State Bank of India

Balance Sheet as at 31st March, 2019

(000s omitted)

	Schedule No.	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
CAPITAL AND LIABILITIES			
Capital	1	892,46,12	892,45,88
Reserves & Surplus	2	220021,36,33	218236,10,15
Deposits	3	2911386,01,07	2706343,28,50
Borrowings	4	403017,11,82	362142,07,45
Other Liabilities and Provisions	5	145597,29,55	167138,07,68
TOTAL		**3680914,24,89**	**3454751,99,66**
ASSETS			
Cash and Balances with Reserve Bank of India	6	176932,41,75	150397,18,14
Balances with Banks and money at call and short notice	7	45557,69,40	41501,46,05
Investments	8	967021,94,75	1060986,71,50
Advances	9	2185876,91,77	1934880,18,91
Fixed Assets	10	39197,56,94	39992,25,11
Other Assets	11	266327,70,28	226994,19,95
TOTAL		**3680914,24,89**	**3454751,99,66**
Contingent Liabilities	12	1116081,45,94	1162020,69,30
Bills for Collection	-	70022,53,97	74027,90,24
Significant Accounting Policies	17		
Notes to Accounts	18		

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

Signed by:

Smt. Anshula Kant
Managing Director
(Stressed Assets, Risk & Compliance)

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

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

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

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

Shri Rajnish Kumar
Chairman

Place: Mumbai
Date: 10th May 2019

In terms of our report of even date

FOR J.C. BHALLA & CO.
Chartered Accountants

RAJESH SETHI
Partner : M. No.085669
Firm Regn. No. 001111N

FOR CHATURVEDI & SHAH LLP
Chartered Accountants

VITESH D. GANDHI
Partner: M. No.110248
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FOR G. P. AGRAWAL & CO.
Chartered Accountants

AJAY KUMAR AGRAWAL
Partner : M. No. 17643
Firm Regn. No. 302082E

Place : Mumbai
Date : 10th May, 2019

Schedule 1 - Capital

(000s omitted)

	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
Authorised Capital : 5000,00,00,000 shares of ₹ 1 each (Previous Year 5000,00,00,000 shares of ₹ 1 each)	5000,00,00	5000,00,00
Issued Capital : 892,54,05,164 Equity Shares of ₹ 1 each (Previous Year 892,54,05,164 Equity Shares of ₹ 1 each)	892,54,05	892,54,05
Subscribed and Paid-up Capital : 892,46,11,534 Equity Shares of ₹ 1 each (Previous Year 892,45,87,534 Equity Shares of ₹ 1 each)	892,46,12	892,45,88
[The above includes 12,10,71,350 Equity Shares of ₹ 1 each (Previous Year 12,62,48,980 Equity Shares of ₹ 1 each) represented by 1,21,07,135 (Previous Year 1,26,24,898) Global Depository Receipts]		
TOTAL	**892,46,12**	**892,45,88**

Schedule 2 - Reserves & Surplus

(000s omitted)

		As at 31.03.2019 (Current Year) ₹		As at 31.03.2018 (Previous Year) ₹	
I.	**Statutory Reserves**				
	Opening Balance	65336,98,37		53969,83,67	
	Additions during the year	258,66,89		11367,14,70	
	Deductions during the year	-		-	
			65595,65,26		65336,98,37
II.	**Capital Reserves**				
	Opening Balance	9391,65,88		3688,17,59	
	Additions during the year	379,20,76		5703,48,29	
	Deductions during the year	-		-	
			9770,86,64		9391,65,88
III.	**Share Premium**				
	Opening Balance	79124,21,51		55423,23,36	
	Additions during the year	37,92		23718,58,11	
	Deductions during the year	9,12,38		17,59,96	
			79115,47,05		79124,21,51
IV.	**Foreign Currency Translation Reserve**				
	Opening Balance	5720,58,73		4428,63,94	
	Additions during the year	1077,13,19		1482,65,84	
	Deductions during the year	66,75,03		190,71,05	
			6730,96,89		5720,58,73
V.	**Revenue and Other Reserves***				
	Opening Balance	48893,23,87		38392,85,99	
	Additions during the year	563,88,56		14888,94,48	
	Deductions during the year	76,60,48		4388,56,60	
			49380,51,95		48893,23,87

(000s omitted)

		As at 31.03.2019 (Current Year) ₹		As at 31.03.2018 (Previous Year) ₹
VI.	**Revaluation Reserve**			
	Opening Balance	24847,98,65		31585,64,99	
	Additions during the year			4670,63,97	
	Deductions during the year	194,04,57		11408,30,31	
			24653,94,08		24847,98,65
VII.	**Balance of Profit and Loss Account**		(15226,05,54)		(15078,56,86)
	* 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 ₹ 13421,76,76 thousand) (iii) Investment Reserves Current Year ₹ 371,84,01 (Previous Year Nil)				
	TOTAL		**220021,36,33**		**218236,10,15**

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

Schedule 3 - Deposits

(000s omitted)

	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
A. I. Demand Deposits		
(i) From Banks	6894,62,06	5326,82,76
(ii) From Others	198980,62,74	184847,05,92
II. Savings Bank Deposits	1091751,97,36	1013774,47,09
III. Term Deposits		
(i) From Banks	8234,15,28	15218,78,64
(ii) From Others	1605524,63,63	1487176,14,09
TOTAL	**2911386,01,07**	**2706343,28,50**
B I. Deposits of Branches in India	2814243,42,48	2599393,43,21
II. Deposits of Branches outside India	97142,58,59	106949,85,29
TOTAL	**2911386,01,07**	**2706343,28,50**

Schedule 4 - Borrowings

(000s omitted)

			As at 31.03.2019 (Current Year) ₹		As at 31.03.2018 (Previous Year) ₹
I.	**Borrowings in India**				
	(i) Reserve Bank of India		94319,00,00		94252,00,00
	(ii) Other Banks		260,00,00		1603,85,43
	(iii) Other Institutions and Agencies		27853,89,24		2411,83,26
	(iv) Capital Instruments :				
	a. Innovative Perpetual Debt Instruments (IPDI)	19152,30,00		11835,00,00	
	b. Subordinated Debt	28256,73,80		32540,83,80	
			47409,03,80		**44375,83,80**
	TOTAL		**169841,93,04**		**142643,52,49**
II.	**Borrowings outside India**				
	(i) Borrowings and Refinance outside India		231100,53,78		217543,29,96
	(ii) Capital Instruments :				
	Innovative Perpetual Debt Instruments (IPDI)		2074,65,00		1955,25,00
	TOTAL		**233175,18,78**		**219498,54,96**
	GRAND TOTAL		**403017,11,82**		**362142,07,45**
	Secured Borrowings included in I & II above		**124028,25,70**		**106637,02,05**

Schedule 5 - Other Liabilities & Provisions

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I.	Bills payable	23875,66,31	26617,74,90
II.	Inter-office adjustments (Net)	21735,74,61	40734,57,50
III.	Interest accrued	14479,87,48	16279,62,96
IV.	Deferred Tax Liabilities (Net)	2,33,15	2,80,59
V.	Others (including provisions)*	85503,68,00	83503,31,73
	* Includes prudential provision for Standard Assets ₹ 12396,67,91 thousand (Previous Year ₹12499,46,35 thousand)		
TOTAL		**145597,29,55**	**167138,07,68**

Schedule 6 - Cash and Balances With Reserve Bank of India

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I.	Cash in hand (including foreign currency notes and gold)	18777,94,34	15472,42,20
II.	Balance with Reserve Bank of India		
	(i) In Current Account	158154,47,41	134924,75,94
	(ii) In Other Accounts	-	-
TOTAL		**176932,41,75**	**150397,18,14**

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

(000s omitted)

	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I. In India		
(i) Balances with banks		
(a) In Current Accounts	87,02,70	48,59,90
(b) In Other Deposit Accounts	-	-
(ii) Money at call and short notice		
(a) With banks	4608,88,73	1614,44,26
(b) With other institutions	-	-
TOTAL	**4695,91,43**	**1663,04,16**
II. Outside India		
(i) In Current Accounts	19667,07,18	28528,09,13
(ii) In Other Deposit Accounts	2870,14,73	1226,43,94
(iii) Money at call and short notice	18324,56,06	10083,88,82
TOTAL	**40861,77,97**	**39838,41,89**
GRAND TOTAL (I and II)	**45557,69,40**	**41501,46,05**

Schedule 8 - Investments

(000s omitted)

	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I. Investments in India in :		
(i) Government Securities	761883,12,15	848395,84,44
(ii) Other approved securities	-	-
(iii) Shares	9878,74,38	10516,69,01
(iv) Debentures and Bonds	84948,36,68	77962,93,46
(v) Subsidiaries and/ or Joint Ventures (including Associates)	5608,00,04	5077,97,43
(vi) Others (Units of Mutual Funds, Commercial Papers etc.)	53388,53,85	72882,56,59
TOTAL	**915706,77,10**	**1014836,00,93**
II. Investments outside India in :		
(i) Government Securities (including local authorities)	11644,84,99	10520,45,85
(ii) Subsidiaries and/ or Joint Ventures abroad	4298,49,28	2712,22,30
(iii) Other Investments (Shares, Debentures etc.)	35371,83,38	32918,02,42
TOTAL	**51315,17,65**	**46150,70,57**
GRAND TOTAL (I and II)	**967021,94,75**	**1060986,71,50**
III. Investments in India :		
(i) Gross Value of Investments	926650,59,97	1026438,36,91
(ii) Less: Aggregate of Provisions / Depreciation	10943,82,87	11602,35,98
(iii) Net Investments (vide I above) **TOTAL**	**915706,77,10**	**1014836,00,93**
IV. Investments outside India :		
(i) Gross Value of Investments	51473,39,76	46658,94,18
(ii) Less: Aggregate of Provisions / Depreciation	158,22,11	508,23,61
(iii) Net Investments (vide II above) **TOTAL**	**51315,17,65**	**46150,70,57**
GRAND TOTAL (III and IV)	**967021,94,75**	**1060986,71,50**

Schedule 9 - Advances

(000s omitted)

	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
A. I. Bills purchased and discounted	80278,87,21	67613,55,55
II. Cash credits, overdrafts and loans repayable on demand	776633,45,81	746252,38,11
III. Term loans	1328964,58,75	1121014,25,25
TOTAL	**2185876,91,77**	**1934880,18,91**
B. I. Secured by tangible assets (includes advances against Book Debts)	1582764,41,50	1505988,72,17
II. Covered by Bank/ Government Guarantees	80173,16,17	68651,16,60
III. Unsecured	522939,34,10	360240,30,14
TOTAL	**2185876,91,77**	**1934880,18,91**
C. I. Advances in India		
(i) Priority Sector	520729,77,60	448358,95,60
(ii) Public Sector	240295,89,39	161939,24,46
(iii) Banks	9174,06,50	2845,19,97
(iv) Others	1114679,73,28	1023464,39,00
TOTAL	**1884879,46,77**	**1636607,79,03**
II. Advances outside India		
(i) Due from banks	69975,74,47	77109,63,56
(ii) Due from others		
(a) Bills purchased and discounted	26740,94,11	14539,04,35
(b) Syndicated loans	138191,25,40	120685,86,16
(c) Others	66089,51,02	85937,85,81
TOTAL	**300997,45,00**	**298272,39,88**
GRAND TOTAL [C (I) and C (II)]	**2185876,91,77**	**1934880,18,91**

Schedule 10 - Fixed Assets

(000s omitted)

	As at 31.03.2019 (Current Year) ₹		As at 31.03.2018 (Previous Year) ₹	
I. Premises (including Revalued Premises)				
At cost/revalued as at 31st March of the preceding year	30201,53,82		35961,29,86	
Additions:				
- during the year	669,84,09		1056,24,24	
- for Revaluation	-		4477,39,82	
Deductions during the year	39,60,68		11293,40,10	
Depreciation to date:				
- on cost	714,18,98		614,08,31	
- on Revaluation	497,17,97		308,66,78	
		29620,40,28		**29278,78,73**

(000s omitted)

		As at 31.03.2019 (Current Year) ₹		As at 31.03.2018 (Previous Year) ₹
II. Other Fixed Assets (including furniture and fixtures)				
At cost as at 31st March of the preceding year	30114,90,96		21856,35,33	
Additions during the year	2404,25,97		9232,65,68	
Deductions during the year	1444,39,63		974,10,05	
Depreciation to date	22186,23,44		20192,98,49	
		8888,53,86		**9921,92,47**
III. Assets under Construction (Including Premises)		**688,62,80**		**791,53,91**
TOTAL (I, II, and III)		**39197,56,94**		**39992,25,11**

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

Schedule 11 - Other Assets

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I.	Inter-Office adjustments (net)	-	-
II.	Interest accrued	26141,97,03	25714,46,61
III.	Tax paid in advance / tax deducted at source	24376,29,42	17546,11,08
IV.	Deferred Tax Assets (Net)	10422,49,17	11368,79,19
V.	Stationery and Stamps	102,14,03	107,05,92
VI.	Non-banking assets acquired in satisfaction of claims	73,71	4,64,72
VII.	Others*	205284,06,92	172253,12,43
	*Includes Deposits placed with NABARD/SIDBI/NHB amounting to ₹ 138245,29,37 thousand (Previous Year ₹ 95643,16,91 thousand)		
TOTAL		**266327,70,28**	**226994,19,95**

Schedule 12 - Contingent Liabilities

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I.	Claims against the bank not acknowledged as debts	43357,92,57	35153,03,00
II.	Liability for partly paid investments / Venture Funds	472,87,61	619,44,30
III.	Liability on account of outstanding forward exchange contracts	596621,66,74	644102,45,28
IV.	Guarantees given on behalf of constituents		
	(a) In India	157186,66,27	148866,54,48
	(b) Outside India	72425,94,84	67469,26,89
V.	Acceptances, endorsements and other obligations	124194,94,04	121238,94,74
VI.	Other items for which the bank is contingently liable*	121821,43,87	144571,00,61
	*Includes Derivatives ₹ 117435,24,87 thousand (Previous Year ₹ 141154,40,39 thousand)		
TOTAL		**1116081,45,94**	**1162020,69,30**

State Bank of India

Profit and Loss Account for the year ended 31st March, 2019

(000s omitted)

		Schedule No.	Year ended 31.03.2019 (Current Year) ₹	Year ended 31.03.2018 (Previous Year) ₹
I.	**INCOME**			
	Interest earned	13	242868,65,35	220499,31,56
	Other Income	14	36774,88,78	44600,68,71
	TOTAL		**279643,54,13**	**265100,00,27**
II.	**EXPENDITURE**			
	Interest expended	15	154519,77,80	145645,60,00
	Operating expenses	16	69687,73,74	59943,44,64
	Provisions and contingencies		54573,79,61	66058,41,00
	TOTAL		**278781,31,15**	**271647,45,64**
III.	**PROFIT**			
	Net Profit/(Loss) for the year		862,22,98	(6547,45,37)
	Add: Profit/(Loss) brought forward		(15078,56,86)	31,68
	Loss of eABs & BMB on amalgamation		-	(6407,68,97)
	TOTAL		**(14216,33,88)**	**(12954,82,66)**
IV.	**APPROPRIATIONS**			
	Transfer to Statutory Reserve		258,66,89	-
	Transfer to Capital Reserve		379,20,76	3288,87,88
	Transfer to Revenue and other Reserves		371,84,01	(1165,13,68)
	Balance carried over to Balance Sheet		(15226,05,54)	(15078,56,86)
	TOTAL		**(14216,33,88)**	**(12954,82,66)**
	Basic Earning per Share:		₹ 0.97	₹ -7.67
	Diluted Earning per Share:		₹ 0.97	₹ -7.67
	Significant Accounting Policies	17		
	Notes to Accounts	18		

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

Signed by:

Smt. Anshula Kant
Managing Director
(Stressed Assets, Risk & Compliance)

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

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

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Directors:
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Shri B. Venugopal
Dr. Purnima Gupta
Shri Chandan Sinha
Shri Sanjiv Malhotra
Dr. Pushpendra Rai
Shri Basant Seth
Shri Bhaskar Pramanik

Shri Rajnish Kumar
Chairman

Place: Mumbai
Date: 10th May 2019

In terms of our report of even date

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Chartered Accountants

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Firm Regn. No. 001111N

FOR CHATURVEDI & SHAH LLP
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Chartered Accountants

AJAY KUMAR AGRAWAL
Partner : M. No. 17643
Firm Regn. No. 302082E

Place : Mumbai
Date : 10th May, 2019

Schedule 13 - Interest Earned

(000s omitted)

		Year ended 31.03.2019 (Current Year) ₹	Year ended 31.03.2018 (Previous Year) ₹
I.	Interest / discount on advances / bills	161640,23,23	141363,16,78
II.	Income on investments	74406,16,37	70337,61,67
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	1179,06,59	2249,99,69
IV.	Others	5643,19,16	6548,53,42
TOTAL		**242868,65,35**	**220499,31,56**

Schedule 14 - Other Income

(000s omitted)

		Year ended 31.03.2019 (Current Year) ₹	Year ended 31.03.2018 (Previous Year) ₹
I.	Commission, exchange and brokerage	23303,89,22	22996,80,04
II.	Profit/ (Loss) on sale of investments (Net)[1]	3146,86,06	13423,34,83
III.	Profit/ (Loss) on revaluation of investments (Net)	(2124,03,82)	(1120,61,02)
IV.	Profit/ (Loss) on sale of land, buildings and other assets (Net)	(34,98,24)	(30,03,00)
V.	Profit/ (Loss) on exchange transactions (Net)	2155,75,29	2484,59,52
VI.	Income earned by way of dividends etc., from subsidiaries/ companies and/ or joint ventures abroad/ in India	348,01,18	448,51,70
VII.	Income from financial lease	-	-
VIII.	Miscellaneous Income [2]	9979,39,09	6398,06,64
	TOTAL	**36774,88,78**	**44600,68,71**

[1] Profit/ (Loss) on sale of investments (Net) includes exceptional item of ₹ 473.12 crore (Previous year ₹ 5,436.17 crore).

[2] Miscellaneous Income includes exceptional item of ₹ 1,087.43 crore (Previous year nil) and Recoveries made in write-off accounts ₹ 8,344.61 crore (Previous year ₹ 5,333.20 crore).

Schedule 15 - Interest Expended

(000s omitted)

		Year ended 31.03.2019 (Current Year) ₹	Year ended 31.03.2018 (Previous Year) ₹
I.	Interest on deposits	140272,36,59	135725,70,41
II.	Interest on Reserve Bank of India/ Inter-bank borrowings	9838,95,98	5312,42,79
III.	Others	4408,45,23	4607,46,80
TOTAL		**154519,77,80**	**145645,60,00**

Schedule 16 - Operating Expenses

(000s omitted)

		Year ended 31.03.2019 (Current Year) ₹	Year ended 31.03.2018 (Previous Year) ₹
I.	Payments to and provisions for employees	41054,70,68	33178,67,95
II.	Rent, taxes and lighting	5265,65,95	5140,43,15
III.	Printing and stationery	498,94,99	518,13,63
IV.	Advertisement and publicity	354,05,58	358,32,54
V.	Depreciation on Bank's property	3212,30,65	2919,46,63
VI.	Directors' fees, allowances and expenses	1,34,65	61,93
VII.	Auditors' fees and expenses (including branch auditors' fees and expenses)	293,67,65	289,18,07
VIII.	Law charges	261,84,28	199,03,48
IX.	Postages, Telegrams, Telephones etc.	387,01,81	506,83,11
X.	Repairs and maintenance	904,08,56	826,93,29
XI.	Insurance	2845,44,78	2759,88,05
XII.	Other expenditure	14608,64,16	13245,92,81
TOTAL		**69687,73,74**	**59943,44,64**

Schedule 17- Significant Accounting Policies:

A. Basis of Preparation:

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

B. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions 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 RBI/ respective country regulators in the case of foreign offices (hereafter collectively referred to as Regulatory Authorities), (ii) overdue interest on investments and bills discounted, (iii) Income on Rupee Derivatives designated as "Trading", which are accounted on realisation.

1.3 Profit or Loss on sale of investments is recognised in the Profit and Loss Account. However, profit on sale of investments in the "Held to Maturity" category is appropriated (net of applicable taxes and amount required to be transferred to "Statutory Reserve Account") to "Capital Reserve Account".

1.4 Income from finance leases is calculated by applying the interest rate implicit in the lease to the net investment outstanding in the lease, over the primary lease period. Leases effective from April 1, 2001 are accounted as advances at an amount equal to the net investment in the lease as per Accounting Standard 19 –"Leases" issued by ICAI. The lease rentals are apportioned between principal and finance income based on a pattern reflecting a constant periodic return on the net investment outstanding in respect of finance leases. The principal amount is utilized for reduction in balance of net investment in lease and finance income is reported as interest income.

1.5 Income (other than interest) on investments in "Held to Maturity (HTM)" category acquired at a discount to the face value, is recognised as follows:

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

b. on zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

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

1.7 Commission on LC/ BG, Deferred Payment Guarantee, Government Business, ATM interchange fee & "Upfront fee on restructured account" are recognised on accrual basis proportionately 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 the average loan period of 15 years.

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

1.10 The sale of NPA is accounted as per guidelines prescribed by RBI:

i. When the Bank sells its financial assets to Securitisation Company (SC)/ Reconstruction Company (RC), the same is removed from the books.

ii. If the sale is at a price below the Net Book Value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of sale.

iii. If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received, as permitted by the RBI.

2. Investments:

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

2.1 Classification:

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

2.2 Basis of classification:

i. Investments that the Bank intends to hold till maturity are classified as "Held to Maturity (HTM)".

ii. Investments that are held principally for resale within 90 days from the date of purchase are classified as "Held for Trading (HFT)".

iii. Investments, which are not classified in above two categories, are classified as "Available for Sale (AFS)".

iv. An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.

v. Investments in subsidiaries, 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 market price or fair value determined as per the regulatory guidelines and only the net depreciation of each group for each category (viz. (i) Government securities, (ii) Other Approved Securities, (iii) Shares, (iv) Bonds and Debentures, (v) Subsidiaries and Joint Ventures and (vi) others) is provided for and net appreciation is ignored. On provision for depreciation, the book value of the individual security remains unchanged after marking to market.

vi. In case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts (SR), investment in SR is recognised at lower of: (i) Net Book Value (NBV) (i.e. book value less provisions held) of the financial asset; and (ii) Redemption value of SR. SRs issued by an SC/ ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ ARC, is reckoned for valuation of such investments.

vii. Investments are classified as performing and non-performing, based on the guidelines issued by RBI in case of domestic offices and respective regulators in case of foreign offices. Investments of domestic offices become non-performing where:

(a) Interest/ installment (including maturity proceeds) is due and remains unpaid for more than 90 days.

(b) In the case of equity shares, in the event the investment in shares of any company is valued at ₹ 1 per company on account of non availability of the latest balance sheet, those equity shares would be reckoned as NPI.

(c) If any credit facility availed by an entity is NPA in the books of the Bank, investment in any of the securities issued by the same entity would also be treated as NPI and vice versa.

(d) The above would apply mutatis-mutandis to Preference Shares where the fixed dividend is not paid.

(e) The investments in debentures/ bonds, which are deemed to be in the nature of advance, are also subjected to NPI norms as applicable to investments.

(f) In respect of foreign offices, provisions for NPIs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.

viii. Accounting for Repo/ Reverse Repo transactions (other than transactions under the Liquidity Adjustment Facility (LAF) with RBI):

(a) The securities sold and purchased under Repo/ Reverse Repo are accounted as Collateralized lending and borrowing transactions. However, securities are transferred as in the case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/ income, as the case may be. Balance in Repo Account is classified under Schedule 4 (Borrowings) and balance in Reverse Repo Account is classified under Schedule 7 (Balance with Banks and Money at call & short notice).

(b) Interest expended/ earned on Securities purchased/ sold under LAF with RBI is accounted for as expenditure/ revenue.

ix. Market repurchase and reverse repurchase transactions as well as the transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Borrowings and Lending transactions in accordance with the extant RBI guidelines.

3. Loans/ Advances and Provisions thereon:

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

i. In respect of term loans, interest and/ or instalment of principal remains overdue for a period of more than 90 days;

ii. In respect of Overdraft or Cash Credit advances, the account remains “out of order”, i.e. if the outstanding balance exceeds the sanctioned limit/ drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance sheet, or if the credits are not adequate to cover the interest debited during the same period;

iii. In respect of bills purchased/ discounted, the bill remains overdue for a period of more than 90 days;

iv. In respect of agricultural advances: (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.

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

i. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.

ii. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months.

iii. Loss: A loan asset where loss has been identified but the amount has not been fully written off.

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

Substandard Assets:

i. A general provision of 15% on the total outstanding;
ii. Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realisable value of security is not more than 10 percent ab-initio);
iii. Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available - 20%.

Doubtful Assets:
- Secured portion:

i.	Upto one year –	25%
ii.	One to three years –	40%
iii.	More than three years –	100%

- Unsecured portion	100%
Loss Assets:	100%

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

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

3.6 For restructured/ rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans/ advances before and after restructuring is provided for, in addition to provision for the respective loans/ advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.

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

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

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

3.10 Appropriation of recoveries in NPAs (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

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 Account. The depreciation provided on the increase in the Net Book Value is recouped from Revaluation Reserve.

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

8. Leases:

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

9. Impairment of Assets:

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

10. Effect of changes in the foreign exchange rate:

10.1 Foreign Currency Transactions:

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 has 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 31st March, 2019	As at 31st March, 2018
(i)	Common Equity Tier 1 Capital Ratio (%)	N.A.	
(ii)	Tier 1 Capital Ratio (%)	10.38%	10.02%
(iii)	Tier 2 Capital Ratio (%)	2.47%	2.72%
(iv)	Total Capital Ratio (%)	12.85%	12.74%

AS PER BASEL III

Sr. No.	Items	As at 31st March, 2019	As at 31st March, 2018
(i)	Common Equity Tier 1 Capital Ratio (%)	9.62%	9.68%
(ii)	Tier 1 Capital Ratio (%)	10.65%	10.36%
(iii)	Tier 2 Capital Ratio (%)	2.07%	2.24%
(iv)	Total Capital Ratio (%)	12.72%	12.60%
(v)	Percentage of the Shareholding of Government of India	57.13%	58.03%
(vi)	Number of Shares held by Government of India	509,88,82,979	517,89,88,645
(vii)	Amount of Equity Capital raised	0.38	23,813.69
(viii)	Amount of Additional Tier 1(AT 1) capital raised of which		
	a) Perpetual Non-Cumulative Preference Shares (PNCPS)	Nil	Nil
	b) Perpetual Debt Instruments (PDI)	7,317.30	2,000.00
(ix)	Amount of Tier 2 capital raised of which		
	a) Debt Capital Instruments:	4,115.90	Nil
	b) Preference Share Capital Instruments: {Perpetual Cumulative Preference Shares (PCPS)/Redeemable Non-Cumulative Preference Shares (RNCPS)/Redeemable Cumulative Preference Shares (RCPS)}	Nil	Nil

RBI vide circular No. DBR.No.BP.BC.83/21.06.201/2015-16 dated 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– I capital ratio. The Bank has exercised the option in the above computation.

2. Share Capital

a) The Bank received application money of ₹ 0.38 crore including share premium of ₹ 0.38 crore by way of the issue of 24,000 equity shares of ₹ 1 each kept in abeyance due to various title disputes or third party claims out of the Right Issue closed on 18.03.2008. The equity shares kept in abeyance were allotted on 31.01.2019.

b) Expenses in relation to the issue of shares: ₹ 9.12 crore (Previous Year ₹ 17.60 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 31st March, 2019	Equivalent ₹ as on 31st March, 2018
Additional Tier 1 (AT1) Bonds issued under MTN Programme 29th series	22.09.2016	Perpetual Non Call 5 years	USD 300 million	2,074.65	1,955.25

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

B. Domestic

(₹ in crore)

Sr. No.	Nature of Bonds	Principal Amount	Date of Issue	Rate of Interest % p.a.
1.	SBI Non Convertible Perpetual Bonds 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 2017 Unsecured Basel III AT 1 Series IV	2,000.00	02.08.2017	8.15
11.	SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2018	4,021.00	04.12.2018	9.56
12.	SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2018 Series II	2,045.00	21.12.2018	9.37
13.	SBI Non Convertible, Unsecured, Basel III- AT 1 Bonds 2018 Series III	1,251.30	22.03.2019	9.45
	TOTAL	**19,152.30***		

*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	e-SBBJ Lower Tier II (Series VI)	500.00	20.03.2012 20.03.2022	9.02	120
2	SBI Non Convertible (Private placement) Bonds 2013-14 (Tier II)	2,000.00	02.01.2014 02.01.2024	9.69	120
3	e-SBH Upper Tier II (Series IX)	325.00	05.06.2009 05.06.2024	8.39	180
4	e- SBH Upper Tier II (Series X)	450.00	21.08.2009 21.08.2024	8.50	180
5	e -SBH Upper Tier II (Series XI)	475.00	08.09.2009 08.09.2024	8.60	180
6	e-SBM Tier II Basel III compliant	500.00	17.12.2014 17.12.2024	8.55	120
7	e -SBP Tier II Basel III compliant (series I)	950.00	22.01.2015 22.01.2025	8.29	120
8	e- SBBJ Tier II Basel III compliant	200.00	20.03.2015 20.03.2025	8.30	120
9	e -SBH Tier II Basel III compliant (Series XIV)	393.00	31.03.2015 31.03.2025	8.32	120
10	SBI Non Convertible (Public issue) Bonds 2010 (Series II) (Lower Tier II)	866.92	04.11.2010 04.11.2025	9.50	180
11	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
12	e -SBH Tier II Basel III compliant (Series XV)	500.00	30.12.2015 30.12.2025	8.40	120

(₹ in crore)

Sr. No.	Nature of Bonds	Principal Amount	Date of Issue/ Date of Redemption	Rate of Interest % P.A.	Maturity Period In Months
13	e-SBM Tier II	300.00	31.12.2015	8.40	120
	Basel III compliant		31.12.2025		
14	e-SBM Tier II	200.00	18.01.2016	8.45	120
	Basel III compliant		18.01.2026		
15	e -SBH Tier II	200.00	08.02.2016	8.45	120
	Basel III compliant (Series XVI)		08.02.2026		
16	SBI Non Convertible, Unsecured	3,000.00	18.02.2016	8.45	120
	(Private Placement), Basel III compliant Tier 2 Bonds 2015-16 (Series II)		18.02.2026		
17	SBI Non Convertible	3,937.60	16.03.2011	9.95	180
	(Public issue) Bonds 2011 Retail (Series IV) (Lower Tier II)		16.03.2026		
18	SBI Non Convertible	828.32	16.03.2011	9.45	180
	(Public issue) Bonds 2011 Non Retail (Series IV) (Lower Tier II)		16.03.2026		
19	SBI Non Convertible, Unsecured	3,000.00	18.03.2016	8.45	120
	(Private Placement), Basel III compliant Tier II Bonds 2015-16 (Series III)		18.03.2026		
20	SBI Non Convertible, Unsecured	500.00	21.03.2016	8.45	120
	(Private Placement), Basel III compliant Tier II Bonds 2015-16 (Series IV)		21.03.2026		
21	e- SBT Tier II	515.00	30.03.2016	8.45	120
	Basel III compliant (Series I)		30.03.2026		
22	e- SBT Upper Tier II	500.00	26.03.2012	9.25	180
	(Series III)		26.03.2027		
23	SBI Non Convertible, Unsecured	4,115.90	02.11.2018	8.90	120
	Basel III - Tier II Bonds 2018		02.11.2028		
	TOTAL	**28,256.74**			

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 31st March, 2019	As at 31st March, 2018
1. Value of Investments		
i) Gross value of Investments		
(a) In India	9,26,650.60	10,26,438.37
(b) Outside India	51,473.40	46,658.94
ii) Provision for Depreciation		
(a) In India	9,094.19	9,698.21
(b) Outside India	158.22	508.24
iii) Liability on Interest Capitalised on Restructured Accounts (LICRA)	1,849.64	1,904.15
iv) Net value of Investments		
(a) In India	9,15,706.77	10,14,836.01
(b) Outside India	51,315.18	46,150.70
2. Movement in provisions held towards depreciation on investments		
i) Balance at the beginning of the year	10,206.45	642.76
ii) Add: Provisions made during the year	1,863.13	9,959.55
iii) Less: Provision utilised during the year	-	16.51
iv) Less/(Add): Foreign Exchange revaluation adjustment	(22.24)	(5.65)
v) Less: Write off/Write back of excess provision during the year.	2,839.41	385.00
vi) Balance at the end of the year	9,252.41	10,206.45

Notes:

a. Provisions made during the previous year includes the receipt from erstwhile Associate Banks (ABs) and Bharatiya Mahila Bank Limited (BMBL) on acquisition.

b. Securities amounting to ₹ 21,219.41 crore (Previous Year ₹ 40,992.04 crore) are kept as margin with Clearing Corporation of India Limited (CCIL)/ NSCCL/MCX/ NSEIL/ BSE towards Securities Settlement.

c. During the year, the Bank infused additional capital in its subsidiaries and associates viz. i) SBI Cards & Payments Services Private Ltd. ₹ 347.80 crore, ii) SBI Infra Management Solutions Pvt. Ltd. ₹ 30.00 crore, iii) SBI Payment Services Pvt. Ltd. ₹ 2.50 crore, iv) State Bank of India (UK) Ltd. ₹ 1,604.43 crore, v) Jio Payments Bank Ltd. ₹ 30.00 crore, vi) Utkal Grameen Bank ₹ 63.14 crore, vii) Madyanchal Gramin Bank ₹ 57.63 crore, viii) Rajasthan Marudhara Gramin Bank ₹ 7.28 crore, ix) Nagaland Rural Bank ₹ 0.65 crore and after infusion there is no change in Bank's stake.

d. During the year, the Bank has sold its 4% stake in SBI General Insurance Company Ltd. at a profit of ₹ 473.12 crore. Thus, the Bank stake has reduced from 74.00% to 70.00%.

e. The Bank exited from an RRB as per details given below: -

(₹ in crore)

Name of RRB	Amount
Malwa Gramin Bank	0.35

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

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

(₹ in crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as on 31st March 2019
Securities sold under Repos				
i. Government Securities	-	1,31,364.16	48,101.62	1,12,793.84
	(-)	(94,252.00)	(11,859.64)	(94,252.00)
ii. Corporate Debt Securities	-	12,382.91	7,742.36	10,264.00
	(-)	(7,614.78)	(1,849.22)	(7,613.71)
Securities purchased under Reverse Repos				
i. Government Securities	-	43,507.94	5,202.46	1,963.89
	(-)	(83,636.62)	(26,858.19)	(138.94)
ii. Corporate Debt Securities	-	860.43	816.74	859.81
	(-)	(581.22)	(573.73)	(574.07)

(Figures in brackets are for Previous Year)

3. Non-SLR Investment Portfolio

a) Issuer composition of Non SLR Investments

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

(₹ in crore)

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of "Below Investment Grade" Securities *	Extent of "Unrated" Securities *	Extent of "Unlisted" Securities *
i	PSUs	48,324.45	18,145.75	356.64	-	-
		(49,524.49)	(25,424.36)	(414.14)	(-)	(-)
ii	FIs	67,836.16	55,738.02	-	-	-
		(72,183.66)	(66,780.93)	(-)	(-)	(250.00)
iii	Banks	19,374.89	1,457.62	1,177.32	23.62	23.62
		(16,540.91)	(1,927.73)	(1,988.79)	(23.62)	(23.62)
iv	Private Corporates	41,791.89	23,398.59	826.18	341.30	24.70
		(48,275.25)	(36,182.49)	(528.49)	(481.94)	(24.70)
v	Subsidiaries /Joint Ventures **	9,909.36	-	-	-	-
		(7,793.06)	(-)	(-)	(-)	(-)
vi	Others	24,977.19	623.66	2,383.40	53.47	3.17
		(24,304.13)	(-)	(991.02)	(60.07)	(-)
vii	Less: Provision held towards depreciation including LICRA	7,075.11	-	25.21	30.60	-
		(6,030.63)	(-)	(-)	(-)	(-)
	Total	**2,05,138.83**	**99,363.64**	**4,718.33**	**387.79**	**51.49**
		(2,12,590.87)	**(1,30,315.51)**	**(3,922.44)**	**(565.63)**	**(298.32)**

(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	4,595.25	447.54
Additions during the year	1,986.35	4,250.77
Reductions during the year	971.94	103.06
Closing balance	5,609.66	4,595.25
Total provisions held	**5,209.17**	**2,452.30**

Additions during the previous year include receipt from erstwhile ABs and BMBL on acquisition.

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

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

5. Disclosure of Investment in Security Receipts (SRs)

(₹ in crore)

Particulars	SRs Issued within Past 5 Years	SRs issued more than 5 years ago but within past 8 Years	SRs issued more than 8 Years ago	Total
i. Book value of SRs Backed by NPAs sold by the bank as underlying	9,464.18	344.72	25.93	9,834.83
Provision held against (i)	196.90	-	25.93	222.83
ii Book value of SRs Backed by NPAs sold by Other banks / financial institutions / non-banking Financial companies as Underlying	0.74	6.07	0.34	7.15
Provision held against (ii)	-	1.45	0.34	1.79
Total (i) + (ii)	**9,464.92**	**350.79**	**26.27**	**9,841.98**

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

(₹ in crore)

Particulars	Backed by NPAs sold by the bank as underlying		Backed by the NPAs sold by other banks/ financial institutions / non-banking financial companies as underlying		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Book Value of Investments in Security Receipts as on 31st March, 2019	9,841.98	10,489.53	-	16.41	9,841.98	10,505.94
Book Value of Investments in Security Receipts made during the year	16.58	5,214.56	-	-	16.58	5,214.56

18.3. Derivatives

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

(₹ in crore)

Sr No	Particulars	As at 31st March, 2019	As at 31st March, 2018
i)	The notional principal of swap agreements#	3,74,120.04	3,60,705.72
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	3,342.37	904.42
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	125.32	(-) 555.68

IRS/FRA amounting to ₹ 19,022.25 crore (Previous Year ₹ 2,988.82 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, 2019 are given below:

(₹ in crore)

Instrument	Nature	Nos	Notional Principal	Benchmark	Terms
IRS	Hedging	219	6,229.77	LIBOR	Floating Payable Vs Fixed Receivable
IRS	Hedging	1	176.35	LIBOR	Fixed Payable Vs Floating Receivable
IRS	Hedging	115	955.46	OTHERS	Floating Payable Vs Fixed Receivable
IRS	Hedging	56	33,471.30	LIBOR	Fixed Receivable / Floating Payable
IRS	Hedging	22	1,075.91	LIBOR	Floating Receivable / Fixed Payable
IRS	Trading	73	19,168.46	LIBOR	Fixed Payable Vs Floating Receivable
IRS	Trading	204	40,973.65	LIBOR	Floating Payable Vs Fixed Receivable
IRS	Trading	2,709	1,29,351.55	LIBOR	Floating Payable Vs Floating Receivable
IRS	Trading	2	760.70	LIBOR	Fixed Payable Vs Floating Receivable
IRS	Trading	2,715	1,29,224.72	LIBOR	Floating Payable Vs Fixed Receivable
IRS	Trading	68	3,028.50	MIFOR	Fixed Payable Vs Floating Receivable
IRS	Trading	81	3,622.00	MIFOR	Floating Payable Vs Fixed Receivable
IRS	Trading	18	3,678.13	LIBOR	Fixed Receivable / Floating Payable
IRS	Trading	24	2,403.54	LIBOR	Floating Receivable / Fixed Payable
	Total		**3,74,120.04**		

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	42,099.96	54,611.66
2	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March, 2019		
	a. Interest Rate Futures	Nil	Nil
	b. 10 Year Government of India Securities	Nil	Nil
3	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective"	N.A.	N.A.
4	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective".	N.A.	N.A.

C. Risk Exposure in Derivatives

(A) Qualitative Risk Exposure

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

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

iii. The Asset Liability Management Committee (ALCO) of the Bank oversees efficient management of these risks. The Bank's Market Risk Management Department (MRMD) identifies, measures, monitors market risk associated with derivative transactions, assists ALCO in controlling and managing these risks and reports compliance with policy prescriptions to the Risk Management Committee of the Board (RMCB) at regular intervals.

iv. The accounting policy for derivatives has been drawn-up in accordance with RBI guidelines, the details of which are presented under Schedule 17: Significant Accounting Policies (SAP) for the financial year 2018-19.

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 sanctions terms on a case by case basis. Such collateral requirements are determined based on usual credit appraisal process. The Bank retains the right to terminate transactions as a risk mitigation measure in certain cases.

(B) Quantitative Risk Exposure

(₹ in crore)

Particulars	Currency Derivatives		Interest Rate Derivatives	
	Current Year	Previous Year	Current Year	Previous Year
(I) Derivatives				
(Notional Principal Amount)				
(a) For hedging	8,983.92 @	20,605.24 @	41,908.78 #	49,193.30 #
(b) For trading*	2,47,198.72	6,16,447.95	3,37,642.76	3,11,512.42
(II) Marked to Market Positions				
(a) Asset	3,555.69	5,716.35	3,365.55	592.99
(b) Liability	3,130.82	5,218.09	3,240.23	1,152.54
(III) Credit Exposure	12,665.30	21,749.61	7,037.75	4,160.44
(IV) Likely impact of one percentage change in interest rate (100* PV01)				
(a) on hedging derivatives	1.08	-0.14	150.90	-3.14
(b) on trading derivatives	15.83	0.98	136.08	11.62
(V) Maximum and Minimum of 100* PV 01 observed during the year				
(a) on hedging --				
Maximum	1.08	-	255.40	2.81
Minimum	-	-0.04	-	-
(b) on trading –				
Maximum	24.41	1.18	149.73	0.76
Minimum	-129.75	-	0.08	-

@ The swaps amounting to ₹ 245.10 crore (Previous Year ₹ 2,870.26 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 ₹ 19,022.25 crore (Previous Year ₹ 2,988.82 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 ₹ 427.12 crore (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, 2019 amounted to ₹ 19,694.47 crore (Previous Year ₹ 5,859.08 crore) and the derivatives done between SBI Foreign Offices as on 31st March, 2019 amounted to ₹ 8,929.28 crore (Previous Year ₹ 12,056.81 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, 2019 amounted to ₹ 45,661.89 crore (Previous Year ₹ 45,442.82 crore).

18.4. Asset Quality

a) Non-Performing Assets

(₹ in crore)

	Particulars	As at 31st March, 2019	As at 31st March, 2018
I)	Net NPAs to Net Advances (%)	3.01%	5.73%
II)	Movement of NPAs (Gross)		
	(a) Opening balance	2,23,427.46	1,12,342.99
	(b) Additions (Fresh NPAs) during the year	32,738.05	1,60,303.65
	Sub-total (i)	2,56,165.51	2,72,646.64
	Less:		
	(c) Reductions due to up gradations during the year	4,794.34	4,746.09
	(d) Reductions due to recoveries (Excluding recoveries made from upgraded accounts)	19,715.63	4,277.67
	(e) Technical/ Prudential Write-offs	5,139.76	4,537.11
	(f) Reductions due to Write-offs during the year	53,765.42	35,658.31
	Sub-total (ii)	83,415.15	49,219.18
	(g) Closing balance (i-ii)	1,72,750.36	2,23,427.46
III)	Movement of Net NPAs		
	(a) Opening balance	1,10,854.70	58,277.38
	(b) Additions during the year	27,008.89	61,478.47
	(c) Reductions during the year	71,968.85	8,901.15
	(d) Closing balance	65,894.74	1,10,854.70
IV)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	1,12,572.76	54,065.61
	(b) Provisions made during the year	54,844.57	98,825.17
	(c) Write-off / write-back of excess provisions	60,561.71	40,318.02
	(d) Closing balance	1,06,855.62	1,12,572.76

Notes:-

i. Opening and closing balances of provision for NPAs include ECGC/CGFMU claims received and held pending adjustment of ₹ 8.72 crore (Previous Year ₹ 1.97 crore) and ₹ 235.61 crore (Previous Year ₹ 8.72 crore) respectively.

ii. Additions/Provisions made during the previous year include receipt from erstwhile ABs and BMBL on acquisition.

b) As per RBI circular No. DBR.BP.BC.No.32/21.04.018/2018-19 dated 1st April, 2019, in case the additional provisioning for NPAs assessed by RBI exceeds 10% of the reported profit before provisions and contingencies and/or additional Gross NPAs identified by RBI exceeds 15% of published incremental Gross NPAs for the reference period then banks are required to disclose divergences from prudential norms on income recognition, asset classification and provisioning.

Accordingly, no separate disclosure is made in respect of divergence for the financial year 2017-18 as the same is not beyond the above-mentioned thresholds.

c) Restructured Accounts

(₹ in crore)

Sr. No.	Type of Restructuring		Under CDR Mechanism (1)					Under SME Debt Restructuring Mechanism (2)				
	Asset Classification / Particulars		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1, 2018 (Opening position)	No. of Borrowers	8	3	65	8	84	48	169	171	18	406
			(28)	(-)	(68)	(4)	(100)	(81)	(25)	(128)	(19)	(253)
		Amount outstanding	607.77	380.51	15,840.78	248.84	17,077.90	75.59	377.84	2,559.80	6.82	3,020.05
			(7,711.79)	(-)	(17,030.68)	(82.59)	(24,825.06)	(5,640.63)	(204.06)	(2,464.71)	(6.88)	(8,316.28)
		Provision thereon	7.06	28.17	106.20	-	141.43	18.23	26.85	115.41	0.39	160.88
			(327.32)	(-)	(360.74)	(0.94)	(689.01)	(21.94)	(10.65)	(113.98)	(-)	(146.57)
2	Fresh Restructuring during the current FY	No. of Borrowers	-	-	-	-	-	-	28	4	3	35
			(23)	(4)	(18)	(6)	(51)	(288)	(436)	(2,066)	(288)	(3,078)
		Amount outstanding	68.59	-	95.32	-	163.91	42.73	42.82	27.70	0.27	113.52
			(3,453.35)	(220.71)	(8,499.62)	(186.82)	(12,360.50)	(83.44)	(188.53)	(189.35)	(5.34)	(466.66)
		Provision thereon	0.09	-	-	-	0.09	-	3.74	0.45	0.27	4.46
			(192.47)	(20.86)	(15.30)	(0.03)	(228.66)	(27.69)	(3.80)	(3.94)	(0.39)	(35.82)
3	Up gradation to restructured standard category during current FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-
			(1)	(-)	(-1)	(-)	(-)	(1)	(-)	(-1)	(-)	(-)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
			(443.42)	(-)	(-443.42)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
		Provision thereon	-	-	-	-	-	-	-	-	-	-
			(6.33)	(-)	(-6.33)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
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	-1				-1	-2				-2
			(-11)				(-11)	(-43)				(-43)
		Amount outstanding	-23.05				-23.05	-4.56				-4.56
			(-5,389.94)				(-5,389.94)	(-5,318.42)				(-5,318.42)
		Provision thereon	-				-	-0.23				-0.23
			(-209.29)				(-209.29)	(-1.80)				(-1.80)
5	Downgradations of restructured accounts during current FY	No. of Borrowers	-2	-2	1	3	-	-2	2	-	-	-
			(-13)	(-)	(11)	(2)	(-)	(-6)	(5)	(-3)	(4)	(-)
		Amount outstanding	-332.43	-221.77	-87.04	641.24	-	-38.02	38.02	-	-	-
			(-3,336.83)	(303.58)	(2,747.62)	(285.63)	(-)	(-235.87)	(125.95)	(108.16)	(1.76)	(-)
		Provision thereon	-	-9.52	9.52	-	-	-0.35	0.35	-	-	-
			(-36.14)	(7.65)	(28.03)	(0.47)	(-)	(-12.02)	(12.02)	(-)	(-)	(-)
6	Write-offs of restructured accounts during current FY	No. of Borrowers	-1	-1	-22	-2	-26	-16	-32	-33	-4	-85
			(-20)	(-1)	(-31)	(-4)	(-56)	(-273)	(-297)	(-2,019)	(-293)	(-2,882)
		Amount outstanding	-174.83	-158.74	-9,612.97	-233.55	-10,180.09	-29.63	-151.36	-2,171.70	-0.44	-2,353.13
			(-2,274.02)	(-143.78)	(-11,993.72)	(-306.20)	(-14,717.72)	(-94.19)	(-140.70)	(-202.42)	(-7.16)	(-444.47)
		Provision thereon	-6.19	-18.65	-115.72	-	-140.56	-7.39	-24.51	-90.98	-0.39	-123.27
			(-273.63)	(-0.34)	(-291.54)	(-1.44)	(-566.95)	(-17.58)	(0.38)	(-2.51)	(-)	(-19.71)
7	Total Restructured Accounts as on 31st March, 2019 (Closing Position)	No. of Borrowers	4	-	44	9	57	28	167	142	17	354
			(8)	(3)	(65)	(8)	(84)	(48)	(169)	(171)	(18)	(406)
		Amount outstanding	146.04	-	6,236.10	656.53	7,038.67	46.11	307.32	415.80	6.65	775.88
			(607.77)	(380.51)	(15,840.78)	(248.84)	(17,077.90)	(75.59)	(377.84)	(2,559.80)	(6.82)	(3,020.05)
		Provision thereon	0.96	-	-	-	0.96	10.26	6.43	24.88	0.27	41.84
			(7.06)	(28.17)	(106.20)	(-)	(141.43)	(18.23)	(26.85)	(115.41)	(0.39)	(160.88)

Sr. No.	Type of Restructuring		Others (3)					TOTAL (1 + 2 + 3)				
	Asset Classification / Particulars		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1, 2018 (Opening position)	No. of Borrowers	360	335	1,094	45	1,834	416	507	1,330	71	2,324
			(100)	(206)	(1,990)	(49)	(2,345)	(209)	(231)	(2,186)	(72)	(2,698)
		Amount outstanding	4,179.74	3,933.96	29,631.18	966.41	38,711.28	4,863.08	4,692.31	48,031.77	1,222.07	58,809.23
			(23,281.14)	(2,714.14)	(6,774.45)	(30.56)	(32,800.30)	(36,633.56)	(2,918.20)	(26,269.85)	(120.03)	(65,941.64)
		Provision thereon	350.99	80.14	170.62	0.64	602.39	376.27	135.15	392.24	1.03	904.69
			(242.27)	(28.14)	(174.82)	(-)	(445.23)	(591.54)	(38.79)	(649.55)	(0.94)	(1,280.82)
2	Fresh Restructuring during the current FY	No. of Borrowers	7	111	291	66	475	7	139	295	69	510
			(30,726)	(6,219)	(235)	(20)	(37,200)	(31,037)	(6,659)	(2,319)	(314)	(40,329)
		Amount outstanding	9,347.86	2.96	94.95	3.95	9,449.72	9,459.18	45.78	217.96	4.23	9,727.15
			(8,757.80)	(3,097.75)	(9,145.22)	(121.52)	(21,122.29)	(12,294.58)	(3,506.99)	(17,834.19)	(313.68)	(33,949.44)
		Provision thereon	43.41	0.47	8.02	2.26	54.16	43.49	4.21	8.47	2.53	58.70
			(236.33)	(25.15)	(93.70)	(4.23)	(359.41)	(456.49)	(49.80)	(112.94)	(4.66)	(623.89)
3	Upgradation to restructured standard category during current FY	No. of Borrowers	7	-7	-	-	-	7	-7	-	-	-
			(5)	(-3)	(-2)	(-)	(-)	(7)	(-3)	(-4)	(-)	(-)
		Amount outstanding	0.29	-0.29	-	-	-	0.29	-0.29	-	-	-
			(656.33)	(-605.65)	(-50.68)	(-)	(-)	(1,099.75)	(-605.65)	(-494.10)	(-)	(-)
		Provision thereon	-	-	-	-	-	-	-	-	-	-
			(3.99)	(-1.04)	(-2.95)	(-)	(-)	(10.32)	(-1.04)	(-9.28)	(-)	(-)
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	-22				-22	-25				-25
			(-38)				(-38)	(-92)				(-92)
		Amount outstanding	-9,421.29				-9,421.29	-9,448.90				-9,448.90
			(-2,716.15)				(-2,716.15)	(-13,424.50)				(-13,424.50)
		Provision thereon	-4.31				-4.31	-4.54				-4.54
			(-14.83)				(-14.83)	(-225.93)				(-225.93)
5	Downgradations of restructured accounts during current FY	No. of Borrowers	-9	-1	-79	89	-	-13	-1	-78	92	-
			(-50)	(-222)	(249)	(23)	(-)	(-69)	(-217)	(257)	(29)	(-)
		Amount outstanding	-39.38	-1,256.52	-42.68	1,338.58	-	-409.83	-1,440.27	-129.72	1,979.82	-
			(-21,997.58)	(456.27)	(20,388.99)	(1,152.33)	(-)	(-25,570.29)	(885.80)	(23,244.77)	(1,439.72)	(-)
		Provision thereon	-1.17	-15.18	10.96	5.39	-	-1.52	-24.35	20.48	5.39	-
			(-133.95)	(52.17)	(81.52)	(0.26)	(-)	(-182.12)	(71.84)	(109.55)	(0.73)	(-)
6	Write-offs of re-structured accounts during current FY	No. of Borrowers	-43	-211	-520	-29	-803	-60	-244	-575	-35	-914
			(-30,383)	(-5,865)	(-1,378)	(-47)	(-37,673)	(-30,676)	(-6,163)	(-3,428)	(-344)	(-40,611)
		Amount outstanding	-157.41	-2,650.27	-21,678.71	-1,505.78	-25,992.17	-361.87	-2,960.38	-33,463.39	-1,739.76	-38,525.40
			(-3,801.80)	(-1,728.55)	(-6,626.80)	(-338.00)	(-12,495.16)	(-6,170.02)	(-2,013.03)	(-18,822.94)	(-651.36)	(-27,657.35)
		Provision thereon	-69.35	-64.58	-174.37	-4.24	-312.54	-82.93	-107.73	-381.07	-4.63	-576.36
			(-248.70)	(-24.28)	(-176.47)	(-3.85)	(-453.30)	(-539.91)	(-24.24)	(-470.52)	(-5.30)	(-1,039.97)
7	Total Restructured Accounts as on 31st March, 2019 (Closing Position)	No. of Borrowers	300	227	786	171	1484	332	394	972	197	1895
			(360)	(335)	(1,094)	(45)	(1,834)	(416)	(507)	(1,330)	(71)	(2,324)
		Amount outstanding	3,909.81	29.83	8,004.74	803.16	12,747.54	4,101.96	337.15	14,656.62	1,466.35	20,562.08
			(4,179.74)	(3,933.96)	(29,631.18)	(966.41)	(38,711.28)	(4,863.08)	(4,692.31)	(48,031.77)	(1,222.07)	(58,809.23)
		Provision thereon	319.57	0.85	15.23	4.05	339.70	330.77	7.29	40.11	4.32	382.49
			(85.11)	(80.14)	(170.62)	(0.64)	(336.51)	(110.39)	(135.15)	(392.24)	(1.03)	(638.81)

1. Increase in outstanding of ₹ 8,263.39 crore (Previous Year ₹ 11,165.38 crore) included in Fresh Additions.
2. Closure of ₹ 27,360.50 crore (Previous Year ₹ 10,935.28 crore) and decrease in Outstanding of ₹ 1,133.75 crore (Previous Year ₹ 9,266.34 crore) is included in Write off.
3. Total Column does not include standard assets moved out of higher provisioning.
4. Fresh Restructuring during the previous year include receipt from erstwhile ABs and BMBL on acquisition.

d) As per RBI circular no. DBR.No.BP.BC.18/21.04.048/2018-19 dated 1.01.2019, the details of restructured MSME accounts is as below:-

(₹ in crore)

No. of accounts restructured	Amount
17,419	627.64

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

(₹ in crore)

Sr No	Particulars	Current Year	Previous Year
i	Opening balance of Technical/Prudential written-off accounts as at April 1	4,537.11	Nil
ii	Add: Technical/Prudential write-offs during the year	5,139.76	12,926.65
iii	Sub-total (A)	9,676.87	12,926.65
iv	Less: Recoveries made/ Actual written off from previously technical/ prudential written-off accounts during the year (B)	4,537.11	8,389.54
v	Closing balance as at 31st March (A-B)	5,139.76	4,537.11

Technical/Prudential write-offs during the previous year includes the receipt from erstwhile ABs and BMBL on acquisition.

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

(₹ in crore)

Sr No	Particulars	Current Year	Previous Year
i	No. of Accounts	47	32
ii	Aggregate value (net of provisions) of accounts sold to SC/RC	2,227.88	964.72
iii	Aggregate consideration*	4,330.99	1,304.36
iv	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v	Aggregate gain /(loss) over net book value #	2,103.11	339.64

* SRs received as part of considerations have been recognised at lower of Net book Value/ Face Value as per RBI Guidelines. # Includes amount of ₹ 4.11 crore (Previous Year ₹ Nil crore) credited to charges/ (interest) account.

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

(₹ in crore)

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

h) Details of non-performing financial assets purchased

(₹ in crore)

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

i) Details of non-performing financial assets sold

(₹ in crore)

Sr No	Particulars	Current Year	Previous Year
1)	No. of Accounts sold	29	16
2)	Aggregate outstanding	6,545.21	1,323.69
3)	Aggregate consideration received	3,155.43	1,057.73

j) Provision on Standard Assets:

(₹ in crore)

Particulars	Current Year	Previous Year
Provision towards Standard Assets	12,396.68	12,499.46

k) Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period)

(₹ in crore)

No. of accounts where SDR has been invoked	Amount outstanding as on 31st March, 2019		Amount outstanding as on 31st March, 2019 with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on 31st March, 2019 with respect to accounts where conversion of debt to equity has taken place	
Classified as	Standard	NPA	Standard	NPA	Standard	NPA
Nil	Nil	Nil	Nil	Nil	Nil	Nil

l) Disclosures on Flexible Structuring of Existing Loans

(₹ in crore)

Period	No of Borrowers taken up for Flexible 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	2	1,254.32	-	3.55 yrs	9.67 yrs
Current Year	Nil	Nil	Nil	Nil	Nil

m) 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	
Classified as	Standard	NPA	Standard	NPA	Standard	NPA	Standard	NPA
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

n) 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 31st March, 2019		
	Classified as standard	Classified as Standard Restructured	Classified as NPA
Nil	Nil	Nil	Nil

o) Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A), as on 31st March, 2019.

(₹ in crore)

Accounts where S4A has been applied		Aggregate amount outstanding	Amount outstanding		Provision held
Asset Classification	Number of Accounts		In Part A	In Part B	
Standard Accounts	4	2,603.21	1,205.35	1,397.86	608.12
NPAs	Nil	Nil	Nil	Nil	Nil

18.5. Business Ratios

Particulars	Current Year	Previous Year
i. Interest Income as a percentage to Working Funds	6.55%	6.37%
ii. Non-interest income as a percentage to Working Funds	0.99%	1.29%
iii Operating Profit as a percentage to Working Funds	1.49%	1.72%
iv. Return on Assets*	0.02%	(-) 0.19%
v. Business (Deposits plus advances) per employee (₹ in crore)	18.77	16.70
vi. Profit per employee (₹ in thousands)	33.39	(-) 243.33

* (on net-assets basis)

18.6. Asset Liability Management: Maturity pattern of certain items of assets and liabilities as at 31st March, 2019

(₹ 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	20,801.66	67,397.57	38,395.92	70,124.55	1,09,112.89	1,04,290.94	2,80,613.69	5,56,965.57	5,31,671.81	3,03,630.51	8,28,380.90	29,11,386.01
	(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)
Advances	23,338.39	13,259.37	10,239.57	38,815.39	31,390.31	33,817.93	69,805.47	1,00,265.25	10,91,890.56	2,90,220.65	4,82,834.03	21,85,876.92
	(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)
Investments	22.36	6,432.46	2,525.26	13,582.82	8,105.72	22,921.96	25,099.70	42,890.15	1,66,758.51	1,81,538.37	4,97,144.64	9,67,021.95
	(79.71)	(1,753.94)	(7,824.29)	(7,044.03)	(41,927.02)	(29,445.22)	(33,385.93)	(55,415.07)	(164,722.92)	(174,516.31)	(5,44,872.27)	(10,60,986.71)
Borrowings	16,679.67	89,536.61	3,684.07	20,965.35	57,773.72	20,810.07	27,681.37	34,911.01	47,258.20	28,896.05	54,821.00	4,03,017.12
	(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)
Foreign Currency Assets #	43,190.02	3,268.05	3,451.22	10,523.17	18,236.76	16,732.11	35,576.40	41,045.46	95,815.96	83,623.23	39,988.32	3,91,450.70
	(2,410.92)	(2,875.52)	(3,525.69)	(22,501.88)	(13,481.32)	(17,334.18)	(31,977.62)	(40,927.39)	(145,715.96)	(74,935.97)	(37,041.66)	(3,92,728.11)
Foreign Currency Liabilities $	24,255.18	17,027.04	4,671.82	29,440.95	23,767.03	29,231.40	40,986.24	65,749.56	59,114.18	47,839.17	15,742.68	3,57,825.25
	(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)

\# 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, 2018).

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	3,28,969.21	3,03,188.55
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	3,28,969.21	3,03,188.55
		Of which (i) Individual housing loans up to ₹ 35 lacs (previous year ₹ 28 lac) in Metropolitan centres (Population >= 10 lacs) and ₹ 25 lacs (previous year ₹ 20 lacs) in other centres for purchase/construction of dwelling unit per family.	1,54,846.41	1,26,359.38
	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.	38,764.19	82,807.89
	iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures:	-	266.05
		a) Residential	-	266.05
		b) Commercial Real Estate	-	-
II	**Indirect Exposure**			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		96,683.37	87,233.16
	Total Exposure to Real Estate Sector		**4,64,416.77**	**4,73,495.65**

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.	8,438.87	8,471.07
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.	24.41	31.47
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.	26.07	1,084.72
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.	8,114.07	12,187.75
5)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	135.91	200.15
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.	1.68	3.36
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.	0.13	215.00
10)	Exposures to Venture Capital Funds (both registered and unregistered)	2,185.02	1,948.56
	Total Exposure to Capital Market	**18,926.16**	**24,142.08**

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 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Insignificant	90,015.33	96,534.70	121.06	111.18
Very Low	53,189.73	53,321.64	Nil	Nil
Low	11,366.00	11,110.42	Nil	Nil
Medium	17,523.32	13,480.60	Nil	Nil
High	7,126.62	4,246.28	Nil	Nil
Very High	8,314.33	8,082.38	Nil	Nil
Restricted	1,299.06	3,964.32	Nil	Nil
Total	**1,88,834.39**	**1,90,740.34**	**121.06**	**111.18**

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 31st March, 2019	As at 31st March, 2018
a)	Total Unsecured Advances of the bank	5,22,939.34	3,60,240.30
i)	Of which amount of advances out-standing against charge over intangible securities such as rights, licences, authority etc.	Nil	Nil
ii)	The estimated value of such intangible securities (as in (i) above).	Nil	Nil

18.8. Miscellaneous

a. Disclosure of Penalties

- Reserve Bank of India has imposed a penalty of ₹ 1.00 crore on the Bank for not monitoring the end use of funds in respect of one of its borrowers.
- Reserve Bank of India has imposed a penalty of ₹ 1.00 crore on the Bank for non-compliance with the directions issued by RBI on the SWIFT related operational controls.
- The Central Bank of Bahrain (CBB) has imposed a penalty of ₹ 0.92 crore (BHD 50,000) on Bahrain Branches for non-compliance of USD Parity stipulations in 5 deals. The Bank has filed an appeal before Central Bank of Bahrain and the final decision from CBB is still awaited.

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 – 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 1st April, 2018	87,786.56	67,824.90	12,872.60	7,291.02
Current Service Cost	1,060.57	978.19	410.51	286.07
Interest Cost	6,812.24	6,248.32	1,001.49	713.71
Past Service Cost (Vested Benefit)	-	-	-	3,610.00
Liability transferred In/Acquisitions	-	16,045.22	-	2,526.13
Actuarial losses (gains)	6,434.95	3,338.70	(107.62)	(18.74)
Benefits paid	(3,966.53)	(4,190.42)	(1,987.93)	(1,535.59)
Direct Payment by Bank	(2,765.64)	(2,458.35)	-	-
Closing defined benefit obligation at 31st March, 2019	95,362.15	87,786.56	12,189.05	12,872.60
Change in Plan Assets				
Opening fair value of Plan Assets as at 1st April, 2018	85,249.60	64,560.42	9,140.76	7,281.18
Expected Return on Plan Assets	6,615.37	5,908.09	711.15	709.95
Contributions by employer	2,391.18	4,363.79	2,359.86	226.90
Assets transferred In/Acquisitions	-	14,742.79	-	2,484.28
Expected Contributions by the employees	0.34	-	-	-
Benefits Paid	(3,966.53)	(4,190.42)	(1,987.93)	(1,535.59)
Actuarial Gains / (Loss) on plan Assets	109.65	(135.07)	102.16	(25.96)
Closing fair value of plan assets as at 31st March, 2019	90,399.61	85,249.60	10,326.00	9,140.76
Reconciliation of present value of the obligation and fair value of the plan assets				
Present Value of Funded obligation at 31st March, 2019	95,362.15	87,786.56	12,189.05	12,872.60
Fair Value of Plan assets at 31st March, 2019	90,399.61	85,249.60	10,326.00	9,140.76
Deficit/(Surplus)	4,962.54	2,536.96	1,863.05	3,731.84
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	(2,707.50)
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	4,962.54	2,536.96	1,863.05	1,024.34
Amount Recognised in the Balance Sheet				
Liabilities	95,362.15	87,786.56	12,189.05	12,872.60
Assets	90,399.61	85,249.60	10,326.00	9,140.76
Net Liability / (Asset) recognised in Balance Sheet	4,962.54	2,536.96	1,863.05	3,731.84
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	(2,707.50)
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	4,962.54	2,536.96	1,863.05	1,024.34
Net Cost recognised in the profit and loss account				
Current Service Cost	1,060.57	978.19	410.51	286.07
Interest Cost	6,812.24	6,248.32	1,001.49	713.71

Particulars	Pension Plans		Gratuity Plan	
	Current Year	Previous Year	Current Year	Previous Year
Expected return on plan assets	(6,615.37)	(5,908.09)	(711.15)	(709.95)
Expected Contributions by the employees	(0.34)	-	-	-
Past Service Cost (Amortised) Recognised	-	-	-	-
Past Service Cost (Vested Benefit) Recognised	-	-	2,707.50	902.50
Net actuarial losses (Gain) recognised during the year	6,325.30	3,473.77	(209.78)	7.22
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	7,582.40	4,792.19	3,198.57	1,199.55
Reconciliation of expected return and actual return on Plan Assets				
Expected Return on Plan Assets	6,615.37	5,908.09	711.15	709.95
Actuarial Gain/ (loss) on Plan Assets	109.65	(135.07)	102.16	(25.96)
Actual Return on Plan Assets	6,725.02	5,773.02	813.31	683.99
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet				
Opening Net Liability/ (Asset) as at 1st April, 2018	2,536.96	3,264.48	1,024.34	9.84
Expenses as recognised in profit and loss account	7,582.40	4,792.19	3,198.57	1,199.55
Paid by Bank Directly	(2,765.64)	(2,458.35)	-	-
Debited to Other Provision	-	-	-	-
Recognised in Reserve	-	-	-	-
Net Liability/ (Asset) transferred in	-	1,302.43	-	41.85
Employer's Contribution	(2,391.18)	(4,363.79)	(2,359.86)	(226.90)
Net liability/(Asset) recognised in Balance Sheet	4,962.54	2,536.96	1,863.05	1,024.34

Investments under Plan Assets of Pension Fund & Gratuity Fund as on 31st March, 2019 are as follows:

	Pension Fund	Gratuity Fund
Category of Assets	% of Plan Assets	% of Plan Assets
Central Govt. Securities	23.69%	18.79%
State Govt. Securities	31.40%	33.96%
Debt Securities, Money Market Securities and Bank Deposits	31.93%	23.29%
Mutual Funds	2.39%	4.09%
Insurer Managed Funds	2.63%	15.36%
Others	7.96%	4.51%
Total	100.00%	100.00%

Principal actuarial assumptions

Particulars	Pension Plans	
	Current Year	Previous Year
Discount Rate	7.79%	7.76%
Expected Rate of return on Plan Asset	7.79%	7.76%
Salary Escalation Rate	5.20%	5.00%
Pension Escalation Rate	0.40%	-
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

Principal actuarial assumptions

Particulars	Gratuity Plans	
	Current Year	Previous Year
Discount Rate	7.77%	7.78%
Expected Rate of return on Plan Asset	7.77%	7.78%
Salary Escalation Rate	5.20%	5.00%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

Surplus/Deficit in the plan

Gratuity Plan

(₹ in crore)

Amount recognized in the Balance Sheet	Year ended 31-03-2015	Year ended 31-03-2016	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2019
Liability at the end of the year	7,182.35	7,332.14	7,291.02	12,872.60	12,189.05
Fair value of Plan Assets at the end of the year	7,110.25	6,879.77	7,281.18	9,140.76	10,326.00
Difference	72.10	452.37	9.84	3,731.84	1,863.05
Unrecognised Past Service Cost	-	-	-	2,707.50	-
Unrecognised Transition Liability	-	-	-	-	-
Amount Recognized in the Balance Sheet	72.10	452.37	9.84	1,024.34	1,863.05

Experience adjustment

(₹ in crore)

Amount recognized in the Balance Sheet	Year ended 31-03-2015	Year ended 31-03-2016	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2019
On Plan Liability (Gain) /Loss	(24.69)	326.09	10.62	399.62	(212.11)
On Plan Asset (Loss) /Gain	106.04	(43.09)	182.34	(25.96)	102.16

Surplus/Deficit in the plan

Pension

(₹ in crore)

Amount recognized in the Balance Sheet	Year ended 31-03-2015	Year ended 31-03-2016	Year ended 31-03-2017	Year ended 31-03-2018	Year ended 31-03-2019
Liability at the end of the year	51,616.04	59,151.41	67,824.90	87,786.56	95,362.15
Fair value of Plan Assets at the end of the year	49,387.97	53,410.37	64,560.42	85,249.60	90,399.61
Difference	2,228.07	5,741.04	3,264.48	2,536.96	4,962.54
Unrecognised Past Service Cost	-	-	-	-	-
Unrecognised Transition Liability	-	-	-	-	-
Amount Recognized in the Balance Sheet	2,228.07	5,741.04	3,264.48	2,536.96	4,962.54

Experience adjustment

(₹ in crore)

On Plan Liability (Gain) /Loss	1,732.86	5,502.35	3,007.59	4,439.54	3,642.57
On Plan Asset (Loss) /Gain	2,285.87	(162.93)	2,246.60	(135.07)	109.65

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

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

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

2. Employees' Provident Fund

Actuarial valuation carried out in respect of interest shortfall in the Provident Fund Trust of the Bank, as per Deterministic Approach shows "Nil" liability, hence no provision is made in F.Y. 2018-19.

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 1st April, 2018	29,934.63	25,921.96
Current Service Cost	943.07	942.85
Interest Cost	2,475.08	2,428.48
Employee Contribution (including VPF)	1,330.76	1,357.28
Liability Transferred In	-	3,309.05
Actuarial losses/(gains)	-	25.56
Benefits paid	(4,195.61)	(4,050.55)
Closing defined benefit obligation at 31st March, 2019	30,487.93	29,934.63
Change in Plan Assets		
Opening fair value of Plan Assets as at 1st April, 2018	31,502.49	26,915.23
Expected Return on Plan Assets	2,475.08	2,428.48
Contributions	2,273.83	2,300.13
Transferred from other Companies	-	3,723.65
Benefits Paid	(4,195.61)	(4,050.55)
Actuarial Gains / (Loss) on plan Assets	124.14	185.55
Closing fair value of plan assets as at 31st March, 2019	32,179.93	31,502.49
Reconciliation of present value of the obligation and fair value of the plan assets		
Present Value of Funded obligation at 31st March, 2019	30,487.93	29,934.63
Fair Value of Plan assets at 31st March, 2019	32,179.93	31,502.49
Deficit/(Surplus)	(1,692.00)	(1,567.86)
Net Asset not recognised in Balance Sheet	1,692.00	1,567.86
Net Cost recognised in the profit and loss account		
Current Service Cost	943.07	942.85
Interest Cost	2,475.08	2,428.48
Expected return on plan assets	(2,475.08)	(2,428.48)
Interest shortfall reversed	-	-
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	943.07	942.85
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1st April, 2018	-	-
Expense as above	943.07	942.85
Employer's Contribution	(943.07)	(942.85)
Net Liability/(Asset) Recognized In the Balance Sheet	-	-

Investments under Plan Assets of Provident Fund as on 31st March, 2019 are as follows:

Category of Assets	Provident Fund
	% of Plan Assets
Central Govt. Securities	35.51%
State Govt. Securities	24.74%
Debt Securities, Money Market Securities and Bank Deposits	31.67%
Mutual Funds	1.46%
Others	6.62%
Total	100.00%

Principal actuarial assumptions

	Provident Fund	
Particulars	**Current Year**	**Previous Year**
Discount Rate	7.77%	7.78%
Guaranteed Return	8.55%	8.65%
Attrition Rate	2.00%	2.00%
Salary Escalation	5.20%	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. 2018-19, the Bank has contributed ₹ 451.39 crore (Previous Year ₹ 390.00 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)

	Accumulating Compensated Absences (Privilege Leave)	
Particulars	**Current Year**	**Previous Year**
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1st April, 2018	6,242.18	4,754.10
Current Service Cost	259.33	208.26
Interest Cost	485.64	432.03
Liability transferred In/ Acquisitions	-	1,188.49
Actuarial losses/(gains)	741.53	593.08
Benefits paid	(858.28)	(933.78)
Closing defined benefit obligation at 31st March, 2019	6,870.40	6,242.18
Net Cost recognised in the profit and loss account		
Current Service Cost	259.33	208.26
Interest Cost	485.64	432.03

Particulars	Accumulating Compensated Absences (Privilege Leave) Current Year	Previous Year
Actuarial (Gain)/ Losses	741.53	593.08
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	1,486.50	1,233.37
Reconciliation of opening and closing net liability/(asset) recognised in Balance Sheet		
Opening Net Liability as at 1st April, 2018	6,242.18	4,754.10
Expense as above	1,486.50	1,233.37
Net Liability/ (Asset) transferred in	-	1,188.49
Employer's Contribution	-	-
Benefit paid directly by the Employer	(858.28)	(933.78)
Net Liability/(Asset) Recognized In the Balance Sheet	6,870.40	6,242.18

Principal actuarial assumptions

Particulars	Current Year	Previous Year
Discount Rate	7.77%	7.78%
Salary Escalation	5.20%	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 ₹ 21.53 crore (Previous Year ₹ (63.95) crore) is provided / (written back) towards Other Long Term Employee Benefits as per the actuarial valuation by the independent Actuary appointed by the Bank and is included under the head "Payments to and Provisions for Employees" in Profit and Loss Account.

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

(₹ in crore)

Sr No	Long Term Employee Benefits	Current Year	Previous Year
1	Leave Travel and Home Travel Concession (Encashment/Availment)	35.00	(10.88)
2	Sick Leave	-	-
3	Silver Jubilee Award	(1.47)	(27.87)
4	Resettlement Expenses on Superannuation	(4.15)	(13.23)
5	Casual Leave	-	-
6	Retirement Award	(7.85)	(11.97)
	Total	**21.53**	**(63.95)**

Principal actuarial assumptions

Particulars	Current Year	Previous Year
Discount Rate	7.77%	7.78%
Salary Escalation	5.20%	5.00%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

b) Accounting Standard – 17 "Segment Reporting"

1. Segment Identification

I. Primary (Business Segment)

The following are the primary segments of the Bank:-

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

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

i. Treasury –

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

ii. Corporate / Wholesale Banking –

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

iii. Retail Banking –

The Retail Banking Segment comprises of retail branches, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs.

iv. Other Banking business –

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

II. Secondary (Geographical Segment)

i) Domestic Operations - Branches/Offices having operations in India

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

III. Pricing of Inter-segmental Transfers

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

IV. Allocation of Expenses, Assets and Liabilities

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

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

2. Segment Information

Part A: Primary (Business Segments)

(₹ in crore)

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Revenue (before exceptional items) #	77,651.11	78,599.78	1,20,968.24	-	2,77,219.13
	(82,020.76)	(63,280.84)	(1,11,809.55)	(-)	(2,57,111.15)
Unallocated Revenue #					863.86
					(2,552.68)
Total Revenue #					2,78,082.99
					(2,59,663.83)
Result (before exceptional items) #	6,831.17	(-) 16,262.12	12,730.51	-	3,299.56
	(48.05)	(- 38,498.98)	(19,412.16)	(-)	(- 19,038.77)
Add: Exceptional Items #	473.12				473.12
	(5,436.17)				(5,436.17)
Result (after exceptional items) #	7304.29	(-) 16,262.12	12,730.51	-	3,772.68
	(5,484.22)	(- 38,498.98)	(19,412.16)	(-)	(- 13,602.60)
Unallocated Income(+) / Expenses(-) - net #					(-) 2,165.20@
					(-1,925.64)
Profit before tax #					1,607.48
					(-15,528.24)
Tax #					745.25
					(-8,980.79)
Extraordinary Profit #					Nil
					Nil
Net Profit #					862.23
					(-6,547.45)
Other Information:					
Segment Assets *	10,02,841.57	11,33,271.13	14,91,676.59	-	36,27,789.29
	(10,89,553.51)	(10,11,026.98)	(13,22,851.33)	(-)	(34,23,431.82)
Unallocated Assets *					53,124.96
					(31,320.18)
Total Assets*					36,80,914.25
					(34,54,752.00)
Segment Liabilities *	8,37,911.69	11,64,572.02	13,89,432.28	-	33,91,915.99
	(8,19,731.87)	(10,48,664.62)	(13,11,134.57)	(-)	(31,79,531.06)
Unallocated Liabilities*					68,084.44
					(56,092.38)
Total Liabilities *					34,60,000.43
					(32,35,623.44)

(Figures in brackets are for previous year).
@ Includes exceptional item of ₹ 1,087.43 crores.

Part B: Secondary (Geographic Segments)

(₹ in crore)

	Domestic		Foreign		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue (before exceptional items) #	2,63,866.57	2,48,361.36	14,216.42	11,302.47	2,78,082.99	2,59,663.83
Net Profit#	- 3,075.19	- 7,891.83	3,937.42	1,344.38	862.23	- 6,547.45
Assets *	32,85,791.00	30,69,761.21	3,95,123.25	3,84,990.79	36,80,914.25	34,54,752.00
Liabilities*	30,64,877.18	28,50,632.65	3,95,123.25	3,84,990.79	34,60,000.43	32,35,623.44

For the year ended 31st March, 2019.
* As at 31st March, 2019.

c) **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.
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 Ltd.

B. **JOINTLY CONTROLLED ENTITIES**

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

C. **ASSOCIATES**

i. **Regional Rural Banks**

1. Andhra Pradesh Grameena Vikas Bank
2. Arunachal Pradesh Rural Bank
3. Chhattisgarh Rajya Gramin Bank
4. Ellaquai Dehati Bank
5. 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 (upto 31.12.2018).

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
2. Shri P. K. Gupta, Managing Director (Retail & Digital Banking)
3. Shri Dinesh Kumar Khara, Managing Director (Global Banking & Subsidiaries)
4. Shri B. Sriram, Managing Director (Corporate & Global Banking) upto 29.06.2018
5. Shri Arijit Basu, Managing Director (Commercial Clients Group & IT) from 25.06.2018
6. Smt. Anshula Kant, Managing Director (Stressed Assets, Risk & Compliance) from 07.09.2018.

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,2019			
Borrowings	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
Deposit	46.09	Nil	46.09
	(44.22)	(Nil)	(44.22)
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	97.66	Nil	97.66
	(67.66)	(Nil)	(67.66)
Non-fund commitments (LCs/ BGs)	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
Maximum outstanding during the year			
Borrowings	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
Deposit	206.16	Nil	206.16
	(205.68)	(Nil)	(205.68)
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	97.66	Nil	97.66
	(77.10)	(Nil)	(77.10)
Non-fund commitments (LCs/ BGs)	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
During the year ended 31st March,2019			
Interest Income	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
Interest expenditure	Nil	Nil	Nil
	(0.09)	(Nil)	(0.09)
Income earned by way of dividend	19.26	Nil	19.26
	(29.24)	(Nil)	(29.24)
Other Income	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
Other expenditure	Nil	Nil	Nil
	(7.66)	(Nil)	(7.66)
Profit/(loss) on sale of land/building and other assets	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
Management contracts	Nil	1.32	1.32
	(Nil)	(2.05)	(2.05)

Figures in brackets are for Previous Year.

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

d) 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 31st March, 2019	As at 31st March, 2018
Not later than 1 year	136.94	163.35
Later than 1 year and not later than 5 years	485.41	535.88
Later than 5 years	110.90	246.15
Total	**733.25**	**945.38**

(ii) Amount of lease payments recognised in the P&L Account for operating leases is ₹ 3,309.41 crore (₹ 3,244.23 crore).

e) Accounting Standard -20 "Earnings per Share"

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

Particulars Basic and diluted	Current Year	Previous Year
Number of Equity Shares outstanding at the beginning of the year	892,45,87,534	797,35,04,442
Number of Equity Shares issued during the year	24,000	95,10,83,092
Number of Equity Shares outstanding at the end of the year	892,46,11,534	892,45,87,534
Weighted average number of equity shares used in computing basic earnings per share	892,45,91,479	853,30,51,135
Weighted average number of shares used in computing diluted earnings per share	892,45,91,479	853,30,51,135
Net profit / (loss) (₹ in crore)	862.23	(6,547.45)
Basic earnings per share (₹)	0.97	(7.67)
Diluted earnings per share (₹)	0.97	(7.67)
Nominal value per share (₹)	1	1

f) Accounting Standard – 22 "Accounting for Taxes on Income"

a. Current Tax :-

During the year the Bank has credited to Profit & Loss Account ₹ 208.87 crore (Previous Year ₹ 673.54 crore debited) 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, ₹ 954.12 crore has been debited to Profit and Loss Account (Previous Year ₹ 9,654.33 crore credited) on account of deferred tax.

The Bank has a net DTA of ₹ 10,420.16 crore (Previous Year net DTA of ₹ 11,365.99 crore), which comprises of DTL of ₹ 2.33 crore (Previous Year ₹ 2.80 crore) included under 'Other Liabilities and Provisions' and Deferred Tax Assets (DTA) of ₹ 10,422.49 crore (Previous Year ₹ 11,368.79 crore) included under 'Other Assets'. The major components of DTA and DTL is given below:

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Assets (DTA)		
Provision for long term employee Benefits	5,321.84	3,454.26
Provision for advances	4,142.69	4,197.64
Provision for Other Assets/ Other Liability	753.11	743.57
On Accumulated losses (including erstwhile ABs)	10,741.74	13,862.05
On Foreign Currency Translation Reserve	235.77	-
Depreciation on Fixed Assets	29.53	-
On account of Foreign Offices	277.67	317.04
Total	**21,502.35**	**22,574.56**
Deferred Tax Liabilities (DTL)		
Depreciation on Fixed Assets	-	83.36
Interest accrued but not due on Securities	6,389.76	6,315.01
Special Reserve created u/s 36(1)(viii) of Income Tax Act 1961	4,690.10	4,690.10
On account of Foreign Offices	2.33	2.80
On Foreign Currency Translation Reserve	-	117.30
Total	**11,082.19**	**11,208.57**
Net Deferred Tax Assets/ (Liabilities)	**10,420.16**	**11,365.99**

g) **Accounting Standard – 27 "Financial Reporting of interests in Joint Ventures"**

Investments include ₹ 97.66 crore (Previous Year ₹ 67.66 crore) representing Bank's interest in the following jointly controlled entities.

Sr. No	Name of the Company	Amount ₹ in crore	Country of Residence	Holding %
1	C - Edge Technologies Ltd.	4.90 (4.90)	India	49%
2	SBI Macquarie Infrastructure Management Pvt. Ltd.	18.57 (18.57)	India	45%
3	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	0.03 (0.03)	India	45%
4	Maquarie SBI Infrastructure Management Pte. Ltd.	2.25 (2.25)	Singapore	45%
5	Macquarie SBI Infrastructure Trustee Ltd. #	- (-)	Bermuda	45%
6	Oman India Joint Investment Fund – Management Company Pvt. Ltd.	2.30 (2.30)	India	50%
7	Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.	0.01 (0.01)	India	50%
8	Jio Payments Bank	69.60 (39.60)	India	30%

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

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

(₹ in crore)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Liabilities		
Capital & Reserves	214.01	153.26
Deposits	5.50	-
Borrowings	8.04	0.60
Other Liabilities & Provisions	56.99	53.57
Total	**284.54**	**207.43**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Assets		
Cash and Balances with RBI	0.65	0.02
Balances with Banks and money at call and short notice	70.48	68.86
Investments	90.95	49.47
Advances	-	-
Fixed Assets	28.53	8.91
Other Assets	93.93	80.17
Total	**284.54**	**207.43**
Capital Commitments	-	-
Other Contingent Liabilities	2.63	1.28
Income		
Interest earned	8.70	4.13
Other income	188.09	184.18
Total	**196.79**	**188.31**
Expenditure		
Interest expended	0.20	0.23
Operating expenses	120.78	119.34
Provisions & contingencies	22.95	20.24
Total	**143.93**	**139.81**
Profit	**52.86**	**48.50**

h) **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.

i) **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.

Sr. No.	Particulars	Brief Description
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.

j) Movement of provisions against Contingent Liabilities

(₹ in crore)

Particulars	Current Year	Previous Year
Opening balance	503.16	423.34
Additions during the year	112.81	705.60
Amount utilised during the year	51.51	227.64
Unused amount reversed during the year	39.20	398.14
Closing balance	525.26	503.16

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

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	491.13	673.54
- Deferred Tax	954.12	(-) 9,654.33
- Write Back of Income Tax	(-) 700.00	-
Provision for Depreciation on Investments	(-) 762.09	8,087.58
Provision on Non-Performing Assets	54,617.72	71,374.22
Provision on Restructured Assets	(-) 88.66	(-) 693.99
Provision on Standard Assets	(-) 74.55	(-) 3,603.66
Other Provisions	136.13	(-) 124.95
Total	**54,573.80**	**66,058.41**

2. Floating Provisions

(₹ in crore)

Particulars	Current Year	Previous Year
Opening Balance	193.75	25.14
Addition during the year	-	168.61
Draw down during the year	-	-
Closing Balance	**193.75**	**193.75**

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

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 31st March, 2019	As at 31st March, 2018
No. of complaints pending at the beginning of the year	79,259	46,282
No. of complaints received during the year	42,21,491	21,59,700
No. of complaints redressed during the year	41,61,721	21,26,723
No. of complaints pending at the end of the year	1,39,029	79,259

Does not include complaints redressed within one working day.

No. of complaints received during the previous year include receipt from erstwhile ABs and BMBL on acquisition.

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

Particulars	Current Year	Previous Year
No. of unimplemented Awards at the beginning of the year	8	3
No. of Awards passed by the Banking Ombudsman during the year	19	78
No. of Awards implemented during the year	22	73
No. of unimplemented Awards at the end of the year	5	8

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, 2019 and 31st March, 2018.

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

The Provisioning to Gross Non-Performing Assets ratio of the Bank as on 31st March, 2019 is 78.73 % (Previous Year 66.17%).

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

(₹ in crore)

Name of Company	Current Year	Previous Year
SBI Life Insurance Co. Ltd.	951.90	714.75
SBI General Insurance Co. Ltd.	270.86	212.57
NTUC and Manu Life Financial Limited	1.20	1.05
Tokio Marine and ACE	1.63	0.32
Unit Trust	0.47	0.26
AIA Singapore	0.64	0.07
TOTAL	**1,226.70**	**929.02**

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	90,609.54	1,19,585.93
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	3.11%	4.42%

b) **Concentration of Advances**

(₹ in crore)

Particulars	Current Year	Previous Year
Total Advances to twenty largest borrowers	2,89,222.17	1,95,211.00
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	12.61%	7.91%

c) **Concentration of Exposures**

(₹ in crore)

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers/ customers	4,47,140.43	3,65,809.00
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the Bank on borrowers/ customers	12.80%	12.11%

d) **Concentration of NPAs**

(₹ in crore)

Particulars	Current Year	Previous Year
Total Exposure to top four NPA accounts	30,314.49	38,239.70

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	1,99,789.60	23,335.83	11.68	1,88,502.88	20,964.77	11.12
2	Industry (Micro & Small, Medium and Large)	97,116.64	12,545.61	12.92	99,386.61	16,020.84	16.12
3	Services	99,232.43	9,674.48	9.75	74,363.81	7,339.66	9.87
4	Personal Loans	1,59,419.70	2,882.01	1.81	1,04,507.85	3,332.33	3.19
	Sub-total (A)	5,55,558.37	48,437.93	8.72	4,66,761.15	47,657.60	10.21
B	**Non Priority Sector**						
1	Agriculture & allied activities	19,403.93	89.00	0.46	3,753.61	301.93	8.04
2	Industry (Micro & Small, Medium and Large)	9,75,896.74	1,12,411.63	11.52	9,06,557.34	1,62,784.99	17.96
3	Services	2,47,541.38	8,007.30	3.23	2,20,925.77	9,264.85	4.19
4	Personal Loans	4,95,053.70	3,804.50	0.77	4,50,389.43	3,418.09	0.76
	Sub-total (B)	17,37,895.75	1,24,312.43	7.15	15,81,626.15	1,75,769.86	11.11
C	**Total (A+B)**	**22,93,454.12**	**1,72,750.36**	**7.53**	**20,48,387.30**	**2,23,427.46**	**10.91**

11. Overseas Assets, NPAs and Revenue

(₹ in crore)

Sr. No.	Particulars	Current Year	Previous Year
1	Total Assets	3,95,123.25	3,84,990.79
2	Total NPAs (Gross)	1,937.19	7,199.29
3	Total Revenue	14,216.42	11,302.47

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 a) Off-balance sheet exposures i. First Loss ii. Others b) On-balance sheet exposures i. First Loss ii. Others	Nil	Nil	Nil	Nil
4.	Amount of exposures to securitisation transactions other than MMR 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	Nil	Nil	Nil	Nil

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

15. Intra-Group Exposures:

(₹ in crore)

Sr. No.	Particulars	Current Year	Previous Year
i	Total amount of intra-group exposures	27,765.01	25,469.43
ii	Total amount of top-20 intra-group exposures	27,765.01	25,469.43
iii	Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	0.79%	0.84%
iv	Details of breach of limits on intra-group exposures and regulatory action thereon	Nil	Nil

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

(₹ in crore)

Particulars	Current Year	Previous Year
Opening balance of amounts transferred to DEA Fund	2,125.62	1,081.42
Add : Amounts transferred to DEA Fund during the year	736.65	1,050.31
Less : Amounts reimbursed by DEA Fund towards claims	9.61	6.11
Closing balance of amounts transferred to DEA Fund	2,852.66	2,125.62

Amounts transferred to DEA Fund during the year includes receipt from erstwhile ABs and BMBL on acquisition.

17. Unhedged Foreign Currency Exposure

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

An amount of ₹ 98.13 crore (Previous Year ₹ 86.44 crore) was held as on 31st March 2019 for towards Currency Induced Credit Risk and Capital allocated for Currency Induced Credit Risk amounting to ₹ 43.19 crore (Previous Year ₹ 66.49 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 2B assets are with 15% and 50% haircuts respectively. The total net cash outflow is the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days. Total expected cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by the rates at which they are expected to run off or be drawn down. Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in up to an aggregate cap of 75% of total expected cash outflows.

Quantitative Disclosure:

(₹ in crore)

		Quarter ended 31st March 2019		Quarter ended 31st December 2018		Quarter ended 30th September 2018		Quarter ended 30th June 2018		Quarter ended 31st March 2018	
	LCR Components	**Total Unweighted Value (Average)**	**Total Weighted Value (Average)**	**Total Unweighted Value (Average)**	**Total Weighted Value (Average)**	**Total Unweighted Value (Average)**	**Total Weighted Value (Average)**	**Total Unweighted Value (Average)**	**Total Weighted Value (Average)**	**Total Unweighted Value (Average)**	**Total Weighted Value (Average)**
	HIGH QUALITY LIQUID ASSETS (HQLA)										
1	Total High Quality Liquid Assets(HQLA)		6,99,153		7,30,337		7,39,148		6,93,460		6,74,894
	Cash Outflows										
2	Retail Deposits and deposits from small business customers, of which:										
(i)	Stable deposits	3,23,269	16,163	3,21,119	16,056	3,06,105	15,305	3,00,005	15,000	2,78,238	13,912
(ii)	Less Stable Deposits	18,50,120	1,85,012	18,22,082	1,82,208	17,90,924	1,79,092	17,59,076	1,75,908	17,51,396	1,75,140
3	Unsecured wholesale funding, of which:										
(i)	Operational deposits(all counterparties)	1,208	302	928	232	759	190	930	232	63	16
(ii)	Non-operational deposits(all counterparties)	6,35,727	3,73,978	6,07,012	3,46,204	6,11,590	3,48,024	6,00,814	3,41,376	5,56,336	3,27,440
(iii)	Unsecured debt	0	0	0	0	0	0	0	0	0	0
4	Secured wholesale funding	72,120	54	68,811	2	29,820	3	21,070	0	30,025	0
5	Additional requirements, of which										
(i)	Outflows related to derivative exposures and other collateral requirements	1,70,833	1,70,833	1,65,949	1,65,949	1,54,141	1,54,141	1,62,711	1,62,711	1,50,911	1,50,911
(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	39,337	6,053	31,918	5,128	28,949	4,854	25,896	4,512	43,416	6,376
6	Other contractual funding obligations	35,561	35,561	34,919	34,919	27,454	27,454	29,441	29,441	39,838	39,838
7	Other contingent funding obligations	5,72,831	20,941	5,79,289	21,158	5,66,376	20,688	5,63,555	20,759	5,63,500	20,659
8	TOTAL CASH OUTFLOWS	37,01,005	8,08,896	36,32,026	7,71,856	35,16,117	7,49,751	34,63,496	7,49,938	34,13,722	7,34,290
	Cash Inflows										
9	Secured lending (e.g. Reverse repos)	7,938	0	4,098	0	3,121	0	5,166	0	7,075	0
10	Inflows from fully performing exposures	2,39,416	2,22,009	2,34,551	2,19,730	2,17,069	2,02,188	2,42,332	2,24,197	2,20,510	2,02,086
11	Other cash inflows	37,977	31,086	41,666	33,605	42,221	33,154	37,813	29,804	38,779	28,758
12	Total Cash Inflows	2,85,331	2,53,095	2,80,315	2,53,335	2,62,411	2,35,343	2,85,311	2,54,001	2,66,364	2,30,844
13	TOTAL HQLA		6,99,153		7,30,337		7,39,148		6,93,460		6,74,894
14	TOTAL NET CASH OUTFLOWS		5,55,801		5,18,522		5,14,409		4,95,937		5,03,446
15	LIQUIDITY COVERAGE RATIO(%)		125.79%		140.85%		143.69%		139.83%		134.05%

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 69 data points for the quarter January-March 2019.

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

The LCR position is above the minimum 100% prescribed by RBI. Bank's LCR comes to 125.79% based on daily average of three months (Q4 FY18-19). The average HQLA for the quarter was ₹ 6,99,153 crore, of which, Level 1 assets constituted 93.26% of total HQLA. Government securities constituted 96.77% of Total Level 1 Assets. Level 2A Assets constitutes 5.59% of total HQLA and Level 2B Assets constitutes 1.15% of total HQLA. The net cash outflow position has slightly gone up on account of increase in wholesale deposits where run-off rate is 40%-100%. Derivative exposures are considered insignificant due to almost matching inflows and outflows position. During the quarter, LCR for USD (significant Foreign Currency constituting more than 5% of the Balance Sheet of the Bank) was 49.34% on average.

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

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

b. Consolidated LCR

The RBI through a supplementary guideline issued on 31st March 2015 had stipulated the implementation of LCR at a consolidated level from 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 eight Overseas Banking Subsidiaries: Bank SBI Botswana Ltd, Commercial Indo Bank LLC, Moscow, Nepal SBI Bank Ltd., State Bank of India (California), SBI Canada Bank, SBI (Mauritius) Ltd., PT Bank SBI Indonesia and State Bank of India (UK) Ltd.

SBI Group LCR comes out to 125.96% as on 31st March, 2019 based on average of three months January, February and March, 2019.

(₹ in crore)

	Quarter ended 31st March 2019		Quarter ended 31st December 2018		Quarter ended 30th September 2018		Quarter ended 30th June 2018		Quarter ended 31st March 2018	
LCR COMPONENTS	**Total Unweighted Value (Average)**	**Total Weighted Value (Average)**	**Total Unweighted Value (Average)**	**Total Weighted Value (Average)**	**Total Unweighted Value (Average)**	**Total Weighted Value (Average)**	**Total Unweighted Value (Average)**	**Total Weighted Value (Average)**	**Total Unweighted Value (Average)**	**Total Weighted Value (Average)**
HIGH QUALITY LIQUID ASSETS (HQLA)										
1 Total High Quality Liquid Assets(HQLA)		7,01,837		7,32,641		7,41,584		6,95,753		6,77,442
CASH OUTFLOWS										
2 Retail Deposits and deposits from small business customers, of which:										
(i) Stable deposits	3,30,107	16,505	3,27,747	16,387	3,12,981	15,649	3,06,889	15,344	2,80,782	14,039
(ii) Less Stable Deposits	18,59,217	1,85,922	18,31,275	1,83,127	17,99,879	1,79,988	17,67,538	1,76,754	17,58,364	1,75,836
3 Unsecured wholesale funding, of which:										
(i) Operational deposits(all counterparties)	1,333	333	1,048	262	888	222	1,109	277	177	44
(ii) Non-operational deposits(all counterparties)	6,37,579	3,75,202	6,09,736	3,48,144	6,14,172	3,49,945	6,03,745	3,43,707	5,58,884	3,29,566
(iii) Unsecured debt	0	0	0	0	0	0	0	0	0	0
4 Secured wholesale funding	72,120	54	68,811	2	29,843	27	21,070	0	30,209	184
5 Additional requirements, of which										
(i) Outflows related to derivative exposures and other collateral requirements	1,70,834	1,70,834	1,65,954	1,65,954	1,54,142	1,54,142	1,62,715	1,62,715	1,50,912	1,50,912
(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	41,230	6,839	33,689	5,729	30,693	5,430	27,455	5,024	44,693	6,877
6 Other contractual funding obligations	36,556	36,556	35,568	35,568	27,999	27,999	30,017	30,017	40,639	40,639
7 Other contingent funding obligations	5,74,764	21,000	5,81,286	21,219	5,68,430	20,750	5,65,635	20,822	5,65,427	20,718
8 TOTAL CASH OUTFLOWS	37,23,741	8,13,245	36,55,114	7,76,393	35,39,028	7,54,152	34,86,173	7,54,660	34,30,087	7,38,817
CASH INFLOWS										
9 Secured lending (e.g. Reverse repos)	7,938	0	4,098	0	3,121	0	5,168	1	7,076	1
10 Inflows from fully performing exposures	2,44,205	2,24,094	2,39,904	2,22,117	2,21,519	2,03,818	2,47,101	2,26,566	2,23,818	2,03,448
11 Other cash inflows	38,892	31,972	42,924	34,827	43,323	34,226	39,476	31,447	39,889	29,867
12 TOTAL CASH INFLOWS	2,91,034	2,56,066	2,86,926	2,56,945	2,67,962	2,38,043	2,91,745	2,58,014	2,70,783	2,33,316
13 TOTAL HQLA		7,01,837		7,32,641		7,41,584		6,95,753		6,77,442
14 TOTAL NET CASH OUTFLOWS		5,57,179		5,19,448		5,16,109		4,96,646		5,05,501
15 LIQUIDITY COVERAGE RATIO(%)		125.96%		141.04%		143.69%		140.09%		134.01%

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

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

19. Fraud Reported and provision made during the year:

Out of the total frauds of ₹ 12,387.13 crore in 2,616 cases (Previous year ₹ 2,532.24 crore in 1,789 cases) reported during the year, an amount of ₹ 12,310.90 crore in 581 cases (Previous year ₹ 2,359.61 crore in 539 cases) represents advances declared as frauds. Full provision has been made for the outstanding balance as on 31st March, 2019 in respect of 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 ₹ 173.37 crore (Previous Year ₹ 9.07 crore) has been fully charged in the current year.

22. Priority Sector Lending Certificate (PSLC)

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

(₹ in crore)

Sr. No.	Category	Current Year	Previous Year
1.	PSLC Micro Enterprises	16,272.75	350.00
2.	PSLC Agriculture	1,223.00	100.00
3.	PSLC General	33,557.50	33,485.00
4.	PSLC Small and Marginal Farmers	553.00	1,664.00
	Total	**51,606.25**	**35,599.00**

The Bank did not sell any PSLC during the year ended 31st March, 2019 and 31st March, 2018.

23. Counter Cyclical Provisioning Buffer (CCPB)

RBI vide Circular No. DBR.No.BP.BC.79/21.04.048/2014-15 dated 30th March 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 31st December 2014, for making specific provisions for Non-Performing Assets (NPAs) as per the policy approved by the Bank's Board of Directors.

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

24. RBI vide Circular no. DBR.No.BP.BC.108/21.04.048/2017-18 dated 6th June 2018 permitted banks to continue the exposures to MSME borrowers to be classified as standard assets. Accordingly, the bank has retained advances of ₹ 242.32 crores as standard asset as on 31st March 2019. In accordance with the provisions of the circular, the bank has not recognized interest on these accounts and is maintaining a standard asset provision of ₹ 12.12 crores as on 31st March 2019 in respect of such borrowers.

25. As per RBI letter no. DBR.No.BP.15199/21.04.048/2016-17 and DBR. No. BP. 1906/21.04.048/ 2017-18 dated 23rd June 2017 and 28th August 2017 respectively, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the bank is holding total provision of ₹ 34,554 crores (89.66% of total outstanding) as on 31st March, 2019.

26. The bank has made a provision of ₹ 3,984.00 crore (Total ₹ 5,643.41 crore) for the year ended 31st March, 2019 towards arrears of wages due for revision w.e.f 1st November, 2017.

27. a) Profit / (loss) on sale of investment (net) under schedule 14 "Other Income" includes ₹ 473.12 crore on sale of partial investment in SBI General Insurance Company Limited (Previous year ₹ 5,436.17 crore on sale of partial investment in SBI Life Insurance Company Limited) .

b) Miscellaneous Income under schedule 14 "Other Income" includes ₹ 1,087.43 crore on transfer of the bank's merchant acquiring business (MAB) to a wholly owned subsidiary SBI Payment Services Private Limited (SBIPSPL) pursuant to a business transfer agreement dated 29th September, 2018 for a consideration of ₹ 1,250 crore.

28. 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, 2019

(000s omitted)

PARTICULARS		Year ended 31.03.2019 (Current Year) ₹	Year ended 31.03.2018 (Previous Year) ₹
CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit / (loss) before Taxes		1607,48,31	(15528,24,16)
Adjustments for:			
Depreciation on Fixed Assets		3212,30,65	2919,46,63
(Profit)/Loss on sale of Fixed Assets (Net)		34,98,24	30,03,00
(Profit)/Loss on revaluation of Investments (Net)		2124,03,82	1120,61,02
(Profit)/Loss on sale of Investments in Subsidiaries / Joint Ventures / Associates		(473,12,00)	(5639,89,81)
Provision for diminution in fair value & Non Performing Assets		54529,06,14	70680,23,69
Provision on Standard Assets		(74,55,42)	(3603,66,16)
Provision for depreciation on Investments		(762,09,23)	8087,57,43
Other provisions including provision for contingencies		136,12,79	(124,95,17)
Income from Investment in Subsidiaries / Joint Ventures / Associates		(348,01,18)	(448,51,70)
Interest on Capital Instruments		4112,28,55	4472,04,27
		64098,50,67	61964,69,04
Adjustments for:			
Increase/(Decrease) in Deposits		205042,72,57	121022,95,24
Increase/ (Decrease) in Borrowings other than Capital Instruments		37722,44,37	42629,85,28
(Increase)/ Decrease in Investments other than Investments in Subsidiaries / Joint Ventures / Associates		94719,11,74	(136164,12,43)
(Increase)/ Decrease in Advances		(305525,79,00)	(136597,79,56)
Increase/ (Decrease) in Other Liabilities		(21247,50,61)	(2214,19,47)
(Increase)/ Decrease in Other Assets		(33604,14,67)	(29086,42,24)
		41205,35,07	(78445,04,14)
Tax refund/ (Taxes paid)		(6577,83,79)	(6980,20,58)
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES	**A**	**34627,51,28**	**(85425,24,72)**
CASH FLOW FROM INVESTING ACTIVITIES:			
(Increase)/ Decrease in Investments in Subsidiaries / Joint Ventures / Associates		(2116,29,59)	(1104,10,39)
Profit/(Loss) on sale of Investments in Subsidiaries / Joint Ventures / Associates		473,12,00	5639,89,81
Income from Investment in Subsidiaries / Joint Ventures / Associates		348,01,18	448,51,70
(Increase)/ Decrease in Fixed Assets		(2663,43,31)	(4104,97,78)
Cash paid to shareholders of erstwhile Domestic Banking Subsidiaries & Bhartiya Mahila Bank towards fractional entitlements consequent to merger		-	(25,18)

(000s omitted)

PARTICULARS		Year ended 31.03.2019 (Current Year) ₹	Year ended 31.03.2018 (Previous Year) ₹
NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES	**B**	**(3958,59,72)**	**879,08,16**
CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds from issue of equity shares including share premium (Net of Share issue expenses)		(8,74,21)	23782,45,47
Issue/(Redemption) of Capital Instruments (Net)		3033,20,00	(12603,22,50)
Interest on Capital Instruments		(4112,28,55)	(4472,04,27)
Dividend paid including tax thereon		-	(2416,26,71)
NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES	**C**	**(1087,82,76)**	**4290,91,99**
EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE	**D**	**1010,38,16**	**1291,94,79**
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)		**30591,46,96**	**19926,99,21**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**191898,64,19**	**171971,64,98**
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**222490,11,15**	**191898,64,19**
Note:			
(1) Components of Cash & Cash Equivalents as at:		**31.03.2019**	**31.03.2018**
Cash & Balance with RBI		176932,41,75	150397,18,14
Balances with Banks and money at call & short notice		45557,69,40	41501,46,05
		222490,11,15	**191898,64,19**
(2) Cash flow from operating activities is reported by using indirect method.			

Signed by:

Smt. Anshula Kant
Managing Director
(Stressed Assets, Risk & Compliance)

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

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

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

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

Shri Rajnish Kumar
Chairman

Place: Mumbai
Date: 10th May 2019

In terms of our report of even date

FOR J.C. BHALLA & CO.
Chartered Accountants

RAJESH SETHI
Partner : M. No.085669
Firm Regn. No. 001111N

FOR CHATURVEDI & SHAH LLP
Chartered Accountants

VITESH D. GANDHI
Partner: M. No.110248
Firm Regn. No. 101720W/W100355

FOR O.P. TOTLA & CO.
Chartered Accountants

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

FOR S. K. KAPOOR & CO.
Chartered Accountants

SANJIV KAPOOR
Partner : M. No. 070487
Firm Regn. No. 000745C

FOR DE CHAKRABORTY & SEN
Chartered Accountants

D. K. ROY CHOWDHURY
Partner : M. No. 053087
Firm Regn. No. 303029E

FOR RAO & KUMAR
Chartered Accountants

ANIRBAN PAL
Partner : M. No. 214919
Firm Regn. No. 003089S

FOR S. K. MITTAL & CO.
Chartered Accountants

M. K. JUNEJA
Partner : M. No.013117
Firm Regn. No.001135N

FOR N.C. RAJAGOPAL & CO.
Chartered Accountants

V. CHANDRASEKARAN
Partner: M. No. 024844
Firm Regn. No. 230448S

FOR KARNAVAT & CO.
Chartered Accountants

SAMEER B. DOSHI
Partner : M. No. 117987
Firm Regn. No. 104863W

FOR KALANI & CO.
Chartered Accountants

BHUPENDER MANTRI
Partner: M. No. 108170
Firm Regn. No. 000722C

FOR BRAHMAYYA & CO.
Chartered Accountants

K. JITENDRA KUMAR
Partner : M. No. 201825
Firm Regn. No. 000511S

FOR RAY & RAY
Chartered Accountants

ABHIJIT NEOGI
Partner : M. No. 061380
Firm Regn. No. 301072E

FOR K. VENKATACHALAM AIYER & CO.
Chartered Accountants

A GOPALAKRISHNAN
Partner : M. No. 018159
Firm Regn. No. 004610S

FOR G. P. AGRAWAL & CO.
Chartered Accountants

AJAY KUMAR AGRAWAL
Partner : M. No. 17643
Firm Regn. No. 302082E

Place : Mumbai
Date : 10^{th} May, 2019

Independent Auditors' Report

To

The President of India

Report on Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of State Bank of India ("the Bank") which comprise the Balance Sheet as at March 31, 2019, the Profit and Loss Account and Cash Flow Statement for the year then ended, and Notes to Standalone Financial Statements including a summary of Significant Accounting Policies and other explanatory information in which are included returns for the year ended on that date of:

i. The Central offices, 16 Local Head offices, 1 Admin & Business unit, Global Market Unit, International Business Group, Corporate Accounts Group (Central), Commercial Client Group (Central), Stressed Asset Resolution Group (Central), Central Accounts Offices and 42 branches audited by us;

ii. 14,758 Indian branches audited by Statutory Branch Auditors;

iii. 38 Foreign branches audited by 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, the Profit and Loss Account are the returns from 8,447 Indian branches (including other accounting units) and those have not been subjected to audit. These unaudited branches account for 3 percent of advances, 11.44 per cent of deposits, 7.35 per cent of interest income and 12.80 per cent of interest expenses.

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

a) true and fair view in case of the Balance Sheet, of the State of Affairs of the Bank as at March 31, 2019;

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

c) true and fair view in case of Cash Flow Statement for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

3. Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Standalone Financial Statements for the year ended March 31, 2019. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report:-

Sr. No.	Key Audit Matters	Auditors' Response
i	Classification of Advances and Identification of and provisioning for non-performing Advances in accordance with the RBI guidelines (Refer Schedule 9 read with Note 3 of Schedule 17 to the financial statements) Advances include Bills purchased and discounted, Cash credits, Overdrafts loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank / Government Guarantees and Unsecured advances.	Our audit approach towards advances with reference to the IRAC norms and other related circulars / directives issued by RBI and also internal policies and procedures of the Bank includes the testing of the following: - The accuracy of the data input in the system for income recognition, classification into performing and non-performing Advances and provisioning in accordance with the IRAC Norms in respect of the branches allotted to us;

Sr. No.	Key Audit Matters	Auditors' Response
	Advances constitute 59.38% of the Bank's total assets. They are, inter-alia, governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the RBI from time to time which provides guidelines related to classification of Advances into performing and non-performing Advances (NPA). The Bank classifies these Advances based on IRAC norms as per its accounting policy No. 3. Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solutions (CBS) which also identifies whether the advances are performing or non-performing. Further, NPA classification and calculation of provision is done through another IT System viz. Centralised Credit Data Processing (CCDP) Application. The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed. Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/ judgement involved in valuation of securities, it is a matter of high importance for the intended users of the Standalone Financial Statements. Considering these aspects, we have determined this as a Key Audit Matter. Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances.	- Existence and effectiveness of monitoring mechanisms such as Internal Audit, Systems Audit, Credit Audit and Concurrent Audit as per the policies and procedures of the Bank; We have examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI Inspection. In carrying out substantive procedures at the branches allotted to us, we have examined all large advances/stressed advances while other advances have been examined on a sample basis including review of valuation reports of independent valuer's provided by the Bank's management. Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication. We have also relied on the reports of External IT System Audit experts with respect to the business logics / parameters inbuilt in CBS for tracking, identification and stamping of NPAs and provisioning in respect thereof.
ii	Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the financial statements) Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities. Investments constitute 26.27% of the Bank's total assets. These are governed by the circulars and directives of the Reserve Bank of India (RBI). These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of income and provision there against. The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FIMMDA rates, rates quoted on BSE / NSE, financial statements of unlisted companies etc. Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.	Our audit approach towards Investments with reference to the RBI Circulars / directives included the review and testing of the design, operating effectiveness of internal controls and substantive audit procedures in relation to valuation, classification, identification of Non Performing Investments, Provisioning / depreciation related to Investments. In particular, a. We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of Non Performing Investments, Provisioning / depreciation related to investments; b. We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments; c. For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample;

Sr. No.	Key Audit Matters	Auditors' Response
	Accordingly, our audit was focused on valuation of investments, classification, identification of Non Performing Investments and provisioning related to investments.	d. We assessed and evaluated the process of identification of NPIs, and corresponding reversal of income and creation of provision; e. We carried out substantive audit procedures to recompute independently the provision to be maintained and depreciation to be provided in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs; f. We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.
iii	Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt. (Schedule 12 read with Note 18.9 of Schedule 18 to the financial statements) : There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advices from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and the Balance Sheet. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved.	Our audit approach involved :- a. Understanding the current status of the litigations/tax assessments; b. Examining recent orders and/or communication received from various Tax Authorities/ Judicial forums and follow up action thereon; c. Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice ; and d. Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues.

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

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

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

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

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

   When we read the Director's Report, including annexures, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

Auditors' Responsibility for the Audit of Standalone Financial Statements

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

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

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

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

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

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

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

Other Matters

7. We did not audit the financial statements / information of 14,796 branches included in the standalone financial statements of the Bank whose financial statements / financial information reflect total advances of ₹ 14,00,731.01 crores at 31st March 2019 and total interest income of ₹ 1,06,540.62 crores for the year ended on that date, as considered in the standalone financial statements. The financial statements / information of these branches have been audited by the branch auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

   Our opinion is not modified in respect of above matters.

Report on Other Legal and Regulatory Requirements

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

   Subject to the limitations of the audit indicated in paragraph 5 to 7 above and as required by the State Bank of India Act, 1955, and subject also to the limitations of disclosure required therein, we report that:

a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;

b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and

c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

We further report that:

a) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

b) the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;

c) the reports on the accounts of the branch offices audited by branch auditors of the Bank as per the provisions of the section 29 of the Banking Regulation Act, 1949, and the State Bank of India Act, 1955 have been sent to us and have been properly dealt with by us in preparing this report; and

d) in our opinion, the Balance Sheet and the Profit and Loss Account and Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

In terms of our report of even date

FOR J.C. BHALLA & CO.
Chartered Accountants

RAJESH SETHI
Partner : M. No.085669
Firm Regn. No. 001111N

FOR CHATURVEDI & SHAH LLP
Chartered Accountants

VITESH D. GANDHI
Partner: M. No.110248
Firm Regn. No. 101720W/W100355

FOR O.P. TOTLA & CO.
Chartered Accountants

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

FOR S. K. KAPOOR & CO.
Chartered Accountants

SANJIV KAPOOR
Partner : M. No. 070487
Firm Regn. No. 000745C

FOR DE CHAKRABORTY & SEN
Chartered Accountants

D. K. ROY CHOWDHURY
Partner : M. No. 053087
Firm Regn. No. 303029E

FOR RAO & KUMAR
Chartered Accountants

ANIRBAN PAL
Partner : M. No. 214919
Firm Regn. No. 003089S

FOR S. K. MITTAL & CO.
Chartered Accountants

M. K. JUNEJA
Partner : M. No.013117
Firm Regn. No.001135N

FOR N.C. RAJAGOPAL & CO.
Chartered Accountants

V. CHANDRASEKARAN
Partner: M. No. 024844
Firm Regn. No. 230448S

FOR KARNAVAT & CO.
Chartered Accountants

SAMEER B. DOSHI
Partner : M. No. 117987
Firm Regn. No. 104863W

FOR KALANI & CO.
Chartered Accountants

BHUPENDER MANTRI
Partner: M. No. 108170
Firm Regn. No. 000722C

FOR BRAHMAYYA & CO.
Chartered Accountants

K. JITENDRA KUMAR
Partner : M. No. 201825
Firm Regn. No. 000511S

FOR RAY & RAY
Chartered Accountants

ABHIJIT NEOGI
Partner : M. No. 061380
Firm Regn. No. 301072E

FOR K. VENKATACHALAM AIYER & CO.
Chartered Accountants

A GOPALAKRISHNAN
Partner : M. No. 018159
Firm Regn. No. 004610S

FOR G. P. AGRAWAL & CO.
Chartered Accountants

AJAY KUMAR AGRAWAL
Partner : M. No. 17643
Firm Regn. No. 302082E

Place : Mumbai
Date : 10th May, 2019

State Bank of India

Consolidated Balance Sheet as at 31st March, 2019

(000s omitted)

	Schedule No.	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
CAPITAL AND LIABILITIES			
Capital	1	892,46,12	892,45,88
Reserves & Surplus	2	233603,19,93	229429,48,68
Minority Interest		6036,99,13	4615,24,51
Deposits	3	2940541,06,11	2722178,28,21
Borrowings	4	413747,66,10	369079,33,88
Other Liabilities and Provisions	5	293645,68,92	290249,75,29
TOTAL		**3888467,06,31**	**3616444,56,45**
ASSETS			
Cash and Balances with Reserve Bank of India	6	177362,74,09	150769,45,69
Balances with Banks and Money at Call & Short Notice	7	48149,52,30	44519,65,14
Investments	8	1119247,76,62	1183794,24,19
Advances	9	2226853,66,72	1960118,53,51
Fixed Assets	10	40703,05,26	41225,79,26
Other Assets	11	276150,31,32	236016,88,66
TOTAL		**3888467,06,31**	**3616444,56,45**
Contingent Liabilities	12	1121246,27,83	1166334,80,21
Bills for Collection		70047,22,64	74060,22,00
Significant Accounting Policies	17		
Notes to Accounts	18		

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

Smt. Anshula Kant
MD (SARC)

Shri Arijit Basu
MD (CCG & IT)

Shri Dinesh Kumar Khara
MD (GB & S)

Shri P. K. Gupta
MD (R & DB)

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

Shri Rajnish Kumar
Chairman

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

Mumbai
Dated 10th May 2019

Schedules

Schedule 1 - Capital

(000s omitted)

	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
Authorised Capital : 5000,00,00,000 equity shares of ₹ 1 /- each (Previous Year 5000,00,00,000 equity shares of ₹ 1/- each)	5000,00,00	5000,00,00
Issued Capital : 892,54,05,164 equity shares of ₹ 1/- each (Previous Year 892,54,05,164 equity shares of ₹ 1/- each)	892,54,05	892,54,05
Subscribed and Paid up Capital : 892,46,11,534 equity shares of ₹ 1/- each (Previous Year 892,45,87,534 equity shares of ₹ 1/- each) [The above includes 12,10,71,350 equity shares of ₹ 1/- each (Previous Year 12,62,48,980 equity shares of ₹ 1/- each) represented by 1,21,07,135 (Previous Year 1,26,24,898) Global Depository Receipts]	892,46,12	892,45,88
TOTAL	**892,46,12**	**892,45,88**

Schedule 2 - Reserves & Surplus

(000s omitted)

		As at 31.03.2019 (Current Year) ₹		As at 31.03.2018 (Previous Year) ₹	
I.	**Statutory Reserves**				
	Opening Balance	65958,04,13		64753,52,12	
	Additions during the year	386,05,90		1204,52,01	
	Deductions during the year	-	66344,10,03	-	65958,04,13
II.	**Capital Reserves #**				
	Opening Balance	9578,07,76		5246,09,99	
	Additions during the year	379,20,76		4332,28,38	
	Deductions during the year	-	9957,28,52	30,61	9578,07,76
III.	**Share Premium**				
	Opening Balance	79124,21,51		55423,23,36	
	Additions during the year	37,92		23718,58,11	
	Deductions during the year	9,12,38	79115,47,05	17,59,96	79124,21,51
IV.	**Foreign Currency Translation Reserves**				
	Opening Balance	6379,09,54		5073,92,01	
	Additions during the year	1143,03,70		1498,80,30	
	Deductions during the year	66,75,03	7455,38,21	193,62,77	6379,09,54

(000s omitted)

		As at 31.03.2019 (Current Year) ₹		As at 31.03.2018 (Previous Year) ₹	
V.	**Revaluation Reserve**				
	Opening Balance	24847,98,65		35593,88,13	
	Additions during the year	-		662,40,83	
	Deductions during the year	194,04,57	24653,94,08	11408,30,31	24847,98,65
VI.	**Revenue and Other Reserves**				
	Opening Balance	53483,27,03		54644,18,21	
	Additions during the year ##	1213,96,33		3264,59,39	
	Deductions during the year	291,81,33	54405,42,03	4425,50,57	53483,27,03
VII.	**Balance in Profit and Loss Account**		(8328,39,99)		(9941,19,94)
	TOTAL		**233603,19,93**		**229429,48,68**

includes Capital Reserve on consolidation ₹ 123,66,46 thousand (Previous Year ₹ 123,66,46 thousand)
net of consolidation adjustments

Schedule 3 - Deposits

(000s omitted)

	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
A. I. Demand Deposits		
(i) From Banks	6722,18,31	5240,84,61
(ii) From Others	201073,14,59	185795,42,20
II. Savings Bank Deposits	1102172,37,48	1019137,42,48
III. Term Deposits		
(i) From Banks	8235,22,81	15027,28,78
(ii) From Others	1622338,12,92	1496977,30,14
TOTAL	**2940541,06,11**	**2722178,28,21**
B I. Deposits of Branches in India	2812134,71,07	2596232,33,79
II. Deposits of Branches outside India	128406,35,04	125945,94,42
TOTAL	**2940541,06,11**	**2722178,28,21**

Schedule 4 - Borrowings

(000s omitted)

		As at 31.03.2019 (Current Year) ₹		As at 31.03.2018 (Previous Year) ₹
I. Borrowings in India				
(i) Reserve Bank of India		96089,00,00		95394,09,00
(ii) Other Banks		4741,05,31		4822,21,61
(iii) Other Institutions and Agencies		32112,46,32		4370,23,49
(iv) Capital Instruments :				
a. Innovative Perpetual Debt Instruments (IPDI)	19152,30,00		11835,00,00	
b. Subordinated Debt & Bonds	29153,93,90	48306,23,90	33665,66,40	45500,66,40
TOTAL		**181248,75,53**		**150087,20,50**
II. Borrowings outside India				
(i) Borrowings and Refinance outside India		229909,13,07		216974,38,38
(ii) Capital Instruments :				
a. Innovative Perpetual Debt Instruments (IPDI)	2074,65,00		1955,25,00	
b. Subordinated Debt & Bonds	515,12,50	2589,77,50	62,50,00	2017,75,00
TOTAL		**232498,90,57**		**218992,13,38**
GRAND TOTAL (I & II)		**413747,66,10**		**369079,33,88**
Secured Borrowings included in I & II above		**127177,07,29**		**108384,82,97**

Schedule 5 - Other Liabilities & Provisions

(000s omitted)

	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I. Bills payable	23914,03,90	26667,07,53
II. Inter Bank Adjustments (net)	-	-
III. Inter Office adjustments (net)	21735,79,14	40734,57,50
IV. Interest accrued	14232,96,48	15996,01,47
V. Deferred Tax Liabilities (net)	4,17,10	5,38,82
VI Liabilities relating to Policyholders in Insurance Business	140095,62,31	115128,68,83
VII Provision for Standard Assets	12709,13,43	12717,18,97
VIII Others (including provisions)	80953,96,56	79000,82,17
TOTAL	**293645,68,92**	**290249,75,29**

Schedule 6 - Cash and Balances with Reserve Bank of India

(000s omitted)

	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I. Cash in hand (including foreign currency notes and gold)	19144,28,44	15796,02,76
II. Balance with Reserve Bank of India		
(i) In Current Account	158197,60,63	134973,42,93
(ii) In Other Accounts	20,85,02	-
TOTAL	**177362,74,09**	**150769,45,69**

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

(000s omitted)

	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I. In India		
(i) Balances with banks		
(a) In Current Accounts	971,83,35	380,85,00
(b) In Other Deposit Accounts	1959,46,21	2275,38,97
(ii) Money at call and short notice		
(a) With banks	4608,88,73	1613,94,26
(b) With other institutions	-	-
TOTAL	**7540,18,29**	**4270,18,23**
II. Outside India		
(i) In Current Accounts	20571,96,27	29445,08,67
(ii) In Other Deposit Accounts	3205,38,56	1550,38,84
(iii) Money at call and short notice	16831,99,18	9253,99,40
TOTAL	**40609,34,01**	**40249,46,91**
GRAND TOTAL (I and II)	**48149,52,30**	**44519,65,14**

Schedule 8 - Investments

(000s omitted)

	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I. Investments in India in :		
(i) Government Securities	817674,70,52	898369,89,37
(ii) Other Approved Securities	13769,53,82	9203,62,94
(iii) Shares	42825,92,12	36902,41,97
(iv) Debentures and Bonds	123765,40,08	108220,08,31
(v) Subsidiary and Associates	3383,71,53	3061,30,04
(vi) Others (Units of Mutual Funds, Commercial Papers etc.)	63880,18,56	80682,84,64
TOTAL	**1065299,46,63**	**1136440,17,27**
II. Investments outside India in :		
(i) Government Securities (including local authorities)	14513,99,84	13318,89,79

(000s omitted)

	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
(ii) Associates	136,33,52	113,74,52
(iii) Other Investments (Shares, Debentures, etc.)	39297,96,63	33921,42,61
TOTAL	**53948,29,99**	**47354,06,92**
GRAND TOTAL (I and II)	**1119247,76,62**	**1183794,24,19**
III. Investments in India :		
(i) Gross Value of Investments	1076593,00,40	1148190,17,89
(ii) Less: Aggregate of Provisions / Depreciation	11293,53,77	11750,00,62
Net Investments (vide I above)	**1065299,46,63**	**1136440,17,27**
IV. Investments outside India :		
(i) Gross Value of Investments	54146,46,58	47900,20,34
(ii) Less: Aggregate of Provisions / Depreciation	198,16,59	546,13,42
Net Investments (vide II above)	**53948,29,99**	**47354,06,92**
GRAND TOTAL (III and IV)	**1119247,76,62**	**1183794,24,19**

Schedule 9 - Advances

(000s omitted)

	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
A. I. Bills purchased and discounted	81528,37,41	68767,36,05
II. Cash Credits, Overdrafts and Loans Repayable on demand	799218,03,33	758550,41,15
III. Term loans	1346107,25,98	1132800,76,31
TOTAL	**2226853,66,72**	**1960118,53,51**
B. I. Secured by tangible assets (includes advances against Book Debts)	1603654,21,87	1515859,93,23
II. Covered by Bank/ Government Guarantees	80289,66,46	68812,50,75
III. Unsecured	542909,78,39	375446,09,53
TOTAL	**2226853,66,72**	**1960118,53,51**
C. I. Advances in India		
(i) Priority Sector	520729,77,60	448358,95,60
(ii) Public Sector	240295,89,39	161939,24,46
(iii) Banks	9494,93,60	3280,07,87
(iv) Others	1127585,24,83	1031896,41,62
TOTAL	**1898105,85,42**	**1645474,69,55**

(000s omitted)

	As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
II. Advances outside India		
(i) Due from banks	69802,85,72	77109,63,56
(ii) Due from others		
(a) Bills purchased and discounted	26741,06,57	14668,01,47
(b) Syndicated loans	150765,88,72	124511,75,00
(c) Others	81438,00,29	98354,43,93
TOTAL	**328747,81,30**	**314643,83,96**
GRAND TOTAL [C (I) and C (II)]	**2226853,66,72**	**1960118,53,51**

Schedule 10 - Fixed Assets

(000s omitted)

		As at 31.03.2019 (Current Year) ₹		As at 31.03.2018 (Previous Year) ₹
I. Premises				
At cost/revalued as on 31st March of the preceding year	30933,23,37		42107,56,59	
Additions:				
- during the year	707,34,92		119,06,88	
- for Revaluation	-		-	
Deductions during the year	39,60,68		11293,40,10	
Depreciation to date:				
- on cost	793,71,67		666,86,16	
- on Revaluation	497,17,97	30310,07,97	308,66,78	29957,70,43
II. Other Fixed Assets (including furniture and fixtures)				
At cost/revaluation as on 31st March of the preceding year	31649,29,47		28512,42,79	
Additions during the year	3018,06,52		4165,17,52	
Deductions during the year	1481,92,84		1028,30,84	
Depreciation to date	23627,73,26	9557,69,89	21359,74,23	10289,55,24
III. Leased Assets				
At cost/revalued as on 31st March of the preceding year	120,02,20		117,38,81	
Additions during the year	35,64,65		6,85,52	
Deductions during the year	57,63		4,22,13	
Depreciation to date (including provisions)	82,11,57		66,55,50	
	72,97,65		53,46,70	
Less : Lease Adjustment Account	-	72,97,65	-	53,46,70
IV. Assets under Construction (including Premises)		762,29,75		925,06,89
TOTAL (I, II, III and IV)		**40703,05,26**		**41225,79,26**

Schedule 11 - Other Assets

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I.	Inter Office adjustments (net)	7,71,53	-
II.	Inter Bank Adjustments (net)	123,67,98	26,70,13
III.	Interest accrued	29047,16,58	28002,40,66
IV.	Tax paid in advance / tax deducted at source	24699,95,89	17728,89,88
V.	Stationery and Stamps	133,99,80	125,47,34
VI.	Non-banking assets acquired in satisfaction of claims	23,65,84	30,41,48
VII.	Deferred tax assets (net)	10983,19,07	11837,70,33
VIII.	Deposits placed with NABARD/SIDBI/NHB	138245,29,37	95643,16,91
IX.	Others #	72885,65,26	82622,11,93
TOTAL		**276150,31,32**	**236016,88,66**

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

Schedule 12 - Contingent Liabilities

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I.	Claims against the group not acknowledged as debts	43964,90,09	35546,03,53
II.	Liability for partly paid investments / Venture Funds	1127,87,61	619,44,30
III.	Liability on account of outstanding forward exchange contracts	597800,34,53	644808,04,15
IV.	Guarantees given on behalf of constituents		
	(a) In India	157417,08,56	149282,50,36
	(b) Outside India	72739,27,63	67762,40,06
V.	Acceptances, endorsements and other obligations	124526,15,33	121900,95,22
VI.	Other items for which the group is contingently liable	123670,64,08	146415,42,59
TOTAL		**1121246,27,83**	**1166334,80,21**

Bills for collection		**70047,22,64**	**74060,22,00**

State Bank of India

Consolidated Profit And Loss Account For The Year Ended 31st March 2019

(000s omitted)

		Schedule No.	Year ended 31.03.2019 (Current Year) ₹	Year ended 31.03.2018 (Previous Year) ₹
I.	**INCOME**			
	Interest earned	13	253322,14,36	228970,27,66
	Other Income	14	77365,21,58	77557,39,04
	TOTAL		**330687,35,94**	**306527,66,70**
II.	**EXPENDITURE**			
	Interest expended	15	155867,46,03	146602,98,20
	Operating expenses	16	114800,30,80	96154,51,90
	Provisions and contingencies		56950,51,70	67957,57,98
	TOTAL		**327618,28,53**	**310715,08,08**
III.	**PROFIT/(LOSS)**			
	Net Profit /(Loss) for the year (before adjustment for Share in Profit of Associates and Minority Interest)		3069,07,41	(4187,41,38)
	Add: Share in Profit of Associates		281,47,94	438,15,98
	Less: Minority Interest		1050,91,44	807,03,60
	Net Profit/(Loss) for the Group		2299,63,91	(4556,29,00)
	Profit/(Loss) Brought forward		(9941,19,94)	(4340,03,96)
	TOTAL		**(7641,56,03)**	**(8896,32,96)**
IV.	**APPROPRIATIONS**			
	Transfer to Statutory Reserves		386,05,90	59,94,63
	Transfer to Other Reserves		243,79,58	921,21,43
	Dividend for the previous year paid during the year (including Tax on Dividend)		-	-
	Final Dividend for the year		-	-
	Tax on Dividend		56,98,48	63,70,92
	Balance carried over to Balance Sheet		(8328,39,99)	(9941,19,94)
	TOTAL		**(7641,56,03)**	**(8896,32,96)**
	Basic Earnings per Share		₹ 2.58	₹ (5.34)
	Diluted Earnings per Share		₹ 2.58	₹ (5.34)
	Significant Accounting Policies	17		
	Notes to Accounts	18		
	Schedules referred to above form an integral part of the Profit & Loss Account			

Smt. Anshula Kant
MD (SARC)

Shri Arijit Basu
MD (CCG & IT)

Shri Dinesh Kumar Khara
MD (GB & S)

Shri P. K. Gupta
MD (R & DB)

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

Shri Rajnish Kumar
Chairman

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

Mumbai
Dated 10th May 2019

Schedule 13 - Interest Earned

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I.	Interest / discount on advances/ bills	166124,58,30	144958,59,17
II.	Income on Investments	80243,50,66	75036,61,62
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	1324,75,88	2410,75,18
IV.	Others	5629,29,52	6564,31,69
TOTAL		**253322,14,36**	**228970,27,66**

Schedule 14 - Other Income

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I.	Commission, exchange and brokerage	22801,37,60	22829,85,38
II.	Profit / (Loss) on sale of investments (Net) #	3933,13,61	14170,08,63
III.	Profit / (Loss) on revaluation of investments (Net)	(2124,03,82)	(1120,61,02)
IV.	Profit /(Loss) on sale of land, building and other assets including leased assets (net)	(32,35,82)	(30,73,27)
V.	Profit / (Loss) on exchange transactions (Net)	2209,07,07	2522,45,61
VI.	Dividends from Associates in India/ abroad	11,71,87	15,45,97
VII.	Income from Finance Lease	-	-
VIII.	Credit Card membership/ service fees	3179,78,08	2126,48,67
IX.	Insurance Premium Income (net)	35225,02,54	26925,87,69
X.	Recoveries made in Write-off Accounts	8607,44,37	5522,46,46
XI.	Miscellaneous Income	3554,06,08	4596,04,92
TOTAL		**77365,21,58**	**77557,39,04**

Profit/(Loss) on sale of investments (Net)includes exceptional item of ₹ 466.48 crore (Previous year ₹ 5036.21 crore)

Schedule 15 - Interest Expended

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I.	Interest on Deposits	140920,19,82	136109,15,67
II.	Interest on Reserve Bank of India/ Inter-bank borrowings	10103,57,61	5686,89,92
III.	Others	4843,68,60	4806,92,61
TOTAL		**155867,46,03**	**146602,98,20**

Schedule 16 - Operating Expenses

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
I.	Payments to and provisions for employees	43795,01,41	35410,62,16
II.	Rent, taxes and lighting	5553,08,91	5392,58,19
III.	Printing & Stationery	595,00,09	603,44,87
IV.	Advertisement and publicity	2360,81,37	1997,56,23
V.	(a) Depreciation on Fixed Assets (other than Leased Assets)	3479,97,41	3094,39,40

(000s omitted)

		As at 31.03.2019 (Current Year) ₹	As at 31.03.2018 (Previous Year) ₹
	(b) Depreciation on Leased Assets	15,91,80	10,67,70
VI.	Directors' fees, allowances and expenses	9,71,04	6,53,54
VII.	Auditors' fees and expenses (including branch auditors' fees and expenses)	307,00,17	296,38,24
VIII.	Law charges	578,53,06	501,90,13
IX.	Postages, Telegrams, Telephones, etc.	568,56,57	671,28,78
X.	Repairs and maintenance	1057,77,33	971,89,71
XI.	Insurance	2860,59,09	2774,59,09
XII.	Other Operating Expenses relating to Credit Card Operations	1105,59,01	1155,03,28
XIII.	Other Operating Expenses relating to Insurance Business	37907,82,48	29377,17,22
XIV.	Other Expenditure	14604,91,06	13890,43,36
TOTAL		**114800,30,80**	**96154,51,90**

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 29 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:-

i. When the bank sells its financial assets to Securitisation Company (SC)/Reconstruction Company (RC), the same is removed from the books.

ii. If the sale is at a price below the net book value (NBV) (i.e., book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of sale

iii. If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received, as permitted by the RBI.

1.11 Non-banking entities:

Merchant Banking:

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

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

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

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

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

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

Asset Management:

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

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

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

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

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

Credit Card Operations:

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

b. Interchange income is recognised on accrual basis.

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

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

Factoring:

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

Life Insurance:

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

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

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

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

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

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

g. Benefits paid:

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

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

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

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

General Insurance:

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

b. Commission received on reinsurance ceded is recognised as income in the period in which reinsurance risk is ceded. Profit commission under re-insurance treaties, wherever applicable, is recognized as income in the year of final determination of the profits as intimated by Reinsurer 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. The primary test for determination as acquisition cost is the obligatory relationship between the costs and the execution of the insurance contracts (i.e. commencement of risk).

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

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

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

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

Custody & Fund accounting services:

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

Pension Fund Operation:

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

Trustee Operations:

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

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

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

Infrastructure and Facility Management:

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

Merchant Acquiring Business:

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

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

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

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

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

2. Investments:

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

2.1 Classification:

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

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.

2.3 Valuation:

A. Banking Business:

i. In determining the acquisition cost of an investment:

a. Brokerage/commission received on subscriptions is reduced from the cost.

b. Brokerage, commission, securities transaction tax, etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.

c. Broken period interest paid / received on debt instruments is treated as interest expense/income and is excluded from cost/sale consideration.

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

ii. Transfer of securities from HFT/AFS category to HTM category is carried out at the lower of acquisition cost/book value/market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for. However, transfer of securities from HTM category to AFS category is carried out on acquisition price/book value. After transfer, these securities are immediately revalued and resultant depreciation, if any, is provided.

iii. Treasury Bills and Commercial Papers are valued at carrying cost.

iv. **Held to Maturity category:** Investments under Held to Maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period of remaining maturity on constant yield basis. Such amortisation of premium is adjusted against income under the head "interest on investments". A provision is made for diminution, other than temporary, for each investment individually. Investments in Regional Rural Banks (RRBs) are valued at equity cost determined in accordance with AS 23 of the ICAI.

v. **Available for Sale and Held for Trading categories:** Investments held under AFS and HFT categories are individually revalued at the market price or fair value determined as per 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:

a. Interest/instalment (including maturity proceeds) is due and remains unpaid for more than 90 days.

b. In the case of equity shares, in the event the investment in the shares of any company is valued at ₹ 1 per company on account of the non-availability of the latest balance sheet, those equity shares would be reckoned as NPI.

c. If any credit facility availed by an entity is NPA in the books of the bank, investment in any of the securities issued by the same entity would also be treated as NPI and vice versa.

d. The above would apply mutatis-mutandis to Preference Shares where the fixed dividend is not paid.

e. The investments in debentures/bonds, which are deemed to be in the nature of advance, are also subjected to NPI norms as applicable to investments.

f. In respect of foreign offices/entities, provisions for NPIs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.

viii. **Accounting for Repo/Reverse Repo transactions (other than transactions under the Liquidity Adjustment Facility (LAF) with the RBI)**

a. The securities sold and purchased under Repo/ Reverse Repo are accounted as Collateralized lending and borrowing transactions. However securities are transferred as in the case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/income, as the case may be. Balance in Repo A/c is classified under Schedule 4 (Borrowings) and balance in Reverse Repo A/c is classified under Schedule 7 (Balance with Banks and Money at Call & Short Notice).

b. Interest expended/earned on Securities purchased/ sold under LAF with RBI is accounted for as expenditure/ revenue.

Market repurchase and reverse repurchase transactions as well as the transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Borrowings and Lending transactions in accordance with the extant RBI guidelines.

B. Insurance Business:

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

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

- All debt securities, including government securities and money market securities are stated at historical cost subject to amortisation of premium or accretion of discount.
- Listed equity shares, equity related instruments and preference shares are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the closing price at primary exchange i.e. National Stock Exchange of India Limited ('NSE') is considered. If NSE closing price is not available, the closing price of the secondary exchange i.e. BSE Limited ('BSE') is considered.
- Unlisted equity securities, equity related instruments and preference shares are measured at historical cost.
- In case of Security Lending and Borrowing (SLB), equity shares lent are valued as per valuation policy for equity shares as mentioned above.
- Additional Tier 1 (Basel III compliant) Perpetual Bonds classified under "Equity" as specified by IRDAI, are valued at prices obtained from Credit Rating Information Services of India Limited (CRISIL).
- Investments in mutual fund units are valued at the Net Asset Value (NAV) of previous day in life insurance and of balance sheet date in general insurance.
- Investment in Alternative Investment Funds (AIFs) are valued at latest available NAV.

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

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

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

3. Loans /Advances and Provisions thereon:

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

i. In respect of term loans, interest and/or instalment of principal remains overdue for a period of more than 90 days;

ii. In respect of Overdraft or Cash Credit advances, the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit/drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance-sheet, or if the credits are not adequate to cover the interest debited during the same period;

iii. In respect of bills purchased/discounted, the bill remains overdue for a period of more than 90 days;

iv. In respect of agricultural advances (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.

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

i. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.

ii. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months.

iii. Loss: A loan asset where loss has been identified but the amount has not been fully written off.

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

Substandard Assets:

i. A general provision of 15% on the total outstanding;

ii. Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realisable value of security is not more than 10 percent ab-initio);

iii. Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available – 20%.

Doubtful Assets:

-Secured portion:

i. Upto one year – 25%

ii. One to three years – 40%

iii. More than three years – 100%

-Unsecured portion 100%

Loss Assets: 100%

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

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

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

Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.

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

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

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

3.10 Appropriation of recoveries in NPAs (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

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 extra ordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

5. Provision for Country Exposure for Banking Entities:

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

6. Derivatives:

6.1 The Bank enters into derivative contracts, such as foreign currency options, interest rate swaps, currency swaps, cross currency interest rate swaps and forward rate agreements in order to hedge on-balance sheet/ off-balance sheet assets and liabilities or for trading purposes. The swap contracts entered to hedge on-balance sheet assets and liabilities are structured in such a way that they bear an opposite and offsetting impact with the underlying on-balance sheet items. The impact of such derivative instruments is correlated with the movement of the underlying assets and accounted in accordance with the principles of hedge accounting.

6.2 Derivative contracts classified as hedge are recorded on accrual basis. Hedge contracts are not marked to market unless the underlying assets / liabilities are also marked to market.

6.3 Except as mentioned above, all other derivative contracts are marked to market as per the Generally Accepted Accounting Practices prevalent in the industry. In respect of derivative contracts that are marked to market, changes in the market value are recognised in the Profit and Loss Account in the period of change. Any receivable under 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".

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

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

7. Fixed Assets Depreciation and Amortisation:

7.1 Fixed Assets are carried at cost less accumulated depreciation/ amortisation.

7.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability.

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

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

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

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

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

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

7.9 The Bank considers only immovable assets for revaluation. Properties acquired during the last three years are not revalued. Valuation of the revalued assets is done at every three years thereafter.

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

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

8. Leases:

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

9. Impairment of Assets:

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

10. Effect of changes in the foreign exchange rate:

10.1 Foreign Currency Transactions

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

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

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

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

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

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

vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.

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

10.2 Foreign Operations:

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

a. Non-integral Operations:

i. Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.

ii. Income and expenditure of non-integral foreign operations are translated at quarterly average closing rates notified by FEDAI.

iii. Exchange differences arising on investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the investment.

iv. The Assets and Liabilities of foreign offices/ subsidiaries /joint ventures in foreign currency (other than local currency of the foreign offices/ subsidiaries/joint ventures) are translated into local currency using spot rates applicable to that country on the Balance Sheet date.

b. Integral Operations:

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

ii. Monetary foreign currency assets and liabilities of integral foreign operations are translated at closing (Spot/Forward) exchange rates notified by FEDAI at the Balance Sheet date and the resulting Profit/Loss is included in the Profit and Loss Account. Contingent Liabilities are translated at Spot rate.

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

11. Employee Benefits:

11.1 Short Term Employee Benefits:

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

11.2 Long Term Employee Benefits:

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

iii. Other Long Term Employee benefits:

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.

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

12. 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.

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 (other than minority) 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 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.

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 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.

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

14.4 Contingent Assets are not recognised in the financial statements.

15. 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

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 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

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

1.1 The 29 Subsidiaries, 8 Joint Ventures and 20 Associates including 18 Regional Rural Banks from/upto respective dates of merger/exit during the year (which along with State Bank of India, the parent, constitute the Group), considered in the preparation of the consolidated financial statements, are

A) Subsidiaries:

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	72.17
8)	SBI Global Factors Ltd.	India	86.18	86.18
9)	SBI Infra Management Solutions Pvt. Ltd.	India	100.00	100.00
10)	SBI Mutual Fund Trustee Company Pvt Ltd.	India	100.00	100.00
11)	SBI Payment Services Pvt. Ltd.@	India	74.00	100.00
12)	SBI Pension Funds Pvt Ltd.	India	92.60	92.60
13)	SBI Life Insurance Company Ltd.	India	62.10	62.10
14)	SBI General Insurance Company Ltd. @	India	70.00	74.00
15)	SBI Cards and Payment Services Pvt. Ltd. @	India	74.00	74.00
16)	SBI Business Process Management Services Pvt Ltd.@	India	74.00	74.00

Sr. No.	Name of the Subsidiary	Country of Incorporation	Group's Stake (%) Current Year	Previous Year
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 (UK) Limited	UK	100.00	-
25)	State Bank of India Servicos Limitada	Brazil	100.00	100.00
26)	SBI (Mauritius) Ltd.	Mauritius	96.60	96.60
27)	PT Bank SBI Indonesia	Indonesia	99.00	99.00
28)	Nepal SBI Bank Ltd.	Nepal	55.00	55.00
29)	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%.

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

Sr. No.	Name of the Associate		Group's Stake (%)	
		Country of Incorporation	Current Year	Previous Year
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	35.00
16)	Telangana Grameena Bank	India	35.00	35.00
17)	Kaveri Grameena Bank	India	35.00	35.00
18)	Malwa Gramin Bank (upto 31.12.2018)	India	35.00	35.00
19)	The Clearing Corporation of India Ltd.	India	20.05	20.05
20)	Bank of Bhutan Ltd.	Bhutan	20.00	20.00

a) In the month of April 2018, State Bank of India (UK) Limited (a wholly owned subsidiary) has commenced its operation. SBI has infused GBP 17.50 crore equivalent to ₹ 1,604.43 crore as paid up capital in State Bank of India (UK) Limited.

b) In the month of May 2018, SBI has infused ₹ 30 crore in Jio Payments Bank Limited (a joint venture). The SBI Group's stake in Jio Payments Bank Limited remains the same.

c) In the month of August 2018, SBI has infused ₹ 347.80 crore in SBI Cards and Payment Services Private Limited (a subsidiary). The SBI Group's stake in SBI Cards & Payment Services Private Limited remains the same.

d) In the month of August 2018, SBI has infused ₹ 2.50 crore in SBI Payment Services Private Limited (SBIPSPL) (a subsidiary).

SBI has transferred its merchant acquiring business (MAB) to SBIPSPL pursuant to a business transfer agreement dated September 29, 2018 for a consideration of ₹ 1,250 crore which has been since realized by SBI.

In the month of January 2019, SBIPSPL issued 15,81,082 equity shares of face value of ₹ 10 each at a price of ₹ 9,819.86 per share including the share premium of ₹ 9,809.86 per share to Hitachi Payments Service Private Limited. Resultantly, the stake of SBI Group in SBIPSPL has reduced from 100% to 74.00%.

e) In the month of September 2018, SBI sold its 4.00% stake in SBI General Insurance Company Limited (a subsidiary). The stake of SBI group in SBI General Insurance Company Limited has reduced from 74.00% to 70.00%.

f) In the month of December 2018, SBI has infused ₹ 30 crore in SBI Infra Management Solutions Private Limited. The SBI Group's stake in SBI Infra Management Solutions Private Limited remains the same.

g) In the month of February 2019, SBI Capital Markets Limited (a subsidiary) has infused ₹ 10.70 crore in SBICAP Ventures Limited (a subsidiary). The SBI Group's stake in SBICAP Ventures Limited remains the same.

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

Regional Rural Banks	Amount
Utkal Grameena Bank	63.14
Madhyanchal Gramin Bank	57.63
Rajasthan Marudhara Gramin Bank	7.28
Nagaland Rural Bank	0.65
TOTAL	**128.70**

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

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

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

	Name of transferor RRBs	Sponsor Bank of transferor RRBs	New Name after Amalgamation of RRBs	Sponsor Bank of transferee RRBs	Effective Date of Amalgamation
1.	Punjab Gramin Bank	Punjab National Bank	Punjab Gramin Bank	Punjab National Bank	1st January ,2019
	Malwa Gramin Bank	State Bank of India			
	Sutlej Gramin Bank	Punjab & Sind Bank			
2	Pragathi Krishna Gramin Bank	Canara Bank	Karnataka Gramin Bank	Canara Bank	1st April ,2019
	Kaveri Grameena Bank	State Bank of India			
3	Assam Gramin Vikash Bank	United Bank of India	Assam Gramin Vikash Bank	United Bank of India	1st April ,2019
	Langpi Dehangi Rural Bank	State Bank of India			
The details of amalgamation of RRBs, where the transferee RRB is sponsored by SBI are as below:-					
1	Jharkhand Gramin Bank	Bank of India	Jharkhand Rajya Gramin Bank	State Bank of India	1st April ,2019
	Vananchal Gramin Bank	State Bank of India			

j) 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.

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

1.2 The consolidated financial statements for the financial year 2018-19 of the Group include unaudited financial statements of one subsidiary (SBI Canada Bank) & three associates (including Bank of Bhutan Ltd. and two Regional Rural Banks), the results of which are not material.

2. Share capital:

a) SBI received application money of ₹ 0.38 crore including share premium of ₹ 0.38 crore by way of the issue of 24,000 equity shares of ₹ 1 each kept in abeyance due to various title disputes or third party claims out of the Right Issue closed on 18.03.2008. The equity shares kept in abeyance were allotted on 31.01.2019.

b) Expenses in relation to the issue of shares: ₹ 9.12 crore (Previous Year ₹ 17.60 crore) is debited to Share Premium Account.

3. Disclosures as per Accounting Standards

3.1 Accounting Standard- 15 "Employee Benefits":

3.1.1 Defined Benefit Plans

3.1.1.1 Employee's Pension Plans and Gratuity Plans

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

₹ in crore

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation at 1st April 2018	87,786.56	83,870.13	13,025.81	9,929.61
Adjustment for SBI Business Process Management Pvt Ltd.*	-	-	-	8.70
Current Service Cost	1,060.57	978.19	430.32	302.75
Interest Cost	6,812.24	6,248.32	1,012.43	722.05
Past Service Cost (Vested Benefit)	-	-	-	3,614.64
Liability transferred In/ Acquisitions	-	-	-	1.20
Actuarial losses /(gains)	6,434.95	3,338.70	(89.76)	(9.83)
Benefits paid	(3,966.53)	(4,190.43)	(2,000.50)	(1,543.31)
Direct Payment by SBI	(2,765.64)	(2,458.35)	-	-
Closing defined benefit obligation at 31st March 2019	**95,362.15**	**87,786.56**	**12,378.30**	**13,025.81**
Change in Plan Assets				
Opening fair value of plan assets at 1st April 2018	85,249.60	79,303.20	9,263.16	9,863.77
Adjustment for SBI Business Process Management Pvt Ltd. *	-	-	-	6.21
Expected Return on Plan assets	6,615.37	5,908.09	721.37	717.37
Contributions by employer	2,391.18	4,363.81	2,404.93	243.49
Assets transferred In/Acquisitions	-	-	-	2.01
Expected Contribution by the employees	0.34	-	-	-
Benefits Paid	(3,966.53)	(4,190.43)	(2,000.50)	(1,543.32)
Actuarial Gains / (Losses) on plan assets	109.65	(135.07)	104.50	(26.37)
Closing fair value of plan assets at 31st March 2019	**90,399.61**	**85,249.60**	**10,493.46**	**9,263.16**
Reconciliation of present value of the obligation and fair value of the plan assets				
Present Value of funded obligation at 31st March 2019	95,362.15	87,786.56	12,378.30	13,025.81
Fair Value of plan assets at 31st March 2019	90,399.61	85,249.60	10,493.46	9,263.16
Deficit/(Surplus)	4,962.54	2,536.96	1,884.84	3,762.65
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	(2,707.50)
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	**4,962.54**	**2,536.96**	**1,884.84**	**1,055.15**
Amount Recognised in the Balance Sheet				
Liabilities	95,362.15	87,786.56	12,378.30	13,025.81
Assets	90,399.61	85,249.60	10,493.46	9,263.16
Net Liability / (Asset) recognised in Balance Sheet	4,962.54	2,536.96	1,884.84	3,762.64
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	(2,707.50)
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/ (Asset)	**4,962.54**	**2,536.96**	**1,884.84**	**1,055.15**
Net Cost recognised in the profit and loss account				
Current Service Cost	1,060.57	978.19	430.32	302.75

₹ in crore

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Interest Cost	6,812.24	6,248.32	1,012.43	722.05
Expected return on plan assets	(6,615.37)	(5,908.09)	(721.37)	(717.37)
Expected Contributions by the employees	(0.34)	-	-	-
Past Service Cost (Amortised) Recognised	-	-	-	0.05
Past Service Cost (Vested Benefits) Recognised	-	-	2,707.50	907.09
Net Actuarial Losses / (Gains) recognised during the year	6,325.30	3,473.77	(194.26)	16.54
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	**7,582.40**	**4,792.19**	**3,234.62**	**1,231.11**
Reconciliation of expected return and actual return on Plan Assets				
Expected Return on Plan Assets	6,615.37	5,908.09	721.37	717.37
Actuarial Gains/ (Losses) on Plan Assets	109.65	(135.07)	104.50	(26.37)
Actual Return on Plan Assets	6,725.02	5773.02	825.87	691.00
Reconciliation of opening and closing net liability/(asset) recognised in Balance Sheet				
Opening Net Liability/(Asset) as at 1st April 2018	**2,536.96**	**4,566.93**	**1,055.15**	**65.84**
Adjustment for SBI Business Process Management Pvt Ltd.*	-	-	-	2.50
Expenses as recognised in profit and loss account	7,582.40	4,792.19	3,234.62	1231.11
Paid by SBI Directly	(2,765.64)	(2,458.35)	-	-
Debited to Other Provision	-	-	-	-
Recognised in Reserve	-	-	-	-
Net Liability/ (Asset) transferred in	-	-	-	(0.81)
Employer's Contribution	(2,391.18)	(4,363.81)	(2,404.93)	(243.49)
Net liability/(Asset) recognised in Balance Sheet	**4,962.54**	**2,536.96**	**1,884.84**	**1,055.15**

* Adjustment is due to change in method of consolidation in case of SBI 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, 2019 are as follows:

Category of Assets	Pension Fund % of Plan Assets	Gratuity Fund % of Plan Assets
Central Govt. Securities	23.69%	18.49%
State Govt. Securities	31.40%	33.42%
Debt Securities, Money Market Securities and Bank Deposits	31.93%	22.92%
Mutual Funds	2.39%	4.02%
Insurer Managed Funds	2.63%	16.71%
Others	7.96%	4.44%
TOTAL	**100.00%**	**100.00%**

Principal actuarial assumptions:

Particulars	Pension Plans	
	Current Year	Previous Year
Discount Rate	7.79%	7.76%
Expected Rate of return on Plan Asset	7.79%	7.76%
Salary Escalation Rate	5.20%	5.00%
Pension Escalation Rate	0.40%	-
Attrition Rate	2.00%	2.00%

Particulars	Gratuity Plans	
	Current Year	Previous Year
Discount Rate	7.77%	7.78%
Expected Rate of return on Plan Asset	7.77%	7.78%
Salary Escalation Rate	5.20%	5.00%
Attrition Rate	2.00%	2.00%

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

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

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

3.1.1.2 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. 2018-19.

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

₹ in crore

Particulars	Provident Fund	
	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1st April 2018	30,298.65	26,221.36
Current Service Cost	965.04	961.65
Interest Cost	2507.55	2,455.58
Employee Contribution (including VPF)	1377.59	1,396.25
Liability Transferred In	-	3,309.05
Actuarial losses/(gains)	-	25.56
Benefits paid	(4220.11)	(4,070.79)
Closing defined benefit obligation at 31st March 2019	**30,928.72**	**30,298.66**
Change in Plan Assets		
Opening fair value of Plan Assets as at 1st April 2018	31,874.25	27,221.93
Expected Return on Plan Assets	2,507.55	2,455.58
Contributions	2,342.63	2,357.90
Transferred from other Companies	-	3,723.65
Benefits Paid	(4220.11)	(4,070.79)
Actuarial Gains / (Loss) on plan Assets	126.22	185.98
Closing fair value of plan assets as at 31st March 2019	**32,630.54**	**31,874.25**
Reconciliation of present value of the obligation and fair value of the plan assets		
Present Value of Funded obligation at 31st March 2019	30,928.72	30,298.66
Fair Value of Plan assets at 31st March 2019	32,630.54	31,874.25
Deficit/(Surplus)	(1,701.82)	(1,575.59)

₹ in crore

Particulars	Provident Fund	
	Current Year	Previous Year
Net Asset not recognised in Balance Sheet	**1,701.82**	**1,575.59**
Net Cost recognised in the profit and loss account		
Current Service Cost	965.04	961.65
Interest Cost	2,507.55	2,455.58
Expected return on plan assets	-2,507.55	(2,455.58)
Interest shortfall reversed	-	-
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	965.04	961.65
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1st April 2018	-	-
Expense as above	965.04	961.65
Employer's Contribution	(965.04)	(961.65)
Net Liability/(Asset) Recognized In the Balance Sheet	-	-

Investments under Plan Assets of Provident Fund as on March 31, 2019 are as follows:

Category of Assets	Provident Fund
	% of Plan Assets
Central Govt. Securities	35.34%
State Govt. Securities	24.83%
Debt Securities, Money Market Securities and Bank Deposits	31.74%
Mutual Funds	1.44%
Others	6.65%
TOTAL	**100.00%**

Principal actuarial assumptions

Particulars	Provident Fund	
	Current Year	Previous Year
Discount Rate	7.77%	7.78%
Guaranteed Return	8.55%	8.65%
Attrition Rate	2.00%	2.00%
Salary Escalation	5.20%	5.00%

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

(a) one half percent above the average standard rate (adjusted up or down to the interest one quarter per cent) quoted by SBI for new deposits fixed for twelve months in the preceding year (ending on the preceding the 31st day of March); or

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

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

3.1.2 Defined Contribution Plans

3.1.2.1 Employees Provident Fund

An amount of ₹ 32.79 crore (Previous Year ₹ 28.59 crore) is contributed towards the Provident Fund Scheme by the group (excluding the entities covered in Note 3.1.1.2) and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

3.1.2.2 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 ₹ 451.39 crore [Previous Year ₹ 390.00 crore] has been contributed in the scheme.

3.1.2.3 Accumulating Compensated Absences (Privilege Leave)

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

₹ in crore

Particulars	Accumulating Compensated Absences (Privilege Leave)	
	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1st April 2018	6,248.59	4,760.18
Current Service Cost	261.33	210.19
Interest Cost	485.98	432.32
Liability transferred In/ Acquisitions	-	1,188.49
Actuarial losses/(gains)	741.84	593.93

₹ in crore

Particulars	Accumulating Compensated Absences (Privilege Leave)	
	Current Year	Previous Year
Benefits paid	(861.10)	(936.51)
Closing defined benefit obligation at 31st March 2019	**6,876.64**	**6,248.59**
Net Cost recognised in the profit and loss account		
Current Service Cost	261.33	210.19
Interest Cost	485.98	432.32
Actuarial (Gain)/ Losses	741.84	593.93
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	**1489.15**	**1,236.44**
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1st April 2018	6,248.59	4,760.17
Expense as above	1,489.15	1,236.44
Net Liability/ (Asset) transferred in	-	1,188.49
Employer's Contribution	-	-
Benefit paid directly by the Employer	(861.10)	(936.51)
Net Liability/(Asset) recognized in the Balance Sheet	**6,876.64**	**6,248.59**

Principal actuarial assumptions:

Particulars	Current Year	Previous Year
Discount Rate	7.77%	7.78%
Salary Escalation	5.20%	5.00%
Attrition Rate	2.00%	2.00%

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

An amount of ₹ 30.76 crore (Previous Year ₹ 36.17 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 ₹ 38.55 crore [Previous Year ₹ (-) 38.69 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)	35.80	(4.20)
2	Sick Leave	2.11	3.35
3	Silver Jubilee/Long Term Service Award	12.64	(12.64)
4	Resettlement Expenses on Superannuation	(4.15)	(13.23)
5	Casual Leave	-	-
6	Retirement Award	(7.85)	(11.97)
Total		38.55	(38.69)

3.1.3 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.

3.2 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, Commercial Clients Group and Stressed Assets Resolution Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices/entities.

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

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

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

B) Secondary (Geographical Segment):

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

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

C) Pricing of Inter-segmental Transfers

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

D) Allocation of Revenue, Expenses, Assets and Liabilities

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

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)	77,713.33 (82,163.87)	80,139.68 (64,365.45)	1,21,250.27 (1,11,963.61)	43,417.32 (34,088.37)	11,643.14 (8,637.67)	3,34,163.74 (3,01,218.97)
Unallocated Revenue						903.54 (2,571.02)
Less : Inter Segment Revenue						4,846.40 (2,298.53)
Total Revenue						3,30,220.88 (3,01,491.46)
Result (before exceptional items)	6,593.12 (-16.83)	-15,889.35 (-38,316.71)	12,837.52 (19,464.25)	2,114.81 (1,832.28)	2,290.57 (1,680.23)	7,946.67 (-15,356.78)
Add : Exceptional items	466.48 (5,036.21)					466.48 (5,036.21)
Result (after exceptional items)	7,059.60 (5,019.38)	-15,889.35 (-38,316.71)	12,837.52 (19,464.25)	2,114.81 (1,832.28)	2,290.57 (1,680.23)	8,413.15 (-10,320.57)
Unallocated Income(+)/Expenses(–) net						-3,192.67 (-1,924.34)
Profit/(Loss) Before Tax						5,220.48 (-12,244.91)
Taxes						2,151.41 (-8,057.50)
Extraordinary Profit						0.00 (0.00)
Net Profit/(Loss) before share in profit in Associates and Minority Interest						3,069.07 (-4,187.41)
Add: Share in Profit in Associates						281.48 (438.16)

₹ in crore

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Insurance Business	Other Banking Operations	TOTAL
Less: Minority Interest						1,050.91 (807.04)
Net Profit/(Loss) for the Group						2,299.64 (-4,556.29)
Other Information:						
Segment Assets	10,00,105.22 (10,85,909.92)	11,54,958.34 (10,24,506.47)	14,93,139.12 (13,19,933.76)	1,53,355.50 (1,27,110.66)	33,271.01 (27,548.89)	38,34,829.19 (35,85,009.70)
Unallocated Assets						53,637.87 (31,434.87)
Total Assets						38,88,467.06 (36,16,444.57)
Segment Liabilities	8,28,452.00 (8,10,044.02)	11,77,656.01 (10,63,520.41)	14,04,930.51 (13,11,488.36)	1,43,955.29 (1,19,108.58)	24,650.44 (21,136.24)	35,79,644.25 (33,25,297.61)
Unallocated Liabilities						74,327.15 (60,825.01)
Total Liabilities						36,53,971.40 (33,86,122.62)

PART B: SECONDARY (GEOGRAPHIC) SEGMENTS

₹ in crore

	Domestic Operations	Foreign Operations	TOTAL
Revenue (before exceptional items)	3,13,646.59 (2,88,659.53)	16,574.29 (12,831.93)	3,30,220.88 (3,01,491.46)
Net Profit/(Loss)	(2,151.64) (-6,162.65)	4,451.28 (1,606.36)	2,299.64 (-4,556.29)
Assets	34,50,717.84 (32,04,207.99)	4,37,749.22 (4,12,236.58)	38,88,467.06 (36,16,444.57)
Liabilities	32,22,555.73 (29,78,279.99)	4,31,415.67 (4,07,842.63)	36,53,971.40 (33,86,122.62)

(i) Income/Expenses are for the whole year. Assets/Liabilities are as at March 31, 2019.

(ii) Figures within brackets are for previous year

3.3 Accounting Standard-18 "Related Party Disclosures":

3.3.1 Related Parties to the Group:

A) JOINT VENTURES:

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

B) ASSOCIATES:

i) Regional Rural Banks

1. Andhra Pradesh Grameena Vikas Bank
2. Arunachal Pradesh Rural Bank
3. Chhattisgarh Rajya Gramin Bank
4. Ellaquai Dehati Bank
5. 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 (upto 31.12.2018)

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
2. Shri Dinesh Kumar Khara, Managing Director (Risk, IT & Subsidiaries)
3. Shri P. K. Gupta, Managing Director (Retail & Digital Banking)
4. Shri B. Sriram, Managing Director (Corporate & Global Banking) (upto 29.06.2018)
5. Shri Arijit Basu, Managing Director (Corporate Clients Group & IT) (from 25.06.2018)
6. Smt. Anshula Kant, Managing Director (Stressed Assets, Risks and Compliance) (from 07.09.2018)

3.3.2 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.

3.3.3 Transactions and Balances:

₹ in crore

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Transactions during the year 2018-19			
Interest Income	- (-)	- (-)	- (-)
Interest Expenditure	- (0.09)	- (-)	- (0.09)
Income earned by way of Dividend	19.26 (29.24)	- (-)	19.26 (29.24)
Other Income	0.10 (0.17)	- (-)	0.10 (0.17)
Other Expenditure	0.36 (12.31)	- (-)	0.36 (12.31)
Management Contract	- (-)	1.32 (2.05)	1.32 (2.05)
Outstanding as on March 31, 2019			
Payables			
Deposit	47.18 (44.75)	- (-)	47.18 (44.75)
Other Liabilities	0.29 (1.19)	- (-)	0.29 (1.19)
Receivables			
Balances with Banks	- (-)	- (-)	- (-)
Investments	97.66 (67.66)	- (-)	97.66 (67.66)
Advances	- (-)	- (-)	- (-)
Other Assets	0.08 (0.07)	- (-)	0.08 (0.07)
Maximum outstanding during the year			
Borrowings	- (-)	- (-)	- (-)
Deposit	207.32 (206.21)	- (-)	207.32 (206.21)
Other Liabilities	0.29 (119.61)	- (-)	0.29 (119.61)
Balance with Banks	- (-)	- (-)	- (-)
Advances	- (0.62)	- (-)	- (0.62)
Investment	97.66 (77.10)	- (-)	97.66 (77.10)
Other Assets	0.08 (0.07)	- (-)	0.08 (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.

3.4 Accounting Standard-19 "Leases":

3.4.1 Finance Leases

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

₹ in crore

Particulars	As at 31.03.2019	As at 31.03.2018
Total Minimum lease payments outstanding		
Less than 1 year	24.58	17.26
1 to 5 years	65.08	56.06
5 years and above	-	-
Total	**89.66**	**73.32**
Interest Cost payable		
Less than 1 year	6.03	4.77
1 to 5 years	7.89	13.19
5 years and above	-	-
Total	**13.92**	**17.96**
Present value of minimum lease payments payable		

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018
Less than 1 year	18.55	12.49
1 to 5 years	57.19	42.87
5 years and above	-	-
Total	**75.74**	**55.36**

3.4.2 Operating Lease

Premises taken on operating lease are given below:

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

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

₹ in crore

Particulars	As at 31.03.2019	As at 31.03.2018
Not later than 1 year	188.39	208.53
Later than 1 year and not later than 5 years	558.54	613.72
Later than 5 years	120.46	252.46
Total	**867.39**	**1,074.71**

Amount of lease payments recognised in the Profit & Loss Account for the year is ₹ 3,522.61 crore (Previous Year ₹ 3,440.01 crore).

3.5 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	892,45,87,534	797,35,04,442
Number of Equity Shares issued during the year	24,000	95,10,83,092
Number of Equity Shares outstanding at the end of the year	892,46,11,534	892,45,87,534
Weighted average number of equity shares used in computing basic earnings per share	892,45,91,479	853,30,51,135

Particulars Basic and diluted	Current Year	Previous Year
Weighted average number of shares used in computing diluted earnings per share	892,45,91,479	853,30,51,135
Net Profit/(Loss) for the Group (₹ in crore)	2,299.64	(4,556.29)
Basic earnings per share (₹)	2.58	(5.34)
Diluted earnings per share (₹)	2.58	(5.34)
Nominal value per share (₹)	1.00	1.00

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

i) During the year, ₹ 878.16 crore has been debited to Profit and Loss Account (Previous Year ₹ 9,804.79 crore credited) on account of deferred tax.

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

₹ in crore

Particulars	As at 31.03.2019	As at 31.03.2018
Deferred Tax Assets		
Provision for long term employee Benefits	5,363.60	3,486.07
Provision for advances	4,404.39	4,415.43
Provision for Other Assets/ Other Liability	753.11	743.57
On Accumulated Losses	10,863.94	13,889.32
On Foreign Currency Translation Reserve	235.77	-
Depreciation on Fixed Assets	50.00	14.91
DTAs on account of FOs of SBI	277.68	317.04
Others	220.38	207.56
Total	**22,168.87**	**23,073.90**
Deferred Tax Liabilities		
Depreciation on Fixed Assets	99.44	89.71
Interest accrued but not due on securities	6,389.76	6,315.01
Special Reserve created u/s 36(1)(viii) of Income Tax Act 1961	4,690.10	4,690.10
DTLs on account of FOs of SBI	2.33	2.80
Foreign Currency Translation Reserve		117.30

₹ in crore

Particulars	As at 31.03.2019	As at 31.03.2018
Others	8.22	26.66
Total	**11,189.85**	**11,241.58**
Net Deferred Tax Assets/(Liabilities)	**10,979.02**	**11,832.32**

3.7 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.

3.8 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	1,982.02	1,758.40
	- Deferred Tax	878.16	(9,804.79)
	- Write Back of Income Tax	(708.77)	(11.11)
b)	Provision on Non-Performing Assets	55,343.42	72,217.65
c)	Provision on Restructured Assets	(89.85)	(691.67)
d)	Provision on Standard Assets	20.51	(3,584.56)
e)	Provision for Depreciation on Investments	(606.00)	8,177.30
f)	Other Provisions	131.03	(103.65)
Total		**56,950.52**	**67,957.58**

(Figures in brackets indicate credit)

- **Floating provisions:**

₹ in crore

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

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

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

Sr. No	Particulars	Brief Description
4	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial banking activities, the Group issues documentary credits and guarantees on behalf of its customers. Documentary credits enhance the credit standing of the customers of the Group. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfil its financial or performance obligations.
5	Other items for which the Group is contingently liable	The Group enters into currency options, forward rate agreements, currency swaps and interest rate swaps with inter-Bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as Contingent Liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts. Further, these also include estimated amount of contracts remaining to be executed on capital account and not provided for, letter of comforts issued by SBI on behalf of Associates & Subsidiaries, SBI's Liability under Depositors Education and Awareness Fund A/c and other sundry contingent liabilities.

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

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

₹ in crore

Sr No	Particulars	Current Year	Previous Year
a)	Opening Balance	526.29	1,026.38
b)	Additions during the year	113.95	127.43
c)	Amount utilised during the year	66.22	227.72
d)	Unused amount reversed during the year	39.27	399.80
e)	Closing balance	**534.75**	**526.29**

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 **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 SBI's Board of Directors.

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

6 RBI vide Circular no. DBR.No.BP. BC.108/21.04.048/2017-18 dated June 06, 2018 permitted banks to continue the exposures to MSME borrowers to be classified as standard assets. Accordingly, SBI has retained advances of ` 242.32 crore as standard asset as on March 31, 2019. In accordance with the provisions of the circular, SBI has not recognized interest on these accounts and is maintaining a standard asset provision of ` 12.12 crore as on March 31,2019 in respect of such borrowers.

7 As per RBI letter no. DBR. No.BP.15199/21.04.048/2016-17 and DBR. No. BP. 1906/21.04.048/ 2017-18 dated June 23, 2017 and August 28, 2017 respectively, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), SBI is holding total provision of ₹ 34,554 crore (89.66% of total outstanding) as on March 31,2019.

8 SBI has made a provision of ₹ 3,984 crore (total ₹ 5,643.41 crore) for the year ended March 31, 2019 towards arrears of wages due for revision w.e.f November 01, 2017.

9 Profit / (loss) on sale of investment (net) under schedule 14 "Other Income" includes ₹ 446.48 crore on sale of partial investment in SBI General Insurance Company Limited (Previous year ₹ 5,036.21crore on sale of partial investment in SBI Life Insurance Company Limited).

10 In respect of SBI Life Insurance Company Ltd.:

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

b) IRDAI has issued directions under Section 34(1) of the Insurance Act, 1938 to refund the excess commission paid to corporate agents to the members or the beneficiaries amounting to ` 275.29 crore (Previous Year ` 275.29 crore) vide order no. IRDA/Life/ORD/Misc/083/03/2014 dated March 11, 2014 .The company has filed appeals against the order with the Securities Appellate Tribunal (SAT).

As the final orders are pending, the aforesaid amounts have been disclosed as contingent liability.

11 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 12.74% (Previous Year 9.87%) of the total investments as on March 31, 2019.

12 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.

13 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.

14 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.

Smt. Anshula Kant	**Shri Arijit Basu**	**Shri Dinesh Kumar Khara**	**Shri P. K. Gupta**
MD (SARC)	MD (CCG & IT)	MD (GB & S)	MD (R & DB)

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

Shri Rajnish Kumar
Chairman

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

Mumbai
Dated 10th May 2019

State Bank of India

Consolidated Cash Flow Statement for the year ended 31st March 2019

(000s omitted)

PARTICULARS		Year ended 31.03.2019 ₹	Year ended 31.03.2018 ₹
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before taxes (including share in profit from associates and net of minority interest)		4451,05,72	(12613,79,21)
Adjustments for :			
Depreciation on Property, Plant & Equipment		3495,89,21	3105,07,10
(Profit)/Loss on sale of Property, Plant & Equipment (Net)		32,35,82	30,73,27
(Profit)/Loss on revaluation of Investments (Net)		2124,03,82	1120,61,02
(Profit)/Loss on sale of Investments in Subsidiaries/Joint Ventures/Associates		(466,47,81)	(5134,30,14)
Provision for diminution in fair value & Non Performing Assets		55253,57,08	71525,98,80
Provision on Standard Assets		20,50,53	(3584,56,16)
Provision for depreciation on Investments		(606,00,24)	8177,30,33
Other Provisions including provision for contingencies		131,02,52	(103,64,78)
Share in Profit of Associates		(281,47,94)	(438,15,98)
Dividend from Associates		(11,71,87)	(15,45,97)
Interest on Capital Instruments		4222,27,24	4554,43,06
		68365,04,08	**66624,21,34**
Changes in:			
Increase/(Decrease) in Deposits		218362,77,89	121391,84,57
Increase/(Decrease) in Borrowings other than Capital Instruments		41290,72,22	44832,14,90
(Increase)/Decrease in Investments other than Investment in Subsidiaries/ Joint Ventures/Associates		63373,44,50	(164770,34,41)
(Increase)/Decrease in Advances		(321988,70,29)	(134190,21,63)
Increase/(Decrease) in Other Liabilities		4182,31,31	(111,91,71)
(Increase)/Decrease in Other Assets		(35854,36,00)	(22273,22,00)
		37731,23,71	**(88497,48,94)**
Tax refund / (Taxes paid)		(8175,23,21)	(8010,41,70)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	**(A)**	**29556,00,50**	**(96507,90,64)**
CASH FLOW FROM INVESTING ACTIVITIES			
(Increase)/Decrease in Investments in Subsidiaries/Joint Ventures/Associates		(63,52,57)	104,83,55
Profit/(Loss) on sale of Investments in Subsidiaries/Joint Ventures/Associates		466,47,81	5134,30,14
Dividend from Associates		11,71,39	15,45,97
(Increase)/Decrease in Property, Plant & Equipment		(3005,51,02)	6601,82,54
(Increase)/Decrease in Goodwill on Consolidation		1734,07,01	(790,65,51)
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	**(B)**	**(856,77,38)**	**11065,76,69**
CASH FLOW FROM FINANCING ACTIVITIES			
(Expenses on Shares issued and allotted on 27 March 2018) / Proceeds from issue of Equity Shares net of issue expense		(8,74,22)	23782,45,47

(000s omitted)

PARTICULARS		Year ended 31.03.2019 ₹	Year ended 31.03.2018 ₹
Issue/redemption of Capital Instruments (net)		3377,60,00	(12118,47,50)
Interest on Capital Instruments		(4222,27,24)	(4554,43,06)
Dividend paid including tax thereon		,,0	(2416,26,71)
Dividend tax paid by Subsidiaries/Joint Ventures		(120,69,39)	(143,58,57)
Increase/(Decrease) in Minority Interest		1421,74,62	997,46,74
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	**(C)**	**447,63,77**	**5547,16,37**
EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE	**(D)**	**1076,28,67**	**1305,17,53**
CASH AND CASH EQUIVALENTS RECEIVED ON ACCOUNT OF MERGER OF BHARATIYA MAHILA BANK	**(E)**	**-**	**681,75,35**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)+(D)+(E)		**30223,15,56**	**(77908,04,70)**
CASH AND CASH EQUIVALENTS AT 1ST APRIL		**195289,10,83**	**273197,15,53**
CASH AND CASH EQUIVALENTS AT PERIOD END		**225512,26,39**	**195289,10,83**
Note:			
1) Components of Cash & Cash Equivalents as at:		**31.03.2019**	**31.03.2018**
Cash & Balances with Reserve Bank of India		177362,74,09	150769,45,69
Balances with Banks and Money at Call & Short Notice		48149,52,30	44519,65,14
Total		**225512,26,39**	**195289,10,83**
2) Cash Flow from operating activities is reported by using indirect method.			

Smt. Anshula Kant
MD (SARC)

Shri Arijit Basu
MD (CCG & IT)

Shri Dinesh Kumar Khara
MD (GB & S)

Shri P. K. Gupta
MD (R & DB)

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

Shri Rajnish Kumar
Chairman

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

Mumbai
Dated 10th May 2019

Independent Auditors’ Report

To

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

Report on Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated Financial Statements of State Bank of India (“the Bank”) which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year then ended, and Notes to Consolidated Financial Statements including a summary of Significant Accounting Policies and other explanatory information which includes:

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

b) Audited Results of 28 Subsidiaries, 8 Joint Ventures and 17 Associates audited by other Auditors (including 15 Regional Rural Banks); and

c) Un-audited results of 1 Subsidiary and 3 Associates (including 2 Regional Rural Banks)

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

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

a) true and fair view in case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at March 31, 2019;

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

c) true and fair view in case of Consolidated Cash Flow Statement for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (the ICAI). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the code of ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

3. Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Consolidated Financial Statements for the year ended March 31, 2019. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters of the Bank to be communicated in our report:

Sr. No.	Key Audit Matters	Auditors' Response
i	Classification of Advances and Identification of and provisioning for non-performing Advances in accordance with the RBI guidelines (Refer Schedule 9 read with Note 3 of Schedule 17 to the standalone financial statements) Advances include Bills purchased and discounted, Cash credits, Overdrafts loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank / Government Guarantees and Unsecured advances. Advances constitute 59.38% of the Bank's total assets. They are, inter-alia, governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the RBI from time to time which provides guidelines related to classification of Advances into performing and non-performing Advances (NPA). The Bank classifies these Advances based on IRAC norms as per its accounting policy No. 3. Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solutions (CBS) which also identifies whether the advances are performing or non-performing. Further, NPA classification and calculation of provision is done through another IT System viz. Centralised Credit Data Processing (CCDP) Application. The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed. Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/ judgement involved in valuation of securities, it is a matter of high importance for the intended users of the Standalone Financial Statements. Considering these aspects, we have determined this as a Key Audit Matter. Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances.	Our audit approach towards advances with reference to the IRAC norms and other related circulars / directives issued by RBI and also internal policies and procedures of the Bank includes the testing of the following: - The accuracy of the data input in the system for income recognition, classification into performing and non-performing Advances and provisioning in accordance with the IRAC Norms in respect of the branches allotted to us; - Existence and effectiveness of monitoring mechanisms such as Internal Audit, Systems Audit, Credit Audit and Concurrent Audit as per the policies and procedures of the Bank; We have examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI Inspection. In carrying out substantive procedures at the branches allotted to us, we have examined all large advances/stressed advances while other advances have been examined on a sample basis including review of valuation reports of independent valuer's provided by the Bank's management. Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication. We have also relied on the reports of External IT System Audit experts with respect to the business logics / parameters inbuilt in CBS for tracking, identification and stamping of NPAs and provisioning in respect thereof.

Sr. No.	Key Audit Matters	Auditors' Response
ii	Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the standalone financial statements) Investments include investments made by the Bank in various Government Securities, Bonds, Debenture, Shares, Security receipts and other approved securities. Investments constitute 26.27% of the Bank's total assets. These are governed by the circulars and directives of the Reserve Bank of India (RBI). These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of income and provision there against. The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FIMDA rates, rates quoted on BSE / NSE, financial statements of unlisted companies etc. Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter. Accordingly, our audit was focused on valuation of investments, classification, identification of Non Performing Investments and provisioning related to investments.	Our audit approach towards Investments with reference to the RBI Circulars / directives included the review and testing of the design, operating effectiveness of internal controls and substantive audit procedures in relation to valuation, classification, identification of Non Performing Investments, Provisioning / depreciation related to Investments. In particular, a. We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of Non Performing Investments, Provisioning/depreciation related to investments; b. We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments; c. For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample; d. We assessed and evaluated the process of identification of NPIs, and corresponding reversal of income and creation of provision; e. We carried out substantive audit procedures to recompute independently the provision to be maintained and depreciation to be provided in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs; f. We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.
iii	Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt. (Schedule 12 read with Note 18.9 of Schedule 18 to the financial statements) : There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advices from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and the Balance Sheet. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved.	Our audit approach involved :- a. Understanding the current status of the litigations/tax assessments; b. Examining recent orders and/or communication received from various Tax Authorities/ Judicial forums and follow up action thereon; c. Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice ; and d. Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues.

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

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

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

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

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

   When we read the Director's Report of the Bank, including annexures, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

5. The Bank's Board of Directors is responsible with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standard 21-"Consolidated Financial Statements", Accounting Standards 23- "Accounting for Investment in Associates in Consolidated Financial Statements" and Accounting Standards 27 – "Financial Reporting of Interest in Joint Venture" issued by the Institute of Chartered Accountants of India, and provisions of Section 29 of the Banking Regulation Act, 1949, the State Bank of India Act,1955 and circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

   Those managements are also responsible for overseeing the respective Group Entity's financial reporting process.

Auditors' Responsibility for the Audit of Consolidated Financial Statements

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

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

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

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

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

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

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

Other Matters

7. Incorporated in these consolidated financial statements are the:

a) We along with 13 (thirteen) Joint Auditors did not audit the financial statements/ information of 14,796 branches included in the standalone financial statements of the Bank whose financial statements / financial information reflect total advances of INR 14,00,731.01 crores at 31st March 2019 and total interest income of INR 1,06,540.62 crores for the year ended on that date, as considered in the standalone financial statements. The financial statements / information of these branches have been audited by the branch auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors;

b) We did not audit the financial statements of 28 (twenty eight) Subsidiaries, 8 (eight) Joint Ventures whose financial statements reflect total assets of INR 2,25,286 crores as at 31st March, 2019, total revenues of INR 57,143 crores and net cash out flows amounting to INR 921 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of INR 241 crores for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of 17 (seventeen) associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors

c) We did not audit the financial statements of 1(one) subsidiary whose financial statements reflect total assets of INR 5,766 crores as at 31st March, 2019, total revenues of INR 238 crores and net cash inflows amounting to INR 39 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of INR 41 crores for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of 3(three) associates, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report relates to the aforesaid subsidiaries, jointly controlled entities and associates, in so far as is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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

8. The auditors of SBI Life Insurance Company Limited and SBI General Insurance Company Limited, a subsidiary of the Group have reported that the actuarial valuation of liabilities for life policies in force and the actuarial valuation of liabilities in respect of Claims Incurred But Not Reported (IBNR) and Claims Not Incurred But Not Enough Reported (IBNER) is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2019 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory Development Authority of India ("IRDAI" / "Authority") and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists in financial statements of the Company.

Report on Other Legal and Regulatory Requirements

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

   Subject to the limitations of the audit indicated in paragraph 5 to 8 above and as required by the State Bank of India Act, 1955, and subject also to the limitations of disclosure required therein, we report that:

a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;

b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and

c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

For J. C. Bhalla & Co.
Chartered Accountants
Firm's Registration No. 001111N

Shri Rajesh Sethi
Partner
Membership No: 085669

Place: Mumbai
Date: 10th May, 2019