

STATE BANK OF INDIA

Balance Sheet as on 31st March, 2016

(000s omitted)

	Schedule No.	As on 31.03.2016 (Current Year) ₹	As on 31.03.2015 (Previous Year) ₹
CAPITAL AND LIABILITIES			
Capital	1	776,27,77	746,57,31
Reserves & Surplus	2	143498,15,83	127691,65,34
Deposits	3	1730722,43,61	1576793,24,50
Borrowings	4	224190,58,61	205150,29,26
Other Liabilities and Provisions	5	159875,57,46	137698,03,57
TOTAL		2259063,03,28	2048079,79,98
ASSETS			
Cash and Balances with Reserve Bank of India	6	129629,32,53	115883,84,35
Balances with Banks and money at call and short notice	7	37838,33,12	38871,93,86
Investments	8	477097,27,65	481758,74,78
Advances	9	1463700,41,75	1300026,39,29
Fixed Assets	10	10389,27,72	9329,16,42
Other Assets	11	140408,40,51	102209,71,28
TOTAL		2259063,03,28	2048079,79,98
Contingent Liabilities	12	971956,00,58	1000627,25,78
Bills for Collection	-	92211,64,83	92795,24,84
Significant Accounting Policies	17		
Notes to Accounts	18		

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

Signed by:

Shri P.K. Gupta
Managing Director
(Compliance & Risk)

Shri V.G. Kannan
Managing Director
(Associates & Subsidiaries)

Shri B. Sriram
Managing Director
(Corporate Banking Group)

Directors:

Shri Sanjiv Malhotra
Shri M.D. Mallya
Shri Deepak I. Amin
Shri Tribhuvan Nath Chaturvedi
Dr. Girish Kumar Ahuja
Dr. Pushpendra Rai
Shri Sunil Mehta

Smt. Arundhati Bhattacharya
Chairman



In terms of our report of even date

For M/s Varma & Varma

Chartered Accountants

Cherian K Baby

Partner, M.No.016043

Firm Regn.No.004532 S

For M/s V. Sankar Aiyar & Co.

Chartered Accountants

Ajay Gupta

Partner, M.No.090104

Firm Regn.No.109208 W

For M/s Manubhai & Shah LLP

Chartered Accountants

Hitesh M Pomal

Partner, M.No.106137

Firm Regn.No.106041W/W100136

For M/s Chatterjee & Co.

Chartered Accountants

S K Chatterjee

Partner, M.No.003124

Firm Regn.No.302114 E

For M/s S L Chhajer & Co.

Chartered Accountants

S N Sharma

Partner, M.No.071224

Firm Regn.No.000709 C

For M/s Mehra Goel & Co.

Chartered Accountants

R K Mehra

Partner, M.No.006102

Firm Regn.No.000517 N

For M/s S. N. Mukherji & Co.

Chartered Accountants

Sudip Mukherji

Partner, M.No.013321

Firm Regn.No.301079 E

For M/s M. Bhaskara Rao & Co.

Chartered Accountants

M V Ramana Murthy

Partner, M.No.206439

Firm Regn.No.000459 S

For M/s Bansal & Co.

Chartered Accountants

D S Rawat

Partner, M.No.083030

Firm Regn.No.001113 N

For M/s Mittal Gupta & Co.

Chartered Accountants

Akshay Kumar Gupta

Partner, M.No.070744

Firm Regn.No.001874 C

For M/s S R R K Sharma Associates

Chartered Accountants

S R R K Sharma

Partner, M.No.18088

Firm Regn.No.003790 S

For M/s B. Chhawchharia & Co.

Chartered Accountants

Kshitiz Chhawchharia

Partner, M.No.061087

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For M/s GSA & Associates

Chartered Accountants

Sunil Aggarwal

Partner, M.No.083899

Firm Regn.No.000257 N

For M/s Amit Ray & Co.

Chartered Accountants

Basudeb Banerjee

Partner, M.No.070468

Firm Regn.No.000483 C

Place : Kolkata

Date : 27th May, 2016.

SCHEDULES

SCHEDULE 1 - CAPITAL

(000s omitted)

	As on 31.03.2016 (Current Year) ₹	As on 31.03.2015 (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 : 776,35,98,072 Equity Shares of ₹ 1 each (Previous Year 746,65,61,670 Equity Shares of ₹ 1 each)	776,35,98	746,65,61
Subscribed and Paid-up Capital : 776,27,77,042 Equity Shares of ₹ 1 each (Previous Year 746,57,30,920 Equity Shares of ₹ 1 each) [The above includes 14,45,93,240 Equity Shares of ₹ 1 each (Previous Year 16,04,31,560 Equity Shares of ₹ 1 each) represented by 1,44,59,324 (Previous Year 1,60,43,156) Global Depository Receipts]	776,27,77	746,57,31
TOTAL	776,27,77	746,57,31

SCHEDULE 2 - RESERVES & SURPLUS

(000s omitted)

	As on 31.03.2016 (Current Year) ₹	As on 31.03.2015 (Previous Year) ₹
I. Statutory Reserves		
Opening Balance	47839,40,98	43810,33,00
Additions during the year	2985,19,61	4029,07,98
Deductions during the year	-	-
	50824,60,59	47839,40,98
II. Capital Reserves		
Opening Balance	1849,51,49	1744,01,05
Additions during the year	345,27,46	105,50,44
Deductions during the year	-	-
	2194,78,95	1849,51,49
III. Share Premium		
Opening Balance	41444,68,60	41444,68,60
Additions during the year	8333,44,99	-
Deductions during the year	8,65,88	-
	49769,47,71	41444,68,60
IV. Foreign Currency Translation Reserve		
Opening Balance	6172,34,71	6040,01,00
Additions during the year	757,82,36	158,29,42
Deductions during the year	873,92,35	25,95,71
	6056,24,72	6172,34,71



(000s omitted)

	As on 31.03.2016 (Current Year) ₹	As on 31.03.2015 (Previous Year) ₹
V. Revenue and Other Reserves*		
Opening Balance	30385,37,08	24496,31,52
Additions during the year	4267,35,10	5889,05,56
Deductions during the year	-	-
	34652,72,18	30385,37,08
VI. Balance of Profit and Loss Account	31,68	32,48
* 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 ₹ 8499,18,16 thousand (Previous Year ₹ 6719,06,15 thousand)		
TOTAL	143498,15,83	127691,65,34

SCHEDULE 3 - DEPOSITS

(000s omitted)

	As on 31.03.2016 (Current Year) ₹	As on 31.03.2015 (Previous Year) ₹
A. I. Demand Deposits		
(i) From Banks	5735,58,63	5941,51,45
(ii) From Others	134071,44,66	118630,78,84
II. Savings Bank Deposits	597746,06,02	527332,81,84
III. Term Deposits		
(i) From Banks	6818,59,65	9179,86,77
(ii) From Others	986350,74,65	915708,25,60
TOTAL	1730722,43,61	1576793,24,50
B. I. Deposits of Branches in India	1636424,58,65	1487236,32,78
II. Deposits of Branches outside India	94297,84,96	89556,91,72
TOTAL	1730722,43,61	1576793,24,50

SCHEDULES

SCHEDULE 4 - BORROWINGS

(000s omitted)

	As on 31.03.2016 (Current Year) ₹	As on 31.03.2015 (Previous Year) ₹
I. Borrowings in India		
(i) Reserve Bank of India	-	2595,00,00
(ii) Other Banks	-	674,52,05
(iii) Other Institutions and Agencies	1902,52,33	3490,55,76
(iv) Capital Instruments :		
a. Innovative Perpetual Debt Instruments (IPDI)	2165,00,00	2165,00,00
b. Subordinated Debt	42374,23,80	36471,39,60
	44539,23,80	38636,39,60
TOTAL	46441,76,13	45396,47,41
II. Borrowings outside India		
(i) Borrowings and Refinance outside India	173607,88,73	155847,56,85
(ii) Capital Instruments :		
Innovative Perpetual Debt Instruments (IPDI)	4140,93,75	3906,25,00
TOTAL	177748,82,48	159753,81,85
GRAND TOTAL	224190,58,61	205150,29,26
Secured Borrowings included in I & II above	8046,77,79	4581,96,92

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

(000s omitted)

	As on 31.03.2016 (Current Year) ₹	As on 31.03.2015 (Previous Year) ₹
I. Bills payable	18438,45,65	20184,69,67
II. Inter-office adjustments (Net)	36843,46,74	39061,18,75
III. Interest accrued	24934,79,20	20560,45,58
IV. Deferred Tax Liabilities (Net)	2684,95,65	2353,11,87
V. Others (including provisions)*	76973,90,22	55538,57,70
TOTAL	159875,57,46	137698,03,57

* Includes prudential provision for Standard Assets ₹ 11188,59,82 thousand (Previous Year ₹ 9018,36,10 thousand)



SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(000s omitted)

	As on 31.03.2016 (Current Year) ₹	As on 31.03.2015 (Previous Year) ₹
I. Cash in hand (including foreign currency notes and gold)	15080,91,89	14943,22,17
II. Balance with Reserve Bank of India		
(i) In Current Account	114548,40,64	100940,62,18
(ii) In Other Accounts	-	-
TOTAL	129629,32,53	115883,84,35

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

(000s omitted)

	As on 31.03.2016 (Current Year) ₹	As on 31.03.2015 (Previous Year) ₹
I. In India		
(i) Balances with banks		
(a) In Current Accounts	151,94,16	193,75,88
(b) In Other Deposit Accounts	-	-
(ii) Money at call and short notice		
(a) With banks	2972,00,00	2240,00,00
(b) With other institutions	-	-
TOTAL	3123,94,16	2433,75,88
II. Outside India		
(i) In Current Accounts	24084,90,46	21059,05,65
(ii) In Other Deposit Accounts	1144,46,21	1946,13,70
(iii) Money at call and short notice	9485,02,29	13432,98,63
TOTAL	34714,38,96	36438,17,98
GRAND TOTAL (I and II)	37838,33,12	38871,93,86

SCHEDULES

SCHEDULE 8 - INVESTMENTS

(000s omitted)

	As on 31.03.2016 (Current Year) ₹	As on 31.03.2015 (Previous Year) ₹
I. Investments in India in :		
(i) Government Securities	360398,87,65	377654,15,03
(ii) Other approved securities	-	-
(iii) Shares	4327,90,22	4336,48,56
(iv) Debentures and Bonds	41126,76,36	30527,76,51
(v) Subsidiaries and/ or Joint Ventures (including Associates)	8784,23,26	7596,50,49
(vi) Others (Units of Mutual Funds, Commercial Papers etc.)	23022,78,82	31286,82,34
TOTAL	437660,56,31	451401,72,93
II. Investments outside India in :		
(i) Government Securities (including local authorities)	9969,94,18	5758,32,99
(ii) Subsidiaries and/ or Joint Ventures abroad	2591,72,94	2185,68,69
(iii) Other Investments (Shares, Debentures etc.)	26875,04,22	22413,00,17
TOTAL	39436,71,34	30357,01,85
GRAND TOTAL (I and II)	477097,27,65	481758,74,78
III. Investments in India :		
(i) Gross Value of Investments	437955,05,62	451634,98,40
(ii) Less: Aggregate of Provisions / Depreciation	294,49,31	233,25,47
(iii) Net Investments (vide I above)	TOTAL 437660,56,31	451401,72,93
IV. Investments outside India :		
(i) Gross Value of Investments	39496,32,30	30603,67,21
(ii) Less: Aggregate of Provisions / Depreciation	59,60,96	246,65,36
(iii) Net Investments (vide II above)	TOTAL 39436,71,34	30357,01,85
GRAND TOTAL (III and IV)	477097,27,65	481758,74,78



SCHEDULE 9 - ADVANCES

(000s omitted)

	As on 31.03.2016 (Current Year) ₹	As on 31.03.2015 (Previous Year) ₹
A. I. Bills purchased and discounted	94360,70,33	95605,93,62
II. Cash credits, overdrafts and loans repayable on demand	589442,33,19	538576,40,18
III. Term loans	779897,38,23	665844,05,49
TOTAL	1463700,41,75	1300026,39,29
B. I. Secured by tangible assets (includes advances against Book Debts)	1086206,36,64	988275,84,14
II. Covered by Bank/ Government Guarantees	61714,99,56	52640,93,65
III. Unsecured	315779,05,55	259109,61,50
TOTAL	1463700,41,75	1300026,39,29
C. I. Advances in India		
(i) Priority Sector	328551,49,99	288952,35,26
(ii) Public Sector	144401,91,16	99444,50,78
(iii) Banks	1473,74,93	261,94,79
(iv) Others	725604,44,16	678592,56,54
TOTAL	1200031,60,24	1067251,37,37
II. Advances outside India		
(i) Due from banks	71628,62,37	49656,27,37
(ii) Due from others		
(a) Bills purchased and discounted	15179,05,89	28459,86,93
(b) Syndicated loans	88579,38,30	73482,21,58
(c) Others	88281,74,95	81176,66,04
TOTAL	263668,81,51	232775,01,92
GRAND TOTAL (C-I & C-II)	1463700,41,75	1300026,39,29

SCHEDULES

SCHEDULE 10 - FIXED ASSETS

(000s omitted)

	As on 31.03.2016 (Current Year) ₹	As on 31.03.2015 (Previous Year) ₹
I. Premises		
At cost as on 31st March of the preceding year	3419,39,11	3112,45,97
Additions during the year	215,18,89	312,37,37
Deductions during the year	-	5,44,23
Depreciation to date	491,08,22	447,32,80
	3143,49,78	2972,06,31
II. Other Fixed Assets (including furniture and fixtures)		
At cost as on 31st March of the preceding year	17542,35,45	15573,29,35
Additions during the year	2280,58,65	2758,28,85
Deductions during the year	271,74,06	789,22,75
Depreciation to date	12875,53,82	11472,61,90
	6675,66,22	6069,73,55
III. Leased Assets		
At cost as on 31st March of the preceding year	208,70,20	233,62,47
Additions during the year	-	-
Deductions during the year	208,70,20	24,92,27
Depreciation to date including provision	-	208,70,20
	-	-
IV. Assets under Construction (Including Premises)	570,11,72	287,36,56
TOTAL (I, II, III and IV)	10389,27,72	9329,16,42



SCHEDULE 11 - OTHER ASSETS

(000s omitted)

	As on 31.03.2016 (Current Year)	As on 31.03.2015 (Previous Year)
	₹	₹
I. Inter-office adjustments (Net)	-	-
II. Interest accrued	16227,95,80	15020,62,03
III. Tax paid in advance / tax deducted at source	12698,28,68	9257,46,09
IV. Deferred Tax Assets (Net)	472,51,88	365,98,57
V. Stationery and stamps	102,67,31	104,48,23
VI. Non-banking assets acquired in satisfaction of claims	3,91,00	4,25,91
VII. Others *	110903,05,84	77456,90,45
TOTAL	140408,40,51	102209,71,28

*Includes Deposits placed with NABARD/ SIDBI/ NHB amounting to ₹ 52401,25,93 thousand (Previous Year ₹ 33374,16,90 thousand)

SCHEDULE 12 - CONTINGENT LIABILITIES

(000s omitted)

	As on 31.03.2016 (Current Year)	As on 31.03.2015 (Previous Year)
	₹	₹
I. Claims against the bank not acknowledged as debts	12347,03,03	14132,87,81
II. Liability for partly paid investments/ Venture Funds	154,55,16	463,08,37
III. Liability on account of outstanding forward exchange contracts	506354,87,97	568894,47,16
IV. Guarantees given on behalf of constituents		
(a) In India	135811,51,97	123711,14,64
(b) Outside India	82799,97,90	63673,91,98
V. Acceptances, endorsements and other obligations	106928,52,26	97765,09,54
VI. Other items for which the bank is contingently liable*	127559,52,29	131986,66,28
TOTAL	971956,00,58	1000627,25,78

*Includes Derivatives ₹ 125856,86,50 thousand (Previous Year ₹ 130178,19,69 thousand)

STATE BANK OF INDIA

Profit and Loss Account for the year ended 31st March, 2016

(000s omitted)

	Schedule No.	Year ended 31.03.2016 (Current Year) ₹	Year ended 31.03.2015 (Previous Year) ₹
I. INCOME			
Interest earned	13	163685,30,61	152397,07,42
Other Income	14	28158,36,01	22575,89,26
TOTAL		191843,66,62	174972,96,68
II. EXPENDITURE			
Interest expended	15	106803,49,21	97381,82,36
Operating expenses	16	41782,36,65	38053,87,14
Provisions and contingencies		33307,15,39	26435,69,98
TOTAL		181893,01,25	161871,39,48
III. PROFIT			
Net Profit for the year		9950,65,37	13101,57,20
Profit brought forward		32,48	32,48
TOTAL		9950,97,85	13101,89,68
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		2985,19,61	4029,07,98
Transfer to Capital Reserve		345,27,46	105,50,44
Transfer to Revenue and other Reserves		4267,35,10	5889,05,56
Dividend for the previous year paid during the year (including Tax on Dividend)		80	-
Dividend for the Current year		2018,32,20	2648,17,28
Tax on Dividend for the Current year		334,51,00	429,75,94
Balance carried over to Balance Sheet		31,68	32,48
TOTAL		9950,97,85	13101,89,68
Basic Earnings per Share		₹ 12.98	₹ 17.55
Diluted Earnings per Share		₹ 12.98	₹ 17.55
Significant Accounting Policies	17		
Notes to Accounts	18		

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

Signed by:

Shri P.K. Gupta
Managing Director
(Compliance & Risk)

Shri V.G. Kannan
Managing Director
(Associates & Subsidiaries)

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In terms of our report of even date

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For M/s Amit Ray & Co.

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Basudeb Banerjee

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

Place : Kolkata

Date : 27th May, 2016.

SCHEDULES

SCHEDULE 13 - INTEREST EARNED

(000s omitted)

	Year ended 31.03.2016 (Current Year) ₹	Year ended 31.03.2015 (Previous Year) ₹
I. Interest / discount on advances / bills	115666,01,22	112343,91,20
II. Income on investments	42303,97,93	35353,64,24
III. Interest on balances with Reserve Bank of India and other inter-bank funds	621,06,84	505,12,35
IV. Others	5094,24,62	4194,39,63
TOTAL	163685,30,61	152397,07,42

SCHEDULE 14 - OTHER INCOME

(000s omitted)

	Year ended 31.03.2016 (Current Year) ₹	Year ended 31.03.2015 (Previous Year) ₹
I. Commission, exchange and brokerage	14415,98,00	13172,83,13
II. Profit / (Loss) on sale of investments (Net)	5168,79,59	3618,04,99
III. Profit/ (Loss) on revaluation of investments (Net)	(151,67,43)	-
IV. Profit / (Loss) on sale of land, buildings and other assets (Net)	(16,69,37)	(42,74,99)
V. Profit / (Loss) on exchange transactions (Net)	2112,34,08	1935,95,56
VI. Income earned by way of dividends, etc., from subsidiaries/ companies and/ or joint ventures abroad/ in India	475,82,57	677,03,43
VII. Income from financial lease	-	5,75
VIII Miscellaneous Income *	6153,78,57	3214,71,39
TOTAL	28158,36,01	22575,89,26

* Miscellaneous Income includes Recoveries made in Write-off Accounts ₹ 2858,61,51 thousand (Previous year ₹ 2358,98,09 thousand)



SCHEDULE 15 - INTEREST EXPENDED

(000s omitted)

	Year ended 31.03.2016 (Current Year) ₹	Year ended 31.03.2015 (Previous Year) ₹
I. Interest on deposits	98864,98,84	89148,45,02
II. Interest on Reserve Bank of India / Inter-bank borrowings	4154,29,59	3972,04,27
III. Others	3784,20,78	4261,33,07
TOTAL	106803,49,21	97381,82,36

SCHEDULE 16 - OPERATING EXPENSES

(000s omitted)

	Year ended 31.03.2016 (Current Year) ₹	Year ended 31.03.2015 (Previous Year) ₹
I. Payments to and provisions for employees	25113,82,46	23537,06,76
II. Rent, taxes and lighting	3709,15,28	3406,94,48
III. Printing and stationery	376,81,38	373,50,46
IV. Advertisement and publicity	307,64,06	284,63,61
V. (a) Depreciation on Bank's property (other than Leased Assets)	1700,30,45	1116,49,32
(b) Depreciation on Leased Assets	-	-
VI. Directors' fees, allowances and expenses	63,37	60,71
VII. Auditors' fees and expenses (including branch auditors' fees and expenses)	197,04,21	178,99,93
VIII. Law charges	179,50,08	191,62,37
IX. Postages, Telegrams, Telephones, etc.	609,35,30	656,82,87
X. Repairs and maintenance	598,08,43	545,07,28
XI. Insurance	1718,03,67	1594,35,89
XII. Other expenditure	7271,97,96	6167,73,46
TOTAL	41782,36,65	38053,87,14

SCHEDULE 17- SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Preparation:

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

B. Use of Estimates:

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

C. Significant Accounting Policies:

1. Revenue recognition:

- 1.1 Income and expenditure are accounted on accrual basis, except otherwise stated. As regards Bank's foreign offices, income and expenditure are recognised as per the local laws of the country in which the respective foreign office is located.
- 1.2 Interest income is recognised in the Profit and Loss Account as it accrues except: (i) income from Non-Performing Assets (NPAs), comprising of advances, leases and investments, which is recognised upon realisation, as per the prudential norms prescribed by the RBI/ respective country regulators in the case of foreign offices (hereafter collectively referred to as Regulatory Authorities), (ii) overdue interest on investments and bills discounted, (iii) Income on Rupee Derivatives designated as "Trading", which are accounted on realisation.
- 1.3 Profit or Loss on sale of investments is recognised in the Profit and Loss Account. However, an amount equal to 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 financial 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 is accounted on an accrual basis where the right to receive the dividend is established.
- 1.7 All other commission and fee incomes are recognised on their realisation except for: (i) Guarantee commission on deferred payment guarantees, which is spread over the period of the guarantee; (ii) Commission on Government Business and ATM interchange fees, which are recognised as they accrue; and (iii) Upfront fees on restructured accounts, which is apportioned over the restructured period.
- 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 over a period of 8 quarters equally beginning the quarter in which the sale was effected.
- 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 Government Securities are recorded on "Settlement Date". Investments other than Government Securities are recorded on "Trade Date".

2.1 Classification

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

2.2 Basis of classification:

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

2.3 Valuation:

- i. In determining the acquisition cost of an investment:
 - (a) Brokerage/commission received on subscriptions is reduced from the cost.
 - (b) Brokerage, Commission, Securities Transaction Tax (STT) etc., paid in connection with acquisition of investments are expensed upfront and excluded from cost.
 - (c) Broken period interest paid / received on debt instruments is treated as interest expense/income and is excluded from cost/sale consideration.
 - (d) Cost is determined on the weighted average cost method for investments under AFS and HFT category and on FIFO basis (first in first out) for investments under HTM category.
- ii. Transfer of securities from HFT/AFS category to HTM category is carried out at the lower of acquisition cost/book value/market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for. However, transfer of securities from HTM category to AFS category is carried out on acquisition price/book value. After transfer, these securities are immediately revalued and resultant depreciation, if any, is provided.
- iii. Treasury Bills and Commercial Papers are valued at carrying cost.
- iv. **Held to Maturity category:** a) Investments under Held to Maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period of remaining maturity on constant yield basis. Such amortisation of premium is adjusted against income under the head "interest on investments". b) Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at historical cost. A provision is made for diminution, other than temporary, for

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



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 due 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.

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 "Other liabilities & Provisions – Others".

6. Derivatives:

6.1 The Bank enters into derivative contracts, such as foreign currency options, interest rate swaps, currency swaps, and 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 5 Years Safe Deposit Lockers 20 Years Furniture & Fixtures 10 Years

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

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

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

7.7 In respect of assets given on lease by the Bank on or before 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.

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 other financial assets 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 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 Plan

- 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 a maximum amount of ₹ 10 lacs. 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 Plans:**

The Bank operates a New Pension Scheme (NPS) for all officers/ employees joining the Bank on or after 1st August, 2010, which is a defined contribution plan, such new joinees not being entitled to become members of the existing SBI Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a matching contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in the Bank and earn interest at the same rate as that of the current account of Provident Fund balance. The Bank recognizes such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.
 - iii. **Other Long Term Employee benefits:**
 - a. All eligible employees of the Bank are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The costs of such long term employee benefits are internally funded by the Bank.
 - b. The cost of providing other long term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost is immediately recognised in the Profit and Loss Account and is not deferred.
- 11.3** Employee benefits relating to employees employed at foreign offices are valued and accounted for as per the respective local laws/regulations.
- 12. Taxes on income:**

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

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

13. Earnings per Share:

- 13.1 The Bank reports basic and diluted earnings per share in accordance with AS 20 -'Earnings per Share' issued by the ICAI. Basic Earnings per Share are computed by dividing the Net Profit after Tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding for the year.
- 13.2 Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted Earnings per Share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

14. Provisions, Contingent Liabilities and Contingent Assets:

- 14.1 In conformity with AS 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the Bank recognises provisions only when it has a present obligation as a result of a past event, and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.
- 14.2 No provision is recognised for:
- i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or

- ii. any present obligation that arises from past events but is not recognised because:
 - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - b. a reliable estimate of the amount of obligation cannot be made.

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

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

- 14.4 Contingent Assets are not recognised in the financial statements.

15. Bullion Transactions:

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

16. Special Reserves:

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

17. Share Issue Expenses:

Share issue expenses are charged to the Share Premium Account.



SCHEDULE – 18:

NOTES TO ACCOUNTS

18.1 Capital

1. Capital Ratio

AS PER BASEL II

(Amount in ₹ crore)

Sr. Items No.	As at 31st March 2016	As at 31st March 2015
(i) Common Equity Tier 1 Capital Ratio (%)	N.A.	
(ii) Tier 1 Capital ratio (%)	10.41%	10.10 %
(iii) Tier 2 Capital ratio (%)	3.53%	2.69%
(iv) Total Capital Ratio (%)	13.94%	12.79%

AS PER BASEL III

Sr. Items No.	As at 31st March 2016	As at 31st March 2015
(i) Common Equity Tier 1 Capital Ratio (%)	9.81%	9.31%
(ii) Tier 1 capital ratio (%)	9.92%	9.60%
(iii) Tier 2 capital ratio (%)	3.20%	2.40%
(iv) Total Capital Ratio (%)	13.12%	12.00%
(v) Percentage of the Shareholding of Government of India	60.18%	58.60%
(vi) Number of Shares held by Government of India	4,67,16,34,652	4,37,45,98,250
(vii) Amount of Equity Capital raised	5,393.00	2,970.00*
(viii) Amount of Additional Tier 1(AT 1) capital raised of which		
a) PNCPS:	Nil	Nil
b) PDI:	Nil	Nil
(ix) Amount of Tier 2 capital raised of which		
a) Debt Capital instruments:	10,500.00	Nil
b) Preference Share Capital Instruments: {Perpetual Cumulative Preference Shares (PCPS)/Redeemable Non-cumulative Preference Shares (RNCPS)/ Redeemable Cumulative Preference Shares (RCPS)}	Nil	Nil

* Shares allotted on 1st April 2015 (considered under AT 1)

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 "Foreign Currency Translation Reserve" and

deferred tax asset for purposes of computation of Capital Adequacy as CET – 1 capital ratio. The Bank has exercised the option in the above computation for F.Y. 2015-16.

2. Share Capital

- During the year, the Bank received application money of ₹ 5,393.00 crore (Previous Year ₹ 2,970.00 crore), including share premium of ₹ 5,373.34 crore (Previous Year ₹ 2,959.95 crore), from Government of India against preferential issue of 19,65,59,390 (Previous Year 10,04,77,012) equity shares of ₹ 1 each to Government of India. The equity shares were allotted on 29.09.2015.
- The Bank received application money of ₹ 2,970.00 crore, including share premium of ₹ 2,959.95 crore, from Government of India against preferential issue of 10,04,77,012 equity shares of ₹ 1 each to Government of India on 31.03.2015. The equity shares were allotted on 01.04.2015.
- 9,720 Equity Shares of ₹ 1 each that had been issued as a part of the Right Issue -2008 but allotment of which was kept in abeyance, were allotted on 16.07.2015 and amount of ₹ 9,720.00 credited to Capital Account and ₹ 15,35,760.00 credited to Share Premium Account. Balance of such shares issued and kept in abeyance is 8,21,030 (Previous Year 8,30,750) of ₹ 1 each, since they are subject to title disputes or are subjudice.
- Expenses in relation to the issue of shares: ₹ 8.66 crore (Previous Year ₹ Nil) is debited to Share Premium Account.

3. Innovative Perpetual Debt Instruments (IPDI)

The details of IPDI issued which qualify for Hybrid Tier 1 Capital and outstanding are as under:

A. Foreign

₹ In crore

Particulars	Date of Issue	Tenor	Amount	Equivalent ₹ as on 31st March 2016	Equivalent ₹ as on 31st March 2015
Bond issued under the MTN Programme - 12th series*	15.02.2007	Perpetual Non call 10.25 years	USD 400 million	2,650.20	2,500.00
Bond issued under the MTN Programme - 14th series#	26.06.2007	Perpetual Non call 10 yrs 1day	USD 225 million	1,490.74	1,406.25
Total			USD 625 million	4,140.94	3,906.25

* If the Bank does not exercise call option by 15th May 2017, the interest rate will be raised and fixed rate will be converted to floating rate.

If the Bank does not exercise call option by 27th June 2017, the interest rate will be raised and fixed rate will be converted to floating rate.

These bonds are unsecured bonds and are listed in Singapore stock exchange (SGX- Bonds Board).

B. Domestic

				₹ In crore
Sr. No.	Nature of Bonds	Principal Amount	Date of Issue	Rate of Interest % p.a.
1	SBI NON CONVERTIBLE PERPETUAL BONDS 2009-10 (Tier I) Series I	1,000.00	14.08.2009	9.10
2	SBI NON CONVERTIBLE PERPETUAL BONDS 2009-10 (Tier I) Series II	1,000.00	27.01.2010	9.05
3	SBI NON CONVERTIBLE PERPETUAL BONDS 2007-08 SBIN Series VI (Tier I)	165.00	28.09.2007	10.25
TOTAL		2,165.00*		

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

4. Subordinated Debts

The bonds are unsecured, long term, non-convertible and are redeemable at par.

The details of outstanding subordinate debts are as under:-

					₹ In crore
Sr. No.	Nature of Bonds	Principal Amount	Date of Issue /Date of Redemption	Rate of Interest % p.a.	Maturity Period in Months
1	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (IX) (Lower Tier II)	1,500.00	28.03.2007 27.06.2016	9.85	111
2	SBI NON CONVERTIBLE (Private placement) Bonds 2006-07 SBS (Series II)(Lower Tier II)	225.00	30.03.2007 30.06.2016	9.80	111
3	SBI NON CONVERTIBLE (Private placement) Bonds 2008-09 (IV) (Lower Tier II)	1,000.00	06.03.2009 06.06.2018	8.95	111
4	SBI NON CONVERTIBLE (Private placement) Bonds 2008-09(II) (Lower Tier II)	1,500.00	29.12.2008 29.06.2018	8.40	114
5	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (Upper Tier II)	2,327.90	05.06.2006 05.06.2021	8.80	180
6	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (II) (Upper Tier II)	500.00	06.07.2006 06.07.2021	9.00	180



Sr. No.	Nature of Bonds	Principal Amount	Date of Issue /Date of Redemption	Rate of Interest % p.a.	Maturity Period in Months
7	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (III) (Upper Tier II)	600.00	12.09.2006 12.09.2021	8.96	180
8	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (IV) (Upper Tier II)	615.00	13.09.2006 13.09.2021	8.97	180
9	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (V) (Upper Tier II)	1,500.00	15.09.2006 15.09.2021	8.98	180
10	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (VI) (Upper Tier II)	400.00	04.10.2006 04.10.2021	8.85	180
11	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (VII) (Upper Tier II)	1,000.00	16.10.2006 16.10.2021	8.88	180
12	SBI NON CONVERTIBLE (Private placement) Bonds 2006-07 SBIN (Series IV) (Upper Tier II)	100.00	29.12.2006 29.12.2021	8.95	180
13	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (VIII) (Upper Tier II)	1,000.00	17.02.2007 17.02.2022	9.37	180
14	SBI NON CONVERTIBLE (Private placement) Bonds 2006-07 SBIN (Series V) (Upper Tier II)	200.00	22.03.2007 22.03.2022	10.25	180
15	SBI NON CONVERTIBLE (Private placement) Bonds 2007-08 (I) (Upper Tier II)	2,523.50	07.06.2007 07.06.2022	10.20	180
16	SBI NON CONVERTIBLE (Private placement) Bonds 2007-08 (II) (Upper Tier II)	3,500.00	12.09.2007 12.09.2022	10.10	180
17	SBI NON CONVERTIBLE (Private placement) Bonds 2008-09 (I) (Upper Tier II)	2,500.00	19.12.2008 19.12.2023	8.90	180
18	SBI NON CONVERTIBLE (Private Placement) Bonds 2013-14 (Tier II)	2,000.00	02.01.2014 02.01.2024	9.69	120
19	SBI NON CONVERTIBLE (Private placement) Bonds 2008-09 (III) (Upper Tier II)	2,000.00	02.03.2009 02.03.2024	9.15	180
20	SBI NON CONVERTIBLE (Private placement) Bonds 2008-09 (V) (Upper Tier II)	1,000.00	06.03.2009 06.03.2024	9.15	180
21	SBI NON CONVERTIBLE (Private placement) Bonds 2008-09 SBIN (Series VII)(Upper Tier II)	250.00	24.03.2009 24.03.2024	9.17	180
22	SBI Public Issue of Lower Tier II Non- Convertible Bonds 2010 (Series II)	866.92	04.11.2010 04.11.2025	9.50	180
23	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
24	SBI NON CONVERTIBLE, UNSECURED (Private Placement), Basel III Compliant Tier II Bonds 2015-16 (Series II)	3,000.00	18.02.2016 18.02.2026	8.45	120

Sr. No.	Nature of Bonds	Principal Amount	Date of Issue /Date of Redemption	Rate of Interest % p.a.	Maturity Period in Months
25	SBI Public Issue of Lower Tier II Non- Convertible Bonds 2011 Retail (Series IV)	3,937.60	16.03.2011 16.03.2026	9.95	180
26	SBI Public Issue of Lower Tier II Non- Convertible Bonds 2011 Non Retail (Series IV)	828.32	16.03.2011 16.03.2026	9.45	180
27	SBI NON CONVERTIBLE, UNSECURED (Private Placement), Basel III Compliant Tier II Bonds 2015-16 (Series III)	3,000.00	18.03.2016 18.03.2026	8.45	120
28	SBI NON CONVERTIBLE, UNSECURED (Private Placement), Basel III Compliant Tier II Bonds 2015-16 (Series IV)	500.00	21.03.2016 21.03.2026	8.45	120
TOTAL		42,374.24			

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 2016	As at 31st March 2015
1. Value of Investments		
i) Gross value of Investments		
(a) In India	4,37,955.05	4,51,634.98
(b) Outside India	39,496.32	30,603.67
ii) Provision for Depreciation		
(a) In India	294.49	233.25
(b) Outside India	59.61	246.65
iii) Net value of Investments		
(a) In India	4,37,660.56	4,51,401.73
(b) Outside India	39,436.71	30,357.02
2. Movement of Provisions held towards Depreciation on Investments		
i) Balance at the beginning of the year	479.90	1,547.81
ii) Add: Provisions made during the year	610.39	168.29
iii) Less: Provision utilised during the year	293.72	511.13
iv) Add: Foreign Exchange revaluation adjustment	18.36	33.29
v) Less: Write back of excess provision during the year.	460.83	758.36
vi) Balance at the end of the year	354.10	479.90

Notes:

- a. Investments in Government Securities is net of ₹ 67,154 crore (Previous Year ₹ 36,761 crore) utilised under Liquidity Adjustment Facility (LAF) and ₹ 32,000 crore (Previous Year ₹ Nil) utilised under Marginal Standing Facility (MSF) with RBI.



- b. Securities amounting to ₹ 2,827.96 crore (Previous Year ₹ 13,779.33 crore) are kept as margin with Clearing Corporation of India Limited(CCIL) / NSCCL / MCX / USEIL / NSEIL / BSE towards securities settlement.
- c. During the year the Bank infused additional capital in its subsidiaries and associates viz. i) State Bank of Patiala ₹ 799.99 crore, ii) SBI Foundation ₹ 1 crore, iii) Nagaland Rural Bank ₹ 0.97 crore and iv) Ellaquai Dehati Bank ₹ 8.90 crore.
- d. During the year, State Bank of Travancore allotted 94,81,518 equity shares of ₹ 10 each at a premium of ₹ 390.00 per share to the Bank amounting to ₹ 379.26 crore under right issue and thus stake of the Bank has increased from 78.91% to 79.09%.
- e. During the year, the Bank has sold 24,00,000 equity shares of CCIL at a profit of ₹ 108 crore. Thus, the Bank's stake reduced from 26.00% to 21.20%.

2. Repo Transactions (including Liquidity Adjustment Facility - LAF)

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 2016
Securities sold under Repos				
i. Government Securities	- (-)	99,581.36 (54,102.00)	17,406.51 (9,789.59)	99,581.36 (37,603.23)
ii. Corporate Debt Securities	- (-)	1,314.24 (516.56)	571.47 (258.28)	1,254.07 (-)
Securities purchased under Reverse Repos				
i. Government Securities	- (-)	55,000.00 (22,010.12)	4,692.95 (2,434.51)	- (-)
ii. Corporate Debt securities	- (-)	- (-)	- (-)	- (-)

(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	19,718.43 (14,751.97)	9,452.46 (3,445.03)	341.83 (419.01)	176.49 (418.76)	541.78 (719.01)
ii	FIs	29,826.69 (15,395.58)	18,998.39 (8,484.47)	- (-)	- (-)	200.00 (200.00)

₹ In crore

Sr. Issuer No.	Amount	Extent of Private Placement	Extent of "Below Investment Grade" Securities *	Extent of "Unrated" Securities *	Extent of "Unlisted" Securities *
(iii) Banks	15,398.01 (22,060.06)	1,256.40 (9,963.70)	1,118.15 (798.34)	23.62 (-)	23.62 (-)
(iv) Private Corporates	23,905.24 (30,846.04)	12,464.90 (16,654.33)	2,299.54 (1,594.50)	499.93 (933.07)	78.67 (238.39)
(v) Subsidiaries / Joint Ventures **	11,379.03 (9,785.06)	- (-)	- (-)	- (-)	- (-)
(vi) Others	16,825.10 (11,745.76)	- (-)	1,219.73 (719.38)	1,147.88 (852.70)	- (749.36)
(vii) Provision held towards depreciation	354.10 (479.90)	- (-)	31.97 (6.05)	- (93.72)	- (62.67)
Total	1,16,698.40 (1,04,104.57)	42,172.15 (38,547.53)	4,947.28 (3,525.18)	1,847.92 (2,110.81)	844.07 (1,844.09)

(Figures in brackets are for Previous Year)

* Investment in Equity, Equity Oriented Mutual Funds, Venture Capital, Rated Assets Backed Securities, Central 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	401.72	935.24
Additions during the year	52.36	48.11
Reductions during the year	307.84	581.63
Closing Balance	146.24	401.72
Total provisions held	126.68	394.17

c) 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.



18.3. Derivatives

A. Forward Rate Agreements / Interest Rate Swaps

₹ In crore

Particulars	As at	As at
	31st March 2016	31st March 2015
i) The notional principal of swap agreements#	1,30,624.90	92,965.61
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	2,080.00	1,945.78
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	946.31	996.24

IRS/FRA amounting to ₹ 11,232.11 crore (Previous Year ₹ 14,072.53 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.

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	235.74	19,014.13
2	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March 2016		
a	Interest Rate Futures	Nil	Nil
b	10 Year Government of India Securities	Nil	2.00
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

- 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 enters into derivatives contracts to cover 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 / equity prices 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 (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 2015-16.
- 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.

(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	17,713.28 @	4,450.61 @	55,699.48 #	69,056.07 #
(b) For trading*	2,32,714.53	2,42,870.49	74,925.42	62,128.01
(ii) Marked to Market Positions				
(a) Asset	3,971.40	3,152.45	1,642.57	979.00
(b) Liability	2,145.05	2,280.85	369.89	667.47
(iii) Credit Exposure	7,960.90	11,206.42	3,487.84	3,774.49
(iv) Likely impact of one percentage change in interest rate (100* PV01)				
(a) on hedging derivatives	-0.04	0.02	-63.09	-92.42
(b) on trading derivatives	2.68	2.88	20.34	24.44
(v) Maximum and Minimum of 100* PV01 observed during the year				
(a) on hedging –Maximum	0.08	-	-34.14	-79.11
–Minimum	-0.04	-0.03	-44.36	-88.24
(b) on trading –Maximum	0.67	6.22	0.90	0.38
–Minimum	-	0.039	-0.05	0.2225

@ The swaps amounting to ₹ 7,811.17 crore (Previous Year ₹ 8,486.92 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 ₹ 11,232.11 crore (Previous Year ₹ 14,072.53 crore) entered with the Bank's own Foreign offices are not shown here as they are for hedging of FCNB corpus and hence not marked to market.
- * The forward contract deals with our own Foreign Offices are not included. Currency Derivatives – Nil (Previous Year ₹ 7,757.17 crore) and Interest Rate Derivatives – Nil (Previous Year ₹ 62.39 crore)
- The outstanding notional amount of derivatives done between Global Markets Unit and International Banking Group as on 31st March 2016 amounted to ₹ 19,043.28 crore (Previous Year ₹ 30,379.01 crore) and the derivatives done in-between SBI Foreign Offices as on 31st March 2016 amounted to ₹ 18,071.97 crore (Previous Year ₹ 14,995.17 crore).
 - 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 2016 amounted to ₹ 66,453.24 crore (Previous Year ₹ 1,29,113.66 crore).

18.4. Asset Quality

a) Non-Performing Assets

₹ In crore

Particulars	As at	As at
	31st March 2016	31st March 2015
i) Net NPAs to Net Advances (%)	3.81%	2.12%
ii) Movement of NPAs (Gross)		
(a) Opening balance	56,725.34	61,605.35
(b) Additions (Fresh NPAs) during the year	64,198.49	29,435.02
Sub-total (I)	120,923.83	91,040.37
Less:		
(c) Reductions due to upgradations during the year	2,598.59	3,776.15
(d) Reductions due to recoveries (Excluding recoveries made from upgraded accounts)	4,389.18	9,235.42
(e) Technical/ Prudential Write-offs	Nil	Nil
(f) Reductions due to Write-offs during the year	15,763.26	21,303.46
Sub-total (II)	22,751.03	34,315.03
(g) Closing balance (I-II)	98,172.80	56,725.34
iii) Movement of Net NPAs		
(a) Opening balance	27,590.58	31,096.07
(b) Additions during the year	36,192.76	9,504.61
(c) Reductions during the year	7,976.32	13,010.10
(d) Closing balance	55,807.02	27,590.58
iv) Movement of provisions for NPAs		
(a) Opening balance	29,134.76	30,509.28
(b) Provisions made during the year	28,005.73	19,930.41
(c) Write-off / write-back of excess provisions	14,774.71	21,304.93
(d) Closing balance	42,365.78	29,134.76

Opening and closing balances of provision for NPAs include ECGC claims received and held pending adjustment of ₹ 62.64 crore (Previous Year ₹ 69.30 crore) and ₹ 67.27 crore (Previous Year ₹ 62.64 crore) respectively.

b) Restructured Accounts

₹ In crore

Sr. No.	Type of Restructuring	Under CDR Mechanism (1)					Under SME Debt Restructuring Mechanism (2)				
		Standard	Sub Doubtful	Loss	Total	Standard	Sub Doubtful	Loss	Total		
Asset Classification Particulars		Standard	Sub Doubtful	Loss	Total	Standard	Sub Doubtful	Loss	Total		
1	Restructured Accounts as on April 1, 2015 (Opening position)	121 (110)	7 (13)	47 (40)	2 (3)	177 (166)	315 (483)	90 (35)	107 (78)	11 (9)	523 (605)
	Amount outstanding	25,079.31 (21,134.61)	999.76 (836.09)	5,035.94 (5,066.44)	477.48 (499.74)	31,592.49 (27,536.80)	3,325.56 (3,834.26)	369.03 (251.71)	2,202.13 (1,209.96)	85.28 (86.17)	5,982.00 (5,382.10)
	Provision thereon	1,847.05 (1,636.32)	103.90 (60.34)	183.40 (520.73)	47.65 (0.10)	2,182.00 (2217.49)	121.85 (117.21)	9.95 (22.89)	71.77 (169.89)	- (0.04)	203.58 (310.03)
2	Fresh Restructuring during the current FY	2 (47)	- (4)	3 (8)	- (-)	5 (59)	22 (97)	5 (29)	10 (20)	1 (1)	38 (147)
	Amount outstanding	1,679.91 (8,208.93)	2.46 (839.32)	393.89 (648.19)	92.71 (-)	2,168.97 (9696.44)	143.57 (1616.65)	12.54 (194.15)	28.47 (364.74)	- (1.14)	184.58 (2176.68)
	Provision thereon	-183.63 (664.08)	-5.69 (90.44)	46.15 (14.81)	2.58 (-)	-140.59 (769.33)	4.18 (82.76)	1.17 (6.98)	1.65 (2.67)	- (-)	7.00 (92.40)
3	Upgradation to restructured standard category during current FY	2 (5)	- (-2)	-1 (-3)	-1 (-)	- (-)	5 (2)	- (-)	-5 (-2)	- (-)	- (-)
	Amount outstanding	217.44 (699.09)	- (-38.09)	107.47 (-660.99)	-324.91 (-)	- (-)	58.68 (3.87)	-14.62 (-)	-44.06 (-3.87)	- (-)	- (-)
	Provision thereon	6.05 (29.74)	- (-1.49)	23.27 (-28.26)	-29.32 (-)	- (-)	2.25 (-)	-0.03 (-)	-2.22 (-)	- (-)	- (-)
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	-16 (-20)	- (-)	- (-)	- (-)	-16 (-20)	-79 (-68)	- (-)	- (-)	- (-)	-79 (-68)
	Amount outstanding	-968.10 (-1,800.54)	- (-)	- (-)	-968.10 (1800.54)	-612.91 (-243.42)	- (-)	- (-)	- (-)	- (-)	-612.91 (-243.42)
	Provision thereon	-41.87 (-76.29)	- (-)	- (-)	-41.87 (-76.29)	-1.77 (-3.12)	- (-)	- (-)	- (-)	- (-)	-1.77 (-3.12)



Sr. No.	Type of Restructuring	Under CDR Mechanism (1)				Under SME Debt Restructuring Mechanism (2)				
		Standard	Sub Doubtful	Loss	Total	Standard	Sub Doubtful	Loss	Total	
Asset Classification Particulars		Standard				Standard				
5	Downgradation of No. of Borrowers restructured accounts during current FY	-35 (-16)	-3 (-4)	34 (17)	4 (3)	- (-)	-31 (-90)	-7 (39)	29 (43)	9 (8)
	Amount outstanding	-9,512.83 (-2,725.70)	-760.38 (-268.98)	10,252.24 (2,517.19)	20.97 (477.49)	- (-)	-588.47 (-1,177.97)	223.45 (23.53)	303.16 (904.13)	61.86 (250.32)
	Provision thereon	-537.57 (-122.91)	-80.29 (-12.37)	637.83 (87.62)	-19.97 (47.66)	- (-)	-33.32 (-31.35)	13.96 (-10.32)	19.36 (24.32)	- (17.35)
6	Write-offs of restructured accounts during current FY	-12 (-5)	-1 (-4)	-9 (-15)	-2 (-4)	-24 (-28)	-46 (-109)	-42 (-13)	-18 (-32)	-10 (-7)
	Amount outstanding	-2,309.70 (-437.08)	-22.41 (-368.57)	-1,744.12 (-2,534.90)	-30.02 (-499.74)	-4,106.25 (-3840.28)	-579.50 (-707.83)	-145.41 (-100.36)	-341.16 (-272.82)	-115.58 (-252.35)
	Provision thereon	-310.88 (-283.90)	-4.28 (-33.03)	-478.76 (-411.51)	- (-0.10)	-793.92 (-728.53)	-43.70 (-43.64)	-6.81 (-9.59)	13.65 (-125.10)	- (-17.39)
7	Total Restructured Accounts as on 31st March, 2016 (Closing Position)	62 (121)	3 (7)	74 (47)	3 (2)	142 (177)	186 (315)	46 (90)	123 (107)	11 (11)
	Amount outstanding	14,186.03 (25,079.31)	219.43 (999.76)	14,045.42 (5,035.94)	236.23 (477.49)	28,687.11 (31,592.49)	1,746.93 (3,325.56)	444.99 (369.03)	2,148.54 (2,202.13)	31.56 (85.28)
	Provision thereon	779.15 (1,847.05)	13.64 (103.90)	411.89 (183.40)	0.94 (47.66)	1,205.62 (2,182.00)	49.49 (121.85)	18.24 (9.95)	104.21 (71.77)	- (-)
										171.95 (203.58)

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, 2015 (Opening position)	No. of Borrowers	676	1,273	1,351	463	3,763	1,112	1,370	1,505	476	4,463
		Amount outstanding	(3,771)	(1,088)	(750)	(77)	(5,686)	(4,364)	(1,136)	(868)	(89)	(6,457)
		Provision thereon	27,437.97	770.82	5,140.13	305.27	33,654.17	55,842.83	2,139.61	12,378.20	868.03	71,228.67
			(18,081.60)	(1,829.00)	(5,942.25)	(165.81)	(26,018.68)	(43,050.49)	(2,916.80)	(12,218.66)	(751.72)	(58,937.66)
		Provision thereon	1,095.69	12.58	138.97	5.73	1,252.98	3,064.59	126.43	394.15	53.39	3,638.56
			(662.79)	(173.87)	(283.00)	(3.66)	(1,123.32)	(2,416.31)	(257.10)	(973.62)	(3.81)	(3,650.84)
2	Fresh Restructuring during the current FY	No. of Borrowers	105	252	73	19	449	129	257	86	20	492
		Amount outstanding	(364)	(288)	(580)	(119)	(1,351)	(508)	(321)	(608)	(120)	(1,557)
		Provision thereon	6,497.48	65.63	284.39	102.82	6,950.32	8,320.96	80.63	706.75	195.54	9,303.88
			(14,711.51)	(374.93)	(1,343.34)	(469.19)	(16,898.97)	(24,537.09)	(1,408.40)	(2,356.27)	(470.33)	(28,772.09)
		Provision thereon	15.54	4.62	3.25	0.18	23.59	-163.92	0.10	51.04	2.77	-110.01
			(713.32)	(16.16)	(302.36)	(47.07)	(1,078.90)	(1,460.15)	(113.58)	(319.84)	(47.07)	(1,940.63)
3	Upgradation to restructured standard category during current FY	No. of Borrowers	13	1	4	-18	-	20	1	-2	-19	-
		Amount outstanding	(7)	(-3)	(-3)	(-1)	(-)	(14)	(-5)	(-8)	(-1)	(-)
		Provision thereon	373.49	-2.06	-322.69	-48.74	-	649.61	-16.67	-259.29	-373.65	-
			(273.81)	(-229.23)	(-0.05)	(-44.52)	(-)	(976.76)	(-267.32)	(-664.92)	(-44.52)	(-)
		Provision thereon	13.90	-	-10.94	-2.96	-	22.20	-0.03	10.11	-32.28	-
			(-)	(1.17)	(-1.17)	(-)	(-)	(29.74)	(-0.32)	(-29.43)	(-)	(-)
4	Restructured Standard Advances which cease 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	-51				-51	-146				-146
		Amount outstanding	(-385)				(-385)	(-473)				(-473)
		Provision thereon	-3,065.11				-3,065.11	-4,646.12				-4,646.12
			(-1,301.54)				(-1,301.54)	(-3,345.50)				(-3,345.50)
		Provision thereon	-117.18				-117.18	-160.82				-160.82
			(-34.20)				(-34.20)	(-113.61)				(-113.61)



Sr. No.	Type of Restructuring	Others (3)							TOTAL (1 + 2 + 3)			
		Asset Classification	Standard	Sub Standard	Doubtful	Loss	Total Standard	Sub Standard		Doubtful	Loss	Total
Particulars												
5	Downgradations of restructured accounts during current FY	No. of Borrowers	-203	-832	1,132	-97	-	-269	-842	1,195	-84	-
		Amount	(-1,112)	(465)	(302)	(345)	(-)	(-1,218)	(500)	(362)	(356)	(-)
		outstanding	-5,583.94	291.06	5,332.77	-39.89	-	-15,685.24	-245.88	15,888.18	42.94	-
		Provision thereon	(-2429.70)	(-285.92)	(2,479.08)	(236.53)	(-)	(-6,333.37)	(-531.37)	(5,900.40)	(964.34)	(-)
			-256.08	5.21	253.79	-2.92	-	-826.97	-61.12	910.99	-22.90	-
			(-58.40)	(0.24)	(54.22)	(3.94)	(-)	(-212.65)	(-22.45)	(166.16)	(68.95)	(-)
6	Write-offs of restructured accounts during current FY	No. of Borrowers	-239	-174	-224	-277	-914	-297	-217	-251	-289	-1,054
		Amount	(-1969)	(-565)	(-278)	(-77)	(-2889)	(-2083)	(-582)	(-325)	(-88)	(-3078)
		outstanding	-2,537.47	-546.72	-1,223.85	-173.28	-4,481.31	-5,426.67	-714.53	-3,309.13	-318.91	-9,769.24
		Provision thereon	(-1,897.74)	(-917.96)	(-4,624.50)	(-521.74)	(-7,961.95)	(-3,042.65)	(-1,386.89)	(-7,432.22)	(-1,273.83)	(-13,135.59)
			-348.84	-15.28	-354.53	(-)	-718.65	-703.40	-26.36	-819.66	-	-1,549.42
			(-187.81)	(-178.86)	(-499.44)	(-48.93)	(-915.04)	(-515.35)	(-221.48)	(-1,036.05)	(-66.43)	(-1,839.30)
7	TOTAL Restructured Accounts as on 31st March, 2016 (Closing Position)	No. of Borrowers	301	520	2,336	90	3,247	549	569	2,533	104	3,755
		Amount	(676)	(1,273)	(1,351)	(463)	(3,763)	(1,112)	(1,370)	(1,505)	(476)	(4463)
		outstanding	23,122.42	578.73	9,210.75	146.17	33,058.07	39,055.37	1,243.16	25,404.71	413.95	66,117.19
		Provision thereon	(27,437.97)	(770.82)	(5,140.13)	(305.27)	(33,654.17)	(55,842.83)	(2,139.61)	(12,378.20)	(868.03)	(71,228.67)
			403.03	7.13	30.54	0.03	440.73	1,231.68	39.02	546.63	0.98	1,818.31
			(1,095.69)	(12.58)	(138.97)	(5.73)	(1,252.98)	(3,064.59)	(126.43)	(394.14)	(53.39)	(3,638.56)

Note:

1. Increase in outstanding of ₹4,731.40 crore (Previous Year ₹ 3,491.65 crore) included in Fresh Additions.
2. Closure of ₹4,398.11 crore (Previous Year ₹ 3,794.15 crore) and decrease in Outstanding of ₹4,413.95 crore (Previous Year ₹ 3,827.03 crore) is included in Write off.
3. Total Column does not include standard assets moved out of higher provisioning.

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

₹ In crore

Particulars	Current Year	Previous Year
i) Opening balance of Technical/Prudential written-off accounts as at April 1	Nil	Nil
ii) Add: Technical/ Prudential write-offs	Nil	Nil
iii) Sub-total (A)	Nil	Nil
iv) Less: Recoveries made from previously technical/prudential written-off accounts during the year (B)	Nil	Nil
v) Closing balance as at March 31 (A-B)	Nil	Nil

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

₹ In crore

Particulars	Current Year	Previous Year
i) No. of Accounts	46,399	5,904
ii) Aggregate value (net of provisions) of accounts sold to SC/ RC	1,500.88	6,981.42
iii) Aggregate consideration*	1,007.63	4,406.07
iv) Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
v) Aggregate gain / (loss) over net book value #	(493.25)	(2,575.35)

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

Includes amount of ₹ 0.52 crore (Previous Year ₹ 7.52 crore) credited to charges/ (interest) account.

e) 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 2016	5,425.63	4,703.28	27.19	30.07	5,452.82	4,733.35
Book Value of Investments in Security Receipts made during the year	783.92	3,337.48	2.65	2.05	786.57	3,339.53



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

₹ In crore

Particulars	As at	
	31st March 2016	31st March 2015
Excess Provision reversed to P&L Account in case of Sale of NPAs	11.70	177.42

g) Details of non-performing financial assets purchased

₹ In crore

Particulars	Current Year		Previous Year	
	(a)	(b)	(a)	(b)
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

h) Details of non-performing financial assets sold

₹ In crore

Particulars	Current Year		Previous Year	
	(a)	(b)	(a)	(b)
1) No. of Accounts sold		45,331		1,825
2) Aggregate outstanding		2,168.54		10,852.55
3) Aggregate consideration received		955.62		4,294.60

i) Provision on Standard Assets

The Provision on Standard Assets held by the Bank as on 31st March 2016 is as under:

₹ In crore

Particulars	As at	
	31st March 2016	31st March 2015
Provision towards Standard Assets	11,188.59	9,018.36

j) Business Ratios

Particulars	Current Year		Previous Year	
	(a)	(b)	(a)	(b)
i. Interest Income as a percentage to Working Funds		7.27%		7.61%
ii. Non-interest income as a percentage to Working Funds		1.25%		1.13%
iii. Operating Profit as a percentage to Working Funds		1.92%		1.94%
iv. Return on Assets*		0.46%		0.68%
v. Business (Deposits plus advances) per employee (₹ in crore)		14.11		12.34
vi. Profit per employee (₹ in thousands)		470.27		602.00

* (on net-assets basis)

k) Asset Liability Management: Maturity pattern of certain items of assets and liabilities as at 31st March 2016

₹ In crore

	Day 1	2 to 7 days	8 to 14 days	15 to 28 days	29 days to 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	32,254.69	31,224.38	18,964.10	26,786.00	91,505.07	1,42,701.27	3,29,433.98	4,06,204.54	1,59,306.39	4,92,342.02	17,30,722.44
	(57,851.81)	(26,454.50)	(18,078.37)	(26,277.89)	(93,336.98)	(1,39,455.40)	(2,28,347.53)	(3,74,749.76)	(1,68,526.42)	(4,43,714.53)	(15,76,793.25)
Advances	81,248.64	10,318.80	8,806.38	17,512.55	89,543.50	51,218.22	66,019.16	6,65,803.22	1,75,530.67	2,97,699.28	14,63,700.42
	(93,953.48)	(6,324.43)	(11,181.43)	(16,981.77)	(68,614.55)	(73,835.91)	(85,919.15)	(6,42,058.59)	(1,27,338.29)	(1,73,818.79)	(13,00,026.39)
Investments	0.70	639.94	1,023.78	1,589.66	12,513.13	10,767.42	19,519.25	89,293.75	57,136.04	2,84,613.61	4,77,097.28
	(-)	(829.89)	(3,679.12)	(5,522.64)	(17,160.51)	(15,385.63)	(17,946.26)	(69,307.56)	(80,867.00)	(2,71,060.14)	(4,81,758.75)
Borrowings	2,111.64	9,264.22	3,753.41	16,751.13	55,712.26	25,352.81	17,601.19	31,350.48	16,574.17	45,719.28	2,24,190.59
	(11,052.35)	(14,325.60)	(3,967.91)	(14,275.11)	(43,859.71)	(24,441.00)	(19,666.56)	(20,958.59)	(16,620.43)	(35,983.03)	(2,05,150.29)
Foreign Currency Assets	78,671.10	1,495.59	990.85	7,330.95	30,412.64	19,118.60	20,894.87	59,109.37	65,118.64	47,100.93	3,30,243.54
	(81,569.01)	(1,910.62)	(2,541.70)	(7,449.89)	(17,120.90)	(28,290.16)	(21,562.61)	(49,095.23)	(44,185.46)	(39,850.95)	(2,93,576.53)
Foreign Currency Liabilities	28,569.54	9,803.31	4,293.14	20,231.25	62,665.39	36,463.27	52,236.94	59,586.10	32,578.57	10,116.16	3,16,543.67
	(33,991.88)	(14,174.37)	(4,943.86)	(17,085.47)	(52,563.89)	(34,153.04)	(39,677.83)	(52,273.23)	(34,428.42)	(7,999.68)	(2,91,291.67)

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

\$ Foreign Currency Liabilities represent borrowings and deposits.

(Figures in brackets are as at 31st March 2015)



18.5. Exposures

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

a) Real Estate Sector

₹ In crore

Particulars	As at	As at
	31st March 2016	31st March 2015
(I) Direct exposure		
i) Residential Mortgages	2,06,765.40	1,83,082.23
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	2,06,765.40	1,83,082.23
Of which (i) Individual housing loans up to ₹ 25 lakh in Metropolitan centres (Population < 10 lacs) and ₹ 15 lakh in other centres for purchase/construction of dwelling unit per family.	1,04,934.43	94,330.55
ii) Commercial Real Estate		
Lending secured by mortgages on Commercial Real Estates (office building, retail space, multi purpose commercial premises, multi family 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.	27,364.60	20,761.65
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:	877.99	614.48
a) Residential	877.99	603.28
b) Commercial Real Estate	0	11.20
(II) Indirect Exposure		
Fund based and Non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	28,656.55	18,930.16
Total	2,63,664.54	2,23,388.52

b) Capital Market

₹ In crore

Particulars	As at	As at
	31st March 2016	31st March 2015
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.	4,026.53	3,727.32
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.	5.36	8.11

₹ In crore

Particulars	As at	As at
	31st March 2016	31st March 2015
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.	9,339.52	7,358.66
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.	19.82	308.13
5) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	333.40	26.87
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.	516.87	285.76
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.	0.04	0.34
10) Exposures to Venture Capital Funds (both registered and unregistered)	1,618.44	1,873.05
Total Exposure to Capital Market	15,859.98	13,588.24

c) Strategic Debt Restructuring (SDR) Scheme

During the year the debt was converted into equity under SDR for the following borrowers:-

₹ In crore

Sr. No.	Name of Company	Amount of exposure Converted into equity
1	Coastal Projects Ltd	25.86
2	IVRCL	200.00
3	Monnet Ispat & Energy Limited	24.12



d) 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 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
Insignificant	1.00	1.68	Nil	Nil
Very Low	69,481.69	52,107.06	78.60	56.89
Low	2,599.83	883.78	Nil	Nil
Low Medium	55,125.36	26,774.43	Nil	Nil
Medium	5,942.22	3,148.82	Nil	Nil
High	6,914.11	5,790.96	Nil	Nil
Very High	2,790.41	2,296.82	Nil	Nil
Restricted	4,182.70	3,390.41	Nil	Nil
Off-Credit	Nil	Nil	Nil	Nil
Total	1,47,037.32	94,393.96	78.60	56.89

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

The Bank had taken single borrower exposure in excess of prudential limit prescribed by RBI in the cases given below:

₹ In crore

Name of the Borrower	Exposure Ceiling	Exposure Sanctioned (Peak Level)	Period during which limit exceeded	Outstanding as on 31st March 2016
Bharat Heavy Electricals Ltd	23,672.22	25,021.05	April 2015 to March 2016	21,696.22

Note :-

1. No breach of Prudential Norms since Exposure on BHEL was well within the discretion given to banks by RBI for taking additional 5% exposure over the prudential limits.
2. Exposures on all the Borrower Groups were within the Prudential Norms during the year (F.Y. 2015-16).

f) Unsecured Advances

₹ In crore

Particulars	As at	
	31st March 2016	31st March 2015
a) Total Unsecured Advances of the bank	3,15,779.06	2,59,109.61
i) Of which amount of advances outstanding against charge over intangible securities such as rights, licences, authority etc.	2,183.46	5,832.72
ii) The estimated value of such intangible securities (as in (i) above).	2,748.40	6,005.01

18.6. Miscellaneous

a) Disclosure of Penalties

₹ Nil (Previous year ₹ Nil) imposed by RBI.

Financial Intelligence Unit- India, New Delhi imposed a penalty of ₹ 0.05 crore under Section 12 of the PMLA Act.

During the current year the Hong Kong Monetary Authority have taken disciplinary action under Section 21 of AML ordinance and imposed a penalty of HKD 75,43,000. (Previous year, the Authority of Prudential Control and Resolution, Paris, France has imposed a penalty of Euro 3,00,000 on SBI Paris branch).

b) Penalty for Bouncing of SGL forms

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

18.7. Disclosure Requirements as per the Accounting Standards

a) 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 Plans	
	Current Year	Previous Year	Current Year	Previous Year
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation as at 1st April 2015	51,616.04	45,236.99	7,182.35	6,838.07
Current Service Cost	843.64	897.53	128.33	108.88
Interest Cost	4,237.68	4,193.47	589.67	639.36
Past Service Cost (Vested Benefit)	-	-	-	-
Actuarial losses (gains)	6,212.17	4,537.90	451.06	533.18
Benefits paid	(1,511.96)	(1,346.63)	(1,019.27)	(937.14)
Direct Payment by Bank	(2,246.16)	(1,903.22)	-	-
Closing defined benefit obligation as at 31st March 2016	59,151.41	51,616.04	7,332.14	7,182.35
Change in Plan Assets				
Opening fair value of Plan Assets as at 1st April 2015	49,387.97	42,277.01	7,110.25	7,090.59
Expected Return on Plan Assets	4,296.75	3,678.10	618.59	616.88
Contributions by employer	1,400.54	2,493.62	213.24	233.88
Benefits Paid	(1,511.96)	(1,346.63)	(1,019.27)	(937.14)
Actuarial Gains / (Loss) on plan Assets	(162.93)	2,285.87	(43.04)	106.04
Closing fair value of plan assets as at 31st March 2016	53,410.37	49,387.97	6,879.77	7,110.25
Reconciliation of present value of the obligation and fair value of the plan assets				
Present Value of Funded obligation as at 31st March 2016	59,151.41	51,616.04	7,332.14	7,182.35
Fair Value of Plan assets as at 31st March 2016	53,410.37	49,387.97	6,879.77	7,110.25
Deficit/(Surplus)	5,741.04	2,228.07	452.37	72.10
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	5,741.04	2,228.07	452.37	72.10
Amount Recognised in the Balance Sheet				
Liabilities	59,151.41	51,616.04	7,332.14	7,182.35
Assets	53,410.37	49,387.97	6,879.77	7,110.25
Net Liability / (Asset) recognised in Balance Sheet	5,741.04	2,228.07	452.37	72.10

₹ In crore

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	-
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	5,741.04	2,228.07	452.37	72.10
Net Cost recognised in the profit and loss account				
Current Service Cost	843.64	897.53	128.33	108.88
Interest Cost	4,237.68	4,193.47	589.67	639.36
Expected return on plan assets	(4,296.75)	(3,678.10)	(618.59)	(616.88)
Past Service Cost (Amortised) Recognised	-	-	-	-
Past Service Cost (Vested Benefit) Recognised	-	-	-	-
Net actuarial losses (Gain) recognised during the year	6,375.10	2,252.03	494.10	427.14
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	7,159.67	3,664.93	593.51	558.50
Reconciliation of expected return and actual return on Plan Assets				
Expected Return on Plan Assets	4,296.75	3,678.10	618.59	616.88
Actuarial Gain/ (loss) on Plan Assets	(162.93)	2,285.87	(43.04)	106.04
Actual Return on Plan Assets	4,133.82	5,963.97	575.55	722.92
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet				
Opening Net Liability/ (Asset) as at 1st April 2015	2,228.07	2,959.98	72.10	(252.52)
Expenses as recognised in profit and loss account	7,159.67	3,664.93	593.51	558.50
Paid by Bank Directly	(2,246.16)	(1,903.22)	-	-
Debited to Other Provision	-	-	-	-
Recognised in Reserve	-	-	-	-
Employer's Contribution	(1,400.54)	(2,493.62)	(213.24)	(233.88)
Net liability/(Asset) recognised in Balance Sheet	5,741.04	2,228.07	452.37	72.10



Investments under Plan Assets of Pension Fund & Gratuity Fund as on 31st March 2016 are as follows:

Category of Assets	Pension Fund	Gratuity Fund
	% of Plan Assets	% of Plan Assets
Central Govt. Securities	33.20%	23.13%
State Govt. Securities	22.59%	15.35%
Debt Securities, Money Market Securities and Bank Deposits	39.51%	29.82%
Insurer Managed Funds	--	27.79%
Others	4.70%	3.91%
Total	100.00%	100.00%

Principal actuarial assumptions

Particulars	Pension Plans		Gratuity Plans	
	Current year	Previous year	Current year	Previous year
Discount Rate	8.06%	8.21%	7.86%	8.21%
Expected Rate of return on Plan Asset	8.06%	8.70%	7.86%	8.70%
Salary Escalation	5.00%	5.00%	5.00%	5.00%
Attrition Rate	2.00%	2.00%	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

Surplus/ Deficit in the Plan

Gratuity Plan

₹ In crore

Amount recognised in the Balance Sheet	Year ended 31-03-2012	Year ended 31-03-2013	Year ended 31-03-2014	Year ended 31-03-2015	Year ended 31-03-2016
Liability at the end of the year	6,462.82	7,050.57	6,838.07	7,182.35	7,332.14
Fair value of Plan Assets at the end of the year	5,251.79	6,549.31	7,090.59	7,110.25	6,879.77
Difference	1,211.03	501.26	(252.52)	72.10	452.37
Unrecognised Past Service Cost	300.00	200.00	-	-	-
Unrecognised Transition Liability	-	-	-	-	-
Amount Recognised in the Balance Sheet	911.03	301.26	(252.52)	72.10	452.37

Experience adjustment

₹ In crore

Amount recognised in the Balance Sheet	Year ended 31-03-2012	Year ended 31-03-2013	Year ended 31-03-2014	Year ended 31-03-2015	Year ended 31-03-2016
On Plan Liability (Gain) /Loss	367.64	459.56	210.19	(24.69)	326.09
On Plan Asset (Loss) /Gain	32.58	62.46	23.87	106.04	(43.09)

Surplus/Deficit in the plan Pension

Amount recognised in the Balance Sheet	Year ended 31-03-2012	Year ended 31-03-2013	Year ended 31-03-2014	Year ended 31-03-2015	Year ended 31-03-2016
Liability at the end of the year	36,525.68	39,564.21	45,236.99	51,616.04	59,151.41
Fair value of Plan Assets at the end of the year	27,205.57	35,017.57	42,277.01	49,387.97	53,410.37
Difference	9,320.11	4,546.64	2,959.98	2,228.07	5,741.04
Unrecognised Past Service Cost	-	-	-	-	-
Unrecognised Transition Liability	-	-	-	-	-
Amount Recognised in the Balance Sheet	9,320.11	4,546.64	2,959.98	2,228.07	5,741.04

Experience adjustment

On Plan Liability (Gain) /Loss	1,677.80	345.90	7,709.67	1,732.86	5,502.35
On Plan Asset (Loss) /Gain	130.16	419.58	335.40	2,285.87	(162.93)

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, which has been relied upon by the auditors.

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. 2015-16.



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

₹ in crore

Particulars	Provident Fund	
	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation as at 1st April 2015	22,498.51	21,804.39
Current Service Cost	1,632.22	527.14
Interest Cost	2,026.72	1,869.09
Employee Contribution (including VPF)	1,983.67	661.66
Actuarial losses/(gains)	0.01	-
Benefits paid	(2,981.43)	(2,363.77)
Closing defined benefit obligation as at 31st March 2016	25,159.70	22,498.51
Change in Plan Assets		
Opening fair value of Plan Assets as at 1st April 2015	23,197.82	22,366.42
Expected Return on Plan Assets	2,026.72	1,869.09
Contributions	3,615.89	1,188.80
Benefits Paid	(2,981.43)	(2,363.77)
Actuarial Gains / (Loss) on plan Assets	126.32	137.28
Closing fair value of plan assets as at 31st March 2016	25,985.32	23,197.82
Reconciliation of present value of the obligation and fair value of the plan assets		
Present Value of Funded obligation as at 31st March 2016	25,159.70	22,498.51
Fair Value of Plan assets as at 31st March 2016	25,985.32	23,197.82
Deficit/(Surplus)	(825.62)	(699.31)
Net Asset not recognised in Balance Sheet	825.62	699.31
Net Cost recognised in the profit and loss account		
Current Service Cost	1,632.22	527.14
Interest Cost	2,026.72	1,869.09
Expected return on plan assets	(2,026.72)	(1,869.09)
Interest shortfall reversed	-	-
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	1,632.22	527.14
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1st April 2015	-	-
Expense as above	1,632.22	527.14
Employer's Contribution	(1,632.22)	(527.14)
Net Liability/(Asset) Recognised In the Balance Sheet	-	-

Investments under Plan Assets of Provident Fund as on 31st March 2016 are as follows:

Provident Fund	
Category of Assets	% of Plan Assets
Central Govt. Securities	40.36%
State Govt. Securities	20.55%
Debt Securities, Money Market Securities and Bank Deposits	34.15%
Insurer Managed Funds	--
Others	4.94%
Total	100.00%

Principal actuarial assumptions:

Particulars	Provident Fund	
	Current year	Previous year
Discount Rate	7.86%	8.21%
Guaranteed Return	8.75%	8.75%
Attrition Rate	2.00%	2.00%
Salary Escalation	5.00%	5.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

There is a guaranteed return applicable to liability under SBI Employees Provident Fund. Fund has been crediting the interest at the rate of interest as declared under Employees Provident Fund and Miscellaneous Provisions Act 1952 and hence treated as a defined benefit plan.

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.2015-16, the Bank has contributed ₹ 191.18 crore (Previous Year ₹ 145.51 crore).

iii. Long Term Employee Benefits (Unfunded Obligation):

(a) Accumulating Compensated Absences (Privilege Leave)

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

₹ in crore

Particulars	Accumulating Compensated Absences (Privilege Leave)	
	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1st April 2015	3,756.50	3,079.47
Current Service Cost	230.94	135.55
Interest Cost	308.41	287.62
Actuarial losses/(gains)	590.64	681.86
Benefits paid	(511.00)	(428.00)
Closing defined benefit obligation at 31st March 2016	4,375.49	3,756.50
Net Cost recognised in the profit and loss account		
Current Service Cost	230.94	135.55
Interest Cost	308.41	287.62
Actuarial (Gain)/ Losses	590.64	681.86
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	1,129.99	1,105.03
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1st April 2015	3,756.50	3,079.47
Expense as above	1,129.99	1,105.03
Employer's Contribution	-	-
Benefit paid directly by the Employer	(511.00)	(428.00)



₹ in crore

Particulars	Accumulating Compensated Absences (Privilege Leave)	
	Current Year	Previous Year
Net Liability/(Asset) Recognized In the Balance Sheet	4,375.49	3,756.50

Principal actuarial assumptions:

Particulars	Current year	Previous year
Discount Rate	7.86%	8.21%
Salary Escalation	5.00%	5.00%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

(b) Other Long Term Employee Benefits

Amount of ₹ (-) 7.62 crore (Previous Year ₹ (-)40.05 crore) is (written back)/ provided towards Other Long Term Employee Benefits as per the actuarial valuation by the independent Actuary appointed by the Bank and is included under the head "Payments to and Provisions for Employees" in Profit and Loss Account.

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

₹ in crore

Sr. No.	Long Term Employee Benefits	Current Year	Previous Year
1	Leave Travel and Home Travel Concession (Encashment/ Availment)	10.00	(51.00)
2	Sick Leave	-	-
3	Silver Jubilee Award	(7.79)	1.71
4	Resettlement Expenses on Superannuation	(0.54)	6.22
5	Casual Leave	-	-
6	Retirement Award	(9.29)	3.02
Total		(7.62)	(40.05)

Principal actuarial assumptions:

Particulars	Current year	Previous year
Discount Rate	7.86%	8.21%
Salary Escalation	5.00%	5.00%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

b) Segment Reporting:

1. Segment Identification

I. Primary (Business Segment)

The following are the primary segments of the Bank:-

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

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

- i. **Treasury** - The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.
- ii. **Corporate / Wholesale Banking** - The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Mid Corporate Accounts Group and Stressed Assets

Management Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices.

- iii. **Retail Banking** - The Retail Banking Segment comprises of branches in National Banking Group, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with branches in the National Banking Group. This segment also includes agency business and ATMs.
- iv. **Other Banking business** – Segments not classified under (i) to (iii) above are classified under this primary segment.

II. Secondary (Geographical Segment)

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

III. Pricing of Inter-segmental Transfers

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

IV. Allocation of Expenses, Assets and Liabilities

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

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



2. Segment Information

Part A: Primary (Business Segments)

Business Segment					₹ In crore	
	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total	
Revenue #	49,572.24	63,983.80	76,531.65	-	1,90,087.69	
	(41,095.95)	(61,445.90)	(71,248.38)	(-)	(1,73,790.23)	
Unallocated Revenue #					1,755.98	
					(1,182.73)	
Total Revenue					1,91,843.67	
					(1,74,972.96)	
Result #	8,246.77	-11,466.70	18,967.10	-	15,747.17	
	(7,554.38)	(-308.47)	(14,758.80)	(-)	(22,004.71)	
Unallocated Income(+) / Expenses(-) Net #					-1,973.12	
					(-2690.75)	
Profit before tax #					13,774.05	
					(19,313.96)	
Tax #					3,823.40	
					(6,212.39)	
Extraordinary Profit #					Nil	
					Nil	
Net Profit #					9,950.65	
					(13,101.57)	
Other Information:						
Segment Assets *	5,07,261.72	8,74,603.31	8,57,750.16	-	22,39,615.19	
	(4,99,202.87)	(7,83,263.69)	(750,148.40)	(-)	(20,32,614.96)	
Unallocated Assets *					19,447.84	
					(15,464.84)	
Total Assets*					22,59,063.03	
					(20,48,079.80)	
Segment Liabilities *	2,92,776.35	7,96,500.56	965,368.29	-	20,54,645.20	
	(3,08,334.71)	(6,88,172.53)	(8,68,722.52)	(-)	(18,65,229.76)	
Unallocated Liabilities*					60,143.40	
					(54,411.81)	
Total Liabilities *					21,14,788.60	
					(19,19,641.57)	

(Figures in brackets are for previous year)

Part B: Secondary (Geographical Segments)

	₹ In crore					
	Domestic		Foreign		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue #	1,78,322.68	1,64,304.43	11,765.01	9,485.80	1,90,087.69	1,73,790.23
Net Profit#	5,936.62	9,972.10	4,014.03	3,129.47	9,950.65	13,101.57
Assets *	19,30,789.77	17,47,311.56	3,28,273.26	3,00,768.24	22,59,063.03	20,48,079.80
Liabilities*	17,86,515.34	16,18,873.33	3,28,273.26	3,00,768.24	21,14,788.60	19,19,641.57

For the year ended 31st March 2016

* As at 31st March 2016

c) Related Party Disclosures:

1. Related Parties

A. SUBSIDIARIES

i. DOMESTIC BANKING SUBSIDIARIES

1. State Bank of Bikaner & Jaipur
2. State Bank of Hyderabad
3. State Bank of Mysore
4. State Bank of Patiala
5. State Bank of Travancore

ii. FOREIGN BANKING SUBSIDIARIES

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

iii. DOMESTIC NON-BANKING SUBSIDIARIES

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

iv. FOREIGN NON-BANKING SUBSIDIARIES

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

B. JOINTLY CONTROLLED ENTITIES

1. GE Capital Business Process Management Services Pvt. Ltd
2. C-Edge Technologies Ltd.

3. Macquarie SBI Infrastructure Management Pte. Ltd.
4. Macquarie SBI Infrastructure Trustee Ltd.
5. SBI Macquarie Infrastructure Management Pvt. Ltd.
6. SBI Macquarie Infrastructure Trustee Pvt. Ltd.
7. Oman India Joint Investment Fund – Management Company Pvt. Ltd.
8. Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.

C. ASSOCIATES

i. Regional Rural Banks

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

ii. Others

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

D. Key Management Personnel of the Bank

1. Smt. Arundhati Bhattacharya, Chairman
2. Shri P. Pradeep Kumar, Managing Director (Corporate Banking Group) (upto 31.10.2015)
3. Shri V.G. Kannan, Managing Director (Associates & Subsidiaries)



4. Shri B. Sriram, Managing Director (National Banking Group) (upto 01.11.2015)
Managing Director (Corporate Banking Group) (from 02.11.2015)
5. Shri Rajnish Kumar, Managing Director (Compliance & Risk) (from 26.05.2015 to 01.11.2015)
Managing Director (National Banking Group) (from 02.11.2015)
6. Shri P. K. Gupta, Managing Director (Compliance & Risk) (from 02.11.2015)

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
A. Outstanding as at 31st March			
Borrowings	Nil (Nil)	Nil (Nil)	Nil (Nil)
Deposit	39.07 (35.80)	Nil (Nil)	39.07 (35.80)
Other Liabilities	Nil (0.02)	Nil (Nil)	Nil (0.02)
Balance with Banks	Nil (2.12)	Nil (Nil)	Nil (2.12)
Advance	Nil (Nil)	Nil (Nil)	Nil (Nil)
Investment	41.55 (41.55)	Nil (Nil)	41.55 (41.55)
Non-fund commitments (LCs/BGs)	Nil (Nil)	Nil (Nil)	Nil (Nil)
B. Maximum outstanding during the year			
Borrowings	Nil (Nil)	Nil (Nil)	Nil (Nil)
Deposit	51.95 (57.06)	Nil (Nil)	51.95 (57.06)

₹ In crore

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Other Liabilities	0.02	Nil	0.02
	(0.02)	(Nil)	(0.02)
Balance with Banks	2.12	Nil	2.12
	(5.94)	(Nil)	(5.94)
Advance	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
Investment	41.55	Nil	41.55
	(41.55)	(Nil)	(41.55)
Non-fund commitments (LCs/BGs)	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
C. During the year ended 31st March			
Interest Income	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
Interest expenditure	1.86	Nil	1.86
	(2.78)	(Nil)	(2.78)
Income earned by way of dividend	27.32	Nil	27.32
	(33.82)	(Nil)	(33.82)
Other Income	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
Other expenditure	Nil	Nil	Nil
	(3.09)	(Nil)	(3.09)
Profit/(loss) on sale of land/building and other assets	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
Management contracts	Nil	1.58	1.58
	(Nil)	(1.03)	(1.03)

Figures in brackets are for Previous Year

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



d) Liability for Operating 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.

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

₹ In crore

Particulars	As at 31st March 2016	As at 31st March 2015
Not later than 1 year	277.70	191.05
Later than 1 year and not later than 5 years	1165.78	674.79
Later than 5 years	311.17	178.17
Total	1,754.65	1,044.01

- b. Amount of lease payments recognised in the P&L Account for operating leases is ₹ 2,110.27 crore (₹ 1,659.09 crore)

e) Earnings per Share

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

Particulars	Current Year	Previous Year
Basic and diluted		
Number of Equity Shares outstanding at the beginning of the year	746,57,30,920	746,57,30,920
Number of Equity Shares issued during the year	29,70,46,122	0
Number of Equity Shares outstanding at the end of the year	776,27,77,042	746,57,30,920

Particulars	Current Year	Previous Year
Weighted average number of equity shares used in computing basic earnings per share	766,55,68,627	746,57,30,920
Weighted average number of shares used in computing diluted earnings per share	766,55,68,627	746,60,06,199
Net profit (₹ In crore)	9,950.65	13,101.57
Basic earnings per share (₹)	12.98	17.55
Diluted earnings per share (₹)	12.98	17.55*
Nominal value per share (₹)	1	1

*Diluted earnings per share is computed taking into consideration the amount received for equity shares allotted on 1st April 2016.

f) Accounting for Taxes on Income

i. Current Tax :-

During the year the Bank has debited to Profit & Loss Account ₹4,003.27crore (Previous Year ₹6,719.11 crore) on account of current tax. The Current Tax in India has been calculated in accordance with the provisions of Income Tax Act 1961 after taking appropriate relief for taxes paid in foreign jurisdictions.

ii. Deferred Tax :-

During the year, ₹245.47 crore has been debited to Profit and Loss Account (Previous Year ₹477.56 crore Credited) on account of deferred tax.

- iii. The Bank has a net Deferred Tax Liability (DTL) of ₹2,212.44 crore (Previous Year net DTL of ₹1,987.14 crore), which comprises of DTL of ₹2,684.96 crore (Previous Year ₹2,353.12 crore) included under 'Other Liabilities and Provisions' and Deferred Tax Assets (DTA) of ₹472.52 crore (Previous Year ₹365.98 crore) included under

'Other Assets'. The major components of DTA and DTL is given below:

₹ In crore				
Particulars	As at 31st March 2016	As at 31st March 2015		
Deferred Tax Assets (DTA)				
Provision for Defined Benefit Schemes on account of Wage Revision	-	451.63	On Foreign Currency Translation Reserve	262.27
Provision for long term employee Benefits	1,605.78	1,831.55	Amortisation of Discount	11.79
Provision/ Additional Provision on specified Restructured Standard Assets/Standard Assets over the specified RBI Prudential Norms	1,791.21	1,132.65	On account of Foreign Offices	472.52
Provision for Other Assets	238.29	-	Total	4,381.86
			Deferred Tax Liabilities (DTL)	3,781.81
			Depreciation on Fixed Assets	174.61
			Interest accrued but not due on Securities	3,476.39
			Special Reserve created u/s 36(1)(viii) of Income Tax Act 1961	2,941.40
			On account of Foreign Offices	1.90
			Total	6,594.30
			Net Deferred Tax Assets/ (Liabilities)	(2,212.44)
				(1,987.14)

g) Investments in Jointly Controlled Entities

Investments include ₹ 38.43 crore (Previous Year ₹ 38.28 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	GE Capital Business Process Management Services Pvt. Ltd.	9.44 (9.44)	India	40%
2	C - Edge Technologies Ltd.	4.90 (4.90)	India	49%
3	Maquarie SBI Infrastructure Management Pte. Ltd.	2.25 (2.25)	Singapore	45%
4	SBI Macquarie Infrastructure Management Pvt. Ltd.	18.57 (18.57)	India	45%
5	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	0.03 (0.03)	India	45%
6	Macquarie SBI Infrastructure Trustee Ltd.*	0.93 (0.78)	Bermuda	45%
7	Oman India Joint Investment Fund – Management Company Pvt. Ltd.	2.30 (2.30)	India	50%
8	Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.	0.01 (0.01)	India	50%

* Indirect holding through Maquarie SBI Infra Management Pte. Ltd., against which the Company has made 100% provision. (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 2016	As at 31st March 2015
Liabilities		
Capital & Reserves	174.57	159.14
Deposits	-	-
Borrowings	5.31	8.15
Other Liabilities & Provisions	101.07	76.93
Total	280.95	244.22
Assets		
Cash and Balances with RBI	0.01	-
Balances with Banks and money at call and short notice	114.50	96.36
Investments	9.00	9.69
Advances	-	-
Fixed Assets	31.02	35.75
Other Assets	126.42	102.42
Total	280.95	244.22
Capital Commitments		
Other Contingent Liabilities	6.04	3.51
Income		
Interest earned	6.75	6.09
Other income	328.38	285.04
Total	335.13	291.13
Expenditure		
Interest expended	0.96	1.23
Operating expenses	260.30	223.70
Provisions & contingencies	22.18	18.73
Total	283.44	243.66
Profit	51.69	47.47

h) 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) Description of Contingent Liabilities (AS-29)

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

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



j) Movement of provisions against Contingent Liabilities

₹ In crore

Particulars	Current Year	Previous Year
Opening balance	443.58	327.31
Additions during the year	190.90	206.59
Amount utilised during the year	6.00	26.66
Unused amount reversed during the year	227.38	63.66
Closing balance	401.10	443.58

18.8. Additional Disclosures

1. Provisions and Contingencies recognised in Profit and Loss Account

₹ In crore

Particulars	Current Year	Previous Year
Provision for Taxation		
-Current Tax	4,003.27	6,719.11
-Deferred Tax	245.47	-477.56
-Write Back of Income Tax	-425.34	-39.16
-Other Tax	-	10.00
Provision for Depreciation on Investments	149.56	-590.07
Withdrawal from Counter Cyclical Buffer	-1,149.00	-382.00
Provision on Non-Performing Assets	29,880.77	17,487.41
Provision on Restructured Assets	-1,747.63	802.65
Provision on Standard Assets	2,157.55	2,435.37
Other Provisions	192.50	469.95
Total	33,307.15	26,435.70

2. Floating Provisions

₹ In crore

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

3. Withdrawal from Reserves

During the year, no withdrawal has been made from reserves.

4. Status of complaints

A. Customer complaints

Particulars	As at 31st March 2016	As at 31st March 2015
No. of complaints pending at the beginning of the year	30,896	21,413
No. of complaints received during the year	12,22,250	16,34,042
No. of complaints redressed during the year	12,37,811	16,24,559
No. of complaints pending at the end of the year	15,335	30,896

Does not include complaints redressed within one working day.

B. Awards passed by the Banking Ombudsman

Particulars	Current Year	Previous Year
No. of unimplemented Awards at the beginning of the year	15	9
No. of Awards passed by the Banking Ombudsman during the year	16	39
No. of Awards implemented during the year	31	33
No. of unimplemented Awards at the end of the year	-	15

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

As per the information available with the Bank, 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 issued for Subsidiaries

The Bank has issued no letters of comfort outstanding on behalf of its subsidiaries as on 31st March 2016. (Previous Year: ₹ 715.16 crore).

7. Provisioning Coverage Ratio (PCR):

The Provisioning to Gross Non-Performing Assets ratio of the Bank as on 31st March 2016 is 60.69 % (Previous Year 69.13%).

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

₹ In crore

Name of Company	Current Year	Previous Year
SBI Life Insurance Co. Ltd.	379.94	281.16
SBI General Insurance Co. Ltd.	82.25	62.86
Manu Life Financial Limited and NTUC	1.65	0.57
Tokio Marine, ACE	0.16	0.21
TOTAL	464.00	344.80

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

a) Concentration of Deposits

₹ In crore

Particulars	Current Year	Previous Year
Total Deposits of twenty largest depositors	1,13,783.78	1,01,148.22
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	6.57%	6.41%

b) Concentration of Advances

₹ In crore

Particulars	Current Year	Previous Year
Total Advances to twenty largest borrowers	2,34,099.47	2,06,512.83
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	15.51%	15.46%

c) Concentration of Exposures

₹ In crore

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers/customers	3,51,117.08	3,45,152.13
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the Bank on borrowers/customers	14.93%	15.88%

d) Concentration of NPAs

₹ In crore

Particulars	Current Year	Previous Year
Total Exposure to top four NPA accounts	26,863.55	1,839.51



10. Sector-wise NPAs

₹ 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	1,26,455.87	9,839.11	7.78	1,12,705.39	10,216.74	9.06
2	Industry (Micro & Small, Medium and Large)	91,144.42	11,602.30	12.73	65,699.72	7,087.13	10.79
3	Services	32,341.80	1,747.36	5.40	26,146.41	1,699.94	6.50
4	Personal Loans	89,625.80	1,033.79	1.15	90,352.32	1,202.51	1.33
	Sub-total (A)	3,39,567.89	24,222.56	7.13	2,94,903.84	20,206.32	6.85
B	Non Priority Sector						
1	Agriculture & allied activities	5,644.32	496.94	8.80	5,024.05	199.91	3.98
2	Industry (Micro & Small, Medium and Large)	7,22,102.72	67,674.75	9.37	6,66,218.20	31,152.77	4.68
3	Services	1,90,365.38	4,355.62	2.29	1,75,819.02	4,014.14	2.28
4	Personal Loans	2,51,819.51	1,422.93	0.57	1,93,458.59	1,152.20	0.60
	Sub-total (B)	11,69,931.93	73,950.24	6.32	10,40,519.86	36,519.02	3.51
C	Total (A+B)	15,09,499.82	98,172.80	6.50	13,35,423.70	56,725.34	4.25

11. Overseas Assets, NPAs and Revenue

₹ In crore

Sr. No.	Particulars	Current Year	Previous Year
1	Total Assets	3,28,273.26	3,00,768.24
2	Total NPAs (Gross)	7,785.13	2,618.65
3	Total Revenue	11,765.01	9,485.80

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	Number	Amount
1.	No. of the SPVs sponsored by the Bank for securitisation transactions	Nil	Nil
2.	Total amount of securitised assets as per the books of the SPVs sponsored by the bank	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	Nil	Nil
	i. First Loss		
	ii. Others		
	b) On-balance sheet exposures	Nil	Nil
	i. First Loss		
	ii. Others		
4.	Amount of exposures to securitisation transactions other than MMR		
	a) Off-balance sheet exposures		
	i. Exposures to own securitisations	Nil	Nil
	1. First Loss		
	2. Others		
	ii. Exposures to third party securitisations	Nil	Nil
	1. First Loss		
	2. Others		

₹ In crore

Sr. No.	Particulars	Number	Amount
	b) On-balance sheet exposures		
	i. Exposures to own securitisations	Nil	Nil
	1. First Loss		
	2. Others		
	ii. Exposures to third party securitisations	Nil	Nil
	1. First Loss		
	2. Others		

14. Credit Default Swaps

₹ In crore					
Sr. No.	Particulars	Current Year		Previous Year	
		As Protection Buyer	As Protection Seller	As Protection Buyer	As Protection Seller
		1.	No. of transactions during the year		
	a) of which transactions that are/may be physically settled	Nil	Nil	Nil	Nil
	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	Nil	Nil	Nil	Nil
	b) cash settled	Nil	Nil	Nil	Nil



Sr. No.	Particulars	Current Year		Previous Year	
		As Protection Buyer	As Protection Seller	As Protection Buyer	As Protection Seller
3.	No. of transactions where credit event payment was received / made during the year				
	a) pertaining to current year's transactions	Nil	Nil	Nil	Nil
	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	Nil	Nil	Nil	Nil
	b) Credit event payments:				
	• made (net of the value of assets realised)	Nil	Nil	Nil	Nil
	• received (net of value of deliverable obligation)	Nil	Nil	Nil	Nil
5.	Outstanding transactions as on March 31:				
	a) No. of Transactions	Nil	Nil	Nil	Nil
	b) Amount of protection	Nil	Nil	Nil	Nil
6.	Highest level of outstanding transactions during the year:				

Sr. No.	Particulars	Current Year		Previous Year	
		As Protection Buyer	As Protection Seller	As Protection Buyer	As Protection Seller
	a) No. of Transactions (as on 1st April)	Nil	Nil	Nil	Nil
	b) Amount of protection (as on 1st April)	Nil	Nil	Nil	Nil

15. Intra-Group Exposures:

₹ In crore

Particulars	Current Year	Previous Year
i Total amount of intra-group exposures	9,251.34	15,442.79
ii Total amount of top-20 intra-group exposures	9,251.34	15,442.79
iii Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	0.39	0.71
iv Details of breach of limits on intra-group exposures and regulatory action thereon	Nil	Nil

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

₹ In crore

Particulars	Current Year	Previous Year
Opening balance of amounts transferred to DEAF	757.14	Nil
Add : Amounts transferred to DEAF during the year	123.78	757.14
Less : Amounts reimbursed by DEAF towards claims	Nil	Nil
Closing balance of amounts transferred to DEAF	880.92	757.14

17. Unhedged Foreign Currency Exposure

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

Foreign Currency Exposure'. An amount of ₹ 161.21 crore (Previous Year ₹ 293.08 crore) was held as on 31st March 2016 for Currency Induced Credit Risk and Capital allocated for Currency Induced Credit Risk amounting to ₹ 237.62 crore (Previous Year ₹408.44 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:
$$\frac{\text{Stock of high quality liquid assets (HQLAs)}}{\text{Total net cash outflows over the next 30 calendar days}}$$

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. Level 1 assets are with 0% haircut while in Level 2, 2A assets are with a minimum 15% haircut and Level 2B assets, with a minimum 50% haircut. The total net cash outflows 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:

LCR COMPONENTS	₹ In crore			
	FY - 2015-16		Q4 - 2015-16	
	Total Unweighted Value (Avg)	Total Weighted Value(Avg)	Total Unweighted Value (Avg)	Total Weighted Value (Avg)
HIGH QUALITY LIQUID ASSETS (HQLA)				
1 Total High Quality Liquid Assets(HQLA)		2,39,970		2,50,927
CASH OUTFLOWS				
2 Retail Deposits and deposits from small business customers, of which:				
(i) Stable deposits	1,42,631	7,132	1,61,391	8,070
(ii) Less Stable Deposits	10,66,580	1,06,658	11,26,491	1,12,649
3 Unsecured wholesale funding, of which:				
(i) Operational deposits(all counterparties)	565	141	0	0
(ii) Non-operational deposits (all counterparties)	3,77,180	2,27,113	3,72,702	2,27,461
(iii) Unsecured debt	0	0	0	0
4 Secured wholesale funding	26,129	13	59,444	29
5 Additional requirements, of which				
(i) Outflows related to derivative exposures and other collateral requirements	70,333	70,333	76,881	76,881
(ii) Outflows related to loss of funding on debt products	0	0	0	0



₹ In crore

LCR COMPONENTS	FY - 2015-16		Q4 - 2015-16	
	Total Unweighted Value (Avg)	Total Weighted Value(Avg)	Total Unweighted Value (Avg)	Total Weighted Value (Avg)
(iii) Credit and liquidity facilities	1,85,287	26,327	2,08,731	29,801
6 Other contractual funding obligations	12,445	12,445	14,283	14,283
7 Other contingent funding obligations	3,71,624	17,989	3,65,189	15,889
8 TOTAL CASH OUTFLOWS	22,52,774	4,68,151	23,85,112	4,85,063
CASH INFLOWS				
9 Secured lending (eg. Reverse repos)	3,324	0	312	0
10 Inflows from fully performing exposures	1,34,289	1,17,996	1,41,656	1,23,564
11 Other cash inflows	39,325	31,188	41,950	32,873
12 TOTAL CASH INFLOWS	1,76,938	1,49,184	1,83,918	1,56,437
13 TOTAL HQLA		2,39,970		2,50,927
14 TOTAL NET CASH OUTFLOWS		3,18,967		3,28,626
15 LIQUIDITY COVERAGE RATIO (%)		75.23%		76.36%

The above LCR disclosure template shows the average of the un-weighted and weighted value of LCR components for the State Bank of India including its Foreign Branches. The averages are computed based on the month-end values for;

- the entire Financial Year 2015-16
- the quarter ended March 2016

Both the positions are above the minimum 70% prescribed by RBI (60% upto December 2015 and 70% from 1st January 2016). Bank's LCR comes out to 75.23% based on average of twelve months (FY15-16) and 76.36% based on average of last three months (Q4 FY15-16). The average HQLA for the Q4 FY15-16 was ₹ 250,927 crore, of which Level 1 assets constituted on an average 92% of total HQLA and cash, excess CRR, and 0% risk weighted Marketable securities issued/guaranteed by foreign sovereigns. Government securities consisting of 88% of Total Level 1 Assets. The net cash outflows position has gone up in the Q4 FY15-16 on account of growth of Balance Sheet size. Derivative exposures are considered insignificant due to almost matching inflows and outflows position. During the last quarter USD was the significant Foreign Currency which constituted more than 5% of the Balance Sheet of the Bank. Average USD LCR was 82% for Q4 FY15-16.

Liquidity Management in the Bank is driven by the ALM Policy, approved by the Bank's Board. 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 monthly LCR reporting, Bank prepares daily Structural Liquidity statements to assess the liquidity needs of the Bank on an ongoing basis. Further, Dynamic Liquidity Reports are also being prepared periodically to forecast liquidity requirements and to strategize accordingly.

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, 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.

b. Consolidated LCR

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

The entities covered in the Group LCR are six Domestic Banking and seven Overseas Banking Subsidiaries. These are State Bank of India, State Bank of Bikaner and Jaipur,

State Bank of Hyderabad, State Bank of Patiala, State Bank of Mysore, State Bank of Travancore, Bank SBI Botswana Ltd, Commercial Indo Bank LLC, Moscow, Nepal SBI Bank Ltd., State Bank of India (California) Ltd, SBI Canada Bank, State Bank of India (Mauritius) Ltd, PT Bank SBI Indonesia.

SBI Group LCR comes out to 77.21% as on 31st March 2016 based on average of three months as under:

₹ In crore

LCR COMPONENTS	Total Unweighted Value(Average)	Total Weighted Value(Average)
HIGH QUALITY LIQUID ASSETS(HQLA)		
1 Total High Quality Liquid Assets(HQLA)		3,25,539
CASH OUTFLOWS		
2 Retail Deposits and deposits from small business customers, of which:		
(i) Stable deposits	2,42,670	12,134
(ii) Less Stable Deposits	14,19,909	1,41,991
3 Unsecured wholesale funding, of which:		
(i) Operational deposits(all counterparties)	4,540	1,127
(ii) Non-operational deposits(all counterparties)	494,122	2,87,505
(iii) Unsecured debt	0	0
4 Secured wholesale funding	66,768	5,872
5 Additional requirements, of which		
(i) Outflows related to derivative exposures and other collateral requirements	99,420	99,420
(ii) Outflows related to loss of funding on debt products	0	0
(iii) Credit and liquidity facilities	2,18,045	33,777
6 Other contractual funding obligations	22,415	22,415
7 Other contingent funding obligations	4,53,671	17,154
8 TOTAL CASH OUTFLOWS	30,21,560	6,21,395
CASH INFLOWS		
9 Secured lending(eg. Reverse repos)	1,440	331
10 Inflows from fully performing exposures	1,85,061	1,57,195
11 Other cash inflows	55,503	42,258
12 TOTAL CASH INFLOWS	2,42,004	1,99,784
13 TOTAL HQLA		3,25,539
14 TOTAL NET CASH OUTFLOWS		4,21,611
15 LIQUIDITY COVERAGE RATIO (%)		77.21%



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. 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.

20. Sale of Assets to Reconstruction Companies

Shortfall on account of sale of assets to Reconstruction Companies during the year amounting to ₹ 461.39 crore (previous year ₹ 2,803.19 crore) is being amortized over a period of two years in terms of RBI Circular DBOD.BP.BC.No.98/21.04.132/2013-14 dated February 26, 2014. Consequently, ₹ 1,509.79 crore (previous year ₹ 623.78 crore) has been charged to the Profit & Loss Account for the year ended March 31, 2016. The amount unamortised as at March 31, 2016 is ₹ 1,131.01 crore (previous year ₹ 2,179.42 crore).

21. Counter Cyclical Provisioning Buffer (CCPB)

RBI vide Circular No. DBR.No.BP.BC.79/21.04.048/2014-15 dated March 30, 2015 on 'Utilisation of Floating Provisions/Counter Cyclical Provisioning Buffer' has allowed the banks, to utilise up to 50 per cent of CCPB held by them as on December 31, 2014, for making specific provisions for Non-Performing Assets (NPAs) as per the policy approved by the Bank's Board of Directors. Accordingly, the Bank has utilized the CCPB of ₹ 1149 crore (previous year ₹ 382 crore) for making specific provision for NPAs, in accordance with the board approved policy and approval of the Board.

22. Asset Quality Review (AQR)

During the year, as a part of Asset Quality Review (AQR) conducted by RBI, the Bank has been advised to reclassify/make additional provision in respect of certain advance accounts over two quarters ending December 2015 and March 2016. The Bank has accordingly implemented the RBI directions.

23. Food Credit

In accordance with RBI instruction, the Bank has made a provision of 7.5% amounting to ₹ 543.50 crore against outstanding in the food credit advance to a State Government pending resolution by stakeholders.

24. Depreciation on Fixed Assets

During the current year, estimated useful life of a few assets such as ATMs, cash dispensing machines, coin dispensing machine, computer servers, computer software, networking equipment were changed. The effect of which on the financial statements is considered not material.

25. Other income includes ₹ 2,033.83 crore on account of exchange gain on repatriation of funds from foreign offices to India and restatement of capital funds at historical costs at foreign offices.

26. In accordance with RBI circular dated July 16, 2015 investment in Rural Infrastructure and Development Fund and other related deposits have been re-classified to Schedule 11- Other Assets from Schedule 8 – Investments. Consequently, interest on such deposits have been re-classified to "Others" from "Income from investments" in Schedule 13 – Interest Earned.

27. Previous year figures have been regrouped/reclassified, wherever necessary, to conform 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 on 31st March, 2016

(000s omitted)		
Particulars	Year ended on 31.03.2016 (Current Year) ₹	Year ended on 31.03.2015 (Previous Year) ₹
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Taxes	13774,05,74	19313,96,20
Adjustments for:		
Depreciation on Fixed Assets	1700,30,45	1116,49,32
(Profit)/Loss on sale of Fixed Assets (Net)	16,69,37	42,74,99
(Profit)/Loss on revaluation of Investments (Net)	151,67,43	0
(Profit)/Loss on sale of Investments Subsidiaries/Joint Ventures/Associates	(108,00,00)	0
Provision for diminution in fair value & Non Performing Assets	26984,14,36	17908,05,50
Provision on Standard Assets	2157,54,91	2435,37,49
Provision for Investment depreciation/(appreciation)	149,55,88	(590,07,29)
Other provisions including provision for contingencies	192,49,87	469,95,29
Income from investment in Subsidiaries, Joint Ventures, Associates	(475,82,57)	(677,03,43)
Interest paid on Capital Instruments	3722,80,38	3822,78,30
	48265,45,82	43842,26,37
Adjustments for:		
Increase/(Decrease) in Deposits	153929,19,11	182384,74,02
Increase/ (Decrease) in Borrowings other than Capital Instruments	12902,76,40	22057,84,75
(Increase)/ Decrease in Investments other than investments in Subsidiaries/Joint Ventures/Associates	5954,00,84	(80924,33,06)
(Increase)/ Decrease in Advances	(190658,16,81)	(108105,72,87)
Increase/ (Decrease) in Other Liabilities	23446,33,07	34437,35,30
(Increase)/ Decrease in Other Assets	(34583,68,76)	(61812,21,44)
Reduction in FCTR on disposal of investments in non-integral Operations	(873,92,35)	0
	18381,97,32	31879,93,07
Tax refund/ (Taxes paid)	(7185,42,60)	(4258,90,17)
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES	A	11196,54,72
CASH FLOW FROM INVESTING ACTIVITIES		
(Increase)/ Decrease in Investments in Subsidiaries/Joint Ventures/Associates	(1593,77,02)	(1444,77,30)
Profit/(Loss) on sale of Investments Subsidiaries/Joint Ventures/Associates	108,00,00	0
Dividend received from Subsidiaries/Joint Ventures/Associates	475,82,57	677,03,43
(Increase)/ Decrease in Fixed Assets	(2738,42,72)	(2490,36,07)
NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES	B	(3748,37,17)



(000s omitted)

Particulars	Year ended on 31.03.2016 (Current Year) ₹	Year ended on 31.03.2015 (Previous Year) ₹
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares including share premium	5384,49,57	0
Share application money pending allotment received during the year	0	2970,00,00
Issue/(redemption) of Capital Instruments	5902,84,20	(200,00,00)
Interest on Capital Instruments	(3722,80,38)	(3822,78,30)
Dividends paid including tax thereon	(3058,65,86)	(1236,33,43)
NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES	C	(2289,11,73)
EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE	D	132,33,71
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C+D)	12711,87,44	22206,14,94
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	154755,78,21	132549,63,27
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	167467,65,65	154755,78,21

Note:

Components of Cash & Cash Equivalents as at:	31.03.2016	31.03.2015
Cash & Balance with RBI	129629,32,53	115883,84,35
Balances with Banks and money at call & short notice	37838,33,12	38871,93,86
Total	167467,65,65	154755,78,21

Signed by:

Shri P.K. Gupta
Managing Director
(Compliance & Risk)

Shri V.G. Kannan
Managing Director
(Associates & Subsidiaries)

Shri B. Sriram
Managing Director
(Corporate Banking Group)

Directors:

Shri Sanjiv Malhotra
Shri M.D. Mallya
Shri Deepak I. Amin
Shri Tribhuvan Nath Chaturvedi
Dr. Girish Kumar Ahuja
Dr. Pushpendra Rai
Shri Sunil Mehta

Smt. Arundhati Bhattacharya
Chairman

In terms of our report of even date

For M/s Varma & Varma

Chartered Accountants

Cherian K Baby

Partner, M.No.016043
Firm Regn.No.004532 S

For M/s V. Sankar Aiyar & Co.

Chartered Accountants

Ajay Gupta

Partner, M.No.090104
Firm Regn.No.109208 W

For M/s Manubhai & Shah LLP

Chartered Accountants

Hitesh M Pomal

Partner, M.No.106137
Firm Regn.No.106041W/W100136

For M/s Chatterjee & Co.

Chartered Accountants

S K Chatterjee

Partner, M.No.003124
Firm Regn.No.302114 E

For M/s S L Chhajer & Co.

Chartered Accountants

S N Sharma

Partner, M.No.071224
Firm Regn.No.000709 C

For M/s Mehra Goel & Co.

Chartered Accountants

R K Mehra

Partner, M.No.006102
Firm Regn.No.000517 N

For M/s S. N. Mukherji & Co.

Chartered Accountants

Sudip Mukherji

Partner, M.No.013321
Firm Regn.No.301079 E

For M/s M. Bhaskara Rao & Co.

Chartered Accountants

M V Ramana Murthy

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

For M/s Bansal & Co.

Chartered Accountants

D S Rawat

Partner, M.No.083030
Firm Regn.No.001113 N

For M/s Mittal Gupta & Co.

Chartered Accountants

Akshay Kumar Gupta

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

For M/s S R R K Sharma Associates

Chartered Accountants

S R R K Sharma

Partner, M.No.18088
Firm Regn.No.003790 S

For M/s B. Chhawchharia & Co.

Chartered Accountants

Kshitiz Chhawchharia

Partner, M.No.061087
Firm Regn. No. 305123 E

For M/s GSA & Associates

Chartered Accountants

Sunil Aggarwal

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

For M/s Amit Ray & Co.

Chartered Accountants

Basudeb Banerjee

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

Place : Kolkata

Date : 27th May, 2016.

Independent Auditors' Report



To

The President of India,
Report on the Financial Statements

1. We have audited the accompanying financial statements of State Bank of India ("the Bank") as at March 31, 2016, which comprises the Balance Sheet as at March 31, 2016, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns of

- i) The Central Offices, 14 Local Head Offices, Global Market Group, International Business Group, Corporate Accounts Group (Central), Mid-Corporate Group (Central), Stressed Assets Management Group (Central) and 42 branches audited by us;
- ii) 8,903 Indian Branches audited by other auditors;
- iii) 55 Foreign Branches audited by the local auditors.

The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also incorporated in the Balance Sheet and the Profit and Loss Account are the returns from 8,714 Indian Branches (including other accounting units) which have not been subjected to audit. These unaudited branches account for 4.03% of advances, 17.81% of deposits, and 4.99% of interest income and 16.08% of interest expenses.

Management's Responsibility for the Financial Statements

2. The Bank's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the requirements of the Reserve Bank of India, the provisions of the Banking Regulation Act, 1949, the State Bank of India Act, 1955 and recognised accounting policies and practices, including the Accounting

Standards issued by the Institute of Chartered Accountants of India (ICAI). This responsibility of the management includes the design, implementation and maintenance of internal controls and risk management systems relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In making those risk assessments, the management has implemented such internal controls that are relevant to the preparation of the financial statements and designed procedures that are appropriate in the circumstances so that the internal control with regard to all the activities of the Bank is effective.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, as shown by books of the Bank, and to the best of our information and according to the explanations given to us:
- (i) the Balance Sheet, read with the significant accounting policies and the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of state of affairs of the Bank as at 31st March 2016 in conformity with accounting principles generally accepted in India;
 - (ii) the Profit and Loss Account, read with the significant accounting policies and the notes thereon shows a true balance of profit, in conformity with accounting principles generally accepted in India, for the year covered by the account; and
 - (iii) the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Emphasis of Matter

7. We draw attention to Note 18 of Schedule 18: 'Notes to Accounts' regarding:
- (a) Note No. 18.8 – para 20: non-amortization of ₹1,131.01 crore on account of loss on sale of assets to Reconstruction Companies.
 - (b) Note No. 18.8 – para 21: utilization of Counter Cyclical Buffer of ₹1, 149 crore during the year.

Our opinion is not qualified in respect of the above stated matter.

Report on Other Legal and Regulatory Requirements

8. The Balance Sheet and the Profit and Loss Account have been drawn up in Forms "A" and "B" respectively of the Third Schedule to the Banking Regulation Act 1949 and these give information as required to be given by virtue of the provisions of the State Bank of India Act, 1955 and regulations there under.
9. Subject to the limitations of the audit indicated in paragraphs 1 to 5 above and as required by the State Bank of India Act, 1955, and subject also to the limitations of disclosure required there in, we report that:
- a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory.
 - b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
 - c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
10. In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the applicable accounting standards.



For M/s Varma & Varma

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Firm Regn.No.000257 N

For M/s Amit Ray & Co.

Chartered Accountants

Basudeb BanerjeePartner, M.No.070468
Firm Regn.No.000483 C

Place : Kolkata

Date : 27th May, 2016.

STATE BANK OF INDIA

Consolidated Balance Sheet as on 31st March 2016

(000s omitted)

	Schedule No.	As on 31.03.2016 (Current Year) ₹	As on 31.03.2015 (Previous Year) ₹
CAPITAL AND LIABILITIES			
Capital	1	776,27,77	746,57,31
Reserves & Surplus	2	179816,08,85	160640,96,97
Minority Interest		6267,40,44	5497,11,75
Deposits	3	2253857,56,44	2052960,78,88
Borrowings	4	258214,39,05	244663,46,71
Other Liabilities and Provisions	5	271965,91,64	235601,10,84
TOTAL		2970897,64,19	2700110,02,46
ASSETS			
Cash and Balances with Reserve Bank of India	6	160424,56,91	144287,54,67
Balances with Banks and Money at Call & Short Notice	7	43734,89,64	44193,50,13
Investments	8	705189,07,67	673507,48,44
Advances	9	1870260,89,28	1692211,33,41
Fixed Assets	10	15255,68,28	12379,29,52
Other Assets	11	176032,52,41	133530,86,29
TOTAL		2970897,64,19	2700110,02,46
Contingent Liabilities	12	1184201,34,24	1190338,69,09
Bills for Collection		106611,67,61	105970,51,47
Significant Accounting Policies	17		
Notes to Accounts	18		

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

(Arundhati Bhattacharya)
CHAIRMAN

Cherian K Baby
Partner

(P. K. Gupta)
MD (C & R)

(V. G. Kannan)
MD (A & S)

(B. Sriram)
MD (CBG)

Mem. No. : 16043
Firm Regn. No. : 004532 S

KOLKATA
Dated 27th May 2016



SCHEDULE 1 - CAPITAL

(000s omitted)

	As on 31.03.2016 (Current Year) ₹	As on 31.03.2015 (Previous Year) ₹
Authorised Capital	5000,00,00	5000,00,00
5000,00,00,000 equity shares of ₹ 1/- each (Previous Year 5000,00,00,000 equity shares of ₹ 1/- each)		
Issued Capital :	776,35,98	746,65,61
776,35,98,072 equity shares of ₹ 1/- each (Previous Year 746,65,61,670 equity shares of ₹ 1/- each)		
Subscribed and Paid up Capital	776,27,77	746,57,31
776,27,77,042 equity shares of ₹ 1/- each (Previous Year 746,57,30,920 equity shares of ₹ 1/- each) [The above includes 14,45,93,240 equity shares of ₹ 1/- each (Previous Year 16,04,31,560 equity shares of ₹ 1/- each) represented by 1,44,59,324 (Previous Year 1,60,43,156) Global Depository Receipts]		
TOTAL	776,27,77	746,57,31

SCHEDULE 2 - RESERVES & SURPLUS

(000s omitted)

	As on 31.03.2016 (Current Year) ₹	As on 31.03.2015 (Previous Year) ₹
I. Statutory Reserves		
Opening Balance	57789,72,97	52885,09,44
Additions during the year	3709,43,37	4904,63,53
Deductions during the year	-	61499,16,34
	-	57789,72,97
II. Capital Reserves #		
Opening Balance	2816,00,26	2500,48,95
Additions during the year	538,20,31	315,51,31
Deductions during the year	1,09	3354,19,48
	-	2816,00,26
III. Share Premium		
Opening Balance	41444,68,60	41444,68,60
Additions during the year	8333,44,99	-
Deductions during the year	8,65,88	49769,47,71
	-	41444,68,60
IV. Foreign Currency Translation Reserves		
Opening Balance	6765,70,93	6759,69,99
Additions during the year	937,97,19	98,24,78
Deductions during the year	890,05,13	6813,62,99
	92,23,84	6765,70,93
V. Revaluation Reserve		
Opening Balance	-	-
Additions during the year	1374,03,37	-
Deductions during the year	-	1374,03,37
	-	-

SCHEDULES

	As on 31.03.2016 (Current Year) ₹	As on 31.03.2015 (Previous Year) ₹
VI. Revenue and Other Reserves		
Opening Balance	49208,96,59	41001,62,17
Additions during the year ##	4885,36,61	8228,28,70
Deductions during the year	368,57,53	53725,75,67
		20,94,28
		49208,96,59
VII. Balance in Profit and Loss Account	3279,83,29	2615,87,62
TOTAL	179816,08,85	160640,96,97

includes Capital Reserve on consolidation ₹ 242,83,39 thousand (Previous Year ₹ 237,49,80 thousand)

net of consolidation adjustments

SCHEDULE 3 - DEPOSITS

(000s omitted)

	As on 31.03.2016 (Current Year) ₹	As on 31.03.2015 (Previous Year) ₹
A. I. Demand Deposits		
(i) From Banks	6740,88,18	7247,03,57
(ii) From Others	163938,91,29	145818,36,10
II. Savings Bank Deposits	744908,74,55	656490,39,45
III. Term Deposits		
(i) From Banks	9082,28,40	11852,80,26
(ii) From Others	1329186,74,02	1231552,19,50
TOTAL	2253857,56,44	2052960,78,88
B. I. Deposits of Branches in India	2143972,00,39	1948918,04,67
II. Deposits of Branches outside India	109885,56,05	104042,74,21
TOTAL	2253857,56,44	2052960,78,88



SCHEDULE 4 - BORROWINGS

(000s omitted)

	As on 31.03.2016 (Current Year) ₹		As on 31.03.2015 (Previous Year) ₹	
I. Borrowings in India				
(i) Reserve Bank of India		3391,79,00		5798,75,00
(ii) Other Banks		3686,76,87		3579,39,47
(iii) Other Institutions and Agencies		10547,50,98		18761,45,07
(iv) Capital Instruments :				
a. Innovative Perpetual Debt Instruments(IPDI)		3849,72,60		3890,00,00
b. Subordinated Debts & Bonds		53873,63,80	57723,36,40	47929,81,20
TOTAL		75349,43,25		79959,40,74
II. Borrowings outside India				
(i) Borrowings and Refinance outside India		178661,48,05		160735,38,97
(ii) Capital Instruments :				
a. Innovative Perpetual Debt Instruments(IPDI)		4140,93,75		3906,25,00
b. Subordinated Debts & Bonds		62,54,00	4203,47,75	62,42,00
TOTAL		182864,95,80		164704,05,97
GRAND TOTAL (I & II)		258214,39,05		244663,46,71
Secured Borrowings included in I & II above		13591,47,33		13595,79,97

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

(000s omitted)

	As on 31.03.2016 (Current Year) ₹	As on 31.03.2015 (Previous Year) ₹
I. Bills payable	23335,72,69	24904,60,85
II. Inter Bank Adjustments (net)	237,92,52	321,30,21
III. Inter Office adjustments (net)	37419,45,02	39770,62,75
IV. Interest accrued	29833,04,28	25563,20,50
V. Deferred Tax Liabilities (net)	2930,88,61	2667,22,18
VI. Liabilities relating to Policyholders in Insurance Business	78668,25,79	70098,11,58
VII. Others (including provisions)	99540,62,73	72276,02,77
TOTAL	271965,91,64	235601,10,84

SCHEDULES

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(000s omitted)

	As on 31.03.2016 (Current Year) ₹	As on 31.03.2015 (Previous Year) ₹
I. Cash in hand (including foreign currency notes and gold)	17787,02,59	17753,63,55
II. Balance with Reserve Bank of India		
(i) In Current Account	142637,54,32	126533,91,12
(ii) In Other Accounts	-	-
TOTAL	160424,56,91	144287,54,67

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

(000s omitted)

	As on 31.03.2016 (Current Year) ₹	As on 31.03.2015 (Previous Year) ₹
I. In India		
(i) Balances with banks		
(a) In Current Accounts	288,01,40	247,81,87
(b) In Other Deposit Accounts	2170,64,23	2244,22,90
(ii) Money at call and short notice		
(a) With banks	3722,29,44	3799,23,66
(b) With other institutions	37,97,35	-
TOTAL	6218,92,42	6291,28,43
II. Outside India		
(i) In Current Accounts	26911,87,69	22355,46,00
(ii) In Other Deposit Accounts	1571,46,56	2631,23,59
(iii) Money at call and short notice	9032,62,97	12915,52,11
TOTAL	37515,97,22	37902,21,70
GRAND TOTAL (I and II)	43734,89,64	44193,50,13



SCHEDULE 8 - INVESTMENTS

(000s omitted)

	As on 31.03.2016 (Current Year) ₹	As on 31.03.2015 (Previous Year) ₹
I. Investments in India in :		
(i) Government Securities	532290,24,22	517554,20,64
(ii) Other approved securities	3759,80,59	3516,13,23
(iii) Shares	23506,08,44	27460,41,25
(iv) Debentures and Bonds	61387,92,23	49626,98,14
(v) Subsidiaries and Associates	2456,08,15	2283,02,14
(vi) Others (Units of Mutual Funds, Commercial Papers etc.)	41525,68,15	41954,66,96
TOTAL	664925,81,78	642395,42,36
II. Investments outside India in :		
(i) Government Securities (including local authorities)	12291,86,27	7937,53,43
(ii) Associates	91,26,16	76,18,20
(iii) Other Investments (Shares, Debentures etc.)	27880,13,46	23098,34,45
TOTAL	40263,25,89	31112,06,08
GRAND TOTAL (I and II)	705189,07,67	673507,48,44
III. Investments in India :		
(i) Gross Value of Investments	666116,72,04	642857,88,24
(ii) Less: Aggregate of Provisions / Depreciation	1190,90,26	462,45,88
(iii) Net Investments (vide I above) TOTAL	664925,81,78	642395,42,36
IV. Investments outside India :		
(i) Gross Value of Investments	40360,83,74	31448,21,49
(ii) Less: Aggregate of Provisions / Depreciation	97,57,85	336,15,41
(iii) Net Investments (vide II above) TOTAL	40263,25,89	31112,06,08
GRAND TOTAL (III and IV)	705189,07,67	673507,48,44

SCHEDULES

SCHEDULE 9 - ADVANCES

(000s omitted)

	As on 31.03.2016 (Current Year) ₹	As on 31.03.2015 (Previous Year) ₹
A. I. Bills purchased and discounted	105904,33,41	108753,54,27
II. Cash credits, overdrafts and loans repayable on demand	768139,02,40	715170,45,86
III. Term loans	996217,53,47	868287,33,28
TOTAL	1870260,89,28	1692211,33,41
B. I. Secured by tangible assets (includes advances against Book Debts)	1449464,11,29	1338415,24,90
II. Covered by Bank/ Government Guarantees	65407,28,51	54987,35,00
III. Unsecured	355389,49,48	298808,73,51
TOTAL	1870260,89,28	1692211,33,41
C. I. Advances in India		
(i) Priority Sector	475038,00,97	425714,33,30
(ii) Public Sector	163126,02,25	121196,09,53
(iii) Banks	2541,75,87	1263,17,82
(iv) Others	952633,31,09	899895,18,92
TOTAL	1593339,10,18	1448068,79,57
II. Advances outside India		
(i) Due from banks	71750,72,87	49750,01,71
(ii) Due from others		
(a) Bills purchased and discounted	15298,95,44	28523,86,79
(b) Syndicated loans	92239,49,49	76503,24,02
(c) Others	97632,61,30	89365,41,32
TOTAL	276921,79,10	244142,53,84
GRAND TOTAL (C-I & C-II)	1870260,89,28	1692211,33,41



SCHEDULE 10 - FIXED ASSETS

(000s omitted)

	As on 31.03.2016 (Current Year) ₹		As on 31.03.2015 (Previous Year) ₹	
I. Premises				
At cost as on 31st March of the preceding year	4672,16,65		4323,51,56	
Additions during the year	1835,36,27		355,12,36	
Deductions during the year	2,39,36		6,47,27	
Depreciation to date	672,31,88	5832,81,68	572,01,06	4100,15,59
II. Other Fixed Assets (including furniture and fixtures)				
At cost as on 31st March of the preceding year	23192,34,20		20473,94,21	
Additions during the year	3056,76,25		3704,27,88	
Deductions during the year	502,26,24		985,87,89	
Depreciation to date	17125,95,43	8620,88,78	15332,16,54	7860,17,66
III. Leased Assets				
At cost as on 31st March of the preceding year	329,83,42		343,55,90	
Additions during the year	2,09,22		11,72,44	
Deductions during the year	209,40,98		25,44,92	
Depreciation to date including provision	101,52,99		306,48,56	
	20,98,67		23,34,86	
Less : Lease Adjustment Account	47,045	16,28,22	47,045	18,64,41
IV. Assets under Construction (Including Premises)		785,69,60		400,31,86
TOTAL		15255,68,28		12379,29,52

SCHEDULES

SCHEDULE 11 - OTHER ASSETS

(000s omitted)

	As on 31.03.2016 (Current Year) ₹	As on 31.03.2015 (Previous Year) ₹
I. Inter Office adjustments (net)	2700,12,71	2625,04,07
II. Interest accrued	21428,47,87	20948,92,59
III. Tax paid in advance / tax deducted at source	15697,31,41	11790,89,06
IV. Stationery and Stamps	140,48,46	137,51,42
V. Non-banking assets acquired in satisfaction of claims	52,20,86	24,17,35
VI. Deferred tax assets (net)	1161,66,36	949,49,97
VII. Deposits placed with NABARD/SIDBI/NHB etc. for meeting shortfall in priority sector lending	60047,16,38	42289,78,98
VIII. Others #	74805,08,36	54765,02,85
TOTAL	176032,52,41	133530,86,29

Includes Goodwill on consolidation ₹ 945,21,86 thousand (P.Y. ₹ 945,21,86 thousand)

SCHEDULE 12 - CONTINGENT LIABILITIES

(000s omitted)

	As on 31.03.2016 (Current Year) ₹	As on 31.03.2015 (Previous Year) ₹
I. Claims against the Group not acknowledged as debts	16060,79,90	16967,68,59
II. Liability for partly paid investments	157,84,11	464,57,92
III. Liability on account of outstanding forward exchange contracts	655899,96,45	695217,28,45
IV. Guarantees given on behalf of constituents		
(a) In India	164515,57,51	151058,82,39
(b) Outside India	88084,20,47	67589,77,46
V. Acceptances, endorsements and other obligations	131160,23,60	125913,03,37
VI. Other items for which the Group is contingently liable	128322,72,20	133127,50,91
TOTAL	1184201,34,24	1190338,69,09
Bills for collection	106611,67,61	105970,51,47

STATE BANK OF INDIA

Consolidated Profit and Loss Account for the year ended 31st March 2016

(000s omitted)

	SCHEDULE NO.	Year ended 31st March 2016 (Current Year) ₹	Year ended 31st March 2015 (Previous Year) ₹
I. INCOME			
Interest earned	13	221854,84,37	207974,33,97
Other Income	14	51016,18,48	49315,16,86
TOTAL		272871,02,85	257289,50,83
II. EXPENDITURE			
Interest expended	15	143047,35,65	133178,64,45
Operating expenses	16	73717,06,84	73224,24,22
Provisions and contingencies		43363,31,29	33369,25,66
TOTAL		260127,73,78	239772,14,33
III. PROFIT			
Net Profit for the year (before adjustment for Share in Profit of Associates and Minority Interest)		12743,29,07	17517,36,50
Add: Share in Profit of Associates		275,81,61	314,44,18
Less: Minority Interest		794,51,18	837,50,76
Net Profit for the Group		12224,59,50	16994,29,92
Balance Brought forward		2615,87,62	2032,37,15
Amount available for Appropriation		14840,47,12	19026,67,07
IV. APPROPRIATIONS			
Transfer to Statutory Reserves		3709,43,37	4904,63,53
Transfer to Other Reserves		5388,68,06	8301,62,00
Dividend for the previous year paid during the year (including Tax on Dividend)		80	-
Final Dividend for the year		2018,32,20	2648,17,28
Tax on Dividend		444,19,40	556,36,64
Balance carried over to Balance Sheet		3279,83,29	2615,87,62
TOTAL		14840,47,12	19026,67,07
Basic Earnings per Share		₹ 15.95	₹ 22.76
Diluted Earnings per Share		₹ 15.95	₹ 22.76
Significant Accounting Policies	17		
Notes to Accounts	18		

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

(Arundhati Bhattacharya)
CHAIRMAN

Cherian K Baby
Partner

(P. K. Gupta)
MD (C & R)

(V. G. Kannan)
MD (A & S)

(B. Sriram)
MD (CBG)

Mem. No. : 16043
Firm Regn. No. : 004532 S

KOLKATA
Dated 27th May 2016

SCHEDULES

SCHEDULE 13 - INTEREST EARNED

(000s omitted)

	Year ended 31.03.2016 (Current Year) ₹	Year ended 31.03.2015 (Previous Year) ₹
I. Interest / discount on advances / bills	157001,74,81	153144,59,00
II. Income on investments	57922,72,37	48952,27,42
III. Interest on balances with Reserve Bank of India and other inter-bank funds	1186,80,31	1033,54,96
IV. Others	5743,56,88	4843,92,59
TOTAL	221854,84,37	207974,33,97

SCHEDULE 14 - OTHER INCOME

(000s omitted)

	Year ended 31.03.2016 (Current Year) ₹	Year ended 31.03.2015 (Previous Year) ₹
I. Commission, exchange and brokerage	17662,46,76	15841,75,18
II. Profit / (Loss) on sale of investments (Net)	8116,67,73	9671,95,41
III. Profit/ (Loss) on revaluation of investments (Net)	(3144,68,18)	1786,05,64
IV. Profit / (Loss) on sale of land, buildings and other assets (Net)	(21,05,23)	(51,28,58)
V. Profit / (Loss) on exchange transactions (Net)	2539,37,79	2385,78,18
VI. Dividends from Associates in India/ abroad	7,52,34	17,38,47
VII. Income from financial lease	-	5,05
VIII Credit Card membership/ service fees	981,08,93	750,80,67
IX Insurance Premium Income (net)	16636,87,72	13628,73,49
X Miscellaneous Income	8237,90,62	5283,93,35
TOTAL	51016,18,48	49315,16,86



SCHEDULE 15 - INTEREST EXPENDED

(000s omitted)

	Year ended 31.03.2016 (Current Year) ₹	Year ended 31.03.2015 (Previous Year) ₹
I. Interest on deposits	132402,04,61	121588,38,03
II. Interest on Reserve Bank of India / Inter-bank borrowings	4893,83,34	5218,58,00
III. Others	5751,47,70	6371,68,42
TOTAL	143047,35,65	133178,64,45

SCHEDULE 16 - OPERATING EXPENSES

(000s omitted)

	Year ended 31.03.2016 (Current Year) ₹	Year ended 31.03.2015 (Previous Year) ₹
I. Payments to and provisions for employees	32525,59,82	31117,61,37
II. Rent, taxes and lighting	4939,78,70	4506,67,55
III. Printing and stationery	511,61,80	510,09,33
IV. Advertisement and publicity	609,67,64	796,87,12
V. (a) Depreciation on Leased Assets	4,05,74	5,18,40
(b) Depreciation on Fixed Assets (other than Leased Assets)	2248,14,79	1576,30,98
VI. Directors' fees, allowances and expenses	7,71,33	5,59,20
VII. Auditors' fees and expenses (including branch auditors' fees and expenses)	285,40,65	262,91,23
VIII. Law charges	362,14,06	322,29,26
IX. Postages, Telegrams, Telephones, etc.	812,91,81	854,98,57
X. Repairs and maintenance	797,06,39	730,45,95
XI. Insurance	2228,56,82	2080,02,62
XII. Other Operating Expenses relating to Credit Card Operations	1163,24,81	551,21,23
XIII. Other Operating Expenses relating to Insurance Business	17930,19,27	21972,48,10
XIV. Other Expenditure	9290,93,21	7931,53,31
TOTAL	73717,06,84	73224,24,22

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 (IRDA), 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 30 subsidiaries, 8 Joint Ventures and 20 Associates)** have been prepared on the basis of:
 - a. Audited accounts 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 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, an amount equal to 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 :
- On Interest bearing securities, it is recognised only at the time of sale/ redemption.
 - On zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.
- 1.6 Dividend is accounted on an accrual basis where the right to receive the dividend is established.
- 1.7 All other commission and fee incomes are recognised on their realisation except for (i) Guarantee commission on deferred payment guarantees, which is spread over the period of the guarantee; (ii) Commission on Government Business and ATM interchange fees, which are recognised as they accrue; and (iii) Upfront fees on restructured accounts, which is apportioned over the restructured period.
- 1.8 One time Insurance Premium paid under Special Home Loan Scheme (December 2008 to June 2009) is amortised over average loan period of 15 years.
- 1.9 Brokerage, Commission etc. paid/incurred in connection with issue of Bonds/Deposits are amortized over the tenure of the related Bonds/ Deposits and the expenses incurred in connection with the issue are charged upfront.
- 1.10 The sale of NPA is accounted as per guidelines prescribed by RBI :-
- When the bank sells its financial assets to Securitisation Company (SC)/Reconstruction Company (RC), the same is removed from the books.
 - If the sale is at a price below the net book value (NBV) (i.e., book value less provisions held), the shortfall is debited to the Profit and Loss Account over a period of 8 quarters equally beginning from the quarter in which the sale was effected .
 - If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received, as permitted by the RBI.
- 1.11 **Non-banking entities:**
- Merchant Banking:**
- Issue management and advisory fees are recognised 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 and Portfolio Management Services income is 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.

- e. 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. Joining membership fee confers only joining rights and not any other right/privilege and therefore same is recognised on accrual basis.
- 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) 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. Premium ceded on reinsurance is accounted in accordance with the terms of the re-insurance treaty or in-principle arrangement with the re-insurer.
- e. 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 are accounted as and when intimated. Benefits paid also includes amount payable on lapsed policies which are accounted for as and when due. Surrenders 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.
- f. Acquisition costs such as commission, medical fees, etc. are costs that are primarily related to the acquisition of new and renewal insurance contracts and are expensed as and when incurred.
- g. **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 IRDA 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 taken 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. The 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 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 service tax), including reinstatement premium, on direct business and reinsurance accepted, is recognized as income over the contract period or the period of risk, whichever is appropriate, on a gross basis under 1/365 method. Any subsequent revision to premium is recognized over the remaining period of risk or contract period. Adjustments

- to premium income arising on cancellation of policies are recognised in the period in which they are cancelled.
- b. Commission received on reinsurance ceded is recognised as income in the period in which reinsurance risk is ceded. Profit commission under re-insurance treaties, wherever applicable, is recognized as income in the year of final determination of the profits as intimated by Reinsurer and combined with commission on reinsurance ceded.
 - c. In respect of proportional reinsurance ceded, the cost of reinsurance ceded is accrued at the commencement of risk. Non-proportional reinsurance cost is recognized when due. Non-proportional reinsurance cost is accounted as per the terms of the reinsurance arrangements. Any subsequent revision to, refunds or cancellations of premiums is recognized in the period in which they occur.
 - d. Reinsurance inward acceptances are accounted for on the basis of returns, to the extent received, from the insurers.
 - e. Acquisition costs are expensed in the period in which they are incurred. Acquisition costs are defined as costs that vary with, and are primarily related to the acquisition of new and renewal insurance contracts viz. commission, policy issue expenses etc. The primary test for determination as acquisition cost is the obligatory relationship between the costs and the execution of the insurance contracts (i.e. commencement of risk).
 - f. Claim is recognized as and when a loss occurrence is reported. 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), is 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 IRDA regulations and guidelines.

Custody & Fund accounting services:

The revenue 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.

Trustee Operations:

Mutual Fund Trusteeship fee is recognised at specific rates agreed with relevant schemes, applied on the 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, wherever applicable), and is in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996.

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.

2. Investments:

The transactions in Government Securities are recorded on "Settlement Date". Investments other than Government Securities are recorded on "Trade 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 Re. 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. Securities purchased / sold under LAF with RBI are debited / credited to Investment Account and reversed on maturity of the transaction. Interest expended / earned thereon is accounted for as expenditure / revenue.



B. Insurance Business:

In case of life and general insurance subsidiaries, investments are made in accordance with the Insurance Act, 1938, the IRDA (Investment) Regulations, 2000, as amended by circulars or notifications issued by IRDA 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 are stated at historical cost, subject to amortisation of premium or accretion of discount.
- ◆ Listed equity securities 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 price is not available on a particular valuation day, the closing price of the secondary exchange i.e. BSE Limited ('BSE') is considered.
- ◆ In case of Security Lending and Borrowing (SLB), equity shares lent are valued as per valuation policy for equity shares as mentioned above.
- ◆ Unlisted equity securities are measured at historical cost.
- ◆ Investments in mutual fund units are valued at the Net Asset Value (NAV) of previous day in life insurance and of balance sheet date in general insurance.
- ◆ Investment in Alternative Investment Funds (AIFs) are valued at latest available NAV.

Unrealized gains or losses arising due to change in the fair value of listed equity shares, mutual

fund units and AIFs pertaining to shareholders' investments and non-linked policyholders investments are taken to "Revenue & Other Reserves (Schedule 2)" and "Liabilities relating to Policyholders in Insurance Business (Schedule 5)" respectively, in the Balance Sheet.

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

- ◆ Debt Securities including Government securities with remaining maturity of more than one year are valued at prices obtained from Credit Rating Information Services of India Limited ('CRISIL'). Debt securities including Government securities with remaining maturity of less than one year are valued on yield to maturity basis, where yield is derived using market price provided by CRISIL on the day when security is classified as short term. If security is purchased during its short term tenor, it is valued at amortised cost using yield to maturity method. In case of securities with options, earliest Call Option/Put Option date will be taken as maturity date for this purpose. Money market securities are valued at historical cost subject to amortization of premium or accretion of discount on yield to maturity basis. Unrealised gains or losses arising on such valuation are recognized in the Profit & Loss Account.
- ◆ Listed equity securities 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 price is not available on a particular valuation day, closing price of the secondary exchange i.e. BSE is considered.

- ◆ In case of Security Lending and Borrowing (SLB), equity shares lent are valued as per valuation policy for equity shares as mentioned above.
- ◆ Investments in mutual fund units are valued at the previous day's Net Asset Value (NAV).
- ◆ Unlisted equity securities are measured at historical cost.
- ◆ Unrealized gains or losses arising due to changes in the fair value of equity securities and mutual fund units 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 due 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: | <ol style="list-style-type: none"> 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: | <ol style="list-style-type: none"> i. Upto one year – 25% ii. One to three years – 40% iii. More than three years – 100% |
|-------------------|---|

-Unsecured portion	100%
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Loss Assets:	100%
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- 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.

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 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, and 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 stated at historical cost except in the case of assets which have been revalued. The accumulated depreciation/amortisation is reduced from the cost/revalued amount. The appreciation on revaluation (if any) is credited to Revaluation Reserve.

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

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

Sr. No.	Description of Fixed Assets	Method of charging depreciation	Depreciation/ amortisation rate
1	Computers	Straight Line Method	33.33% every year
2	Computer Software forming an integral part of the Computer hardware	Straight Line Method	33.33% every year
3	Computer Software which does not form an integral part of Computer hardware and cost of Software Development	Straight Line Method	33.33% every year
4	Automated Teller Machine/ Cash Deposit Machine/ Coin Dispenser / Coin Vending Machine	Straight Line Method	20.00% every year
5	Servers	Straight Line Method	25.00% every year
6	Network Equipment	Straight Line Method	20.00% every year
7	Other fixed assets	Straight Line Method	On the basis of estimated useful life of the assets

Estimated useful life of major group of Fixed Assets are as under:
Premises 60 Years
Vehicles 5 Years
Safe Deposit Lockers 20 Years
Furniture & Fixtures 10 Years

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



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

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

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

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

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 other financial assets 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. The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the 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 group entities operate separate Gratuity and Pension schemes, which are defined benefit plans.
- c. 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 a maximum amount of ₹ 10 Lacs. 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.
- d. Some group entities provide 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 entities make contributions to funds administered by trustees based on an independent external actuarial valuation carried out annually.
- e. 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:**
- The Bank operates a New Pension Scheme (NPS) for all officers/ employees joining the Bank on or after 1st August, 2010, which is a defined contribution plan, such new joiners not being entitled to become members of the existing SBI Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a matching contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in the Bank and earn interest at the same rate as that of the current account of Provident Fund balance. The Bank recognizes such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.
- iii. Other Long Term Employee benefits:**
- a. All eligible employees of the 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.

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

A) Subsidiaries:

S. No.	Name of the Subsidiary	Country of incorporation	Group's Stake (%)	
			Current Year	Previous Year
1)	State Bank of Bikaner and Jaipur	India	75.07	75.07
2)	State Bank of Hyderabad	India	100.00	100.00
3)	State Bank of Mysore	India	90.00	90.00
4)	State Bank of Patiala	India	100.00	100.00
5)	State Bank of Travancore	India	79.09	78.91
6)	SBI Capital Markets Ltd.	India	100.00	100.00
7)	SBICAP Securities Ltd.	India	100.00	100.00
8)	SBICAP Trustee Company Ltd.	India	100.00	100.00
9)	SBICAP Ventures Ltd.	India	100.00	100.00
10)	SBI DFHI Ltd.	India	71.58	71.58
11)	SBI Mutual Fund Trustee Company Pvt Ltd.	India	100.00	100.00
12)	SBI Global Factors Ltd.	India	86.18	86.18
13)	SBI Pension Funds Pvt Ltd.	India	92.60	92.60
14)	SBI–SG Global Securities Services Pvt. Ltd. @	India	65.00	65.00
15)	SBI General Insurance Company Ltd. @	India	74.00	74.00
16)	SBI Payment Services Pvt. Ltd.	India	100.00	100.00
17)	SBI Canada Bank	Canada	100.00	100.00
18)	State Bank of India (California)	USA	100.00	100.00
19)	SBI (Mauritius) Ltd.	Mauritius	96.60	96.60
20)	PT Bank SBI Indonesia	Indonesia	99.00	99.00
21)	Bank SBI Botswana Limited	Botswana	100.00	100.00
22)	State Bank of India Servicos Limitada	Brazil	100.00	-
23)	SBICAP (UK) Ltd.	U.K.	100.00	100.00
24)	SBI Cards and Payment Services Pvt. Ltd. @	India	60.00	60.00
25)	SBI Funds Management Pvt. Ltd. @	India	63.00	63.00
26)	SBI Life Insurance Company Ltd. @	India	74.00	74.00
27)	Commercial Indo Bank Llc , Moscow @	Russia	60.00	60.00
28)	Nepal SBI Bank Ltd.	Nepal	55.10	55.10
29)	SBI Funds Management (International) Private Ltd. @	Mauritius	63.00	63.00
30)	SBICAP (Singapore) Ltd.	Singapore	100.00	100.00

@ 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:

S. 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)	GE Capital Business Process Management Services Pvt Ltd.	India	40.00	40.00
3)	SBI Macquarie Infrastructure Management Pvt. Ltd.	India	45.00	45.00
4)	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	India	45.00	45.00
5)	Macquarie SBI Infrastructure Management Pte. Ltd.	Singapore	45.00	45.00
6)	Macquarie SBI Infrastructure Trustee Ltd.	Bermuda	45.00	45.00
7)	Oman India Joint Investment Fund – Management Company Pvt. Ltd.	India	50.00	50.00
8)	Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.	India	50.00	50.00

C) Associates:

S. 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)	Meghalaya Rural Bank	India	35.00	35.00
6)	Langpi Dehangi Rural Bank	India	35.00	35.00
7)	Madhyanchal Gramin Bank	India	35.00	35.00
8)	Mizoram Rural Bank	India	35.00	35.00
9)	Nagaland Rural Bank	India	35.00	35.00
10)	Purvanchal Bank	India	35.00	35.00
11)	Utkal Grameen Bank	India	35.00	35.00
12)	Uttarakhand Gramin Bank	India	35.00	35.00
13)	Vananchal Gramin Bank	India	35.00	35.00
14)	Saurashtra Gramin Bank	India	35.00	35.00
15)	Rajasthan Marudhara Gramin Bank	India	26.27	26.27
16)	Telangana Grameena Bank	India	35.00	35.00
17)	Kaveri Grameena Bank	India	31.50	31.50
18)	Malwa Gramin Bank	India	35.00	35.00
19)	The Clearing Corporation of India Ltd.	India	24.42	29.22
20)	Bank of Bhutan Ltd.	Bhutan	20.00	20.00



- a. In the month of April 2015, State Bank of Travancore, a Domestic Banking Subsidiary (DBS) of SBI has allotted 94,81,518 equity shares to SBI of worth ₹ 379.26 crore having face value of ₹ 10 each at a premium of ₹ 390 per share under Right Issue and the stake of SBI has increased from 78.91% to 79.09%.
- b. In the month of March 2016, SBI has sold its 4.80% stake in The Clearing Corporation of India Ltd. (an associate of SBI) after which SBI's stake reduced from 26.00% to 21.20% and group's stake reduced from 29.22% to 24.42%.
- c. The name of "State Bank of India (Botswana) Limited" a Foreign Banking Subsidiary (FBS) of SBI has been changed to "Bank SBI Botswana Limited" w. e. f. July 1, 2015.
- d. The name of "State Bank of India (Canada)" a Foreign Banking Subsidiary (FBS) of SBI has been changed to "SBI Canada Bank" w. e. f. March 1, 2016.
- e. State Bank of India Servicos Limitada, a Foreign Subsidiary of SBI, has started its operations during the financial year 2015-16, thus included in Consolidated Financial Statements.
- f. SBI Foundation, (a Not-for-Profit Company) was incorporated under Sec. 7(2) of the Companies Act 2013, as a subsidiary of SBI on June 26, 2015, to focus on the CSR activities of the Group. As it is a Not-for-Profit Company, SBI Foundation is not considered for consolidation in preparation of Consolidated Financials of the Group. SBI has infused ₹ 1 crore as capital in the month of August 2015 against 10,00,000 shares having face value of ₹ 10 each.
- g. SBI Home Finance Ltd., an associate in which SBI is having 25.05% stake, is under liquidation, thus not considered in Consolidated Financial Statements.

1.2 The consolidated financial statements for the financial year 2015-16 of the Group includes unaudited financial statements of one subsidiary (SBI Canada Bank) and 8 associates (Bank of Bhutan Ltd. and 7 Regional Rural Banks), the results of which are not material.

2. Share capital:

2.1 During the year, SBI received application money of ₹ 5,393.00 crore (Previous Year ₹ 2,970.00 crore), including share premium of ₹ 5,373.34 crore (Previous Year ₹ 2,959.95 crore) from Government of India against preferential issue of 19,65,59,390 (Previous Year 10,04,77,012) equity shares of ₹ 1 each to Government of India. The equity shares were allotted on September 29, 2015.

2.2 SBI received application money of ₹ 2,970.00 crore including share premium of ₹ 2,959.95 crore from Government of India against preferential issue of 10,04,77,012 equity shares of ₹ 1 each to Government of India on March 31, 2015. The equity shares were allotted on April 1, 2015.

2.3 9,720 Equity Shares of ₹ 1 each that had been issued as a part of the Right Issue - 2008 but allotment of which was kept in abeyance, were allotted on July 16, 2015 and amount of ₹ 9,720.00 credited to Share Capital Account and ₹ 15,35,760.00 credited to Share Premium Account. Balance of such shares issued and kept in abeyance is 8,21,030 (Previous Year 8,30,750) of ₹ 1 each, since they are subject to title disputes or are subjudice.

2.4 Expenses in relation to the issue of shares ₹ 8.66 crore (Previous Year ₹ Nil) is debited to Share Premium Account.

3. Disclosures as per Accounting Standards

3.1 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 2015	64,529.56	56,863.05	9,543.10	9,176.98
Current Service Cost	1,360.54	1,561.91	256.26	219.45
Interest Cost	5,276.63	5,070.61	778.43	833.14
Past Service Cost (Vested Benefit)	Nil	Nil	0.03	(0.02)
Actuarial losses /(gains)	6,909.53	5,083.47	652.16	529.94
Benefits paid	(2,665.72)	(2,146.26)	(1,331.74)	(1,216.39)
Direct Payment by SBI	(2,246.16)	(1,903.22)	Nil	Nil
Closing defined benefit obligation at 31st March 2016	73,164.38	64,529.56	9,898.24	9,543.10
Change in Plan Assets				
Opening fair value of plan assets at 1st April 2015	61,886.14	53,143.82	9,362.94	9,206.33
Expected Return on Plan assets	5,341.46	4,719.23	798.31	794.11
Contributions by employer	2,322.17	3,731.53	383.63	471.60
Benefits Paid	(2,665.72)	(2,146.26)	(1,331.74)	(1,216.39)
Actuarial Gains / (Losses) on plan assets	(70.08)	2,437.82	36.58	107.29
Closing fair value of plan assets at 31st March 2016	66,813.97	61,886.14	9,249.72	9,362.94
Reconciliation of present value of the obligation and fair value of the plan assets				
Present Value of funded obligation at 31st March 2016	73,164.38	64,529.56	9,898.24	9,543.10
Fair Value of plan assets at 31st March 2016	66,813.97	61,886.14	9,249.72	9,362.94
Deficit/(Surplus)	6,350.41	2,643.42	648.52	180.16
Unrecognised Past Service Cost (Vested) Closing Balance	Nil	Nil	Nil	Nil
Net Liability/(Asset)	6,350.41	2,643.42	648.52	180.16
Amount Recognised in the Balance Sheet				
Liabilities	73,164.38	64,529.56	9,898.24	9,543.10
Assets	66,813.97	61,886.14	9,249.72	9,362.94
Net Liability / (Asset) recognised in Balance Sheet	6,350.41	2,643.42	648.52	180.16
Unrecognised Past Service Cost (Vested) Closing Balance	Nil	Nil	Nil	Nil
Net Liability/ (Asset)	6,350.41	2,643.42	648.52	180.16
Net Cost recognised in the profit and loss account				
Current Service Cost	1,360.54	1,561.91	256.26	219.45
Interest Cost	5,276.63	5,070.61	778.43	833.14
Expected return on plan assets	(5,341.46)	(4,719.23)	(798.31)	(794.11)
Past Service Cost (Amortised) Recognised	Nil	187.10	0.03	51.57



Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Past Service Cost (Vested Benefits) Recognised	Nil	Nil	Nil	Nil
Net Actuarial Losses / (Gains) recognised during the year	6,979.61	2,645.65	615.58	422.65
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	8,275.32	4,746.04	851.99	732.70
Reconciliation of expected return and actual return on Plan Assets				
Expected Return on Plan Assets	5,341.46	4,719.23	798.31	794.11
Actuarial Gains/ (Losses) on Plan Assets	(70.08)	2,437.82	36.58	107.29
Actual Return on Plan Assets	5,271.38	7,157.05	834.89	901.40
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet				
Opening Net Liability/(Asset) as at 1st April 2015	2,643.42	3,532.13	180.16	(80.94)
Expenses as recognised in profit and loss account	8,275.32	4,746.04	851.99	732.70
Paid by SBI Directly	(2,246.16)	(1,903.22)	Nil	Nil
Employer's Contribution	(2,322.17)	(3,731.53)	(383.63)	(471.60)
Past Service Cost	Nil	Nil	Nil	Nil
Net liability/(Asset) recognised in Balance Sheet	6,350.41	2,643.42	648.52	180.16

Investments under Plan Assets of Gratuity Fund & Pension Fund as on March 31, 2016 are as follows:

Category of Assets	Pension Fund	Gratuity Fund
	% of Plan Assets	% of Plan Assets
Central Govt. Securities	31.19%	22.45%
State Govt. Securities	22.30%	14.65%
Debt Securities, Money Market Securities and Bank Deposits	39.79%	29.49%
Insurer Managed Funds	1.21%	28.86%
Others	5.51%	4.55%
Total	100.00%	100.00%

Principal actuarial assumptions:

Particulars	Pension Plans		Gratuity Plans	
	Current year	Previous year	Current year	Previous year
Discount Rate	8.00% to 8.10%	8.21% to 8.21%	7.86% to 8.10%	8.21% to 8.21%
Expected Rate of return on Plan Asset	8.00% to 9.00%	8.21% to 9.00%	7.86% to 9.00%	8.00% to 9.00%
Salary Escalation	5.00% to 5.00%	5.00% to 5.00%	5.00% to 5.00%	5.00% to 5.00%

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

3.1.1.2 Employees Provident Fund

Actuarial valuation carried out in respect of interest shortfall in the Provident Fund Trust of SBI, as per Deterministic Approach shows “Nil” liability, hence no provision is made in F.Y. 2015-16.

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

Particulars	₹ in crore	
	Provident Fund	
	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1st April 2015	22,498.51	21,804.39
Current Service Cost	1,632.22	527.14
Interest Cost	2,026.72	1,869.09
Employee Contribution (including VPF)	1,983.67	661.66
Actuarial losses/(gains)	0.01	-
Benefits paid	(2,981.43)	(2,363.77)
Closing defined benefit obligation at 31st March 2016	25,159.70	22,498.51
Change in Plan Assets		
Opening fair value of Plan Assets as at 1st April 2015	23,197.82	22,366.42
Expected Return on Plan Assets	2,026.72	1,869.09
Contributions	3,615.89	1,188.80
Benefits Paid	(2,981.43)	(2,363.77)
Actuarial Gains / (Loss) on plan Assets	126.32	137.28
Closing fair value of plan assets as at 31st March 2016	25,985.32	23,197.82
Reconciliation of present value of the obligation and fair value of the plan assets		
Present Value of Funded obligation at 31st March 2016	25,159.70	22,498.51
Fair Value of Plan assets at 31st March 2016	25,985.32	23,197.82
Deficit/(Surplus)	(825.62)	(699.31)
Net Asset not recognised in Balance Sheet	825.62	699.31
Net Cost recognised in the profit and loss account		
Current Service Cost	1,632.22	527.14
Interest Cost	2,026.72	1,869.09
Expected return on plan assets	(2,026.72)	(1,869.09)
Interest shortfall reversed	-	-
Total costs of defined benefit plans included in Schedule 16 “Payments to and provisions for employees”	1,632.22	527.14
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1st April 2015	-	-
Expense as above	1,632.22	527.14
Employer’s Contribution	(1,632.22)	(527.14)
Net Liability/(Asset) Recognized In the Balance Sheet	-	-



Investments under Plan Assets of Provident Fund as on March 31, 2016 are as follows:

Category of Assets	Provident Fund	
	% of Plan Assets	
Central Govt. Securities	40.36%	
State Govt. Securities	20.55%	
Debt Securities, Money Market Securities and Bank Deposits	34.15%	
Insurer Managed Funds	-	
Others	4.94%	
Total	100.00%	

Principal actuarial assumptions

Particulars	Provident Fund	
	Current year	Previous year
Discount Rate	7.86%	8.21%
Guaranteed Return	8.75%	8.75%
Attrition Rate	2.00%	2.00%
Salary Escalation	5.00%	5.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE

There is a guaranteed return applicable to liability under SBI Employees Provident Fund. Fund has been crediting the interest at the rate of interest as declared under Employees Provident Fund and Miscellaneous Provisions Act 1952 and hence treated as a defined benefit plan.

3.1.2 Defined Contribution Plans

3.1.2.1 Employees Provident Fund

An amount of ₹ 36.98 crore (Previous Year ₹ 33.30 crore) is contributed towards the Provident Fund Scheme by the group (excluding SBI) 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

The Defined Contribution Pension Scheme (DCPS) is applicable to all categories of officers and employees joining the SBI on or after August 01, 2010 and for Domestic Banking Subsidiaries, the scheme is applicable to all categories of officers and employees who join on or after April 01, 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 ₹ 266.32 crore (Previous Year ₹ 200.10 crore) has been contributed in the scheme.

3.1.3 Other Long term Employee Benefits (Unfunded Obligation)

3.1.3.1 Accumulating Compensated Absences (Privilege Leave)

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

₹ 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 2015	3,756.50	3,079.47
Current Service Cost	230.94	135.55
Interest Cost	308.41	287.62
Actuarial losses/(gains)	590.64	681.86
Benefits paid	(511.00)	(428.00)
Closing defined benefit obligation at 31st March 2016	4,375.49	3,756.50
Net Cost recognised in the profit and loss account		
Current Service Cost	230.94	135.55
Interest Cost	308.41	287.62
Actuarial (Gain)/ Losses	590.64	681.86
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	1,129.99	1,105.03
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1st April 2015	3,756.50	3,079.47
Expense as above	1,129.99	1,105.03
Employer's Contribution	-	-
Benefit paid directly by the Employer	(511.00)	(428.00)
Net Liability/(Asset) recognized in the Balance Sheet	4,375.49	3,756.50

Principal actuarial assumptions

Particulars	Current year	Previous year
Discount Rate	7.86%	8.21%
Salary Escalation	5.00%	5.00%
Attrition Rate	2.00%	2.00%
Mortality Table	IALM (2006-08) ULTIMATE	IALM (2006-08) ULTIMATE



Accumulating Compensated Absences (Privilege Leave) (excluding SBI)

An amount of ₹ 167.78 crore (Previous Year ₹ 124.26 crore) is provided by the group (excluding SBI) 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.

3.1.3.2 Other Long Term Employee Benefits

Amount of ₹ 21.35 crore (Previous Year ₹ 12.55 crore) is provided by the group towards other Long Term Employee Benefits and is included under the head “Payments to and provisions for employees” in Profit and Loss Account.

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

₹ in crore

Sl. No.	Long Term Employees’ Benefits	Current Year	Previous Year
1	Leave Travel and Home Travel Concession (Encashment/Availment)	25.85	(21.66)
2	Sick Leave	(1.43)	6.46
3	Silver Jubilee/Long Term Service Award	3.11	11.15
4	Resettlement Expenses on Superannuation	2.74	13.23
5	Casual Leave	Nil	Nil
6	Retirement Award	(8.92)	3.37
	Total	21.35	12.55

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

3.2 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 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:

- a) **Treasury:** The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.
- b) **Corporate / Wholesale Banking:** The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Mid Corporate Accounts Group and Stressed Assets Management Group. These include providing loans and transaction services to corporate and institutional clients and further include non treasury operations of foreign offices/entities.
- c) **Retail Banking:** The Retail Banking Segment comprises of branches in National Banking Group, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with branches in the National Banking Group. This segment also includes agency business and ATMs.
- d) **Insurance Business –** The Insurance Business Segment comprises of the results of SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd.
- e) **Other Banking business–** Segments not classified under (a) to (d) above are classified under this primary segment. This segment also includes the operations of all the Non-Banking Subsidiaries/Joint Ventures

other than SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd. of the group.

B) Secondary (Geographical Segment):

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

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

C) Pricing of Inter-segmental Transfers

The Retail Banking segment is the primary resource mobilising unit. The Corporate/Wholesale Banking and Treasury segments are recipient of funds from Retail Banking. Market related Funds Transfer Pricing (MRFTP) is followed under which a separate unit called Funding Centre has been

created. The Funding Centre notionally buys funds that the business units raise in the form of deposits or borrowings and notionally sell funds to business units engaged in creating assets.

D) Allocation of Revenue, Expenses, Assets and Liabilities

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

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

3.2.2 SEGMENT INFORMATION

PART A: PRIMARY (BUSINESS) SEGMENTS:

₹ in crore

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Insurance Business	Other Banking Operations	Elimination	TOTAL
Revenue	61,296.54 (51,426.82)	86,837.57 (85,230.94)	97,196.40 (90,781.04)	20,870.02 (24,476.88)	4,869.88 (4,144.11)		2,71,070.41 (2,56,059.79)
Unallocated Revenue							1,800.62 (1,229.72)
Total Revenue							2,72,871.03 (2,57,289.51)
Result	9,071.69 (6,890.86)	-11,271.53 (1,945.87)	20,936.37 (18,355.51)	932.55 (843.39)	1,375.21 (1,361.91)		21,044.29 (29,397.54)
Unallocated Income(+)/ Expenses(-) net							-2,867.51 (-3,542.97)
Profit Before Tax							18,176.78 (25,854.57)
Taxes							5,433.50 (8,337.20)
Extraordinary Profit							- (-)
Net Profit before share in profit in Associates and Minority Interest							12,743.28 (17,517.37)



Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Insurance Business	Other Banking Operations	Elimination	TOTAL
Add: Share in Profit in Associates							275.82 (314.44)
Less: Minority Interest							794.51 (837.51)
Net Profit for the Group							12,224.59 (16,994.30)
Other Information:							
Segment Assets	6,51,194.08 (6,21,415.72)	11,31,334.93 (10,35,530.32)	10,54,672.01 (9,31,543.92)	87,073.44 (76,948.47)	17,298.70 (13,468.53)		29,41,573.16 (26,78,906.96)
Unallocated Assets							29,324.48 (21,203.06)
Total Assets							29,70,897.64 (27,00,110.02)
Segment Liabilities	3,59,351.71 (3,66,954.63)	10,74,172.76 (9,58,490.64)	11,82,374.63 (10,59,909.52)	81,602.86 (72,072.91)	12,473.12 (9,110.23)		27,09,975.08 (24,66,537.93)
Unallocated Liabilities							80,330.19 (72,184.55)
Total Liabilities							27,90,305.27 (25,38,722.48)

PART B: SECONDARY (GEOGRAPHIC) SEGMENTS

₹ in crore

	Domestic Operations	Foreign Operations	TOTAL
Revenue	2,59,965.33 (2,46,689.00)	12,905.70 (10,600.51)	2,72,871.03 (2,57,289.51)
Net Profit	8,172.53 (12,806.58)	4,052.06 (4,187.72)	12,224.59 (16,994.30)
Assets	26,19,303.39 (23,78,661.71)	3,51,594.25 (3,21,448.31)	29,70,897.64 (27,00,110.02)
Liabilities	24,42,680.61 (22,20,650.02)	3,47,624.66 (3,18,072.46)	27,90,305.27 (25,38,722.48)

- (i) Income/Expenses are for the whole year. Assets/Liabilities are as at March 31, 2016.
(ii) Figures within brackets are for previous year

3.3 Related Party Disclosures:

3.3.1 Related Parties to the Group:

A) JOINT VENTURES:

1. C - Edge Technologies Ltd.
2. GE Capital Business Process Management Services Private Ltd.
3. SBI Macquarie Infrastructure Management Pvt. Ltd.
4. SBI Macquarie Infrastructure Trustee Pvt. Ltd.
5. Macquarie SBI Infrastructure Management Pte. Ltd.
6. Macquarie SBI Infrastructure Trustee Ltd.
7. Oman India Joint Investment Fund – Management Company Pvt. Ltd.
8. Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.

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. Kaveri Grameena Bank
6. Langpi Dehangi Rural Bank
7. Madhyanchal Gramin Bank
8. Malwa Gramin Bank
9. Meghalaya Rural Bank
10. Mizoram Rural Bank
11. Nagaland Rural Bank
12. Purvanchal Bank
13. Rajasthan Marudhara Gramin Bank
14. Saurashtra Gramin Bank
15. Telangana Grameena Bank

16. Utkal Grameen Bank

17. Uttarakhand Gramin Bank

18. Vananchal Gramin Bank

ii) Others

19. The Clearing Corporation of India Ltd.

20. Bank of Bhutan Ltd.

21. SBI Home Finance Ltd. (under liquidation)

C) Key Management Personnel of the Bank:

1. Smt. Arundhati Bhattacharya, Chairman
2. Shri P. Pradeep Kumar, Managing Director (Corporate Banking Group) (upto 31.10.2015)
3. Shri V.G. Kannan, Managing Director (Associates & Subsidiaries)
4. Shri B. Sriram
♦ Managing Director (National Banking Group) (upto 01.11.2015)
♦ Managing Director (Corporate Banking Group) (from 02.11.2015)
5. Shri Rajnish Kumar
♦ Managing Director (Compliance & Risk) (from 26.05.2015 to 01.11.2015)
♦ Managing Director (National Banking Group) (from 02.11.2015)
6. Shri P. K. Gupta, Managing Director (Compliance & Risk) (from 02.11.2015)

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 are not required to be disclosed in respect of 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 2015-16			
Interest Income	-	-	-
	(-)	(-)	(-)
Interest Expenditure	1.86	-	1.86
	(2.78)	(-)	(2.78)
Income earned by way of Dividend	27.32	-	27.32
	(33.82)	(-)	(33.82)
Other Income	3.46	-	3.46
	(-)	(-)	(-)
Other Expenditure	5.70	-	5.70
	(9.01)	(-)	(9.01)
Management Contract	399.08	1.58	400.66
	(308.94)	(1.03)	(309.97)
Outstanding as on 31st March 2016			
Payables			
Deposit	39.26	-	39.26
	(36.06)	(-)	(36.06)
Other Liabilities	42.23	-	42.23
	(29.45)	(-)	(29.45)
Receivables			
Balances with Banks	-	-	-
	(2.12)	(-)	(2.12)
Investments	41.55	-	41.55
	(41.55)	(-)	(41.55)
Advances	0.33	-	0.33
	(0.24)	(-)	(0.24)
Other Assets	0.13	-	0.13
	(0.34)	(-)	(0.34)
Maximum outstanding during the year			
Borrowings	-	-	-
	(-)	(-)	(-)
Deposit	52.32	-	52.32
	(57.32)	(-)	(57.32)
Other Liabilities	74.90	-	74.90
	(87.46)	(-)	(87.46)
Balance with Banks	2.12	-	2.12
	(5.94)	(-)	(5.94)
Advances	0.37	-	0.37
	(0.52)	(-)	(0.52)
Investment	41.55	-	41.55
	(41.55)	(-)	(41.55)
Other Assets	0.13	-	0.13
	(0.34)	(-)	(0.34)
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 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 March 31, 2016	As at March 31, 2015
Total Minimum lease payments outstanding		
Less than 1 year	4.79	5.12
1 to 5 years	3.29	5.43
5 years and above	-	-
Total	8.08	10.55
Interest Cost payable		
Less than 1 year	0.63	0.89
1 to 5 years	0.39	0.51
5 years and above	-	-
Total	1.02	1.40
Present value of minimum lease payments payable		
Less than 1 year	4.16	4.23
1 to 5 years	2.90	4.92
5 years and above	-	-
Total	7.06	9.15

3.4.2 Operating Lease

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

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

₹ in crore

Particulars	As at March 31, 2016	As at March 31, 2015
Not later than 1 year	335.87	262.05
Later than 1 year and not later than 5 years	1,285.14	836.60
Later than 5 years	341.41	222.21
Total	1,962.42	1,320.86

Amount of lease payments recognised in the P&L Account for the year is ₹ 2,181.50 crore (Previous Year ₹ 1,744.10 crore).

3.5 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 after tax (other than minority) by the weighted average number of equity shares outstanding during the year.

Particulars	Current Year	Previous Year
Basic and diluted		
Number of Equity Shares outstanding at the beginning of the year	746,57,30,920	746,57,30,920
Number of Equity Shares issued during the year	29,70,46,122	-
Number of Equity Shares outstanding at the end of the year	776,27,77,042	746,57,30,920
Weighted average number of equity shares used in computing basic earnings per share	766,55,68,627	746,57,30,920
Weighted average number of shares used in computing diluted earnings per share	766,55,68,627	746,60,06,199
Net Profit for the Group (₹ in crore)	12,224.59	16,994.30
Basic earnings per share (₹)	15.95	22.76
Diluted earnings per share (₹)	15.95	22.76*
Nominal value per share (₹)	1.00	1.00

* Diluted earnings per share is computed taking into consideration the amount received for equity shares allotted on April 1, 2016.

3.6 Accounting for Taxes on Income:

- During the year, ₹ 83.18 crore has been debited to Profit and Loss Account (Previous Year



₹ 1,049.64 crore credited) on account of deferred tax.

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

₹ in crore

Particulars	As at 31-Mar-2016	As at 31-Mar-2015
Deferred Tax Assets		
Provision for Defined Benefit Schemes on account of Wage Revision	1.26	954.34
Provision for long term employee Benefits	2,092.14	2,235.65
Provision/Additional Provision on Specified Restructured Standard/Standard Assets over the specified RBI Prudential Norms	2,136.25	1,745.05
Depreciation on Fixed Assets	5.18	(0.23)
Provision for non performing assets	1,214.43	195.67
Others	1,434.89	690.95
Total	6,884.15	5,821.43
Deferred Tax Liabilities		
Depreciation on Fixed Assets	236.11	210.79
Interest accrued but not due on securities	3,863.93	3,660.78
Special Reserve created u/s 36(1)(viii) of Income Tax Act 1961	4,043.24	3,196.64
Others	510.09	470.94
Total	8,653.37	7,539.15
Net Deferred Tax Assets/ (Liabilities)	(1,769.22)	(1,717.72)

3.7 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 Provisions, Contingent Liabilities & Contingent Assets:

◆ Provisions and contingencies recognised in Profit and Loss Account:

₹ in crore

Particulars	Current Year	Previous Year
a) Provision for Taxation		
- Current Tax	5,350.36	9,375.30
- Deferred Tax	83.18	(1,049.64)
- Other Taxes	(0.04)	11.54
b) Provision on Non-Performing Assets	38,024.06	20,634.68
c) Provision on Restructured Assets	(2,912.87)	1,563.63
d) Provision on Standard Assets	2,284.22	2,918.48
e) Provision for Depreciation on Investments	320.96	(663.07)
f) Other Provisions	213.45	578.34
Total	43,363.32	33,369.26

(Figures in brackets indicate credit)

◆ **Floating provisions:**

₹ in crore

	Particulars	Current Year	Previous Year
a)	Opening Balance	222.05	362.37
b)	Addition during the year	-	-
c)	Draw down during the year	28.29	140.32
d)	Closing balance	193.76	222.05

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

Sr. No	Particulars	Brief Description
1	Claims against the Group not acknowledged as debts	The parent and its constituents are parties to various proceedings in the normal course of business. It does not expect the outcome of these proceedings to have a material adverse effect on the Group's financial conditions, results of operations or cash flows. The Group is a party to various taxation matters in respect of which appeals are pending.
2	Liability on partly paid-up investments/ Venture Funds	This item represents amounts remaining unpaid towards liability for partly paid investments. This also includes undrawn commitments for Venture Capital Funds.

3 Liability on account of outstanding forward exchange contracts

The Group enters into foreign exchange contracts in its normal course of business to exchange currencies at a pre-fixed price at a future date. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The notional amounts are recorded as contingent liabilities. With respect to the transactions entered into with its customers, SBI generally enters into off-setting transactions in the interbank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.

4 Guarantees given on behalf of constituents, acceptances, endorsements and other obligations

As a part of its commercial banking activities, the Group issues documentary credits and guarantees on behalf of its customers. Documentary credits enhance the credit standing of the customers of the Group. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfil its financial or performance obligations.



5 Other items for which the Group is contingently liable

The Group enters into currency options, forward rate agreements, currency swaps and interest rate swaps with inter-Bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as Contingent Liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts. Further, these also include estimated amount of contracts remaining to be executed on capital account and not provided for, letter of comforts issued by SBI on behalf of Associates & Subsidiaries, SBI's Liability under Depositors Education and Awareness Fund A/c and other sundry contingent liabilities.

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

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

₹ in crore

	Particulars	Current Year	Previous Year
a)	Opening Balance	1,077.91	790.46
b)	Additions during the year	240.83	378.00
c)	Amount utilised during the year	286.02	26.88
d)	Unused amount reversed during the year	314.51	63.67
e)	Closing balance	718.21	1,077.91

4 Inter Office Accounts between branches, controlling offices, local head offices and corporate centre establishments of each domestic banking entity are being reconciled on an ongoing basis. Inter-Bank/ Company balances between group entities are also being reconciled on an ongoing basis. No material effect is expected on the profit and loss account of the current year.

5 Depreciation on Fixed Assets

During the year, SBI has changed estimated useful life of few assets such as ATMs, cash dispensing machines, coin dispensing machine, computer servers, computer software, networking equipment. The effect of which on the financial statements is considered not material.

6 Sale of Assets to Reconstruction Companies

Shortfall on account of sale of assets to Reconstruction Companies during the year amounting to ₹ 1,669.24 crore (previous year ₹ 3,897.04 crore) is being amortized over two years, in terms of RBI Circular DBOD. BP.BC.98/21.04.132/2013-14 dated February 26, 2014. Consequently, ₹ 2,397.95 crore (previous year ₹ 887.13 crore) has been charged to the Profit & Loss Account for the year ended March 31, 2016. The amount unamortized as at March 31, 2016 is ₹ 2,281.20 crore (previous year ₹ 3,009.91 crore).

7 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% of CCPB held by them as on December 31, 2014, for making specific provisions for Non-Performing Assets (NPAs) as per the policy approved by the Bank's Board of Directors. Accordingly, SBI and State Bank of Mysore have utilized the CCPB of ₹ 1,149.00 crore and ₹ 21.78 crore (previous year ₹ 382.00 crore and ₹ Nil) respectively for making specific provision for NPAs, in accordance with the board approved policy and approval of the Board.

8 Asset Quality Review (AQR)

During the year, as a part of Asset Quality Review (AQR) conducted by RBI, SBI and its Domestic Banking Subsidiaries have been advised to reclassify/ make additional provision in respect of certain advance accounts over two quarters ended December 2015 and March 2016. Accordingly, they have implemented the RBI directions.

9 Food Credit

In accordance with RBI instruction, SBI and Domestic Banking Subsidiaries have made a provision of 7.50% amounting to ₹ 715.98 crore against outstanding in the food credit advance to a State Government pending resolution by stakeholders.

10 Other income includes ₹ 2,033.83 crore on account of exchange gain on repatriation of funds from SBI's foreign offices to India and restatement of capital funds at historical costs at SBI's foreign offices.

11 In respect of SBI Life Insurance Company Ltd., IRDA 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 and to refund the excess commission paid to corporate agent vide order no. IRDA/Life/ORD/Misc/083/03/ 2014 dated March 11, 2014 amounting to ₹ 275.29 crore respectively to the members or the beneficiaries. The company has filed appeals against the said directions/orders with the Appellate Authorities (i.e. Ministry of Finance, Govt. of India) and Securities Appellate Tribunal (SAT). As the final orders are pending, the aforesaid amounts have been disclosed as contingent liability.

12 Revaluation Reserve on revaluation of fixed assets in respect of State Bank of Patiala and State Bank of Mysore is reported in 'Revaluation Reserve' under Schedule 2 "Reserves and Surplus".

13 The investments of life and general insurance subsidiaries have been accounted for in accordance with the IRDA (Investment Regulations) 2000 instead of restating the same in accordance with the accounting policy followed by the banks. The investments of insurance subsidiaries constitute approximate 11.03% (Previous Year 9.97%) of the total investments as on March 31, 2016.



- 14 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.
- 15 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.
- 16 Previous year figures have been regrouped/reclassified, wherever necessary, to conform 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.

In terms of our Report of even date

**For Varma and Varma
Chartered Accountants**

**Cherian K Baby
Partner**

**Mem. No. : 16043
Firm Regn. No. : 004532 S**

**(Arundhati Bhattacharya)
CHAIRMAN**

**(P. K. Gupta)
MD (C & R)**

**(V. G. Kannan)
MD (A & S)**

**(B. Sriram)
MD (CBG)**

**KOLKATA
Dated 27th May 2016**

STATE BANK OF INDIA

Consolidated Cash flow statement for the year ended 31st March 2016

Particulars	₹ in 000	
	Year ended on 31.03.2016 (Current Year) ₹	Year ended on 31.03.2015 (Previous Year) ₹
Cash flow from operating activities		
Net Profit before taxes (including share in profit from associates and net of minority interest)	17658,09,16	25331,49,77
Adjustments for :		
Depreciation on Fixed Assets	2252,20,53	1581,49,38
(Profit)/Loss on sale of Fixed Assets (Net)	21,05,23	51,28,58
(Profit)/Loss on sale of Investments (Net) (Investing Activity)	(11,85,66)	-
(Profit)/Loss on revaluation of Investments (Net)	3144,68,18	(1786,05,64)
Provision on Non Performing Assets	35111,18,68	22198,30,58
Provision on Standard Assets	2284,21,68	2918,47,70
Provision for depreciation on Investments	320,96,40	(663,06,38)
Other Provisions	213,44,87	578,33,91
Share in Profit of Associates (Investing Activity)	(275,81,61)	(314,44,18)
Dividend from Associates (Investing Activity)	(7,52,34)	(17,38,47)
Interest on Capital Instruments (Financing Activity)	4797,86,72	4894,70,92
SUB TOTAL	65508,51,84	54773,16,17
Adjustments for :		
Increase/(Decrease) in Deposits	200896,77,56	214108,43,23
Increase/(Decrease) in Borrowings other than Capital Instruments	7412,56,39	19761,57,51
(Increase)/Decrease in Investments other than Investment in Subsidiary and Associates	(34959,09,82)	(91344,03,30)
(Increase)/Decrease in Advances	(213160,74,55)	(136132,95,39)
Increase/(Decrease) in Other Liabilities & Provisions	37187,01,71	45919,41,32
(Increase)/Decrease in Other Assets	(38436,00,12)	(73270,85,58)
Reduction in FCTR on disposal of investments in non-integral operations	(873,92,35)	-
SUB TOTAL	23575,10,66	33814,73,96
Taxes Paid	(9498,42,83)	(7517,36,65)
Net cash generated from / (used in) operating activities	(A) 14076,67,83	26297,37,31
Cash flow from investing activities		
(Increase)/Decrease in Investments in Subsidiary and Associates	99,53,30	1,37,27
Dividend received from Associates	7,52,34	17,38,47
(Increase)/Decrease in Fixed Assets	(3775,61,16)	(3452,29,40)



₹ in 000

Particulars	Year ended on 31.03.2016 (Current Year) ₹	Year ended on 31.03.2015 (Previous Year) ₹
(Increase)/Decrease in Goodwill on Consolidation	-	3,13,15
Net Cash generated from / (used in) investing activities	(B) (3668,55,52)	(3430,40,51)
Cashflow from financing activities		
Proceeds from issue of equity shares	5384,49,57	-
Share Application Money pending allotment received	-	2970,00,00
Increase/(Decrease) in Capital Instruments	6138,35,95	1142,18,25
Interest on Capital Instruments	(4797,86,72)	(4894,70,92)
Dividends paid including tax thereon	(3058,65,86)	(1236,33,43)
Dividends tax paid by Subsidiaries/JVs	(88,16,60)	(122,38,00)
Increase/(Decrease) in Minority Interest	770,28,69	587,96,68
Net Cash generated from / (used in) financing activities	(C) 4348,45,03	(1553,27,42)
Effect of exchange fluctuation on translation reserve	(D) 921,84,41	6,00,95
Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)+(D)	15678,41,75	21319,70,33
Cash and Cash equivalents at the beginning of the year	188481,04,80	167161,34,47
Cash and Cash equivalents at the end of the year	204159,46,55	188481,04,80
Components of Cash & Cash Equivalents as at:	31.03.2016	31.03.2015
Cash & Balances with Reserve Bank of India	160424,56,91	144287,54,67
Balances with Banks and Money at Call & Short Notice	43734,89,64	44193,50,13
TOTAL	204159,46,55	188481,04,80

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

(Arundhati Bhattacharya)
CHAIRMAN

Cherian K Baby
Partner

(P. K. Gupta)
MD (C & R)

(V. G. Kannan)
MD (A & S)

(B. Sriram)
MD (CBG)

Mem. No. : 16043
Firm Regn. No. : 004532 S

KOLKATA
Dated 27th May 2016

Independent Auditor's Report

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

Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated Financial Statements of State Bank of India (the "Bank") and its Subsidiaries, Joint Ventures and Associates (the "Group") [The entities of the Group whose Financial Statements are included in the Consolidated Financial Statements are listed in Schedule 18 - Notes to Accounts - which forms part of the Consolidated Financial Statements of the Group] which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

and the designed procedures that are appropriate in the circumstances so that the internal controls with regard to all the activities of the SBI Group are effective. These statements have been prepared on the basis of separate financial statements and other financial information of the entities of the Group, relevant for consolidation.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management of the entities of the Group, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, and based on our consideration of the reports of other auditors on separate financial statements and the other financial information of Subsidiaries, Joint Ventures and Associates, the unaudited financial statements and the other financial information of a subsidiary and



certain associates as furnished by the Management, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2016;
- (b) in the case of the Consolidated Profit and Loss Account, of the consolidated profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

7. Without qualifying our opinion, we draw attention to schedule 18 of Consolidated Financial Statements : 'Notes to Accounts' regarding:

- (a) Note no. 6: non-amortization of ₹2,281 crore on account of loss on sale of assets to Reconstruction Companies.
- (b) Note no. 7: utilization of Counter Cyclical Buffer of ₹1,171 crore during the year.

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

Other Matters

8. Incorporated in these consolidated financial statements are the:

- (a) Audited accounts of the Bank audited by 14 (fourteen) Joint Auditors including us which reflect total assets of ₹22,59,063 crore as at March 31, 2016, total revenue of ₹191,843 crore, and net cash inflows amounting to ₹12,711 crore for the year then ended;
- (b) Audited accounts of 29 (twenty nine) Subsidiaries, 8 (eight) Joint Ventures and 12 (twelve) Associates audited by other auditors whose financial statements reflects the Group's share in total assets of ₹7,26,950 crore as at March 31, 2016, the Group's share in total revenue of ₹83,228 crore, the Group's share in net cash inflows amounting to ₹3,499 crore, and the Group's share in profit from associates of ₹ 177 crore for the year then ended;

- (c) Unaudited accounts of 1 (one) Subsidiary and 8 (eight) Associates whose financial statements reflect total assets of ₹4,114 crore as at March 31, 2016, total revenue of ₹146 crore, net cash inflows amounting to ₹49 crore and the Group's share in profit from associates of ₹78 crore for the year then ended.

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

9. The auditors of SBI Life Insurance Company, a subsidiary of the Group have reported that the; The actuarial valuation of liabilities for life policies in force is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which the premium has been discontinued but liability exists as at 31 March 2016 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ("IRDAI / "Authority") and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists on standalone financial statements of the Company.

Our opinion is not qualified in respect of these matters.

10. The consolidated financial statements of the Bank for the year ended 31 March 2015 were audited by another auditor who expressed an unmodified opinion on those statements vide their report dated May 22nd, 2015.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

Cherian K Baby
Partner

Place: Kolkata
Date: May 27, 2016

M No.016043