.

b. Fees for private placement are recognised on completion of assignment.

c. Brokerage income in relation to stock broking activity is recognized on the trade date of transaction and includes stamp duty, transaction charges and is net of scheme incentives paid.

d. Commission relating to public issues is accounted for on finalisation of allotment of the public issue/receipt of information from intermediary.

e. Brokerage income relating to public issues/mutual fund/other securities is accounted for based on mobilisation and intimation received from clients/ intermediaries.

f. Depository income – Annual Maintenance Charges are recognised on accrual basis and transaction charges are recognised on trade date of transaction.

Asset Management:

a. Management fee is recognised at specific rates agreed with the relevant schemes, applied on the average daily net assets of each scheme (excluding inter-scheme investments, wherever applicable, investments made by the company in the respective scheme and deposits with Banks), and are in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996.

b. Portfolio Advisory Services, Portfolio Management Services and Management Fees on Alternative Investment Fund (AIF) are recognised on accrual basis as per the terms of the contract.

c. Recovery, if any, on realisation of devolved investments of schemes acquired by the company, in terms of the right of subrogation, is accounted on the basis of receipts. Recovery from funded guarantee schemes is recognised as income in the year of receipt.

d. Expenses of schemes in excess of the stipulated rates and expenses relating to new fund offer are charged to the Profit and Loss Account in the year in which they are incurred in accordance with the requirements of SEBI (Mutual Funds) Regulations, 1996.

   Brokerage and/or incentive paid on investments in open-ended Equity Linked Tax Saving Schemes and Systematic Investment Plans (SIPs) are amortised over a period of 36 months and in case of other schemes, over the claw back period. In case of close-ended schemes, brokerage is amortised over the tenure of schemes.

Credit Card Operations:

a. First annual fee and subsequent renewal fee are recognised over a period of one year as this more closely reflects the period to which the fee relates to.

b. Interchange income is recognised on accrual basis.

c. The total unidentified receipts which could not be credited or adjusted in the customers' accounts for lack of complete & correct information is considered as liability in Balance Sheet. The estimated unidentified receipts aged more than 6 months and up to 3 years towards the written off customers is written back as income on Balance Sheet date. Further, the unresolved unidentified receipts aged more than 3 years are also written back as income on Balance Sheet date. The liability for stale cheques aged for more than three years is written back as income.

d. All other service income/fees are recorded at the time of occurrence of the respective events.

Factoring:

Factoring charges are accrued on factoring of debts at the applicable rates as decided by the company. Processing fees are recognised as income only when there is reasonable certainty of its receipt after execution of documents. Facility Continuation fees (FCF) are calculated and charged in the month of May for the entire next financial year on all live standard accounts. 1st of May is deemed as date for accrual of the FCF.

Life Insurance:

a. Premium of non-linked business is recognised as income (net of service tax/ goods and service tax) when due from policyholders. In respect of linked business, premium income is recognised when the associated units are allotted. In case of Variable Insurance Products (VIPs), premium income is recognised on the date when the Policy Account Value is credited. Uncollected premium from lapsed policies is not recognised as income until such policies are revived.

b. Top-up premiums are considered as single premium.

c. Income from linked funds which includes fund management charges, policy administration charges, mortality charges, etc. are recovered from linked fund in accordance with terms and conditions of policy and recognised when recovered.

d. Realised gains and losses in respect of equity securities and units of mutual funds are calculated as the difference between the net sales proceeds and their cost. In respect of debt securities, the realised gains and losses are calculated as difference between net sale proceeds or redemption proceeds and weighted average amortised cost. Cost in respect of equity shares and units of mutual fund are computed using the weighted average method.

e. Fees received on lending of equity shares under Securities lending and borrowing scheme (SLB) is recognised as income over the period of the lending on straight-line basis.

f. Premium ceded on reinsurance is accounted in accordance with the terms of the re-insurance treaty or in-principle arrangement with the re-insurer.

g. Benefits paid:

   - Claims cost consist of the policy benefit amounts and claims settlement costs, where applicable.
   - Claims by death and rider are accounted when intimated. Intimations up to the end of the period are considered for accounting of such claims.
   - Claims by maturity are accounted on the policy maturity date.
   - Survival and Annuity benefits claims are accounted when due.
   - Surrenders and withdrawals are accounted as and when intimated. Benefits paid also includes amount payable on lapsed policies which are accounted for as and when due. Surrenders, withdrawals and lapsation are disclosed at net of charges recoverable.
   - Repudiated claims disputed before judicial authorities are provided for based on management prudence considering the facts and evidences available in respect of such claims.
   - Amounts recoverable from re-insurers are accounted for in the same period as the related claims and are reduced from claims.

h. Acquisition costs such as commission, medical fees, etc. are costs that are primarily related to the acquisition of new and renewal insurance contracts. The same are expensed in the period in which they are incurred.

i. Liability for life policies: The actuarial liability of all the life insurance policies has been calculated by the Appointed Actuary in accordance with the Insurance Act 1938, and as per the rules and regulations and circulars issued by IRDAI and the relevant Guidance Notes and/or Actuarial Practice Standards (APS) issued by the Institute of Actuaries of India.

Non-linked business is reserved using a prospective gross premium valuation method. Mathematical reserves are calculated based on future assumptions having regard to current and future experience. The unit liability in respect of linked business has been considered as the value of the units standing to the credit of the policy holders, using the Net Asset Value (NAV) as on the valuation date. Variable insurance policies (VIPs) have also been valued in a manner similar to the ULIP business by considering liability as the policy account standing to the credit of the policy holders plus additional provisions for adequacy of charges to meet expenses.

General Insurance:

a. Premium including reinsurance accepted (net of goods & service tax) is recorded in the books at the commencement of risk. In case the premium is recovered in instalments, amount to the extent of instalment due is recorded on the due date of the instalment. Premium (net of goods & service tax), including reinstatement premium, on direct business and reinsurance accepted, is recognized as income over the contract period or the period of risk, whichever is appropriate, on a gross basis under 1/365 method. Any subsequent revision to premium is recognized over the remaining period of risk or contract period. Adjustments to premium income arising on cancellation of policies are recognised in the period in which they are cancelled.

b. Commission received on reinsurance ceded is recognised as income in the period in which reinsurance risk is ceded. Profit commission under re-insurance treaties, wherever applicable, is recognized as income in the year of final determination of the profits as intimated by Reinsurer.

c. In respect of proportional reinsurance ceded, the cost of reinsurance ceded is accrued at the commencement of risk. Non-proportional reinsurance cost is recognized when due. Non-proportional reinsurance cost is accounted as per the terms of the reinsurance arrangements. Any subsequent revision to, refunds or cancellations of premiums is recognized in the period in which they occur.

d. Reinsurance inward acceptances are accounted for on the basis of returns, to the extent received, from the insurers.

e. Acquisition costs are expensed in the period in which they are incurred. Acquisition costs are defined as costs that vary with, and are primarily related to the acquisition of new and renewal insurance contracts viz. commission. The primary test for determination as acquisition cost is the obligatory relationship between the costs and the execution of the insurance contracts (i.e. commencement of risk).

f. Claim is recognised as and when a loss occurrence is reported. Claim is recognised by creation of provision for the amount of claim payable as estimated by the management based on available information and past experience, on receipt of claim notification. Such provision is reviewed / modified as appropriate on the basis of additional information as and when available. Amounts received/receivable from the re-insurers/co-insurers, under the terms of the reinsurance and coinsurance arrangements respectively, is recognised together with the recognition of claim. Provision for claims outstanding payable as on the date of Balance Sheet is net of reinsurance, salvage value and other recoveries as estimated by the management.

g. Provision in respect of claim liabilities that may have been incurred before the end of the accounting year but are

   - not yet reported or claimed (IBNR) or
   - not enough reported i.e. reported with information insufficient for making a reasonable estimate of likely claim amount (IBNER),

   The provision is made according to the amount determined by the Appointed Actuary based on actuarial principles in accordance with the Actuarial Practice Standards and Guidance Notes issued by the Institute of Actuaries of India and IRDAI regulations and guidelines.

Custody & Fund accounting services:

The revenue (net of goods & service tax) is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Pension Fund Operation:

Management fee is recognized at specific rates agreed with the relevant schemes, applied on daily net assets of each scheme, and is in conformity with the regulatory guidelines issued by Pension Fund Regulatory and Development Authority (PFRDA). The Company presents revenues net of Service Tax/ goods and service tax

Trustee Operations:

a. Mutual Fund Trusteeship fee is recognised at specific rates agreed with relevant schemes, applied on the average daily Net Assets of each scheme (excluding inter-scheme investment, investment in fixed deposits, investments made by the Asset Management Company and deferred revenue expenses, where applicable), and is in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996.

b. Corporate Trusteeship Acceptance fees are recognised on the acceptance or execution of trusteeship assignment whichever is earlier. Corporate Trusteeship service charges are recognised/accrued on the basis of terms of trusteeship contracts/agreements entered into with clients.

c. Income from online “will” services is recognised when the right to receive the fee is established, as all certainty for revenue recognition is present at the time of establishment of such right.

Infrastructure and Facility Management:

Revenue from management and consultancy fees is recognised as and when the said contractual work is awarded to the vendor and the agreed scope of work is completed by the vendor.

Merchant Acquiring Business:

a. The revenue is measured on basis of consideration received or receivable for the services provided, excluding discounts, GST and other applicable taxes and are recognised upon performance of services.

b. The revenue from deployment of POS is recognised either over the period during which the service is rendered or on basis of the number of transactions processed during the period in accordance with the rates and conditions specified in the agreements

c. Income received but not accrued on account of maintenance deployment contract are recognised as deferred revenue and included in liabilities until the revenue recognition criteria are met. Income accrued but not billed represents revenue recognised on work performed but billed in subsequent period based on terms of contract.

d. Revenue of providing services of Merchant Acquiring are recognised on fully loaded cost plus mark up on such costs

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

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) Debentures and Bonds, (v) Subsidiaries and Associates and (vi) Others and (II) 'Investments outside India' are classified under three categories – (i) Government Securities, (ii) Associates 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 the 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 associates 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:

A. Banking Business:

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, 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 of investment under AFS and HFT category is determined at the weighted average cost method by the group entities and cost of investments under HTM category is determined on FIFO basis (first in first out) by SBI and weighted average cost method by other group entities.

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: 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". A provision is made for diminution, other than temporary, for each investment individually. Investments in Regional Rural Banks (RRBs) are valued at equity cost determined in accordance with AS 23 of the ICAI.

v. Available for Sale and Held for Trading categories: Investments held under AFS and HFT categories are individually revalued at the 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) Debentures & Bonds (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 the RBI in the case of domestic offices/entities and respective regulators in the case of foreign offices/ entities. Investments of domestic offices become non-performing where:

a. Interest/instalment (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 the shares of any company is valued at ₹ 1 per company on account of the 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/entities, 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 the 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 A/c is classified under Schedule 4 (Borrowings) and balance in Reverse Repo A/c 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.

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.

B. Insurance Business:

In case of life and general insurance subsidiaries, investments are accounted in accordance with the Insurance Act, 1938, the IRDAI (Investment) Regulations, 2016 and IRDA (Presentation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, investment policy of the company and various other circulars / notifications as issued by IRDAI from time to time.

(i) Valuation of investment pertaining to non-linked life insurance business and general insurance business: -

➢ All debt securities, including government securities and money market securities are stated at historical cost subject to amortisation of premium or accretion of discount.

➢ Listed equity shares, equity related instruments and preference shares are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the closing price at primary exchange i.e. National Stock Exchange of India Limited ('NSE') is considered. If NSE closing price is not available, the closing price of the secondary exchange i.e. BSE Limited ('BSE') is considered.

➢ Unlisted equity securities, equity related instruments and preference shares are measured at historical cost.

➢ In case of Security Lending and Borrowing (SLB), equity shares lent are valued as per valuation policy for equity shares as mentioned above.

➢ Additional Tier 1 (Basel III compliant) Perpetual Bonds classified under "Equity" as specified by IRDAI, are valued at prices obtained from Credit Rating Information Services of India Limited (CRISIL).

➢ Investments in mutual fund units are valued at the Net Asset Value (NAV) of previous day in life insurance and of Balance Sheet date in general insurance.

➢ Investment in Alternative Investment Funds (AIFs) are valued at latest available NAV.

Unrealized gains or losses arising due to change in the fair value of listed equity shares, mutual fund units and AIFs pertaining to shareholders' investments and non-linked policyholders investments are taken to "Revenue & Other Reserves (Schedule 2)" and "Liabilities relating to Policyholders in Insurance Business (Schedule 5)" respectively, in the Balance Sheet.

(ii) Valuation of investment pertaining to linked business: -

- Debt Securities including Government securities with remaining maturity of more than one year are valued at prices obtained from CRISIL. Debt securities including Government securities with remaining maturity of less than one year are valued on yield to maturity basis, where yield is derived using market price provided by CRISIL on the day when security is classified as short term. If security is purchased during its short term tenor, it is valued at amortised cost using yield to maturity method. In case of securities with options, earliest Call Option/Put Option date will be taken as maturity date for this purpose. Money market securities are valued at historical cost subject to amortization of premium or accretion of discount on yield to maturity basis.
- Listed equity shares, equity related instruments and preference shares are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the closing price at primary exchange i.e. NSE is considered. If NSE closing price is not available, closing price of the BSE is considered.
- Unlisted equity shares, equity related instruments and preference shares are measured at historical cost.
- In case of Security Lending and Borrowing (SLB), equity shares lent are valued as per valuation policy for equity shares as mentioned above.
- Additional Tier 1 (Basel III compliant) Perpetual Bonds classified under "Equity" as specified by IRDAI, are valued at prices obtained from CRISIL.
- Investments in mutual fund units are valued at the previous day's Net Asset Value (NAV).
- Unrealized gains or losses arising due to changes in the fair value are recognized in the Profit & Loss Account.

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/entities, 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 loan/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 :

a. Charges, Costs, Commission etc.

b. Unrealized Interest / Interest

c. 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 for Banking Entities:

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 "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:

Sr. 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	Servers	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 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 31st 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/ entities, 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 Assets 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

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. 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 a 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/Subsidiaries / Joint Ventures 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/ subsidiaries /joint ventures in foreign currency (other than local currency of the foreign offices/subsidiaries/ joint ventures) 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. SBI operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Provident Fund scheme. SBI 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. SBI 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.

SBI Life Insurance Company Limited makes contribution towards provident fund, a defined benefit retirement plan. The provident fund is administered by the trustees of the SBI Life Insurance Company Limited Employees PF Trust. The contribution paid or payable under the schemes is charged to the Profit and Loss Account during the period in which the employee renders the related service. Further, an actuarial valuation is conducted annually by an independent actuary to recognise the deficiency, if any, in the interest payable on the contributions as compared to the interest liability as per the statutory rate.

b. The group entities operate separate Gratuity schemes, which are defined benefit plans. The group entities provide 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. SBI makes periodic contributions to a fund administered by Trustees based on an independent external actuarial valuation carried out annually.

c. SBI 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. SBI 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 SBI makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

d. 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 and are not deferred.

ii. Defined Contribution Plans:

SBI operates a New Pension Scheme (NPS) for all officers/ employees joining SBI on or after 1st August, 2010, which is a defined contribution plan, such new joinees 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 SBI. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in SBI and earn interest at the same rate as that of the current account of Provident Fund balance. SBI 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:

All eligible employees of the Group 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 group entities.

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 and is not deferred.

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

12. Segment Reporting

The Group 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, deferred tax and fringe benefit tax expense incurred by the Group. 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/entities, which are based on the tax laws of respective jurisdiction. 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 judgement 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.

In Consolidated Financial Statement, income tax expenses are the aggregate of the amounts of tax expense appearing in the separate financial statements of the parent and its subsidiaries/joint ventures, as per their applicable laws.

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 (other than minority) 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 Group 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 group entities; 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 SBI is being provided for on actuarial estimates.

15.4 Contingent Assets are not recognised in the financial statements.

16. Bullion Transactions:

SBI 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. SBI earns a fee on such bullion transactions. The fee is classified under commission income. SBI 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 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:

1. List of Subsidiaries/Joint Ventures/Associates considered for preparation of consolidated financial statements:

1.1 The 28 Subsidiaries, 8 Joint Ventures and 18 Associates including 15 Regional Rural Banks from/upto respective dates of merger/exit during the year (which along with State Bank of India, the parent, constitute the Group), considered in the preparation of the consolidated financial statements, are

A) Subsidiaries:

S. No.	Name of the Subsidiary	Country of incorporation	Group's Stake (%) Current Year	Group's Stake (%) Previous Year*
1)	SBI Capital Markets Ltd.	India	100.00	100.00
2)	SBICAP Securities Ltd.	India	100.00	100.00
3)	SBICAP Trustee Company Ltd.	India	100.00	100.00
4)	SBICAP Ventures Ltd.	India	100.00	100.00
5)	SBICAP (Singapore) Ltd.	Singapore	100.00	100.00
6)	SBICAP (UK) Ltd.	U.K.	100.00	100.00
7)	SBI DFHI Ltd.	India	72.17	72.17
8)	SBI Global Factors Ltd.	India	86.18	86.18
9)	SBI Infra Management Solutions Pvt. Ltd.	India	100.00	100.00
10)	SBI Mutual Fund Trustee Company Pvt Ltd.	India	100.00	100.00
11)	SBI Payment Services Pvt. Ltd.@	India	74.00	74.00
12)	SBI Pension Funds Pvt Ltd.	India	92.60	92.60
13)	SBI Life Insurance Company Ltd.	India	57.60	62.10
14)	SBI General Insurance Company Ltd. @	India	70.00	70.00
15)	SBI Cards and Payment Services Ltd.	India	69.51	74.00
16)	SBI–SG Global Securities Services Pvt. Ltd. @	India	65.00	65.00
17)	SBI Funds Management Pvt. Ltd. @	India	63.00	63.00
18)	SBI Funds Management (International) Private Ltd. @	Mauritius	63.00	63.00

S. No.	Name of the Subsidiary	Group's Stake (%)		
		Country of incorporation	Current Year	Previous Year*
19)	Commercial Indo Bank Llc , Moscow @	Russia	60.00	60.00
20)	Bank SBI Botswana Limited	Botswana	100.00	100.00
21)	SBI Canada Bank	Canada	100.00	100.00
22)	State Bank of India (California)	USA	100.00	100.00
23)	State Bank of India (UK) Limited	UK	100.00	100.00
24)	State Bank of India Servicos Limitada	Brazil	100.00	100.00
25)	SBI (Mauritius) Ltd.	Mauritius	96.60	96.60
26)	PT Bank SBI Indonesia	Indonesia	99.00	99.00
27)	Nepal SBI Bank Ltd.	Nepal	55.00	55.00
28)	Nepal SBI Merchant Banking Limited	Nepal	55.00	55.00

@ Represents companies which are jointly controlled entities in terms of the shareholders' agreement. However, the same are consolidated as subsidiaries in accordance with AS 21 "Consolidated Financial Statements" as SBI's holding in these companies exceeds 50%.

* In the previous year, SBI Business Process Management Services Private Limited (a subsidiary) was also consolidated. It was amalgamated with SBI Cards and Payment Services Ltd. w.e.f April 1, 2018. Please refer Note no. 1.1.(a) below.

B) Joint Ventures:

S. No.	Name of the Joint Venture	Group's Stake (%)		
		Country of Incorporation	Current Year	Previous Year
1)	C - Edge Technologies Ltd.	India	49.00	49.00
2)	SBI Macquarie Infrastructure Management Pvt. Ltd.	India	45.00	45.00
3)	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	India	45.00	45.00
4)	Macquarie SBI Infrastructure Management Pte. Ltd.	Singapore	45.00	45.00
5)	Macquarie SBI Infrastructure Trustee Ltd.	Bermuda	45.00	45.00
6)	Oman India Joint Investment Fund – Management Company Pvt. Ltd.	India	50.00	50.00
7)	Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.	India	50.00	50.00
8)	Jio Payments Bank Ltd.	India	30.00	30.00

C) Associates:

S. No.	Name of the Associate	Group's Stake (%)		
		Country of Incorporation	Current Year	Previous Year*
1)	Andhra Pradesh Grameena Vikas Bank	India	35.00	35.00
2)	Arunachal Pradesh Rural Bank	India	35.00	35.00
3)	Chhattisgarh Rajya Gramin Bank	India	35.00	35.00
4)	Ellaquai Dehati Bank	India	35.00	35.00
5)	Madhyanchal Gramin Bank	India	35.00	35.00
6)	Meghalaya Rural Bank	India	35.00	35.00
7)	Mizoram Rural Bank	India	35.00	35.00
8)	Nagaland Rural Bank	India	35.00	35.00
9)	Purvanchal Bank	India	35.00	35.00
10)	Saurashtra Gramin Bank	India	35.00	35.00
11)	Utkal Grameen Bank	India	35.00	35.00

S. No.	Name of the Associate	Group's Stake (%)		
		Country of Incorporation	Current Year	Previous Year*
12)	Uttarakhand Gramin Bank	India	35.00	35.00
13)	Jharkhand Rajya Gramin Bank	India	35.00	35.00
14)	Rajasthan Marudhara Gramin Bank	India	35.00	35.00
15)	Telangana Grameena Bank	India	35.00	35.00
16)	The Clearing Corporation of India Ltd.	India	20.05	20.05
17)	Yes Bank Ltd. (w.e.f. March 14, 2020)	India	48.21	-
18)	Bank of Bhutan Ltd.	Bhutan	20.00	20.00

* In previous year, Kaveri Grameena Bank, Langpi Dehangi Rural Bank and Malwa Gramin Bank (upto December 31, 2018) were also consolidated. These have been merged into RRBs not sponsored by SBI.

Please refer to Note no. 1.1.(f) below for details regarding merger of Regional Rural Banks (RRBs) sponsored by SBI.

a) As per NCLT order pronounced on June 04, 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. April 01, 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.

In the month of March 2020, SBI sold its 4.00% stake in SBI Cards and Payment Services Limited by way of public offer. In the same public offer, SBI Cards and Payment Services Limited came up with a fresh issue of 6,622,516 equity shares of face value of ₹ 10 each.

Consequently the stake of SBI Group in SBI Cards and Payment Services Limited has reduced from 74.00% to 69.51%.

b) During the month of June 2019, SBI Capital Markets Limited. (a subsidiary) has infused share capital of GBP 2 lakh equivalent to ₹ 1.77 crore in SBICAP (UK) Limited (a step down subsidiary) .

During the month of August 2019, the board of SBICAP (UK) Limited approved the winding up of the operations of SBICAP (UK) Limited and surrender its license to Financial Conduct Authority (FCA) in UK. The operations of SBICAP (UK) were closed on 30.11.2019. In the month of March 2020, SBICAP (UK) has remitted back the balance in its capital and reserves to SBI Capital Markets Limited.

c) During the month of August 2019, SBI Capital Markets Limited (a subsidiary) has infused share capital of ₹ 10.40 crore in SBICAP Ventures Limited (a step down subsidiary) . The stake of SBI Group in SBICAP Ventures Limited remains the same.

d) In the month of September 2019, SBI sold its 4.50% stake in SBI Life Insurance Company Limited (a subsidiary). The stake of SBI Group in SBI Life Insurance Company Limited has reduced from 62.10% to 57.60%.

e) In the month of December 2019, Nepal SBI Bank Ltd. has issued 27,88,253 bonus shares to SBI amounting to NPR 27.88 crore equivalent to ₹ 17.47 crore. The stake of SBI Group in Nepal SBI Bank Ltd remains the same.

f) During the year, SBI has infused additional capital in the following Regional Rural Bank (RRBs) sponsored by it :-

₹ in crore

Regional Rural Banks	Amount
Utkal Grameena Bank	143.78
Ellaquai Dehati Bank	5.48
Madhyanchal Gramin Bank	8.91
Nagaland Rural Bank	0.48
TOTAL	158.65

The SBI Group's stake remains the same after the aforesaid capital infusion.

g) In accordance with notification issued by Govt. of India, the following amalgamations have taken/will take place among the Regional Rural Banks (RRBs) sponsored by SBI and those sponsored by other Banks :

i) The details of amalgamation of RRBs, where the transferee RRBs are not sponsored by SBI 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	Canara Bank	Karnataka Gramin Bank	Canara Bank	April 01 ,2019
	Kaveri Grameena Bank	State Bank of India			
2.	Assam Gramin Vikash Bank	United Bank of India	Assam Gramin Vikash Bank	United Bank of India	April 01 ,2019
	Langpi Dehangi Rural Bank	State Bank of India			
3.	Baroda Uttar Pradesh Gramin Bank	Bank of Baroda	Baroda U.P. Bank	Bank of Baroda	April 01 ,2020
	Kashi Gomti Samyut Gramin Bank	Union Bank of India			
	Purvanchal Bank	State Bank of India			

By virtue of Department of Financial Services (DFS) letter dated February 06, 2019 and February 14, 2019 the transfer of stake of sponsor Banks has taken place at face value of the shares and as a result during the year ended March 31, 2020 a loss of ₹ 207.93 crore has been recognized in the consolidated financial statements under the head “Other Income”.

ii) The details of amalgamation of RRBs, where the transferee RRB is sponsored by SBI 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	Bank of India	Jharkhand Rajya Gramin Bank	State Bank of India	April 01 ,2019
	Vananchal Gramin Bank	State Bank of India			

h) In the month of March 2020, as per the scheme of reconstruction notified by the Government of India, SBI has infused ₹ 6,050 crore in Yes Bank Ltd. The stake of SBI Group is at 48.21%.

Yes Bank Limited became an associate of the SBI Group w.e.f March 14, 2020 and has been consolidated using equity method as per AS-23 “Accounting for Investments in Associates in Consolidated Financial Statements”. As per AS-23, capital reserve arises after the stake acquisition in Yes Bank Ltd. amounting to ₹ 1,947.53 crore in CFS.

i) SBI Home Finance Ltd., an associate in which SBI is having 25.05% stake, is under liquidation and therefore, not being considered for consolidation in preparation of Consolidated Financial Statements as per Accounting Standard 21.

j) As SBI Foundation is a Not-for-Profit Company [incorporated under section 7(2) of Companies Act, 2013], SBI Foundation is not being considered for consolidation in preparation of Consolidated Financial statements as per Accounting Standard 21.

1.2 The consolidated financial statements for the financial year 2019-20 of the Group include unaudited financial statements of one subsidiary (SBI Canada Bank) & two associate (Bank of Bhutan Ltd. and Purvanchal Bank) the results of which are not material.

2. Share capital:

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

3. Disclosures as per Accounting Standards

3.1 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 March 31, 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 March 31, 2020.

3.2 Accounting Standard- 15 "Employee Benefits":

3.2.1 Defined Benefit Plans

3.2.1.1 Employee's Pension Plans and Gratuity Plans

The following table sets out the status of the Defined Benefit Pension Plans and Gratuity Plan as required under AS 15 (Revised 2005) :-

₹ in crore

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation at 1st April 2019	95,362.15	87,786.56	12,378.30	13,025.81
Current Service Cost	953.34	1,060.57	471.10	430.32
Interest Cost	7,428.71	6,812.24	960.76	1,012.43
Past Service Cost (Vested Benefit)	-	-	-	-
Actuarial losses /(gains)	13,619.61	6,434.95	1,247.21	(89.76)
Benefits paid	(3,914.34)	(3,966.53)	(1,967.24)	(2,000.50)
Direct Payment by SBI	(3,619.10)	(2,765.64)	-	-
Closing defined benefit obligation at 31st March 2020	1,09,830.37	95,362.15	13,090.13	12,378.30
Change in Plan Assets				
Opening fair value of plan assets at 1st April 2019	90,399.61	85,249.60	10,493.46	9,263.16
Expected Return on Plan assets	7,015.01	6,615.37	815.36	721.37
Contributions by employer	2,407.68	2,391.18	1,183.65	2,404.93
Expected Contribution by the employees	0.28	0.34	-	-
Benefits Paid	(3,914.34)	(3,966.53)	(1,967.24)	(2,000.50)
Actuarial Gains / (Losses) on plan assets	1,550.28	109.65	249.87	104.50
Closing fair value of plan assets at 31st March 2020	97,458.52	90,399.61	10,775.10	10,493.46
Reconciliation of present value of the obligation and fair value of the plan assets				
Present Value of funded obligation at 31st March 2020	1,09,830.37	95,362.15	13,090.13	12,378.30
Fair Value of plan assets at 31st March 2020	97,458.52	90,399.61	10,775.10	10,493.46
Deficit/(Surplus)	12,371.85	4,962.54	2,315.03	1,884.84
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	12,371.85	4,962.54	2,315.03	1,884.84
Amount Recognised in the Balance Sheet				
Liabilities	1,09,830.37	95,362.15	13,090.13	12,378.30
Assets	97,458.52	90,399.61	10,775.10	10,493.46
Net Liability / (Asset) recognised in Balance Sheet	12,371.85	4,962.54	2,315.03	1,884.84
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/ (Asset)	12,371.85	4,962.54	2,315.03	1,884.84
Net Cost recognised in the profit and loss account				
Current Service Cost	953.34	1,060.57	471.10	430.32
Interest Cost	7,428.71	6,812.24	960.76	1,012.43
Expected return on plan assets	(7,015.01)	(6,615.37)	(815.36)	(721.37)
Expected Contributions by the employees	(0.28)	(0.34)	-	-
Past Service Cost (Amortised) Recognised	-	-	-	-
Past Service Cost (Vested Benefits) Recognised	-	-	-	2,707.50
Net Actuarial Losses / (Gains) recognised during the year	12,069.33	6,325.30	997.34	(194.26)
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	13,436.09	7,582.40	1,613.84	3,234.62

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Reconciliation of expected return and actual return on Plan Assets				
Expected Return on Plan Assets	7,015.01	6,615.37	815.36	721.37
Actuarial Gains/ (Losses) on Plan Assets	1,550.28	109.65	249.87	104.50
Actual Return on Plan Assets	8,565.29	6,725.02	1,065.23	825.87
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet				
Opening Net Liability/(Asset) as at 1st April 2019	4,962.54	2,536.96	1,884.84	1,055.15
Expenses as recognised in profit and loss account	13,436.09	7,582.40	1,613.84	3,234.62
Paid by SBI Directly	(3,619.10)	(2,765.64)	-	-
Debited to Other Provision	-	-	-	-
Recognised in Reserve	-	-	-	-
Employer's Contribution	(2,407.68)	(2,391.18)	(1,183.63)	(2,404.93)
Net liability/(Asset) recognised in Balance Sheet	12,371.85	4,962.54	2,315.05	1,884.84

Investments under Plan Assets of Gratuity Fund & Pension Fund as on March 31, 2020 are as follows:

Category of Assets	Pension Fund	Gratuity Fund
	% of Plan Assets	% of Plan Assets
Central Govt. Securities	23.60%	19.05%
State Govt. Securities	36.89%	36.14%
Debt Securities, Money Market Securities and Bank Deposits	30.68%	25.85%
Mutual Funds	3.36%	3.46%
Insurer Managed Funds	2.56%	12.54%
Others	2.91%	2.96%
Total	100.00%	100.00%

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%

	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%

The expected contribution to the Pension and Gratuity fund for the next year is ₹ 2,348.90 crore and ₹ 1,420.97 crore respectively

In case of SBI, 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 the 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.

3.2.1.2 Employees Provident Fund

Actuarial valuation carried out in respect of interest shortfall in Provident Fund Trust 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 Actuaries:-

₹ in crore

Particulars	Provident Fund	
	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1st April 2019	30,928.72	30,298.65
Current Service Cost	1,045.98	965.04
Interest Cost	2,495.99	2,507.55
Employee Contribution (including VPF)	1,166.46	1,377.59
Actuarial losses/(gains)	220.06	-
Benefits paid	(4,112.66)	(4,220.11)
Closing defined benefit obligation at 31st March 2020	31,744.55	30,928.72
Change in Plan Assets		
Opening fair value of Plan Assets as at 1st April 2019	32,630.54	31,874.25
Expected Return on Plan Assets	2,495.99	2,507.55
Contributions	2,212.43	2,342.63
Provision for loss on maturity of non-performing investment	(467.66)	-
Benefits Paid	(4,112.66)	(4,220.11)
Actuarial Gains / (Loss) on plan Assets	(109.92)	126.22
Closing fair value of plan assets as at 31st March 2020	32,648.72	32,630.54
Reconciliation of present value of the obligation and fair value of the plan assets		
Present Value of Funded obligation at 31st March 2020	31,744.55	30,928.72
Fair Value of Plan assets at 31st March 2020	32,648.72	32,630.54
Deficit/(Surplus)	(904.17)	(1,701.82)
Net Asset not recognised in Balance Sheet	904.17	1,701.82

Particulars	Provident Fund	
	Current Year	Previous Year
Net Cost recognised in the profit and loss account		
Current Service Cost	1,045.98	965.04
Interest Cost	2,495.99	2,507.55
Expected return on plan assets	(2,495.99)	-2,507.55
Interest shortfall reversed	-	-
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	1,045.98	965.04
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1st April 2019	-	-
Expense as above	1045.98	965.04
Employer's Contribution	(1045.98)	(965.04)
Net Liability/(Asset) Recognized In the Balance Sheet	-	-

Investments under Plan Assets of Provident Fund as on March 31, 2020 are as follows:

Category of Assets	Provident Fund
	% of Plan Assets
Central Govt. Securities	34.56%
State Govt. Securities	28.16%
Debt Securities, Money Market Securities and Bank Deposits	31.28%
Mutual Funds	2.58%
Others	3.42%
Total	100.00%

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%

i) 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 SBI for new deposits fixed for twelve months in the preceding year (ending on the preceding the 31st day of March); or

(b) three percent per annum, subject to approval of Executive Committee.

ii) The rules of the SBI Life Insurance Company Ltd.'s Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company.

3.2.2 Defined Contribution Plans

3.2.2.1 Employees Provident Fund

An amount of ₹ 47.66 crore (Previous Year ₹ 32.79 crore) is contributed towards the Provident Fund Scheme by the group (excluding the entities covered in Note 3.2.1.2) and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

3.2.2.2 Defined Contribution Pension Scheme

SBI has a Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the SBI 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, SBI has contributed ₹ 541.97 crore (Previous Year ₹ 451.39 crore).

3.2.2.3 The following amount is provided by the group (excluding SBI) towards Defined Contribution Plans:

₹ in crore

Sl. No.	Long Term Employees' Benefits	Current Year	Previous Year
1	Employee Pension Scheme under PF Act	28.33	21.36
2	National Pension System	5.78	3.86
3	Others	8.41	9.89
	Total	42.52	35.11

3.2.3 Long Term Employee Benefits (Unfunded Obligation):

3.2.3.1 Accumulating Compensated Absences (Privilege Leave)

The following table sets out the status of Accumulating Compensated Absences (Privilege Leave) as per Actuarial valuation by independent Actuaries:

₹ in crore

Particulars	Accumulating Compensated Absences (Privilege Leave)	
	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1st April 2019	6,876.64	6,248.59
Current Service Cost	288.00	261.33
Interest Cost	534.13	485.98
Actuarial losses/(gains)	772.70	741.84
Benefits paid	(929.32)	(861.10)
Closing defined benefit obligation at 31st March 2020	7,542.15	6,876.64
Net Cost recognised in the profit and loss account		
Current Service Cost	288.00	261.33
Interest Cost	534.13	485.98
Actuarial (Gain)/ Losses	772.70	741.84
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	1,594.83	1,489.15
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1st April 2019	6,876.64	6,248.59
Expense as above	1,594.83	1,489.15
Employer's Contribution	-	-
Benefit paid directly by the Employer	(929.32)	(861.10)
Net Liability/(Asset) recognized in the Balance Sheet	7,542.15	6,876.64

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%

Accumulating Compensated Absences (Privilege Leave) (excluding the entities covered in above table)

An amount of ₹ 28.85 crore (Previous Year ₹ 30.76 crore) is provided by the group (excluding the entities covered in above table) towards Privilege Leave (Encashment) including leave encashment at the time of retirement and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

3.2.3.2 Other Long Term Employee Benefits

Amount of ₹ 26.17 crore [Previous Year ₹ 38.55 crore] is provided by the group towards other Long Term Employee Benefits 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 Employees' Benefits during the year :

₹ in crore

Sl. No.	Long Term Employees' Benefits	Current Year	Previous Year
1	Leave Travel and Home Travel Concession (Encashment/Availment)	20.67	35.80
2	Sick Leave	(0.26)	2.11
3	Silver Jubilee/Long Term Service Award	7.96	12.64
4	Resettlement Expenses on Superannuation	1.01	(4.15)
5	Casual Leave	-	-
6	Retirement Award	(3.21)	(7.85)
TOTAL		26.17	38.55

3.2.4 The employee benefits listed above are in respect of the employees of the Group based in India. The employees of the foreign operations are not covered in the above schemes.

3.3 Accounting Standard- 17 "Segment Reporting":

3.3.1 Segment identification

A) Primary (Business Segment)

The following are the Primary Segments of the Group:

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

The present accounting and information system of the Group 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:

a) **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.

b) **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/entities.

c) **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

d) **Insurance Business** – The Insurance Business Segment comprises of the results of SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd.

e) **Other Banking business**– Segments not classified under (a) to (d) above are classified under this primary segment. This segment also includes the operations of all the Non-Banking Subsidiaries/Joint Ventures other than SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd. of the group.

B) Secondary (Geographical Segment):

a) **Domestic Operations** - Branches, Subsidiaries and Joint Ventures having operations in India.

b) **Foreign Operations** - Branches, Subsidiaries and Joint Ventures having operations outside India and offshore banking units having operations in India.

C) 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.

D) Allocation of Revenue, Expenses, Assets and Liabilities

Expenses of parent 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 Group has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated.

3.2.1 SEGMENT INFORMATION

PART A: PRIMARY (BUSINESS) SEGMENTS:

₹ in crore

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Insurance Business	Other Banking Operations	TOTAL
Revenue (before exceptional item)	75,104.23	91,801.08	1,31,232.17	52,947.77	14,272.32	3,65,357.57
	(77,713.33)	(80,139.68)	(1,21,250.27)	(43,417.32)	(11,643.14)	(3,34,163.74)
Unallocated Revenue						168.15
						(903.54)
Less : Inter Segment Revenue						3,296.63
						(4,846.40)
Total Revenue						3,62,229.09
						(3,30,220.88)
Result (before exceptional Items)	9,202.09	-3,830.03	18,173.66	2,367.02	3,165.05	29,077.79
	(6,593.12)	(-15,889.35)	(12,837.52)	(2,114.81)	(2,290.57)	(7,946.67)
Add : Exceptional items	5,781.56					5,781.56
	(466.48)					(466.48)
Result (after exceptional items)	14,983.65	-3,830.03	18,173.66	2,367.02	3,165.05	34,859.35
	(7,059.60)	(-15,889.35)	(12,837.52)	(2,114.81)	(2,290.57)	(8,413.15)
Unallocated Income(+)/Expenses(–) net						(4,542.76)
						(-3,192.67)
Profit/(Loss) Before Tax						30,316.59
						(5,220.48)
Taxes						12,139.76
						(2,151.41)
Extraordinary Profit						0.00
						(0.00)
Net Profit/(Loss) before share in profit in Associates and Minority Interest						18,176.83
						(3,069.07)
Add: Share in Profit in Associates						2,963.14
						(281.48)
Less: Minority Interest						1,372.17
						(1,050.91)
Net Profit/(Loss) for the Group						19,767.80
						(2,299.64)
Other Information:						
Segment Assets	11,35,750.90	12,00,452.76	15,83,362.39	1,74,612.94	43,899.44	41,38,078.43
	(10,00,105.22)	(11,54,958.34)	(14,93,139.12)	(1,53,352.63)	(33,271.02)	(38,34,826.33)
Unallocated Assets						59,413.91
						(53,637.87)
Total Assets						41,97,492.34
						(38,88,464.20)
Segment Liabilities	10,08,550.01	11,77,433.80	14,78,049.72	1,63,726.93	32,442.25	38,60,202.71
	(8,28,452.00)	(11,77,656.01)	(14,04,930.51)	(1,43,952.42)	(24,650.45)	(35,79,641.39)
Unallocated Liabilities						86,229.51
						(74,327.15)
Total Liabilities						39,46,432.22
						(36,53,968.54)

(i) Income/Expenses are for the whole year. Assets/Liabilities are as at March 31, 2020.

(ii) Figures within brackets are for previous year

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) #	3,44,982.70	3,13,646.59	17,246.39	16,574.29	3,62,229.09	3,30,220.88
Net Profit#	15,297.21	(2,151.64)	4,470.59	4,451.28	19,767.80	2,299.64
Assets *	37,09,504.22	34,50,714.98	4,87,988.12	4,37,749.22	41,97,492.34	38,88,464.20
Liabilities*	34,65,172.72	32,22,552.87	4,81,259.50	4,31,415.67	39,46,432.22	36,53,968.54

For the year ended 31st March, 2020.

* As at 31st March, 2020.

3.4 Accounting Standard-18 "Related Party Disclosures":

3.4.1 Related Parties to the Group:

A) JOINT VENTURES:

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 Limited

B) 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. The Clearing Corporation of India Ltd.
2. Bank of Bhutan Ltd.
3. Yes Bank Ltd. (w.e.f. 14.03.2020)
4. SBI Home Finance Ltd. (under liquidation)

C) Key Management Personnel of SBI:

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 (Corporate Clients Group & IT)
5. Shri Challa Sreenivasulu Setty, Managing Director (Stressed Assets) (from 20.01.2020)
6. Smt. Anshula Kant, Managing Director (Stressed Assets, Risks and Compliance) (upto 31.08.2019)

3.4.2 Related 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.

3.4.3 Transactions and Balances:

₹ in crore

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Transactions during the year 2019-20			
Interest Income	4.94 (0.01)	- (-)	4.94 (0.01)
Interest Expenditure	0.82 -	- (-)	0.82 -
Income earned by way of Dividend	18.56 (22.19)	- (-)	18.56 (22.19)
Other Income	0.97 (0.90)	(-)	0.97 (0.90)
Other Expenditure	4.17 (2.28)	- (-)	4.17 (2.28)
Profit/Loss on Sale of Land/Building/Other Assets	- (-)	- (-)	- (-)
Management Contract	3.77 (1.92)	1.38 (1.32)	5.15 (3.24)
Outstanding as on March 31, 2020			
Borrowings	- (-)	- (-)	- (-)
Deposit	748.31 (47.18)	- (-)	748.31 (47.18)
Other Liabilities	28.35 (0.29)	- (-)	28.35 (0.29)
Balances with Banks and Money at call and short notice	300.00 (-)	- (-)	300.00 (-)
Investments	11,015.61 (108.31)	- (-)	11,015.61 (108.31)
Advances	113.50 (-)	- (-)	113.50 (-)
Other Assets	229.52 (217.55)	- (-)	229.52 (217.55)
Non-fund commitments (LCs/BGs)	- (-)	- (-)	- (-)
Maximum outstanding during the year			
Borrowings	- (-)	- (-)	- (-)
Deposit	768.92 (207.32)	- (-)	768.92 (207.32)
Other Liabilities	28.35 (0.29)	- (-)	28.35 (0.29)
Balances with Banks and Money at call and short notice	300.00 (-)	- (-)	300.00 (-)
Advances	113.50 (-)	- (-)	113.50 (-)
Investment	11,015.61 (108.31)	- (-)	11,015.61 (108.31)
Other Assets	229.52 (223.85)	- (-)	229.52 (223.85)
Non-fund commitments (LCs/BGs)	- (-)	- (-)	- (-)

(Figures in brackets pertain to previous year)

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

3.5 Accounting Standard-19 "Leases":

3.5.1 Finance Leases

Assets taken on Financial Leases on or after April 01, 2001: The details of financial leases are given below:

₹ in crore

Particulars	As at 31.03.2020	As at 31.03.2019
Total Minimum lease payments outstanding		
Less than 1 year	42.59	24.58
1 to 5 years	105.50	65.08
5 years and above	28.47	-
Total	176.56	89.66
Interest Cost payable		
Less than 1 year	8.86	6.03
1 to 5 years	14.72	7.89
5 years and above	3.69	-
Total	27.27	13.92
Present value of minimum lease payments payable		
Less than 1 year	33.73	18.55
1 to 5 years	90.78	57.19
5 years and above	24.78	-
TOTAL	149.29	75.74

3.5.2 Operating Lease

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 group entities.

Liability for Premises taken on Non-Cancellable operating lease are given below:

₹ in crore

Particulars	As at 31.03.2020	As at 31.03.2019
Not later than 1 year	165.73	188.39
Later than 1 year and not later than 5 years	496.10	558.54
Later than 5 years	112.22	120.46
TOTAL	774.05	867.39

Amount of lease payments recognised in the Profit & Loss Account for the year is ₹ 3,556.87 crore (Previous Year ₹ 3,552.61 crore).

3.6 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 consolidated net profit/ (loss) after tax (other than minority) by the weighted average number of equity shares outstanding during the year.

Particulars	Current Year	Previous Year
Basic and diluted		
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) for the Group (₹ in crore)	19,767.80	2,299.64
Basic earnings per share (₹)	22.15	2.58
Diluted earnings per share (₹)	22.15	2.58
Nominal value per share (₹)	1.00	1.00

3.7 Accounting Standard-22 "Accounting for Taxes on Income":

i) During the year, ₹ 7,502.08 crore has been debited to Profit and Loss Account (Previous Year ₹ 878.16 crore) on account of deferred tax.

ii) The breakup of deferred tax assets and liabilities into major items is given below:

₹ in crore

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred Tax Assets		
Provision for long term employee Benefits	6,468.85	5,363.60
Provision for advances	3,067.95	4,404.39
Provision for Other Assets/ Other Liability	665.72	753.11
On Accumulated Losses	105.22	10,863.94
On Foreign Currency Translation Reserve	809.99	235.77
Depreciation on Fixed Assets	146.56	50.00
DTAs on account of FOs of SBI	253.16	277.68
Others	180.50	220.38
TOTAL	11,697.95	22,168.87

₹ in crore

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred Tax Liabilities		
Depreciation on Fixed Assets	96.86	99.44
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
DTLs on account of FOs of SBI	6.16	2.33
Others	6.54	8.22
TOTAL	8,204.36	11,189.85
Net Deferred Tax Assets/(Liabilities)	3,493.59	10,979.02

iii) While recognizing provision for income tax for the year ended March 31, 2020 SBI and certain group entities have exercised the option of lower tax rate permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, SBI and certain group entities have re-measured their Deferred Tax Assets as at March 31, 2019 based on the tax rate prescribed in the said section and have reversed the MAT credit no longer available to them. The impact of these changes is a one-time charge of ₹ 3,166.37 crore (net of minority interest) which is included in Tax expenses of the group.

3.8 Accounting Standard-28 "Impairment of assets":

In the opinion of the Management, there is no impairment to the assets during the year to which Accounting Standard 28 – "Impairment of Assets" applies.

3.9 Accounting Standard – 29 "Provisions, Contingent Liabilities and Contingent Assets"

➢ **Provisions and contingencies recognised in Profit and Loss Account:**

₹ in crore

Sr No.	Break up of "Provisions and Contingencies" shown under head Expenditure in Profit and loss account	Current Year	Previous Year
a)	Provision for Taxation		
	- Current Tax	4,372.77	1,982.02
	- Deferred Tax	7,502.08	878.16
	- Write Back/Additional Provision of Income Tax	264.91	(708.77)
b)	Provision on Non-Performing Assets	44,072.90	55,343.42
c)	Provision on Restructured Assets	(224.01)	(89.85)
d)	Provision on Standard Assets	(291.37)	20.51
e)	Provision for Depreciation on Investments	628.11	(606.00)
f)	Other Provisions	603.07	131.03
	TOTAL	56,928.46	56,950.52

(Figures in brackets indicate credit)

➢ **Floating provisions:**

₹ in crore

Sr No.	Particulars	Current Year	Previous Year
a)	Opening Balance	193.75	193.75
b)	Addition during the year	-	-
c)	Draw down during the year	-	-
d)	Closing balance	193.75	193.75

➢ **Description of contingent liabilities (AS-29):**

Sr. No	Particulars	Brief Description
1	Claims against the Group not acknowledged as debts	The parent and its constituents are parties to various proceedings in the normal course of business. It does not expect the outcome of these proceedings to have a material adverse effect on the Group's financial conditions, results of operations or cash flows. The Group is 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 Group 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, SBI 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 Group issues documentary credits and guarantees on behalf of its customers. Documentary credits enhance the credit standing of the customers of the Group. 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 Group is contingently liable	The Group 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 SBI on behalf of Associates & Subsidiaries, SBI'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.

➢ **Movement of provisions against contingent liabilities:**

₹ in crore

Sr No.	Particulars	Current Year	Previous Year
a)	Opening Balance	534.75	526.29
b)	Additions during the year	137.34	113.95
c)	Amount utilised during the year	7.13	66.22
d)	Unused amount reversed during the year	31.24	39.27
e)	Closing balance	633.72	534.75

4 Inter-Bank/ Company balances between group entities are being reconciled on an ongoing basis. No material effect is expected on the profit and loss account of the current year.

5 As per RBI circular No. DBR.BP.BC.No.32/21.04.018/2018-19 dated 1st 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	
	Particulars	**(₹ in crore)**
1	Gross NPAs as on March 31, 2019 as reported by SBI	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 SBI	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 SBI	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

SBI has made full provision against the said divergence during the year ended March 31, 2020.

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

(₹ in crore)

Sr. No.	Particular	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

7 In case of advance account declared as fraud during the year, SBI has chosen to make provision over four quarters. The unamortised provision amount of ₹ 5,230.37 crore as on March 31, 2020 has been debited to "Other Reserves" by credit to "Provisions" in terms of RBI circular DBR. No.BP.BC.92/21.04.048/2015-16 dated 18th April 2016.

8 Counter Cyclical Provisioning Buffer (CCPB)

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

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

9 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 June 23, 2017 and August 28, 2017 respectively, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), SBI is holding total provision of ₹ 5,761.46 crore (93.53% of total outstanding) as on March 31,2020.

10 SBI has made a provision of ₹ 2,999 crore (total cumulative till March 31 ,2020 ₹ 8,642.41 crore) for the year ended March 31, 2020 towards arrears of wages due for revision w.e.f November 01, 2017.

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

i. ₹ 3,190.97 crore on sale of certain portion of investment in SBI Life Insurance Company Limited

ii. ₹ 2,590.59 crore on sale of certain portion of investment in SBI Cards and Payments Services Limited

12 Resolution of Stressed Assets

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

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

13 RBI vide an email dated 19th 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.

SBI has availed the option to report the same in the Independent Auditor's Report from financial year 2020-2021 onwards.

14 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, SBI is gearing itself on all fronts to meet the same. The situation continues to be uncertain and SBI is evaluating the situation on a going basis. Major challenges for SBI 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 SBI.

RBI vide Notification No. RBI/2019-20/186 DOR.No.BP. BC.47/21.04.048/2019-20 dated 27th 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, interalia, 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 29th February 2020 but would have slipped to NPA/Sub-standard category as on 31st 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.

15 SBI has revalued immovable properties on June 30, 2019 (earlier revalued in June 2016) based on the reports obtained from the external independent valuers and the closing balance of revaluation reserve as at March, 31 2020, (net of amount transferred to General Reserve) is ₹ 23,762.67 crore (Previous year ₹ 24,653.94 crore).

16 In respect of SBI Life Insurance Company Ltd., IRDAI has issued directions under Section 34(1) of the Insurance Act, 1938 to distribute the administrative charges paid to Master policy holders vide order no. IRDA/Life/ORD/Misc/228/10/2012 dated October 5, 2012 amounting to ₹ 84.32 crore (Previous Year ₹ 84.32 crore). The company had filed an appeal against the said order with Ministry of Finance, Government of India, who remanded the case back to IRDAI on November 04, 2015. IRDAI issued further directions dated January 11, 2017 reiterating the directions issued on October 5, 2012. The company has filed an appeal against the said directions /orders with Securities Appellate Tribunal which is pending final determination.

In the above mentioned matter, SBI Life Insurance Company Ltd. has shown a requisite amount as contingent liability in the financials of the company.

17 The investments of life and general insurance subsidiaries have been accounted for in accordance with the IRDAI guidelines instead of restating the same in accordance with the accounting policy followed by SBI. The investments of insurance subsidiaries constitute approximately 13.34% (Previous Year 12.74%) of the total investments as on March 31, 2020.

18 In accordance with RBI circular DBOD NO.BP. BC.42/21.01.02/2007-08, redeemable preference shares (if any) are treated as liabilities and the coupon payable thereon is treated as interest.

19 In accordance with current RBI guidelines, the general clarification issued by ICAI has been considered in the preparation of the consolidated financial statements. Accordingly, additional statutory information disclosed in separate financial statements of the parent and its subsidiaries having no bearing on the true and fair view of the consolidated financial statements and also the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements in view of the Accounting Standard Interpretation issued by ICAI.

20 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.

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)

In term of our Report of even date.
For J.C. Bhalla & Co.
Chartered Accountants

Shri Rajnish Kumar
Chairman

Shri Rajesh Sethi
Partner
Mem. No. : 085669
Firm Regn. No. : 001111N

Place: Mumbai
Date : 5th June 2020

Place : New Delhi

State Bank of India

Consolidated Cash Flow Statement for the year ended 31st March 2020

(000s omitted)

PARTICULARS		Year ended 31.03.2020 ₹	Year ended 31.03.2019 ₹
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before taxes (including share in profit from associates and net of minority interest)		31907,55,94	4451,05,72
Adjustments for :			
Depreciation on Fixed Assets		3661,55,85	3495,89,21
(Profit)/Loss on sale of Fixed Assets (Net)		28,33,75	32,35,82
(Profit)/Loss on revaluation of Investments (Net)		-	2124,03,82
(Profit)/Loss on sale of Investments in Subsidiaries/Joint Ventures/ Associates		(5573,62,96)	(466,47,81)
Provision for diminution in fair value & Non Performing Assets		43848,89,01	55253,57,08
Provision on Standard Assets		(291,36,52)	20,50,53
Provision for depreciation on Investments		626,52,21	(606,00,24)
Other Provisions including provision for contingencies		604,65,49	131,02,52
Share in Profit of Associates		(2963,14,04)	(281,47,94)
Dividend from Associates		(14,66,77)	(11,71,87)
Interest on Capital Instruments		4908,09,07	4222,27,24
		76742,81,03	68365,04,08
Adjustments for :			
Increase/(Decrease) in Deposits		333619,56,43	218362,77,89
Increase/(Decrease) in Borrowings other than Capital Instruments		(89342,80,87)	41290,72,22
(Increase)/Decrease in Investments other than Investment in Subsidiaries / Joint Ventures / Associates		(100670,42,40)	63373,44,50
(Increase)/Decrease in Advances		(191306,40,41)	(321988,70,29)
Increase/(Decrease) in Other Liabilities		31602,72,76	4182,31,31
(Increase)/Decrease in Other Assets		(21857,44,26)	(35854,36,00)
		38788,02,28	37731,23,71
Tax refund / (Taxes paid)		(14859,49,11)	(8175,23,21)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	**(A)**	**23928,53,17**	**29556,00,50**
CASH FLOW FROM INVESTING ACTIVITIES			
(Increase)/Decrease in Investments in Subsidiaries/Joint Ventures/ Associates		(6031,06,06)	(63,53,05)
Profit/ (Loss) on sale of Investments in Subsidiaries/Joint Ventures/ Associates		5573,62,96	466,47,81
Dividend from Associates		14,66,77	11,71,87
(Increase)/Decrease in Fixed Assets		(3065,01,13)	(3005,51,02)
(Increase)/Decrease in Goodwill on Consolidation		184,08,19	1734,07,01
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	**(B)**	**(3323,69,27)**	**(856,77,38)**

(000s omitted)

PARTICULARS		Year ended 31.03.2020 ₹	Year ended 31.03.2019 ₹
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of Equity shares including share premium (Net of share issue expenses)		-	(8,74,22)
Issue/redemption of Capital Instruments (net)		8495,81,80	3377,60,00
Interest on Capital Instruments		(4908,09,07)	(4222,27,24)
Dividend paid including tax thereon		-	-
Dividend tax paid by Subsidiaries/Joint Ventures		(65,04,00)	(120,69,39)
Increase/(Decrease) in Minority Interest		1906,83,07	1421,74,62
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	**(C)**	**5429,51,80**	**447,63,77**
EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE	**(D)**	**2768,64,27**	**1076,28,67**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(A)+(B)+(C)+(D)**	**28802,99,97**	**30223,15,56**
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR		**225512,26,39**	**195289,10,83**
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		**254315,26,36**	**225512,26,39**
Note:			
1 Components of Cash & Cash Equivalents as at:		**31.03.2020**	**31.03.2019**
Cash & Balances with Reserve Bank of India		166968,46,05	177362,74,09
Balances with Banks and Money at Call & Short Notice		87346,80,31	48149,52,30
TOTAL		**254315,26,36**	**225512,26,39**
2 Cash Flow from operating activities is reported by using indirect method.			

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

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(Commercial Clients Group & IT)

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Managing Director
(Global Banking & Subsidiaries)

In term of our Report of even date.
For J.C. Bhalla & Co.
Chartered Accountants

Shri Rajnish Kumar
Chairman

Shri Rajesh Sethi
Partner
Mem. No. : 085669
Firm Regn. No. : 001111N

Place: Mumbai
Date : 5th June 2020

Place : New Delhi

INDEPENDENT AUDITORS' REPORT

To,
The Board of Directors,
State Bank of India,
State Bank Bhavan,
Madam Cama Road,
Mumbai-400021.

REPORT ON AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying Consolidated Financial Statements of State Bank of India ("the Bank") which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year then ended, and Notes to Consolidated Financial Statements including a summary of Significant Accounting Policies and other explanatory information which includes:

a) Audited Results of the Bank which have been reviewed by all the fourteen Statutory Central Auditors including us;

b) Audited Results of 27 Subsidiaries, 8 Joint Ventures and 16 Associates (including 14 Regional Rural Banks) audited by other Auditors; and

c) Un-audited results of 1 Subsidiary and 2 Associates (including 1 Regional Rural Bank).

The above entities together with the Bank are referred to as the 'Group'.

In our opinion and to the best of our information and according to the explanations given to us, and based on our consideration of the reports of other auditors on separate financial statements of Subsidiaries, Joint Ventures and Associates, the unaudited financial statements and the other financial information of subsidiaries and Associates as furnished by the management, the aforesaid consolidated financial statements are in conformity with accounting principles generally accepted in India and give:

a) true and fair view in case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at March 31, 2020;

b) true balance of profit in case of Consolidated Profit & Loss Account for the year ended on that date; and

c) true and fair view in case of Consolidated 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the code of ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act, 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.14 of Schedule 18 of the Consolidated 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 Consolidated Financial Statements for the year ended March 31, 2020. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters of the Bank to be communicated in our report:

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
i	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). 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.	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: 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;

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
	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. 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, NPA classification and calculation of provision is done through another IT System viz. Centralised Credit Data Processing (CCDP) Application. 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. 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. Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances.	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; c. Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines; 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. 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. 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. 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. h. We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provision; i. Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication.
ii	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). Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities. 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.	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, 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; b. We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments;

<table>
<tr><th>Sr. No.</th><th>Key Audit Matters</th><th colspan="2">How the matter was addressed in our audit</th></tr>
<tr><td></td><td>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.

Accordingly, our audit was focused on valuation of investments, classification, identification of non performing investments and provisioning related to investments.</td><td colspan="2">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;

d. We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision;

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;

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.</td></tr>
<tr><td>iii</td><td>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 3.9 of Schedule 18 to the financial statements) :

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.

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.</td><td colspan="2">Our audit approach involved:

a. Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances;

b. Understanding the current status of the litigations/tax assessments;

c. Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon;

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;

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

f. Verification of disclosures related to significant litigations and taxation matters.</td></tr>
</table>

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
iv	Modified Audit Procedures carried out in light of COVID-19 outbreak: 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. 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. Accordingly, our audit procedures were modified to carry out the audit remotely.	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. 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. Accordingly, we modified our audit procedures as follows: a. 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. b. 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. c. Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels. d. Resolution of our audit observations telephonically/ through email instead of a face-to-face interaction with the designated officials.

Information Other than the Consolidated Financial Statements and Auditors' Report thereon

5. 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 Consolidated Financial Statements and our auditors' report thereon), which will be obtained at the time of issue of this auditors' report, and the Directors' Report of the Bank including annexures in annual report, if any, thereon, which is expected to be made available to us after that date.

   Our opinion on the Consolidated Financial Statements does not cover the other information and Pillar 3 disclosures under Basel III Disclosure and we do not and will not express any form of assurance conclusion thereon.

   In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   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 Director's Report of the Bank, 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 Consolidated Financial Statements

6. The Bank's Board of Directors is responsible with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standard 21-"Consolidated Financial Statements", Accounting Standards 23- "Accounting for Investment in Associates in Consolidated Financial

Statements“ and Accounting Standards 27 – Financial Reporting of Interest in Joint Venture” issued by the Institute of Chartered Accountants of India, and provisions of Section 29 of the Banking Regulation Act, 1949, the State Bank of India Act,1955 and circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Results, respective Board of Directors of the Group Entities is responsible for assessing the respective Group Entity’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 Group Entity or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors of the Group Entities are also responsible for overseeing the respective Group Entity’s financial reporting process.

Auditors’ Responsibility for the Audit of Consolidated Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements 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.

Other Matters

8. Incorporated in these consolidated financial statements are the:

a) We along with 13 (thirteen) Joint Auditors did not audit the financial statements/ information of 9169 branches included in the standalone financial statements of the Bank whose financial statements / financial information reflect 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;

b) We did not audit the financial statements of 27 (twenty-seven) Subsidiaries, 8 (eight) Joint Ventures whose financial statements reflect total assets of ₹2,60,823.39 crore as at March 31, 2020, total revenues of ₹ 69,349.38 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 2,948.53 crore for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of 16 (Sixteen) associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors

c) We did not audit the financial statements of 1(one) subsidiary whose financial statements reflect total assets of ₹6,848.63 crore as at 31st March, 2020, total revenues of ₹ 256.09 crore, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 14.61 crore for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of 2(two) associates, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report relates to the aforesaid subsidiaries, jointly controlled entities and associates, in so far as is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

   Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

9. The auditors of SBI Life Insurance Company Limited and SBI General Insurance Company Limited, a subsidiary of the Group have reported that the actuarial valuation of liabilities for life policies in force and the actuarial valuation of liabilities in respect of Claims Incurred But Not Reported (IBNR) and Claims Not Incurred But Not Enough Reported (IBNER) is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2020 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory Development Authority of India ("IRDAI" / "Authority") and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists in financial statements of the Company.

Report on Other Legal and Regulatory Requirements

10. The Consolidated Balance Sheet and the Consolidated 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 paragraph 5 to 8 above and as required by the State Bank of India Act, 1955, and subject also to the limitations of disclosure required therein, 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.

For J. C. Bhalla & Co.
Chartered Accountants
Firm Regn No. 001111N

(Rajesh Sethi)
Partner
Membership No. 085669
UDIN: 20085669AAAABB7435

Place: New Delhi
Date : 05 June, 2020