

State Bank of India

Balance Sheet as on 31st March, 2018

(000s omitted)

	Schedule No.	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
CAPITAL AND LIABILITIES			
Capital	1	892,45,88	797,35,04
Reserves & Surplus	2	218236,10,15	187488,71,22
Deposits	3	2706343,28,50	2044751,39,47
Borrowings	4	362142,07,45	317693,65,83
Other Liabilities and Provisions	5	167138,07,68	155235,18,85
TOTAL		3454751,99,66	2705966,30,41
ASSETS			
Cash and Balances with Reserve Bank of India	6	150397,18,14	127997,61,77
Balances with Banks and money at call and short notice	7	41501,46,05	43974,03,21
Investments	8	1060986,71,50	765989,63,09
Advances	9	1934880,18,91	1571078,38,11
Fixed Assets	10	39992,25,11	42918,91,79
Other Assets	11	226994,19,95	154007,72,44
TOTAL		3454751,99,66	2705966,30,41
Contingent Liabilities	12	1162020,69,30	1046440,93,19
Bills for Collection	-	74027,90,24	65640,42,04
Significant Accounting Policies	17		
Notes to Accounts	18		

Schedules referred to above form an integral part of the Balance sheet

Signed by:

Shri Dinesh Kumar Khara
Managing Director
(Risk, IT & Subsidiaries)

Shri P. K. Gupta
Managing Director
(Retail & Digital Banking)

Shri B. Sriram
Managing Director
(Corporate & Global Banking)

Directors:

Dr. Purnima Gupta
Shri Sanjiv Malhotra
Shri Basant Seth
Dr. Girish Kumar Ahuja
Shri Chandan Sinha
Dr. Pushpendra Rai
Shri Bhaskar Pramanik

Shri Rajnish Kumar
Chairman

Place: Mumbai**Date: 22nd May, 2018**

In terms of our report of even date

For VARMA & VARMA

Chartered Accountants

P R PRASANNA VARMA

Partner : M. No.025854
Firm Regn. No. 004532 S

For GSA & ASSOCIATES

Chartered Accountants

SUNIL AGGARWAL

Partner: M. No.083899
Firm Regn. No. 000257 N

For AMIT RAY & CO.

Chartered Accountants

BASUDEB BANERJEE

Partner : M. No.070468
Firm Regn. No. 000483 C

For RAO & KUMAR

Chartered Accountants

K. CH. S. GURU PRASAD

Partner : M. No.215652
Firm Regn. No. 003089 S

For CHATURVEDI & SHAH

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Firm Regn. No. 000709 C

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Partner : M. No. 201825
Firm Regn. No. 000511 S

For S K MITTAL & CO.

Chartered Accountants

S. K. MITTAL

Partner : M. No. 008506
Firm Regn. No. 001135 N

For M BHASKARA RAO & CO.

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M V RAMANA MURTHY

Partner : M. No. 206439
Firm Regn. No. 000459 S

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R.C. PANDEY

Partner : M. No. 070811
Firm Regn. No. 001113N/N500079

For MITTAL GUPTA & CO.

Chartered Accountants

AKSHAY KUMAR GUPTA

Partner : M. No. 070744
Firm Regn. No. 001874 C

For RAY & RAY

Chartered Accountants

ABHIJIT NEOGI

Partner: M. No. 61380
Firm Regn. No. 301072 E

Place : Mumbai

Date : 22nd May, 2018

Schedules

Schedule 1 - Capital

(000s omitted)

	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (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 797,43,25,472 equity shares of ₹ 1 each)	892,54,05	797,43,25
Subscribed and Paid-up Capital : 892,45,87,534 equity shares of ₹ 1 each (Previous Year 797,35,04,442 equity shares of ₹ 1 each) [The above includes 12,62,48,980 equity shares of ₹ 1 each (Previous Year 12,70,16,300 equity shares of ₹ 1 each) represented by 1,26,24,898 (Previous Year 1,27,01,630) Global Depository Receipts]	892,45,88	797,35,04
TOTAL	892,45,88	797,35,04

Schedule 2 - Reserves & Surplus

(000s omitted)

	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
I. Statutory Reserves		
Opening Balance	53969,83,67	50824,60,59
Additions during the year	11367,14,70	3145,23,08
Deductions during the year	-	-
	65336,98,37	53969,83,67
II. Capital Reserves		
Opening Balance	3688,17,59	2194,78,95
Additions during the year	5703,48,29	1493,38,64
Deductions during the year	-	-
	9391,65,88	3688,17,59
III. Share Premium		
Opening Balance	55423,23,36	49769,47,71
Additions during the year	23718,58,11	5659,92,72
Deductions during the year	17,59,96	6,17,07
	79124,21,51	55423,23,36
IV. Foreign Currency Translation Reserve		
Opening Balance	4428,63,94	6056,24,72
Additions during the year	1482,65,84	-
Deductions during the year	190,71,05	1627,60,78
	5720,58,73	4428,63,94

(000s omitted)

	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
V. Revenue and Other Reserves*		
Opening Balance	38392,85,99	34652,72,18
Additions during the year	14888,94,48	3740,13,81
Deductions during the year	4388,56,60	-
	48893,23,87	38392,85,99
VI. Revaluation Reserve		
Opening Balance	31585,64,99	-
Additions during the year	4670,63,97	31895,24,17
Deductions during the year	11408,30,31	309,59,18
	24847,98,65	31585,64,99
VII. Balance of Profit and Loss Account	(15078,56,86)	31,68
* 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 ₹ 13421,76,76 thousand (Previous Year ₹ 10177,67,23 thousand)		
(iii) Investment Reserves Current Year Nil (Previous Year ₹ 1082,97,82 thousand)		
TOTAL	218236,10,15	187488,71,22

Additions during the year includes receipt from erstwhile ABs and BMBL on acquisition

Schedule 3 - Deposits

(000s omitted)

	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
A. I. Demand Deposits		
(i) From Banks	5326,82,76	5507,43,88
(ii) From Others	184847,05,92	146913,66,68
II. Savings Bank Deposits	1013774,47,09	758961,38,54
III. Term Deposits		
(i) From Banks	15218,78,64	19561,05,68
(ii) From Others	1487176,14,09	1113807,84,69
TOTAL	2706343,28,50	2044751,39,47
B I. Deposits of Branches in India	2599393,43,21	1953300,08,27
II. Deposits of Branches outside India	106949,85,29	91451,31,20
TOTAL	2706343,28,50	2044751,39,47

Schedule 4 - Borrowings

	(000s omitted)	
	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
I. Borrowings in India		
(i) Reserve Bank of India	94252,00,00	5000,00,00
(ii) Other Banks	1603,85,43	1475,00,00
(iii) Other Institutions and Agencies	2411,83,26	69489,26,76
(iv) Capital Instruments :		
a. Innovative Perpetual Debt Instruments (IPDI)	11835,00,00	9265,00,00
b. Subordinated Debt	32540,83,80	32406,33,80
	44375,83,80	41671,33,80
TOTAL	142643,52,49	117635,60,56
II. Borrowings outside India		
(i) Borrowings and Refinance outside India	217543,29,96	194059,42,77
(ii) Capital Instruments :		
Innovative Perpetual Debt Instruments (IPDI)	1955,25,00	5998,62,50
TOTAL	219498,54,96	200058,05,27
GRAND TOTAL	362142,07,45	317693,65,83
Secured Borrowings included in I & II above	106637,02,05	77576,26,94

Schedule 5 - Other Liabilities & Provisions

	(000s omitted)	
	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
I. Bills payable	26617,74,90	26666,84,28
II. Inter-office adjustments (Net)	40734,57,50	35645,54,15
III. Interest accrued	16279,62,96	13080,91,99
IV. Deferred Tax Liabilities (Net)	2,80,59	2989,77,14
V. Others (including provisions)*	83503,31,73	76852,11,29
* Includes prudential provision for Standard Assets ₹ 12499,46,35 thousand (Previous Year ₹ 13678,23,56 thousand)		
TOTAL	167138,07,68	155235,18,85

Schedule 6 - Cash and Balances with Reserve Bank of India

	(000s omitted)	
	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
I. Cash in hand (including foreign currency notes and gold)	15472,42,20	12030,31,17
II. Balance with Reserve Bank of India		
(i) In Current Account	134924,75,94	115967,30,60
(ii) In Other Accounts	-	-
TOTAL	150397,18,14	127997,61,77

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

(000s omitted)

	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
I. In India		
(i) Balances with banks		
(a) In Current Accounts	48,59,90	190,86,27
(b) In Other Deposit Accounts	-	-
(ii) Money at call and short notice		
(a) With banks	1614,44,26	6743,00,00
(b) With other institutions	-	-
TOTAL	1663,04,16	6933,86,27
II. Outside India		
(i) In Current Accounts	28528,09,13	22807,45,51
(ii) In Other Deposit Accounts	1226,43,94	4454,77,98
(iii) Money at call and short notice	10083,88,82	9777,93,45
TOTAL	39838,41,89	37040,16,94
GRAND TOTAL (I and II)	41501,46,05	43974,03,21

Schedule 8 - Investments

(000s omitted)

	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
I. Investments in India in :		
(i) Government Securities	848395,84,44	575238,70,65
(ii) Other approved securities	-	-
(iii) Shares	10516,69,01	5445,69,97
(iv) Debentures and Bonds	77962,93,46	59847,40,25
(v) Subsidiaries and/or Joint Ventures (including Associates)	5077,97,43	11363,45,35
(vi) Others (Units of Mutual Funds, Commercial Papers etc.)	72882,56,59	72363,63,94
TOTAL	1014836,00,93	724258,90,16
II. Investments outside India in :		
(i) Government Securities (including local authorities)	10520,45,85	8821,01,82
(ii) Subsidiary and/or Joint Ventures abroad	2712,22,30	2643,75,00
(iii) Other Investments (Shares, Debentures etc.)	32918,02,42	30265,96,11
TOTAL	46150,70,57	41730,72,93
GRAND TOTAL (I and II)	1060986,71,50	765989,63,09
III. Investments in India :		
(i) Gross Value of Investments	1026438,36,91	725421,41,68
(ii) Less: Aggregate of Provisions / Depreciation	11602,35,98	1162,51,52
(iii) Net Investments (vide I above) TOTAL	1014836,00,93	724258,90,16
IV. Investments outside India :		
(i) Gross Value of Investments	46658,94,18	41815,76,58
(ii) Less: Aggregate of Provisions / Depreciation	508,23,61	85,03,65
(iii) Net Investments (vide II above) TOTAL	46150,70,57	41730,72,93
GRAND TOTAL (III and IV)	1060986,71,50	765989,63,09

Schedule 9 - Advances

	(000s omitted)	
	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
A. I. Bills purchased and discounted	67613,55,55	73997,86,42
II. Cash credits, overdrafts and loans repayable on demand	746252,38,11	605016,33,99
III. Term loans	1121014,25,25	892064,17,70
TOTAL	1934880,18,91	1571078,38,11
B. I. Secured by tangible assets (includes advances against Book Debts)	1505988,72,17	1206185,33,70
II. Covered by Bank/ Government Guarantees	68651,16,60	82006,91,83
III. Unsecured	360240,30,14	282886,12,58
TOTAL	1934880,18,91	1571078,38,11
C. I. Advances in India		
(i) Priority Sector	448358,95,60	341257,50,06
(ii) Public Sector	161939,24,46	121630,62,69
(iii) Banks	2845,19,97	1404,44,69
(iv) Others	1023464,39,00	823349,18,79
TOTAL	1636607,79,03	1287641,76,23
II. Advances outside India		
(i) Due from banks	77109,63,56	87802,75,38
(ii) Due from others		
(a) Bills purchased and discounted	14539,04,35	11672,61,58
(b) Syndicated loans	120685,86,16	101077,74,18
(c) Others	85937,85,81	82883,50,74
TOTAL	298272,39,88	283436,61,88
GRAND TOTAL [C (I) and C (II)]	1934880,18,91	1571078,38,11

Schedule 10 - Fixed Assets

	(000s omitted)	
	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
I. Premises (including Revalued Premises)		
At cost as on 31 st March of the preceding year	35961,29,86	3634,58,00
Additions:		
- during the year	1056,24,24	435,79,61
- for Revaluation	4477,39,82	31895,24,17
Deductions during the year	11293,40,10	4,31,92
Depreciation to date:		
- on cost	614,08,31	579,15,77
- on Revaluation	308,66,78	309,59,18
	29278,78,73	35072,54,91
II. Other Fixed Assets (including furniture and fixtures)		
At cost as on 31 st March of the preceding year	21856,35,33	19551,20,04
Additions during the year	9232,65,68	2708,13,72
Deductions during the year	974,10,05	402,98,43
Depreciation to date	20192,98,49	14583,91,16
	9921,92,47	7272,44,17

(000s omitted)

	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
III. Leased Assets		
At cost as on 31 st March of the preceding year	-	-
Additions during the year	-	-
Deductions during the year	-	-
Depreciation to date including provision	-	-
	-	-
IV. Assets under Construction (Including Premises)	791,53,91	573,92,71
TOTAL (I, II, III & IV)	39992,25,11	42918,91,79

Additions during the year includes receipt from erstwhile ABs and BMBL on acquisition

Schedule 11 - Other Assets

(000s omitted)

	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
I. Inter-Office adjustments (net)	-	-
II. Interest accrued	25714,46,61	18658,87,85
III. Tax paid in advance / tax deducted at source	17546,11,08	8814,18,05
IV. Deferred Tax Assets (Net)	11368,79,19	427,90,49
V. Stationery and Stamps	107,05,92	90,80,91
VI. Non-banking assets acquired in satisfaction of claims	4,64,72	3,91,00
VII. Others*	172253,12,43	126012,04,14
*Includes Deposits placed with NABARD/SIDBI/NHB amounting to ₹ 95643,16,91 thousand (Previous Year ₹ 59407,22,13 thousand)		
TOTAL	226994,19,95	154007,72,44

Schedule 12 - Contingent Liabilities

(000s omitted)

	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
I. Claims against the bank not acknowledged as debts	35153,03,00	28971,02,14
II. Liability for partly paid investments / Venture Funds	619,44,30	599,95,40
III. Liability on account of outstanding forward exchange contracts	644102,45,28	572601,53,62
IV. Guarantees given on behalf of constituents		
(a) In India	148866,54,48	131207,73,38
(b) Outside India	67469,26,89	71152,10,81
V. Acceptances, endorsements and other obligations	121238,94,74	100059,57,31
VI. Other items for which the bank is contingently liable*	144571,00,61	141849,00,53
*Includes Derivatives ₹ 141154,40,39 thousand (Previous Year ₹ 139669,75,58 thousand)		
TOTAL	1162020,69,30	1046440,93,19

State Bank of India

Profit and Loss Account for the year ended 31st March, 2018

(000s omitted)

	Schedule No.	Year ended 31.03.2018 (Current Year) ₹	Year ended 31.03.2017 (Previous Year) ₹
I. INCOME			
Interest earned	13	220499,31,56	175518,24,04
Other Income	14	44600,68,71	35460,92,75
TOTAL		265100,00,27	210979,16,79
II. EXPENDITURE			
Interest expended	15	145645,60,00	113658,50,34
Operating expenses	16	59943,44,64	46472,76,94
Provisions and contingencies		66058,41,00	40363,79,25
TOTAL		271647,45,64	200495,06,53
III. PROFIT			
Net Profit/ (Loss) for the year		(6547,45,37)	10484,10,26
Add: Profit brought forward		31,68	31,68
Loss of eABs & BMB on amalgamation		(6407,68,97)	-
TOTAL		(12954,82,66)	10484,41,94
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		-	3145,23,08
Transfer to Capital Reserve		3288,87,88	1493,38,64
Transfer to Revenue and other Reserves		(1165,13,68)	3430,54,64
Dividend for the current year		-	2108,56,29
Tax on Dividend for the Current year		-	306,37,61
Balance carried over to Balance Sheet		(15078,56,86)	31,68
TOTAL		(12954,82,66)	10484,41,94
Basic Earnings per Share		₹-7.67	₹ 13.43
Diluted Earnings per Share		₹-7.67	₹ 13.43
Significant Accounting Policies	17		
Notes to Accounts	18		

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

Signed by:

Shri Dinesh Kumar Khara
Managing Director
(Risk, IT & Subsidiaries)

Shri P. K. Gupta
Managing Director
(Retail & Digital Banking)

Shri B. Sriram
Managing Director
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Directors:

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Shri Sanjiv Malhotra
Shri Basant Seth
Dr. Girish Kumar Ahuja
Shri Chandan Sinha
Dr. Pushpendra Rai
Shri Bhaskar Pramanik

Shri Rajnish Kumar
Chairman

Place: Mumbai

Date: 22nd May, 2018

In terms of our report of even date

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Chartered Accountants

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Firm Regn. No. 001874 C

For RAY & RAY

Chartered Accountants

ABHIJIT NEOGI

Partner: M. No. 61380

Firm Regn. No. 301072 E

Place : Mumbai

Date : 22nd May, 2018

Schedule 13 - Interest Earned

	(000s omitted)	
	Year ended 31.03.2018 (Current Year) ₹	Year ended 31.03.2017 (Previous Year) ₹
I. Interest / discount on advances / bills	141363,16,78	119510,00,30
II. Income on investments	70337,61,67	48205,30,54
III. Interest on balances with Reserve Bank of India and other inter-bank funds	2249,99,69	1753,46,71
IV. Others	6548,53,42	6049,46,49
TOTAL	220499,31,56	175518,24,04

Schedule 14 - Other Income

	(000s omitted)	
	Year ended 31.03.2018 (Current Year) ₹	Year ended 31.03.2017 (Previous Year) ₹
I. Commission, exchange and brokerage	22996,80,04	16276,57,34
II. Profit / (Loss) on sale of investments (Net) ¹	13423,34,83	10749,61,95
III. Profit / (Loss) on revaluation of investments (Net)	(1120,61,02)	-
IV. Profit / (Loss) on sale of land, building and other assets (Net)	(30,03,00)	(37,05,48)
V. Profit / (Loss) on exchange transactions (Net)	2484,59,52	2388,44,90
VI. Income earned by way of dividends, etc., from subsidiaries/ companies and/ or joint ventures abroad/ in India	448,51,70	688,35,40
VII. Income from finance lease	-	-
VIII. Miscellaneous Income ²	6398,06,64	5394,98,64
TOTAL	44600,68,71	35460,92,75

¹ Profit/ (Loss) on sale of investments (Net) includes exceptional item of ₹ 5436.17 crore (Previous year nil).

² Miscellaneous Income includes Recoveries made in write-off accounts ₹ 5333.20 crore (Previous year ₹ 3476.94 crore).

Schedule 15 - Interest Expended

	(000s omitted)	
	Year ended 31.03.2018 (Current Year) ₹	Year ended 31.03.2017 (Previous Year) ₹
I. Interest on deposits	135725,70,41	105598,75,22
II. Interest on Reserve Bank of India/ Inter-bank borrowings	5312,42,79	3837,46,97
III. Others	4607,46,80	4222,28,15
TOTAL	145645,60,00	113658,50,34

Schedule 16 - Operating Expenses

	(000s omitted)	
	Year ended 31.03.2018 (Current Year) ₹	Year ended 31.03.2017 (Previous Year) ₹
I. Payments to and provisions for employees	33178,67,95	26489,28,01
II. Rent, taxes and lighting	5140,43,15	3956,86,26
III. Printing & Stationery	518,13,63	411,17,79
IV. Advertisement and publicity	358,32,54	281,13,58
V. Depreciation on Bank's property	2919,46,63	2293,30,95
VI. Directors' fees, allowances and expenses	61,93	86,12
VII. Auditors' fees and expenses (including branch auditors' fees and expenses)	289,18,07	216,10,88
VIII. Law charges	199,03,48	189,56,07
IX. Postages, Telegrams, Telephones, etc.	867,03,65	759,95,19
X. Repairs and maintenance	826,93,29	639,75,29
XI. Insurance	2759,88,05	1929,23,12
XII. Other expenditure	12885,72,27	9305,53,68
TOTAL	59943,44,64	46472,76,94

Schedule 17- Significant Accounting Policies:

A. Basis of Preparation:

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

B. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on 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. Future results could differ from these estimates.

C. Significant Accounting Policies:

1. Revenue recognition:

- 1.1 Income and expenditure are accounted on accrual basis, except otherwise stated. As regards Bank's foreign offices, income and expenditure are recognised as per the local laws of the country in which the respective foreign office is located.
- 1.2 Interest/ Discount income is recognised in the Profit and Loss Account as it accrues except: (i) income from Non-Performing Assets (NPAs), comprising of advances, leases and investments, which is recognised upon realisation, as per the prudential norms prescribed by the RBI/ respective country regulators in the case of foreign offices (hereafter collectively referred to as Regulatory Authorities), (ii) overdue interest on investments and bills discounted, (iii) Income on Rupee Derivatives designated as "Trading", which are accounted on realisation.
- 1.3 Profit or Loss on sale of investments is recognised in the Profit and Loss Account. However, the profit on sale of investments in the "Held to Maturity" category is appropriated (net of applicable taxes and amount required to be transferred to statutory reserve) to "Capital Reserve Account".
- 1.4 Income from finance leases is calculated by applying the interest rate implicit in the lease to the net investment outstanding in the lease, over the primary lease period. Leases effective from April 1, 2001 are accounted as advances at an amount equal to the net investment in the lease as per Accounting Standard 19 – "Leases" issued by ICAI. The lease rentals are apportioned between principal and finance income based on a pattern reflecting a constant periodic return on the net investment outstanding in respect of finance leases. The

principal amount is utilized for reduction in balance of net investment in lease and finance income is reported as interest income.

- 1.5 Income (other than interest) on investments in "Held to Maturity (HTM)" category acquired at a discount to the face value, is recognised as follows :
 - a. On Interest bearing securities, it is recognised only at the time of sale/ redemption.
 - b. On zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.
- 1.6 Dividend income is recognised when the right to receive the dividend is established.
- 1.7 Commission on LC/ BG, Deferred Payment Guarantee, Government Business, ATM interchange fee & "Upfront fee on restructured account" are recognised on accrual basis proportionately for the period. All other commission and fee income are recognised on their realisation.
- 1.8 One time Insurance Premium paid under Special Home Loan Scheme (December 2008 to June 2009) is amortised over average loan period of 15 years.
- 1.9 Brokerage, Commission etc. paid/ incurred in connection with issue of Bonds/ Deposits are amortized over the tenure of the related Bonds/ Deposits and the expenses incurred in connection with the issue are charged upfront.
- 1.10 The sale of NPA is accounted as per guidelines prescribed by RBI :
 - i. When the bank sells its financial assets to Securitisation Company (SC)/ Reconstruction Company (RC), the same is removed from the books.
 - ii. If the sale is at a price below the net book value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of sale.
 - iii. If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received, as permitted by the RBI.

2. Investments:

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

2.1 Classification:

Investments are classified into three categories, viz. Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) as per RBI Guidelines

2.2 Basis of classification:

- i. Investments that the Bank intends to hold till maturity are classified as "Held to Maturity (HTM)".
- ii. Investments that are held principally for resale within 90 days from the date of purchase are classified as "Held for Trading (HFT)".

- iii. Investments, which are not classified in the above two categories, are classified as "Available for Sale (AFS)".
- iv. An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.
- v. Investments in subsidiaries, joint ventures and associates are classified as HTM.

2.3 Valuation:

- i. In determining the acquisition cost of an investment:
 - (a) Brokerage/commission received on subscriptions is reduced from the cost.
 - (b) Brokerage, Commission, Securities Transaction Tax (STT) etc., paid in connection with acquisition of investments are expensed upfront and excluded from cost.
 - (c) Broken period interest paid / received on debt instruments is treated as interest expense/ income and is excluded from cost/ sale consideration.
 - (d) Cost is determined on the weighted average cost method for investments under AFS and HFT category and on FIFO basis (first in first out) for investments under HTM category.
- ii. Transfer of securities from HFT/AFS category to HTM category is carried out at the lower of acquisition cost/book value/market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for. However, transfer of securities from HTM category to AFS category is carried out on acquisition price/book value. After transfer, these securities are immediately revalued and resultant depreciation, if any, is provided.
- iii. Treasury Bills and Commercial Papers are valued at carrying cost.
- iv. Held to Maturity category:
 - a) Investments under Held to Maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period of remaining maturity on constant yield basis. Such amortisation of premium is adjusted against income under the head "interest on investments".
 - b) Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at historical cost. A provision is made for diminution, other than temporary, for each investment individually.
 - c) Investments in Regional Rural Banks are valued at carrying cost (i.e. book value).
- v. **Available for Sale and Held for Trading categories:** Investments held under AFS and HFT categories are individually revalued at the market price or fair value determined as per Regulatory guidelines, and only the net depreciation of each group for each category (viz. (i) Government securities (ii) Other Approved Securities (iii) Shares (iv) Bonds and Debentures (v) Subsidiaries and Joint Ventures; and (vi) others) is provided for and net appreciation, is ignored. On provision for depreciation, the book value of the individual security remains unchanged after marking to market.
- vi. In case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts (SR), investment in SR is recognised at lower of: (i) Net Book Value (NBV) (i.e. book value less provisions held) of the financial asset; and (ii) Redemption value of SR. SRs issued by an SC/ ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ ARC, is reckoned for valuation of such investments.
- vii. Investments are classified as performing and non-performing, based on the guidelines issued by the RBI in the case of domestic offices and respective regulators in the case of foreign offices. Investments of domestic offices become non-performing where:
 - (a) Interest/ installment (including maturity proceeds) is due and remains unpaid for more than 90 days.
 - (b) In the case of equity shares, in the event the investment in the shares of any company is valued at ₹ 1 per company on account of the non availability of the latest balance sheet, those equity shares would be reckoned as NPI.
 - (c) If any credit facility availed by an entity is NPA in the books of the Bank, investment in any of the securities issued by the same entity would also be treated as NPI and vice versa.
 - (d) The above would apply mutatis-mutandis to Preference Shares where the fixed dividend is not paid.
 - (e) The investments in debentures/ bonds, which are deemed to be in the nature of advance, are also subjected to NPI norms as applicable to investments.
 - (f) In respect of foreign offices, provisions for NPIs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.
- viii. Accounting for Repo/ Reverse Repo transactions (other than transactions under the Liquidity Adjustment Facility (LAF) with the RBI):
 - (a) The securities sold and purchased under Repo/ Reverse Repo are accounted as Collateralized lending and borrowing transactions. However, securities are transferred as in the case of normal outright sale/ purchase transactions and such

movement of securities is reflected using the Repo/ Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/ income, as the case may be. Balance in Repo Account is classified under Schedule 4 (Borrowings) and balance in Reverse Repo Account is classified under Schedule 7 (Balance with Banks and Money at Call & Short Notice).

- (b) Interest expended/ earned on Securities purchased/ sold under LAF with RBI is accounted for as expenditure/ revenue.
- ix. Market repurchase and reverse repurchase transactions as well as the transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Borrowings and Lending transactions in accordance with the extant RBI guidelines.

3. Loans/ Advances and Provisions thereon:

- 3.1 Loans and Advances are classified as performing and non-performing, based on the guidelines/ directives issued by the RBI. Loan Assets become Non-Performing Assets (NPAs) where:
- In respect of term loans, interest and/ or instalment of principal remains overdue for a period of more than 90 days;
 - In respect of Overdraft or Cash Credit advances, the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit/ drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance sheet, or if the credits are not adequate to cover the interest debited during the same period;
 - In respect of bills purchased/ discounted, the bill remains overdue for a period of more than 90 days;
 - In respect of agricultural advances: (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.
- 3.2 NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:
- Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.
 - Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months.
 - 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:

- A general provision of 15% on the total outstanding;
- 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);
- Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available - 20%.

Doubtful Assets:

- Secured portion:

- Upto one year – 25%
- One to three years – 40%
- More than three years – 100%

- Unsecured portion 100%

Loss Assets: 100%

- 3.4 In respect of foreign offices, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.
- 3.5 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.
- 3.6 For restructured/ rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans/ advances before and after restructuring is provided for, in addition to provision for the respective loans/ advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.
- 3.7 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.
- 3.8 Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.
- 3.9 In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others" and are not considered for arriving at the Net NPAs.
- 3.10 Appropriation of recoveries in NPAs (not out of fresh/ additional credit facilities sanctioned to the borrower concerned) towards principal or interest due as per the Bank's extant instructions is done in accordance with the following priority:
- Charges
 - Unrealized Interest / Interest
 - Principal

4. Floating Provisions:

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

5. Provision for Country Exposure:

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

6. Derivatives:

- 6.1 The Bank enters into derivative contracts, such as foreign currency options, interest rate swaps, currency swaps, cross currency interest rate swaps and forward rate agreements in order to hedge on-balance sheet/ off-balance sheet assets and liabilities or for trading purposes. The swap contracts entered to hedge on-balance sheet assets and liabilities are structured in such a way that they bear an opposite and offsetting impact with the underlying on-balance sheet items. The impact of such derivative instruments is correlated with the movement of the underlying assets and accounted in accordance with the principles of hedge accounting.
- 6.2 Derivative contracts classified as hedge are recorded on accrual basis. Hedge contracts are not marked to market unless the underlying assets/ liabilities are also marked to market.
- 6.3 Except as mentioned above, all other derivative contracts are marked to market as per the Generally Accepted Accounting Practices prevalent in the industry. In respect of derivative contracts that are marked to market, changes in the market value are recognised in the Profit and Loss Account in the period of change. Any receivable under derivative contracts, which remain overdue for more than 90 days, are reversed through Profit and Loss Account to "Suspense Account Crystallised Receivables". In cases where the derivative contracts provide for more settlement in future and if the derivative contract is not terminated on the overdue receivables remaining unpaid for 90 days, the positive MTM pertaining to future receivables is also reversed from Profit and Loss Account to "Suspense Account - Positive MTM".

- 6.4 Option premium paid or received is recorded in Profit and Loss Account at the expiry of the option. The balance in the premium received on options sold and premium paid on options bought is considered to arrive at Mark-to-Market value for forex Over-the-Counter (OTC) options.

- 6.5 Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.

7. Fixed Assets, Depreciation and Amortisation:

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

Sr. No.	Description of Fixed Assets	Method of charging depreciation	Depreciation/ amortisation rate
1	Computers	Straight Line Method	33.33% every year
2	Computer Software forming an integral part of the Computer hardware	Straight Line Method	33.33% every year
3	Computer Software which does not form an integral part of Computer hardware and cost of Software Development	Straight Line Method	33.33% every year
4	Automated Teller Machine/ Cash Deposit Machine/ Coin Dispenser/ Coin Vending Machine	Straight Line Method	20.00% every year
5	Server	Straight Line Method	25.00% every year
6	Network Equipment	Straight Line Method	20.00% every year
7	Other fixed assets	Straight Line Method	On the basis of estimated useful life of the assets Estimated useful life of major group of Fixed Assets are as under: Premises 60 Years Vehicles 05 Years Safe Deposit Lockers 20 Years Furniture & Fixtures 10 Years

- 7.4 In respect of assets acquired during the year (for domestic operations), depreciation is charged on proportionate basis for the number of days the assets have been put to use during the year.
- 7.5 Assets costing less than ₹ 1,000 each are charged off in the year of purchase.
- 7.6 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease and the lease rent is charged in the respective year(s).
- 7.7 In respect of assets given on lease by the Bank on or before 31st March, 2001, the value of the assets given on lease is disclosed as Leased Assets under Fixed Assets, and the difference between the annual lease charge (capital recovery) and the depreciation is taken to Lease Equalisation Account.
- 7.8 In respect of fixed assets held at foreign offices, depreciation is provided as per the regulations / norms of the respective countries.
- 7.9 The Bank considers only immovable assets for revaluation. Properties acquired during the last three years are not revalued. Valuation of the revalued assets is done at every three years thereafter.
- 7.10 The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the profit and loss statement. The depreciation provided on the increase in the Net Book Value is recouped from Revaluation Reserve.
- 7.11 The Revalued Assets is depreciated over the balance useful life of the asset as assessed at the time of revaluation.

8. Leases:

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

9. Impairment of Assets:

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

10. Effect of changes in the foreign exchange rate:

10.1 Foreign Currency Transactions

- i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying

to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.

- ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing (spot/ forward) rates.
- iii. Foreign currency non-monetary items, which are carried at historical cost, are reported using the exchange rate on the date of the transaction.
- iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.
- v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting Profit or Loss is recognised in the Profit and Loss account.
- vi. Foreign exchange forward contracts which are not intended for trading and are outstanding on the Balance Sheet date, are re-valued at the closing spot rate. The premium or discount arising at the inception of such 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 joinees not being entitled to become members of the existing SBI Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a matching contribution from 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. 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.

13. Earnings per Share:

13.1 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.

13.2 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.

14. Provisions, Contingent Liabilities and Contingent Assets:

14.1 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.

14.2 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.

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

14.4 Contingent Assets are not recognised in the financial statements.

15. 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.

16. 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 have passed a resolution approving creation of the reserve and confirming that it has no intention to make withdrawal from the Special Reserve.

17. Share Issue Expenses:

Share issue expenses are charged to the Share Premium Account.

Schedule 18

NOTES TO ACCOUNTS

18.1 Capital

1. Capital Ratio

AS PER BASEL II

(Amount in ₹ crore)

Sr. No.	Items	As at 31 st March, 2018	As at 31 st March, 2017
(i)	Common Equity Tier 1 Capital Ratio (%)	N.A.	
(ii)	Tier 1 Capital Ratio (%)	10.02%	10.27%
(iii)	Tier 2 Capital Ratio (%)	2.72%	3.29%
(iv)	Total Capital Ratio (%)	12.74%	13.56%

AS PER BASEL III

Sr. No.	Items	As at 31 st March, 2018	As at 31 st March, 2017
(i)	Common Equity Tier 1 Capital Ratio (%)	9.68%	9.82%
(ii)	Tier 1 Capital Ratio (%)	10.36%	10.35%
(iii)	Tier 2 Capital Ratio (%)	2.24%	2.76%
(iv)	Total Capital Ratio (%)	12.60%	13.11%
(v)	Percentage of the Shareholding of Government of India	58.03%	61.23%
(vi)	Number of Shares held by Government of India	517,89,88,645	488,23,62,052
(vii)	Amount of Equity Capital raised	23,813.69	5,681.00
(viii)	Amount of Additional Tier 1(AT 1) capital raised of which		
	a) PNCPS:	Nil	Nil
	b) PDI:	2,000.00	9,045.50
(ix)	Amount of Tier 2 capital raised of which		
	a) Debt Capital Instruments:	Nil	Nil
	b) Preference Share Capital Instruments: {Perpetual Cumulative Preference Shares (PCPS)/Redeemable Non-Cumulative Preference Shares (RNCPS)/Redeemable Cumulative Preference Shares (RCPS)}	Nil	Nil

- a) RBI vide circular No. DBR.No.BP.BC.83/21.06.201/2015-16 dated 1st March, 2016, has given discretion to banks to consider Revaluation Reserve, Foreign Currency Translation Reserve and Deferred Tax Asset for purposes of computation of Capital Adequacy as CET- 1 capital ratio. The Bank has exercised the option in the above computation.
- b) Further, in compliance with the RBI instructions, the Bank has reversed the effect of revaluation reserve of Bank's leasehold properties amounting to ₹ 11,210.94 crore made in previous year. Consequential effect in computation of CET - 1 capital ratio has been made as on 31st March, 2018.

2. Share Capital

- a) During the year, on acquisition of associate banks (ABs) and BMBL, the Bank has issued equity shares to the eligible shareholders of erstwhile State Bank of Bikaner and Jaipur (SBBJ), State Bank of Mysore (SBM), State Bank of Travancore (SBT) and Bharatiya Mahila Bank Ltd (BMBL) as per the swap ratio decided by Government of India. Accordingly, the Bank has issued 13,63,52,740 equity shares of face value of ₹ 1 each as consideration (4,88,54,308 shares to shareholders of SBBJ, 1,05,58,379 shares to the shareholders of SBM, 3,27,08,543 shares

to the shareholders of SBT and 4,42,31,510 shares to Government of India as shareholder of BMBL) on 01.04.2017.

- b) The Bank received application money of ₹ 15,000.00 crore including share premium of ₹ 14,947.78 crore by way of Qualified Institutional Placement (QIP) against issue of 52,21,93,211 equity shares of ₹ 1 each. The equity shares were allotted on 12.06.2017.
- c) The Bank received application money of ₹ 0.05 crore including share premium of ₹ 0.05 crore by way of the issue of 3,400 equity shares of ₹ 1 each kept in abeyance. The equity shares kept in abeyance were allotted on 01.11.2017.
- d) The Bank received application money of ₹ 8,800.00 crore (Previous Year ₹ 5,681.00 crore) including share premium amount of ₹ 8,770.75 crore (Previous Year ₹ 5,659.93 crore) from Government of India against Preferential Issue of 29,25,33,741 equity shares (Previous Year 21,07,27,400) of ₹ 1 each to Government of India. The equity shares were allotted on 27.03.2018. These shares were credited to demat account (CDSL) of Government of India on 03.04.2018 and listed at NSE on 02.04.2018 and BSE on 03.04.2018.

- e) Expenses in relation to the issue of shares: ₹ 17.60 crore (Previous Year ₹ 6.17 crore) is debited to Share Premium Account.

3. Innovative Perpetual Debt Instruments (IPDI)

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

A. Foreign

(₹ in crore)

Particulars	Date of Issue	Tenor	Amount	Equivalent ₹ as on 31 st March, 2018	Equivalent ₹ as on 31 st March, 2017
Bond issued under the MTN Programme - 12th series *	15.02.2007	Perpetual Non call 10.25 years	US\$ 400 million	-	2,594.00
Bond issued under the MTN Programme - 14th series #	26.06.2007	Perpetual Non call 10 yrs 1day	US\$ 225 million	-	1,459.13
Additional Tier 1 (AT1) Bond issued under MTN Programme 29th series	22.09.2016	Perpetual Non Call 5 years	US\$ 300 million	1,955.25	1,945.50
Total				1,955.25	5,998.63

* Bank exercised call option on 15.05.2017

Bank exercised call option on 27.06.2017

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

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 2009-10 (Tier I) Series I	1,000.00	14.08.2009	9.10
2.	e-SBM Tier -I	100.00	25.11.2009	9.10
3.	e-SBP Tier -I Series I	300.00	18.01.2010	9.15
4.	SBI Non Convertible Perpetual Bonds 2009-10 (Tier I) Series II	1,000.00	27.01.2010	9.05
5.	e-SBH Tier -I Series XII	135.00	24.02.2010	9.20
6.	e-SBH Tier -I Series XIII	200.00	20.09.2010	9.05
7.	SBI Non Convertible Perpetual Bonds 2016 Unsecured Basel III AT 1	2,100.00	06.09.2016	9.00
8.	SBI Non Convertible Perpetual Bonds 2016 Unsecured Basel III AT 1 Series II	2,500.00	27.09.2016	8.75
9.	SBI Non Convertible Perpetual Bonds 2016 Unsecured Basel III AT 1 Series III	2,500.00	25.10.2016	8.39
10.	SBI Non Convertible Perpetual Bonds Unsecured Basel III AT 1 Series IV	2,000.00	02.08.2017	8.15
	TOTAL	11,835.00*		

*Includes ₹ 2,000 crore raised during the F.Y. 2009-10, of which ₹ 550 crore invested by SBI Employee Pension Fund, not reckoned for the purpose of Tier I Capital as per RBI instructions.

4. Subordinated Debts

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

(₹ in crore)

Sr. No.	Nature of Bonds	Principal Amount	Date of Issue /Date of Redemption	Rate of Interest % P.A.	Maturity Period In Months
1	SBI Non Convertible (Private placement) Bonds 2008-09 (IV) (Lower Tier II)	1,000.00	06.03.2009 06.06.2018	8.95	111
2	SBI Non Convertible (Private placement) Bonds 2008-09(II) (Lower Tier II)	1,500.00	29.12.2008 29.06.2018	8.40	114
3	e-SBBJ Lower Tier II (Series VI)	500.00	20.03.2012 20.03.2022	9.02	120
4	SBI Non Convertible (Private placement) Bonds 2008-09 (I) (Upper Tier II)	2,500.00	19.12.2008 19.12.2023	8.90	180
5	SBI Non Convertible (Private placement) Bonds 2013-14 (Tier II)	2,000.00	02.01.2014 02.01.2024	9.69	120
6	SBI Non Convertible (Private placement) Bonds 2008-09 (III) (Upper Tier II)	2,000.00	02.03.2009 02.03.2024	9.15	180
7	SBI Non Convertible (Private placement) Bonds 2008-09 (V) (Upper Tier II)	1,000.00	06.03.2009 06.03.2024	9.15	180
8	e- SBP Upper Tier II (Series VI)	150.00	13.03.2009 13.03.2024	9.15	180
9	SBI Non Convertible (Private placement) Bonds 2004-05 SBIN (SERIES VII)(Upper Tier II)	250.00	24.03.2009 24.03.2024	9.17	180
10	e-SBH Upper Tier II (Series IX)	325.00	05.06.2009 05.06.2024	8.39	180
11	e- SBH Upper Tier II (Series X)	450.00	21.08.2009 21.08.2024	8.50	180
12	e -SBH Upper Tier II (Series XI)	475.00	08.09.2009 08.09.2024	8.60	180
13	e-SBM Tier II Basel III compliant	500.00	17.12.2014 17.12.2024	8.55	120
14	e -SBP Tier II Basel III compliant (Series I)	950.00	22.01.2015 22.01.2025	8.29	120
15	e- SBBJ Tier II	200.00	20.03.2015	8.30	120

Sr. No.	Nature of Bonds	Principal Amount	Date of Issue /Date of Redemption	Rate of Interest % P.A.	Maturity Period In Months
	Basel III compliant		20.03.2025		
16	e -SBH Tier II Basel III compliant (Series XIV)	393.00	31.03.2015 31.03.2025	8.32	120
17	SBI Non Convertible (Public issue) Bonds 2010 (Series II) (Lower Tier II)	866.92	04.11.2010 04.11.2025	9.50	180
18	SBI Non Convertible, Unsecured (Private Placement), Basel III compliant Tier II Bonds 2015-16 (Series I)	4,000.00	23.12.2015 23.12.2025	8.33	120
19	e -SBH Tier II Basel III compliant (Series XV)	500.00	30.12.2015 30.12.2025	8.40	120
20	e-SBM Tier II Basel III compliant	300.00	31.12.2015 31.12.2025	8.40	120
21	e-SBM Tier II Basel III compliant	200.00	18.01.2016 18.01.2026	8.45	120
22	e -SBH Tier II Basel III compliant (Series XVI)	200.00	08.02.2016 08.02.2026	8.45	120
23	SBI Non Convertible, Unsecured (Private Placement), Basel III compliant Tier 2 Bonds 2015- 16 (Series II)	3,000.00	18.02.2016 18.02.2026	8.45	120
24	SBI Non Convertible (Public issue) Bonds 2011 Retail (Series IV) (Lower Tier II)	3,937.60	16.03.2011 16.03.2026	9.95	180
25	SBI Non Convertible (Public issue) Bonds 2011 Non Retail (Series IV) (Lower Tier II)	828.32	16.03.2011 16.03.2026	9.45	180
26	SBI Non Convertible, Unsecured (Private Placement), Basel III compliant Tier II Bonds 2015- 16 (Series III)	3,000.00	18.03.2016 18.03.2026	8.45	120
27	SBI Non Convertible, Unsecured (Private Placement), Basel III compliant Tier II Bonds 2015- 16 (Series IV)	500.00	21.03.2016 21.03.2026	8.45	120
28	e- SBT Tier II Basel III compliant (Series I)	515.00	30.03.2016 30.03.2026	8.45	120
29	e- SBT Upper Tier II (Series III)	500.00	26.03.2012 26.03.2027	9.25	180
	TOTAL	32,540.84			

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, 2018	As at 31 st March, 2017
1. Value of Investments		
i) Gross value of Investments		
(a) In India	10,26,438.37	7,25,421.42
(b) Outside India	46,658.94	41,815.77
ii) Provision for Depreciation		
(a) In India	9,698.21	557.72
(b) Outside India	508.24	85.04
iii) Liability on Interest Capitalised on Restructured Accounts (LICRA)	1,904.15	604.80
iv) Net value of Investments		
(a) In India	10,14,836.01	7,24,258.90
(b) Outside India	46,150.70	41,730.73
2. Movement in provisions held towards depreciation on investments		
i) Balance at the beginning of the year	642.76	354.10
ii) Add: Provisions made during the year including receipt from erstwhile ABs and BMBL on acquisition	9,959.55	552.48
iii) Less: Provision utilised during the year	16.51	-
iv) Less/(Add): Foreign Exchange revaluation adjustment	(5.65)	9.73
v) Less: Write off/Write back of excess provision during the year.	385.00	254.09
vi) Balance at the end of the year	10,206.45	642.76

Notes:

- a. Securities amounting to ₹ 40,992.04 crore (Previous Year ₹ 18,676.03 crore) are kept as margin with Clearing Corporation of India Limited (CCIL)/ NSCCL/MCX/ NSEIL/ BSE towards Securities Settlement.
- b. During the year, the Bank infused additional capital in its subsidiaries and associates viz. i) SBI Foundation ₹ 3.00 crore, ii) Nepal SBI Bank Ltd. ₹ 68.47 crore and after infusion there is no change in Bank's stake. Further, the Bank has increased its stake in SBI Cards & Payments Services Private Ltd. from 60% to 74% (purchased 109,899,999 shares of ₹ 10 per share by investing ₹ 887.26 crore) and in GE Capital Business Process Management Ltd. from 40% to 74% (purchased 8,024,342 shares of ₹ 10 per share by investing ₹ 264.07 crore).
- c. During the year, the Bank has sold its stake in the following subsidiaries & associates:
- 8,00,00,000 equity shares of SBI Life Insurance Company Ltd. at a profit of ₹ 5,436.17 crore. Thus the Bank's stake has reduced from 70.10% to 62.10%.
 - 22,00,000 equity shares of The Clearing Corporation of India Ltd. at a profit of ₹ 140.80 crore. Thus the Bank stake has reduced from 21.20% to 16.80%.
- d. 19,11,974 equity shares of SBI DFHI Ltd. in a buy back offer at a profit of ₹ 62.93 crore and there is no change in stake holding after buy back offer.
- d. Post-acquisition of erstwhile domestic banking subsidiaries (DBS), following RRBs of the erstwhile DBS have become RRBs of the Bank:
- Kaveri Grameena Bank
 - Malwa Gramin Bank
 - Rajasthan Marudhara Gramin Bank
 - Telangana Grameena Bank
2. RBI Circular DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018 grants banks an option to spread provisioning on mark to market losses on investments held in AFS and HFT for the quarters ended December 31, 2017 and March 31, 2018. The circular states that the provisioning for each of these quarters may be spread equally over up to four quarters, commencing with the quarter in which the loss was incurred. The Bank has recognized the entire net mark to market loss on investments in the respective quarters and has not availed the said option.

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

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

(₹ in crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as on 31 st March 2018
Securities sold under Repos				
i. Government Securities	-	94,252.00	11,859.64	94,252.00
	(-)	(99,581.36)	(6,673.82)	(74,235.72)
ii. Corporate Debt Securities	-	7,614.78	1,849.22	7,613.71
	(2,106.15)	(7,251.52)	(3,779.10)	(2,786.85)
Securities purchased under Reverse Repos				
i. Government Securities	-	83,636.62	26,858.19	138.94
	(55.40)	(1,02,342.25)	(21,178.52)	(6,055.45)
ii. Corporate Debt Securities	-	581.22	573.73	574.07
	(571.45)	(590.18)	(581.28)	(573.39)

(Figures in brackets are for Previous Year)

4. 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	49,524.49	25,424.36	414.14	-	-
		(47,224.95)	(34,926.02)	(836.32)	(462.77)	(762.76)
ii	FIs	72,183.66	66,780.93	-	-	250.00
		(58,179.05)	(49,893.49)	(-)	(-)	(200.00)
iii	Banks	16,540.91	1,927.73	1,988.79	23.62	23.62
		(21,201.42)	(8,494.71)	(1,331.60)	(23.62)	(2,373.63)
iv	Private Corporates	48,275.25	36,182.49	528.49	481.94	24.70
		(35,054.91)	(23,111.85)	(1,156.49)	(658.82)	(164.21)
v	Subsidiaries / Joint Ventures **	7,793.06	-	-	-	-
		(14,010.07)	(-)	(-)	(-)	(-)
vi	Others	24,304.13	-	991.02	60.07	-
		(16,328.08)	(-)	(974.89)	(848.03)	(-)
vii	Less: Provision held towards depreciation including LICRA	6,030.63	-	-	-	-
		(1,247.56)	(-)	(-0.92)	(-)	(-)
Total		2,12,590.87	1,30,315.51	3,922.44	565.63	298.32
		(1,90,750.92)	(1,16,426.07)	(4,300.22)	(1,993.24)	(3,500.60)

(Figures in brackets are for Previous Year)

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

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

b) Non Performing Non-SLR Investments

(₹ in crore)

Particulars	Current Year	Previous Year
Opening Balance	447.54	146.24
Additions during the year including receipt from erstwhile ABs and BMBL on acquisition	4,250.77	348.37
Reductions during the year	103.06	47.07
Closing balance	4,595.25	447.54
Total provisions held	2,452.30	227.85

5. Sales And Transfers Of Securities To/From HTM Category

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

6. 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	10,447.81	-	41.72	10,489.53
Provision held against (i)	125.30	-	41.72	167.02
ii. Book value of SRs Backed by NPAs sold by Other banks / financial institutions / non-banking Financial companies as Underlying	12.15	4.26	-	16.41
Provision held against (ii)	-	-	-	-
Total (i) + (ii)	10,459.96	4.26	41.72	10,505.94

7. 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, 2018	10,489.53	5,544.08	16.41	22.65	10,505.94
Book Value of Investments in Security Receipts made during the year	5,214.56	281.89	-	-	5,214.56	281.89

18.3. Derivatives

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

(₹ in crore)

Sr No	Particulars	As at 31 st March, 2018	As at 31 st March, 2017
i)	The notional principal of swap agreements#	3,60,705.72	1,42,250.44
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	904.42	835.56
iii)	Collateral required by the Bank upon entering into swaps	Nil	Nil
iv)	Concentration of credit risk arising from the swaps	Not significant	Not significant
v)	The fair value of the swap book	(-) 555.68	51.70

IRS/FRA amounting to ₹ 2,988.82 crore (Previous Year ₹ 9,299.54 crore) entered with the Bank's own foreign offices are not shown here as they are for hedging of FCNB corpus and hence not marked to market.

Nature and terms of forward rate agreements and interest rate swaps as on 31st March, 2018 are given below:

(₹ in crore)

Instrument	Nature	Nos	Notional Principal	Benchmark	Terms
IRS	Hedging	261	10,714.00	LIBOR	Fixed Receivable Vs Floating Payable
IRS	Hedging	113	1,534.88	OTHERS	Fixed Receivable Vs Pay Float
IRS	Hedging	65	34,194.87	LIBOR	Fixed Receivable / Floating Payable
IRS	Hedging	30	2,688.53	LIBOR	Floating Receivable / Fixed Payable
IRS	Trading	143	26,403.00	LIBOR	Fixed Payable Vs Floating Receivable
IRS	Trading	151	27,320.00	LIBOR	Floating Payable Vs Fixed Receivable
IRS	Trading	1789	1,20,068.00	MIBOR	Fixed Payable Vs Floating Receivable
IRS	Trading	1900	1,22,473.92	MIBOR	Floating Payable Vs Fixed Receivable
IRS	Trading	41	1,525.00	MIFOR	Fixed Payable Vs Floating Receivable
IRS	Trading	40	1,475.00	MIFOR	Floating Payable Vs Fixed Receivable
IRS	Trading	38	7,823.41	LIBOR	Fixed Receivable / Floating Payable
IRS	Trading	35	4,485.11	LIBOR	Floating Receivable / Fixed Payable
Total			3,60,705.72		

B. Exchange Traded Interest Rate Derivatives

(₹ in crore)

Sr. No	Particulars	Current Year	Previous Year
1	Notional principal amount of exchange traded interest rate derivatives undertaken during the year		
	a. Interest Rate Futures	Nil	Nil
	b. 10 Year Government of India Securities	54,611.66	7,819.64
2	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 st March 2018		
	a. Interest Rate Futures	Nil	Nil
	b. 10 Year Government of India Securities	Nil	538.76
3	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective"	N.A.	N.A.
4	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective".	N.A.	N.A.

C. Risk Exposure in Derivatives

(A) Qualitative Risk Exposure

- i. The Bank currently deals in over-the-counter (OTC) interest rate and currency derivatives as also in Interest Rate Futures and Exchange Traded Currency Derivatives. Interest Rate Derivatives dealt by the Bank are rupee interest rate swaps, foreign currency interest rate swaps and forward rate agreements, cap, floor and collars. Currency derivatives dealt by the Bank are currency swaps, rupee dollar options and cross-currency options. The products are offered to the Bank's customers to hedge their exposures and the Bank also enters into derivatives contracts to cover off such exposures. Derivatives are used by the Bank both for trading as well as hedging balance sheet items. The Bank also runs option position in US\$/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 2017-18.
 - v. Interest Rate Swaps are mainly used at Foreign Offices for hedging of the assets and liabilities.
 - vi. Apart from hedging swaps, swaps at Foreign Offices consist of back to back swaps done at our Foreign Offices which are done mainly for hedging of FCNR deposits at Global Markets, Kolkata.
 - vii. Majority of the swaps were done with First class counterparty banks.
 - viii. Derivative transactions comprise of swaps which are disclosed as contingent liabilities. The swaps are categorised as trading or hedging.
 - ix. Derivative deals are entered into with only those interbank participants for whom counterparty exposure limits are sanctioned. Similarly, derivative deals entered into with only those corporates for whom credit exposure limit is sanctioned. Collateral requirements for derivative transactions are laid down as a part of credit sanction 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	20,605.24 @	6,968.86 @	49,193.30 #	53,721.17 #
(b) For trading *	6,16,447.95	2,02,472.85	3,11,512.42	88,529.27
(II) Marked to Market Positions				
(a) Asset	5,716.35	4,675.49	592.99	574.79
(b) Liability	5,218.09	1,285.33	1,152.54	565.10
(III) Credit Exposure	21,749.61	7,428.09	4,160.44	2,286.34
(IV) Likely impact of one percentage change in interest rate (100* PV01)				
(a) on hedging derivatives	-0.14	-0.25	-3.14	-7.60
(b) on trading derivatives	0.98	0.97	11.62	46.52
(V) Maximum and Minimum of 100* PV 01 observed during the year				
(a) on hedging --				
Maximum	-	-	2.81	2.87
Minimum	-0.04	-0.04	-	-0.64
(b) on trading --				
Maximum	1.18	1.03	0.76	0.77
Minimum	-	0.04	-	-0.11

@ The swaps amounting to ₹ 2,870.26 crore (Previous Year ₹ 4,988.14 crore) entered with the Bank's own foreign offices are not shown here as they are for hedging of FCNB corpus and hence not marked to market.

IRS/FRA amounting to ₹ 2,988.82 crore (Previous Year ₹ 9,299.54 crore) entered with the Bank's own Foreign offices are not shown here as they are for hedging of FCNB corpus and hence not marked to market.

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

1. The outstanding notional amount of derivatives done between Global Markets Unit and International Banking Group as on 31st March, 2018 amounted to ₹ 5,859.08 crore (Previous Year ₹ 7,571.57 crore) and the derivatives done between SBI Foreign Offices as on 31st March, 2018 amounted to ₹ 12,056.81 crore (Previous Year ₹ 16,955.57 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, 2018 amounted to ₹ 45,442.82 crore (Previous Year ₹ 53,675.54 crore).

18.4. Asset Quality

a) Non-Performing Assets

(₹ in crore)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
I) Net NPAs to Net Advances (%)	5.73%	3.71%
II) Movement of NPAs (Gross)		
(a) Opening balance	1,12,342.99	98,172.80
(b) Additions (Fresh NPAs) during the year including receipt from erstwhile ABs and BMBL on acquisition	1,60,303.65	39,071.38
Sub-total (i)	2,72,646.64	1,37,244.18
Less:		
(c) Reductions due to up gradations during the year	4,746.09	3,436.91
(d) Reductions due to recoveries (Excluding recoveries made from upgraded accounts)	4,277.67	894.48
(e) Technical/ Prudential Write-offs	4,537.11	Nil
(f) Reductions due to Write-offs during the year	35,658.31	20,569.80
Sub-total (ii)	49,219.18	24,901.19
(g) Closing balance (i-ii)	2,23,427.46	1,12,342.99
III) Movement of Net NPAs		
(a) Opening balance	58,277.38	55,807.02
(b) Additions during the year including receipt from erstwhile ABs and BMBL on acquisition	61,478.47	3,238.02
(c) Reductions during the year	8,901.15	767.66
(d) Closing balance	1,10,854.70	58,277.38
IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	54,065.61	42,365.78
(b) Provisions made during the year including receipt from erstwhile ABs and BMBL on acquisition	98,825.17	35,833.35
(c) Write-off / write-back of excess provisions	40,318.02	24,133.52
(d) Closing balance	1,12,572.76	54,065.61

Opening and closing balances of provision for NPAs include ECGC claims received and held pending adjustment of ₹ 1.97 crore (Previous Year ₹ 67.27 crore) and ₹ 8.72 crore (Previous Year ₹ 1.97 crore) respectively.

- b) The disclosures relating to the divergence for the financial year 2016-17 in respect of provisions made by the bank against non-performing assets (excluding provisions made against standard assets) mandated in circular No. DBR.BP.BC.No.63/21.04.018/2016-17 dated 18th April 2017 issued by RBI is as under:

			₹ in crore		
Sr. No	Particulars	Amount	Sr. No	Particulars	Amount
1	Gross NPAs as on 31 March, 2017, as reported by the Bank	1,12,342.99	8	Provisions for NPAs as on 31 March, 2017, as assessed by RBI	59,786.27
2	Gross NPAs as on 31 March, 2017, as assessed by RBI	1,35,582.12	9	Divergence in provisioning (8-7) *	5,720.66
3	Divergence in Gross NPAs (2-1)	23,239.13	10	Reported Net Profit after Tax (PAT) for the year ended March 31, 2017	10,484.10
4	Net NPAs as on 31 March, 2017, as reported by the Bank	58,277.38	11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended 31 March, 2017 after taking into account the divergence in provisioning	6,743.25
5	Net NPAs as on 31 March, 2017, as assessed by RBI	75,795.85			
6	Divergence in Net NPAs (5-4)	17,518.47			
7	Provisions for NPAs as on 31 March, 2017, as reported by the Bank	54,065.61			

* The net current impact of the afore-mentioned retrospective slippages due to divergences noted by RBI has been duly reflected in the results for the year ended 31st March, 2018.

Sr. No.	Type of Restructuring Asset Classification Particulars	Standard			Others (3)			TOTAL (1+2+3)					
		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total		
1	Restructured Accounts as on April 1, 2017 (Opening position)	No. of Borrowers	100 (301)	206 (520)	1,990 (2336)	49 (90)	2,345 (3247)	209 (549)	231 (569)	2,186 (2427)	72 (104)	2,698 (3649)	
		Amount outstanding	23,281.14 (23122.42)	2,714.14 (578.73)	6,774.45 (9210.75)	30.56 (146.17)	32,800.30 (33058.07)	36,633.56 (39178.48)	2,918.20 (1254.11)	2,918.20 (1254.11)	26,269.85 (25470.39)	120.03 (424.81)	65,941.64 (66327.79)
		Provision thereon	242.27 (403.03)	28.14 (7.13)	174.82 (30.54)	- (0.03)	445.23 (440.73)	591.54 (1232.45)	38.79 (38.97)	38.79 (38.97)	649.55 (603.00)	0.94 (0.98)	1,280.82 (1875.40)
2	Fresh Restructuring during the current FY including receipt from erstwhile ABs and BMBL on acquisition	No. of Borrowers	30,726 (7)	6,219 (130)	235 (63)	20 (5)	37,200 (205)	31,037 (7)	6,659 (133)	2,319 (75)	314 (5)	40,329 (220)	
		Amount outstanding	8,757.80 (11674.54)	3,097.75 (646.34)	9,145.22 (2029.00)	121.52 (6.35)	21,122.29 (14356.24)	12,294.58 (16873.75)	3,506.99 (720.53)	17,834.19 (2403.95)	313.68 (6.35)	33,949.44 (20004.58)	
		Provision thereon	236.33 (22.76)	25.15 (1.05)	93.70 (25.60)	4.23 (-)	359.41 (49.41)	456.49 (23.32)	49.80 (1.57)	112.94 (28.58)	4.66 (-)	623.89 (53.47)	
3	Upgradation to restructured standard category during current FY	No. of Borrowers	5 (2)	-3 (2)	-2 (6)	- (-10)	- (-)	7 (5)	-3 (1)	-4 (4)	- (-10)	- (-)	
		Amount outstanding	656.33 (129.73)	-605.65 (0.03)	-50.68 (-129.45)	- (-0.31)	-1,099.75 (629.50)	-605.65 (-96.41)	-605.65 (-96.41)	-494.10 (-532.78)	- (-0.31)	- (-)	
		Provision thereon	3.99 (0.96)	-1.04 (0.00)	-2.95 (-0.96)	- (-)	10.32 (38.02)	-10.32 (-0.42)	-1.04 (-0.42)	-9.28 (-37.6)	- (-)	- (-)	
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	-38 (-19)	-	-	-	-38 (-19)	-92 (-86)	-	-	-	-92 (-86)	
		Amount outstanding	-2,716.15 (-1747)	-	-	-	-2,716.15 (-1747)	-13,424.50 (-3082.78)	-	-	-	-13,424.50 (-3082.78)	
		Provision thereon	-14.83 (-20.25)	-	-	-	-14.83 (-20.25)	-225.93 (-41.19)	-	-	-	-225.93 (-41.19)	
5	Downgradations of restructured accounts during current FY	No. of Borrowers	-50 (-87)	-222 (-222)	249 (290)	23 (19)	- (-)	-69 (-128)	-217 (-227)	257 (323)	29 (32)	- (-)	
		Amount outstanding	-21,997.58 (-3698.54)	456.27 (1631.73)	20,388.99 (1752.57)	1,152.33 (314.24)	-25,570.29 (-8805.91)	885.80 (1413.70)	885.80 (1413.70)	23,244.77 (6819.81)	1,439.72 (572.40)	- (-)	
		Provision thereon	-133.95 (-102.40)	52.17 (23.63)	81.52 (78.77)	0.26 (-)	- (-)	-182.12 (-399.52)	71.84 (11.67)	109.55 (375.50)	0.73 (12.35)	- (-)	
6	Write-offs of restructured accounts during current FY	No. of Borrowers	-30,383 (-104)	-5,865 (-224)	-1,378 (-705)	-47 (-55)	-37,673 (-1088)	-30,676 (-138)	-6,163 (-643)	-3428 (-59)	-344 (-59)	-40,611 (-1085)	
		Amount outstanding	-3,801.80 (-6200.01)	-1,728.55 (-142.69)	-6,626.80 (-6088.43)	-338.00 (-435.90)	-12,495.16 (-12867.01)	-6,170.02 (-8159.48)	-2,013.03 (-373.73)	-18,822.94 (-7891.51)	-651.36 (-883.23)	-27,657.35 (-17307.95)	
		Provision thereon	-248.70 (-61.83)	-24.28 (-3.67)	-176.47 (-40.87)	-3.85 (-0.03)	-453.30 (-24.66)	-539.91 (-261.54)	-24.24 (-12.99)	-470.52 (-319.94)	-5.30 (-12.39)	-1,039.97 (-606.86)	
7	Total Restructured Accounts as on 31 st March, 2018 (Closing Position)	No. of Borrowers	360 (100)	335 (206)	1,094 (1990)	45 (49)	1,834 (2345)	416 (209)	507 (231)	1,330 (2186)	71 (72)	2,324 (2698)	
		Amount outstanding	4,179.74 (23281.14)	3,933.96 (2714.14)	29,631.18 (6774.45)	966.41 (30.56)	38,711.28 (32800.30)	4,863.08 (36633.56)	4,692.31 (2918.20)	48,031.77 (26269.85)	1,222.07 (120.03)	58,809.23 (65941.64)	
		Provision thereon	85.11 (242.27)	80.14 (28.14)	170.62 (174.82)	0.64 (-)	336.51 (445.23)	110.39 (591.54)	135.15 (38.79)	392.24 (649.55)	1.03 (0.94)	638.81 (1280.82)	

Note:

- Increase in outstanding of ₹ 11,165.38 crore (Previous Year ₹ 1,922.73 crore) included in Fresh Additions
- Closure of ₹ 10,935.28 crore (Previous Year ₹ 10,070.48 crore) and decrease in Outstanding of ₹ 9,266.34 crore (Previous Year ₹ 2,090.33 crore) is included in Write off.
- Total Column does not include standard assets moved out of higher provisioning.

k) Disclosures on Flexible Structuring of Existing Loans

(₹ in crore)

Period	No of Borrowers taken up for flexibly Structuring	Amount of Loans taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring	
		Classified as Standard	Classified as NPA	Before applying flexible structuring (Yrs)	After applying flexible structuring (Yrs)
Previous Year	6	3,230.38	-	4.43 yrs	8.66 yrs
Current Year	2	1,254.32	-	3.55 yrs	9.67 yrs

l) Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period)

(₹ in crore)

No. of accounts where banks have decided to effect change in ownership	Outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares has taken place		Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
	Standard	NPA	Standard	NPA	Standard	NPA	Standard	NPA
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

m) Disclosures on Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period)

(₹ in crore)

No. of project loan accounts where banks have decided to effect change in ownership	Amount outstanding as on 31 st March, 2018		
	Classified as standard	Classified as Standard Restructured	Classified as NPA
Nil	Nil	Nil	Nil

n) Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A), as on 31.03.2018.

(₹ in crore)

Accounts where S4A has been applied	Number of Accounts	Aggregate amount outstanding	Amount outstanding		Provision held
			In Part A	In Part B	
Standard Accounts	7	6,111.29	3,669.15	2,644.31	1,401.28
NPAs	4	1,786.57	701.22	1,085.35	674.42

18.5. Business Ratios

Particulars	Current Year	Previous Year
i. Interest Income as a percentage to Working Funds	6.37%	6.86%
ii. Non-interest income as a percentage to Working Funds	1.29%	1.39%
iii Operating Profit as a percentage to Working Funds	1.72%	1.99%
iv. Return on Assets*	(-) 0.19%	0.41%
v. Business (Deposits plus advances) per employee (₹ in crore)	16.70	16.24
vi. Profit per employee (₹ in thousands)	(-) 243.33	511.10

* (on net-assets basis)

18.6. Asset Liability Management: Maturity pattern of certain items of assets and liabilities as at 31st March, 2018

(₹ 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	18,801.34	62,884.68	36,410.72	59,039.39	1,02,902.64	95,934.27	2,68,120.10	5,02,239.16	5,05,095.20	2,82,468.59	7,72,447.20	27,06,343.29
	(24,697.20)	(38,065.95)	(25,980.69)	(42,544.33)	(59,304.31)	(62,862.54)	(1,77,889.82)	(3,50,586.32)	(4,57,630.51)	(2,04,524.39)	(6,00,665.33)	(20,44,751.39)
Advances	9,505.35	22,201.83	23,146.72	96,137.66	47,241.42	61,224.31	1,17,078.25	2,73,529.68	2,87,544.39	2,47,962.40	7,49,308.18	19,34,880.19
	(88,220.08)	(11,902.42)	(10,735.41)	(24,246.23)	(26,857.91)	(33,575.28)	(25,110.19)	(34,647.16)	(5,73,668.96)	(1,30,137.82)	(6,11,976.92)	(15,71,078.38)
Investments	79.71	1,753.94	7,824.29	7,044.03	41,927.02	29,445.22	33,385.93	55,415.07	1,64,722.92	1,74,516.31	544,872.27	10,60,986.71
	(0.11)	(2,467.87)	(3,533.97)	(9,420.60)	(20,303.63)	(23,030.42)	(65,709.50)	(47,135.41)	(1,00,108.55)	(1,09,188.92)	(3,85,090.65)	(7,65,989.63)
Borrowings	217.95	84,918.90	38,244.45	19,866.70	23,856.81	23,304.46	25,422.91	30,492.51	44,182.98	23,658.96	47,975.44	3,62,142.07
	(5,668.32)	(87,457.90)	(8,903.41)	(18,284.39)	(23,097.43)	(24,040.18)	(37,371.23)	(13,169.80)	(20,431.03)	(23,590.79)	(55,679.18)	(3,17,693.66)
Foreign Currency Assets #	2,410.92	2,875.52	3,525.69	22,501.88	13,481.32	17,334.18	31,977.62	40,927.39	1,45,715.96	74,935.97	37,041.66	3,92,728.11
	(80,272.16)	(1,328.79)	(3,953.60)	(8,351.58)	(9,722.94)	(9,768.94)	(12,432.10)	(32,353.90)	(63,954.10)	(67,312.64)	(40,758.58)	(3,30,209.33)
Foreign Currency Liabilities \$	877.05	22,146.51	10,534.83	23,488.39	31,245.24	31,360.75	39,865.36	63,595.71	73,874.40	39,418.43	28,029.95	3,64,436.62
	(30,639.24)	(12,268.81)	(10,316.45)	(21,500.13)	(28,558.95)	(30,283.69)	(51,784.89)	(35,556.34)	(46,971.60)	(34,795.54)	(18,202.56)	(3,20,878.20)

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

\$ Foreign Currency Liabilities represent borrowings and deposits.

(Figures in brackets are as at 31st March, 2017)

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	3,03,188.55	2,51,386.94
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	3,03,188.55	2,51,386.94
Of which (i) Individual housing loans up to ₹ 28 lacs in Metropolitan centres (Population >= 10 lacs) and ₹ 20 lacs in other centres for purchase/construction of dwelling unit per family.	1,26,359.38	1,06,094.23
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.	82,807.89	36,915.86
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:	266.05	214.69
a) Residential	266.05	214.69
b) Commercial Real Estate	-	-
II Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	87,233.16	70,703.93
Total Exposure to Real Estate Sector	4,73,495.65	3,59,221.42

b) Capital Market

(₹ in crore)

Particulars	Current Year	Previous Year
1) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	8,471.07	4,357.59
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.	31.47	5.78
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.	1,084.72	15,236.39
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.	12,187.75	668.52
5) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	200.15	0.17
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.	3.36	410.19
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.	215.00	245.00
10) Exposures to Venture Capital Funds (both registered and unregistered)	1,948.56	1,879.93
Total Exposure to Capital Market	24,142.08	22,803.57

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, 2018	As at 31 st March, 2017	As at 31 st March, 2018	As at 31 st March, 2017
Insignificant	96,534.70	75,637.24	111.18	116.04
Very Low	53,321.64	53,117.01	Nil	Nil
Low	11,110.42	3,834.73	Nil	Nil
Medium	13,480.60	10,844.54	Nil	Nil
High	4,246.28	8,823.27	Nil	Nil
Very High	8,082.38	4,954.18	Nil	Nil
Restricted	3,964.32	4,124.84	Nil	Nil
Total	1,90,740.34	1,61,335.81	111.18	116.04

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)

Sr No	Particulars	As at 31 st March, 2018	As at 31 st March, 2017
a)	Total Unsecured Advances of the bank	3,60,240.30	2,82,886.13
i)	Of which amount of advances outstanding against charge over intangible securities such as rights, licences, authority etc.	Nil	277.42
ii)	The estimated value of such intangible securities (as in (i) above).	Nil	277.42

Reserve Bank of India levied a penalty of ₹ 0.40 crore on the Bank for non-compliance with the directions issued by RBI on detection and impounding of counterfeit notes.

Previous year: Central Bank of Oman levied penalty of ₹ 0.13 crore (Omani Riyal 8000) on Muscat branch for non compliance to some of the provisions of Banking Law 2000 & circulars of Central Bank of Oman.

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”

The Bank changed its accounting policy with respect to booking of commission earned on issuance of Letter of Credit and Bank Guarantees, other than on Deferred Payment Guarantees w. e. f. April 1, 2017. Now these are being recognized over the period of LC/BG, instead of on realisation basis done earlier.

The impact of the change in policy, as compared to previous practice has resulted in lower income under this head to the extent of ₹ 1,203.60 crore for the year ended on 31st March, 2018.

18.8. Miscellaneous

a. Disclosure of Penalties

Monetary Authority of Singapore (MAS) levied a penalty of ₹ 2.99 crore (Singapore Dollar 6,00,000) on Singapore branch for breach of section 27 B (2) of the MAS Act.

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, 2017	67,824.90	59,151.41	7,291.02	7,332.14
Current Service Cost	978.19	715.64	286.07	151.08
Interest Cost	6,248.32	4,767.60	713.71	576.31
Past Service Cost (Vested Benefit)	-	1,200.00	3,610.00	-
Liability transferred In/ Acquisitions	16,045.22	-	2,526.13	-
Actuarial losses (gains)	3,338.70	6,525.61	(18.74)	227.95
Benefits paid	(4,190.42)	(2,175.52)	(1,535.59)	(996.46)
Direct Payment by Bank	(2,458.35)	(2,359.84)	-	-
Closing defined benefit obligation at 31 st March, 2018	87,786.56	67,824.90	12,872.60	7,291.02
Change in Plan Assets				
Opening fair value of Plan Assets as at 1 st April, 2017	64,560.42	53,410.37	7,281.18	6,879.77
Expected Return on Plan Assets	5,908.09	4,304.88	709.95	540.75
Contributions by employer	4,363.79	6,771.00	226.90	674.78
Assets transferred In/Acquisitions	14,742.79	-	2,484.28	-
Expected Contributions by the employees	-	3.09	-	-
Benefits Paid	(4,190.42)	(2,175.52)	(1,535.59)	(996.46)
Actuarial Gains / (Loss) on plan Assets	(135.07)	2,246.60	(25.96)	182.34
Closing fair value of plan assets as at 31 st March, 2018	85,249.60	64,560.42	9,140.76	7,281.18
Reconciliation of present value of the obligation and fair value of the plan assets				
Present Value of Funded obligation at 31 st March, 2018	87,786.56	67,824.90	12,872.60	7,291.02
Fair Value of Plan assets at 31 st March, 2018	85,249.60	64,560.42	9,140.76	7,281.18
Deficit/(Surplus)	2,536.96	3,264.48	3,731.84	9.84
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	(2,707.50)	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	2,536.96	3,264.48	1,024.34	9.84
Amount Recognised in the Balance Sheet				
Liabilities	87,786.56	67,824.90	12,872.60	7,291.02
Assets	85,249.60	64,560.42	9,140.76	7,281.18
Net Liability / (Asset) recognised in Balance Sheet	2,536.96	3,264.48	3,731.84	9.84
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	(2,707.50)	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	2,536.96	3,264.48	1,024.34	9.84
Net Cost recognised in the Profit and Loss account				
Current Service Cost	978.19	715.64	286.07	151.08
Interest Cost	6,248.32	4,767.60	713.71	576.31

Particulars	Pension Plans		Gratuity Plan	
	Current Year	Previous Year	Current Year	Previous Year
Expected return on plan assets	(5,908.09)	(4,304.88)	(709.95)	(540.75)
Expected Contributions by the employees	-	(3.09)	-	-
Past Service Cost (Amortised) Recognised	-	-	-	-
Past Service Cost (Vested Benefit) Recognised	-	1,200.00	902.50	-
Net actuarial losses (Gain) recognised during the year	3,473.77	4,279.01	7.22	45.61
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	4,792.19	6,654.28	1,199.55	232.25
Reconciliation of expected return and actual return on Plan Assets				
Expected Return on Plan Assets	5,908.09	4,304.88	709.95	540.75
Actuarial Gain/ (loss) on Plan Assets	(135.07)	2,246.60	(25.96)	182.34
Actual Return on Plan Assets	5,773.02	6,551.48	683.99	723.09
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet				
Opening Net Liability/ (Asset) as at 1 st April, 2017	3,264.48	5,741.04	9.84	452.37
Expenses as recognised in Profit and Loss account	4,792.19	6,654.28	1,199.55	232.25
Paid by Bank Directly	(2,458.35)	(2,359.84)	-	-
Debited to Other Provision	-	-	-	-
Recognised in Reserve	-	-	-	-
Net Liability/ (Asset) transferred in	1,302.43	-	41.85	-
Employer's Contribution	(4,363.79)	(6,771.00)	(226.90)	(674.78)
Net liability/(Asset) recognised in Balance Sheet	2,536.96	3,264.48	1,024.34	9.84

Investments under Plan Assets of Pension Fund & Gratuity Fund as on 31st March, 2018 are as follows:

Category of Assets	Pension Fund	Gratuity Fund
	% of Plan Assets	% of Plan Assets
Central Govt. Securities	24.57%	21.39%
State Govt. Securities	30.32%	24.69%
Debt Securities, Money Market Securities and Bank Deposits	30.55%	14.91%
Mutual Funds	2.49%	2.28%
Insurer Managed Funds	2.19%	29.29%
Others	9.88%	7.44%
Total	100.00%	100.00%

Principal actuarial assumptions

Particulars	Pension Plans		Gratuity Plan	
	Current Year	Previous Year	Current Year	Previous Year
Discount Rate	7.76%	7.45%	7.78%	7.27%
Expected Rate of return on Plan Asset	7.76%	7.45%	7.78%	7.27%
Salary Escalation	5.00%	5.00%	5.00%	5.00%
Attrition Rate	2.00%	2.00%	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE	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 31-03-2014	Year ended 31-03-2015	Year ended 31-03-2016	Year ended 31-03-2017	Year ended 31-03-2018
Liability at the end of the year	6,838.07	7,182.35	7,332.14	7,291.02	12,872.60
Fair value of Plan Assets at the end of the year	7,090.59	7,110.25	6,879.77	7,281.18	9,140.76
Difference	(252.52)	72.10	452.37	9.84	3,731.84
Unrecognised Past Service Cost	-	-	-	-	2,707.50
Unrecognised Transition Liability	-	-	-	-	-
Amount Recognized in the Balance Sheet	(252.52)	72.10	452.37	9.84	1,024.34

Experience adjustment

(₹ in crore)

Amount recognized in the Balance Sheet	Year ended 31-03-2014	Year ended 31-03-2015	Year ended 31-03-2016	Year ended 31-03-2017	Year ended 31-03-2018
On Plan Liability (Gain) /Loss	210.19	(24.69)	326.09	10.62	399.62
On Plan Asset (Loss) /Gain	23.87	106.04	(43.09)	182.34	(25.96)

Surplus/Deficit in the plan**Pension**

(₹ in crore)

Amount recognized in the Balance Sheet	Year ended 31-03-2014	Year ended 31-03-2015	Year ended 31-03-2016	Year ended 31-03-2017	Year ended 31-03-2018
Liability at the end of the year	45,236.99	51,616.04	59,151.41	67,824.90	87,786.56
Fair value of Plan Assets at the end of the year	42,277.01	49,387.97	53,410.37	64,560.42	85,249.60
Difference	2,959.98	2,228.07	5,741.04	3,264.48	2,536.96
Unrecognised Past Service Cost	-	-	-	-	-
Unrecognised Transition Liability	-	-	-	-	-
Amount Recognized in the Balance Sheet	2,959.98	2,228.07	5,741.04	3,264.48	2,536.96

Experience adjustment

On Plan Liability (Gain) /Loss	7,709.67	1,732.86	5,502.35	3,007.59	4,439.54
On Plan Asset (Loss) /Gain	335.40	2,285.87	(162.93)	2,246.60	(135.07)

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.

Consequent upon amendment in Payment of Gratuity Act 1972 and revision in gratuity ceiling from ₹ 10.00 Lakh to ₹ 20.00 lakh, the additional liability works out to ₹ 3,610.00 crore. RBI has vide letter No. DBR.BP.9730/21.04.018/2017-18 dated 27th April 2018 advised that banks, may at their discretion, spread the expenditure involved over four quarters beginning from the

quarter ended 31st March, 2018. They have also advised that the enhanced gratuity related unamortized expenditure would not be reduced from Tier I capital.

Accordingly, out of the total additional liability of ₹ 3,610.00 crore, an amount of ₹ 902.50 crore have been charged to the Profit & Loss Account for the year ended 31st March, 2018 and the remaining unamortized liability of ₹ 2,707.50 crore shall be provided over next three quarters i.e. from June'18 quarter to December'18 quarter.

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. 2017-18.

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)

Provident Fund		
Particulars	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1 st April, 2017	25,921.96	25,159.70
Current Service Cost	942.85	811.36
Interest Cost	2,428.48	2,177.60
Employee Contribution (including VPF)	1,357.28	1,031.10
Liability Transferred In	3,309.05	-
Actuarial losses/(gains)	25.56	-
Benefits paid	(4,050.55)	(3,257.80)
Closing defined benefit obligation at 31 st March, 2018	29,934.63	25,921.96
Change in Plan Assets		
Opening fair value of Plan Assets as at 1 st April, 2017	26,915.23	25,985.32
Expected Return on Plan Assets	2,428.48	2,177.60
Contributions	2,300.13	1,842.46
Transferred from other Companies	3,723.65	-
Benefits Paid	(4,050.55)	(3,257.80)
Actuarial Gains / (Loss) on plan Assets	185.55	167.65
Closing fair value of plan assets as at 31 st March, 2018	31,502.49	26,915.23
Reconciliation of present value of the obligation and fair value of the plan assets		
Present Value of Funded obligation at 31 st March, 2018	29,934.63	25,921.96
Fair Value of Plan assets at 31 st March, 2018	31,502.49	26,915.23
Deficit/(Surplus)	(1,567.86)	(993.27)
Net Asset not recognised in Balance Sheet		
Net Cost recognised in the Profit and Loss account	1,567.86	993.27
Current Service Cost	942.85	811.36
Interest Cost	2,428.48	2,177.60
Expected return on plan assets	(2,428.48)	(2,177.60)
Interest shortfall reversed	-	-

Provident Fund		
Particulars	Current Year	Previous Year
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	942.85	811.36
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1 st April, 2017	-	-
Expense as above	942.85	811.36
Employer's Contribution	(942.85)	(811.36)
Net Liability/(Asset) Recognized In the Balance Sheet	-	-

Investments under Plan Assets of Provident Fund as on 31st March, 2018 are as follows:

Category of Assets	Provident Fund % of Plan Assets
Central Govt. Securities	37.02%
State Govt. Securities	23.04%
Debt Securities, Money Market Securities and Bank Deposits	32.73%
Insurer Managed Funds	1.62%
Others	5.59%
Total	100.00%

Principal actuarial assumptions

Provident Fund		
Particulars	Current Year	Previous Year
Discount Rate	7.78%	7.27%
Guaranteed Return	8.65%	8.80%
Attrition Rate	2.00%	2.00%
Salary Escalation	5.00%	5.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

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

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

ii. Defined Contribution Plan:

The Bank has a Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and

employees joining the Bank on or after August 1, 2010. The Scheme is managed by NPS Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2017-18, the Bank has contributed ₹ 390.00 crore (Previous Year ₹ 218.15 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, 2017	4,754.10	4,375.49
Current Service Cost	208.26	212.74
Interest Cost	432.03	343.91
Liability transferred In/ Acquisitions	1,188.49	-
Actuarial losses/(gains)	593.08	397.82
Benefits paid	(933.78)	(575.86)
Closing defined benefit obligation at 31 st March, 2018	6,242.18	4,754.10
Net Cost recognised in the Profit and Loss account		
Current Service Cost	208.26	212.74
Interest Cost	432.03	343.91
Actuarial (Gain)/ Losses	593.08	397.82
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	1,233.37	954.47
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1 st April, 2017	4,754.10	4,375.49
Expense as above	1,233.37	954.47
Net Liability/ (Asset) transferred in	1,188.49	-
Employer's Contribution	-	-
Benefit paid directly by the Employer	(933.78)	(575.86)
Net Liability/(Asset) Recognized In the Balance Sheet	6,242.18	4,754.10

Principal actuarial assumptions

Particulars	Current Year	Previous Year
Discount Rate	7.78%	7.27%
Salary Escalation	5.00%	5.00%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

(B) Other Long Term Employee Benefits

Amount of ₹ (-) 63.95 crore (Previous Year ₹ 46.94 crore) is (written back) / 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)	(10.88)	15.10
2	Sick Leave	-	-
3	Silver Jubilee Award	(27.87)	30.64
4	Resettlement Expenses on Superannuation	(13.23)	(0.25)
5	Casual Leave	-	-
6	Retirement Award	(11.97)	1.45
	Total	(63.95)	46.94

Principal actuarial assumptions

Particulars	Current Year	Previous Year
Discount Rate	7.78%	7.27%
Salary Escalation	5.00%	5.00%
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, Mid Corporate Accounts 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 branches in National Banking Group, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with branches in the National Banking Group. 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) #	82,020.76	63,280.84	1,11,809.55	-	2,57,111.15
	(63,551.80)	(60,676.63)	(84,411.17)	(-)	(2,08,639.60)
Unallocated Revenue #					2,552.68
					(2339.57)
Total Revenue					2,59,663.83
					(2,10,979.17)
Result (before exceptional items) #	48.05	- 38,498.98	19,412.16	-	- 19,038.77
	(14,043.57)	(-18,192.09)	(20,864.26)	(-)	(16,715.74)
Add: Exceptional Items	5,436.17				5,436.17
	(-)				(-)
Result (after exceptional items) #	5,484.22	- 38,498.98	19,412.16	-	- 13,602.60
	(14,043.57)	(-18,192.09)	(20,864.26)	(-)	(16,715.74)

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Unallocated Income(+) / Expenses(-) - net #					-1,925.64
					(-1860.58)
Profit before tax #					- 15,528.24
					(14,855.16)
Tax #					- 8,980.79
					(4,371.06)
Extraordinary Profit #					Nil
					Nil
Net Profit #					- 6,547.45
					(10,484.10)
Other Information:					
Segment Assets *	10,89,553.51	10,11,026.98	13,22,851.33	-	34,23,431.82
	(8,04,449.56)	(9,31,293.68)	(9,54,597.65)	(-)	(26,90,340.89)
Unallocated Assets *					31,320.18
					(15,625.41)
Total Assets*					34,54,752.00
					(27,05,966.30)
Segment Liabilities *	8,19,731.87	10,48,664.62	13,11,134.57	-	31,79,531.06
	(6,08,747.16)	(8,44,527.74)	(9,97,848.30)	(-)	(24,51,123.20)
Unallocated Liabilities*					56,092.38
					(66,557.04)
Total Liabilities *					32,35,623.44
					(25,17,680.24)

(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) #	2,48,361.36	2,00,296.31	11,302.47	10,682.86	2,59,663.83	2,10,979.17
Net Profit#	- 7,891.83	7,637.52	1,344.38	2,846.58	- 6,547.45	10,484.10
Assets *	30,69,761.21	23,45,534.83	3,84,990.79	3,60,431.47	34,54,752.00	27,05,966.30
Liabilities*	28,50,632.65	21,57,248.77	3,84,990.79	3,60,431.47	32,35,623.44	25,17,680.24

For the year ended 31st March, 2018

* As at 31st March, 2018

d) Accounting Standard – 18 “Related Party Disclosures”**1. Related Parties****A. SUBSIDIARIES****i. FOREIGN BANKING SUBSIDIARIES**

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

ii. DOMESTIC NON-BANKING SUBSIDIARIES

1. SBI Capital Markets Ltd.
2. SBICAP Securities Ltd.
3. SBICAP Trustee Company Ltd.
4. SBICAP Ventures Ltd.
5. SBI DFHI Ltd.
6. SBI Global Factors Ltd.
7. SBI Infra Management Solutions Pvt. Ltd.
8. SBI Mutual Fund Trustee Company Pvt. Ltd.
9. SBI Payment Services Pvt. Ltd.
10. SBI Pension Funds Pvt. Ltd.
11. SBI Life Insurance Company Ltd.
12. SBI General Insurance Company Ltd.
13. SBI Cards and Payment Services Pvt. Ltd.
14. SBI Business Process Management Services Pvt. Ltd. (formerly known as GE Capital Business Process Management Services Pvt. Ltd) w.e.f. 15.12.2017
15. SBI – SG Global Securities Services Pvt. Ltd.
16. SBI Funds Management Pvt. Ltd.
17. SBI Foundation

iii. FOREIGN NON-BANKING SUBSIDIARIES

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

B. JOINTLY CONTROLLED ENTITIES

1. C-Edge Technologies Ltd.
2. GE Capital Business Process Management Services Pvt. Ltd (upto 14.12.2017)
3. SBI Macquarie Infrastructure Management Pvt. Ltd.
4. SBI Macquarie Infrastructure Trustee Pvt. Ltd.
5. Macquarie SBI Infrastructure Management Pte. Ltd.
6. Macquarie SBI Infrastructure Trustee Ltd.
7. Oman India Joint Investment Fund – Management Company Pvt. Ltd.
8. Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.
9. Jio Payments Bank Ltd.

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

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

ii. Others

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

D. Key Management Personnel of the Bank

1. Shri Rajnish Kumar, Chairman (w.e.f. 07.10.2017)
2. Smt Arundhati Bhattacharya, Chairman (up to 06.10.2017)
3. Shri Rajnish Kumar, Managing Director (National Banking Group) (up to 06.10.2017)
4. Shri P. K. Gupta, Managing Director (Retail & Digital Banking)
5. Shri Dinesh Kumar Khara, Managing Director (Risk, IT & Subsidiaries)
6. Shri B. Sriram, Managing Director (Corporate & Global Banking)

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			
Borrowings	Nil (Nil)	Nil (Nil)	Nil (Nil)
Deposit	44.22 (14.91)	Nil (Nil)	44.22 (14.91)
Other Liabilities	Nil (Nil)	Nil (Nil)	Nil (Nil)
Balance with Banks	Nil (Nil)	Nil (Nil)	Nil (Nil)
Advance	Nil (Nil)	Nil (Nil)	Nil (Nil)
Investment	67.66 (81.15)	Nil (Nil)	67.66 (81.15)
Non-fund commitments (LCs/BGs)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Maximum outstanding during the year			
Borrowings	Nil (Nil)	Nil (Nil)	Nil (Nil)
Deposit	205.68 (29.17)	Nil (Nil)	205.68 (29.17)

Other Liabilities	Nil (Nil)	Nil (Nil)	Nil (Nil)
Balance with Banks	Nil (Nil)	Nil (Nil)	Nil (Nil)
Advance	Nil (Nil)	Nil (Nil)	Nil (Nil)
Investment	77.10 (81.15)	Nil (Nil)	77.10 (81.15)
Non-fund commitments (LCs/BGs)	Nil (Nil)	Nil (Nil)	Nil (Nil)
During the year ended 31st March			
Interest Income	Nil (Nil)	Nil (Nil)	Nil (Nil)
Interest expenditure	0.09 (0.18)	Nil (Nil)	0.09 (0.18)
Income earned by way of dividend	29.24 (33.83)	Nil (Nil)	29.24 (33.83)
Other Income	Nil (Nil)	Nil (Nil)	Nil (Nil)
Other expenditure	7.66 (Nil)	Nil (Nil)	7.66 (Nil)
Profit/(Loss) on sale of land/ building and other assets	Nil (Nil)	Nil (Nil)	Nil (Nil)
Management contracts	Nil (Nil)	2.05 (1.39)	2.05 (1.39)

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, 2018	As at 31 st March, 2017
Not later than 1 year	163.35	282.78
Later than 1 year and not later than 5 years	535.88	1,145.19
Later than 5 years	246.15	303.09
Total	945.38	1,731.06

- (ii) Amount of lease payments recognised in the P&L Account for operating leases is ₹ 3,244.23 crore (₹ 2,582.72 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.

(₹ in crore)

Particulars Basic and diluted	Current Year	Previous Year
Number of Equity Shares outstanding at the beginning of the year	797,35,04,442	776,27,77,042
Number of Equity Shares issued during the year	95,10,83,092	21,07,27,400
Number of Equity Shares outstanding at the end of the year	892,45,87,534	797,35,04,442
Weighted average number of equity shares used in computing basic earnings per share	853,30,51,135	780,37,67,851
Weighted average number of shares used in computing diluted earnings per share	853,30,51,135	780,37,67,851
Net profit / (loss) (₹ in crore)	(6,547.45)	10,484.10
Basic earnings per share (₹)	(7.67)	13.43
Diluted earnings per share (₹)	(7.67)	13.43
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 ₹ 673.54 crore (Previous Year ₹ 4,165.83 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, ₹ 9,654.33 crore has been credited to Profit and Loss Account (Previous Year ₹ 337.78 crore debited) on account of deferred tax.

The Bank has a net DTA of ₹ 11,365.99 crore (Previous Year net DTL of ₹ 2,561.87 crore), which comprises of DTL of ₹ 2.80 crore (Previous Year ₹ 2989.77 crore) included under 'Other Liabilities and Provisions' and Deferred Tax Assets (DTA) of ₹ 11,368.79 crore (Previous Year ₹ 427.90 crore) included under 'Other Assets'. The major components of DTA and DTL is given below:

(₹ in crore)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Deferred Tax Assets (DTA)		
Provision for long term employee Benefits	3,454.26	2,332.20
Provision for advances \$	4,197.64	2,564.22
Provision for Other Assets/ Other Liability	743.57	724.65
Amortisation of Discount	-	2.26
On Accumulated losses (including erstwhile ABs)	13,862.05	-
On account of Foreign Offices	317.04	427.91
Total	22,574.56	6,051.24
Deferred Tax Liabilities (DTL)		
Depreciation on Fixed Assets	83.36	219.73
Interest accrued but not due on Securities	6,315.01	4,305.62
Special Reserve created u/s 36(1)(viii) of Income Tax Act 1961	4,690.10	3,522.29
On account of Foreign Offices	2.80	2.19
On Foreign Currency Translation Reserve	117.30	563.28
Total	11,208.57	8,613.11
Net Deferred Tax Assets/ (Liabilities)	11,365.99	(2,561.87)

\$ During the year, the Bank has recognized Deferred Tax Asset, on provision for standard assets as per IRAC norms, amounting to ₹ 2,461.40 crore which was hitherto not considered for Deferred Tax Asset with consequential effect on the results for the year.

h) Accounting Standard - 27 "Financial Reporting of interests in Joint Ventures"

Investments include ₹ 67.66 crore (Previous Year ₹ 78.17 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%

Sr. No	Name of the Company	Amount ₹ in crore	Country of Residence	Holding %
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. #	- (1.07)	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	39.60 (39.60)	India	30%

Indirect holding through Maquarie SBI Infra Management Pte. Ltd., against which the company has made 100% provision on investments made upto 31st March, 2017. (Figures in brackets relate to previous year)

During the year the Bank increased its stake from 40% to 74% in GE Capital Business Process Management Ltd.. Consequent to increase, it became subsidiary of the Bank from Jointly controlled entity.

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, 2018	As at 31 st March, 2017
Liabilities		
Capital & Reserves	153.26	230.72
Deposits	-	-
Borrowings	0.60	9.93
Other Liabilities & Provisions	53.57	118.74
Total	207.43	359.39
Assets		
Cash and Balances with RBI	0.02	0.02
Balances with Banks and money at call and short notice	68.86	139.84
Investments	49.47	54.65
Advances	-	-
Fixed Assets	8.91	44.68
Other Assets	80.17	120.20
Total	207.43	359.39

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Capital Commitments	-	-
Other Contingent Liabilities	1.28	1.52
Income		
Interest earned	4.13	9.14
Other income	184.18	366.32
Total	188.31	375.46
Expenditure		
Interest expended	0.23	0.71
Operating expenses	119.34	299.69
Provisions & contingencies	20.24	23.91
Total	139.81	324.31
Profit	48.50	51.15

i) Accounting Standards – 28 “Impairment of Assets”

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

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

Description of Contingent liabilities:

Sr. No.	Particulars	Brief Description
1	Claims against the Bank not acknowledged as debts	The Bank is a party to various proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows. The Bank is also a party to various taxation matters in respect of which appeals are pending.
2	Liability on partly paid-up investments/ Venture Funds	This item represents amounts remaining unpaid towards liability for partly paid investments. This also includes undrawn commitments for Venture Capital Funds.
3	Liability on account of outstanding forward exchange contracts	The Bank enters into foreign exchange contracts in its normal course of business to exchange currencies at a pre-fixed price at a future date. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The notional amounts are recorded as Contingent Liabilities. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the interbank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.

4	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial Banking activities, the Bank issues documentary credits and guarantees on behalf of its customers. Documentary credits enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfil its financial or performance obligations.
5	Other items for which the Bank is contingently liable.	The Bank enters into currency options, forward rate agreements, currency swaps and interest rate swaps with inter-Bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as Contingent Liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts. Further, these also include estimated amount of contracts remaining to be executed on capital account and not provided for, letter of comforts issued by the Bank on behalf of Associates & Subsidiaries, Bank's Liability under Depositors Education and Awareness Fund A/c and other sundry contingent liabilities.

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

k) Movement of provisions against Contingent Liabilities
(₹ in crore)

Particulars	Current Year	Previous Year
Opening balance	423.34	401.10
Additions during the year including receipt from erstwhile ABs and BMBL on acquisition	705.60	98.27
Amount utilised during the year	227.64	2.10
Unused amount reversed during the year	398.14	73.93
Closing balance	503.16	423.34

18.10. Additional Disclosures

1. Provisions and Contingencies

(₹ in crore)

Break up of "Provisions and Contingencies" shown under head Expenditure in Profit and loss account	Current Year	Previous Year
Provision for Taxation		
- Current Tax	673.54	4,165.83
- Deferred Tax	-9,654.33	337.78
- Write Back of Income Tax	-	-132.54
Provision for Depreciation on Investments	8,087.58	298.39
Provision on Non-Performing Assets	71,374.22	32,905.63
Provision on Restructured Assets	-693.99	-658.94
Provision on Standard Assets	-3,603.66	2,499.64
Other Provisions	-124.95	948.00
Total	66,058.41	40,363.79

2. Floating Provisions

(₹ in crore)

Particulars	Current Year	Previous Year
Opening Balance	25.14	25.14
Addition during the year including receipt from erstwhile ABs and BMBL on acquisition	168.61	-
Draw down during the year	-	-
Closing Balance	193.75	25.14

3. Draw down from Reserves

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

4. Status of complaints

A. Customer complaints (including complaints relating to ATM transactions)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
No. of complaints pending at the beginning of the year	46,282	15,335
No. of complaints received during the year including receipt from erstwhile ABs and BMBL on acquisition	21,59,700	14,68,471
No. of complaints redressed during the year	21,26,723	14,37,524
No. of complaints pending at the end of the year	79,259	46,282

Does not include complaints redressed within one working day.

B. Awards passed by the Banking Ombudsman

Particulars	Current Year	Previous Year
No. of unimplemented Awards at the beginning of the year	3	-
No. of Awards passed by the Banking Ombudsman during the year	78	42
No. of Awards implemented during the year	73	39
No. of unimplemented Awards at the end of the year	8	3

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, 2018 and 31st March, 2017.

7. Provisioning Coverage Ratio (PCR):

The Provisioning to Gross Non-Performing Assets ratio of the Bank as on 31st March, 2018 is 66.17 % (Previous Year 65.95%).

8. Fees/remuneration received in respect of the Bancassurance Business

(₹ in crore)

Name of the Company	Current Year	Previous Year
SBI Life Insurance Co. Ltd.	714.75	491.55
SBI General Insurance Co. Ltd.	212.57	107.20
NTUC and Manu Life Financial Limited	1.05	0.86
Tokio Marine and ACE	0.32	0.05
Unit Trust	0.26	0.04
Alia Singapore	0.07	0.14
TOTAL	929.02	599.84

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	1,19,585.93	1,24,740.17
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	4.42%	6.10%

b) Concentration of Advances

(₹ in crore)

Particulars	Current Year	Previous Year
Total Advances to twenty largest borrowers	1,95,211.00	1,82,031.00
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	7.91%	11.19%

c) Concentration of Exposures

(₹ in crore)

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers/ customers	3,65,809.00	3,98,050.00
Percentage of Exposures to twenty largest borrowers/ customers to Total Exposure of the Bank on borrowers/ customers	12.11%	14.67%

d) Concentration of NPAs

(₹ in crore)

Particulars	Current Year	Previous Year
Total Exposure to top four NPA accounts	38,239.70	21,901.53

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	188,502.88	20,964.77	11.12	1,30,231.77	7,354.64	5.65
2	Industry (Micro & Small, Medium and Large)	99,386.61	16,020.84	16.12	78,050.67	11,536.03	14.78
3	Services	74,363.81	7,339.66	9.87	53,723.75	2,378.55	4.43
4	Personal Loans	104,507.85	3,332.33	3.19	89,888.59	972.64	1.08
	Sub-total (A)	466,761.15	47,657.60	10.21	3,51,894.78	22,241.86	6.32
B	Non Priority Sector						
1	Agriculture & allied activities	3,753.61	301.93	8.04	2,692.79	99.26	3.69
2	Industry (Micro & Small, Medium and Large)	906,557.34	162,784.99	17.96	7,89,932.27	82,086.39	10.39
3	Services	220,925.77	9,264.85	4.19	1,70,032.85	6,704.73	3.94
4	Personal Loans	450,389.43	3,418.09	0.76	3,12,724.85	1,210.75	0.39
	Sub-total (B)	1,581,626.15	175,769.86	11.11	12,75,382.76	90,101.13	7.06
C	Total (A+B)	2,048,387.30	223,427.46	10.91	16,27,277.54	1,12,342.99	6.90

11. Overseas Assets, NPAs and Revenue

(₹ in crore)

Sr. No.	Particulars	Current Year	Previous Year
1	Total Assets	3,84,990.79	3,60,431.47
2	Total NPAs (Gross)	7,199.29	6,794.16
3	Total Revenue	11,302.47	10,682.86

12. Off-balance Sheet SPVs sponsored

	Name of the SPV 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 March 31:	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	25,469.43	23,296.28
ii	Total amount of top-20 intra-group exposures	25,469.43	23,296.28
iii	Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	0.84%	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 (DEAF)

(₹ in crore)

Particulars	Current Year	Previous Year
Opening balance of amounts transferred to DEAF	1,081.42	880.92
Add : Amounts transferred to DEAF during the year including receipt from erstwhile ABs and BMBL on acquisition	1,050.31	201.64
Less : Amounts reimbursed by DEAF towards claims	6.11	1.14
Closing balance of amounts transferred to DEAF	2,125.62	1,081.42

17. Unhedged Foreign Currency Exposure

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

An amount of ₹ 86.44 crore (Previous Year ₹ 110.74 crore) was held as on 31st March 2018 for towards Currency Induced Credit Risk and Capital allocated for Currency Induced Credit Risk amounting to ₹ 66.49 crore (Previous Year ₹ 246.98 crore).

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

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

LCR has been defined as :

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

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

Quantitative Disclosure:**Liquidity Coverage Ratio**

State Bank of India

(₹ in crore)

LCR COMPONENTS	Quarter ended March 31, 2018		Quarter ended December 31, 2017		Quarter ended September 30, 2017		Quarter ended June 30, 2017		Quarter ended March 31, 2017	
	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)		674,894		672,029		658,888		619,383		510,555
CASH OUTFLOWS										
2 Retail Deposits and deposits from small business customers, of which:										
(i) Stable deposits	278,238	13,912	290,650	14,532	243,833	12,192	234,526	11,726	190,776	9,539
(ii) Less Stable Deposits	1,751,396	175,140	1,724,041	172,404	1,727,038	172,704	1,680,569	168,057	1,327,592	132,759
3 Unsecured wholesale funding, of which:										
(i) Operational deposits(all counterparties)	63	16	13	3	0	0	1	0	0	0
(ii) Non-operational deposits(all counterparties)	556,336	327,440	545,715	325,181	561,715	334,075	581,337	340,759	470,093	282,965
(iii) Unsecured debt	0	0	0	0	0	0	0	0	0	0
4 Secured wholesale funding	30,025	0	29,234	0	7,885	0	3,520	0	3,687	0
5 Additional requirements, of which										
(i) Outflows related to derivative exposures and other collateral requirements	150,911	150,911	150,497	150,497	140,940	140,940	151,397	151,397	126,314	126,314
(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	43,416	6,376	48,665	7,254	41,979	6,888	59,524	8,219	78,531	10,964
6 Other contractual funding obligations	39,838	39,838	29,400	29,400	33,360	33,360	28,623	28,623	22,157	22,157
7 Other contingent funding obligations	563,500	20,659	563,395	20,686	527,855	19,084	551,619	19,851	465,170	16,683
8 TOTAL CASH OUTFLOWS	3,413,722	734,290	3,381,610	719,957	3,284,604	719,243	3,291,115	728,632	2,684,321	601,381
CASH INFLOWS										
9 Secured lending(eg. Reverse repos)	7,075	0	6,743	0	53,171	0	54,138	0	50,698	0
10 Inflows from fully performing exposures	220,510	202,086	226,044	207,518	227,422	209,011	237,759	214,036	235,209	213,985
11 Other cash inflows	38,779	28,758	39,193	28,656	47,814	36,762	38,784	29,302	40,317	32,989
12 TOTAL CASH INFLOWS	266,364	230,844	271,980	236,174	328,407	245,773	330,681	243,338	326,224	246,974
13 TOTAL HQLA		674,894		672,029		658,888		619,383		510,555
14 TOTAL NET CASH OUTFLOWS		503,446		483,783		473,470		485,294		354,407
15 LIQUIDITY COVERAGE RATIO(%)		134.05%		138.91%		139.16%		127.63%		144.06%

Note 1 : In accordance with RBI Circular No. RBI/2014-15/529 DBR. No. BP.BC.80/21.06.201/2014-15 dated March 31, 2015 guidelines, average weighted and unweighted amounts have been calculated considering simple daily average from 1st January 2017 and taking 66 data points for the quarter January-March 2018.

Note 2 : Bank has automated computation of Domestic LCR since 1st March 2018.

Note 3 : LCR position for the quarter ended March 31, 2017 is based on figures of SBI stand alone basis i.e. excluding figures of erstwhile Associate Banks, which have merged with SBI on 1st April 2017.

The LCR position is above the minimum 90% prescribed by RBI. Bank's LCR comes to 134.05% based on daily average of three months (Q4 FY17-18). The average HQLA for the quarter was ₹ 6,74,894 crore, of which, Level 1 assets constituted 93.58% of total HQLA. Government securities constituted 96.92% of Total Level 1 Assets. Level 2A Assets constitutes 5.39% of total HQLA and Level 2B assets constitutes 1.03% of total HQLA. The net cash outflow position has slightly gone up on account of decrease in receivable RBI/Central Bank. Derivative exposures are considered insignificant due to almost matching inflows and outflows position. During the quarter, LCR for US\$ (significant Foreign Currency constituting more than 5% of the Balance Sheet of the Bank) was 77.98% 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 March 31, 2015 had stipulated the implementation of LCR at a consolidated level from January 1, 2016. Accordingly, SBI Group has been computing the Consolidated LCR.

The entities covered in the Group LCR are State Bank of India and the seven 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, and PT Bank SBI Indonesia.

SBI Group LCR comes out to 134.01% as on 31st March, 2018 based on average of three months January, February and March 2018.

Liquidity Coverage Ratio

State Bank of India Group

(₹ in crore)

LCR Components	Quarter ended March, 2018		Quarter ended December 31, 2017		Quarter ended September 30, 2017		Quarter ended June 30, 2017		Quarter ended March 31, 2017	
	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)
1 Total High Quality Liquid Assets(HQLA)		677,442		676,830		660,869		624,950		640,508
Cash Outflows										
2 Retail Deposits and deposits from small business customers, of which:										
(i) Stable deposits	280,782	14,039	292,752	14,638	246,200	12,310	236,582	11,830	241,589	12,079
(ii) Less Stable Deposits	1,758,364	175,836	1,731,413	173,141	1,734,387	173,439	1,688,268	168,827	1,704,999	170,500
3 Unsecured wholesale funding, of which:										
(i) Operational deposits(all counterparties)	177	44	113	28	89	22	79	19	59	15
(ii) Non-operational deposits(all counterparties)	558,884	329,566	543,376	326,347	563,068	335,048	582,760	341,749	586,666	336,902
(iii) Unsecured debt	0	0	0	0	0	0	0	0	7,456	7,456
4 Secured wholesale funding	30,209	184	29,738	0	7,981	96	3,621	101	3,709	1,236
5 Additional requirements, of which										
(i) Outflows related to derivative exposures and other collateral requirements	150,912	150,912	150,499	150,499	140,940	140,940	151,400	151,400	154,037	154,119
(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	44,693	6,877	49,790	7,734	43,110	7,359	60,948	8,777	104,556	12,695
6 Other contractual funding obligations	40,639	40,639	30,292	30,292	34,352	34,352	29,411	29,411	28,620	28,620
7 Other contingent funding obligations	565,427	20,718	565,264	20,743	529,544	19,137	546,593	19,900	540,151	19,328
8 TOTAL CASH OUTFLOWS	3,430,087	738,817	3,396,878	723,422	3,299,670	722,703	3,299,662	732,014	3,371,843	742,951
Cash Inflows										
9 Secured lending(eg. Reverse repos)	7,076	1	6,745	1	53,173	1	54,139	0	60,900	0
10 Inflows from fully performing exposures	223,818	203,448	228,905	208,493	230,026	209,832	240,145	215,072	278,044	249,098
11 Other cash inflows	39,889	29,867	39,611	29,075	48,819	37,767	40,470	30,989	65,560	56,743
12 Total Cash Inflows	270,783	233,316	275,261	237,568	332,019	247,600	334,754	246,061	404,503	305,841
13 TOTAL HQLA		677,442		676,830		660,869		624,950		640,508
14 TOTAL NET CASH OUTFLOWS		505,501		485,854		475,103		485,953		437,110
15 LIQUIDITY COVERAGE RATIO(%)		134.01%		139.30%		139.10%		128.60%		146.53%

Note 1 : Monthly average of 3 months data considered for Overseas Banking Subsidiaries and daily average considered for SBI(Solo).

Note 2 : State Bank of India (UK) Ltd. has not been included as it started operations on 02.04.2018.

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.

19. Fraud Reported and provision made during the year:

Out of the total frauds of ₹ 2,532.24 crore in 1,789 cases (Previous year ₹ 2,424.74 crore in 837 cases) reported during the year, an amount of ₹ 2,359.61 crore in 539 cases (Previous year ₹ 2,360.37 crore in 278 cases) represents advances declared as frauds. Full provision has been made for the frauds reported during the year.

20. 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.

21. Sale of Assets to Reconstruction Companies

Shortfall on account of sale of assets to reconstruction companies during the year amounting to ₹ 9.07 crore (Previous Year ₹ 48.59 crore) has been fully charged in the current year.

22. MSME Borrowers

In accordance with RBI vide circular no. DBR.No.BP.BC.100/21.04.048/2017-18 dated 7th February 2018, on "Relief for MSME borrowers registered under Goods and Service Tax (GST)" the Bank has classified 11,398 accounts of the borrowers having outstanding balance of ₹ 320.15 crore as standard accounts on 31st March 2018.

23. Priority Sector Lending Certificate (PSLC)

The Bank has purchased the following PSLCs during the year:-
(₹ in crore)

Sr. No.	Category	Amount
1.	PSLC Micro Enterprises	350.00
2.	PSLC Agriculture	100.00
3.	PSLC General	33,485.00
4.	PSLC Small and Marginal Farmers	1,664.00
Total		35,599.00

The Bank did not sell any PSLC during the year ended 31st March 2018

b) The eligible shareholders of the merged entities were allotted shares of SBI, as mentioned below.

Name of the Transferor Banks	Share exchange ratio/ Issued
State Bank of Bikaner and Jaipur (SBBJ)	28 shares of face value ₹ 1 each of SBI for every 10 shares of SBBJ of face value ₹ 10 each fully paid up aggregating to 4,88,54,308 shares of face value ₹ 1 each of SBI.
State Bank of Mysore (SBM)	22 shares of face value of ₹ 1 each for every 10 shares of SBM of face value ₹ 10 each fully paid up aggregating to 1,05,58,379 shares of face value ₹ 1 each of SBI.
State Bank of Travancore (SBT)	22 shares of face value of ₹ 1 each for every 10 shares of SBT of face value of ₹ 10 each fully paid up aggregating to 3,27,08,543 shares of face value ₹ 1 each of SBI.
Bharatiya Mahila Bank Limited (BMBL)	4,42,31,510 shares of face value of ₹ 1 each for 100,00,00,000 shares of BMBL of face value of ₹ 10 each fully paid up.

24. Counter Cyclical Provisioning Buffer (CCPB)

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

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

25. Food Credit

In accordance with RBI instruction, the Bank has made a provision of 7.5% amounting to ₹ 285.31 crore (Previous Year ₹ 856 crore) against outstanding in the long term food credit advance to a State Government.

26. Reversal of Revaluation Reserve of Bank's Leasehold Properties:

In compliance with the RBI instructions, the Bank has reversed the effect of revaluation amounting to ₹ 11,210.94 crore made in earlier periods in the value of certain leasehold properties, which has resulted in write back of depreciation earlier charged amounting to ₹ 193.24 crore.

27. Acquisition of Erstwhile Domestic Banking subsidiaries (DBS) & Bharatiya Mahila Bank Limited

a) The Government of India has accorded sanction under sub-section (2) of section 35 of the State Bank of India Act, 1955, for acquisition of five domestic banking subsidiaries (DBS) of SBI namely (i) State Bank of Bikaner & Jaipur (SBBJ), (ii) State Bank of Mysore (SBM), (iii) State Bank of Travancore (SBT), (iv) State Bank of Patiala (SBP), (v) State Bank of Hyderabad (SBH) and for acquisition of Bharatiya Mahila Bank Limited (BMBL) (hereinafter collectively referred to as Transferor Banks) vide orders dated February 22, 2017 and March 20, 2017. As per GOI orders these schemes of acquisition shall come into effect from April 01, 2017 (hereafter referred to as the effective date).

As per the said scheme, the undertakings of the Transferor Banks which shall be deemed to include all business, assets, liabilities, reserves and surplus, present or contingent and all other rights and interest arising out of such property as were immediately before the effective date in the ownership, possession or power of the Transferor Banks shall be transferred to and will vest in SBI (hereinafter referred to as Transferee Bank) on and from the effective date.

Further, SBI has paid cash in respect of entitlements to fraction of equity shares wherever so determined. In respect of State Bank of Patiala (SBP) and State Bank of Hyderabad (SBH) which were wholly owned entities, entire share capital of those banks were cancelled against the investments held in those entities.

- c) The merger of DBS & BMBL with SBI, has been accounted under the 'pooling of interest' method as per Accounting Standard 14 (AS 14), "Accounting for amalgamation" and the approved Scheme of Acquisition. Pursuant thereto, all assets and liabilities amounting to ₹ 11,314.75 crore (net) of the transferor Banks have been recorded in the books of SBI at their existing carrying amounts as on effective date, in consideration for 13,63,52,740 shares of face value of ₹ 1 each of SBI and ₹ 0.25 crore paid in cash towards fractional entitlements as stated above and SBI's investments in e-DBS on effective date stands cancelled. The net difference between share capital of transferor banks of e-DBS & BMBL and corresponding investments by SBI and cash in lieu of fractional entitlement of shares have been transferred to Capital Reserve. The net assets taken over on amalgamation are as under:

Particulars	e-SBBJ	e-SBH	e-SBM	e-SBP	e-SBT	e-BMB	Total
Assets taken over							
Cash & balances with RBI	8,596.66	7,328.66	4,669.93	5,242.96	6,858.88	46.64	32,743.73
Balances with Banks & Money at Call & Short Notice	2,002.50	21,453.95	19,167.30	73.59	23,347.74	635.11	66,680.19
Investments	34,922.37	43,628.77	23,861.63	32,706.10	40,777.06	707.62	1,76,603.55
Advances	64,830.01	79,375.57	34,474.63	70,018.98	48,617.57	567.49	2,97,884.25
Fixed Assets	1,353.65	1,662.33	1,532.58	1,420.45	995.82	22.68	6,987.51
Other Assets	4,558.73	9,598.12	5,261.05	13,367.08	5,176.53	50.94	38,012.45
Total Assets (A)	1,16,263.92	1,63,047.40	88,967.12	1,22,829.16	1,25,773.60	2,030.48	6,18,911.68
Liabilities taken over							
Reserves & Surplus	4,070.33	8,377.94	2,766.44	1,858.95	2,554.84	-	19,628.50
Deposits	1,04,008.73	1,41,898.94	78,474.22	1,00,794.63	1,14,688.90	975.77	5,40,841.19
Borrowings	1,553.75	5,619.05	2,648.52	4,071.60	3,035.00	-	16,927.92
Other Liabilities & Provisions	4,378.86	6,783.92	4,072.09	11,244.88	3,700.24	19.33	30,199.32
Total Liabilities (B)	1,14,011.67	1,62,679.85	87,961.27	1,17,970.06	1,23,978.98	995.10	6,07,596.93
Net Assets taken over (A-B)	2,252.25	367.55	1,005.85	4,859.10	1,794.62	1,035.38	11,314.75
Net difference between share capital of e-DBS & BMBL and corresponding investments by SBI	17.44	-	4.79	-	14.88	1,000.01	1,037.12
Less:							
(a) 13,63,52,740 shares of face value of ₹ 1 each issued by SBI as consideration	4.88	-	1.05	-	3.28	4.43	13.64
(b) Cash in lieu of fractional entitlement of shares	0.12	-	0.09	-	0.04	-	0.25
Difference transferred to Capital Reserve	12.44	-	3.65	-	11.56	995.58	1,023.23

28. a) On April 18, 2017, RBI through its circular advised that the provisioning rates prescribed as per the prudential norms circular are the regulatory minimum and banks are encouraged to make provisions at higher rates in respect of advances to stressed sectors of the economy. Accordingly, during the year, the Bank as per its Board approved policy made additional general provision amounting to ₹ 74.66 crore on standard loans to borrowers.
- b) RBI vide letter DBR.No.BP.8756/ 21.04.048/2017-18 dated 2nd April 2018, the provisioning requirements in respects of NCLT accounts is reduced from 50% of secured portion to 40% of secured portion as at 31st March 2018. Based on the prospects of recovery the bank has availed the relaxation in a few accounts.
29. RBI vide letter RBI 2017-18/131/DBR.No.BP.BC.101/ 21.04.048/2017-18 dated February 12, 2018, issued a Revised Framework for Resolution of Stressed Assets, which superseded the existing guidelines on CDR, SDR, change in ownership outside SDR, Flexible Structuring of Existing Long term project loans (5/25 Scheme) and S4A with immediate effect. Under the revised framework, the stand-still benefits for accounts where any of these schemes had been invoked but not yet implemented were revoked and accordingly these accounts have been classified as per the extant RBI prudential norms on Income Recognition and Asset Classification.
30. The bank has made an adhoc provision of ₹ 1,659.41 crore towards arrears of wages due for revision w.e.f 1st November 2017.
31. Profit / (loss) on sale of investment (net) under Schedule 14 "Other Income" includes ₹ 5,436.17 crore on sale of partial investment in SBI Life Insurance Company Limited.
32. (a) The results for the year ended 31st March, 2018 include the result of operations of the erstwhile Associate Banks (ABs) & Bharatiya Mahila Bank Limited (BMBL) for the period from 1st April 2017 to the year end. Hence, the results of the Bank are not comparable to that of the corresponding previous year.
- (b) 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, 2018

(000s omitted)

PARTICULARS	Year ended 31.03.2018 (Current Year) ₹	Year ended 31.03.2017 (Previous Year) ₹
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit / (loss) before Taxes	(15528,24,16)	14855,16,27
Adjustments for:		
Depreciation on Fixed Assets	2919,46,63	2293,30,96
(Profit)/Loss on sale of Fixed Assets (Net)	30,03,00	37,05,49
(Profit)/Loss on revaluation of Investments (Net)	1120,61,02	-
(Profit)/Loss on sale of Investments in Subsidiaries / Joint Ventures / Associates	(5639,89,81)	(1755,00,00)
Provision for diminution in fair value & Non Performing Assets	70680,23,69	32246,69,15
Provision on Standard Assets	(3603,66,16)	2499,64,29
Provision for depreciation on Investments	8087,57,43	298,39,39
Other provisions including provision for contingencies	(124,95,17)	948,00,40
Income from Investment in Subsidiaries / Joint Ventures / Associates	(448,51,70)	(688,35,40)
Interest on Capital Instruments	4472,04,27	4195,23,59
	61964,69,04	54930,14,14
Adjustments for:		
Increase/(Decrease) in Deposits	121022,95,24	314028,95,86
Increase/ (Decrease) in Borrowings other than Capital Instruments	42629,85,28	(4640,71,53)
(Increase)/ Decrease in Investments other than Investments in Subsidiaries / Joint Ventures / Associates	(136164,12,43)	(188005,00,05)
(Increase)/ Decrease in Advances	(136597,79,56)	(139624,65,51)
Increase/ (Decrease) in Other Liabilities	(2214,19,47)	(7469,50,80)
(Increase)/ Decrease in Other Assets	(29086,42,24)	(18051,26,83)
	(78445,04,14)	11167,95,28
Tax refund/ (Taxes paid)	(6980,20,58)	(107,63,17)
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES	A (85425,24,72)	11060,32,11
CASH FLOW FROM INVESTING ACTIVITIES:		
(Increase)/ Decrease in Investments in Subsidiaries / Joint Ventures / Associates	(1104,10,39)	(2631,24,15)
Profit/(Loss) on sale of Investments in Subsidiaries / Joint Ventures / Associates	5639,89,81	1755,00,00
Income from Investment in Subsidiaries / Joint Ventures / Associates	448,51,70	688,35,40
(Increase)/ Decrease in Fixed Assets	(4104,97,78)	(2960,56,19)
Cash paid to shareholders of erstwhile Domestic Banking Subsidiaries & Bhartiya Mahila Bank towards fractional entitlements consequent to merger	(25,18)	-
NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES	B 879,08,16	(3148,44,94)

(000s omitted)

PARTICULARS	Year ended 31.03.2018 (Current Year) ₹	Year ended 31.03.2017 (Previous Year) ₹
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of equity shares including share premium (Net)	23782,45,47	5674,82,91
Issue/(Redemption) of Capital Instruments (Net)	(12603,22,50)	(922,40,00)
Interest on Capital Instruments	(4472,04,27)	(4195,23,59)
Dividend paid including tax thereon	(2416,26,71)	(2337,46,38)
NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES	C 4290,91,99	(1780,27,06)
EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE	D 1291,94,79	(1627,60,78)
CASH & CASH EQUIVALENTS RECEIVED ON ACCOUNT OF MERGER OF DOMESTIC BANKING SUBSIDIARIES & BHARTIYA MAHILA BANK	E 98890,28,99	-
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C+D+E)	19926,99,21	4503,99,33
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	171971,64,98	167467,65,65
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	191898,64,19	171971,64,98
Note: Components of Cash & Cash Equivalents as at:	31.03.2018	31.03.2017
Cash & Balance with RBI	150397,18,14	127997,61,77
Balances with Banks and money at call & short notice	41501,46,05	43974,03,21
	191898,64,19	171971,64,98

Signed by:

Shri Dinesh Kumar Khara
Managing Director
(Risk, IT & Subsidiaries)

Shri P. K. Gupta
Managing Director
(Retail & Digital Banking)

Shri B. Sriram
Managing Director
(Corporate & Global Banking)

Directors:

Dr. Purnima Gupta
Shri Sanjiv Malhotra
Shri Basant Seth
Dr. Girish Kumar Ahuja
Shri Chandan Sinha
Dr. Pushpendra Rai
Shri Bhaskar Pramanik

Shri Rajnish Kumar
Chairman

Place: Mumbai**Date: 22nd May, 2018**

In terms of our report of even date

For VARMA & VARMA
Chartered Accountants

P R PRASANNA VARMA
Partner : M. No.025854
Firm Regn. No. 004532 S

For GSA & ASSOCIATES
Chartered Accountants

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Firm Regn. No. 302114 E

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ABHAY CHHAJED
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Firm Regn. No. 000709 C

For BRAHMAYYA & CO.
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Firm Regn. No. 000511 S

For S K MITTAL & CO.
Chartered Accountants

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Firm Regn. No. 001135 N

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Chartered Accountants

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For BANSAL & CO LLP
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Chartered Accountants

AKSHAY KUMAR GUPTA
Partner : M. No. 070744
Firm Regn. No. 001874 C

For RAY & RAY
Chartered Accountants

ABHIJIT NEOGI
Partner: M. No. 61380
Firm Regn. No. 301072 E

Place : Mumbai
Date : 22nd May, 2018

Independent Auditors' Report

To

The President of India,

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of State Bank of India ("the Bank") as at March 31 2018, which comprise the Balance Sheet as on that date, and the Profit and Loss Account and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. Incorporated in these standalone financial statements are the returns of -

- i) The Central Offices, 16 Local Head Offices, Global Market Group, International Business Group, Corporate Accounts Group (Central), Mid-Corporate Group (Central), Stressed Assets Resolution Group (Central), Central Accounts Offices and 42 branches audited by us;
- ii) 14,566 Indian Branches audited by other auditors;
- iii) 51 Foreign Branches audited by the 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. Also incorporated in the Balance Sheet and the Profit and Loss Account are the returns from 9,033 Indian Branches (including other accounting units) which have not been subjected to audit. These unaudited branches account for 3.49 % of advances, 12.56 % of deposits, and 4.62 % of interest income and 12.85 % of interest expenses.

Management's Responsibility for the Standalone Financial Statements

2. The Bank's management is responsible for 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 requirements of the Reserve Bank of India, the provisions of the Banking Regulation Act, 1949, the State Bank of India Act, 1955 and recognised accounting policies and practices, including the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI). This responsibility of the management includes the design, implementation and maintenance of internal controls and risk management systems relevant to the preparation of the standalone financial statements that are free from material misstatement, whether due to fraud or error. In making those risk assessments, the management has implemented such internal controls that are relevant to the preparation of the standalone financial statements and designed procedures that are appropriate in the circumstances so that the internal control with regard to all the activities of the Bank is effective.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the standalone financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the standalone financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, as shown by books of the Bank, and to the best of our information and according to the explanations given to us:

- (i) the Balance Sheet, read with the significant accounting policies and the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of state of affairs of the Bank as at March 31, 2018 in conformity with accounting principles generally accepted in India;
- (ii) the Profit and Loss Account, read with the significant accounting policies and the notes thereon shows a true balance of loss, in conformity with accounting principles generally accepted in India, for the year covered by the account; and
- (iii) the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Emphasis of Matter

7. We draw attention to:

- a) Note no 18(9)(b), regarding unamortized balance of INR 2,707.50 crore on account of additional liabilities towards Gratuity; and
- b) Note no 18(9)(g), regarding recognition of Deferred Tax Assets of INR 2,461.40 Crore on provision for standard assets.

Our Opinion is not modified in respect of the above stated matters.

Report on Other Legal and Regulatory Requirements

8. The Balance Sheet and the Profit and Loss Account have been drawn up in Forms "A" and "B" respectively of the Third Schedule to 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.
9. Subject to the limitations of the audit indicated in paragraphs 1 to 5 above and as required by the State Bank of India Act, 1955, and subject also to the limitations of disclosure required there in, 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.
 - 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) 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 returns.
 - b) The reports on the accounts of the branch offices audited by branch auditors of the Bank as per the provisions 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.
 - c) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the applicable accounting standards.

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AKSHAY KUMAR GUPTA
Partner : M. No. 070744
Firm Regn. No. 001874 C

For RAY & RAY
Chartered Accountants

ABHIJIT NEOGI
Partner: M. No. 61380
Firm Regn. No. 301072 E

Place : Mumbai
Date : 22nd May, 2018

State Bank of India

Consolidated Balance Sheet as on 31st March, 2018

(000s omitted)

	Schedule No.	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
CAPITAL AND LIABILITIES			
Capital	1	892,45,88	797,35,04
Reserves & Surplus	2	229429,48,68	216394,79,86
Minority Interest		4615,24,51	6480,64,58
Deposits	3	2722178,28,21	2599810,66,19
Borrowings	4	369079,33,88	336365,66,48
Other Liabilities and Provisions	5	290238,19,13	285272,43,87
TOTAL		3616433,00,29	3445121,56,02
ASSETS			
Cash and Balances with Reserve Bank of India	6	150769,45,69	161018,61,07
Balances with Banks and Money at Call & Short Notice	7	44519,65,14	112178,54,46
Investments	8	1183794,24,19	1027280,86,90
Advances	9	1960118,53,51	1896886,82,01
Fixed Assets	10	41225,79,26	50940,73,77
Other Assets	11	236005,32,50	196815,97,81
TOTAL		3616433,00,29	3445121,56,02
Contingent Liabilities	12	1166334,80,21	1184907,81,79
Bills for Collection		74060,22,00	77727,05,90
Significant Accounting Policies	17		
Notes to Accounts	18		

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

Shri Dinesh Kumar Khara
MD (Risk, IT & Subsidiaries)

Shri P. K. Gupta
MD (Retail & Digital Banking)

Shri B. Sriram
MD (Corporate & Global Banking)

In term of our Report of even date.
For **Varma and Varma**
Chartered Accountants

Shri Rajnish Kumar
Chairman

Shri P R Prasanna Varma
Partner

Mumbai
Dated 22nd May, 2018

Mem. No. : 025854
Firm Regn. No. : 004532 S

Schedule

Schedule 1 - Capital

(000s omitted)

	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
Authorised Capital : 5000,00,00,000 equity shares of ₹ 1/- each (Previous Year 5000,00,00,000 equity shares of ₹ 1/- each)	5000,00,00	5000,00,00
Issued Capital : 892,54,05,164 equity shares of ₹ 1/- each (Previous Year 797,43,25,472 equity shares of ₹ 1/- each)	892,54,05	797,43,25
Subscribed and Paid up Capital : 892,45,87,534 equity shares of ₹ 1/- each (Previous Year 797,35,04,442 equity shares of ₹ 1/- each) [The above includes 12,62,48,980 equity shares of ₹ 1/- each (Previous Year 12,70,16,300 equity shares of ₹ 1/- each) represented by 1,26,24,898(Previous Year 1,27,01,630) Global Depository Receipts]	892,45,88	797,35,04
TOTAL	892,45,88	797,35,04

Schedule 2 - Reserves & Surplus

(000s omitted)

	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
I. Statutory Reserves		
Opening Balance	64753,52,12	61499,16,34
Additions during the year	1204,52,01	3254,35,78
Deductions during the year	- 65958,04,13	- 64753,52,12
II. Capital Reserves#		
Opening Balance	5246,09,99	3354,19,48
Additions during the year	4332,28,38	1892,26,33
Deductions during the year	30,61 9578,07,76	35,82 5246,09,99
III. Share Premium		
Opening Balance	55423,23,36	49769,47,71
Additions during the year	23718,58,11	5659,92,72
Deductions during the year	17,59,96 79124,21,51	6,17,07 55423,23,36
IV. Foreign Currency Translation Reserves		
Opening Balance	5073,92,01	6813,62,99
Additions during the year	1498,80,30	22,09,80
Deductions during the year	193,62,77 6379,09,54	1761,80,78 5073,92,01

(000s omitted)

	As on 31.03.2018 (Current Year) ₹		As on 31.03.2017 (Previous Year) ₹	
V. Revaluation Reserve				
Opening Balance	35593,88,13		1374,03,37	
Additions during the year	662,40,83		34558,77,73	
Deductions during the year	11408,30,31	24847,98,65	338,92,97	35593,88,13
VI. Revenue and Other Reserves				
Opening Balance	54644,18,21		53725,75,67	
Additions during the year ##	3264,59,39		960,88,92	
Deductions during the year	4425,50,57	53483,27,03	42,46,38	54644,18,21
VII. Balance in Profit and Loss Account		(9941,19,94)		(4340,03,96)
TOTAL		229429,48,68		216394,79,86

includes Capital Reserve on consolidation ₹ 123,66,46 thousand (Previous Year ₹ 242,83,39 thousand)

net of consolidation adjustments

Schedule 3 - Deposits

(000s omitted)

	As on 31.03.2018 (Current Year) ₹		As on 31.03.2017 (Previous Year) ₹	
A. I. Demand Deposits				
(i) From Banks	5240,84,61		6991,80,91	
(ii) From Others	185795,42,20		181890,89,78	
II. Savings Bank Deposits	1019137,42,48		947361,71,12	
III. Term Deposits				
(i) From Banks	15027,28,78		19848,97,66	
(ii) From Others	1496977,30,14		1443717,26,72	
TOTAL		2722178,28,21		2599810,66,19
B (i) Deposits of Branches in India	2596232,33,79		2491369,62,12	
(ii) Deposits of Branches outside India	125945,94,42		108441,04,07	
TOTAL		2722178,28,21		2599810,66,19

Schedule 4 - Borrowings

	(000s omitted)	
	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
I. Borrowings in India		
(i) Reserve Bank of India	95394,09,00	5000,00,00
(ii) Other Banks	4822,21,61	4376,17,42
(iii) Other Institutions and Agencies	4370,23,49	71912,62,74
(iv) Capital Instruments :		
a. Innovative Perpetual Debt Instruments (IPDI)	11835,00,00	11505,00,00
b. Subordinated Debt & Bonds	33665,66,40	42070,76,40
TOTAL	150087,20,50	134864,56,56
II. Borrowings outside India		
(i) Borrowings and Refinance outside India	216974,38,38	195439,97,42
(ii) Capital Instruments :		
a. Innovative Perpetual Debt Instruments (IPDI)	1955,25,00	5998,62,50
b. Subordinated Debt & Bonds	62,50,00	2017,75,00
TOTAL	218992,13,38	201501,09,92
GRAND TOTAL (I & II)	369079,33,88	336365,66,48
Secured Borrowings included in I & II above	108384,82,97	79426,89,27

Schedule 5 - Other Liabilities & Provisions

	(000s omitted)	
	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
I. Bills payable	26667,07,53	31016,63,09
II. Inter Bank Adjustments (net)	-	100,17,15
III. Inter Office adjustments (net)	40734,57,50	36342,34,83
IV. Interest accrued	15996,01,47	15664,32,19
V. Deferred Tax Liabilities (net)	5,38,82	3362,04,95
VI. Liabilities relating to Policyholders in Insurance Business	115128,68,83	96797,49,57
VII. Provision for Standard Assets	12717,18,97	16046,73,72
VIII. Others (including provisions)	78989,26,01	85942,68,37
TOTAL	290238,19,13	285272,43,87

Schedule 6 - Cash and Balances with Reserve Bank of India

(000s omitted)

	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
I. Cash in hand (including foreign currency notes and gold)	15796,02,76	14942,25,80
II. Balances with Reserve Bank of India		
(i) In Current Account	134973,42,93	146076,35,27
(ii) In Other Accounts	-	-
TOTAL	150769,45,69	161018,61,07

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

(000s omitted)

	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
I. In India		
(i) Balances with banks		
(a) In Current Accounts	380,85,00	365,03,31
(b) In Other Deposit Accounts	2275,38,97	43707,37,40
(ii) Money at call and short notice		
(a) With banks	1613,94,26	30001,53,04
(b) With other institutions	-	19,45,50
TOTAL	4270,18,23	74093,39,25
II. Outside India		
(i) In Current Accounts	29445,08,67	24958,30,27
(ii) In Other Deposit Accounts	1550,38,84	4720,03,93
(iii) Money at call and short notice	9253,99,40	8406,81,01
TOTAL	40249,46,91	38085,15,21
GRAND TOTAL (I and II)	44519,65,14	112178,54,46

Schedule 8 - Investments

(000s omitted)

	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
I. Investments in India in :		
(i) Government Securities	898369,89,37	778210,37,55
(ii) Other approved securities	9203,62,94	7423,43,57
(iii) Shares	36902,41,97	30156,08,39
(iv) Debentures and Bonds	108220,08,31	84954,01,86
(v) Subsidiary and Associates	3061,30,04	2731,15,94
(vi) Others (Units of Mutual Funds, Commercial Papers etc.)	80682,84,64	81382,11,01
TOTAL	1136440,17,27	984857,18,32

(000s omitted)

	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
II. Investments outside India in :		
(i) Government Securities (including local authorities)	13318,89,79	10926,92,52
(ii) Associates	113,74,52	110,56,19
(iii) Other Investments (Shares, Debentures etc.)	33921,42,61	31386,19,87
TOTAL	47354,06,92	42423,68,58
GRAND TOTAL (I and II)	1183794,24,19	1027280,86,90
III. Investments in India :		
(i) Gross Value of Investments	1148190,17,89	987835,48,02
(ii) Less: Aggregate of Provisions / Depreciation	11750,00,62	2978,29,70
(iii) Net Investments (vide I above)	1136440,17,27	984857,18,32
IV. Investments outside India :		
(i) Gross Value of Investments	47900,20,34	42524,45,77
(ii) Less: Aggregate of Provisions / Depreciation	546,13,42	100,77,19
(iii) Net Investments (vide II above)	47354,06,92	42423,68,58
GRAND TOTAL (III and IV)	1183794,24,19	1027280,86,90

Schedule 9 - Advances

(000s omitted)

	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
A. I. Bills purchased and discounted	68767,36,05	79390,60,01
II. Cash credits, overdrafts and loans repayable on demand	758550,41,15	753228,61,48
III. Term loans	1132800,76,31	1064267,60,52
TOTAL	1960118,53,51	1896886,82,01
B. I. Secured by tangible assets (includes advances against Book Debts)	1515859,93,23	1495899,32,42
II. Covered by Bank/ Government Guarantees	68812,50,75	82409,50,15
III. Unsecured	375446,09,53	318577,99,44
TOTAL	1960118,53,51	1896886,82,01
C. I. Advances in India		
(i) Priority Sector	448358,95,60	471076,83,62
(ii) Public Sector	161939,24,46	131884,87,37
(iii) Banks	3280,07,87	2641,74,42
(iv) Others	1031896,41,62	993005,12,78
TOTAL	1645474,69,55	1598608,58,19
II. Advances outside India		
(i) Due from banks	77109,63,56	87892,69,43
(ii) Due from others		
(a) Bills purchased and discounted	14668,01,47	11719,22,54
(b) Syndicated loans	124511,75,00	105052,29,85
(c) Others	98354,43,93	93614,02,00
TOTAL	314643,83,96	298278,23,82
GRAND TOTAL [C (I) and C (II)]	1960118,53,51	1896886,82,01

Schedule 10 - Fixed Assets

(000s omitted)

	As on 31.03.2018 (Current Year) ₹		As on 31.03.2017 (Previous Year) ₹	
I. Premises				
At cost as on 31 st March of the preceding year	42107,56,59		6505,13,56	
Additions:				
- during the year	119,06,88		1048,36,09	
- for Revaluation	-		34558,77,73	
Deductions during the year	11293,40,10		4,70,79	
Depreciation to date				
- on cost	666,86,16		731,28,94	
- on Revaluation	308,66,78	29957,70,43	384,87,11	40991,40,54
II. Other Fixed Assets (including furniture and fixtures)				
At cost as on 31 st March of the preceding year	28512,87,72		25746,84,21	
Additions during the year	4165,17,52		3339,55,38	
Deductions during the year	1028,30,84		573,51,87	
Depreciation to date	21360,19,16	10289,55,24	19269,63,13	9243,24,59
III. Leased Assets				
At cost as on 31 st March of the preceding year	117,38,81		122,51,66	
Additions during the year	6,85,52		9,39,35	
Deductions during the year	4,22,13		14,52,20	
Depreciation to date (including provision)	66,55,50		101,51,40	
	53,46,70		15,87,41	
Less : Lease Adjustment Account	-	53,46,70	4,70,45	11,16,96
IV. Assets under Construction (Including Premises)		925,06,89		694,91,68
TOTAL		41225,79,26		50940,73,77

Schedule 11 - Other Assets

	(000s omitted)	
	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
I. Inter Office adjustments (net)	-	4771,18,77
II. Inter Bank Adjustments (net)	26,70,13	-
III. Interest accrued	28002,40,66	25611,05,79
IV. Tax paid in advance / tax deducted at source	17728,89,88	12295,19,88
V. Stationery and Stamps	125,47,34	133,01,28
VI. Non-banking assets acquired in satisfaction of claims	30,41,48	34,19,97
VII. Deferred tax assets (net)	11837,70,33	4923,37,87
VIII. Deposits placed with NABARD/SIDBI/NHB etc. for meeting shortfall in priority sector lending	95643,16,91	67709,71,52
IX. Others #	82610,55,77	81338,22,73
TOTAL	236005,32,50	196815,97,81

Includes Goodwill on consolidation ₹ 1734,07,01 thousand (Previous Year ₹ 943,41,50 thousand)

Schedule 12 - Contingent Liabilities

	(000s omitted)	
	As on 31.03.2018 (Current Year) ₹	As on 31.03.2017 (Previous Year) ₹
I. Claims against the group not acknowledged as debts	35546,03,53	33145,36,29
II. Liability for partly paid investments / Venture Funds	619,44,30	603,35,11
III. Liability on account of outstanding forward exchange contracts	644808,04,15	656625,33,39
IV. Guarantees given on behalf of constituents		
(a) In India	149282,50,36	160434,10,71
(b) Outside India	67762,40,06	75098,54,00
V. Acceptances, endorsements and other obligations	121900,95,22	117916,38,53
VI. Other items for which the group is contingently liable	146415,42,59	141084,73,76
TOTAL	1166334,80,21	1184907,81,79
Bills for collection	74060,22,00	77727,05,90

State Bank of India

Consolidated Profit and Loss Account for the year ended 31st March, 2018

(000s omitted)

	Schedule No.	Year ended 31.03.2018 (Current Year) ₹	Year ended 31.03.2017 (Previous Year) ₹
I. INCOME			
Interest earned	13	228970,27,66	230447,09,96
Other Income	14	77557,24,41	68193,16,59
TOTAL		306527,52,07	298640,26,55
II. EXPENDITURE			
Interest expended	15	146602,98,20	149114,67,40
Operating expenses	16	96154,37,27	87289,88,19
Provisions and contingencies		67957,57,98	62626,38,25
TOTAL		310714,93,45	299030,93,84
III. PROFIT / (LOSS)			
Net Profit/(Loss) for the year (before adjustment for Share in Profit of Associates and Minority Interest)		(4187,41,38)	(390,67,29)
Add: Share in Profit of Associates		438,15,98	293,28,42
Less: Minority Interest		807,03,60	(338,62,12)
Net Profit/(Loss) for the Group		(4556,29,00)	241,23,25
Profit Brought forward		(4340,03,96)	3279,83,29
TOTAL		(8896,32,96)	3521,06,54
IV. APPROPRIATIONS			
Transfer to Statutory Reserves		59,94,63	3254,35,78
Transfer to Other Reserves		921,21,43	2110,21,56
Dividend for the previous year paid during the year (including Tax on Dividend)		-	-
Final Dividend for the year		-	2108,56,29
Tax on Dividend		63,70,92	387,96,87
Balance carried over to Balance Sheet		(9941,19,94)	(4340,03,96)
TOTAL		(8896,32,96)	3521,06,54
Basic Earnings per Share		₹ (5.34)	₹ 0.31
Diluted Earnings per Share		₹ (5.34)	₹ 0.31
Significant Accounting Policies	17		
Notes to Accounts	18		

Schedules referred to above form an integral part of the Profit & Loss Account

Shri Dinesh Kumar Khara
MD (Risk, IT & Subsidiaries)

Shri P. K. Gupta
MD (Retail & Digital Banking)

Shri B. Sriram
MD (Corporate & Global Banking)

In term of our Report of even date.
For **Varma and Varma**
Chartered Accountants

Shri Rajnish Kumar
Chairman

Shri P R Prasanna Varma
Partner

Mumbai
Dated 22nd May, 2018

Mem. No. : 025854
Firm Regn. No. : 004532 S

Schedule 13 - Interest Earned

	(000s omitted)	
	Year Ended 31.03.2018 (Current Year) ₹	Year Ended 31.03.2017 (Previous Year) ₹
I. Interest / discount on advances/ bills	144958,59,17	156790,48,00
II. Income on Investments	75036,61,62	64200,98,24
III. Interest on balances with Reserve Bank of India and other inter-bank funds	2410,75,18	2591,57,08
IV. Others	6564,31,69	6864,06,64
TOTAL	228970,27,66	230447,09,96

Schedule 14 - Other Income

	(000s omitted)	
	Year Ended 31.03.2018 (Current Year) ₹	Year Ended 31.03.2017 (Previous Year) ₹
I. Commission, exchange and brokerage	22829,85,38	19701,03,46
II. Profit / (Loss) on sale of investments (Net)	14170,08,63	13778,42,77
III. Profit / (Loss) on revaluation of investments (Net)	(1120,61,02)	-
IV. Profit / (Loss) on sale of land, building and other assets including leased assets (net)	(30,73,27)	(43,81,46)
V. Profit / (Loss) on exchange transactions (Net)	2522,45,61	2792,18,63
VI. Dividends from Associates in India/ abroad	15,45,97	3,85,50
VII. Income from Finance Lease	-	-
VIII. Credit Card membership/ service fees	2126,48,67	1415,89,43
IX. Insurance Premium Income (net)	26925,87,69	22243,83,01
X. Recoveries made in Write-off Accounts	5522,46,46	4090,89,93
XI. Miscellaneous Income	4595,90,29	4210,85,32
TOTAL	77557,24,41	68193,16,59

Schedule 15 - Interest Expended

	(000s omitted)	
	Year Ended 31.03.2018 (Current Year) ₹	Year Ended 31.03.2017 (Previous Year) ₹
I. Interest on Deposits	136109,15,67	138786,78,15
II. Interest on Reserve Bank of India/ Inter-bank borrowings	5686,89,92	4617,77,07
III. Others	4806,92,61	5710,12,18
TOTAL	146602,98,20	149114,67,40

Schedule 16 - Operating Expenses

	(000s omitted)	
	Year Ended 31.03.2018 (Current Year) ₹	Year Ended 31.03.2017 (Previous Year) ₹
I. Payments to and provisions for employees	35410,62,16	35691,20,50
II. Rent, taxes and lighting	5392,58,19	5270,90,67
III. Printing & Stationery	603,44,87	544,30,58
IV. Advertisement and publicity	1997,56,23	600,28,87
V. (a) Depreciation on Fixed Assets (other than Leased Assets)	3094,39,40	2911,03,48
(b) Depreciation on Leased Assets	10,67,70	3,64,95
VI. Directors' fees, allowances and expenses	6,53,54	9,52,63
VII. Auditors' fees and expenses (including branch auditors' fees and expenses)	296,38,24	311,82,32
VIII. Law charges	501,90,13	414,86,73
IX. Postages, Telegrams, Telephones, etc.	1031,49,33	975,44,05
X. Repairs and maintenance	971,89,71	870,95,63
XI. Insurance	2774,59,09	2479,26,16
XII. Other Operating Expenses relating to Credit Card Operations	1155,03,28	1655,63,91
XIII. Other Operating Expenses relating to Insurance Business	29377,02,59	24228,69,27
XIV. Other Expenditure	13530,22,81	11322,28,44
TOTAL	96154,37,27	87289,88,19

Schedule 17- Significant Accounting Policies:

A. Basis of Preparation:

The accompanying financial statements have been prepared under the historical cost convention, on the accrual basis of accounting on going concern basis, unless otherwise stated and conform in all material aspects to Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, regulatory norms/guidelines prescribed by the Reserve Bank of India (RBI), Banking Regulation Act, 1949, Insurance Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority (PFRDA), SEBI (Mutual Funds) Regulations, 1996, Companies Act 2013, Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), and the prevalent accounting practices in India. In case of foreign entities, Generally Accepted Accounting Principles as applicable to the foreign entities are followed.

B. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on 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. Future results could differ from these estimates.

C. Basis of Consolidation:

1. Consolidated financial statements of the Group (comprising of 28 subsidiaries, 8 Joint Ventures and 20 Associates) have been prepared on the basis of:
 - a. Audited financial statements of State Bank of India (Parent).
 - b. Line by line aggregation of each item of asset/liability/income/expense of the subsidiaries with the respective item of the Parent, and after eliminating all material intra-group balances/transactions, unrealised profit/loss, and making necessary adjustments wherever required for non-uniform accounting policies as per AS 21 "Consolidated Financial Statements" issued by the ICAI.
 - c. Consolidation of Joint Ventures – 'Proportionate Consolidation' as per AS 27 "Financial Reporting of Interests in Joint Ventures" issued by the ICAI.
 - d. Accounting for investment in 'Associates' under the 'Equity Method' as per AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the ICAI.
 - e. In terms of RBI circular on "Strategic Debt Restructuring Scheme", the controlling interest acquired in entities as part of Strategic Debt Restructuring Scheme is neither considered for consolidation nor such investment is treated as investments in subsidiary/ associate as the control is protective in nature and not participative.
2. The difference between cost to the group of its investment in the subsidiary entities and the group's portion of the equity of the subsidiaries is recognised in the financial statements as goodwill / capital reserve.

3. Minority interest in the net assets of the consolidated subsidiaries consists of:
 - a. The amount of equity attributable to the minority at the date on which investment in a subsidiary is made, and
 - b. The minority share of movements in revenue reserves/loss (equity) since the date the parent-subsidiary relationship came into existence.

D. Significant Accounting Policies

1. Revenue recognition:
 - 1.1 Income and expenditure are accounted on accrual basis, except otherwise stated. As regards, foreign offices/entities, income and expenditure are recognised as per the local laws of the country in which the respective foreign offices/entities are located.
 - 1.2 Interest/Discount income is recognised in the Profit and Loss Account as it accrues except (i) income from Non-Performing Assets (NPAs), comprising of advances, leases and investments, which is recognised upon realisation, as per the prudential norms prescribed by the RBI/ respective country regulators in the case of foreign offices/entities (hereafter collectively referred to as Regulatory Authorities), (ii) overdue interest on investments and bills discounted, (iii) Income on Rupee Derivatives designated as "Trading", which are accounted on realisation .
 - 1.3 Profit or Loss on sale of investments is recognised in the Profit and Loss Account. However, the profit on sale of investments in the 'Held to Maturity' category is appropriated (net of applicable taxes and amount required to be transferred to statutory reserve) to 'Capital Reserve Account'.
 - 1.4 Income from finance leases is calculated by applying the interest rate implicit in the lease to the net investment outstanding in the lease, over the primary lease period. Leases effective from April 1, 2001 are accounted as advances at an amount equal to the net investment in the lease as per Accounting Standard 19 – "Leases", issued by ICAI. The lease rentals are apportioned between principal and finance income based on a pattern reflecting a constant periodic return on the net investment outstanding in respect of finance leases. The principal amount is utilized for reduction in balance of net investment in lease and finance income is reported as interest income.
 - 1.5 Income (other than interest) on investments in "Held to Maturity" (HTM) category acquired at a discount to the face value, is recognised as follows:
 - i. On Interest bearing securities, it is recognised only at the time of sale/ redemption.
 - ii. On zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.
- 1.6 Dividend income is recognised when the right to receive the dividend is established.

- 1.7 Commission on LC/ BG, Deferred Payment Guarantee, Government Business, ATM interchange fee & 'Upfront fee on restructured account' are recognised on accrual basis proportionately for the period. All other commission and fee income are recognised on their realisation.
- 1.8 One time Insurance Premium paid under Special Home Loan Scheme (December 2008 to June 2009) is amortised over average loan period of 15 years.
- 1.9 Brokerage, Commission etc. paid/incurred in connection with issue of Bonds/Deposits are amortized over the tenure of the related Bonds/Deposits and the expenses incurred in connection with the issue are charged upfront.
- 1.10 The sale of NPA is accounted as per guidelines prescribed by RBI:-
- When the bank sells its financial assets to Securitisation Company (SC)/Reconstruction Company (RC), the same is removed from the books.
 - 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
 - If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received, as permitted by the RBI.

1.11 Non-banking entities:

Merchant Banking:

- Issue management and advisory fees are recognised based on the stage of completion of assignments and as per the terms of the agreement with the client, net of pass-through.
- Fees for private placement are recognised on completion of assignment.
- Brokerage income in relation to stock broking activity is recognized on the trade date of transaction and includes stamp duty, transaction charges and is net of scheme incentives paid.
- Commission relating to public issues is accounted for on finalisation of allotment of the public issue/receipt of information from intermediary.
- Brokerage income relating to public issues/mutual fund/ other securities is accounted for based on mobilisation and intimation received from clients/intermediaries.
- Depository income – Annual Maintenance Charges are recognised on accrual basis and transaction charges are recognised on trade date of transaction.

Asset Management:

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

- Portfolio Advisory Services, Portfolio Management Services and Management Fees on Alternative Investment Fund (AIF) are recognised on accrual basis as per the terms of the contract.
- Recovery, if any, on realisation of devolved investments of schemes acquired by the company, in terms of the right of subrogation, is accounted on the basis of receipts. Recovery from funded guarantee schemes is recognised as income in the year of receipt.
- Expenses of schemes in excess of the stipulated rates and expenses relating to new fund offer are charged to the Profit and Loss Account in the year in which they are incurred in accordance with the requirements of SEBI (Mutual Funds) Regulations, 1996.

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

Credit Card Operations:

- First annual fee and subsequent renewal fee are recognised over a period of one year as this more closely reflects the period to which the fee relates to.
- Interchange income is recognised on accrual basis.
- The total unidentified receipts which could not be credited or adjusted in the customers' accounts for lack of complete & correct information is considered as liability in balance sheet. The estimated unidentified receipts aged more than 6 months and up to 3 years towards the written off customers is written back as income on balance sheet date. Further, the unresolved unidentified receipts aged more than 3 years are also written back as income on balance sheet date. The liability for stale cheques aged for more than three years is written back as income.
- All other service income/fees are recorded at the time of occurrence of the respective events.

Factoring:

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

Life Insurance:

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

- b. Top-up premiums are considered as single premium.
- c. Income from linked funds which includes fund management charges, policy administration charges, mortality charges, etc. are recovered from linked fund in accordance with terms and conditions of policy and recognised when recovered.
- d. Realised gains and losses in respect of equity securities and units of mutual funds are calculated as the difference between the net sales proceeds and their cost. In respect of debt securities, the realised gains and losses are calculated as difference between net sale proceeds or redemption proceeds and weighted average amortised cost. Cost in respect of equity shares and units of mutual fund are computed using the weighted average method.
- e. Fees received on lending of equity shares under Securities lending and borrowing scheme (SLB) is recognised as income over the period of the lending on straight-line basis.
- f. Premium ceded on reinsurance is accounted in accordance with the terms of the re-insurance treaty or in-principle arrangement with the re-insurer.
- g. Benefits paid:
 - ◆ Claims cost consist of the policy benefit amounts and claims settlement costs, where applicable.
 - ◆ Claims by death and rider are accounted when intimated. Intimations up to the end of the period are considered for accounting of such claims.
 - ◆ Claims by maturity are accounted on the policy maturity date.
 - ◆ Survival and Annuity benefits claims are accounted when due.
 - ◆ Surrenders and withdrawals are accounted as and when intimated. Benefits paid also includes amount payable on lapsed policies which are accounted for as and when due. Surrenders, withdrawals and lapsation are disclosed at net of charges recoverable.
 - ◆ Repudiated claims disputed before judicial authorities are provided for based on management prudence considering the facts and evidences available in respect of such claims.
 - ◆ Amounts recoverable from re-insurers are accounted for in the same period as the related claims and are reduced from claims.
- h. Acquisition costs such as commission, medical fees, etc. are costs that are primarily related to the acquisition of new and renewal insurance contracts. The same are expensed in the period in which they are incurred.
- i. **Liability for life policies:** The actuarial liability of all the life insurance policies has been calculated by the Appointed Actuary in accordance with the Insurance Act 1938, and as per the rules and regulations and circulars issued by IRDAI and the relevant Guidance Notes and/or Actuarial Practice Standards (APS) issued by the Institute of Actuaries of India.

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

General Insurance:

- a. Premium including reinsurance accepted (net of goods & service tax) is recorded in the books at the commencement of risk. In case the premium is recovered in instalments, amount to the extent of instalment due is recorded on the due date of the instalment. Premium (net of goods & service tax), including reinstatement premium, on direct business and reinsurance accepted, is recognized as income over the contract period or the period of risk, whichever is appropriate, on a gross basis under 1/365 method. Any subsequent revision to premium is recognized over the remaining period of risk or contract period. Adjustments to premium income arising on cancellation of policies are recognised in the period in which they are cancelled.
- b. Commission received on reinsurance ceded is recognised as income in the period in which reinsurance risk is ceded. Profit commission under re-insurance treaties, wherever applicable, is recognized as income in the year of final determination of the profits as intimated by Reinsurer and combined with commission on reinsurance ceded.
- c. In respect of proportional reinsurance ceded, the cost of reinsurance ceded is accrued at the commencement of risk. Non-proportional reinsurance cost is recognized when due. Non-proportional reinsurance cost is accounted as per the terms of the reinsurance arrangements. Any subsequent revision to, refunds or cancellations of premiums is recognized in the period in which they occur.
- d. Reinsurance inward acceptances are accounted for on the basis of returns, to the extent received, from the insurers.
- e. Acquisition costs are expensed in the period in which they are incurred. Acquisition costs are defined as costs that vary with, and are primarily related to the acquisition of new and renewal insurance contracts viz. commission, policy issue expenses etc. The primary test for determination as acquisition cost is the obligatory relationship between the costs and the execution of the insurance contracts (i.e. commencement of risk).
- f. Claim is recognised as and when a loss occurrence is reported. Claim is recognised by creation of provision for the amount of claim payable as estimated by the management based on available information and past experience, on receipt of claim notification. Such provision is reviewed / modified as appropriate on the basis of additional information as and when available. Amounts received/receivable from the re-insurers/

co-insurers, under the terms of the reinsurance and coinsurance arrangements respectively, is recognised together with the recognition of claim. Provision for claims outstanding payable as on the date of Balance Sheet is net of reinsurance, salvage value and other recoveries as estimated by the management.

- g. Provision in respect of claim liabilities that may have been incurred before the end of the accounting year but are
- not yet reported or claimed (IBNR) or
 - not enough reported i.e. reported with information insufficient for making a reasonable estimate of likely claim amount (IBNER),

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

Custody & Fund accounting services:

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

Pension Fund Operation:

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

Trustee Operations:

- a. Mutual Fund Trusteeship fee is recognised at specific rates agreed with relevant schemes, applied on the average daily Net Assets of each scheme (excluding inter-scheme investment, investment in fixed deposits, investments made by the Asset Management Company and deferred revenue expenses, where applicable), and is in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996.
- b. Corporate Trusteeship Acceptance fees are recognised on the acceptance or execution of trusteeship assignment whichever is earlier. Corporate Trusteeship service charges are recognised/accrued on the basis of terms of trusteeship contracts/agreements entered into with clients.
- c. Income from online "will" services is recognised when the right to receive the fee is established, as all certainty for revenue recognition is present at the time of establishment of such right.

Infrastructure and Facility Management:

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

Investments:

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

1.12 Classification:

Investments are classified into three categories, viz. Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) as per RBI Guidelines.

1.13 Basis of classification:

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

1.14 Valuation:

A. Banking Business:

- i. In determining the acquisition cost of an investment:
 - a. Brokerage/commission received on subscriptions is reduced from the cost.
 - b. Brokerage, commission, securities transaction tax, etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.
 - c. Broken period interest paid / received on debt instruments is treated as interest expense/income and is excluded from cost/sale consideration.
 - d. Cost of investment under AFS and HFT category is determined at the weighted average cost method by the group entities and cost of investments under HTM category is determined on FIFO basis (first in first out) by SBI and weighted average cost method by other group entities.
- ii. Transfer of securities from HFT/AFS category to HTM category is carried out at the lower of acquisition cost/book value/market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for. However, transfer of securities from HTM category to AFS category is carried out on acquisition price/book value. After transfer, these securities are immediately revalued and resultant depreciation, if any, is provided.
- iii. Treasury Bills and Commercial Papers are valued at carrying cost.

- iv. **Held to Maturity category:** Investments under Held to Maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period of remaining maturity on constant yield basis. Such amortisation of premium is adjusted against income under the head "interest on investments". A provision is made for diminution, other than temporary, for each investment individually. Investments in Regional Rural Banks (RRBs) are valued at equity cost determined in accordance with AS 23 of the ICAI.
- v. **Available for Sale and Held for Trading categories:** Investments held under AFS and HFT categories are individually revalued at the market price or fair value determined as per Regulatory guidelines, and only the net depreciation of each group for each category (viz., (i) Government securities (ii) Other Approved Securities (iii) Shares (iv) Bonds and Debentures (v) Subsidiaries and Joint Ventures; and (vi) others) is provided for and net appreciation, is ignored. On provision for depreciation, the book value of the individual security remains unchanged after marking to market.
- vi. In case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts (SR), investment in SR is recognised at lower of (i) Net Book Value (NBV) (i.e., book value less provisions held) of the financial asset and (ii) Redemption value of SR. SRs issued by an SC/ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ARC, is reckoned for valuation of such investments.
- vii. Investments are classified as performing and non-performing, based on the guidelines issued by the RBI in the case of domestic offices/entities and respective regulators in the case of foreign offices/entities. Investments of domestic offices become non-performing where:
- Interest/instalment (including maturity proceeds) is due and remains unpaid for more than 90 days.
 - In the case of equity shares, in the event the investment in the shares of any company is valued at ₹ 1 per company on account of the non availability of the latest balance sheet, those equity shares would be reckoned as NPI.
 - If any credit facility availed by an entity is NPA in the books of the bank, investment in any of the securities issued by the same entity would also be treated as NPI and vice versa.
 - The above would apply mutatis-mutandis to Preference Shares where the fixed dividend is not paid.
- e. The investments in debentures/bonds, which are deemed to be in the nature of advance, are also subjected to NPI norms as applicable to investments.
- f. In respect of foreign offices/entities, provisions for NPIs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.
- viii. **Accounting for Repo/Reverse Repo transactions (other than transactions under the Liquidity Adjustment Facility (LAF) with the RBI)**
- The securities sold and purchased under Repo/ Reverse Repo are accounted as Collateralized lending and borrowing transactions. However securities are transferred as in the case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/income, as the case may be. Balance in Repo A/c is classified under Schedule 4 (Borrowings) and balance in Reverse Repo A/c is classified under Schedule 7 (Balance with Banks and Money at Call & Short Notice).
 - Interest expended/earned on Securities purchased/ sold under LAF with RBI is accounted for as expenditure/ revenue.

Market repurchase and reverse repurchase transactions as well as the transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Borrowings and Lending transactions in accordance with the extant RBI guidelines.
- B. Insurance Business:**
- In case of life and general insurance subsidiaries, investments are made in accordance with the Insurance Act, 1938, the IRDAI (Investment) Regulations, 2016 and IRDA (Presentation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, investment policy of the company and various other circulars / notifications as issued by IRDAI from time to time.
- (i) **Valuation of investment pertaining to non-linked life insurance business and general insurance business: -**
- ◆ All debt securities, including government securities and money market securities are stated at historical cost subject to amortisation of premium or accretion of discount.
 - ◆ Listed equity shares, equity related instruments and preference shares are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the closing price at primary exchange i.e. National Stock Exchange of India Limited ('NSE') is considered. If NSE closing price is not available, the closing price of the secondary exchange i.e. BSE Limited ('BSE') is considered.
 - ◆ Unlisted equity securities, equity related instruments and preference shares are measured at historical cost.

- ◆ In case of Security Lending and Borrowing (SLB), equity shares lent are valued as per valuation policy for equity shares as mentioned above.
- ◆ Additional Tier 1 (Basel III compliant) Perpetual Bonds classified under "Equity" as specified by IRDAI, are valued at prices obtained from CRISIL.
- ◆ Investments in mutual fund units are valued at the Net Asset Value (NAV) of previous day in life insurance and of balance sheet date in general insurance.
- ◆ Investment in Alternative Investment Funds (AIFs) are valued at latest available NAV.

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

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

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

2. Loans /Advances and Provisions thereon:

2.1 Loans and Advances are classified as performing and non-performing, based on the guidelines/directives issued by the RBI. Loan Assets become Non-Performing Assets (NPAs) where:

- i. In respect of term loans, interest and/or instalment of principal remains overdue for a period of more than 90 days;
- ii. In respect of Overdraft or Cash Credit advances, the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit/drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance-sheet, or if the credits are not adequate to cover the interest debited during the same period;
- iii. In respect of bills purchased/discounted, the bill remains overdue for a period of more than 90 days;
- iv. In respect of agricultural advances (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.

2.2 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.

2.3 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%

- 2.4** In respect of foreign offices/entities, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.
- 2.5** Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.
- 2.6** For restructured/rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loan/advances before and after restructuring is provided for, in addition to provision for the respective loans/advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.
- 2.7** 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.
- 2.8** Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.
- 2.9** 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.
- 2.10** Appropriation of recoveries in NPAs (not out of fresh/additional credit facilities sanctioned to the borrower concerned) towards principal or interest due as per the Bank's extant instructions is done in accordance with the following priority.
- a. Charges
 - b. Unrealized Interest/Interest
 - c. Principal

3. Floating Provisions:

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

4. Provision for Country Exposure for Banking Entities:

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

in Schedule 5 of the Balance Sheet under the "Other liabilities & Provisions – Others".

5. Derivatives:

- 5.1** 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.
- 5.2** 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.
- 5.3** 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 derivatives 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".
- 5.4** 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.
- 5.5** 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.

6. Fixed Assets Depreciation and Amortisation:

- 6.1** Fixed Assets are carried at cost less accumulated depreciation/ amortisation.
- 6.2** 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.

6.3 The rates of depreciation and method of charging depreciation in respect of domestic operations are as under:

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

6.4 In respect of assets acquired during the year for domestic operations, depreciation is charged on proportionate basis for the number of days assets have been put to use during the year.

6.5 Assets costing less than ₹ 1,000 each are charged off in the year of purchase.

6.6 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease and the lease rent is charged in the respective year (s).

6.7 In respect of assets given on lease by the Bank on or before 31st March, 2001, the value of the assets given on lease is disclosed as Leased Assets under Fixed Assets, and the difference between the annual lease charge (capital recovery) and the depreciation is taken to Lease Equalisation Account.

6.8 In respect of fixed assets held at foreign offices/entities, depreciation is provided as per the regulations /norms of the respective countries.

6.9 The Bank considers only immovable assets for revaluation. Properties acquired during the last three years are not

revalued. Valuation of the revalued assets is done at every three years thereafter.

6.10 The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the profit and loss statement.

6.11 The Revalued Assets is depreciated over the balance useful life of the asset as assessed at the time of revaluation.

7. Leases:

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

8. 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.

9. Effect of changes in the foreign exchange rate:

9.1 Foreign Currency Transactions

i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.

ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing (spot/forward) rates.

iii. Foreign currency non-monetary items, which are carried at historical cost, are reported using the exchange rate on the date of the transaction.

iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.

v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting Profit or Loss is recognised in the Profit and Loss account.

vi. Foreign exchange forward contracts which are not intended for trading and are outstanding on the Balance Sheet date, are re-valued at the closing spot rate. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

vii. Exchange differences arising on the settlement of monetary items at rates different from those at

which they were initially recorded are recognised as income or as expense in the period in which they arise.

- viii. Gains / Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the Profit and Loss Account.

9.2 Foreign Operations:

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

a. Non-integral Operations:

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

b. Integral Operations:

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

10. Employee Benefits:

10.1 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.

10.2 Long Term Employee Benefits:

i. Defined Benefit Plan

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

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

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

ii. Defined Contribution Plans:

SBI operates a New Pension Scheme (NPS) for all officers/employees joining SBI on or after 1st August, 2010, which is a defined contribution plan, such new 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 SBI. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in SBI and earn interest at the same rate as that of the current account of Provident Fund balance. SBI recognizes such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

iii. Other Long Term Employee benefits:

a. All eligible employees of the Group are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The costs of such long term employee benefits are internally funded by the group entities.

The cost of providing other long term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost is immediately recognised in the Profit and Loss and is not deferred.

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

11. Taxes on income

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

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

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

12. Earnings per Share:

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

12.2 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.

13. Provisions, Contingent Liabilities and Contingent Assets:

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

13.2 No provision is recognised for

i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group entities; or

ii. any present obligation that arises from past events but is not recognised because

a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

b. a reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities.

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

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

13.4 Contingent Assets are not recognised in the financial statements.

14. Bullion Transactions:

SBI imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports

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

15. 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 have passed a resolution approving creation of the reserve and confirming that it has no intention to make withdrawal from the Special Reserve.

16. Share Issue Expenses:

Share issue expenses are charged to the Share Premium Account.

Schedule 18- NOTES TO ACCOUNTS

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

- 1.1 The 28 Subsidiaries, 8 Joint Ventures and 20 Associates including 18 Regional Rural Banks (which along with State Bank of India, the parent, constitute the Group), considered in the preparation of the consolidated financial statements, are

A) Subsidiaries:

Sr. No.	Name of the Subsidiary	Country of incorporation	Group's Stake (%)	
			Current Year	Previous* Year
1)	SBI Capital Markets Ltd.	India	100.00	100.00
2)	SBICAP Securities Ltd.	India	100.00	100.00
3)	SBICAP Trustee Company Ltd.	India	100.00	100.00
4)	SBICAP Ventures Ltd.	India	100.00	100.00
5)	SBICAP (Singapore) Ltd.	Singapore	100.00	100.00
6)	SBICAP (UK) Ltd.	U.K.	100.00	100.00
7)	SBI DFHI Ltd.	India	72.17	71.58
8)	SBI Global Factors Ltd.	India	86.18	86.18
9)	SBI Infra Management Solutions Pvt. Ltd.	India	100.00	100.00
10)	SBI Mutual Fund Trustee Company Pvt Ltd.	India	100.00	100.00
11)	SBI Payment Services Pvt. Ltd.	India	100.00	100.00
12)	SBI Pension Funds Pvt Ltd.	India	92.60	92.60
13)	SBI Life Insurance Company Ltd.	India	62.10	70.10
14)	SBI General Insurance Company Ltd. @	India	74.00	74.00
15)	SBI Cards and Payment Services Pvt. Ltd. @	India	74.00	60.00
16)	SBI Business Process Management Services Pvt Ltd.@ (formerly known as GE Capital Business Process Management Services Pvt Ltd.)	India	74.00	40.00**
17)	SBI-SG Global Securities Services Pvt. Ltd. @	India	65.00	65.00
18)	SBI Funds Management Pvt. Ltd. @	India	63.00	63.00
19)	SBI Funds Management (International) Private Ltd. @	Mauritius	63.00	63.00
20)	Commercial Indo Bank Llc , Moscow @	Russia	60.00	60.00
21)	Bank SBI Botswana Limited	Botswana	100.00	100.00
22)	SBI Canada Bank	Canada	100.00	100.00
23)	State Bank of India (California)	USA	100.00	100.00
24)	State Bank of India Servicos Limitada	Brazil	100.00	100.00
25)	SBI (Mauritius) Ltd.	Mauritius	96.60	96.60
26)	PT Bank SBI Indonesia	Indonesia	99.00	99.00
27)	Nepal SBI Bank Ltd.	Nepal	55.00	55.00
28)	Nepal SBI Merchant Banking Limited	Nepal	55.00	55.00

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

* In Previous Year five erstwhile domestic banking subsidiaries (e-DBS) namely (i) State Bank of Bikaner & Jaipur (SBBJ), (ii) State Bank of Mysore (SBM), (iii) State Bank of Travancore (SBT), (iv) State Bank of Patiala (SBP), (v) State Bank of Hyderabad (SBH) were also consolidated. These have been merged with SBI w.e.f. April 1,2017. Please refer Note 8.

** Please refer Note 1.1.(i) below.

B) Joint Ventures:

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

C) Associates:

Sr. No.	Name of the Associate	Country of incorporation	Group's Stake (%)	
			Current Year	Previous Year
1)	Andhra Pradesh Grameena Vikas Bank	India	35.00	35.00
2)	Arunachal Pradesh Rural Bank	India	35.00	35.00
3)	Chhattisgarh Rajya Gramin Bank	India	35.00	35.00
4)	Ellaquai Dehati Bank	India	35.00	35.00
5)	Langpi Dehangi Rural Bank	India	35.00	35.00
6)	Madhyanchal Gramin Bank	India	35.00	35.00
7)	Meghalaya Rural Bank	India	35.00	35.00
8)	Mizoram Rural Bank	India	35.00	35.00
9)	Nagaland Rural Bank	India	35.00	35.00
10)	Purvanchal Bank	India	35.00	35.00
11)	Saurashtra Gramin Bank	India	35.00	35.00
12)	Utkal Grameen Bank	India	35.00	35.00
13)	Uttarakhand Gramin Bank	India	35.00	35.00
14)	Vananchal Gramin Bank	India	35.00	35.00
15)	Rajasthan Marudhara Gramin Bank	India	35.00	26.27
16)	Telangana Grameena Bank	India	35.00	35.00
17)	Kaveri Grameena Bank	India	35.00	31.50
18)	Malwa Gramin Bank	India	35.00	35.00
19)	The Clearing Corporation of India Ltd.	India	20.05	24.42
20)	Bank of Bhutan Ltd.	Bhutan	20.00	20.00

- a) On account of the acquisition as mentioned in Note 8, SBI Group's stake as per indirect method has increased in SBI DFHI Limited (a subsidiary) from 71.58% to 72.17%, in Rajasthan Marudhara Gramin Bank (an associate) from 26.27% to 35%, in Kaveri Grameena Bank (an associate) from 31.50% to 35% and The Clearing Corporation of India Limited (an associate) from 24.42% to 24.45%.
- b) In the month of March 2018, SBI sold its 4.40% stake in The Clearing Corporation of India Limited (an associate), due to which the stake of SBI Group has reduced from 24.45% to 20.05%.
- c) In the month of April 2017, SBI has infused NPR 109.56 crore equivalent to ₹ 68.47 crore in Nepal SBI Bank Ltd (a Foreign Banking Subsidiary).
- Further in month of January 2018, Nepal SBI Bank Ltd issued 59,13,089 bonus shares having face value of NPR 100 each, to SBI. There is no change in SBI's stake in Nepal SBI Bank Ltd.
- d) In the month of August 2017, State Bank of India (UK) Limited (a wholly owned foreign banking subsidiary) has been incorporated in United Kingdom. No paid up capital has been infused in the entity up to March 31, 2018 and hence the same has not been considered for consolidation. The subsidiary has commenced its operation in month of April, 2018.
- e) In the month of September 2017, SBI DFHI Limited (a subsidiary) has carried out buy back of its 27,69,230 equity shares at ₹ 520 per share. The number of shares bought back from SBI and SBI Capital Markets Ltd. are in proportion of their respective stake in SBI DFHI Limited. The SBI Group's stake in SBI DFHI Limited remains unchanged.
- f) In the month of September 2017, SBI has sold its 8% stake in SBI Life Insurance Company Limited (a subsidiary) by way of Public Offer, due to which its stake has reduced from 70.10% to 62.10%.
- g) In the month of November 2017, SBI has infused ₹ 3 crore in SBI Foundation (a Not-for-profit Company). As it is a Not-for-Profit Company [incorporated under section 7(2) of Companies Act, 2013], SBI Foundation is not being considered for consolidation in preparation of Consolidated Financial statements as per Accounting Standard 21.
- h) In the month of December, 2017 SBI has increased its stake in SBI Cards and Payments Services Private Ltd. (a subsidiary) from 60% to 74% (purchased 10,98,99,999 shares of ₹ 10 per share by investing ₹ 887.26 crore).
- i) On December 15, 2017 SBI has increased its stake in GE Capital Business Process Management Ltd. (a Joint Venture prior to 15.12.2017) from 40% to 74% (purchased 80,24,342 shares of ₹ 10 per share by investing ₹ 264.07 crore). Consequently, GE

Capital Business Process Management Ltd has been consolidated as a subsidiary w.e.f December 15, 2017 and the name of the same has been changed to "SBI Business Process Management Services Pvt Ltd" w.e.f. March 15, 2018.

- j) In the month of February 2018, Nepal SBI Bank Ltd infused NPR 8.89 crore (for 8,88,889 shares of face value of NPR 100 each) in Nepal SBI Merchant Banking Ltd. (a step down subsidiary).

Further in the month of March 2018, Nepal SBI Merchant Banking Ltd issued 1,11,111 bonus shares having face value of NPR 100 each, to Nepal SBI Bank Ltd. The SBI Group's stake in Nepal SBI Merchant Banking Ltd remains the same.

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

1.2 The consolidated financial statements for the financial year 2017-18 of the Group include reviewed financial statements of one subsidiary (Bank SBI Botswana Limited) and unaudited financial statements of one subsidiary (SBI Canada Bank) & one associate (Bank of Bhutan Ltd.), the results of which are not material.

2. Share capital:

- a) During the year, on acquisition of domestic banking subsidiaries and BMBL, SBI has issued equity shares to the eligible shareholders of erstwhile State Bank of Bikaner and Jaipur (SBBJ), State Bank of Mysore (SBM), State Bank of Travancore (SBT) and Bharatiya Mahila Bank Ltd (BMBL) as per the swap ratio decided by Government of India. Accordingly, SBI has issued 13,63,52,740 equity shares of face value of ₹ 1 each as consideration (4,88,54,308 shares to shareholders of SBBJ, 1,05,58,379 shares to the shareholders of SBM, 3,27,08,543 shares to the shareholders of SBT and 4,42,31,510 shares to Government of India as shareholder of BMBL) on 01.04.2017.
- b) SBI received application money of ₹15,000.00 crore including share premium of ₹ 14,947.78 crore by way of Qualified Institutional Placement (QIP) against issue of 52,21,93,211 equity shares of ₹ 1 each. The equity shares were allotted on 12.06.2017.
- c) SBI received application money of ₹ 0.05 crore including share premium of ₹ 0.05 crore by way of the issue of 3,400 equity shares of ₹ 1 each kept in abeyance. The equity shares kept in abeyance were allotted on 01.11.2017.
- d) SBI received application money of ₹ 8,800.00 crore (Previous Year ₹ 5,681.00 crore) including share premium amount of ₹ 8,770.75 crore (Previous Year ₹ 5,659.93 crore) from Government of India against Preferential Issue of 29,25,33,741 equity shares (Previous Year 21,07,27,400)

of ₹ 1 each to Government of India. The equity shares were allotted on 27.03.2018. These shares were credited to demat account (CDSL) of Government of India on 03.04.2018 and listed at NSE on 02.04.2018 and BSE on 03.04.2018.

- e) Expenses in relation to the issue of shares: ₹ 17.60 crore (Previous Year ₹ 6.17 crore) is debited to Share Premium Account.

3. Disclosures as per Accounting Standards

3.1 Accounting Standard-5 "Net Profit or Loss for the period, Prior Period items and Changes in Accounting Policies"

SBI changed its accounting policy with respect to booking of commission earned on issuance of Letter of Credit and Bank Guarantees, other than on deferred payment guarantees w.e.f. April 1, 2017. Now these are being recognized over the period of LC/BG, instead of on realization basis done earlier.

The impact of the change in policy, as compared to previous practice has resulted in lower income under this head to the extent of ₹ 1,203.60 crore for year ended March 31, 2018.

3.2 Accounting Standard- 15 "Employee Benefits":

3.2.1 Defined Benefit Plans

3.2.1.1 Employee's Pension Plans and Gratuity Plans

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

₹ in crore

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation at 1 st April, 2017	83,870.13	73,164.38	9,929.61	9,898.33
Adjustment for SBI Business Process Management Pvt Ltd.*	-	-	8.70	-
Current Service Cost	978.19	1,285.52	302.75	287.33
Interest Cost	6,248.32	5,834.23	722.05	766.59
Past Service Cost (Vested Benefit)	-	1,200.00	3,614.64	0.01
Liability transferred In/ Acquisitions	-	-	1.20	-
Actuarial losses /(gains)	3,338.70	8,106.01	(9.83)	263.87
Benefits paid	(4,190.43)	(3,360.17)	(1,543.31)	(1,286.52)
Direct Payment by SBI	(2,458.35)	(2,359.84)	-	-
Closing defined benefit obligation at 31st March, 2018	87,786.56	83,870.13	13,025.81	9,929.61
Change in Plan Assets				
Opening fair value of plan assets at 1 st April, 2017	79,303.20	66,813.97	9,863.77	9,249.72
Adjustment for SBI Business Process Management Pvt Ltd. *	-	-	6.21	-
Expected Return on Plan assets	5,908.09	5,522.97	717.37	755.56
Contributions by employer	4,363.81	7,817.68	243.49	876.22
Assets transferred In/Acquisitions	-	-	2.01	-
Expected Contribution by the employees	-	3.09	-	-
Benefits Paid	(4,190.43)	(3,360.17)	(1,543.32)	(1,286.52)
Actuarial Gains / (Losses) on plan assets	(135.07)	2,505.66	(26.37)	268.79
Closing fair value of plan assets at 31st March, 2018	85,249.60	79,303.20	9,263.16	9,863.77

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Reconciliation of present value of the obligation and fair value of the plan assets				
Present Value of funded obligation at 31 st March, 2018	87,786.56	83,870.13	13,025.81	9,929.61
Fair Value of plan assets at 31 st March, 2018	85,249.60	79,303.20	9,263.16	9,863.77
Deficit/(Surplus)	2,536.96	4,566.93	3,762.65	65.84
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	(2,707.50)	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	2,536.96	4,566.93	1,055.15	65.84
Amount Recognised in the Balance Sheet				
Liabilities	87,786.56	83,870.13	13,025.81	9,929.61
Assets	85,249.60	79,303.20	9,263.16	9,863.77
Net Liability / (Asset) recognised in Balance Sheet	2,536.96	4,566.93	3,762.64	65.84
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	(2,707.50)	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/ (Asset)	2,536.96	4,566.93	1,055.15	65.84
Net Cost recognised in the profit and loss account				
Current Service Cost	978.19	1,285.52	302.75	287.33
Interest Cost	6,248.32	5,834.23	722.05	766.59
Expected return on plan assets	(5,908.09)	(5,522.97)	(717.37)	(755.56)
Expected Contributions by the employees	-	(3.09)	-	-
Past Service Cost (Amortised) Recognised	-	-	0.05	-
Past Service Cost (Vested Benefits) Recognised	-	1,200.00	907.09	0.01
Net Actuarial Losses / (Gains) recognised during the year	3,473.77	5,600.35	16.54	(4.92)
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	4,792.19	8,394.04	1231.11	293.45
Reconciliation of expected return and actual return on Plan Assets				
Expected Return on Plan Assets	5,908.09	5,522.97	717.37	755.56
Actuarial Gains/ (Losses) on Plan Assets	(135.07)	2,505.66	(26.37)	268.79
Actual Return on Plan Assets	5773.02	8,028.63	691.00	1,024.35
Reconciliation of opening and closing net liability/(asset) recognised in Balance Sheet				
Opening Net Liability/(Asset) as at 1 st April, 2017	4,566.93	6,350.41	65.84	648.61
Adjustment for SBI Business Process Management Pvt Ltd.*	-	-	2.50	-
Expenses as recognised in profit and loss account	4,792.19	8,394.04	1231.11	293.45
Paid by SBI Directly	(2,458.35)	(2,359.84)	-	-
Debited to Other Provision	-	-	-	-
Recognised in Reserve	-	-	-	-
Net Liability/ (Asset) transferred in	-	-	(0.81)	-
Employer's Contribution	(4,363.81)	(7,817.68)	(243.49)	(876.22)
Net liability/(Asset) recognised in Balance Sheet	2,536.96	4,566.93	1,055.15	65.84

* Adjustment is due to change in method of consolidation in case of SBI Business Process Management Services Pvt Ltd (formerly GE Capital Business Process Management Services Pvt Ltd) from Proportionate line-by-line consolidation to Total line-by-line consolidation.

Investments under Plan Assets of Gratuity Fund & Pension Fund as on March 31, 2018 are as follows:

Category of Assets	Pension Fund	Gratuity Fund
	% of Plan Assets	% of Plan Assets
Central Govt. Securities	24.57%	21.11%
State Govt. Securities	30.32%	24.36%
Debt Securities, Money Market Securities and Bank Deposits	30.55%	14.71%
Mutual Funds	2.49%	2.25%
Insurer Managed Funds	2.19%	30.22%
Others	9.88%	7.35%
Total	100.00%	100.00%

Principal actuarial assumptions:

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Discount Rate	7.76%	7.45% to 7.51%	7.78%	7.27% to 7.27%
Expected Rate of return on Plan Asset	7.76%	7.00% to 8.00%	7.78%	7.00% to 8.00%
Salary Escalation	5.00%	5.00%	5.00%	5.00%
Attrition Rate	2.00%	2.00%	2.00%	2.00%

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

Consequent upon amendment in Payment of Gratuity Act 1972 and revision in gratuity ceiling from ₹ 10.00 lakh to ₹ 20.00 lakh, the additional liability of SBI works out to ₹ 3,610 crore. RBI has vide letter No. DBR.BP.9730/21.04.018/2017-18 dated April 27, 2018 advised that banks, may at their discretion, spread the expenditure involved over four quarters beginning from the quarter ended March 31, 2018. They have also advised that the enhanced gratuity related unamortized expenditure would not be reduced from Tier I capital.

Accordingly, out of the total additional liability of ₹ 3,610 crore, an amount of ₹ 902.50 crore has been charged to the Profit & Loss Account for the year ended March 31, 2018 by SBI and the remaining unamortized liability of ₹ 2,707.50 crore shall be provided over next three quarters i.e. from June 2018 quarter to December 2018 quarter.

3.2.1.2 Employees Provident Fund

Actuarial valuation carried out in respect of interest shortfall in Provident Fund Trust shows "Nil" liability, hence no provision is made in F.Y. 2017-18.

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

₹ in crore

Particulars	Provident Fund	
	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1 st April, 2017	26,221.36	25,409.49
Current Service Cost	961.65	827.29
Interest Cost	2,455.58	2,199.84
Employee Contribution (including VPF)	1,396.25	1,065.98
Liability Transferred In	3,309.05	-
Actuarial losses/(gains)	25.56	-
Benefits paid	(4,070.79)	(3,281.24)

Particulars	Provident Fund	
	Current Year	Previous Year
Closing defined benefit obligation at 31 st March, 2018	30,298.66	26,221.36
Change in Plan Assets		
Opening fair value of Plan Assets as at 1 st April, 2017	27,221.93	26,240.79
Expected Return on Plan Assets	2,455.58	2,199.84
Contributions	2,357.90	1,893.27
Transferred from other Companies	3,723.65	-
Benefits Paid	(4,070.79)	(3,281.24)
Actuarial Gains / (Loss) on plan Assets	185.98	169.27
Closing fair value of plan assets as at 31 st March, 2018	31,874.25	27,221.93
Reconciliation of present value of the obligation and fair value of the plan assets		
Present Value of Funded obligation at 31 st March, 2018	30,298.66	26,221.36
Fair Value of Plan assets at 31 st March, 2018	31,874.25	27,221.93
Deficit/(Surplus)	(1,575.59)	(1,000.57)
Net Asset not recognised in Balance Sheet	1,575.59	1,000.57
Net Cost recognised in the profit and loss account		
Current Service Cost	961.65	827.29
Interest Cost	2,455.58	2,199.84
Expected return on plan assets	(2,455.58)	(2,199.84)
Interest shortfall reversed	-	-
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	961.65	827.29
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1 st April, 2018	-	-
Expense as above	961.65	827.29

Particulars	Provident Fund	
	Current Year	Previous Year
Employer's Contribution	(961.65)	(827.29)
Net Liability/(Asset) Recognized In the Balance Sheet	-	-

Investments under Plan Assets of Provident Fund as on March 31, 2018 are as follows:

Category of Assets	Provident Fund % of Plan Assets
Central Govt. Securities	36.91%
State Govt. Securities	23.09%
Debt Securities, Money Market Securities and Bank Deposits	32.78%
Insurer Managed Funds	1.60%
Others	5.62%
Total	100.00%

Principal actuarial assumptions

Particulars	Provident Fund	
	Current Year	Previous Year
Discount Rate	7.78%	7.27%
Guaranteed Return	8.65%	8.80%
Attrition Rate	2.00%	2.00%
Salary Escalation	5.00%	5.00%

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

3.2.2 Defined Contribution Plans

3.2.2.1 Employees Provident Fund

An amount of ₹ 28.59 crore (Previous Year ₹ 22.22 crore) is contributed towards the Provident Fund Scheme by the group (excluding the entities covered in Note 3.2.1.2) and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

3.2.2.2 Defined Contribution Pension Scheme

SBI has a Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the SBI on or after August 1, 2010. The Scheme is managed by NPS Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During the year, an amount of ₹ 390.00 crore [Previous Year (including e-DBS) ₹ 328.69 crore] has been contributed in the scheme.

3.2.3 Other Long term Employee Benefits (Unfunded Obligation)

3.2.3.1 Accumulating Compensated Absences (Privilege Leave)

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

₹ in crore

Particulars	Accumulating Compensated Absences (Privilege Leave)	
	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1 st April, 2017	4,760.15	4,379.90
Current Service Cost	210.14	214.49
Interest Cost	432.32	344.17
Liability transferred In/ Acquisitions	1,188.49	-
Actuarial losses/(gains)	593.93	398.78
Benefits paid	(936.51)	(577.19)
Closing defined benefit obligation at 31st March, 2018	6,248.52	4,760.15

Particulars	Accumulating Compensated Absences (Privilege Leave)	
	Current Year	Previous Year
Net Cost recognised in the profit and loss account		
Current Service Cost	210.14	214.49
Interest Cost	432.32	344.17
Actuarial (Gain)/ Losses	593.93	398.78
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	1,236.39	957.44
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1 st April, 2017	4,760.15	4,379.67
Expense as above	1,236.39	957.67
Net Liability/ (Asset) transferred in	1,188.49	-
Employer's Contribution	-	-
Benefit paid directly by the Employer	(936.51)	(577.19)
Net Liability/(Asset) recognized in the Balance Sheet	6,248.52	4,760.15

Principal actuarial assumptions

Particulars	Current Year	Previous Year
Discount Rate	7.78%	7.27%
Salary Escalation	5.00%	5.00%
Attrition Rate	2.00%	2.00%

Accumulating Compensated Absences (Privilege Leave) (excluding SBI)

An amount of ₹ 36.17 crore (Previous Year ₹ 113.95 crore) is provided by the group (excluding the entities covered in above table) towards Privilege Leave (Encashment) including leave encashment at the time of retirement and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

3.2.3.2 Other Long Term Employee Benefits

Amount of ₹ (-) 38.69 crore [Previous Year ₹ (-) 20.52 crore] is provided/ (written back) by the group towards other Long Term Employee Benefits and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

Details of Provisions made for various Other Long Term Employees' Benefits during the year;

₹ in crore			
Sl. No.	Long Term Employees' Benefits	Current Year	Previous Year
1	Leave Travel and Home Travel Concession (Encashment/Availment)	(4.20)	19.23
2	Sick Leave	3.35	(53.14)
3	Silver Jubilee/Long Term Service Award	(12.64)	11.13
4	Resettlement Expenses on Superannuation	(13.23)	1.32
5	Casual Leave	-	-
6	Retirement Award	(11.97)	0.94
Total		(38.69)	(20.52)

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

3.3 Accounting Standard- 17 "Segment Reporting":

3.2.1 Segment identification

A) Primary (Business Segment)

The following are the Primary Segments of the Group:

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

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

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

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

- c) **Retail Banking:** The Retail Banking Segment comprises of branches in National Banking Group, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with branches in the National Banking Group. This segment also includes agency business and ATMs

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

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

B) Secondary (Geographical Segment):

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

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

C) Pricing of Inter-segmental Transfers

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

D) Allocation of Revenue, Expenses, Assets and Liabilities

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

Revenue, expenses, assets and liabilities which relate to the enterprise as a whole and are not allocable to any segment on a reasonable basis, have been reported as Unallocated.

3.2.2 SEGMENT INFORMATION

PART A: PRIMARY (BUSINESS) SEGMENTS:

₹ in crore

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Insurance Business	Other Banking Operations	TOTAL
Revenue (before exceptional item)	82,163.87 (78,525.43)	64,365.45 (83,694.12)	1,11,963.61 (1,06,413.35)	34,088.22 (28,047.53)	8,637.67 (6,174.73)	3,01,218.82 (3,02,855.16)
Unallocated Revenue						2,571.02 (2,419.27)
Less : Inter Segment Revenue						2,298.53 (6,634.17)
Total Revenue						3,01,491.31 (2,98,640.26)
Result (before exceptional items)	-16.83 (14,559.33)	-38,316.71 (-24,803.47)	19,464.25 (10,826.76)	1,832.28 (1,308.71)	1,680.23 (1,717.58)	-15,356.78 (3,608.91)
Add : Exceptional items	5,036.21 (-)					5,036.21 (-)
Result (after exceptional items)	5,019.38 (14,559.33)	-38,316.71 (-24,803.47)	19,464.25 (10,826.76)	1,832.28 (1,308.71)	1,680.23 (1,717.58)	-10,320.57 (3,608.91)
Unallocated Income(+)/Expenses(-) net						-1,924.34 (-2,664.08)
Profit/(Loss) Before Tax						-12,244.91 (944.83)
Taxes						-8,057.50 (1,335.50)
Extraordinary Profit						0.00 (0.00)
Net Profit/(Loss) before share in profit in Associates and Minority Interest						-4,187.41 (-390.67)
Add: Share in Profit in Associates						438.16 (293.28)
Less: Minority Interest						807.04 (-338.62)
Net Profit/(Loss) for the Group						-4,556.29 (241.23)
Other Information:						
Segment Assets	10,85,909.92 (10,07,725.87)	10,24,506.47 (11,51,526.43)	13,19,933.76 (11,33,220.08)	1,27,099.09 (1,06,318.18)	27,548.89 (18,110.16)	35,84,998.13 (34,16,900.72)
Unallocated Assets						31,434.87 (28,220.84)
Total Assets						36,16,433.00 (34,45,121.56)
Segment Liabilities	8,10,044.02 (7,09,453.02)	10,63,520.41 (11,03,341.85)	13,11,488.36 (12,14,492.46)	1,19,097.01 (99,646.13)	21,136.24 (12,525.34)	33,25,286.04 (31,39,458.80)
Unallocated Liabilities						60,825.01 (88,470.61)
Total Liabilities						33,86,111.05 (32,27,929.41)

PART B: SECONDARY (GEOGRAPHIC) SEGMENTS

₹ in crore

	Domestic Operations	Foreign Operations	TOTAL
Revenue (before exceptional items)	2,88,659.38 (2,86,662.86)	12,831.93 (11,977.40)	3,01,491.31 (2,98,640.26)
Net Profit/(Loss)	-6,162.65 (-2,871.79)	1,606.36 (3,113.02)	-4,556.29 (241.23)
Assets	32,04,196.42 (30,59,467.86)	4,12,236.58 (3,85,653.70)	36,16,433.00 (34,45,121.56)
Liabilities	29,78,268.42 (28,46,368.69)	4,07,842.63 (3,81,560.72)	33,86,111.05 (32,27,929.41)

(i) Income/Expenses are for the whole year. Assets/Liabilities are as at March 31, 2018.

(ii) Figures within brackets are for previous year

3.4 Accounting Standard-18 "Related Party Disclosures":**3.4.1 Related Parties to the Group:****A) JOINT VENTURES:**

1. C - Edge Technologies Ltd.
2. GE Capital Business Process Management Services Pvt Ltd. (upto 14.12.2017)
3. SBI Macquarie Infrastructure Management Pvt. Ltd.
4. SBI Macquarie Infrastructure Trustee Pvt. Ltd.
5. Macquarie SBI Infrastructure Management Pte. Ltd.
6. Macquarie SBI Infrastructure Trustee Ltd.
7. Oman India Joint Investment Fund – Management Company Pvt. Ltd.
8. Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.
9. Jio Payments Bank Limited

B) ASSOCIATES:**i) Regional Rural Banks**

1. Andhra Pradesh Grameena Vikas Bank
2. Arunachal Pradesh Rural Bank
3. Chhattisgarh Rajya Gramin Bank
4. Ellaquai Dehati Bank
5. Langpi Dehangi Rural Bank

6. Madhyanchal Gramin Bank
7. Meghalaya Rural Bank
8. Mizoram Rural Bank
9. Nagaland Rural Bank
10. Purvanchal Bank
11. Saurashtra Gramin Bank
12. Utkal Grameen Bank
13. Uttarakhand Gramin Bank
14. Vananchal Gramin Bank
15. Rajasthan Marudhara Gramin Bank
16. Telangana Grameena Bank
17. Kaveri Grameena Bank
18. Malwa Gramin Bank

ii) Others

19. The Clearing Corporation of India Ltd.
20. Bank of Bhutan Ltd.
21. SBI Home Finance Ltd. (under liquidation)

C) Key Management Personnel of SBI:

1. Shri Rajnish Kumar, Chairman (from 07.10.2017)
2. Smt. Arundhati Bhattacharya, Chairman (upto 06.10.2017)
3. Shri Rajnish Kumar, Managing Director (National Banking Group) upto 06.10.2017
4. Shri Dinesh Kumar Khara, Managing Director (Risk, IT & Subsidiaries)
5. Shri P. K. Gupta, Managing Director (Retail & Digital Banking)
6. Shri B. Sriram, Managing Director (Corporate & Global Banking)

3.4.2 Related Parties with whom transactions were entered into during the year:-

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

3.4.3 Transactions and Balances:

₹ in crore

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Transactions during the year 2017-18			
Interest Income	- (-)	- (-)	- (-)
Interest Expenditure	0.09 (0.18)	- (-)	0.09 (0.18)
Income earned by way of Dividend	29.24 (33.83)	- (-)	29.24 (33.83)
Other Income	0.17 (0.30)	- (-)	0.17 (0.30)
Other Expenditure	12.31 (11.54)	- (-)	12.31 (11.54)
Management Contract	- (-)	2.05 (1.39)	2.05 (1.39)
Outstanding as on March 31, 2018			
Payables			
Deposit	44.75 (15.21)	- (-)	44.75 (15.21)
Other Liabilities	1.19 (47.99)	- (-)	1.19 (47.99)
Receivables			
Balances with Banks	- (-)	- (-)	- (-)
Investments	67.66 (81.15)	- (-)	67.66 (81.15)
Advances	- (0.41)	- (-)	- (0.41)
Other Assets	0.07 (0.07)	- (-)	0.07 (0.07)
Maximum outstanding during the year			
Borrowings	- (-)	- (-)	- (-)
Deposit	206.21 (29.48)	- (-)	206.21 (29.48)
Other Liabilities	119.61 (55.33)	- (-)	119.61 (55.33)
Balance with Banks	- (-)	- (-)	- (-)
Advances	0.62 (0.42)	- (-)	0.62 (0.42)
Investment	77.10 (81.15)	- (-)	77.10 (81.15)
Other Assets	0.07 (0.07)	- (-)	0.07 (0.07)
Non-fund commitments (LCs/BGs)	- (-)	- (-)	- (-)

(Figures in brackets pertain to previous year)

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

3.5 Accounting Standard-19 "Leases":**3.5.1 Finance Leases**

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

₹ in crore

Particulars	As at March 31, 2018	As at March 31, 2017
Total Minimum lease payments outstanding		
Less than 1 year	17.26	4.87
1 to 5 years	56.06	9.35
5 years and above	-	-
Total	73.32	14.22
Interest Cost payable		
Less than 1 year	4.77	0.97
1 to 5 years	13.19	1.36
5 years and above	-	-
Total	17.96	2.33
Present value of minimum lease payments payable		
Less than 1 year	12.49	3.90
1 to 5 years	42.87	7.99
5 years and above	-	-
Total	55.36	11.89

3.5.2 Operating Lease

Premises taken on operating lease are given below:

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

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

₹ in crore

Particulars	As at March 31, 2018	As at March 31, 2017
Not later than 1 year	208.15	307.04
Later than 1 year and not later than 5 years	613.63	1,189.15
Later than 5 years	252.46	310.99
Total	1,074.24	1,807.18

Amount of lease payments recognised in the Profit & Loss Account for the year is ₹ 3,289.58 crore (Previous Year ₹ 2,615.41 crore).

3.6 Accounting Standard-20 "Earnings per Share":

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 - "Earnings per Share". "Basic earnings" per share is computed by dividing consolidated net profit/ (loss) after tax (other than minority) by the weighted average number of equity shares outstanding during the year.

Particulars Basic and diluted	Current Year	Previous Year
Number of Equity Shares outstanding at the beginning of the year	797,35,04,442	776,27,77,042
Number of Equity Shares issued during the year	95,10,83,092	21,07,27,400
Number of Equity Shares outstanding at the end of the year	892,45,87,534	797,35,04,442
Weighted average number of equity shares used in computing basic earnings per share	853,30,51,135	780,37,67,851
Weighted average number of shares used in computing diluted earnings per share	853,30,51,135	780,37,67,851
Net Profit/(Loss) for the Group (₹ in crore)	(4,556.29)	241.23
Basic earnings per share (₹)	(5.34)	0.31
Diluted earnings per share (₹)	(5.34)	0.31
Nominal value per share (₹)	1.00	1.00

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

- During the year, ₹ 9804.79 crore has been credited to Profit and Loss Account (Previous Year ₹ 3,507.06 crore credited) on account of deferred tax.
- The breakup of deferred tax assets and liabilities into major items is given below:

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Tax Assets		
Provision for long term employee Benefits	3,486.07	2,769.18
Provision for advances \$	4,415.43	2,974.42
On Accumulated Losses	13,889.32	5,281.99
Provision for Other Assets/ VRS/Other Liability	743.57	724.65
Amortisation of discount	7.31	61.89
Depreciation on Fixed Assets	14.91	3.89
DTAs on account of FOs of SBI	317.04	427.91
Others	200.25	393.12
Total	23,073.90	12,637.05

₹ in crore

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Tax Liabilities		
Depreciation on Fixed Assets	89.71	277.04
Interest accrued but not due on securities	6,315.01	5,045.06
Special Reserve created u/s 36(1)(viii) of Income Tax Act 1961	4,690.10	4,645.01
Foreign Currency Translation Reserve	117.30	563.28
DTLs on account of FOs of SBI	2.80	2.19
Others	26.66	543.14
Total	11,241.58	11,075.72
Net Deferred Tax Assets/ (Liabilities)	11,832.32	1,561.33

§ During the year, SBI has recognized Deferred Tax Asset, on provision for standard assets as per IRAC norms, amounting to ₹ 2,461.40 crore which was hitherto not considered for Deferred Tax Asset with consequential effect on the results for the year.

3.8 Accounting Standard-28 "Impairment of assets":

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

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

◆ Provisions and contingencies recognised in Profit and Loss Account:

₹ in crore

Sr. No.	Break up of "Provisions and Contingencies" shown under head Expenditure in Profit and loss account	Current Year	Previous Year
a)	Provision for Taxation		
	- Current Tax	1,758.40	5427.24
	- Deferred Tax	(9,804.79)	(3,507.06)
	- Write Back of Income Tax	(11.11)	(584.68)
b)	Provision on Non-Performing Assets	72,217.65	57,155.07
c)	Provision on Restructured Assets	(691.67)	(1,238.32)
d)	Provision on Standard Assets	(3,584.56)	2,191.63
e)	Provision for Depreciation on Investments	8,177.30	1,721.96
f)	Other Provisions	(103.65)	1,460.54
Total		67,957.58	62,626.38

(Figures in brackets indicate credit)

◆ Floating provisions:

₹ in crore

Sr. No.	Particulars	Current Year	Previous Year
a)	Opening Balance	193.76	193.76
b)	Addition during the year	-	-
c)	Draw down during the year	-	-
d)	Closing balance	193.76	193.76

◆ Description of contingent liabilities (AS - 29)

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

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

◆ Movement of provisions against contingent liabilities:

₹ in crore

Particulars	Current Year	Previous Year
a) Opening Balance	1,026.38	719.21
b) Additions during the year	127.43	442.30
c) Amount utilised during the year	227.72	7.47
d) Unused amount reversed during the year	399.80	127.66
e) Closing balance	526.29	1,026.38

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

5 Reversal of Revaluation Reserve of SBI's Leasehold Properties:

In compliance with the RBI instructions, SBI has reversed the effect of revaluation amounting to ₹ 11,210.94 crore made in earlier periods in the value of certain leasehold properties, which has resulted in write back of depreciation earlier charged amounting to ₹ 193.24 crore.

6 RBI Circular DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018 grants banks an option to spread provisioning on mark to market losses on investments held in AFS and HFT for the quarters ended December 31, 2017 and March 31, 2018. The circular states that the provisioning for each of these quarters may be spread equally over up to four quarters, commencing with the quarter in which the loss was incurred. The Bank has recognized the entire net mark to market loss on investments in the respective quarters and has not availed the said option

7 The disclosures relating to the divergence for the financial year 2016-17 in respect of provisions made by SBI against non-performing assets (excluding provisions made against standard assets) mandated in circular No. DBR. BP.BC.No.63/21.04.018/2016-17 dated April 18, 2017 issued by RBI is as under:

₹ in crore

Sr. No	Particulars	Amount
1	Gross NPAs as on 31 March, 2017, as reported by SBI	1,12,342.99
2	Gross NPAs as on 31 March, 2017, as assessed by RBI	1,35,582.12
3	Divergence in Gross NPAs (2-1)	23,239.13
4	Net NPAs as on 31 March, 2017, as reported by SBI	58,277.38
5	Net NPAs as on 31 March, 2017, as assessed by RBI	75,795.85
6	Divergence in Net NPAs (5-4)	17,518.47

7	Provisions for NPAs as on 31 March, 2017, as reported by SBI	54,065.61
8	Provisions for NPAs as on 31 March, 2017, as assessed by RBI	59,786.27
9	Divergence in provisioning (8-7)*	5,720.66
10	Reported Net Profit after Tax (PAT) of SBI for the year ended March 31, 2017	10,484.10
11	Adjusted (notional) Net Profit after Tax (PAT) of SBI for the year ended March 31, 2017 after taking into account the divergence in provisioning	6,743.25

* The net current impact of the afore-mentioned retrospective slippages due to divergences noted by RBI has been duly reflected in the results for the year ended March 31, 2018.

8 Acquisition of Erstwhile Domestic Banking Subsidiaries (DBS) & Bharatiya Mahila Bank Limited

a) The Government of India has accorded sanction under sub-section (2) of section 35 of the State Bank of India Act, 1955, for acquisition of five domestic banking subsidiaries (DBS) of SBI namely (i) State Bank of Bikaner & Jaipur (SBBJ), (ii) State Bank of Mysore (SBM), (iii) State Bank of Travancore (SBT), (iv) State Bank of Patiala (SBP), (v) State Bank of Hyderabad (SBH) and for acquisition of Bharatiya Mahila Bank Limited (BMBL) (hereinafter collectively referred to as Transferor Banks) vide orders dated February 22, 2017 and March 20, 2017. As per GOI orders these schemes of acquisition shall come into effect from April 01, 2017 (hereafter referred to as the effective date).

As per the said scheme, the undertakings of the Transferor Banks which shall be deemed to include all business, assets, liabilities, reserves and surplus, present or contingent and all other rights and interest arising out of such property as were immediately before the effective date in the ownership, possession or power of the Transferor Banks shall be transferred to and will vest in SBI (hereinafter referred to as Transferee Bank) on and from the effective date.

- b) The eligible shareholders of the merged entities were allotted shares of SBI, as mentioned below.

Name of the Transferor Banks	Share exchange ratio/ Issued
State Bank of Bikaner and Jaipur (SBBJ)	28 shares of face value ₹ 1 each of SBI for every 10 shares of SBBJ of face value ₹ 10 each fully paid up aggregating to 4,88,54,308 shares of face value ₹ 1 each of SBI.
State Bank of Mysore (SBM)	22 shares of face value of ₹ 1 each for every 10 shares of SBM of face value ₹ 10 each fully paid up aggregating to 1,05,58,379 shares of face value ₹ 1 each of SBI.
State Bank of Travancore (SBT)	22 shares of face value of ₹ 1 each for every 10 shares of SBT of face value of ₹ 10 each fully paid up aggregating to 3,27,08,543 shares of face value ₹ 1 each of SBI.
Bharatiya Mahila Bank Limited (BMBL)	4,42,31,510 shares of face value of ₹ 1 each for 100,00,00,000 shares of BMBL of face value of ₹ 10 each fully paid up.

Further, SBI has paid cash in respect of entitlements to fraction of equity shares wherever so determined. In respect of State Bank of Patiala (SBP) and State Bank of Hyderabad (SBH) which were wholly owned entities, entire share capital of those banks were cancelled against the investments held in those entities.

- c) The merger of DBS & BMBL with SBI, has been accounted under the 'pooling of interest' method as per Accounting Standard 14 (AS 14), "Accounting for amalgamation" and the approved Scheme of Acquisition. Pursuant thereto, all assets and liabilities amounting to ₹ 11,314.75 crore (net) of the transferor Banks have been recorded in the books of SBI at their existing carrying amounts as on effective date, in consideration for 13,63,52,740 shares of face value of ₹ 1 each of SBI and ₹ 0.25 crore paid in cash towards fractional entitlements as stated above and SBI's investments in e-DBS on effective date stands cancelled. The net difference between share capital of transferor banks of e-DBS & BMBL and corresponding investments by SBI and cash in lieu of fractional entitlement of shares have been transferred to Capital Reserve. The net assets taken over on amalgamation are as under:

₹ in crore

Particulars	e-SBBJ	e-SBH	e-SBM	e-SBP	e-SBT	e-BMB	Total
Assets taken over							
Cash & balances with RBI	8,596.66	7,328.66	4,669.93	5,242.96	6,858.88	46.64	32,743.73
Balances with Banks & Money at Call & Short Notice	2,002.50	21,453.95	19,167.30	73.59	23,347.74	635.11	66,680.19
Investments	34,922.37	43,628.77	23,861.63	32,706.10	40,777.06	707.62	1,76,603.55
Advances	64,830.01	79,375.57	34,474.63	70,018.98	48,617.57	567.49	2,97,884.25
Fixed Assets	1,353.65	1,662.33	1,532.58	1,420.45	995.82	22.68	6,987.51
Other Assets	4,558.73	9,598.12	5,261.05	13,367.08	5,176.53	50.94	38,012.45
Total Assets (A)	1,16,263.92	1,63,047.40	88,967.12	1,22,829.16	1,25,773.60	2,030.48	6,18,911.68
Liabilities taken over							
Reserves & Surplus	4,070.33	8,377.94	2,766.44	1,858.95	2,554.84	-	19,628.50
Deposits	1,04,008.73	1,41,898.94	78,474.22	1,00,794.63	1,14,688.90	975.77	5,40,841.19
Borrowings	1,553.75	5,619.05	2,648.52	4,071.60	3,035.00	-	16,927.92
Other Liabilities & Provisions	4,378.86	6,783.92	4,072.09	11,244.88	3,700.24	19.33	30,199.32
Total Liabilities (B)	1,14,011.67	1,62,679.85	87,961.27	1,17,970.06	1,23,978.98	995.10	6,07,596.93

Net Assets taken over (A-B)	2,252.25	367.55	1,005.85	4,859.10	1,794.62	1,035.38	11,314.75
Net difference between share capital of e-DBS & BMBL and corresponding investments by SBI	17.44	-	4.79	-	14.88	1,000.01	1,037.12
Less :							
(a) 13,63,52,740 shares of face value of ₹ 1 each issued by SBI as consideration	4.88	-	1.05	-	3.28	4.43	13.64
(b) Cash in lieu of fractional entitlement of shares	0.12	-	0.09	-	0.04	-	0.25
Difference transferred to Capital Reserve	12.44	-	3.65	-	11.56	995.58	1,023.23

- 9** On April 18, 2017, RBI through its circular advised that the provisioning rates prescribed as per the prudential norms circular are the regulatory minimum and banks are encouraged to make provisions at higher rates in respect of advances to stressed sectors of the economy. Accordingly, during year, SBI as per its Board approved policy made additional general provision amounting to ₹ 74.66 crore on standard loans to borrowers.
- 10** RBI vide letter RBI 2017-18/131/DBR.No.BP.BC.101/21.04.048 /2017-18 dated February 12, 2018, issued a Revised Framework for Resolution of Stressed Assets, which superseded the existing guidelines on CDR,SDR, change in ownership outside SDR, Flexible Structuring of Existing Long term project loans (5/25 Scheme) and S4A with immediate effect. Under the revised framework, the stand-still benefits for accounts where any of these schemes had been invoked but not yet implemented were revoked and accordingly these accounts have been classified by SBI as per the extant RBI prudential norms on Income Recognition and Asset Classification.
- 11** SBI has made an adhoc provision of ₹ 1,659.41 crore towards arrears of wages due for revision w.e.f November 01, 2017.
- 12** Profit/(loss) on sale of investment (net) under schedule 14 "Other Income" includes ₹ 5,036.21 crore on sale of partial investment in SBI Life Insurance Company Limited.
- 13 Counter Cyclical Provisioning Buffer (CCPB)**
RBI vide Circular No. DBR.No.BP.BC.79/21.04.048/2014-15 dated March 30, 2015 on 'Utilisation of Floating Provisions/Counter Cyclical Provisioning Buffer' has allowed the banks, to utilise up to 50 per cent of CCPB held by them as on December 31, 2014, for making specific provisions for Non-Performing Assets (NPAs) as per the policy approved by the Bank's Board of Directors.
- During the year, SBI has not utilized the CCPB for making specific provision for NPAs.
- 14** In respect of SBI Life Insurance Company Ltd., IRDAI has issued directions under Section 34(1) of the Insurance Act, 1938 to distribute the administrative charges paid to Master policy holders vide order no. IRDA/Life/ORD/Misc/228/10/2012 dated October 5, 2012 amounting to ₹ 84.32 crore (Previous Year ₹ 84.32 crore) and to refund the excess commission paid to corporate agent vide order no. IRDA/Life/ORD/Misc/083/03/2014 dated March 11, 2014 amounting to ₹ 275.29 crore (Previous Year ₹ 275.29 crore) respectively to the members or the beneficiaries. IRDAI issued further directions dated January 11, 2017 reiterating the directions issued on October 5, 2012. The company has filed appeals against the said directions/orders with the Appellate Authorities (i.e. Ministry of Finance, Govt. of India) and Securities Appellate Tribunal (SAT). As the final orders are pending, the aforesaid amounts have been disclosed as contingent liability.
- 15** The investments of life and general insurance subsidiaries have been accounted for in accordance with the IRDAI (Investment) Regulations, 2016 instead of restating the same in accordance with the accounting policy followed by SBI. The investments of insurance subsidiaries constitute approximate 9.87% (Previous Year 9.35%) of the total investments as on March 31, 2018.
- 16** In accordance with RBI circular DBOD NO.BP.BC.42/21.01.02/2007-08, redeemable preference shares (if any) are treated as liabilities and the coupon payable thereon is treated as interest.
- 17** In accordance with current RBI guidelines, the general clarification issued by ICAI has been considered in the preparation of the consolidated financial statements. Accordingly, additional statutory information disclosed in separate financial statements of the parent and its subsidiaries having no bearing on the true and fair view of the consolidated financial statements and also the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements in view of the Accounting Standard Interpretation issued by ICAI.

- 18** a) The results for the year ended March 31, 2018 include the result of operations of the erstwhile domestic banking subsidiaries (DBS) & Bharatiya Mahila Bank Limited (BMBL) for the period from April 1, 2017 to the year end. Hence, the results of the SBI Group are not comparable to that of the corresponding previous year
- b) Previous year figures have been regrouped/reclassified, wherever necessary, to confirm to current year classification. In cases where disclosures have been made for the first time in terms of RBI guidelines/Accounting Standards, previous year's figures have not been mentioned.

Shri Dinesh Kumar Khara
MD (Risk, IT & Subsidiaries)

Shri P. K. Gupta
MD (Retail & Digital Banking)

Shri B. Sriram
MD (Corporate & Global Banking)

In term of our Report of even date.
For **Varma and Varma**
Chartered Accountants

Shri Rajnish Kumar
Chairman

Shri P R Prasanna Varma
Partner
Mem. No. : 025854
Firm Regn. No. : 004532 S

Mumbai
Dated 22nd May, 2018

State Bank of India

Consolidated Cash flow statement for the year ended 31st March, 2018

(000s omitted)

PARTICULARS	Year ended 31.03.2018 ₹	Year ended 31.03.2017 ₹
Cash flow from operating activities		
Net Profit/(Loss) before taxes (including share in profit from associates and net of minority interest)	(12613,79,21)	1576,73,82
Adjustments for :		
Depreciation on Fixed Assets	3105,07,10	2914,68,43
(Profit)/Loss on sale of Fixed Assets (Net)	30,73,27	43,81,46
(Profit)/Loss on revaluation of Investments (Net)	1120,61,02	-
(Profit)/Loss on sale of Investments (Net) (Investing Activity)	(5134,30,14)	(1587,01,92)
Provision for diminution in fair value & Non Performing Assets	71525,98,80	55916,75,12
Provision on Standard Assets	(3584,56,16)	2191,62,66
Provision for depreciation on Investments	8177,30,33	1721,95,84
Other Provisions including provision for contingencies	(103,64,78)	1460,54,04
Share in Profit of Associates	(438,15,98)	(293,28,42)
Dividend from Associates	(15,45,97)	(3,85,50)
Interest on Capital Instruments	4554,43,06	5296,02,56
SUB TOTAL	66624,21,34	69237,98,09
Adjustments for :		
Increase/(Decrease) in Deposits	121391,84,57	345953,09,75
Increase/(Decrease) in Borrowings other than Capital Instruments	44832,14,90	(22743,77,32)
(Increase)/Decrease in Investments other than Investment in Subsidiary and Associates	(164770,34,41)	(221333,86,62)
(Increase)/Decrease in Advances	(134190,21,63)	(82542,67,86)
Increase/(Decrease) in Other Liabilities & Provisions	(111,91,71)	10789,34,61
(Increase)/Decrease in Other Assets	(22273,22,00)	(20576,17,56)
SUB TOTAL	(88497,48,94)	78783,93,09
Tax refund / (Taxes paid)	(8010,41,70)	(1377,93,39)
Net cash generated from / (used in) operating activities (A)	(96507,90,64)	77405,99,70
Cash flow from investing activities		
(Increase)/Decrease in Investments in Subsidiary and Associates	5239,13,69	1585,92,52
Dividend from Associates	15,45,97	3,85,50
(Increase)/Decrease in Fixed Assets	6601,82,54	(4423,70,61)
(Increase)/Decrease in Goodwill on Consolidation	(790,65,51)	1,80,36
Net Cash generated from / (used in) investing activities (B)	11065,76,69	(2832,12,23)
Cash flow from financing activities		
Proceeds from issue of equity share capital including share premium	23782,45,47	5674,82,91
Increase/(Decrease) in Capital Instruments	(12118,47,50)	(2289,95,25)
Interest on Capital Instruments	(4554,43,06)	(5296,02,56)

₹ in 000

PARTICULARS	Year ended 31.03.2018 ₹	Year ended 31.03.2017 ₹
Dividend paid including tax thereon	(2416,26,71)	(2337,46,38)
Dividend tax paid by Subsidiaries/JVs	(143,58,57)	(161,10,37)
Increase/(Decrease) in Minority Interest	997,46,74	213,24,14
Net Cash generated from / (used in) financing activities (C)	5547,16,37	(4196,47,51)
Effect of exchange fluctuation on translation reserve (D)	1305,17,53	(1739,70,98)
Cash and Cash equivalents received on account of acquisition of Bharatiya Mahila Bank (E)	681,75,35	-
Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)+(D)+(E)	(77908,04,70)	68637,68,98
Cash and Cash equivalents at the beginning of the year	273197,15,53	204559,46,55
Cash and Cash equivalents at the end of the year	195289,10,83	273197,15,53

Components of Cash & Cash Equivalents as at:	31.03.2018	31.03.2017
Cash & Balances with Reserve Bank of India	150769,45,69	161018,61,07
Balances with Banks and Money at Call & Short Notice	44519,65,14	112178,54,46
Total	195289,10,83	273197,15,53

Shri Dinesh Kumar Khara
MD (Risk, IT & Subsidiaries)

Shri P. K. Gupta
MD (Retail & Digital Banking)

Shri B. Sriram
MD (Corporate & Global Banking)

In term of our Report of even date.
For **Varma and Varma**
Chartered Accountants

Shri Rajnish Kumar
Chairman

Shri P R Prasanna Varma
Partner

Mumbai
Dated 22nd May, 2018

Mem. No. : 025854
Firm Regn. No. : 004532 S

Independent Auditor's Report

To,
The Board of Directors,
State Bank of India,
Corporate Centre,
State Bank Bhavan, Mumbai

Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated Financial Statements of State Bank of India (the "Bank") and its Subsidiaries, Joint Ventures and Associates (the "Group") [The entities of the Group whose Financial Statements are included in the Consolidated Financial Statements are listed in Schedule 18 - Notes to Accounts - which forms part of the Consolidated Financial Statements of the Group] which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Management of State Bank of India is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the requirements of the Accounting Standard 21 - "Consolidated Financial Statements", Accounting Standard 23 - "Accounting for Investment in Associates in Consolidated Financial Statements" and Accounting Standard 27 - "Financial Reporting of Interest in Joint Ventures" issued by the Institute of Chartered Accountants of India, the requirements of Reserve Bank of India, the State Bank of India Act, 1955 and other accounting principles generally accepted in India. This responsibility of the management of State Bank of India includes the design, implementation and maintenance of internal controls and risk management systems relevant to the preparation and presentation of the consolidated financial statements of the SBI Group that give a true and fair view and are free from material misstatement, whether due to fraud or error. We are informed that the management of the individual entities of the group have implemented such internal controls and risk management systems that are relevant to the preparation of the financial statements and the designed procedures that are appropriate in the circumstances so that the internal controls with regard to all the activities of the SBI Group are effective. These statements have been prepared on the basis of separate financial statements and other financial information regarding components,

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan

and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management of the entities of the Group, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, and based on our consideration of the reports of other auditors on separate financial statements of Subsidiaries, Joint Ventures and Associates, the unaudited financial statements and the other financial information of a subsidiary and certain associates as furnished by the Management, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2018;
 - (b) in the case of the Consolidated Profit and Loss Account, of the consolidated loss of the Group for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

7. Incorporated in these consolidated financial statements are the:
- (a) Audited accounts of the Bank audited by 14 (fourteen) Joint Auditors including us which reflect total assets of INR 34,54,752 crores as at March 31, 2018, total revenue of INR 2,65,100 crores, and net cash inflows amounting to INR 19,927 crore for the year then ended;

- (b) Audited accounts of 26 (twenty six) Subsidiaries, 8 (eight) Joint Ventures and 19 (nineteen) Associates audited by other auditors whose financial statements reflects the Group's share in total assets of INR 1,76,687 crore as at March 31, 2018, the Group's share in total revenue of INR 44,143 crore, the Group's share in net cash inflows amounting to INR 2,774 crore, and the Group's share in profit from associates of INR 435 crore for the year then ended;
- (c). Accounts of 1(one) Subsidiary which has been reviewed by another auditor whose financial statements reflects the Group's share in total assets of INR 312 crore as at March 31, 2018, the Group's share in total revenue of INR 15 crore, the Group's share in net cash outflows amounting to INR 0.32 crore, for the year then ended;
- (d) Unaudited accounts of 1 (one) Subsidiary and 1 (one) Associates whose financial statements reflect total assets of INR 5,308 crore as at March 31, 2018, total revenue of INR 188 crore, net cash outflows amounting to INR 125 crore and the Group's share in profit from associates of INR 3 crore for the year then ended.

These financial statements and other financial information have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiaries, joint ventures and associates, is based solely on the report of the other auditors and unaudited financial statements referred to above.

8. The auditors of SBI Life Insurance Company Ltd., a subsidiary of the Group have reported that the actuarial valuation of liabilities for life policies in force is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial

valuation of these liabilities for life policies in force and for policies in respect of which the premium has been discontinued but liability exists as at 31 March 2018 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ("IRDAI / "Authority") and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists on standalone financial statements of the Company.

Emphasis of Matter

9. We draw attention to:
- Note no 3.2.1.1, regarding unamortized balance of INR 2,707.50 crore on account of additional liabilities towards Gratuity; and
 - Note no 3.7, regarding recognition of Deferred Tax Assets of INR 2,461.40 crore on provision for standard assets;

Our opinion is not modified in respect of the above stated matters.

For Varma & Varma
Chartered Accountants
FRN 004532S

P R Prasanna Varma
Partner
M. No.025854

Place: Mumbai
Date: 22nd May, 2018