



भारतीय स्टेट बँक
भारतीय स्टेट बैंक
State Bank of India

शेयर आणि बॉन्ड विभाग, कॉर्पोरेट केन्द्र, 14वा माळा, स्टेट बँक भवन,
मादाम कामा रोड, मुंबई - 400 021.

शेयर आणि बॉन्ड विभाग, कारपोरेट केन्द्र, 14वाँ तल, स्टेट बैंक भवन,
मादाम कामा रोड, मुंबई - 400 021.

Shares & Bonds Department, Corporate Center, 14th Floor, State Bank Bhavan,
Madame Cama Road, Mumbai-400 021.

Tel. 91-22-2274 0841 - 48 (Eight Lines) | Fax : 91-22-2285 5348 | E-mail : gm.snb@sbi.co.in

Date :

Ref. No.

The Executive Director
The BSE Ltd.
PhirozeJeejeebhoy Tower,
25th Floor, Dalal Street,
Mumbai – 400001

27.05.2016

CC/S&B/NJ/448

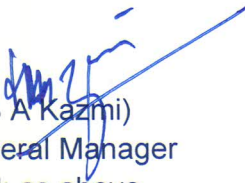
Dear Sir/Madam,

LISTING REGULATIONS 2015: OUTCOME OF BOARD MEETING
FINANCIAL RESULTS FOR THE YEAR ENDED 31.03.2016
& DECLARATION OF DIVIDEND

In terms of Regulation 33(3)(d) and Regulation 30(6) of the SEBI Listing Regulations 2015, we forward herewith a copy of the Audited Standalone and Consolidated Results of the Bank for the financial year ended 31st March 2016, taken on record by the Central Board of the Bank at its Meeting held on date.

2. Further, pursuant to Regulation 43 and Regulation 30(6), we advise that the Central Board of the Bank, at its Meeting held on date, has declared a Dividend of Rs 2.60 per share (260 %) for the Financial year ended 31st March 2016. The date of payment of the Dividend is fixed on 22nd June 2016 and the dividend warrants will be dispatched before the date of payment, which will be payable, in India, at par at all branches of State Bank of India, irrespective of the amount.

Yours faithfully,


(S S A Kazmi)
General Manager
Encl: as above.

STATE BANK OF INDIA
Corporate Centre, Mumbai - 400 021
AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED MARCH 31, 2016

(Rs. in crore)

Sr. No	Particulars	Standalone					Consolidated	
		Quarter ended		Year ended			Year ended	
		31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
		Audited	Unaudited	Audited	Audited	Audited	Audited	Audited
1	Interest Earned (a)+(b)+(c)+(d)	42831.35	40553.50	40101.16	163685.31	152397.07	221854.84	207974.34
	(a) Interest/discount on advances/bills	29242.48	28860.22	28268.54	115666.01	112343.91	157001.75	153144.59
	(b) Income on Investments	11007.91	10712.00	9475.89	42303.98	35353.64	57922.72	48952.27
	(c) Interest on balances with Reserve Bank of India and other interbank funds	105.02	101.85	158.90	621.07	505.12	1186.80	1033.55
	(d) Others	2475.94	879.43	2197.83	5094.25	4194.40	5743.57	4843.93
2	Other Income	10695.62	6177.51	8515.25	28158.36	22575.89	51016.19	49315.17
3	TOTAL INCOME (1+2)	53526.97	46731.01	48616.41	191843.67	174972.96	272871.03	257289.51
4	Interest Expended	27540.59	26947.03	25389.40	106803.49	97381.82	143047.36	133178.64
5	Operating Expenses (i) + (ii)	11794.48	10186.06	10467.25	41782.37	38053.86	73717.07	73224.24
	(i) Employee cost	6942.78	6122.57	6566.54	25113.83	23537.07	32525.60	31117.61
	(ii) Other Operating Expenses	4851.70	4063.49	3900.71	16668.54	14516.79	41191.47	42106.63
6	TOTAL EXPENDITURE (4) + (5) (excluding Provisions and Contingencies)	39335.07	37133.09	35856.65	148585.86	135435.68	216764.43	206402.88
7	OPERATING PROFIT (3 - 6) (before Provisions and Contingencies)	14191.90	9597.92	12759.76	43257.81	39537.28	56106.60	50886.63
8	PROVISIONS (other than tax) and Contingencies (net-of write-backs) --- of which provisions for Non-Performing Assets	13174.05 12139.17	7949.38 7644.62	6943.31 4985.83	29483.75 26984.14	20223.32 17908.06	37929.82 35111.19	25032.06 22198.31
9	Exceptional Items	-	-	-	-	-	-	-
10	PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX (7-8-9)	1017.85	1648.54	5816.45	13774.06	19313.96	18176.78	25854.57
11	Tax Expenses	-245.96	533.20	2074.43	3823.41	6212.39	5433.50	8337.20
12	NET PROFIT FROM ORDINARY ACTIVITIES AFTER TAX (10-11)	1263.81	1115.34	3742.02	9950.65	13101.57	12743.28	17517.37
13	Extraordinary items (net of tax expenses)	-	-	-	-	-	-	-
14	NET PROFIT FOR THE PERIOD (12-13)	1263.81	1115.34	3742.02	9950.65	13101.57	12743.28	17517.37
15	Share in profit of Associates	-	-	-	-	-	275.82	314.44
16	Share of Minority	-	-	-	-	-	794.51	837.51
17	NET PROFIT AFTER MINORITY INTEREST (14+15-16)	1263.81	1115.34	3742.02	9950.65	13101.57	12224.59	16994.30
18	Paid-up equity Share Capital (Face Value of Rs.1 per share)	776.28	776.28	746.57	776.28	746.57	776.28	746.57
19	Reserves excluding Revaluation Reserves	-	-	-	143498.16	127691.65	178442.05	160640.97
20	Analytical Ratios							
	(i) Percentage of shares held by Government of India	60.18%	60.18%	58.60%	60.18%	58.60%	60.18%	58.60%
	(ii) Capital Adequacy Ratio (BASEL -III)	13.12%	12.45%	12.00%	13.12%	12.00%	-	-
	(iii) Earnings Per Share (EPS) (in Rs.)							
	(a) Basic and diluted EPS before Extraordinary items (net of tax expenses) (Quarter numbers are not annualised)	1.64	1.43	5.01	12.98	17.55	15.95	22.76
	(b) Basic and diluted EPS after Extraordinary items (net of tax expenses) (Quarter numbers are not annualised)	1.64	1.43	5.01	12.98	17.55	15.95	22.76
	(iv) NPA Ratios							
	(a) Amount of gross non-performing assets	98172.80	72791.73	56725.34	98172.80	56725.34	-	-
	(b) Amount of net non-performing assets	55807.02	40249.12	27590.58	55807.02	27590.58	-	-
	(c) % of gross NPAs	6.50%	5.10%	4.25%	6.50%	4.25%	-	-
	(d) % of net NPAs	3.81%	2.89%	2.12%	3.81%	2.12%	-	-
	(v) Return on Assets (net assets basis - Annualised)	0.23%	0.21%	0.76%	0.46%	0.68%	-	-

Summarised Statement of Assets & Liabilities

(Rs.in crore)

Sr. No	Particulars	Standalone			Consolidated		
		As at 31.03.2016 Audited	As at 31.12.2015 Unaudited	As at 31.03.2015 Audited	As at 31.03.2016 Audited	As at 31.12.2015 Unaudited	As at 31.03.2015 Audited
1	Capital and Liabilities						
a	Capital	776.28	776.28	746.57	776.28	746.57	
b	Reserves & Surplus	143498.16	145780.99	127691.66	179816.09	160640.97	
c	Minority Interest				6267.40	5497.12	
d	Deposits	1730722.44	1671416.15	1576793.24	2253857.56	2052960.79	
e	Borrowings	224190.59	219676.08	205150.29	258214.39	244663.46	
f	Other liabilities and provisions	159875.56	111138.20	137698.04	271965.92	235601.11	
	Total Capital and Liabilities	2259063.03	2148787.70	2048079.80	2970897.64	2700110.02	
2	Assets						
a	Cash and Balances with RBI	129629.33	80043.82	115883.84	160424.57	144287.55	
b	Balances with Banks and money at call and short notice	37838.33	25747.24	38871.94	43734.90	44193.50	
c	Investments	477097.27	544349.83	481758.75	705189.08	762584.52	
d	Advances	1463700.42	1391257.76	1300026.39	1870260.89	1692211.33	
e	Fixed Assets	10389.28	9578.73	9329.17	15255.68	12379.30	
f	Other Assets	140408.40	97810.32	102209.71	176032.52	133530.86	
	Total Assets	2259063.03	2148787.70	2048079.80	2970897.64	2700110.02	

Segment-wise Revenue, Results and Capital Employed

Part A : Primary Segment

(Rs.in crore)

Sr. No	Particulars	Standalone				Consolidated	
		Quarter ended		Year Ended		Year Ended	
		31.03.2016 Audited	31.12.2015 Unaudited	31.03.2015 Audited	31.03.2016 Audited	31.03.2016 Audited	31.03.2015 Audited
1	Segment Revenue (income)						
a	Treasury Operations	12904.29	12554.07	11804.91	49572.24	41095.95	61296.54
b	Corporate / Wholesale Banking Operations	17485.32	15604.76	16072.75	63983.80	61445.90	86837.57
c	Retail Banking Operations	21441.26	18572.17	19668.71	76531.65	71248.38	97196.40
d	Insurance Business						20870.02
e	Other Banking Operations						4869.88
f	Add / (Less) : Unallocated	1696.10	0.01	1070.04	1755.98	1182.73	1800.62
	Total	53526.97	46731.01	48616.41	191843.67	174972.96	272871.03
2	Segment Results (Profit before tax)						
a	Treasury Operations	2373.78	2083.72	2738.73	8246.77	7554.38	9071.69
b	Corporate / Wholesale Banking Operations	-8555.81	-4519.19	-1209.54	-11466.70	-308.47	-11271.53
c	Retail Banking Operations	6716.81	4914.21	4207.95	18967.10	14758.80	20936.37
d	Insurance Business						932.55
e	Other Banking Operations						1375.21
	Total	534.78	2478.74	5737.14	15747.17	22004.71	21044.29
f	Add / (Less) : Unallocated	483.07	-830.20	79.31	-1973.12	-2690.75	-2867.51
	Profit from Ordinary Activities Before Tax	1017.85	1648.54	5816.45	13774.05	19313.96	18176.78
	Less : Tax Expenses	-245.96	533.20	2074.43	3823.40	6212.39	5433.50
	Less : Extraordinary Profit / Loss	-	-	-	-	-	-
	Net Profit before share of profit in Associates/ Minority Interest	1263.81	1115.34	3742.02	9950.65	13101.57	12743.28
	Add: Share in profit of Associates						275.82
	Less: Minority Interest						794.51
	Net Profit*	1263.81	1115.34	3742.02	9950.65	13101.57	12224.59
3	Capital Employed (Segment Assets - Segment Liabilities)						
a	Treasury Operations	214485.37	216065.53	190868.16	214485.37	190868.16	291842.37
b	Corporate / Wholesale Banking Operations	78102.75	89336.44	95091.16	78102.75	95091.16	57162.17
c	Retail Banking Operations	-107618.13	-112260.04	-118574.12	-107618.13	-118574.12	-127702.62
d	Insurance Business						5470.58
e	Other Banking Operations						4825.58
f	Unallocated	-40695.55	-46584.66	-38946.97	-40695.55	-38946.97	-51005.71
	Total	144274.44	146557.27	128438.23	144274.44	128438.23	180592.37

* Segments Results are arrived after taking the effects of Transfer Pricing

Part B : Secondary Segments (Standalone)

(Rs.in crore)

Sr. No	Geographic Segments	Domestic Operation		Foreign Operation		Total	
		Year ended (Audited)		Year ended (Audited)		Year ended (Audited)	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
1	Revenue #	178322.68	164304.43	11765.01	9485.80	190087.69	173790.23
2	Net Profit #	5936.62	9972.10	4014.03	3129.47	9950.65	13101.57
3	Assets @	1930789.77	1747311.56	328273.26	300768.24	2259063.03	2048079.80
4	Liabilities @	1786515.34	1618873.33	328273.26	300768.24	2114788.60	1919641.57

for the year ended March 31, 2016

@ as at March 31, 2016

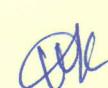



Notes :

- 1 The above financials results have been reviewed by the Audit Committee of the Board at their meeting held on May 26, 2016 and approved by the Board of Directors at their meeting held on May 27, 2016.
- 2 (a) The financial results for the quarter / year ended March 31, 2016 have been arrived at after considering necessary provisions for Non- Performing Advances, Non Performing Investments, Standard Advances, Restructured Advances, Provision for exposure to entities with Un-hedged Foreign Currency Exposure, Depreciation on Investments, Income Tax (including Deferred Taxes) and other usual and necessary provisions. Provisions for employee benefits pertaining to Pension, gratuity and leave encashment has been made on the basis of actuarial valuations.

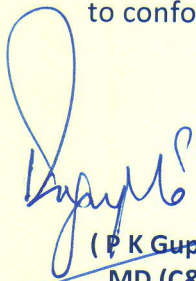
(b) During the year, as a part of Asset Quality Review (AQR) conducted by RBI, the Bank has been advised to reclassify/make additional provision in respect of certain advance accounts over two quarters ending December 2015 and March 2016. The Bank has accordingly implemented the RBI directions.

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


(d) 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 INR 1,149 crores (INR 382 Crores utilised in the FY 2014-15) for making specific provision for NPAs, in accordance with the board approved policy and approval of the Board.
- 3 The figures for the last quarter are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year.
- 4 There are no material changes in the Significant Accounting Policies adopted during the quarter / year ended March 31, 2016 as compared to those followed in the previous Financial Year 2014-15.
- 5 RBI Circular DBOD.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 on Basel III Capital Regulations read together with RBI Circular No. DBR.No.BP. BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards Amendments requires Banks to make applicable Pillar 3 Disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework. These disclosures as of March 31, 2016 are available on the Bank's Website <http://www.sbi.co.in>.
- 6 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




- 7 The Bank allotted 10,04,77,012 equity shares of INR 1/- each at a price of INR 295.59 at a premium of INR 294.59 on April 1, 2015 and 19,65,59,390 equity shares of INR 1/- each at a price of INR 274.37 at a premium of INR 273.37 on September 29, 2015 to the Government of India on preferential issues.
- 8 Other income includes INR 2,033.83 crores 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.
- 9 Provision Coverage Ratio as on March 31, 2016 was 60.69 %.
- 10 The Bank has received 160 Investors' complaints during the quarter ended March 31, 2016 and 03 investors complaint was outstanding at the beginning of the quarter out of which 163 have been disposed off. There were NIL Investors' complaints pending at the end of the quarter.
- 11 Previous period/years, figures have been regrouped / reclassified, wherever necessary, to conform to current period classification.



(P K Gupta)
MD (C&R)



(V G Kannan)
MD (A&S)



(B Sriram)
MD (CBG)

A. Bhattacharya
(Arundhati Bhattacharya)
Chairman

Place : Kolkata
Date : May 27, 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 Rs. 2,281 crores on account of loss on sale of assets to Reconstruction Companies.
 - (b) Note no. 7: utilization of Counter Cyclical Buffer of Rs. 1,171 crores 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 Rs.22,59,063 crores as at March 31, 2016, total revenue of Rs.191,843 crores, and net cash inflows amounting to Rs.12,711crores 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 Rs. 7,26,950 Crores as at March 31, 2016, the Group's share in total revenue of Rs. 83,228 Crores, the Group's share in net cash inflows amounting to Rs. 3,499 Crores, and the Group's share in profit from associates of Rs. 177 Crores for the year then ended;
 - (c) Unaudited accounts of 1 (one) Subsidiary and 8 (eight) Associates whose financial statements reflect total assets of Rs. 4,114 Crores as at March 31, 2016, total revenue of

Rs.146 Crores, net cash inflows amounting to Rs. 49 Crores and the Group's share in profit from associates of Rs. 78 Crores 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
M No. 016043

Place: Kolkata
Date: May 27, 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 Rs. 2,281 crores on account of loss on sale of assets to Reconstruction Companies.
 - (b) Note no. 7: utilization of Counter Cyclical Buffer of Rs. 1,171 crores 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 Rs.22,59,063 crores as at March 31, 2016, total revenue of Rs.191,843 crores, and net cash inflows amounting to Rs.12,711crores 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 Rs. 7,26,950 Crores as at March 31, 2016, the Group's share in total revenue of Rs. 83,228 Crores, the Group's share in net cash inflows amounting to Rs. 3,499 Crores, and the Group's share in profit from associates of Rs. 177 Crores for the year then ended;
 - (c) Unaudited accounts of 1 (one) Subsidiary and 8 (eight) Associates whose financial statements reflect total assets of Rs. 4,114 Crores as at March 31, 2016, total revenue of

Rs.146 Crores, net cash inflows amounting to Rs. 49 Crores and the Group's share in profit from associates of Rs. 78 Crores 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
M No. 016043

Place: Kolkata
Date: May 27, 2016

FORM A

1.	Name of the company	State Bank of India
2.	Annual consolidated financial statements (CFS) for the year ended	March 31, 2016
3.	Type of Audit observation	Unqualified / Emphasis of Matter: a) Non-amortization of Rs. 2,281 crores on account of loss on sale of assets to Reconstruction Companies in accordance with RBI guidelines. b) Utilization of Counter Cyclical Buffer of Rs. 1,171 crores during the year in accordance with RBI guidelines.
4.	Frequency of observation	Since last year
5.	Arundhati Bhattacharya Chairman	<i>A. Bhattacharya</i>
	Anshula Kant Dy. Managing Director & CFO	<i>Anshula Kant</i>
	Cherian K Baby M/s Varma & Varma, Kochi (Consolidating Auditor)	<i>Cherian K Baby</i>
	Sunil Mehta Chairman, Audit Committee of the Board	<i>Sunil Mehta</i>

Place: Kolkata

Date: May 27, 2016

FORM 'A'

1	Name of the Company	STATE BANK OF INDIA
2	Annual Financial Statements for the year ended	March 31, 2016
3	Type of Audit observation	<p>Unqualified / Emphasis of Matter:</p> <p>(a) Non-amortization of Rs. 1,131.01 Crores on account of loss on sale of assets to Reconstruction Companies in accordance with RBI guidelines</p> <p>(b) Utilization of Counter Cyclical Buffer of Rs.1, 149 crores during the year in accordance with RBI guidelines</p>
4	Frequency of observation	Since last year
5	Arundhati Bhattacharya Chairman	<i>A. Bhattacharya</i>
	Anshula Kant Dy. Managing Director & CFO	<i>Anshula Kant</i>
	Cherian K Baby M/s Varma & Varma, Kochi (Consolidating Auditor)	<i>Cherian K Baby</i>
	Sunil Mehta Chairman, Audit Committee of the Board	<i>Sunil Mehta</i>

Place: Kolkata

Date: 27th May 2016

INDEPENDENT AUDITOR'S 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 Notes 18 of Schedule 18: 'Notes to Accounts' regarding:
 - (a) Note No. 18.8 – para 20: non-amortization of Rs. 1,131.01 Crores on account of loss on sale of assets to Reconstruction Companies.
 - (b) Note No. 18.8 – para 21: utilization of Counter Cyclical Buffer of Rs.1, 149 crores 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.

2



- 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.

कृते मे. वर्मा एंड वर्मा
सनदी लेखाकार
For M/s Varma & Varma
Chartered Accountants



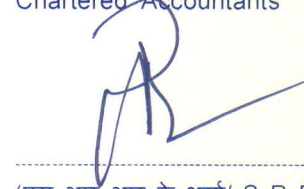
(चेरियन के बेबी/ Cherian K Baby)
भागीदार/Partner, स.सं./M.No.016043
फर्म पंजी. सं./Firm Regn.No.004532 S

कृते मे. मेहरा गोयल एंड कं.
सनदी लेखाकार
For M/s Mehra Goel & Co.
Chartered Accountants



(आर के मेहरा/ R K Mehra)
भागीदार/Partner, स.सं./M.No.006102
फर्म पंजी. सं./Firm Regn.No.000517 N

कृते मे. एसआरआरके शर्मा एसोसिएट्स
सनदी लेखाकार
For M/s S R R K Sharma Associates
Chartered Accountants



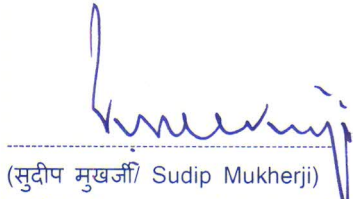
(एस आर आर के शर्मा/ S R R K Sharma)
भागीदार/Partner, स.सं./M.No.18088
फर्म पंजी. सं./Firm Regn.No.003790 S

कृते मे. वी. शंकर अय्यर एंड कं.
सनदी लेखाकार
For M/s V. Sankar Aiyar & Co.
Chartered Accountants



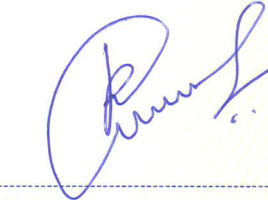
(अजय गुप्ता/ Ajay Gupta)
भागीदार/Partner, स.सं./M.No.090104
फर्म पंजी. सं./Firm Regn.No.109208 W

कृते मे. एस. एन. मुखर्जी एंड कं.
सनदी लेखाकार
For M/s S. N. Mukherji & Co.
Chartered Accountants



(सुदीप मुखर्जी/ Sudip Mukherji)
भागीदार/Partner, स.सं./M.No.013321
फर्म पंजी. सं./Firm Regn.No.301079 E

कृते मे. बी छावछरिया एंड कं.
सनदी लेखाकार
For M/s B. Chhawchharia & Co.
Chartered Accountants



(क्षितिज छावछरिया/ Kshitiz Chhawchharia)
भागीदार/Partner, स.सं./M.No.061087
फर्म पंजी. सं./Firm Regn.305123 E

कृते मे. मनुभाई एंड शाह एल एल पी
सनदी लेखाकार
For M/s Manubhai & Shah LLP
Chartered Accountants



(हितेश एम पोमल/ Hitesh M Pomal)
भागीदार/Partner, स.सं./M.No.106137
फर्म पंजी. सं./
Firm Regn.No.106041 W /W100136)

कृते मे. एम. भाष्कर राव एंड कं.
सनदी लेखाकार
For M/s M. Bhaskara Rao & Co.
Chartered Accountants



(एम वी रमन मूर्ति/ M V Ramana Murty)
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फर्म पंजी. सं./Firm Regn.No.000459 S

कृते मे. जीएसए एंड एसोसिएट्स
सनदी लेखाकार
For M/s GSA & Associates
Chartered Accountants



(सुनील अग्रवाल/ Sunil Aggarwal)
भागीदार/Partner, स.सं./M.No.083899
फर्म पंजी. सं./Firm Regn.No.000257 N

कृते मे. चटर्जी एंड कं.

सनदी लेखाकार

For M/s Chatterjee & Co.
Chartered Accountants



(एस के चटर्जी / S K Chatterjee)

भागीदार/Partner, स.सं./M.No.003124 फर्म
पंजी. सं./Firm Regn.No.302114 E

कृते मे. बंसल एंड कं.

सनदी लेखाकार

For M/s Bansal & Co.
Chartered Accountants



(डी एस रावत/ D S Rawat)

भागीदार/Partner, स.सं./M.No.083030
फर्म पंजी. सं./Firm Regn.No.001113 N

कृते मे. अमित रे एंड कं.

सनदी लेखाकार

For M/s Amit Ray & Co.
Chartered Accountants



(बासुदेव बनर्जी/ Basudeb Banerjee)

भागीदार/Partner, स.सं./M.No.070468
फर्म पंजी. सं./Firm Regn.No.000483 C

कृते मे. एस एल छाजड एंड कं.

सनदी लेखाकार

For M/s S L Chhajed & Co.
Chartered Accountants



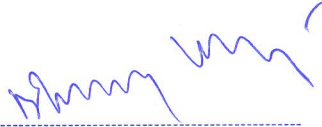
(एस. एन. शर्मा/ S N Sharma)

भागीदार/Partner, स.सं./M.No.071224
फर्म पंजी. सं./FirmRegn.No.000709 C

कृते मे. मित्तल गुप्ता एंड कं.

सनदी लेखाकार

For M/s Mittal Gupta & Co.
Chartered Accountants



(अक्षय कुमार गुप्ता/Akshay Kumar Gupta)

भागीदार/Partner, स.सं./M.No.070744
फर्म पंजी. सं./Firm Regn.No.001874 C