

State Bank of India

Balance Sheet as at 31st March, 2021

(000s omitted)

	Schedule No.	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
CAPITAL AND LIABILITIES			
Capital	1	892,46,12	892,46,12
Reserves & Surplus	2	252982,72,85	231114,96,63
Deposits	3	3681277,07,96	3241620,73,43
Borrowings	4	417297,69,88	314655,65,21
Other Liabilities and Provisions	5	181979,66,31	163110,10,41
TOTAL		4534429,63,12	3951393,91,80
ASSETS			
Cash and Balances with Reserve Bank of India	6	213201,53,63	166735,77,90
Balances with Banks and money at call and short notice	7	129837,17,31	84361,22,64
Investments	8	1351705,20,51	1046954,51,75
Advances	9	2449497,79,11	2325289,56,07
Fixed Assets	10	38419,24,19	38439,28,18
Other Assets	11	351768,68,37	289613,55,26
TOTAL		4534429,63,12	3951393,91,80
Contingent Liabilities	12	1706949,91,17	1214994,60,69
Bills for Collection	-	56516,11,88	55758,16,19
Significant Accounting Policies	17		
Notes to Accounts	18		

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

Shri Ashwini Kumar Tewari

Managing Director
(International Banking,
Technology & Subsidiaries)

Shri Swaminathan J.

Managing Director
(Risk, Compliance and SARG)

Shri Ashwani Bhatia

Managing Director
(Corporate Banking &
Global Markets)

Shri Challa Sreenivasulu Setty

Managing Director
(Retail & Digital Banking)

Directors:

Shri B. Venugopal

Dr. Pushpendra Rai

Dr Ganesh Natarajan

Shri Mrugank M Paranjape

Shri Ketan S. Vikamsey

Shri Sanjeev Maheshwari

Place:

Mumbai

New Delhi

Pune

Mumbai

Mumbai

Mumbai

Shri Dinesh Kumar Khara

Chairman

Place: Mumbai

Date : 21st May, 2021

In terms of our report of even date

For Khandelwal Jain & Co.
Chartered Accountant

Alpesh Waghela
Partner : M. No. 142058
Firm Regn. No. 105049W
Place : Mumbai

For N.C. Rajagopal & Co.
Chartered Accountants

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

For Karnavat & Co.
Chartered Accountants

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

For Umamaheswara Rao & Co.
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Krishna Sai G. H.
Partner : M. No. 233399
Firm Regn. No. 004453S
Place : Hyderabad

For Guha Nandi & Co.
Chartered Accountants

Dr. B. S. Kundu
Partner : M. No. 051221
Firm Regn. No. 302039E
Place : Kolkata

Date: May 21, 2021

For J.C. Bhalla & Co.
Chartered Accountants

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

For K. Venkatachalam Aiyer & Co.
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A Gopalakrishnan
Partner : M. No. 018159
Firm Regn. No. 004610S
Place : Kochi

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Place : Mumbai

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Prem Behari Gupta
Partner : M. No. 080245
Firm Regn. No. 000425N
Place : New Delhi

For O.P. Totla & Co.
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S. R. Totla
Partner : M. No. 071774
Firm Regn. No. 000734C
Place : Indore

For S. K. Kapoor & Co.
Chartered Accountants

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

For SCV & Co. LLP
Chartered Accountants

Rajiv Puri
Partner : M. No. 084318
Firm Regn. No. 000235N/N500089
Place : New Delhi

For ASA & Associates LLP
Chartered Accountants

Parveen Kumar
Partner : M. No. 088810
Firm Regn. No. 009571N/N500006
Place : New Delhi

Schedules

Schedule 1 - Capital

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
Authorised Capital : 5000,00,00,000 shares of ₹1 each (Previous Year 5000,00,00,000 shares of ₹1 each)	5000,00,00	5000,00,00
Issued Capital : 892,54,05,164 Equity Shares of ₹1 each (Previous Year 892,54,05,164 Equity Shares of ₹1 each)	892,54,05	892,54,05
Subscribed and Paid-up Capital : 892,46,11,534 Equity Shares of ₹ 1 each (Previous Year 892,46,11,534 Equity Shares of ₹1 each)	892,46,12	892,46,12
[The above includes 10,97,28,170 Equity Shares of ₹1 each (Previous Year 11,03,42,880 Equity Shares of ₹1 each) represented by 1,09,72,817 (Previous Year 1,10,34,288) Global Depository Receipts]		
TOTAL	892,46,12	892,46,12

Schedule 2 - Reserves & Surplus

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
I. Statutory Reserves		
Opening Balance	69942,08,58	65595,65,26
Additions during the year	6123,14,08	4346,43,32
Deductions during the year	-	-
	76065,22,66	69942,08,58
II. Capital Reserves		
Opening Balance	13756,70,57	9770,86,64
Additions during the year	1465,12,42	3985,83,93
Deductions during the year	-	-
	15221,82,99	13756,70,57
III. Share Premium		
Opening Balance	79115,47,05	79115,47,05
Additions during the year	-	-
Deductions during the year	-	-
	79115,47,05	79115,47,05
IV. Investment Fluctuation Reserve		
Opening Balance	1119,88,09	-
Additions during the year	1928,19,63	1119,88,09
Deductions during the year	-	-
	3048,07,72	1119,88,09

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
V. Foreign Currency Translation Reserve		
Opening Balance	9274,60,44	6730,96,89
Additions during the year	-	2844,98,23
Deductions during the year	202,20,77	301,34,68
	9072,39,67	9274,60,44
VI. Revenue and Other Reserves*		
Opening Balance	44641,85,54	49380,51,95
Additions during the year	5841,36,91	793,96,19
Deductions during the year	-	5532,62,60
	50483,22,45	44641,85,54
VII. Revaluation Reserve		
Opening Balance	23762,66,57	24653,94,08
Additions during the year	-	379,57,78
Deductions during the year	185,31,79	1270,85,29
	23577,34,78	23762,66,57
VIII. Balance of Profit and Loss Account	(3600,84,47)	(10498,30,21)
TOTAL	252982,72,85	231114,96,63

* Note: Revenue and Other Reserves include

- (i) ₹5,00,00 thousand (Previous Year ₹5,00,00 thousand) of Integration and Development Fund (maintained under Section 36 of the State Bank of India Act, 1955)
- (ii) Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 ₹14528,51,76 thousand (Previous Year ₹14032,22,76 thousand)
- (iii) Investment Reserves Current Year ₹ Nil (Previous Year ₹ 69,58,40 thousand)

Schedule 3 - Deposits

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
A. I. Demand Deposits		
(i) From Banks	5815,51,86	5129,65,75
(ii) From Others	280881,87,39	222205,92,69
II. Savings Bank Deposits	1384583,88,91	1206371,98,79
III. Term Deposits		
(i) From Banks	5585,34,88	5973,24,84
(ii) From Others	2004410,44,92	1801939,91,36
TOTAL	3681277,07,96	3241620,73,43
B. I. Deposits of Branches in India	3570164,90,88	3124615,86,05
II. Deposits of Branches outside India	111112,17,08	117004,87,38
TOTAL	3681277,07,96	3241620,73,43

Schedule 4 - Borrowings

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
I. Borrowings in India		
(i) Reserve Bank of India	24956,00,00	33533,00,00
(ii) Other Banks	37,00,00	40,00,00
(iii) Other Institutions and Agencies	154138,69,61	6165,75,42
(iv) Capital Instruments :		
a. Innovative Perpetual Debt Instruments (IPDI)	29835,70,00	23535,70,00
b. Subordinated Debt & Bonds	36289,90,00	32006,73,80
	66125,60,00	55542,43,80
TOTAL	245257,29,61	95281,19,22
II. Borrowings outside India		
(i) Borrowings and Refinance outside India	169847,10,27	217104,50,99
(ii) Capital Instruments :		
Innovative Perpetual Debt Instruments (IPDI)	2193,30,00	2269,95,00
TOTAL	172040,40,27	219374,45,99
GRAND TOTAL	417297,69,88	314655,65,21
Secured Borrowings included in I & II above	183941,81,71	42790,93,47

Schedule 5 - Other Liabilities & Provisions

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
I. Bills payable	17685,38,79	26822,90,16
II. Inter-office adjustments (Net)	-	-
III. Interest accrued	15378,91,12	15697,16,19
IV. Deferred Tax Liabilities (Net)	2,46,48	6,16,17
V. Others (including provisions)*	148912,89,92	120583,87,89
TOTAL	181979,66,31	163110,10,41

* Includes prudential provision for Standard Assets ₹ 15293,97,78 thousand (Previous Year ₹ 11544,24,43 thousand)

Schedule 6 - Cash and Balances with Reserve Bank of India

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
I. Cash in hand (including foreign currency notes and gold)	23403,41,73	20104,58,40
II. Balance with Reserve Bank of India		
(i) In Current Account	189798,11,90	146631,19,50
(ii) In Other Accounts	-	-
TOTAL	213201,53,63	166735,77,90

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

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
I. In India		
(i) Balances with banks		
(a) In Current Accounts	40,80	22,59,77
(b) In Other Deposit Accounts	-	-
(ii) Money at call and short notice		
(a) With banks	47369,93,31	44747,71,31
(b) With other institutions	-	-
TOTAL	47370,34,11	44770,31,08
II. Outside India		
(i) In Current Accounts	63326,17,58	28303,47,50
(ii) In Other Deposit Accounts	8311,59,05	1379,28,32
(iii) Money at call and short notice	10829,06,57	9908,15,74
TOTAL	82466,83,20	39590,91,56
GRAND TOTAL (I and II)	129837,17,31	84361,22,64

Schedule 8 - Investments

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
I. Investments in India in		
(i) Government Securities	1055288,64,35	803270,12,10
(ii) Other approved securities	-	-
(iii) Shares	7981,38,03	8221,43,31
(iv) Debentures and Bonds	151812,31,87	102363,82,19
(v) Subsidiaries and/ or Joint Ventures (including Associates)	13475,17,45	11744,07,18
(vi) Others (Units of Mutual Funds, Commercial Papers etc.)	75716,62,08	74057,22,82
TOTAL	1304274,13,78	999656,67,60
II. Investments outside India in		
(i) Government Securities (including local authorities)	17946,34,44	17062,82,86
(ii) Subsidiaries and/ or Joint Ventures abroad	4768,15,85	4298,49,28
(iii) Other Investments (Shares, Debentures etc.)	24716,56,44	25936,52,01
TOTAL	47431,06,73	47297,84,15
GRAND TOTAL (I and II)	1351705,20,51	1046954,51,75
III. Investments in India		
(i) Gross Value of Investments	1314424,07,05	1010599,04,40
(ii) Less: Aggregate of Provisions / Depreciation	10149,93,27	10942,36,80
(iii) Net Investments (vide I above) TOTAL	1304274,13,78	999656,67,60
IV. Investments outside India		
(i) Gross Value of Investments	47461,40,62	47448,66,41
(ii) Less: Aggregate of Provisions / Depreciation	30,33,89	150,82,26
(iii) Net Investments (vide II above) TOTAL	47431,06,73	47297,84,15
GRAND TOTAL (III and IV)	1351705,20,51	1046954,51,75

Schedule 9 - Advances

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
A. I. Bills purchased and discounted	95035,10,23	84017,46,96
II. Cash credits, overdrafts and loans repayable on demand	676439,31,40	708726,92,91
III. Term loans	1678023,37,48	1532545,16,20
TOTAL	2449497,79,11	2325289,56,07
B. I. Secured by tangible assets (includes advances against Book Debts)	1760153,24,52	1673925,40,51
II. Covered by Bank/ Government Guarantees	96522,71,33	92117,72,36
III. Unsecured	592821,83,26	559246,43,20
TOTAL	2449497,79,11	2325289,56,07

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
C. I Advances in India		
(i) Priority Sector	564570,85,92	526675,87,35
(ii) Public Sector	257241,31,86	287504,28,69
(iii) Banks	4618,77,18	812,52,23
(iv) Others	1267713,73,45	1154187,79,39
TOTAL	2094144,68,41	1969180,47,66
II. Advances outside India		
(i) Due from banks	79713,82,13	80372,75,07
(ii) Due from others		
(a) Bills purchased and discounted	34993,56,29	31091,11,08
(b) Syndicated loans	170243,57,62	172482,45,21
(c) Others	70402,14,66	72162,77,05
TOTAL	355353,10,70	356109,08,41
GRAND TOTAL [C (I) and C (II)]	2449497,79,11	2325289,56,07

Schedule 10 - Fixed Assets

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
I. Premises (Including Revalued Premises)		
At cost / revalued as at 31 st March of the preceding year	30317,86,54	30831,77,23
Additions:		
- during the year	80,86,88	299,15,09
- for Revaluation	-	3936,14,00
Deductions:		
- during the year	25,51,07	14,17,04
- for Revaluation	10,53,59	4735,02,74
Depreciation to date		
- on cost	945,18,85	833,18,06
- on Revaluation	850,52,10	670,54,22
	28566,97,81	28814,14,26
II. Other Fixed Assets (Including furniture and fixtures)		
At cost / revalued as at 31 st March of the preceding year	33497,62,10	31074,77,30
Additions during the year	3359,77,85	3352,06,86
Deductions during the year	725,85,92	929,22,06
Depreciation to date	26631,11,10	24288,37,20
	9500,42,93	9209,24,90
III. Assets under Construction (Including Premises)	351,83,45	415,89,02
TOTAL (I, II and III)	38419,24,19	38439,28,18

Schedule 11 - Other Assets

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
I. Inter-office adjustments (Net)	20540,95,39	1936,15,88
II. Interest accrued	30034,46,90	26252,46,38
III. Tax paid in advance / tax deducted at source	26023,99,26	34450,84,01
IV. Deferred Tax Assets (Net)	6559,27,43	2933,44,38
V. Stationery and stamps	80,41,65	92,02,77
VI. Non-banking assets acquired in satisfaction of claims	56,10	56,10
VII. Others *	268529,01,64	223948,05,74
TOTAL	351768,68,37	289613,55,26

*Includes Deposits placed with NABARD/SIDBI/NHB amounting to ₹ 184093,45,48 thousand (Previous Year ₹ 163238,91,62 thousand)

Schedule 12 - Contingent Liabilities

(000s omitted)

	As at 31.03.2021 (Current Year) ₹	As at 31.03.2020 (Previous Year) ₹
I. Claims against the bank not acknowledged as debts	79083,37,30	71642,48,25
II. Liability for partly paid investments/ Venture Funds	1508,40,25	1682,66,59
III. Liability on account of outstanding forward exchange contracts	1027974,90,38	635813,45,45
IV. Guarantees given on behalf of constituents		
(a) In India	173090,50,78	165584,80,13
(b) Outside India	72702,50,07	70636,18,96
V. Acceptances, endorsements and other obligations	148827,19,35	132364,00,65
VI. Other items for which the bank is contingently liable*	203763,03,04	137271,00,66
TOTAL	1706949,91,17	1214994,60,69

*Includes Derivatives ₹ 198094,76,48 thousand (Previous Year ₹ 132209,26,69 thousand)

State Bank of India

Profit and Loss Account for the year ended 31st March, 2021

(000s omitted)

	Schedule No.	Year ended 31.03.2021 (Current Year) ₹	Year ended 31.03.2020 (Previous Year) ₹
I. INCOME			
Interest earned	13	265150,63,38	257323,59,22
Other Income	14	43496,37,47	45221,47,80
TOTAL		308647,00,85	302545,07,02
II. EXPENDITURE			
Interest expended	15	154440,63,33	159238,76,57
Operating expenses	16	82652,22,35	75173,69,02
Provisions and contingencies		51143,68,23	53644,50,37
TOTAL		288236,53,91	288056,95,96
III. PROFIT			
Net Profit for the year		20410,46,94	14488,11,06
Add: Profit/ (Loss) brought forward		(10498,30,21)	(15226,05,54)
TOTAL		9912,16,73	(737,94,48)
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		6123,14,08	4346,43,32
Transfer to Capital Reserve		1465,12,42	3985,83,93
Transfer to Investment Fluctuation Reserve		1928,19,63	1119,88,09
Transfer to Revenue and other Reserves		426,70,60	308,20,39
Dividend for the current year		3569,84,46	-
Balance carried over to Balance Sheet		(3600,84,46)	(10498,30,21)
TOTAL		9912,16,73	(737,94,48)
V. EARNINGS PER EQUITY SHARE (Face value ₹ 1 per share)			
Basic (in ₹)		22.87	16.23
Diluted (in ₹)		22.87	16.23
Significant Accounting Policies	17		
Notes to Accounts	18		

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

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(International Banking,
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Place:

Mumbai

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Mumbai

Mumbai

Shri Dinesh Kumar Khara

Chairman

Place: Mumbai

Date : 21st May, 2021

In terms of our report of even date

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Date: May 21, 2021

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Rajiv Puri

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Firm Regn. No. 000235N/N500089
Place : New Delhi

For ASA & Associates LLP
Chartered Accountants

Parveen Kumar

Partner : M. No. 088810
Firm Regn. No. 009571N/N500006
Place : New Delhi

Schedule 13 - Interest Earned

(000s omitted)

	Year ended 31.03.2021 (Current Year)	Year ended 31.03.2020 (Previous Year)
	₹	₹
I. Interest / discount on advances / bills	171429,13,89	179748,83,55
II. Income on investments	79808,09,01	68204,72,38
III. Interest on balances with Reserve Bank of India and other inter-bank funds	4317,53,07	2920,40,56
IV. Others	9595,87,41	6449,62,73
TOTAL	265150,63,38	257323,59,22

Schedule 14 - Other Income

(000s omitted)

	Year ended 31.03.2021 (Current Year)	Year ended 31.03.2020 (Previous Year)
	₹	₹
I. Commission, exchange and brokerage	23517,51,44	23725,05,94
II. Profit/ (Loss) on sale of investments (Net) ¹	6030,93,10	8575,65,21
III. Profit/ (Loss) on revaluation of investments (Net)	-	-
IV. Profit/ (Loss) on sale of land, buildings and other assets (Net)	(28,58,17)	(28,37,38)
V. Profit/ (Loss) on exchange transactions (Net)	2409,63,79	2516,41,29
VI. Income earned by way of dividends etc., from subsidiaries/ companies and/ or joint ventures abroad/ in India	642,86,22	212,03,35
VII Miscellaneous Income ²	10924,01,09	10220,69,39
TOTAL	43496,37,47	45221,47,80

¹ Profit/ (Loss) on sale of investments (Net) includes exceptional item of ₹ 1,539.73 Crore (Previous year ₹ 6,215.64 Crore).

² Miscellaneous Income includes Recoveries made in write-off accounts ₹ 10,297.21 Crore (Previous year ₹ 9,250.23 Crore).

Schedule 15 - Interest Expended

(000s omitted)

	Year ended 31.03.2021 (Current Year)	Year ended 31.03.2020 (Previous Year)
	₹	₹
I. Interest on deposits	142435,24,72	147398,96,33
II. Interest on Reserve Bank of India/ Inter-bank borrowings	6130,13,01	6891,11,73
III. Others	5875,25,60	4948,68,51
TOTAL	154440,63,33	159238,76,57

Schedule 16 - Operating Expenses

(000s omitted)

	Year ended 31.03.2021 (Current Year) ₹	Year ended 31.03.2020 (Previous Year) ₹
I. Payments to and provisions for employees	50936,00,01	45714,96,78
II. Rent, taxes and lighting	5253,17,14	5339,11,88
III. Printing and stationery	505,24,14	526,20,36
IV. Advertisement and publicity	238,41,25	246,16,76
V. Depreciation on Bank's property	3317,55,25	3303,81,33
VI. Directors' fees, allowances and expenses	2,43,12	1,86,42
VII. Auditors' fees and expenses (including branch auditors' fees and expenses)	274,18,79	244,67,58
VIII. Law charges	215,25,31	266,66,85
IX. Postages, Telegrams, Telephones etc.	301,86,59	349,13,89
X. Repairs and maintenance	916,42,58	924,32,58
XI. Insurance	4348,00,06	3212,71,45
XII. Other expenditure	16343,68,11	15044,03,14
TOTAL	82652,22,35	75173,69,02

SCHEDULE 17- SIGNIFICANT ACCOUNTING POLICIES

A. Background

State Bank of India (SBI or the Bank) is a banking and financial services statutory body engaged in providing a wide range of products and services to individuals, commercial enterprises, large corporates, public bodies and institutional customers. The Bank is governed by the Banking Regulation Act, 1949 and the State Bank of India Act, 1955.

Following are the Significant Accounting Policies i.e. the specific accounting principles and methods of applying these principles in the preparation and presentation of financial statements of the Bank.

B. Basis of Preparation

The accounting and reporting policies of the Bank conform to Generally Accepted Accounting Principles in India (Indian GAAP), comprising of regulatory norms & guidelines prescribed by the Reserve Bank of India (RBI), statutory guidelines of the State Bank of India Act, 1955 and the Banking Regulations Act, 1949, Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) and the accounting practices prevalent in the banking industry in India.

In case of foreign offices, the statutory provisions and practices of the local laws of the respective foreign country are followed if they are more prudent.

Bank's financial statements are prepared under the historical cost convention, with fundamental accounting assumptions of going concern, consistency and accrual unless otherwise stated.

The financial statements have been prepared in accordance with requirements under the Third Schedule of the Banking Regulation Act, 1949.

C. Use of Estimates

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

D. Significant Accounting Policies

1. Revenue recognition:

1.1 Income and expenditure are accounted on accrual basis, except otherwise stated.

1.2 Interest/ Discount income is recognised in the Profit and Loss Account on realisation basis for following:

- (i) Income from Non-Performing Assets (NPAs) including investments, as per the prudential norms prescribed by RBI/ respective country regulators in the case of foreign offices (hereafter collectively referred to as Regulatory Authorities),
- (ii) Income on Rupee Derivatives designated as "Trading"

1.3 In accordance with the guidelines issued by the Reserve Bank of India, Profit on sale of investments in the Held to Maturity (HTM) category and on sale of Fixed Assets is appropriated to Capital Reserve, net of applicable taxes and amount required to be transferred to Statutory Reserve.

The discount if any, on acquisition of investments in Held to Maturity (HTM) category is accounted as follows:

- a. on interest bearing securities, it is accounted for at the time of sale/ redemption.
- b. on zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

1.4 Dividend income is recognised when the right to receive the dividend is established.

1.5 Commission on Letters of Credit (LC)/ Bank Guarantee (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 accounted on a realisation basis.

1.6 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.

1.7 Brokerage, Commission etc. paid/ incurred in connection with the issue of Bonds/ Deposits are amortized over the tenure of related Bonds/ Deposits and the expenses incurred in connection with the issue are charged upfront.

1.8 The Bank derecognises its financial assets when it sells to Securitisation Company (SC)/ Reconstruction Company (RC), and accounts for as under:

- i. 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.
- ii. If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received.

2. Investments

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation, as given below:

2.1 Classification:

As per RBI guidelines, investments are classified into Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) categories.

For disclosure in Balance Sheet, the investments are classified as Investments in India and outside India.

- Under each category, the investments in India are further classified as (a) Government Securities, (b) Other Approved Securities, (c) Shares, (d) Bonds and Debentures, (e) Subsidiaries and Joint Ventures and (f) Others. The investments outside India are further classified under 3 categories (i) Government Securities (ii) Subsidiaries and Joint Ventures (iii) Other Investments

2.2 Basis of classification:

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

2.3 Valuation:

- i. The transactions in all securities are recorded on a Settlement Date and cost is determined on the weighted average cost method except for investments under HTM category which are accounted on FIFO basis (First In First Out).
 - a) Brokerage/ commission received on subscriptions is reduced from the cost. Brokerage, Commission, Securities Transaction Tax (STT) etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.
 - b) Broken period interest paid/ received on debt instruments is treated as interest

expense/ income and is excluded from cost/ sale consideration.

ii. Valuation of investments classified as Held to Maturity:

- a) Investments under Held to Maturity category are carried at acquisition cost. The premium paid on acquisition if any, is amortised over the term to maturity on a constant yield basis. Such amortisation of premium is accounted as income on investments.
- b) Investments (in India and abroad) in subsidiaries, joint ventures and associates are valued at historical cost. A provision is made for diminution, other than temporary, for each investment individually.
- c) Investments in Regional Rural Banks are valued at carrying cost (i.e. book value).

iii. Valuation of investments classified as Available for Sale and Held for Trading :

Investments classified as Available for Sale and Held for Trading are individually revalued at market price or fair value determined as per the regulatory guidelines and the net depreciation if any, of each group for each category (viz. (i) Government securities, (ii) Other Approved Securities, (iii) Shares, (iv) Bonds and Debentures, (v) Subsidiaries and Joint Ventures and (vi) others) is provided for and net appreciation is ignored.

iv. Valuation policy in event of inter category transfer of investments:

- a) 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.
- b) Transfer of securities from HTM category to AFS category is carried out on acquisition price/ book value. On transfer, these securities are immediately revalued and resultant depreciation, if any, is provided, in the Profit and Loss Account.

v. Valuation in case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts:

- a) The investment in security receipts obtained by way of sale of NPA to SC/RC, 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.

- b) 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.
- c) 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.
- vi. Treasury Bills and Commercial Papers are valued at carrying cost.

2.4 Investments (NPI)

- i. In respect of domestic offices, based on the guidelines issued by RBI, investments are classified as performing and non-performing as follows :
 - 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 shares of any company is valued at Re. 1 per company on account of non-availability of the latest balance sheet, those equity shares would be reckoned as NPI.
 - c) The Bank also classifies an Investment as a non-performing investment, in case any credit facility availed by the same borrower/ entity has been classified as a non-performing asset and vice versa. The above is applied to Preference Shares where the fixed dividend is not paid.
 - d) The investments in debentures/ bonds, which are deemed to be advance, are also subjected to NPI norms as applicable to investments.
- ii. In respect of foreign offices, classification and provisions for non-performing investments (NPIs) are made as per the local regulations or as per the norms of RBI, whichever are more prudent.

2.5 Accounting for Repo/ Reverse Repo transactions

The Bank enters Repurchase and Reverse Repurchase Transactions with RBI under Liquidity Adjustment Facility (LAF) and also with market participants. Repurchase Transaction represents borrowing by selling the securities with an agreement to repurchase the securities. Reverse Repo Transactions on the other hand represent lending funds by purchasing the securities.

- a) Transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Collateralized Lending and Borrowing transactions.
- b) In Market Repo and Reverse Repo transaction, securities sold(purchased) and repurchased(resell) are accounted as 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. Balance in Repo Account is classified under Schedule 4 (Borrowings) and balance in Reverse Repo Account is classified under Schedule 7 (Balance with Banks and Money at call & short notice).
- c) Borrowing cost of repo transactions and revenue on reverse repo transactions, with RBI or others, is accounted for as interest expense and interest income, respectively.

3. Loans/ Advances and Provisions thereon:

3.1 Based on the guidelines/ directives issued by the RBI, Loans and Advances are classified as performing and non-performing, as follows:

- i. The term loan, is classified as a non-performing asset, if interest and/ or instalment of principal remains overdue for a period of more than 90 days;
- ii. An Overdraft or Cash Credit, is classified as a non-performing asset, if, 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. The bills purchased/ discounted are classified as Non-performing Asset, if the bill remains overdue for a period of more than 90 days;

- iv. The agricultural advances are classified as a non-performing if, (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.

3.2 NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:

- i. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.
- ii. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months.
- iii. Loss: A loan asset where loss has been identified but the amount has not been fully written off.

3.3 Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:

Substandard Assets:	i.	A general provision of 15% on the total outstanding;
	ii.	Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realisable value of security is not more than 10 percent ab-initio);
	iii.	Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available - 20%.
Doubtful Assets:		
- Secured portion:	i.	Upto one year – 25%
	ii.	One to three years – 40%
	iii.	More than three years – 100%
- Unsecured portion		100%
Loss Assets:		100%.

3.4 In respect of foreign offices, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more prudent.

3.5 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.

3.6 For restructured/ rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans/ advances before and after restructuring is provided for, in addition to provision

for the respective loans/ advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.

3.7 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.

3.8 Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.

3.9 In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head “Other Liabilities & Provisions – Others” and are not considered for arriving at the Net NPAs.

3.10 The Bank also makes additional provisions on specific non-performing assets.

3.11 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 & Countercyclical Provisioning Buffer:

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

5. Provision for Country Exposure:

In addition to the specific provisions held according to the asset classification status, provisions are also made for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, insignificant, low, moderate, high, very high, restricted and off-credit and provisioning made as per extant RBI guidelines. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in Schedule 5 of the Balance Sheet under the head “Other Liabilities & Provisions – Others”.

6. Derivatives:

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

7. Fixed Assets, Depreciation and Amortisation:

- 7.1 Fixed Assets are carried at cost less accumulated depreciation/ amortisation except for freehold premises carried at revalued amount, being fair value at the date of revaluation less accumulated depreciation, as stated otherwise.
- 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. The fixed assets in domestic offices are depreciated at straight line method based on useful life of the assets states as under:

Sl. No.	Description of Fixed Assets	Useful life for Depreciation
1	Computers	3 years
2	Computer Software forming an integral part of the Computer hardware	3 years
3	Computer Software which does not form an integral part of Computer hardware and cost of Software Development	3 years
4	Automated Teller Machine/ Cash Deposit Machine/ Coin Dispenser/ Coin Vending Machine	5 years
5	Server	4 years
6	Network Equipment	5 years
7	Other major fixed assets:	
	Premises	60 Years
	Vehicles	5 Years
	Safe Deposit Lockers	20 Years
	Furniture & Fixtures	10 Years

- 7.3 In respect of assets acquired during the year (for domestic operations), depreciation is charged on proportionate basis for the number of days the assets have been put to use during the year.
- 7.4 Assets costing less than ₹ 1,000 each are charged off in the year of purchase.
- 7.5 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease (except for premises and land on perpetual lease) and Lease payments for assets taken on Operating lease are recognised as expense in the Profit & Loss account over the lease term on straight line basis.
- 7.6 In respect of fixed assets held at foreign offices, depreciation is provided as per the regulations / norms of the respective countries.
- 7.7 The Bank revalue freehold immovable assets at every three years. 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 General Reserve. The revalued asset is depreciated over the balance useful life of the asset as assessed at the time of revaluation.

8. Leases:

The asset classification and provisioning norms

applicable to advances, as laid down in Para 3 above, are applied to financial leases also.

9. Impairment of Assets:

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

10. Effect of changes in the foreign exchange rate:

10.1 Foreign Currency Transactions:

- 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 forward exchange contract is amortised as expense or income over the life of the contract.
- vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.
- viii. Gains/ Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/ losses are recognised in the Profit and Loss Account.

10.2 Foreign Operations:

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

a. Non-integral Operations:

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

b. Integral Operations:

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

11. Employee Benefits:

11.1 Short Term Employee Benefits:

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

11.2 Long Term Employee Benefits:

i. Defined Benefit Plans:

- a. The Bank operates a Provident Fund scheme. All eligible employees are entitled to

receive benefits under the Bank's Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a Trust established for this purpose and are charged to Profit and Loss Account. The Bank recognizes such annual contributions as an expense in the year to which it relates. Shortfall, if any, is provided for on the basis of actuarial valuation.

- b. The Bank operates Gratuity and Pension schemes which are defined benefit plans.
 - i) The Bank provides for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to the cap prescribed by the Statutory Authorities. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by Trustees based on an independent external actuarial valuation carried out annually.
 - ii) The Bank provides for pension to all eligible employees. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the Pension Fund at 10% of salary in terms of SBI Pension Fund Rules. The pension liability is reckoned based on an independent actuarial valuation carried out annually and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.
- c. The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains/ losses are immediately recognised in the Profit and Loss Account and are not deferred.
- ii. **Defined Contribution Plan:**

The Bank operates a New Pension Scheme (NPS) for all officers/ employees joining the Bank on or after 1st August, 2010, which is a defined

contribution plan, such new joiners not being entitled to become members of the existing SBI Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a matching contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in the Bank and earn interest at the same rate as that of the current account of Provident Fund balance. The Bank recognizes such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

iii. **Other Long Term Employee Benefits:**

- a. All eligible employees of the Bank are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The costs of such long term employee benefits are internally funded by the Bank.
- b. The cost of providing other long term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost is immediately recognised in the Profit and Loss Account and is not deferred.

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

12. **Segment Reporting**

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

13. **Taxes on income:**

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 – "Accounting for Taxes on Income" respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions. Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and

liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account. Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future profits.

14. Earnings per Share:

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

14.2 Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted Earnings per Share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

15. Provisions, Contingent Liabilities and Contingent Assets:

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

15.2 No provision is recognised for:

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

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

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

15.4 Provisions for onerous contracts are recognised when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Bank recognises any impairment loss on the assets associated with that contract.

15.5 Contingent Assets are not recognised in the financial statements.

16. Bullion Transactions:

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

17. Special Reserves:

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

18. Share Issue Expenses:

Share issue expenses are charged to the Share Premium Account.

19. Cash and cash equivalents

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

SCHEDULE – 18:**NOTES TO ACCOUNTS****18.1 Capital****1. Capital Ratio****AS PER BASEL II**

(₹ in crore)

Sr. No.	Items	As at 31 st March, 2021	As at 31 st March, 2020
(i)	Common Equity Tier 1 Capital Ratio (%)	N.A.	
(ii)	Tier 1 capital ratio (%)	11.19%	10.71%
(iii)	Tier 2 capital ratio (%)	2.63%	2.42%
(iv)	Total Capital Ratio (%)	13.82%	13.13%

AS PER BASEL III

Sr. No.	Items	As at 31 st March, 2021	As at 31 st March, 2020
(i)	Common Equity Tier 1 Capital Ratio (%)	10.02%	9.77%
(ii)	Tier 1 capital ratio (%)	11.44%	11.00%
(iii)	Tier 2 capital ratio (%)	2.30%	2.06%
(iv)	Total Capital Ratio (%)	13.74%	13.06%
(v)	Percentage of the Shareholding of Government of India	56.92%	56.92%
(vi)	Number of Shares held by Government of India	507,97,75,288	507,97,75,288
(vii)	Amount of Equity Capital raised	-	-
(viii)	Amount of Additional Tier 1 (AT 1) capital raised of which		
	a) Perpetual Non-Cumulative Preference Shares (PNCPS):	-	-
	b) Perpetual Debt Instruments (PDI):	6,500.00	6,918.40
(ix)	Amount of Tier 2 capital raised of which		
	a) Debt Capital instruments:	20,931.00	5,000.00
	b) Preference Share Capital Instruments: {Perpetual Cumulative Preference Shares (PCPS)/Redeemable Non-Cumulative Preference Shares (RNCPS)/Redeemable Cumulative Preference Shares (RCPS)}	-	-

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

2. Innovative Perpetual Debt Instruments (IPDI)

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

A. Foreign

(₹ in crore)

Particulars	Date of Issue	Tenor	Amount	Equivalent (₹) as on 31 st March, 2021	Equivalent (₹) as on 31 st March, 2020
Additional Tier 1 (AT1) Bonds issued under MTN Programme 29 th Series	22.09.2016	Perpetual Non Call 5 years	USD 300 million	2,193.30	2,269.95

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

B. Domestic

(₹ in crore)

Sr. No.	Nature of Bonds	Principal Amount	Date of Issue	Rate of Interest % p.a.
1.	SBI Non Convertible Perpetual Bonds 2016 Unsecured Basel III AT 1	2,100.00	06.09.2016	9.00
2.	SBI Non Convertible Perpetual Bonds 2016 Unsecured Basel III AT 1 Series II	2,500.00	27.09.2016	8.75
3.	SBI Non Convertible Perpetual Bonds 2016 Unsecured Basel III AT 1 Series III	2,500.00	25.10.2016	8.39
4.	SBI Non Convertible Perpetual Bonds 2017 Unsecured Basel III AT 1 Series IV	2,000.00	02.08.2017	8.15
5.	SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2018	4,021.00	04.12.2018	9.56
6.	SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2018 Series II	2,045.00	21.12.2018	9.37
7.	SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2018 Series III	1,251.30	22.03.2019	9.45
8.	SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2019-20 Series I	3,104.80	30.08.2019	8.75
9.	SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2019-20 Series II	3,813.60	22.11.2019	8.50
10.	SBI Basel III AT1 Bond 2020-21 Series I	4,000.00	09.09.2020	7.74
11.	SBI Non Convertible Unsecured Basel III AT1 Bonds – Series II 2020	2,500.00	24.11.2020	7.73
TOTAL		29,835.70		

3. Subordinated Debts

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

(₹ in crore)

Sr. No.	Nature of Bonds	Principal Amount	Date of Issue /Date of Redemption*	Rate of Interest % P.A.	Maturity Period in Months
1.	e-SBBJ Lower Tier II (Series VI)	500.00	20.03.2012 20.03.2022	9.02	120
2.	SBI Non Convertible (Private placement) Bonds 2013-14 (Tier II)	2,000.00	02.01.2014 02.01.2024	9.69	120
3.	e-SBM Tier II Basel III compliant	500.00	17.12.2014 17.12.2024	8.55	120
4.	e -SBP Tier II Basel III compliant (Series I)	950.00	22.01.2015 22.01.2025	8.29	120
5.	e- SBBJ Tier II Basel III compliant	200.00	20.03.2015 20.03.2025	8.30	120
6.	e -SBH Tier II Basel III compliant (Series XIV)	393.00	31.03.2015 31.03.2025	8.32	120
7.	e -SBH Tier II Basel III compliant (Series XV)	500.00	30.12.2015 30.12.2025	8.40	120

Sr. No.	Nature of Bonds	Principal Amount	Date of Issue /Date of Redemption*	Rate of Interest % P.A.	Maturity Period in Months
8.	e-SBM Tier II Basel III compliant	300.00	31.12.2015 31.12.2025	8.40	120
9.	e-SBM Tier II Basel III compliant	200.00	18.01.2016 18.01.2026	8.45	120
10.	e -SBH Tier II Basel III compliant (Series XVI)	200.00	08.02.2016 08.02.2026	8.45	120
11.	e- SBT Upper Tier II (Series III)	500.00	26.03.2012 26.03.2027	9.25	180
12.	SBI Non Convertible, Unsecured Basel III - Tier II Bonds 2018	4,115.90	02.11.2018 02.11.2028	8.90	120
13.	SBI Non Convertible, Unsecured Basel III - Tier II Bonds 2019-20	5,000.00	28.06.2019 28.06.2029	7.99	120
14.	SBI US Basel III T2 Bond 20-21 Series 1	8,931.00	21.08.2020 21.08.2035	6.80	180
15.	SBI Basel III Tier 2 Bond 20-21 Series 2	7,000.00	21.09.2020 21.09.2030	6.24	120
16.	SBI Basel III Tier 2 Bond 20-21 Series 3	5,000.00	26.10.2020 26.10.2030	5.83	120
TOTAL		36,289.90			

18.2. Investments

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

(₹ in crore)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
1. Value of Investments		
i) Gross value of Investments		
(a) In India	13,14,424.07	10,10,599.04
(b) Outside India	47,461.41	47,448.66
ii) Provision for Depreciation		
(a) In India	9,167.91	9,430.13
(b) Outside India	30.34	150.82
iii) Liability on Interest Capitalised on Restructured Accounts (LICRA)	982.02	1,512.24
iv) Net value of Investments		
(a) In India	13,04,274.14	9,99,656.67
(b) Outside India	47,431.07	47,297.84
2. Movement in provisions held towards depreciation on investments		
i) Balance at the beginning of the year	9,580.95	9,252.41
ii) Add: Provisions made during the year	3,759.46	5,237.78
iii) Less: Provision utilised during the year	9.29	33.48
iv) Less/(Add): Foreign Exchange revaluation adjustment	(17.06)	(38.04)
v) Less: Write off/Write back of excess provision during the year	4,149.94	4,913.80
vi) Balance at the end of the year	9,198.25	9,580.95

Notes:

- Securities amounting to ₹ 2,00,812.86 crore (Previous Year ₹ 4,225.76 crore) are kept as margin with Clearing Corporation of India Limited (CCIL)/NSCCL/MCX/ NSEIL/BSE towards Securities Settlement.
- During the year, the Bank infused additional capital in its entities viz. i) State Bank of India (California), a subsidiary ₹ 0.32 crore, ii) Madhyanchal Gramin Bank, an associate ₹ 5.31 crore. There is no change in Bank's stake after capital infusion.
- Consequent to Follow on Public Offerings in July 2020, Bank has made an investment of ₹ 1,760 crore in Yes Bank Limited. Bank's stake stands reduced to 30% as on March 31,2021 from 48.21% as on March 31,2020.
- During the year, the Bank has sold its stake in SBI Life Insurance Company Limited (a subsidiary) at a profit of ₹ 1,539.73 crore thus, the Bank stake has been reduced to 55.50% from 57.60%.
- In accordance with notification issued by Govt. of India, the following amalgamations have taken place between the Regional Rural Banks (RRBs) sponsored by SBI and RRBs sponsored by other banks.

Name of transferor RRBs	Sponsor Bank of transferor RRBs	New Name after Amalgamation of RRB	Sponsor Bank of transferee RRB	Effective Date of Amalgamation
1. Baroda Uttar Pradesh Gramin Bank	Bank of Baroda			
2. Kashi Gomti Samyut Gramin Bank	Union Bank of India	Baroda U.P. Bank	Bank of Baroda	1 st April ,2020
3. Purvanchal Bank	State Bank of India			

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

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

(₹ in crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31 st March 2021
Securities sold under Repo				
i. Government Securities	26,187.27	2,17,557.59	81,383.31	1,76,756.95
	(-)	(1,12,595.20)	(9,166.64)	(34,576.69)
ii. Corporate Debt Securities	7,154.09	9,332.03	8,989.67	7,154.09
	(-)	(15,795.87)	(10,778.12)	(8,696.38)
Securities purchased under Reverse Repo				
i. Government Securities	-	2,40,000.00	1,03,424.17	46,179.93
	(-)	(1,13,000.00)	(38,332.97)	(38,000.00)
ii. Corporate Debt Securities	-	5,597.89	737.93	-
	(-)	(3,292.71)	(592.93)	(3,292.71)

(Figures in brackets are for Previous Year).

3. Non-SLR Investment Portfolio

a) Issuer composition of Non SLR Investments

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

(₹ in crore)

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of "Below Investment Grade" Securities*	Extent of "Unrated" Securities*	Extent of "Unlisted" Securities*
i	PSUs	67,194.64	49,960.71	-	-	-
		(62,047.29)	(45,135.13)	(-)	(-)	(-)
ii	FIs	1,28,609.88	99,053.50	2,753.21	-	70.00
		(86,460.61)	(74,871.30)	(2,754.24)	(-)	(1,150.00)
iii	Banks	17,146.96	8,084.82	3,294.33	23.62	23.62
		(24,856.99)	(12,624.53)	(585.10)	(23.62)	(23.62)
iv	Private Corporates	46,428.01	23,395.02	817.77	-	-
		(35,680.14)	(25,758.70)	(901.99)	(-)	(-)
v	Subsidiaries / Joint Ventures **	18,246.20	-	-	-	-
		(16,045.43)	(-)	(-)	(-)	(-)
vi	Others	28,970.89	2,223.99	2,845.99	33.03	6.65
		(29,687.12)	(2,196.19)	(3,558.08)	(46.68)	(4.84)
vii	Less: Provision held towards depreciation including LICRA	10,180.02	-	0.45	-	-
		(11,093.19)	(11.65)	(236.96)	(-)	(-)
	Total	2,96,416.56	1,82,718.04	9,710.85	56.65	100.27
		(2,43,684.39)	(1,60,574.20)	(7,562.45)	(70.30)	(1,178.46)

(Figures in brackets are for Previous Year)

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

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

b) Non Performing Non-SLR Investments

(₹ in crore)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Opening Balance	8,995.80	5,609.66
Additions during the year	446.39	3,686.05
Reductions during the year	4,212.67	299.91
Closing balance	5,229.52	8,995.80
Total provisions held	5,031.49	7,970.83

4. Sales and Transfers Of Securities To/From HTM Category

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

5. Disclosure of Investment in Security Receipts (SRs)

(₹ in crore)

Particulars	SRs Issued within Past 5 Years	SRs issued more than 5 years ago but within past 8 Years	SRs issued more than 8 Years ago	Total
i Book value of SRs Backed by NPAs sold by the bank as underlying	972.03	7,355.89	23.98	8,351.90
Provision held against (i)	261.81	3,947.02	23.98	4,232.81
ii Book value of SRs Backed by NPAs sold by Other banks / financial institutions / non-banking Financial companies as Underlying	-	3.42	2.69	6.11
Provision held against (ii)	-	1.14	2.69	3.83
Total (i) + (ii)	972.03	7,359.31	26.67	8,358.01

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

(₹ in crore)

Particulars	Backed by NPAs sold by the bank as underlying		Backed by the NPAs sold by other banks/ financial institutions / non-banking financial companies as underlying		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Book Value of Investments in Security Receipts as on 31 st March, 2021	8,351.90	8,761.31	6.11	7.14	8,358.01	8,768.45
Book Value of Investments in Security Receipts made during the year	0.61	0.06	-	-	0.61	0.06

18.3 Derivatives

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

(₹ in crore)

Sr. No.	Particulars	As at 31 st March, 2021	As at 31 st March, 2020
i)	The notional principal of swap agreements#	2,75,128.10	2,98,843.36
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	4,095.38	8,063.30
iii)	Collateral required by the Bank upon entering swaps	Nil	Nil
iv)	Concentration of credit risk arising from the swaps	Not significant	Not significant
v)	The fair value of the swap book	3,894.26	7,908.68

#Excludes IRS/FRA amounting to ₹ 39,189.96 crore (Previous Year ₹ 32,134.98 crore) entered with the Bank's own foreign offices.

Nature and terms of Forward Rate Agreement or Interest Rate Swaps as on 31st March, 2021 are given below:

(₹ in crore)

Instrument	Nature	Nos	Notional Principal	Benchmark	Terms
IRS	Hedging	336	15,424.30	LIBOR	Fixed Receivable Vs Floating Payable
IRS	Hedging	1	186.43	LIBOR	Fixed Payable Vs Floating Receivable
IRS	Hedging	50	319.92	OTHERS	Fixed Receivable Vs Pay float
IRS	Hedging	60	38,265.93	LIBOR	Fixed Receivable Vs Floating Payable
IRS	Hedging	19	2,152.01	LIBOR	Floating Receivable Vs Fixed Payable
IRS	Trading	125	53,475.95	LIBOR	Floating Payable Vs Fixed Receivable
IRS	Trading	80	23,365.32	LIBOR	Fixed Payable Vs Floating Receivable
IRS	Trading	24	14,914.44	LIBOR	Floating Payable Vs Floating Receivable
IRS	Trading	1479	59,683.50	MIBOR	Fixed Payable Vs Floating Receivable
IRS	Trading	1612	65,147.00	MIBOR	Floating Payable Vs Fixed Receivable
IRS	Trading	1	2,193.30	LIBOR	Fixed Receivable Vs Floating Payable
Total		3,787	2,75,128.10		

B. Exchange Traded Interest Rate Derivatives

(₹ in crore)

Sr. No.	Particulars	As at 31 st March, 2021	As at 31 st March, 2020
1	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)		
a.	Interest Rate Futures	Nil	Nil
b.	10 Year Government of India Securities	6,400.38	63,670.92
2	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 st March 2021 (instrument-wise)		
a.	Interest Rate Futures	Nil	Nil
b.	10 Year Government of India Securities	Nil	Nil
3	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	N.A.	N.A.
4	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective". (instrument-wise)	N.A.	N.A.

C. Risk Exposure in Derivatives

(A) Qualitative Risk Exposure

- i. The Bank currently deals in over the counter (OTC) interest rate and currency derivatives as also in Interest Rate Futures and Exchange Traded Currency Derivatives. Interest Rate Derivatives dealt by the Bank are rupee interest rate swaps, foreign currency interest rate swaps and forward rate agreements, cap, floor and collars. Currency derivatives dealt by the Bank are currency swaps, rupee dollar options and cross-currency options. The products are offered to the Bank's customers to hedge their exposures and the Bank also enters into derivatives contracts to cover off such exposures. Derivatives are used by the Bank both for trading as well as hedging balance sheet items. The Bank also runs option position in USD/INR, which is managed through various types of loss limits and Greek limits.
- ii. Derivative transactions carry market risk i.e. the probable loss the Bank may incur as a result of adverse movements in interest rates/exchange rates and credit risk i.e. the probable loss the Bank may incur if the counterparties fail to meet their obligations. The Bank's "Policy for Derivatives" approved by the Board prescribes the market risk parameters (Greek limits, Loss Limits, cut-loss triggers, open position limits, duration, modified duration, PV01 etc.) as well as customer eligibility criteria (credit rating, tenure of relationship, limits and customer appropriateness and suitability of policy (CAS) etc.) for entering into derivative transactions. Credit risk is controlled by entering into derivative transactions only with counterparties satisfying the criteria prescribed in the Policy. Appropriate limits are set for the counterparties taking into account their ability to honour obligations and the Bank enters into ISDA agreement with each counterparty.
- iii. The Asset Liability Management Committee (ALCO) of the Bank oversees efficient management of these risks. The Bank's Market Risk Management Department (MRMD) identifies, measures, monitors market risk associated with derivative transactions, assists ALCO in controlling and managing these risks and reports compliance with policy prescriptions to the Risk Management Committee of the Board (RMCB) at regular intervals.
- iv. The accounting policy for derivatives has been drawn-up in accordance with RBI guidelines, the details of which are presented under Schedule 17: Significant Accounting Policies (SAP) for the financial year 2020-21.
- v. Interest Rate Swaps are mainly used for hedging of the assets and liabilities.
- vi. Majority of the swaps were done with First class counterparty banks.
- vii. Derivative transactions comprise of swaps which are disclosed as contingent liabilities. The swaps are categorised as trading or hedging.
- viii. Derivative deals are entered with only those interbank participants for whom counterparty exposure limits are sanctioned. Similarly, derivative deals entered with only those corporates for whom credit exposure limit is sanctioned. Collateral requirements for derivative transactions are laid down as a part of credit sanctions terms on a case by case basis. Such collateral requirements are determined based on usual credit appraisal process. The Bank retains the right to terminate transactions as a risk mitigation measure in certain cases.

(B) Quantitative Risk Exposure

(₹ in crore)

Particulars	Currency Derivatives		Interest Rate Derivatives	
	Current Year	Previous Year	Current Year	Previous Year
(I) Derivatives (Notional Principal Amount)				
(a) For hedging	18,858.30@	14,407.12@	54,869.19#	35,421.64#
(b) For trading *	10,47,976.78	6,55,991.56	2,26,304.06	2,77,804.99
(II) Marked to Market Positions				
(a) Asset (+)	9,451.37	14,629.42	4,095.38	8,063.30
(b) Liability (-)	7,574.61	14,009.98	2,926.20	6,086.78
(III) Credit Exposure	43,234.09	36,850.85	6,868.01	11,026.29
(IV) Likely impact of one percentage change in interest rate (100* PV01)				
(a) on hedging derivatives	-0.25	1.07	-309.95	4.60
(b) on trading derivatives	538.16	86.72	0.70	146.20
(V) Maximum and Minimum of 100*PV 01 observed during the year				
(a) on hedging –				
Maximum	22.09	1.07	1,526.75	460.31
Minimum	8.83	-	1,112.88	-
(b) on trading –				
Maximum	5.47	2.91	1.67	1.85
Minimum	0.85	-	0.70	0.03

@Excludes swaps amounting to ₹ 2,156.47 crore (Previous Year ₹ 1,725.03 crore) entered with the Bank's own foreign offices.

#IRS/FRA amounting to ₹ 39,189.96 crore (Previous Year ₹ 32,134.98 crore) entered with the Bank's own Foreign offices are not shown here.

*Excludes Currency Derivatives of ₹ 2167.90 crore (Previous Year ₹ 867.18 crore) and NDF ₹ 296.13 crore (Previous Year NIL) done with the Bank's Foreign offices.

1. The outstanding notional amount of derivatives done between Global Markets Unit and International Banking Group as on 31st March, 2021 amounted to ₹ 43,810.46 crore (Previous Year ₹ 34,727.19 crore) and the derivatives done between SBI Foreign Offices as on 31st March, 2021 amounted to ₹ 10,331.69 crore (Previous Year ₹ 10,222.51 crore).
2. The outstanding notional amount of interest rate derivatives which are not marked-to-market (MTM) where the underlying Assets/Liabilities are not marked to market as on 31st March, 2021 amounted to ₹ 77,741.31 crore (Previous Year ₹ 60,632.85 crore).

18.4. Asset Quality

a) Non-Performing Assets

(₹ in crore)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
I) Net NPAs to Net Advances (%)	1.50%	2.23%
II) Movement of NPAs (Gross)		
(a) Opening balance	1,49,091.85	1,72,750.36
(b) Additions (Fresh NPAs) during the year	28,563.45	49,826.28
Sub-total (i)	1,77,655.30	2,22,576.64
Less:		
(c) Up-gradations	4,250.89	3,339.79
(d) Recoveries (Excluding recoveries made from upgraded accounts)	12,613.19	17,782.63
(e) Technical/ Prudential Write-offs	-	-
(f) Write-offs	34,402.20	52,362.37
Sub-total (ii)	51,266.28	73,484.79
(g) Closing balance (i-ii)	1,26,389.02	1,49,091.85
III) Movement of Net NPAs		
(a) Opening balance	51,871.30	65,894.74
(b) Additions during the year	1,293.50	6,758.88
(c) Reductions during the year	16,355.08	20,782.32
(d) Closing balance	36,809.72	51,871.30
IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	97,220.55	1,06,855.62
(b) Provisions made during the year	27,269.95	43,067.40
(c) Write-off / write-back of excess provisions	34,911.20	52,702.47
(d) Closing balance	89,579.30	97,220.55

Notes:-

Opening and closing balances of provision for NPAs include ECGC/CGFMU claims received and held pending adjustment of ₹ 305.54 crore (Previous Year ₹ 235.61 crore) and ₹ 283.91 crore (Previous Year ₹ 305.54 crore) respectively.

- b) 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.

No separate disclosure is required to be made in respect of divergence for Financial Year 2019-20 as the same is not beyond the above mentioned thresholds.

c) Restructured Accounts

(₹ in crore)

Sr. No.	Type of Restructuring	Under CDR Mechanism (1)					Under SME Debt Restructuring Mechanism (2)						
		Asset Classification	Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total	
Particulars													
1	Restructured Accounts as on April 1, 2020 (Opening position)		No. of Borrowers	2	-	22	8	32	786	112	125	14	1037
		(4)	(-)	(44)	(9)	(57)	(28)	(167)	(142)	(17)	(354)		
	Amount	15.45	-	1,926.30	491.03	2,432.78	206.93	217.50	452.46	6.38	883.27		
	outstanding	(146.04)	(-)	(6,236.10)	(656.53)	(7,038.67)	(46.11)	(307.32)	(415.80)	(6.65)	(775.88)		
	Provision thereon	0.91	-	-	-	0.91	8.50	-	16.26	0	24.76		
		(0.96)	(-)	(-)	(-)	(0.96)	(10.26)	(6.43)	(24.88)	(0.27)	(41.84)		
2	Fresh Restructuring during the current FY		No. of Borrowers	-	-	-	-	313	29	7	2	351	
		(-)	(-)	(-)	(-)	(790)	(6)	(1)	(-)	(-)	(797)		
	Amount	-	-	-	-	95.14	38.32	1.33	0.06	134.86			
	outstanding	(26.57)	(-)	(-)	(-)	(26.57)	(154.84)	(4.44)	(1.38)	(-)	(160.66)		
	Provision thereon	-	-	-	-	0.12	4.30	0.98	0.07	5.46			
		(0.02)	(-)	(-)	(-)	(0.02)	(0.24)	(2.72)	(0.40)	(-)	(3.36)		
3	Upgradation to restructured standard category during current FY		No. of Borrowers	-	-	-	-	7	-7	-	-	-	
		(-)	(-)	(-)	(-)	(-)	(1)	(-1)	(-)	(-)	(-)	(-)	
	Amount	-	-	-	-	2.90	-2.90	-	-	-	-	-	
	outstanding	(-)	(-)	(-)	(-)	(18.11)	(-18.11)	(-)	(-)	(-)	(-)	(-)	
	Provision thereon	-	-	-	-	0.04	-0.04	-	-	-	-	-	
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	
4	Restructured Standard Advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY		No. of Borrowers	(-2)	-	-	-	-1	(-)	(-)	(-)	(-)	
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	
	Amount	-	-	-	-	-16.66	-	-	-	-	-	-16.66	
	outstanding	(-155.08)	(-)	(-)	(-)	(-155.08)	(-)	(-)	(-)	(-)	(-)	(-)	
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	
5	Downgradations of restructured accounts during current FY		No. of Borrowers	-1	-	1	-	-4	-11	7	8	-	
		(-)	(-)	(-)	(-)	(-)	(-)	(-9)	(-7)	(16)	(-)	(-)	
	Amount	-11.67	-	11.67	-	-2.57	-0.37	2.69	0.25	-	-	-	
	outstanding	(-)	(-)	(-)	(-)	(-2.38)	(-67.31)	(69.69)	(-)	(-)	(-)	(-)	
	Provision thereon	-	-	-	-	-0.81	0.59	0.22	-	-	-	-	
		(-)	(-)	(-)	(-)	(-0.05)	(-8.78)	(8.83)	(-)	(-)	(-)	(-)	
	No. of Borrowers	-	-	-8	-2	-10	-453	-6	-71	-	-530	-	
	Amount	(-)	(-)	(-22)	(-1)	(-23)	(-34)	(-3)	(-114)	(-)	(-)	(-)	
	outstanding	-1.32	-	-976.92	-56.51	-1034.75	-62.53	-3.10	-362.56	-	-428.19	-	
	Provision thereon	(-2.08)	(-)	(-4309.80)	(-165.50)	(-4477.38)	(-9.75)	(-8.84)	(-34.41)	(-0.27)	(-53.27)	(-)	
		(-0.07)	(-)	(-)	(-)	(-0.07)	(-1.95)	(-0.37)	(-17.85)	(-0.27)	(-20.44)	(-)	
7	Total Restructured Accounts as on 31 st March, 2021 (Closing Position)		No. of Borrowers	1	-	15	6	22	648	117	68	24	857
		(2)	(-)	(22)	(8)	(32)	(786)	(112)	(125)	(14)	(1037)		
	Amount	2.46	-	961.05	434.53	1398.04	223.21	249.44	93.92	6.69	573.27		
	outstanding	(15.45)	(-)	(1,926.30)	(491.03)	(2,432.78)	(206.93)	(217.50)	(452.46)	(6.38)	(883.27)		
	Provision thereon	0.91	-	-	-	0.91	8.61	3.28	16.10	0.29	28.28		
		(0.91)	(-)	(-)	(-)	(0.91)	(8.50)	(-)	(16.26)	(-)	(24.76)		

Sr. No.	Type of Restructuring Asset Classification Particulars	Others (3)										TOTAL (1 + 2 + 3)				
		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1, 2020 (Opening position)	5,104	184	682	162	6,132	5,892	296	829	184	7,201					
	Amount outstanding	(300)	(227)	(786)	(171)	(1,484)	(332)	(394)	(972)	(197)	(1,895)					
	Provision thereon	2,199.61	536.32	2,479.42	349.51	5,564.86	2,421.99	753.82	4,858.18	846.92	8,880.91					
		(3,909.81)	(29.83)	(8,004.74)	(803.16)	(12,747.54)	(4,101.96)	(337.15)	(14,656.64)	(1,466.34)	(20,562.09)					
		183.85	76.80	15.41	2.60	278.66	193.26	76.80	31.67	2.60	304.33					
		(319.57)	(0.85)	(15.23)	(4.05)	(339.70)	(30.79)	(7.28)	(40.11)	(4.32)	(382.50)					
2	Fresh Restructuring during the current FY	157	93	11	2	263	470	122	18	4	614					
	Amount outstanding	(4,813)	(61)	(21)	(1)	(4,896)	(5,603)	(67)	(22)	(1)	(5,693)					
	Provision thereon	299.73	68.67	322.69	36.04	727.12	394.87	106.99	324.02	36.10	861.98					
		(578.77)	(1.81)	(32.86)	(0.02)	(613.48)	(760.18)	(6.25)	(34.26)	(0.02)	(800.71)					
		71.86	0.27	4.11	1.16	77.40	71.98	4.57	5.09	1.23	82.86					
		(-)	(65.61)	(2.09)	(0.24)	(67.94)	(0.26)	(68.33)	(2.49)	(0.24)	(71.32)					
3	Upgradation to restructured standard category during current FY	4	-4	-	-	-	11	-11	-	-	-					
	Amount outstanding	(17)	(7)	(-10)	(-)	(-)	(18)	(-8)	(-10)	(-)	(-)					
	Provision thereon	0.21	-0.21	-	-	-	3.10	-3.10	-	-	-					
		(0.62)	(-0.36)	(-0.26)	(-)	(-)	(18.73)	(-18.47)	(-0.26)	(-)	(-)					
		0.15	-0.15	-	-	-	0.20	-0.20	-	-	-					
4	Restructured Standard Advances which ceases to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	-6	-	-	-	-6	-7	-	-	-	-7					
	Amount outstanding	(-16)	-	-	-	(-16)	(-18)	-	-	-	(-18)					
	Provision thereon	-552.42	-	-	-	-552.42	-569.08	-	-	-	-569.08					
		(-1,130.83)	-	-	-	(-1,130.83)	(-1,285.91)	-	-	-	(-1,285.91)					
		-1.64	-	-	-	-1.64	-1.64	-	-	-	-1.64					
		(-28.19)	-	-	-	(-28.19)	(-28.19)	-	-	-	(-28.19)					
5	Downgradations of restructured accounts during current FY	-3	-42	-59	104	-	-8	-53	-51	112	-					
	Amount outstanding	(-5)	(-73)	(47)	(31)	(-)	(-14)	(-80)	(63)	(31)	(-)					
	Provision thereon	-109.58	-9.83	89.88	29.53	-	-123.82	-10.20	104.24	29.78	-					
		(-675.75)	(631.60)	(43.65)	(0.50)	(-)	(-678.13)	(564.29)	(113.34)	(0.50)	(-)					
		-0.01	-0.14	-0.59	0.73	-	-0.01	-0.95	-	0.95	-					
		(-11.57)	(10.62)	(0.45)	(0.50)	(-)	(-11.62)	(1.84)	(9.28)	(0.50)	(-)					
		-1238	-31	-224	-46	-1539	-1691	-37	-303	-48	-2079					
		(-5)	(-24)	(-162)	(-41)	(-232)	(-29)	(-77)	(-218)	(-45)	(-369)					
		-283.33	-505.22	-704.65	-1.80	-1495	-347.18	-508.32	-2044.13	-58.31	-2957.94					
		(-483.01)	(-126.56)	(-5,601.59)	(-454.17)	(-6,665.33)	(-494.84)	(-135.40)	(-9,945.80)	(-619.94)	(-11,195.98)					
		-0.70	-0.07	-8.56	-1.20	-10.54	-0.75	-0.24	-10.29	-1.20	-12.48					
		(-95.96)	(-0.28)	(-2.36)	(-2.19)	(-100.79)	(-97.98)	(-0.65)	(-20.21)	(-2.46)	(-121.30)					
7	Total Restructured Accounts as on 31 st March, 2021 (Closing Position)	4,018	200	410	222	4,850	4,667	317	493	252	5,729					
	Amount outstanding	(5,104)	(184)	(682)	(162)	(6,132)	(5,892)	(296)	(829)	(184)	(7,201)					
	Provision thereon	1,554.21	89.74	2,187.33	413.27	4,244.56	1,779.88	339.18	324.23	854.49	6,215.86					
		(2,199.61)	(536.32)	(2,479.42)	(349.51)	(5,564.86)	(2,421.99)	(753.82)	(4,858.18)	(846.92)	(8,880.91)					
		253.52	76.70	10.38	3.29	343.89	263.04	79.98	26.48	3.57	373.07					
		(183.85)	(76.80)	(15.41)	(2.60)	(278.66)	(193.26)	(76.80)	(31.67)	(2.60)	(304.33)					

Note:

- Increase in outstanding of ₹ 44 crore (Previous Year ₹ 572 crore) included in Fresh Additions.
- Closure of ₹ 2,286 crore (Previous Year ₹ 5,616 crore) and decrease in Outstanding of ₹ 184 crore (Previous Year ₹ 597 crore) is included in Write off.
- Total Column does not include standard assets moved out of higher provisioning.

d) As per RBI circular no. DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1,2019, the details of restructured MSME accounts is as below:- (₹ in crore)

Particulars	Current Year	Previous Year
No. of accounts restructured	93,573	60,057
Aggregate outstanding	6,035.93	2,872.49

e) Details of Technical Write-offs and the recoveries made thereon: (₹ in crore)

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

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

Sr No	Particulars	Current Year	Previous Year
i	No. of Accounts	30	32
ii	Aggregate value (net of provisions) of accounts sold to SC/RC	127.71	101.17
iii	Aggregate consideration*	712.84	1,236.62
iv	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v	Aggregate gain /(loss) over net book value	585.13	1,135.45

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

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

Particulars	Current Year	Previous Year
Excess Provision reversed to P&L Account in case of Sale of NPAs	246.67	170.82

h) Details of non-performing financial assets purchased (₹ in crore)

Particulars	Current Year	Previous Year
1) (a) No. of Accounts purchased during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil
2) (a) Of these, number of accounts restructured during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil

i) Details of non-performing financial assets sold

(₹ in crore)

Particulars	Current Year	Previous Year
1) No. of Accounts sold	12	15
2) Aggregate outstanding	770.70	551.59
3) Aggregate consideration received	363.88	271.15

j) Provision on Standard Assets:

(₹ in crore)

Particulars	Current Year	Previous Year
Provision towards Standard Assets	15,293.98	11,544.24

18.5. Business Ratios

Particulars	Current Year	Previous Year
i. Interest Income as a percentage to Working Funds	5.93%	6.45%
ii. Non-interest income as a percentage to Working Funds	0.97%	1.13%
iii. Operating Profit as a percentage to Working Funds	1.60%	1.71%
iv. Return on Assets*	0.48%	0.38%
v. Business (Deposits plus advances) per employee (₹ in crore)	23.73	21.05
vi. Profit per employee (₹ in thousands)	828.35	578.98

* (on net-assets basis)

18.6. Asset Liability Management: Maturity pattern of certain items of assets and liabilities as at 31st March, 2021

(₹ in crore)

	Day1	2-7 Days	8-14 Days	15 to 30 days	Over 31 days and upto 2 months	Over 2 months and upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 Year	Over 1 Year & upto 3 years	Over 3 Years & upto 5 years	Over 5 Years	Total
Deposits	61,000.40	81,740.96	37,397.22	60,992.50	67,323.35	52,966.63	1,47,492.87	8,84,125.18	7,95,452.18	3,81,382.99	11,11,402.81	36,81,277.08
	(50,412.96)	(89,018.26)	(48,210.68)	(82,393.15)	(1,26,563.94)	(1,09,843.95)	(3,16,203.23)	(6,02,960.92)	(5,92,806.58)	(3,24,913.60)	(8,98,293.46)	(32,41,620.73)
Advances	44,156.96	13,618.48	16,535.47	37,631.95	44,757.21	35,877.97	1,17,416.16	1,98,447.37	8,70,870.70	3,19,249.93	7,50,935.58	24,49,497.79
	(57,442.98)	(14,151.74)	(16,608.14)	(31,096.94)	(42,616.30)	(44,774.93)	(75,159.25)	(1,16,239.21)	(10,82,113.87)	(2,09,766.10)	(6,35,320.10)	(23,25,289.56)
Investments	-	723.63	16,260.31	6,012.07	9,495.37	28,297.98	51,810.86	99,275.54	3,31,272.42	2,25,496.00	5,83,061.03	13,51,705.21
	(188.13)	(4,423.08)	(3,965.20)	(17,133.59)	(20,404.80)	(33,033.97)	(45,189.57)	(70,272.40)	(182,741.13)	(1,55,126.51)	(5,14,476.14)	(10,46,954.52)
Borrowings	823.85	1,53,783.04	1,469.67	11,857.36	13,923.44	14,091.50	38,619.46	33,828.43	68,089.88	50,667.23	30,143.85	4,17,297.70
	(915.24)	(13,829.39)	(4,180.76)	(9,892.09)	(20,370.67)	(27,941.89)	(41,265.36)	(55,907.52)	(78,368.05)	(49,093.15)	(12,891.53)	(3,14,655.65)
Foreign Currency Assets #	20,756.79	4,673.29	6,896.79	15,877.37	18,425.06	21,565.40	42,269.41	52,925.55	1,21,257.36	78,665.89	61,116.20	4,44,429.10
	(44,464.27)	(5,354.64)	(8,137.20)	(20,603.01)	(25,000.46)	(23,193.94)	(36,944.55)	(43,842.32)	(1,12,403.17)	(83,445.52)	(47,435.08)	(4,50,824.16)
Foreign Currency Liabilities \$	27,955.86	8,346.94	2,687.12	16,523.04	20,318.23	21,034.39	45,402.52	63,708.64	57,863.70	39,598.84	14,511.65	3,17,950.91
	(25,950.88)	(15,075.64)	(8,027.84)	(18,994.07)	(29,216.63)	(35,828.10)	(54,776.09)	(62,965.89)	(64,113.98)	(46,576.87)	(13,758.15)	(3,75,284.14)

Foreign Currency Assets represent advances and investments.

\$ Foreign Currency Liabilities represent borrowings and deposits.

(Figures in brackets are as at 31st March, 2020).

18.7. Exposures

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

a) Real Estate Sector

(₹ in crore)

Particulars	Current Year	Previous Year
I Direct exposure		
i) Residential Mortgages	4,06,179.32	3,58,599.62
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	4,06,179.32	3,58,599.62
Of which (i) Individual housing loans up to ₹ 35 lacs (previous year ₹ 35 lacs) in Metropolitan centres (Population >= 10 lacs) and ₹ 25 lacs (previous year ₹ 25 lacs) in other centres for purchase/construction of dwelling unit per family.	2,09,028.90	1,50,689.19
ii) Commercial Real Estate		
Lending secured by mortgages on Commercial Real Estates (office building, retail space, multi purpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc. Exposures would also include non fund based (NFB) limits.	56,343.00	31,607.67
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:	-	9,781.26
a) Residential	-	-
b) Commercial Real Estate	-	9,781.26
II Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	1,13,704.91	1,07,004.65
Total Exposure to Real Estate Sector	5,76,227.23	5,06,993.20

b) Capital Market

(₹ in crore)

Particulars	Current Year	Previous Year
1) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	7,112.65	8,534.42
2) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds.	66.63	19.16
3) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	Nil	93.49
4) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances.	Nil	975.44
5) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	725.23	14.09
6) Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	Nil	13.82
7) Bridge loans to companies against expected equity flows/issues.	Nil	Nil
8) Underwriting commitments taken up by the Banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.	Nil	Nil
9) Financing to stockbrokers for margin trading.	Nil	Nil
10) Exposures to Venture Capital Funds (both registered and unregistered)	3,463.62	3,352.74
Total Exposure to Capital Market	11,368.13	13,003.16

c) Risk Category wise Country Exposure

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

(₹ in crore)

Risk Category	Net Funded Exposure			Provision held
	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2020
Insignificant	5,586.26	16,716.77	Nil	Nil
Very Low	2,02,094.63	1,56,986.73	148.51	145.81
Low	16,539.05	20,546.89	Nil	Nil
Medium	9,767.77	8,326.76	Nil	Nil
High	26,470.88	21,883.14	Nil	Nil
Very High	8,586.29	10,242.33	Nil	Nil
Restricted	2,426.80	318.01	Nil	Nil
Total	2,71,471.68	2,35,020.63	148.51	145.81

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

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

e) Unsecured Advances

(₹ in crore)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
a) Total Unsecured Advances of the bank	5,92,821.83	5,59,246.43
i) Of which amount of advances outstanding against charge over intangible securities such as rights, licences, authority etc.	Nil	Nil
ii) The estimated value of such intangible securities (as in (i) above).	Nil	Nil

18.8. Miscellaneous

a. Disclosure of Penalties

- Reserve Bank of India has imposed an aggregate penalty of ₹ 2.00 crore (Previous Year ₹ NIL) on the Bank on payment of remuneration to employees in the form of commission.

b. Penalty for Bouncing of SGL forms

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

18.9. Disclosure Requirements as per the Accounting Standards

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

- During the year, there were no material prior period income / expenditure items.
- There is no change in the Significant Accounting Policies adopted during the year ended 31st March 2021 as compared to those followed in the previous financial year 2019-20.

b) Accounting Standard – 15 “Employee Benefits”

i. Defined Benefit Plans

1. Employee’s Pension Plan and Gratuity Plan

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

(₹ in crore)

Particulars	Pension Plans		Gratuity Plan	
	Current Year	Previous Year	Current Year	Previous Year
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation at 1 st April, 2020	1,09,830.37	95,362.15	12,852.56	12,189.05
Current Service Cost	970.09	953.34	440.06	447.17
Interest Cost	7,501.41	7,428.71	879.12	947.09
Past Service Cost (Vested Benefit)	-	-	-	-
Actuarial losses (gains)	15,822.32	13,619.61	1,185.34	1,224.38
Benefits paid	(3,475.67)	(3,914.34)	(1,909.91)	(1,955.13)
Direct Payment by Bank	(4,842.15)	(3,619.10)	-	-
Closing defined benefit obligation at 31 st March, 2021	1,25,806.37	1,09,830.37	13,447.17	12,852.56
Change in Plan Assets				
Opening fair value of Plan Assets as at 1 st April, 2020	97,458.52	90,399.61	10,570.95	10,326.00
Expected Return on Plan Assets	6,656.42	7,015.01	723.05	803.36
Contributions by employer	2,100.68	2,407.68	1,234.77	1,146.88
Expected Contributions by the employees	-	0.28	-	-
Benefits Paid	(3,475.67)	(3,914.34)	(1,909.91)	(1,955.13)
Actuarial Gains / (Loss) on plan Assets	3,705.91	1,550.28	331.37	249.84
Closing fair value of plan assets as at 31 st March, 2021	1,06,445.86	97,458.52	10,950.23	10,570.95
Reconciliation of present value of the obligation and fair value of the plan assets				
Present Value of Funded obligation at 31 st March, 2021	1,25,806.37	1,09,830.37	13,447.17	12,852.56
Fair Value of Plan assets at 31 st March, 2021	1,06,445.86	97,458.52	10,950.23	10,570.95
Deficit/(Surplus)	19,360.51	12,371.85	2,496.94	2,281.61
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	19,360.51	12,371.85	2,496.94	2,281.61
Amount Recognised in the Balance Sheet				

Particulars	Pension Plans		Gratuity Plan	
	Current Year	Previous Year	Current Year	Previous Year
Liabilities	1,25,806.37	1,09,830.37	13,447.17	12,852.56
Assets	1,06,445.86	97,458.52	10,950.23	10,570.95
Net Liability / (Asset) recognised in Balance Sheet	19,360.51	12,371.85	2,496.94	2,281.61
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	19,360.51	12,371.85	2,496.94	2,281.61
Net Cost recognised in the profit and loss account				
Current Service Cost	970.09	953.34	440.06	447.17
Interest Cost	7,501.41	7,428.71	879.12	947.09
Expected return on plan assets	(6,656.42)	(7,015.01)	(723.05)	(803.36)
Expected Contributions by the employees	-	(0.28)	-	-
Past Service Cost (Amortised) Recognised	-	-	-	-
Past Service Cost (Vested Benefit) Recognised	-	-	-	-
Net actuarial losses (Gain) recognised during the year	12,116.41	12,069.33	853.97	974.54
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	13,931.49	13,436.09	1,450.10	1,565.44
Reconciliation of expected return and actual return on Plan Assets				
Expected Return on Plan Assets	6,656.42	7,015.01	723.05	803.36
Actuarial Gain/ (loss) on Plan Assets	3,705.91	1,550.28	331.37	249.84
Actual Return on Plan Assets	10,362.33	8,565.29	1,054.42	1,053.20
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet				
Opening Net Liability/ (Asset) as at 1 st April, 2020	12,371.85	4,962.54	2,281.61	1,863.05
Expenses as recognised in profit and loss account	13,931.49	13,436.09	1,450.10	1,565.44
Paid by Bank Directly	(4,842.15)	(3,619.10)	-	-
Debited to Other Provision	-	-	-	-
Recognised in Reserve	-	-	-	-
Employer's Contribution	(2,100.68)	(2,407.68)	(1,234.77)	(1,146.88)
Net liability/(Asset) recognised in Balance Sheet	19,360.51	12,371.85	2,496.94	2,281.61

Investments under Plan Assets of Pension Fund & Gratuity Fund as on 31st March, 2021 are as follows:

Category of Assets	Pension Fund	Gratuity Fund
	% of Plan Assets	% of Plan Assets
Central Govt. Securities	21.21%	18.45%
State Govt. Securities	38.68%	40.32%
Debt Securities, Money Market Securities and Bank Deposits	30.01%	30.01%
Mutual Funds	6.43%	6.90%
Insurer Managed Funds	1.85%	2.57%
Others	1.82%	1.75%
Total	100.00%	100.00%

Principal actuarial assumptions

Particulars	Pension Plans	
	Current year	Previous year
Discount Rate	6.90%	6.83%
Expected Rate of return on Plan Asset	6.90%	6.83%
Salary Escalation Rate	5.60%	5.40%
Pension Escalation Rate	1.20%	0.80%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

Principal actuarial assumptions

Particulars	Gratuity Plans	
	Current year	Previous year
Discount Rate	6.82%	6.84%
Expected Rate of return on Plan Asset	6.82%	6.84%
Salary Escalation Rate	5.60%	5.40%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

Surplus/ Deficit in the Plan

Gratuity Plan

(₹ in crore)

Amount recognized in the Balance Sheet	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2019	Year ended 31-03-2020	Year ended 31-03-2021
Liability at the end of the year	7,291.02	12,872.60	12,189.05	12,852.56	13,447.17
Fair value of Plan Assets at the end of the year	7,281.18	9,140.76	10,326.00	10,570.95	10,950.23
Difference	9.84	3,731.84	1,863.05	2,281.61	2,496.94
Unrecognised Past Service Cost	-	2,707.50	-	-	-
Unrecognised Transition Liability	-	-	-	-	-
Amount Recognized in the Balance Sheet	9.84	1,024.34	1,863.05	2,281.61	2,496.94

Experience adjustment

(₹ in crore)

Amount recognized in the Balance Sheet	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2019	Year ended 31-03-2020	Year ended 31-03-2021
On Plan Liability (Gain) /Loss	10.62	399.62	(212.11)	382.17	1,053.04
On Plan Asset (Loss) /Gain	182.34	(25.96)	102.16	249.84	331.37

Surplus/Deficit in the plan**Pension**

(₹ in crore)

Amount recognized in the Balance Sheet	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2019	Year ended 31-03-2020	Year ended 31-03-2021
Liability at the end of the year	67,824.90	87,786.56	95,362.15	1,09,830.37	1,25,806.37
Fair value of Plan Assets at the end of the year	64,560.42	85,249.60	90,399.61	97,458.52	1,06,445.86
Difference	3,264.48	2,536.96	4,962.54	12,371.85	19,360.51
Unrecognised Past Service Cost	-	-	-	-	-
Unrecognised Transition Liability	-	-	-	-	-
Amount Recognized in the Balance Sheet	3,264.48	2,536.96	4,962.54	12,371.85	19,360.51

Experience adjustment	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2019	Year ended 31-03-2020	Year ended 31-03-2021
On Plan Liability (Gain) /Loss	3,007.59	4,439.54	3,642.57	4,078.53	12,528.38
On Plan Asset (Loss) /Gain	2,246.60	(135.07)	109.65	1,550.28	3,705.91

The expected contribution to the Pension and Gratuity Fund for the next year is ₹ 3,190.72 crore and ₹ 1,610.61 crore respectively.

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

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

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

2. Employees' Provident Fund

Actuarial valuation carried out in respect of interest shortfall in the Provident Fund Trust of the Bank, as per Deterministic Approach shows "Nil" liability, hence no provision is made in F.Y. 2020-21.

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

(₹ in crore)

Particulars	Provident Fund	
	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1 st April, 2020	31,188.49	30,487.93
Current Service Cost	3,289.62	1,017.99
Interest Cost	2,563.49	2,455.49
Employee Contribution (including VPF)	2,562.41	1,104.84
Actuarial losses/(gains)	63.43	208.49

Particulars	Provident Fund	
	Current Year	Previous Year
Benefits paid	(4,378.30)	(4,086.25)
Closing defined benefit obligation at 31 st March, 2021	35,289.14	31,188.49
Change in Plan Assets		
Opening fair value of Plan Assets as at 1 st April, 2020	32,104.22	32,179.93
Expected Return on Plan Assets	2,563.49	2,455.49
Contributions	5,852.03	2,122.82
Provision for loss on maturity of non-performing investment	(60.59)	(467.66)
Benefits Paid	(4,378.30)	(4,086.25)
Actuarial Gains / (Loss) on plan Assets	284.95	(100.11)
Closing fair value of plan assets as at 31 st March, 2021	36,365.80	32,104.22
Reconciliation of present value of the obligation and fair value of the plan assets		
Present Value of Funded obligation at 31 st March, 2021	35,289.14	31,188.49
Fair Value of Plan assets at 31 st March, 2021	36,365.80	32,104.22
Deficit/(Surplus)	(1,076.66)	(915.73)
Net Asset not recognised in Balance Sheet	1,076.66	915.73
Net Cost recognised in the profit and loss account		
Current Service Cost	3,289.62	1,017.99
Interest Cost	2,563.49	2,455.49
Expected return on plan assets	(2,563.49)	(2,455.49)
Interest shortfall reversed	-	-
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	3,289.62	1,017.99
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1 st April, 2020	-	-
Expense as above	3,289.62	1,017.99
Employer's Contribution	(3,289.62)	(1,017.99)
Net Liability/(Asset) Recognized In the Balance Sheet	-	-

Investments under Plan Assets of Provident Fund as on 31st March, 2021 are as follows:

Category of Assets	Provident Fund
	% of Plan Assets
Central Govt. Securities	30.65%
State Govt. Securities	32.48%
Debt Securities, Money Market Securities and Bank Deposits	30.76%
Mutual Funds	3.93%
Others	2.18%
Total	100.00%

Principal actuarial assumptions

Particulars	Provident Fund	
	Current year	Previous year
Discount Rate	6.82%	6.84%
Guaranteed Return	8.50%	8.50%
Attrition Rate	2.00%	2.00%
Salary Escalation	5.60%	5.40%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

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

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

ii. Defined Contribution Plan:

The Bank has a Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the Bank on or after August 1, 2010. The Scheme is managed by NPS Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2020-21, the Bank has contributed ₹ 648.17 crore (Previous Year ₹ 541.97 crore).

iii. Long Term Employee Benefits (Unfunded Obligation):

(A) Accumulating Compensated Absences (Privilege Leave)

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

(₹ in crore)

Particulars	Accumulating Compensated Absences (Privilege Leave)	
	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1 st April, 2020	7,533.04	6,870.40
Current Service Cost	311.06	284.97
Interest Cost	515.26	533.83
Actuarial losses/(gains)	1,221.15	769.88
Benefits paid	(1,398.27)	(926.04)
Closing defined benefit obligation at 31 st March, 2021	8,182.24	7,533.04
Net Cost recognised in the profit and loss account		
Current Service Cost	311.06	284.97
Interest Cost	515.26	533.83
Actuarial (Gain)/ Losses	1,221.15	769.88
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	2,047.47	1,588.68
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1 st April, 2020	7,533.04	6,870.40
Expense as above	2,047.47	1,588.68
Employer's Contribution	-	-
Benefit paid directly by the Employer	(1,398.27)	(926.04)
Net Liability/(Asset) Recognized In the Balance Sheet	8,182.24	7,533.04

Principal actuarial assumptions

Particulars	Current year	Previous year
Discount Rate	6.82%	6.84%
Salary Escalation	5.60%	5.40%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

(B) Other Long Term Employee Benefits

Amount of ₹ 32.29 crore (Previous Year ₹ 21.71 crore) is provided towards Other Long Term Employee Benefits as per the actuarial valuation by the independent Actuary appointed by the Bank and is included under the head “Payments to and Provisions for Employees” in Profit and Loss Account.

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

(₹ in crore)

Sr. No.	Long Term Employee Benefits	Current Year	Previous Year
1	Leave Travel and Home Travel Concession (Encashment/Availment)	35.84	20.00
2	Silver Jubilee Award	1.82	3.91
3	Resettlement Expenses on Superannuation	(2.89)	1.01
4	Casual Leave	-	-
5	Retirement Award	(2.48)	(3.21)
Total		32.29	21.71

Principal actuarial assumptions

Particulars	Current year	Previous year
Discount Rate	6.82%	6.84%
Salary Escalation	5.60%	5.40%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

c) Accounting Standard – 17 “Segment Reporting”**1. Segment Identification****I. Primary (Business Segment)**

The following are the primary segments of the Bank:-

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

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

i. 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.

ii. 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.

iii. 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.

iv. Other Banking business –

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

II. Secondary (Geographical Segment)

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

III. Pricing of Inter-segmental Transfers

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

IV. Allocation of Expenses, Assets and Liabilities

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

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

2. Segment Information

Part A: Primary (Business Segments)

(₹ in crore)

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Revenue (before exceptional items) #	91,916.79 (75,054.51)	81,782.12 (90,248.46)	1,31,783.02 (1,30,906.66)	- (-)	3,05,481.93 (2,96,209.63)
Unallocated Revenue #					1,625.34 (119.80)
Total Revenue #					3,07,107.27 (2,96,329.43)
Result (before exceptional items) #	15,561.38 (9,446.53)	5,149.19 (-3,996.75)	9,448.38 (18,058.78)	- (-)	30,158.95 (23,508.56)
Add: Exceptional Items #	1,539.73 (6,215.64)				1,539.73 (6,215.64)
Result (after exceptional items) #	17,101.11 (15,662.17)	5,149.19 (-3,996.75)	9,448.38 (18,058.78)	- (-)	31,698.68 (29,724.20)
Unallocated Income(+) / Expenses (-) - net #					-4,157.56 (-4,661.44)

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Profit before tax #					27,541.12
					(25,062.76)
Tax #					7,130.65
					(10,574.65)
Extraordinary Profit #					-
					(-)
Net Profit #					20,410.47
					(14,488.11)
Other Information:					
Segment Assets *	14,53,111.55	11,97,649.91	18,15,024.48	-	44,65,785.93
	(11,34,532.91)	(11,77,636.15)	(15,80,600.47)	(-)	(38,92,769.53)
Unallocated Assets *					68,643.70
					(58,624.39)
Total Assets*					45,34,429.63
					(39,51,393.92)
Segment Liabilities *	13,26,432.08	11,68,462.70	16,82,902.21	-	41,77,796.99
	(10,18,341.71)	(11,62,918.88)	(14,60,117.68)	(-)	(36,41,378.27)
Unallocated Liabilities*					1,02,757.46
					(78,008.22)
Total Liabilities *					42,80,554.45
					(37,19,386.49)

(Figures in 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) #	2,97,188.29	2,81,486.59	9,918.98	14,842.84	3,07,107.27	2,96,329.43
Net Profit#	17,236.17	10,332.81	3,174.30	4,155.30	20,410.47	14,488.11
Assets *	40,56,851.69	35,11,389.86	4,77,577.94	4,40,004.06	45,34,429.63	39,51,393.92
Liabilities*	38,02,976.51	32,79,382.43	4,77,577.94	4,40,004.06	42,80,554.44	37,19,386.49

For the year ended 31st March, 2021.

* As at 31st March, 2021.

d) Accounting Standard – 18 “Related Party Disclosures”

1. Related Parties

A. SUBSIDIARIES

i. FOREIGN BANKING SUBSIDIARIES

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

ii. DOMESTIC NON-BANKING SUBSIDIARIES

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

iii. FOREIGN NON-BANKING SUBSIDIARIES

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

B. JOINTLY CONTROLLED ENTITIES

1. C-Edge Technologies Ltd.
2. Jio Payments Bank Ltd.
3. SBI Macquarie Infra. Mgt. Pvt. Ltd
4. SBI Maxquarie Infra. Trustee Ltd
5. Macquarie SBI Infra. Mgmt Pvt Lts
6. Macquarie SBI Infra. Trsuttee Ltd
7. Oman India Joint Investment Fund- Management. Company Pvt. Ltd.
8. Oman India Joint Investment Fund - Trustee Company Pvt. Ltd.

C. ASSOCIATES

i. Regional Rural Banks

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

ii. Others

1. SBI Home Finance Ltd. (under liquidation)
2. The Clearing Corporation of India Ltd.
3. Bank of Bhutan Ltd.
4. Yes Bank Ltd.

D. Key Management Personnel of the Bank

1. Shri Dinesh Kumar Khara, Chairman (from 7th October, 2020)
2. Shri Rajnish Kumar, Chairman (upto 6th October, 2020)

3. Shri Dinesh Kumar Khara, Managing Director (upto 6th October, 2020)
4. Shri C.S. Setty, Managing Director (Retail & Digital Banking)
5. Shri Ashwani Bhatia, Managing Director (Corporate Banking & Global Markets) (from 24th August, 2020)
6. Shri Swaminathan Janakiraman, Managing Director (Risk, Compliance and SARG) (from 28th January, 2021)
7. Shri Ashwini Kumar Tewari, Managing Director (International Banking, Technology & Subsidiaries) (from 28th January, 2021)
8. Shri Arijit Basu, Managing Director (upto 31st October, 2020)

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

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

3. Transactions and Balances

(₹ in crore)

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Outstanding as at 31st March, 2021			
Borrowings	-	-	-
	(-)	(-)	(-)
Deposit	1,351.05	-	1,351.05
	(746.45)	(-)	(746.45)
Other Liabilities	7.83	-	7.83
	(0.06)	(-)	(0.06)
Balance with Banks and Money at call and short notice	-	-	-
	(300.00)	(-)	(300.00)
Advance	1,434.76	-	1,434.76
	(113.50)	(-)	(113.50)
Investment	12,520.51	-	12,520.51
	(11,003.36)	(-)	(11,003.36)
Other Assets	150.79	-	150.79
	(212.33)	(-)	(212.33)
Non-fund commitments (LCs/ BGs)	2,935.10	-	2,935.10
	(-)	(-)	(-)

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Maximum outstanding during the year			
Borrowings	-	-	-
	(-)	(-)	(-)
Deposit	1,541.27	-	1,541.27
	(767.06)	(-)	(767.06)
Other Liabilities	7.83	-	7.83
	(0.06)	(-)	(0.06)
Balance with Banks and Money at call and short notice	-	-	-
	(300.00)	(-)	(300.00)
Advance	17,763.35	-	17,763.35
	(113.50)	(-)	(113.50)
Investment	12,520.51	-	12,520.51
	(11,003.36)	(-)	(11,003.36)
Other Assets	150.79	-	150.79
	(212.33)	(-)	(212.33)
Non-fund commitments (LCs/ BGs)	2,935.10	-	2,935.10
	(-)	(-)	(-)
During the year ended 31st March, 2021			
Interest Income	160.52	-	160.52
	(4.89)	(-)	(4.89)
Interest expenditure	18.44	-	18.44
	(0.82)	(-)	(0.82)
Income earned by way of dividend	22.61	-	22.61
	(17.88)	(-)	(17.88)
Other Income	1.00	-	1.00
	(0.74)	(-)	(0.74)
Other expenditure	-	-	-
	(-)	(-)	(-)
Profit/(loss) on sale of land/building and other assets	-	-	-
	(-)	(-)	(-)
Management contracts	-	1.50	1.50
	(-)	(1.38)	(1.38)

Figures in brackets are for Previous Year.

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

e) Accounting Standard – 19 "Leases"

Premises taken on operating lease are given below:

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

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

(₹ in crore)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Not later than 1 year	61.32	116.77
Later than 1 year and not later than 5 years	109.10	399.69
Later than 5 years	10.57	104.46
Total	180.99	620.92

(ii) Amount of lease payments recognised in the P&L Account for operating leases is ₹3,360.58 crore (₹ 3,338.32 crore).

f) Accounting Standard -20 “Earnings per Share”

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

Particulars	Current Year	Previous Year
Basic and diluted		
Number of Equity Shares outstanding at the beginning of the year	892,46,11,534	892,46,11,534
Number of Equity Shares issued during the year	Nil	Nil
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	892,46,11,534
Weighted average number of shares used in computing diluted earnings per share	892,46,11,534	892,46,11,534
Net profit / (loss) (₹ in crore)	20,410.47	14,488.11
Basic earnings per share (₹)	22.87	16.23
Diluted earnings per share (₹)	22.87	16.23
Nominal value per share (₹)	1	1

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

a. Current Tax :-

During the year the Bank has debited to Profit & Loss Account ₹10,760.88 crore (Previous Year ₹ 3,063.67 crore) on account of current tax. The Current Tax in India has been calculated in accordance with the provisions of Income Tax Act 1961 after taking appropriate relief for taxes paid in foreign jurisdictions.

b. Deferred Tax :-

During the year, ₹ 3,630.23 crore has been credited to Profit and Loss Account (Previous Year debit ₹ 7,510.99 crore) on account of deferred tax.

The Bank has a net DTA of ₹ 6,556.81 crore (Previous Year net DTA of ₹ 2,927.28 crore), which comprises of DTL of ₹ 2.46 crore (Previous Year ₹ 6.16 crore) included under ‘Other Liabilities and Provisions’ and Deferred Tax Assets (DTA) of ₹ 6,559.27 crore (Previous Year ₹ 2,933.44 crore) included under ‘Other Assets’. The major components of DTA and DTL is given below:

(₹ in crore)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Deferred Tax Assets (DTA)		
Provision for long term employee Benefits	7,918.85	6,425.50
Provision for advances	3,691.83	2,757.68
Provision for Other Assets/Other Liability	3,115.57	665.72
On Accumulated losses (including erstwhile ABs)	-	-
On Foreign Currency Translation Reserve	759.10	809.99
Depreciation on Fixed Assets	199.52	116.18
On account of Foreign Offices	275.67	253.17
Total	15,960.54	11,028.24
Deferred Tax Liabilities (DTL)		
Interest accrued but not due on Securities	5,744.73	4,563.17
Special Reserve created u/s 36(1)(viii) of Income Tax Act 1961	3,656.53	3,531.63
On account of Foreign Offices	2.46	6.16
Total	9,403.72	8,100.96
Net Deferred Tax Assets/(Liabilities)	6,556.82	2,927.28

- c) While recognising provision for income tax for the year ended 31st March 2020, the Bank had 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, the Bank had re-measured its Deferred Tax Assets based on the tax rate prescribed in the said section and has reversed the MAT credit no longer available to it. The impact of these changes was a one-time charge of ₹ 3,392.31 crore in the year ended 31st March 2020.

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

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

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

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

(Figures in brackets relate to previous year)

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

(₹ in crore)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Liabilities		
Capital & Reserves	227.35	242.72
Deposits	5.22	6.25
Borrowings	2.92	-
Other Liabilities & Provisions	55.51	59.47
Total	291.00	308.44
Assets		
Cash and Balances with RBI	2.15	1.28
Balances with Banks and money at call and short notice	132.12	88.68
Investments	67.77	104.74
Advances	-	-
Fixed Assets	18.77	32.19
Other Assets	70.20	81.55
Total	291.00	308.44
Capital Commitments	-	-
Other Contingent Liabilities	2.10	0.56
Income		
Interest earned	7.98	9.75
Other income	164.29	184.37
Total	172.27	194.12
Expenditure		
Interest expended	3.42	0.28
Operating expenses	153.99	133.69
Provisions & contingencies	13.16	14.70
Total	167.19	148.67
Profit	5.08	45.45

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

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

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

Description of Contingent liabilities:

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

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

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

The movement of provisions against contingent liabilities given in the table below:

(₹ in crore)

Particulars	Current Year	Previous Year
Opening balance	628.62	525.26
Additions during the year	2,981.22	137.17
Amount utilised during the year	68.45	5.30
Unused amount reversed during the year	111.41	28.51
Closing balance	3,429.98	628.62

18.10. Additional Disclosures

1. Provisions and Contingencies

The breakup of provisions is given in the table below :

(₹ in crore)

Break up of "Provisions and Contingencies" shown under head Expenditure in Profit and loss account	Current Year	Previous Year
Provision for Taxation		
- Current Tax	10,760.88	2,803.14
- Deferred Tax	-3,630.23	7,510.99
- Write Back/Additional Provision of Income Tax	-	260.53
Provision for Depreciation on Investments	3,014.50	538.55
Provision on Non-Performing Assets	27,269.95	42,997.50
Provision on Restructured Assets	(-) 25.60	(-) 221.54
Provision on Standard Assets	3,789.78	(-) 877.40
Other Provisions	9,964.41	632.73
Total	51,143.68	53,644.50

2. Floating Provisions

(₹ in crore)

Particulars	Current Year	Previous Year
Opening Balance	193.75	193.75
Addition during the year	-	-
Draw down during the year	-	-
Closing Balance	193.75	193.75

3. Draw down from Reserves

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

4. Disclosure of complaints

Enhanced disclosures to be made by banks on complaints and grievance redress

Summary information on complaints received by the bank from customers and from the OBOs			
SR. No	Particulars	Current year	Previous year
Complaints received by the bank from its customers			
1	Number of complaints pending at beginning of the year	1,76,057	1,39,029
2	Number of complaints received during the year	31,31,509	38,08,400
3	Number of complaints disposed during the year	31,61,286	37,71,372
3.1	Of which, number of complaints rejected by the bank	1,20,191	1,48,436
4	Number of complaints pending at the end of the year	1,46,280	1,76,057
Maintainable complaints received by the bank from OBOs			
5	Number of maintainable complaints received by the bank from OBOs	58,956	53,083
5.1	Of 5, number of complaints resolved in favour of the bank by Bos	54,680@	39,342
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Bos	12,024@	7,065
5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank	6	15
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	4

@includes 9128 complaints pending as on April 1, 2020

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in BO Scheme 2006 and covered within the ambit of the Scheme.

Top five grounds of complaints received by the bank from customers					
Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year - 2020-21					
ATM/ Debit Card	1,14,230	18,04,653	-33.25	64,100	10,946
INB/ MB	51,819	5,70,711	-9.50	43,015	22,620
Bank Charges levied	667	62,482	48.99	4,016	361
Operation of accounts	585	32,285	80.05	3,459	683
Cheque Book related	73	12,163	167.55	660	96
Others	8,683	6,49,215	54.64	31,030	350
Total	1,76,057	31,31,509	-17.77	1,46,280	35,056
Previous Year - 2019-20					
ATM/ Debit Card	1,07,785	27,03,608	-15.31	1,14,230	69,973
INB/ MB	27,753	6,30,611	79.83	51,819	29,942
Bank Charges levied	2,166	31,871	1,225.2	667	71
Operation of accounts	672	17,931	2,796.77	585	128
Cheque Book related	274	4,546	1,056.74	73	7
Others	379	4,19,833	-37.81	8,683	55
Total	1,39,029	38,08,400	-9.77	1,76,057	1,00,176

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

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

6. Letter of Comfort

The Bank has not issued any letter of comfort which are not recorded as contingent liabilities during the year ended 31st March, 2021 and 31st March, 2020.

7. Provisioning Coverage Ratio (PCR):

The Provisioning to Gross Non-Performing Assets ratio of the Bank as on 31st March, 2021 is 87.75% (Previous Year 83.62 %).

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

(₹ in crore)

Name of Company	Current Year	Previous Year
SBI Life Insurance Co. Ltd.	1,239.75	1,116.93
SBI General Insurance Co. Ltd.	327.39	314.52
NTUC and Manu life Financial Limited	0.83	0.86
Tokio Marine and ACE	1.52	2.31
Unit Trust and LIC	0.22	0.35
AIA Singapore	0.06	1.12
IFAST	0.17	-
TOTAL	1,569.95	1,436.09

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

a) Concentration of Deposits

(₹ in crore)

Particulars	Current Year	Previous Year
Total Deposits of twenty largest depositors	1,36,577.00	95,385.85
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	3.71%	2.94%

b) Concentration of Advances

(₹ in crore)

Particulars	Current Year	Previous Year
Total Advances to twenty largest borrowers	3,15,554.46	3,10,707.52
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	12.43%	12.82%

c) Concentration of Exposures

(₹ in crore)

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers/customers	4,35,690.45	5,25,714.23
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the Bank on borrowers/customers	10.63%	13.93%

d) Concentration of NPAs

(₹ in crore)

Particulars	Current Year	Previous Year
Total Exposure to top four NPA accounts	25,101.40	25,880.11

10. Sector - wise Advances

(₹ in crore)

Sr. No.	Sector	Current Year			Previous year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	Priority Sector						
1	Agriculture & allied activities	2,12,818.77	32,392.47	15.22	2,04,185.71	32,558.27	15.95
2	Industry (Micro & Small, Medium and Large)	92,993.76	11,206.95	12.05	1,01,080.54	18,738.88	18.54
3	Services	1,22,088.06	10,198.53	8.35	83,870.61	5,289.20	6.31
4	Personal Loans	1,71,541.16	2,352.84	1.37	1,66,800.34	3,131.18	1.88
	Sub-total (A)	5,99,441.75	56,150.79	9.37	5,55,937.20	59,717.53	10.74
B	Non Priority Sector						
1	Agriculture & allied activities	1,562.08	205.85	13.18	2235.29	229.81	10.28
2	Industry (Micro & Small, Medium and Large)	6,78,089.82	47,770.41	7.04	10,54,285.42	74,644.63	7.08
3	Services	5,60,186.39	17,636.56	3.15	2,21,642.21	9,686.06	4.37
4	Personal Loans	7,00,113.23	4,625.41	0.66	5,88,744.65	4,813.82	0.82
	Sub-total (B)	19,39,951.52	70,238.23	3.62	18,66,907.57	89,374.32	4.79
C	Total (A+B)	25,39,393.27	1,26,389.02	4.98	24,22,844.77	1,49,091.85	6.15

11. Overseas Assets, NPAs and Revenue

(₹ in crore)

Sr. No.	Particulars	Current Year	Previous Year
1	Total Assets	4,77,577.94	4,40,004.06
2	Total NPAs (Gross)	2,426.10	1,650.16
3	Total Revenue	9,918.98	14,842.84

12. Off-balance Sheet SPVs sponsored

Name of the SPVs Sponsored	Domestic	Overseas
Current Year	Nil	Nil
Previous Year	Nil	Nil

13. Disclosure relating to Securitisation

(₹ in crore)

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

14. Credit Default Swaps

(₹ in crore)

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

15. Intra-Group Exposures:

(₹ in crore)

Sr. No	Particulars	Current Year	Previous Year
i	Total amount of intra-group exposures	41,268.96	32,578.25
ii	Total amount of top-20 intra-group exposures	41,263.80	32,577.04
iii	Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	1.01%	0.86%
iv	Details of breach of limits on intra-group exposures and regulatory action thereon	Nil	Nil

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

(₹ in crore)

Particulars	Current Year	Previous Year
Opening balance of amounts transferred to DEA Fund	3,387.65	2,852.66
Add : Amounts transferred to DEA Fund during the year	267.30	557.22
Less : Amounts reimbursed by DEA Fund towards claims	18.54	22.23
Closing balance of amounts transferred to DEA Fund	3,636.41	3,387.65

17. Unhedged Foreign Currency Exposure

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

An amount of ₹ 116.40 crore (Previous Year ₹ 108.84 crore) was held as on 31st March 2021 towards Currency Induced Credit Risk and Capital allocated for Currency Induced Credit Risk amounts to ₹ 121.71 crore (Previous Year ₹ 28.54 crore).

18. In accordance with instructions contained in RBI circulars dated March 27, 2020 and May 23, 2020, the Bank has extended the moratorium to all borrowers of all segments. As per RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020, provisioning in respect of COVID -19 Regulatory Package is as below :-

(₹ in crore)

Particulars	Amount
Respective amounts, where the moratorium/deferment was extended (O/s as on August 31, 2020) [As a default option, Bank extended this moratorium benefit to all eligible customers]	8,21,163.83
Respective amount where asset classification benefits is extended (O/s as on August 31, 2020)	11,357.78
Provisions made during the Q4FY2020	1,172.00
Provisions made during the Q1FY2021	1,836.00
Provisions adjusted during the respective accounting periods against slippages and the residual provisions	Nil
Residual provision as on March 31, 2021 (includes ₹ 3,338.00 crore provided in Q3 and Q4 of FY 2020-21)	6,346.00

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

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

LCR has been defined as :

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

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

Quantitative Disclosure:

(₹ in crore)

LIQUIDITY COVERAGE RATIO											
State Bank of India										INR in Crs	
		Quarter ended March 31, 2021		Quarter ended December 31, 2020		Quarter ended Sept 30, 2020		Quarter ended June 30, 2020		Quarter ended March 31, 2020	
LCR COMPONENTS		Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
HIGH QUALITY LIQUID ASSETS (HQLA)											
1	Total High Quality Liquid Assets(HQLA)		1,165,122		1,164,328		1,125,701		1,079,947		892,622
CASH OUTFLOWS											
2	Retail Deposits and deposits from small business customers, of which:										
(i)	Stable deposits	829,333	41,467	822,785	41,139	508,658	25,433	324,280	16,214	315,743	15,787
(ii)	Less Stable Deposits	1,747,243	174,724	1,700,856	170,086	1,997,360	199,736	2,158,744	215,874	2,030,618	203,062
3	Unsecured wholesale funding, of which:										
(i)	Operational deposits(all counterparties)	781	195	821	205	828	207	788	197	757	189
(ii)	Non-operational deposits (all counterparties)	883,699	541,738	830,749	504,707	806,917	490,491	820,911	492,004	727,791	442,254
(iii)	Unsecured debt	0	0	0	0	0	0	0	0	0	0
4	Secured wholesale funding	139,993	1,372	18,524	1,290	3,687	3,252	7,036	6,987	1,652	18
5	Additional requirements, of which										
(i)	Outflows related to derivative exposures and other collateral requirements	152,989	152,989	139,059	139,059	131,847	131,847	118,168	118,168	156,235	156,235
(ii)	Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0	0	0
(iii)	Credit and liquidity facilities	43,125	7,326	44,632	7,105	40,845	6,639	38,630	5,837	42,467	6,050
6	Other contractual funding obligations	39,215	39,215	35,424	35,424	32,992	32,992	44,756	44,756	34,641	34,641
7	Other contingent funding obligations	610,132	22,007	597,353	21,458	587,042	21,215	554,361	20,004	556,385	19,965
8	TOTAL CASH OUTFLOWS	4,446,513	981,034	4,190,202	920,473	4,110,176	911,812	4,067,674	920,042	3,866,288	878,200
CASH INFLOWS											
9	Secured lending(eg. Reverse repos)	146,720	0	52,142	0	47,130	0	159,755	0	48,756	0
10	Inflows from fully performing exposures	236,691	211,019	233,920	207,843	182,108	172,677	186,218	174,736	241,553	221,788
11	Other cash inflows	41,962	35,399	33,674	29,632	37,666	31,934	34,734	30,101	42,453	34,750
12	TOTAL CASH INFLOWS	425,373	246,418	319,735	237,474	266,904	204,611	380,707	204,837	332,762	256,538
13	TOTAL HQLA		1,165,122		1,164,328		1,125,701		1,079,947		892,622
14	TOTAL NET CASH OUTFLOWS		734,616		682,999		707,201		715,205		621,662
15	LIQUIDITY COVERAGE RATIO(%)		158.60%		170.47%		159.18%		151.00%		143.59%

Note : In accordance with RBI Circular No. RBI/2014-15/529 DBR. No. BP.BC.80/21.06.201/2014-15 dated 31st March, 2015 guidelines, average weighted and unweighted amounts have been calculated considering simple daily average from 1st January 2017 and taking 69 days data points for the quarter January-March 2021.

Bank's LCR comes to 158.60% based on daily average of three months (Q4 FY20-21) and is above the minimum regulatory requirement of 90% (RBI reduced the minimum benchmark temporarily from 100% to 90% to contain effect of covid threat in Banking). Average HQLA held during the quarter was ₹ 11,65,122 crore, of which, Level 1 assets constituted 95.29% of total HQLA. Government securities constituted 96.63% of Total Level 1 Assets. Level 2A Assets constitutes 4.24% of total HQLA and Level 2B assets constitutes 0.47% of total HQLA. During the quarter, the HQLA level has remained flat from previous quarter. The weighted net cash outflow position has gone up by ₹ 51,617 crore on account of increase in deposits from customers classified under retail as well as wholesale segment. Derivative exposures are considered insignificant due to almost matching inflows and outflows position. During the quarter, LCR for USD (significant Foreign Currency constituting more than 5% of the Balance Sheet of the Bank) was 326.52% on average.

Liquidity Management in the Bank is driven by the ALM Policy of the Bank and regulatory prescriptions. The Domestic and International Treasuries are reporting to the Asset Liability Management Committee (ALCO). The ALCO has been empowered by the Bank's Board to formulate the Bank's funding strategies to ensure that the funding sources are well diversified and is consistent with the operational requirements of the Bank. All the major decisions of ALCO are being reported to the Bank's Board periodically. In addition to daily/monthly LCR reporting, Bank prepares daily Structural Liquidity statements to assess the liquidity needs of the Bank on an ongoing basis.

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

b. Consolidated LCR

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

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

SBI Group LCR comes out to 159.06% as on 31st March, 2021 based on average of three months January, February and March, 2021.

(₹ in crore)

GROUP LCR DISCLOSURE TEMPLATE AS ON QUARTER ENDED 31.03.2021 (January-March, 2021)											
GROUP LIQUIDITY COVERAGE RATIO											
State Bank of India Group											
(INR in Crs)											
		Quarter ended March 31, 2021		Quarter ended December 31, 2020		Quarter ended September 30, 2020		Quarter ended June 30, 2020		Quarter ended March 31, 2020	
LCR Components		Total Unweighted Value (Average)	Total weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Assets											
1	Total High Quality Liquid Assets(HQLA)		1,171,796		1,169,918		1,131,835		1,085,295		897,905
Cash Outflows											
2	Retail Deposits and deposits from small business customers, of which:										
	(i) Stable deposits	837,619	41,881	830,700	41,535	514,395	25,720	331,542	16,577	323,204	16,160
	(ii) Less Stable Deposits	1,758,476	175,848	1,711,877	171,188	2,005,385	200,539	2,168,538	216,854	2,039,846	203,985
3	Unsecured wholesale funding, of which:										
	(i) Operational deposits(all counterparties)	920	230	970	242	965	241	1,049	262	882	220
	(ii) Non-operational deposits(all counterparties)	886,157	543,301	832,914	506,169	809,090	492,092	822,780	493,240	729,630	443,520
	(iii) Unsecured debt	0	0	0	0	0	0	0	0	0	0
4	Secured wholesale funding	140,383	1,428	19,026	1,423	4,360	3,555	7,828	7,401	1,721	87
5	Additional requirements, of which										
	(i) Outflows related to derivative exposures and other collateral requirements	153,055	153,055	139,060	139,060	131,849	131,849	118,217	118,217	156,243	156,243
	(ii) Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0	0	0
	(iii) Credit and liquidity facilities	44,886	8,251	46,850	8,571	43,131	8,122	40,442	6,931	44,002	7,007
6	Other contractual funding obligations	40,907	40,907	36,392	36,392	33,887	33,887	45,669	45,669	36,069	36,069
7	Other contingent funding obligations	612,100	22,068	599,237	21,516	588,797	21,269	556,140	20,059	558,222	20,021
8	TOTAL CASH OUTFLOWS	4,474,505	986,968	4,217,026	926,096	4,131,858	917,273	4,092,204	925,210	3,889,820	883,313
Cash Inflows											
9	Secured lending(eg. Reverse repos)	146,720	0	52,142	0	47,130	0	159,755	0	48,756	0
10	Inflows from fully performing exposures	242,807	214,517	239,745	210,989	187,445	175,757	191,340	177,579	246,736	224,450
11	Other cash inflows	42,301	35,739	34,012	29,970	37,980	32,247	34,965	30,325	43,430	35,712
12	Total Cash Inflows	431,828	250,255	325,899	240,959	272,555	208,005	386,059	207,904	338,922	260,162
13	TOTAL HQLA		1,171,796		1,169,918		1,131,835		1,085,295		897,905
14	TOTAL NET CASH OUTFLOWS		736,713		685,137		709,269		717,306		623,152
15	LIQUIDITY COVERAGE RATIO(%)		159.06%		170.76%		159.58%		151.30%		144.09%

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

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

20. Fraud Reported and provision made during the year:

Out of the total frauds of ₹ 10,085.92 crore in 5,724 cases (Previous year ₹ 44,622.45 crore in 6,964 cases) reported during the year, an amount of ₹ 9,963.24 crore in 660 cases (Previous year ₹ 44,419.46 crore in 651 cases) represents advances declared as frauds. Full provision has been made for the outstanding balance as on 31st March, 2021 in respect of frauds reported during the year.

21. Inter Office Accounts

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

22. Sale of Assets to Reconstruction Companies

Shortfall on account of sale of assets to reconstruction companies during the year amounting to ₹ 10.50 crore (Previous Year ₹ 0.84 crore) has been fully charged in the current year.

23. Priority Sector Lending Certificate (PSLC)

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

(₹ in crore)

Sr. No.	Category	Current Year	Previous Year
1.	PSLC Micro Enterprises	37,405.25	47,525.75
2.	PSLC Agriculture	14,883.50	-
3.	PSLC General	10,050.00	30,451.25
4.	PSLC Small and Marginal Farmers	63,442.50	9,352.00
Total		1,25,781.25	87,329.00

The Bank did not sell any PSLC during the year ended 31st March, 2021 and 31st March, 2020.

24. Counter Cyclical Provisioning Buffer (CCPB)

RBIvideCircularNo.DOR.STR.REC.10/21.04.048/2021-22 dated 5th May 2021 on 'Utilisation of Floating Provisions/Counter Cyclical Provisioning Buffer' has allowed the banks, to utilise up to 100 percent of CCPB held by them as on 31st December 2020, for making specific provisions for Non-Performing Assets (NPAs) as per the policy approved by the Bank's Board of Directors.

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

25. As per RBI letter no. DBR No.BP.15199/21.04.048/2016-17 and DBR. No. BP. 1906/21.04.048/ 2017-18 dated 23rd June 2017 and 28th August 2017 respectively, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the bank is holding total provision of ₹ 4,479 crore (100% of total outstanding) as on 31st March, 2021 (Previous Year ₹ 5,761.46 crore {93.53% of total outstanding})

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

- ₹ 1,539.73 crore on sale of certain portion of investment in Bank's subsidiary - SBI Life Insurance Company Ltd. (Previous year ₹ 3,484.30 crore on sale of certain portion of investment in Bank's subsidiary - SBI Life Insurance Company Ltd. and ₹ 2,731.34 crore on sale of certain portion of investment in bank's subsidiary SBI Cards & Payment Services Limited)

27. Resolution of Stressed Assets

In terms of RBI circular DOR. No. BP/BC/3/21.04.048/2020-21 dated 6th August 2020, the detailed requirement as per Resolution Framework for COVID-19 related Stress during the year is :

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan (in crore)	(C) of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	13,056	2,761.74	-	-	-
Corporate persons*	42,561	2,554.53	-	64.45	1,120.57
of which, MSMEs	42,555	1,779.35	-	-	33.91
Others	-	-	-	-	-
Total	55,617	5,316.27	-	64.45	1,120.57

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

28. The spread of COVID-19 pandemic across the globe has resulted in decline in economic activities and increase in movement in financial markets. In this situation, Bank is gearing up itself on all fronts to meet the challenges. The situation continues to be uncertain and the Bank is evaluating the situation on an ongoing basis. Major challenges for the Bank could be from extended working capital cycles, fluctuating cash flow trends and probable inability of the borrowers to meet their obligations against the loans timely. The bank is proactively providing against the challenges of likely stress on the bank's assets. A definitive assessment of the impact of COVID-19 is dependent upon circumstances as they evolve in the subsequent period.
- RBI vide Notification No. RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020, subsequent notifications dated April 17, 2020 and May 23, 2020 has announced measures to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses. The measures, inter alia, includes 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.
- The bank has proactively made an additional provision towards the possible impact of COVID-19 pandemic, on the basis of the evaluation and assessment done with reference to the information now available and analysis made thereon. The said provision is in addition to the provisions held as per RBI guidelines as regards loan loss provisions. On the basis of above-mentioned assessment, Bank's management is not expecting any significant impact on Bank's liquidity or profitability.
29. To ease the financial stress caused by COVID-19 disruptions on borrowers and relax the repayment pressures, Hon'ble Supreme Court, vide order dated March 23, 2021, directed that there shall not be any charge of interest on interest / compound interest / penal interest for the period during the moratorium from March 1, 2020 to August 31, 2020 and such interest shall be refunded to the concerned borrowers to be given credit / adjusted in the next instalment of the loan amount. Accordingly, Bank has reversed interest income by ₹ 830 crore during the year ended March 31, 2021.
30. In terms of RBI Circular RBI/2015-16/376 DBR. No. BP/BC.92/21.04.048/2015-16 dated April 18, 2016 during quarter ended March 31, 2020, in respect of advance account declared as fraud, the Bank had chosen to provide for the fraud over four quarters as permitted by RBI. However, the Bank has provided the entire balance amount of ₹ 5,230.37 Crore as on March 31, 2020 in the first quarter of year ended March 31, 2021.
31. The Bank has revalued immovable properties on June 30, 2019 based on reports obtained from the external independent valuers and the closing balance of Revaluation Reserve as on March 31, 2021, (net of amount transferred to General Reserve) is ₹ 23,577.35 crore (Previous year ₹ 23,762.67 crore).
32. During the year, the Bank has accounted for ₹ 5,353.50 crore arising out of 11th Bi-Partite Wage Settlement effective from November 1, 2017.
33. The Central Board has declared a dividend of ₹4 per share @ 400% for the year ended March 31, 2021.
34. Previous year figures have been regrouped/ reclassified, wherever necessary, to confirm to current year classification. In cases where disclosures have been made for the first time in terms of RBI guidelines / Accounting Standards, previous year's figures have not been mentioned.

State Bank of India

Cash Flow Statement for the year ended 31st March, 2021

(000s omitted)

Particulars	Year ended 31.03.2021 (FY20-21) ₹	Year ended 31.03.2020 (FY19-20) ₹
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/ (Loss) before Taxes	27541,11,61	25062,76,50
Adjustments for:		
Depreciation on Fixed Assets	3317,55,25	3303,81,33
(Profit)/Loss on sale of Fixed Assets (Net)	28,58,17	28,37,38
(Profit)/Loss on revaluation of Investments (Net)	-	-
(Profit)/Loss on sale of investments in Subsidiaries / Joint Ventures / Associates	(1539,73,30)	(6215,64,59)
Provision for diminution in fair value & Non Performing Assets	27244,35,02	42775,96,26
Provision on Standard Assets	3789,78,38	(877,40,17)
Provision for depreciation on investments	3014,49,66	538,55,05
Other provisions including provision for contingencies	9964,40,51	632,73,80
Income from investment in Subsidiaries / Joint Ventures / Associates	(642,86,22)	(212,03,35)
Interest paid on Capital Instruments	5782,51,98	4781,23,16
	78500,21,06	69818,35,37
Adjustments for:		
Increase/(Decrease) in Deposits	439656,34,53	330234,72,36
Increase/ (Decrease) in Borrowings other than Capital Instruments	92135,53,47	(96690,16,61)
(Increase)/ Decrease in Investments other than investments in Subsidiaries/Joint Ventures/Associates	(305564,41,58)	(74335,04,91)
(Increase)/ Decrease in Advances	(151452,58,06)	(182188,60,56)
Increase/ (Decrease) in Other Liabilities	16516,35,43	13206,59,82
(Increase)/ Decrease in Other Assets	(77531,38,47)	(21255,66,60)
	92260,06,38	38790,18,87
Tax refund/ (Taxes paid)	(2394,52,46)	(13102,32,71)
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES A	89865,53,92	25687,86,16
CASH FLOW FROM INVESTING ACTIVITIES		
Net (Increase)/ Decrease in Investments in Subsidiaries/Joint Ventures/ Associates	(2200,76,84)	(6136,07,14)
Net Profit/(Loss) on sale of Investments in Subsidiaries / Joint Ventures / Associates	1539,73,30	6215,64,59
Income from investment in Subsidiaries / Joint Ventures / Associates	642,86,22	212,03,35
Net (Increase)/ Decrease in Fixed Assets	(3336,08,64)	(3268,37,96)
NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES B	(3354,25,96)	(2976,77,16)

(000s omitted)

Particulars	Year ended 31.03.2021 (FY20-21) ₹	Year ended 31.03.2020 (FY19-20) ₹
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	-	-
Net Issue/(redemption) of Capital Instruments (NET)	10583,16,20	8133,40,00
Interest on Capital Instruments	(4950,52,99)	(4781,23,16)
Dividends paid	-	-
NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES C	5632,63,21	3352,16,84
EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE D	(202,20,77)	2543,63,55
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C+D)	91941,70,40	28606,89,39
CASH AND CASH EQUIVALENTS AS AT 1ST APRIL 2020	251097,00,54	222490,11,15
CASH AND CASH EQUIVALENTS FOR THE YEAR ENDED ON 31ST MARCH 2021	343038,70,94	251097,00,54
Note:		
1 Components of Cash & Cash Equivalents as at:	31.03.2021	31.03.2020
Cash & Balance with RBI	213201,53,63	166735,77,90
Balances with Banks and money at call & short notice	129837,17,31	84361,22,64
	343038,70,94	251097,00,54
2 Cash Flow from operating activities is reported by using indirect method.		

Shri Ashwini Kumar Tewari
Managing Director
(International Banking,
Technology & Subsidiaries)

Shri Swaminathan J.
Managing Director
(Risk, Compliance and SARG)

Shri Ashwani Bhatia
Managing Director
(Corporate Banking &
Global Markets)

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

Directors:

Shri B. Venugopal
Dr. Pushpendra Rai
Dr Ganesh Natarajan
Shri Mrugank M Paranjape
Shri Ketan S. Vikamsey
Shri Sanjeev Maheshwari

Place:

Mumbai
New Delhi
Pune
Mumbai
Mumbai
Mumbai

Shri Dinesh Kumar Khara
Chairman

Place: Mumbai
Date : 21st May, 2021

In terms of our report of even date

For Khandelwal Jain & Co.
Chartered Accountant

Alpesh Waghela
Partner : M. No. 142058
Firm Regn. No. 105049W
Place : Mumbai

For N.C. Rajagopal & Co.
Chartered Accountants

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

For Karnavat & Co.
Chartered Accountants

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

For Umamaheswara Rao & Co.
Chartered Accountants

Krishna Sai G. H.
Partner : M. No. 233399
Firm Regn. No. 004453S
Place : Hyderabad

For Guha Nandi & Co.
Chartered Accountants

Dr. B. S. Kundu
Partner : M. No. 051221
Firm Regn. No. 302039E
Place : Kolkata

Date: May 21, 2021

For J.C. Bhalla & Co.
Chartered Accountants

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

For K. Venkatachalam Aiyer & Co.
Chartered Accountants

A Gopalakrishnan
Partner: M. No. 018159
Firm Regn. No. 004610S
Place : Kochi

For G. P. Agrawal & Co.
Chartered Accountants

Pradeep Kumar Samal
Partner : M. No. 061353
Firm Regn. No. 302082E
Place : Mumbai

For Shah Gupta & Co.
Chartered Accountants

Vipul K Choksi
Partner : M. No. 37606
Firm Regn. No. 109574W
Place : Mumbai

For Prem Gupta & Co.
Chartered Accountants

Prem Behari Gupta
Partner : M. No. 080245
Firm Regn. No. 000425N
Place : New Delhi

For O.P. Totla & Co.
Chartered Accountants

S. R. Totla
Partner : M. No. 071774
Firm Regn. No. 000734C
Place : Indore

For S. K. Kapoor & Co.
Chartered Accountants

V. B. Singh
Partner : M. No. 073124
Firm Regn. No. 000745C
Place : Kanpur

For SCV & Co. LLP
Chartered Accountants

Rajiv Puri
Partner : M. No. 084318
Firm Regn. No. 000235N/N500089
Place : New Delhi

For ASA & Associates LLP
Chartered Accountants

Parveen Kumar
Partner : M. No. 088810
Firm Regn. No. 009571N/N500006
Place : New Delhi

INDEPENDENT AUDITORS' REPORT

To

The President of India

REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS OF STATE BANK OF INDIA

Opinion

1. We have audited the accompanying Standalone Financial Statements of State Bank of India ("the Bank") which comprise the Balance Sheet as at March 31, 2021, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and Notes to Standalone Financial Statements including Significant Accounting Policies and other explanatory information in which are included returns for the year ended on that date of:

- i. The Central offices, 17 Local Head offices, Global Market Unit, International Business Group, Corporate Accounts Group (Central), Commercial Client Group (Central), Stressed Asset Resolution Group (Central), Central Accounts Offices and 42 branches audited by us;
- ii. 10766 Indian branches audited by respective Statutory Branch Auditors;
- iii. 34 Foreign branches audited by respective Local Auditors;

The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India (RBI). Also incorporated in the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement are the returns from 13965 Indian branches (including other accounting units) which have not been subjected to audit. These unaudited branches account for 9.63% of advances, 23.89% of deposits, 11.55% of interest income and 22.72% of interest expenses.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Banking Regulation Act, 1949 and State Bank of India Act, 1955 in the manner so required for the Bank and are in conformity with accounting principles generally accepted in

India and give a –

- a) true and fair view in case of the Balance Sheet, of the State of Affairs of the Bank as at March 31, 2021;
- b) true balance of profit in case of the Profit and Loss Account for the year ended on that date; and
- c) true and fair view of the cash flows, in case of the Cash Flow Statement for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing ("SAs") issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the Standalone Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

3. We draw attention to Note No. 18.10 (28) of Schedule 18 of the Standalone Financial Statements regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the Bank is evaluating the situation on an ongoing basis with respect to the challenges faced.

Our opinion is not modified in respect of this matter.

Key Audit Matters

4. Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Standalone Financial Statements for the year ended March 31, 2021. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report:

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
i	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 norms in respect of the branches allotted to us;

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>Advances constitute 54.02 per cent of the Bank's total assets. They are, inter-alia, governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the RBI from time to time which provides guidelines related to classification of Advances into performing and non- performing Advances (NPA) except in case of foreign offices, classification of advances and provisioning thereof is made as per local regulations or RBI guidelines, whichever is more stringent. The Bank classifies these Advances based on IRAC norms as per its accounting policy No. 3.</p> <p>Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS) which also identifies whether the advances are performing or non- performing.</p> <p>Further, NPA classification and calculation of provision is done through another IT System viz. Centralised Credit Data Processing (CCDP) Application Software .</p> <p>The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed.</p> <p>Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/ judgement involved in valuation of securities, it is a matter of high importance for the intended users of the Standalone Financial Statements. Considering these aspects, we have determined this as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances</p>	<p>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;</p> <p>c. Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines/ Judicial pronouncements;</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>h. We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provision;</p> <p>i. Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication.</p>
ii	<p>Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the financial statements)</p> <p>Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities.</p> <p>Investments constitute 29.81 per cent of the Bank's total assets. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of income and provision there against.</p>	<p>Our audit approach towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non performing investments (NPIs), provisioning/depreciation related to Investments. In particular ;</p> <p>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;</p> <p>b. We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments;</p> <p>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 security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample;</p>

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc. Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on valuation of investments, classification, identification of non performing investments and provisioning related to investments</p>	<p>d. We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision;</p> <p>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;</p> <p>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.</p>
iii	<p>Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt (Schedule 12 read with Note 18.9 (j) of Schedule 18 to the financial statements) :</p> <p>There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/interpretation of law involved.</p>	<p>Our audit approach involved:</p> <p>a. Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances;</p> <p>b. Understanding the current status of the litigations/tax assessments;</p> <p>c. Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon;</p> <p>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;</p> <p>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</p> <p>f. Verification of disclosures related to significant litigations and taxation matters.</p>
iv	<p>Modified Audit Procedures carried out in the light of continuing COVID-19 pandemic:</p> <p>Due to the continuing COVID-19 pandemic, lockdown declared by some of the State Governments and travel restrictions imposed by State Governments / Local Authorities during the period of our audit and the RBI directions to Bank to facilitate carrying out audit remotely wherever physical access was not possible, audit could not be conducted by visiting the premises of certain Branches / LHOs/ Business Units in the Corporate Office of the bank.</p>	<p>Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to the Branches/ Circle /Administrative /Corporate Offices and carry out the audit processes physically at the respective offices.</p> <p>Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us by the Bank through digital medium, emails and remote access to CBS, CCDP and other relevant application software. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p>

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>As we could not gather audit evidence in person/ physically/ through discussions and personal interactions with the officials at the Branches/Circle / Administrative /Corporate Offices, either fully or partially, we have identified such modified audit procedures as a Key Audit Matter.</p> <p>Accordingly, our audit procedures were modified to carry out the audit remotely.</p>	<p>Accordingly, we modified our audit procedures for control testing and substantive testing which included the following:</p> <ol style="list-style-type: none"> 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 Standalone 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 which we obtained at the time of issue of this report. The Other Information also includes Directors' Report including annexures in Annual Report, but does not include the Standalone Financial Statements and our Auditors' Report thereon, which is expected to be made available to us after the date of this Auditors' Report.

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

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

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

When we read the Directors' Report, including annexures in Annual Report, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Those Charged with Governance.

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

6. The Bank's Board of Directors is responsible with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India including the Accounting Standards issued by ICAI to the extent applicable, and provisions of Section 29 of the Banking Regulation Act, 1949, the State Bank of India Act, 1955 and circulars and guidelines issued by RBI from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the above mentioned Acts for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider

quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

8. We did not audit the financial statements / information of 10842 branches included in the Standalone Financial Statements of the Bank whose financial statements/ financial information reflects total assets of ₹ 34,44,485 crore at March 31, 2021 and total revenue of ₹ 2,83,673 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 our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

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

Report on Other Legal and Regulatory Requirements

9. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949; and these give information as required to be given by virtue of the provisions of the State Bank of India Act, 1955 and regulations there under.

Subject to the limitations of the audit indicated in paragraphs 6 and 7 above and as required by the State Bank of India Act, 1955, and subject also to the limitations of disclosure required therein and as required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were

necessary for the purposes of our audit and have found them to be satisfactory;

- b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
 - c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
10. We further report that:
- a) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - b) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
 - c) the reports on the accounts of the branch offices audited by branch auditors of the Bank as per the provisions of the section 29 of the Banking Regulation Act, 1949, and the State Bank of India Act, 1955 have been sent to us and have been properly dealt with by us in preparing this report; and
 - d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

11. As required by letter No. DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:

- a) In our opinion, the aforesaid Standalone Financial Statements comply with the applicable Accounting Standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
- b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Bank.
- c) On the basis of the written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013.
- d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.

Our report on the adequacy and operating effectiveness of the Bank's Internal Financial Controls over Financial Reporting is given in Annexure – A to this report expressing an unmodified opinion on the Bank's Internal Financial Control over Financial Reporting with reference to the Standalone Financial Statements as at 31st March, 2021.

For Khandelwal Jain & Co.

Chartered Accountant

Alpesh Waghela
Partner : M. No. 142058

Firm Regn. No. 105049W

UDIN: 21142058AAAAABE1120

Place : Mumbai

For N.C. Rajagopal & Co.

Chartered Accountants

V. Chandrasekaran
Partner : M. No. 024844

Firm Regn. No. 003398S

UDIN: 21024844AAAAADT9538

Place : Chennai

For Karnavat & Co.

Chartered Accountants

Viral Joshi
Partner : M. No. 137686

Firm Regn. No. 104863W

UDIN: 21137686AAAAAFM3076

Place : Mumbai

For Umamaheswara Rao & Co.

Chartered Accountants

Krishna Sai G. H.
Partner : M. No. 233399

Firm Regn. No. 004453S

UDIN: 21233399AAAAACR3981

Place : Hyderabad

For Guha Nandi & Co.

Chartered Accountants

Dr. B. S. Kundu
Partner : M. No. 051221

Firm Regn. No. 302039E

UDIN: 21051221AAAAAS1521

Place : Kolkata

For J.C. Bhalla & Co.

Chartered Accountants

Rajesh Sethi
Partner : M. No. 085669

Firm Regn. No. 001111N

UDIN: 21085669AAAAACE6795

Place : New Delhi

For K. Venkatachalam Aiyer & Co.

Chartered Accountants

A Gopalakrishnan
Partner: M. No. 018159

Firm Regn. No. 004610S

UDIN: 21018159AAAAAF3469

Place : Kochi

For G. P. Agrawal & Co.

Chartered Accountants

Pradeep Kumar Samal
Partner : M. No. 061353

Firm Regn. No. 302082E

UDIN: 21061353AAAAABN8991

Place : Mumbai

For Shah Gupta & Co.

Chartered Accountants

Vipul K Choksi
Partner : M. No. 37606

Firm Regn. No. 109574W

UDIN: 21037606AAAAABQ5184

Place : Mumbai

For Prem Gupta & Co.

Chartered Accountants

Prem Behari Gupta
Partner : M. No. 080245

Firm Regn. No. 000425N

UDIN: 21080245AAAAAH9049

Place : New Delhi

For O.P. Totla & Co.

Chartered Accountants

S. R. Totla
Partner : M. No. 071774

Firm Regn. No. 000734C

UDIN: 21071774AAAAAAL5810

Place : Indore

For S. K. Kapoor & Co.

Chartered Accountants

V. B. Singh
Partner : M. No. 073124

Firm Regn. No. 000745C

UDIN: 21073124AAAAACR7419

Place : Kanpur

For SCV & Co. LLP

Chartered Accountants

Rajiv Puri
Partner : M. No. 084318

Firm Regn.No. 000235N/N500089

UDIN: 21084318AAAAABR6227

Place : New Delhi

For ASA & Associates LLP

Chartered Accountants

Parveen Kumar
Partner : M. No. 088810

Firm Regn. No. 009571N/N500006

UDIN: 21088810AAAAABW4076

Place : New Delhi

Date: May 21, 2021

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 11(e) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date) Report on the Internal Financial Controls Over Financial Reporting as required by the Reserve Bank of India (the “RBI”) Letter DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) (the “RBI communication”)

We have audited the internal financial controls over financial reporting of State Bank of India (“the Bank”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date which includes internal financial controls over financial reporting of the Bank’s branches.

Management’s Responsibility for Internal Financial Controls

The Bank’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Bank’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (the “ICAI”) and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls Over Financial Reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank’s internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Bank’s internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank’s internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorizations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Bank’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors referred to in the Other Matters paragraph below, the Bank has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on “the criteria for internal control over financial reporting established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI”.

Other Matters

Our aforesaid report in so far as it relates to the operating effectiveness of internal financial controls over financial reporting of 576 branches is based on the corresponding reports of the respective branch auditors of those branches.

Our opinion is not modified in respect of this matter.

For Khandelwal Jain & Co.

Chartered Accountant

Alpesh Waghela**Partner : M. No.** 142058**Firm Regn. No.** 105049W

UDIN: 21142058AAAAABE1120

Place : Mumbai

For N.C. Rajagopal & Co.

Chartered Accountants

V. Chandrasekaran**Partner : M. No.** 024844**Firm Regn. No.** 003398S

UDIN: 21024844AAAAADT9538

Place : Chennai

For Karnavat & Co.

Chartered Accountants

Viral Joshi**Partner : M. No.** 137686**Firm Regn. No.** 104863W

UDIN: 21137686AAAAAFM3076

Place : Mumbai

For Umamaheswara Rao & Co.

Chartered Accountants

Krishna Sai G. H.**Partner : M. No.** 233399**Firm Regn. No.** 004453S

UDIN: 21233399AAAAACR3981

Place : Hyderabad

For Guha Nandi & Co.

Chartered Accountants

Dr. B. S. Kundu**Partner : M. No.** 051221**Firm Regn. No.** 302039E

UDIN: 21051221AAAAAS1521

Place : Kolkata

For J.C. Bhalla & Co.

Chartered Accountants

Rajesh Sethi**Partner : M. No.** 085669**Firm Regn. No.** 001111N

UDIN: 21085669AAAAACE6795

Place : New Delhi

For K. Venkatachalam Aiyer & Co.

Chartered Accountants

A Gopalakrishnan**Partner: M. No.** 018159**Firm Regn. No.** 004610S

UDIN: 21018159AAAAAF3469

Place : Kochi

For G. P. Agrawal & Co.

Chartered Accountants

Pradeep Kumar Samal**Partner : M. No.** 061353**Firm Regn. No.** 302082E

UDIN: 21061353AAAAABN8991

Place : Mumbai

For Shah Gupta & Co.

Chartered Accountants

Vipul K Choksi**Partner : M. No.** 37606**Firm Regn. No.** 109574W

UDIN: 21037606AAAAABQ5184

Place : Mumbai

For Prem Gupta & Co.

Chartered Accountants

Prem Behari Gupta**Partner : M. No.** 080245**Firm Regn. No.** 000425N

UDIN: 21080245AAAAAH9049

Place : New Delhi

For O.P. Totla & Co.

Chartered Accountants

S. R. Totla**Partner : M. No.** 071774**Firm Regn. No.** 000734C

UDIN: 21071774AAAAAAL5810

Place : Indore

For S. K. Kapoor & Co.

Chartered Accountants

V. B. Singh**Partner : M. No.** 073124**Firm Regn. No.** 000745C

UDIN: 21073124AAAAACR7419

Place : Kanpur

For SCV & Co. LLP

Chartered Accountants

Rajiv Puri**Partner : M. No.** 084318**Firm Regn.No.** 000235N/N500089

UDIN: 21084318AAAAABR6227

Place : New Delhi

For ASA & Associates LLP

Chartered Accountants

Parveen Kumar**Partner : M. No.** 088810**Firm Regn. No.** 009571N/N500006

UDIN: 21088810AAAAABW4076

Place : New Delhi

Date: May 21, 2021