



# SCHEDULES

## SCHEDULE 1 - CAPITAL

	(000s omitted)	
	As on 31.03.2014 (Current Year) ₹	As on 31.03.2013 (Previous Year) ₹
<b>Authorised Capital :</b>		
500,00,00,000 (Previous Year 500,00,00,000) shares of ₹ 10 each	5000,00,00	5000,00,00
<b>Issued Capital :</b>		
74,66,56,167 (Previous Year 68,41,17,046) Equity Shares of ₹ 10 each	746,65,61	684,11,70
<b>Subscribed and Paid-up Capital :</b>		
74,65,73,092 (Previous Year 68,40,33,971) Equity Shares of ₹ 10 each	746,57,31	684,03,40
[The above includes 1,58,73,554 (Previous Year 1,65,21,526 ) Equity Shares represented by 79,36,777 (Previous Year 82,60,763) Global Depository Receipts]		
<b>Total</b>	<b>746,57,31</b>	<b>684,03,40</b>

## SCHEDULE 2 - RESERVES & SURPLUS

	(000s omitted)	
	As on 31.03.2014 (Current Year) ₹	As on 31.03.2013 (Previous Year) ₹
<b>I. Statutory Reserves</b>		
Opening Balance	40470,71,09	36052,85,01
Additions during the year	3339,61,91	4417,86,08
Deductions during the year	-	-
	43810,33,00	40470,71,09
<b>II. Capital Reserves</b>		
Opening Balance	1527,25,75	1508,08,79
Additions during the year	216,75,30	19,16,96
Deductions during the year	-	-
	1744,01,05	1527,25,75
<b>III. Share Premium</b>		
Opening Balance	31501,19,81	28513,84,58
Additions during the year	9969,10,90	2991,08,00
Deductions during the year	25,62,11	3,72,77
	41444,68,60	31501,19,81
<b>IV. Foreign Currency Translation Reserve</b>		
Opening Balance	3475,33,39	2433,48,66
Additions during the year	2564,67,61	1041,84,73
Deductions during the year	-	-
	6040,01,00	3475,33,39
<b>V. Revenue and Other Reserves*</b>		
Opening Balance	21224,81,17	14771,55,13
Additions during the year	4796,63,50	6453,26,04
Deductions during the year#	1525,13,15	-
	24496,31,52	21224,81,17
<b>VI. Balance of Profit and Loss Account</b>	32,48	33,93
* 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 ₹ 5544,98,43 thousand (Previous Year ₹ 4487,00,00 thousand) # Refer Notes to Accounts Para 18.8, Clause 19		
<b>Total</b>	<b>117535,67,65</b>	<b>98199,65,14</b>



# SCHEDULES

## SCHEDULE 3 - DEPOSITS

(000s omitted)

	As on 31.03.2014 (Current Year) ₹	As on 31.03.2013 (Previous Year) ₹
<b>A. I. Demand Deposits</b>		
(i) From Banks	6041,38,80	7345,35,39
(ii) From Others	107191,08,49	105334,91,78
<b>II. Savings Bank Deposits</b>	485167,93,49	426383,11,88
<b>III. Term Deposits</b>		
(i) From Banks	34117,68,40	27855,66,19
(ii) From Others	761890,41,30	635820,52,19
<b>Total</b>	<b>1394408,50,48</b>	<b>1202739,57,43</b>
<b>B. I. Deposits of Branches in India</b>	1305983,94,89	1130136,60,70
II. Deposits of Branches outside India	88424,55,59	72602,96,73
<b>Total</b>	<b>1394408,50,48</b>	<b>1202739,57,43</b>

## SCHEDULE 4 - BORROWINGS

(000s omitted)

	As on 31.03.2014 (Current Year) ₹	As on 31.03.2013 (Previous Year) ₹
<b>I. Borrowings in India</b>		
(i) Reserve Bank of India	12200,00,00	14476,16,00
(ii) Other Banks	1121,44,41	5648,85,07
(iii) Other Institutions and Agencies	8280,19,25	4894,40,03
(iv) Capital Instruments :		
a. Innovative Perpetual Debt Instruments (IPDI)	2165,00,00	2165,00,00
b. Subordinated Debt	36671,39,60	34671,39,60
<b>Total</b>	<b>38836,39,60</b>	<b>36836,39,60</b>
<b>II. Borrowings outside India</b>		
(i) Borrowings and Refinance outside India	118948,16,25	103934,09,41
(ii) Capital Instruments :		
Innovative Perpetual Debt Instruments (IPDI)	3744,68,75	3392,81,25
<b>Total</b>	<b>122692,85,00</b>	<b>107326,90,66</b>
<b>Grand Total</b>	<b>183130,88,26</b>	<b>169182,71,36</b>
Secured Borrowings included in I & II above	3339,91,31	5244,20,68



# SCHEDULES

## SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

(000s omitted)

	As on 31.03.2014 (Current Year) ₹	As on 31.03.2013 (Previous Year) ₹
I. Bills payable	19165,70,27	19686,48,27
II. Inter-office adjustments (Net)	1502,58,08	16384,11,49
III. Interest accrued	15772,86,89	13333,47,47
IV. Deferred Tax Liabilities (Net)	2837,83,06	628,91,86
V. Others (including provisions)	57133,97,89	45372,30,96
<b>Total</b>	<b>96412,96,19</b>	<b>95405,30,05</b>

## SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(000s omitted)

	As on 31.03.2014 (Current Year) ₹	As on 31.03.2013 (Previous Year) ₹
I. Cash in hand (including foreign currency notes and gold)	12456,56,04	11552,19,17
II. Balance with Reserve Bank of India		
(i) In Current Account	72499,10,01	54278,21,87
(ii) In Other Accounts	-	-
<b>Total</b>	<b>84955,66,05</b>	<b>65830,41,04</b>

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

(000s omitted)

	As on 31.03.2014 (Current Year) ₹	As on 31.03.2013 (Previous Year) ₹
<b>I. In India</b>		
(i) Balances with banks		
(a) In Current Accounts	916,04,64	664,07,65
(b) In Other Deposit Accounts	13292,53,15	3002,57,75
(ii) Money at call and short notice		
(a) With banks	3650,00,00	7173,00,00
(b) With other institutions	-	-
<b>Total</b>	<b>17858,57,79</b>	<b>10839,65,40</b>
<b>II. Outside India</b>		
(i) In Current Accounts	9555,80,00	25822,33,16
(ii) In Other Deposit Accounts	2836,10,73	4334,76,89
(iii) Money at call and short notice	17343,48,70	7992,99,96
<b>Total</b>	<b>29735,39,43</b>	<b>38150,10,01</b>
<b>GRAND TOTAL (I and II)</b>	<b>47593,97,22</b>	<b>48989,75,41</b>



# SCHEDULES

## SCHEDULE 8 - INVESTMENTS

	(000s omitted)	
	As on 31.03.2014 (Current Year) ₹	As on 31.03.2013 (Previous Year) ₹
<b>I. Investments in India in :</b>		
(i) Government Securities	308198,80,84	269260,22,00
(ii) Other approved securities	-	-
(iii) Shares	3009,16,29	3865,81,59
(iv) Debentures and Bonds	26424,80,57	18892,86,89
(v) Subsidiaries and/ or Joint Ventures (including Associates)	6153,70,49	5465,12,53
(vi) Others (Units of Mutual Funds, Commercial Papers, Priority Sector Deposits etc.)	30262,07,21	32508,88,26
<b>Total</b>	<b>374048,55,40</b>	<b>329992,91,27</b>
<b>II. Investments outside India in :</b>		
(i) Government Securities (including local authorities)	3465,14,10	2860,01,34
(ii) Subsidiaries and/ or Joint Ventures abroad	2183,71,39	1602,78,14
(iii) Other Investments (Shares, Debentures etc.)	18610,78,09	16421,79,76
<b>Total</b>	<b>24259,63,58</b>	<b>20884,59,24</b>
<b>Grand Total [I and II]</b>	<b>398308,18,98</b>	<b>350877,50,51</b>
<b>III. Investments in India :</b>		
(i) Gross Value of Investments	374699,15,33	330718,38,30
(ii) Less: Aggregate of Provisions / Depreciation	650,59,93	725,47,03
(iii) Net Investments (vide I above)	<b>TOTAL 374048,55,40</b>	329992,91,27
<b>IV. Investments outside India :</b>		
(i) Gross Value of Investments	25156,84,83	21257,56,93
(ii) Less: Aggregate of Provisions / Depreciation	897,21,25	372,97,69
(iii) Net Investments (vide II above)	<b>TOTAL 24259,63,58</b>	20884,59,24
<b>Grand Total [III and IV]</b>	<b>398308,18,98</b>	<b>350877,50,51</b>



# SCHEDULES

## SCHEDULE 9 - ADVANCES

(000s omitted)

	As on 31.03.2014 (Current Year) ₹	As on 31.03.2013 (Previous Year) ₹
A. I. Bills purchased and discounted	77755,08,56	88667,91,97
II. Cash credits, overdrafts and loans repayable on demand	522860,87,39	465451,77,02
III. Term loans	609212,75,97	491496,86,32
<b>Total</b>	<b>1209828,71,92</b>	<b>1045616,55,31</b>
B. I. Secured by tangible assets (includes advances against Book Debts)	949116,35,89	770342,19,70
II. Covered by Bank/ Government Guarantees	61654,47,71	93712,47,29
III. Unsecured	199057,88,32	181561,88,32
<b>Total</b>	<b>1209828,71,92</b>	<b>1045616,55,31</b>
C. I. Advances in India		
(i) Priority Sector	280819,50,12	264313,88,71
(ii) Public Sector	74172,44,97	54670,17,17
(iii) Banks	99,98,62	68,76,58
(iv) Others	642792,39,65	559156,10,37
<b>Total</b>	<b>997884,33,36</b>	<b>878208,92,83</b>
II. Advances outside India		
(i) Due from banks	47670,95,07	32915,24,62
(ii) Due from others		
(a) Bills purchased and discounted	11768,61,70	21216,56,17
(b) Syndicated loans	84589,24,23	56258,73,66
(c) Others	67915,57,56	57017,08,03
<b>Total</b>	<b>211944,38,56</b>	<b>167407,62,48</b>
<b>Grand Total (C - I &amp; C - II)</b>	<b>1209828,71,92</b>	<b>1045616,55,31</b>



# SCHEDULES

## SCHEDULE 10 - FIXED ASSETS

	(000s omitted)	
	As on 31.03.2014 (Current Year) ₹	As on 31.03.2013 (Previous Year) ₹
<b>I. Premises</b>		
At cost as on 31st March of the preceding year	2817,35,62	2142,79,28
Additions during the year	312,32,09	676,70,93
Deductions during the year	15,37,94	2,14,59
Depreciation to date	1023,43,87	942,79,55
	<b>2090,85,90</b>	<b>1874,56,07</b>
<b>II. Other Fixed Assets (including furniture and fixtures)</b>		
At cost as on 31st March of the preceding year	13774,29,40	11847,40,39
Additions during the year	2750,04,31	2442,55,55
Deductions during the year	592,10,36	515,66,54
Depreciation to date	10306,63,74	9053,34,39
	<b>5625,59,61</b>	<b>4720,95,01</b>
<b>III. Leased Assets</b>		
At cost as on 31st March of the preceding year	782,89,10	802,13,34
Additions during the year	-	-
Deductions during the year	549,26,63	19,24,24
Depreciation to date including provision	233,62,47	782,89,10
	-	-
Add: Lease adjustment account	-	20,27
	-	<b>20,27</b>
<b>IV. Assets under Construction (Including Premises)</b>	285,70,00	409,30,87
<b>Total (I, II, III and IV)</b>	<b>8002,15,51</b>	<b>7005,02,22</b>

## SCHEDULE 11 - OTHER ASSETS

	(000s omitted)	
	As on 31.03.2014 (Current Year) ₹	As on 31.03.2013 (Previous Year) ₹
I. Inter-office adjustments (Net)	-	-
II. Interest accrued	13908,11,79	12090,67,66
III. Tax paid in advance / tax deducted at source	11880,51,10	5333,66,58
IV. Stationery and stamps	116,21,78	97,79,18
V. Non-banking assets acquired in satisfaction of claims	4,25,91	4,25,91
VI. Others	17636,79,63	30365,63,56
<b>Total</b>	<b>43545,90,21</b>	<b>47892,02,89</b>

## SCHEDULE 12 - CONTINGENT LIABILITIES

	(000s omitted)	
	As on 31.03.2014 (Current Year) ₹	As on 31.03.2013 (Previous Year) ₹
I. Claims against the bank not acknowledged as debts	13568,57,28	6194,60,47
II. Liability for partly paid investments	2,80,00	2,80,00
III. Liability on account of outstanding forward exchange contracts	573861,67,93	471913,15,90
IV. Guarantees given on behalf of constituents		
(a) In India	103663,00,11	95428,29,37
(b) Outside India	71539,24,21	77481,61,57
V. Acceptances, endorsements and other obligations	125106,49,61	126672,56,77
VI. Other items for which the bank is contingently liable	129588,16,31	148681,02,81
<b>Total</b>	<b>1017329,95,45</b>	<b>926374,06,89</b>

**STATE BANK OF INDIA****PROFIT AND LOSS ACCOUNT** for the year ended 31st March, 2014

(000s omitted)

	Schedule No.	Year ended 31.03.2014 (Current Year) ₹	Year ended 31.03.2013 (Previous Year) ₹
<b>I. INCOME</b>			
Interest earned	13	136350,80,39	119655,10,00
Other Income	14	18552,91,64	16036,84,23
<b>Total</b>		<b>154903,72,03</b>	<b>135691,94,23</b>
<b>II. EXPENDITURE</b>			
Interest Expended	15	87068,63,25	75325,79,65
Operating expenses	16	35725,85,13	29284,42,23
Provisions and contingencies		21218,06,48	16976,73,86
<b>Total</b>		<b>144012,54,86</b>	<b>121586,95,74</b>
<b>III. PROFIT</b>			
Net Profit for the year		10891,17,17	14104,98,49
Profit brought forward		33,93	33,93
<b>Total</b>		<b>10891,51,10</b>	<b>14105,32,42</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserve		3339,61,91	4417,86,08
Transfer to Capital Reserve		216,75,30	19,16,96
Transfer to Revenue and other Reserves		4796,63,50	6453,26,04
Dividend for the previous year paid during the year (including Tax on Dividend)		1,45	-
Dividend for the current year			
(i) Interim Dividend		1119,85,96	-
(ii) Final Dividend Proposed		1119,85,96	2838,74,09
Tax on Dividend for the Current year		298,44,54	375,95,32
Balance carried over to Balance Sheet		32,48	33,93
<b>Total</b>		<b>10891,51,10</b>	<b>14105,32,42</b>
Basic Earnings per Share		₹ 156.76	₹ 210.06
Diluted Earnings per Share		₹ 156.76	₹ 210.06
<b>Significant Accounting Policies</b>	17		
<b>Notes to Accounts</b>	18		



# SCHEDULES

## SCHEDULE 13 - INTEREST EARNED

(000s omitted)

	Year ended 31.03.2014 (Current Year) ₹	Year ended 31.03.2013 (Previous Year) ₹
I. Interest / discount on advances / bills	102484,10,37	90537,09,93
II. Income on investments	31941,87,36	27198,63,17
III. Interest on balances with Reserve Bank of India and other inter-bank funds	409,30,71	545,13,73
IV. Others	1515,51,95	1374,23,17
<b>Total</b>	<b>136350,80,39</b>	<b>119655,10,00</b>

## SCHEDULE 14 - OTHER INCOME

(000s omitted)

	Year ended 31.03.2014 (Current Year) ₹	Year ended 31.03.2013 (Previous Year) ₹
I. Commission, exchange and brokerage	12611,29,65	11483,71,60
II. Profit/(Loss) on sale of investments (Net)	2279,40,50	1101,91,53
III. Profit/(Loss) on revaluation of investments (Net)	(202,68,32)	(3,78,17)
IV. Profit/(Loss) on sale of land, buildings and other assets (Net)	(38,64,16)	(32,71,93)
V. Profit/(Loss) on exchange transactions (Net)	1895,27,58	1583,08,64
VI. Income earned by way of dividends, etc., from subsidiaries/ companies and/ or joint ventures abroad/ in India	496,85,99	715,51,40
VII. Income from financial lease	2,57,65	55,36
VIII. Miscellaneous Income	1508,82,75	1188,55,80
<b>Total</b>	<b>18552,91,64</b>	<b>16036,84,23</b>

## SCHEDULE 15 - INTEREST EXPENDED

(000s omitted)

	Year ended 31.03.2014 (Current Year) ₹	Year ended 31.03.2013 (Previous Year) ₹
I. Interest on deposits	77885,70,69	67464,54,74
II. Interest on Reserve Bank of India / Inter-bank borrowings	5150,79,30	4124,10,58
III. Others	4032,13,26	3737,14,33
<b>Total</b>	<b>87068,63,25</b>	<b>75325,79,65</b>





## SCHEDULES

### SCHEDULE 16 - OPERATING EXPENSES

(000s omitted)

	Year ended 31.03.2014 (Current Year) ₹	Year ended 31.03.2013 (Previous Year) ₹
I. Payments to and provisions for employees	22504,27,73	18380,90,24
II. Rent, taxes and lighting	2958,82,55	2438,83,79
III. Printing and stationery	344,84,96	297,01,73
IV. Advertisement and publicity	278,25,69	384,35,26
V. (a) Depreciation on Bank's property (other than Leased Assets)	1333,93,66	1139,60,76
(b) Depreciation on Leased Assets	-	-
VI. Directors' fees, allowances and expenses	1,08,57	73,37
VII. Auditors' fees and expenses (including branch auditors' fees and expenses )	168,34,19	124,62,60
VIII. Law charges	192,55,28	133,90,64
IX. Postages, Telegrams, Telephones, etc.	673,51,37	515,64,34
X. Repairs and maintenance	434,00,14	393,53,33
XI. Insurance	1468,43,71	1200,71,99
XII. Other expenditure	5367,77,28	4274,54,18
<b>Total</b>	<b>35725,85,13</b>	<b>29284,42,23</b>



## 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 of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the 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 Banks' 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 cash basis
- 1.3 Profit or Loss on sale of investments is recognised in the Profit and Loss Account. However, the profit on sale of investments in the 'Held to Maturity' category is appropriated (net of applicable taxes and amount required to be transferred to statutory reserve), to 'Capital Reserve Account'.
- 1.4 Income from finance leases is calculated by applying the interest rate implicit in the lease to the

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

- 1.5 Income (other than interest) on investments in "Held to Maturity" (HTM) category acquired at a discount to the face value, is recognised as follows :
  - a. On Interest bearing securities, it is recognised only at the time of sale/ redemption.
  - b. On zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.
- 1.6 Dividend 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 of the year of sale.



- iii. If the sale is for a value higher than the NBV, the excess provision is reversed 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)

### 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 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 is provided for and net appreciation, is ignored. On provision for depreciation, the book value of the individual securities 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 of SR. Security receipts issued by an asset reconstruction company (ARC) are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the security receipts issued by the 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 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 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 the issuer is NPA in the books of the Bank, investment in any of the securities issued by the same issuer 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 non performing investments are made as per the local regulations or as per the norms of RBI, whichever is higher.
- 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.
- 3. Loans /Advances and Provisions thereon:**
- 3.1 Loans and Advances are classified as performing and non-performing, based on the guidelines 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 for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons;
  - v. In respect of agricultural advances 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 loan accounts 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, 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 before and after restructuring is provided for, in addition to provision for NPAs. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, 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 Net NPAs.

#### 4. Floating Provisions:

The Bank has a policy for creation and utilisation of floating provisions separately for advances, investments and general purpose. The quantum of floating provisions to be created is assessed at the end of each 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:

In addition to the specific provisions held according to the asset classification status, provisions are held 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 A/c 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 A/c - 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 been considered to arrive at Mark to Market value for forex Over the Counter 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 incurred on assets put to use is 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 & ATM	Straight Line Method	33.33% every year
2	Computer software forming an integral part of hardware	Straight Line Method	33.33% every year
3	Computer Software which does not form an integral part of hardware	-	100% depreciated in the year of acquisition
4	Assets given on financial lease upto 31st March 2001	Straight Line Method	At the rate prescribed under the Companies Act,
5	Other fixed assets	Written down value method	At the rate prescribed under the Income-tax Rules, 1962

7.4 In respect of assets acquired during the year for domestic operations, depreciation is charged for half a year in respect of assets used for up to 180 days and for the full year in respect of assets used for more than 180 days, except depreciation on computers and software, which is charged for the full year irrespective of the period for which the asset was put to use.

- 7.5 Items costing less than Rs. 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 assets to be held and used is measured by a comparison of the carrying amount of an asset to future net discounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

## 10. Effect of changes in the foreign exchange rate:

### 10.1 Foreign Currency Transactions

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



- ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing spot/forward rates.
- iii. Foreign currency non-monetary items, which are carried in terms at historical cost, are reported using the exchange rate at 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 at the balance sheet date, are 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 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.

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

#### 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 exchange rates notified by FEDAI at the balance sheet date and the resulting profit/loss is included in the profit and loss account.
- iii. Foreign currency non-monetary items which are carried in terms of historical cost are reported using the exchange rate at 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, 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 Rs. 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 statement of 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 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 statement of profit and loss 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 comprise





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/virtually certain.

### 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, it is probable that an 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 wholesale 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.

### 16. Special Reserves

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

### 17. Share Issue Expenses:

Share issue expenses are charged to the Share Premium Account.



## SCHEDULE – 18: NOTES TO ACCOUNTS

### 18.1 Capital

#### 1. Capital Ratio

(Amount in ₹ Crores)

##### AS PER BASEL II

Sr. No.	Items	As at 31 Mar 2014	As at 31 Mar 2013
(i)	Common Equity Tier 1 Capital Ratio (%)	N.A.	
(ii)	Tier 1 capital ratio (%)	9.98 %	9.49 %
(iii)	Tier 2 capital ratio (%)	2.98 %	3.43 %
(iv)	Total Capital Ratio (%)	12.96 %	12.92 %

##### AS PER BASEL III

Sr. No.	Items	As at 31 Mar 2014	As at 31 Mar 2013
(i)	Common Equity Tier 1 Capital Ratio (%)	9.59 %	
(ii)	Tier 1 capital ratio (%)	9.72 %	N.A.
(iii)	Tier 2 capital ratio (%)	2.72 %	
(iv)	Total Capital Ratio (%)	12.44 %	
(v)	Percentage of the Shareholding of Government of India	58.60 %	62.31%
(vi)	Number of Shares held by Government of India	43,74,59,825	42,62,41,140
(vii)	Amount of Equity Capital raised	10,031.65	3,004.07
(viii)	Amount of Additional Tier 1 capital raised of which		
	a) PNCPS:	-	-
	b) PDI:	-	-
(ix)	Amount of Tier 2 capital raised of which		
	a) Debt Capital instruments:	2000	-
	b) Preference Share Capital Instruments: {Perpetual Cumulative Preference Shares (PCPS)/Redeemable Non-cumulative Preference Shares (RNCPS)/Redeemable Cumulative Preference Shares (RCPS)}	-	-

### 2. Share Capital

- During the year, the Bank has allotted 1,12,18,685 shares of ₹ 10/- each for cash at a premium of ₹ 1772.74 per equity share aggregating to ₹ 2000 crores under Preferential Allotment to GOI. Out of the total subscription of ₹ 2000 crores received from GOI, an amount of ₹ 11.22 crores was transferred to Share Capital Account and ₹ 1988.78 crores to Share Premium Account.
- The Bank has also allotted 5,13,20,436 equity shares of ₹ 10/- each under Qualified Institutions Placement (QIP) for cash at a premium of ₹ 1,555/- per equity share aggregating to ₹ 8031.65 crores. Out of the total subscription received through QIP, an amount of ₹ 51.32 crores was transferred to Share Capital Account and ₹ 7980.33 crores to Share Premium Account.
- The Bank has kept in abeyance the allotment of 83,075 (Previous Year 83,075) Equity Shares of ₹ 10/- each issued as a part of Rights issue - 2008, since they are subject to title disputes or are subjudice.
- Expenses in relation to the issue of shares: ₹ 25.62 crores (Previous Year ₹ 3.73 crores) debited to Share Premium Account.

### 3. Innovative Perpetual Debt Instruments (IPDI)

#### A. Foreign

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

₹ In crores

Particulars	Date of Issue	Tenor	Amount	Equivalent	Equivalent
				₹ as on 31 Mar 2014	₹ as on 31 Mar 2013
Bond issued under the MTN Programme - 12th series*	15.02.2007	Perpetual Non call 10.25 years	USD 400 million	2396.60	2,171.40
Bond issued under the MTN Programme - 14th series#	26.06.2007	Perpetual Non call 10 yrs 1day	USD 225 million	1348.09	1,221.41
<b>Total</b>			<b>USD 625 million</b>	<b>3,744.69</b>	<b>3,392.81</b>

\* 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.

## B. Domestic

The details of outstanding domestic IPDs are as under:-

₹ In crores

SL. 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	14.08.2009	9.10
2	SBI NON CONVERTIBLE PERPETUAL BONDS 2009-10 (Tier I) Series II	1,000	27.01.2010	9.05
3	SBI NON CONVERTIBLE PERPETUAL BONDS 2007-08 SBIN Series VI (Tier I)	165	28.09.2007	10.25
<b>TOTAL</b>		<b>2,165*</b>		

\*Includes ₹ 2,000 crores raised during the F.Y. 2009-10, of which ₹ 550 crores 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:-

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 2005 (Lower Tier II)	3,283.00	05.12.2005 05.05.2015	7.45	113
2	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (Upper Tier II)	2,327.90	05.06.2006 05.06.2021	8.80	180
3	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (II) (Upper Tier II)	500.00	06.07.2006 06.07.2021	9.00	180
4	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (III) (Upper Tier II)	600.00	12.09.2006 12.09.2021	8.96	180
5	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (IV) (Upper Tier II)	615.00	13.09.2006 13.09.2021	8.97	180
6	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (V) (Upper Tier II)	1,500.00	15.09.2006 15.09.2021	8.98	180
7	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (VI) (Upper Tier II)	400.00	04.10.2006 04.10.2021	8.85	180
8	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (VII) (Upper Tier II)	1,000.00	16.10.2006 16.10.2021	8.88	180
9	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (VIII) (Upper Tier II)	1,000.00	17.02.2007 17.02.2022	9.37	180
10	SBI NON CONVERTIBLE (Private placement) Bonds 2006 (IX) (Lower Tier II)	1,500.00	28.03.2007 27.06.2016	9.85	111
11	SBI NON CONVERTIBLE (Private placement) Bonds 2007-08 (I) (Upper Tier II)	2,523.50	7.06.2007 7.06.2022	10.20	180
12	SBI NON CONVERTIBLE (Private placement) Bonds 2007-08 (III) (Upper Tier II)	3,500.00	12.09.2007 12.09.2022	10.10	180
13	SBI NON CONVERTIBLE (Private placement) Bonds 2008-09 (I) (Upper Tier II)	2,500.00	19.12.2008 19.12.2023	8.90	180
14	SBI NON CONVERTIBLE (Private placement) Bonds 2008-09(II) (Lower Tier II)	1,500.00	29.12.2008 29.06.2018	8.40	114



Sr. No.	Nature Of Bonds	Principal Amount	Date Of Issue /Date Of Redemption	Rate Of Interest % P.A.	Maturity Period In Months
15	SBI NON CONVERTIBLE (Private placement) Bonds 2008-09 (III) (Upper Tier II)	2,000.00	02.03.2009 02.03.2024	9.15	180
16	SBI NON CONVERTIBLE (Private placement) Bonds 2008-09 (IV) (Lower Tier II)	1,000.00	06.03.2009 06.06.2018	8.95	111
17	SBI NON CONVERTIBLE (Private placement) Bonds 2008-09 (V) (Upper Tier II)	1,000.00	06.03.2009 06.03.2024	9.15	180
18	SBI NON CONVERTIBLE (Private placement) Bonds 2005-06 SBS (Series I) (Lower Tier II)	200.00	09.03.2006 09.06.2015	8.15	111
19	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
20	SBI NON CONVERTIBLE (Private placement) Bonds 2004-05 SBIN (Series I) (Lower Tier II)	200.00	15.02.2005 15.05.2014	7.20	111
21	SBI NON CONVERTIBLE (Private placement) Bonds 2005-06 SBIN (Series II) (Lower Tier II)	140.00	29.09.2005 29.09.2015	7.45	120
22	SBI NON CONVERTIBLE (Private placement) Bonds 2005-06 SBIN (Series III) (Lower Tier II)	110.00	28.03.2006 28.03.2016	8.70	120
23	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
24	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
25	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
26	SBI Public Issue of Lower Tier II Non-Convertible Bonds 2010 (Series I)	133.08	04.11.2010 04.11.2020	9.25	120
27	SBI Public Issue of Lower Tier II Non- Convertible Bonds 2010 (Series II)	866.92	04.11.2010 04.11.2025	9.50	180
28	SBI Public Issue of Lower Tier II Non- Convertible Bonds 2011 Retail (Series 3)	559.40	16.03.2011 16.03.2021	9.75	120
29	SBI Public Issue of Lower Tier II Non- Convertible Bonds 2011 Non Retail (Series 3)	171.68	16.03.2011 16.03.2021	9.30	120
30	SBI Public Issue of Lower Tier II Non- Convertible Bonds 2011 Retail (Series 4)	3,937.60	16.03.2011 16.03.2026	9.95	180
31	SBI Public Issue of Lower Tier II Non- Convertible Bonds 2011 Non Retail (Series 4)	828.32	16.03.2011 16.03.2026	9.45	180
32.	SBI NON CONVERTIBLE (Private Placement) Bonds 2013-14 (Tier II)	2000.00	02.01.2014 02.01.2024	9.69	120
<b>TOTAL</b>		<b>36,671.40</b>			

**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 crores

Particulars	As at	As at
	31 Mar 2014	31 Mar 2013
1. Value of Investments		
i) Gross value of Investments		
(a) In India	3,74,699.15	3,30,718.38
(b) Outside India	25,156.85	21,257.57
ii) Provisions for Depreciation		
(a) In India	650.60	725.47
(b) Outside India	897.21	372.98
iii) Net value of Investments		
(a) In India	3,74,048.55	3,29,992.91
(b) Outside India	24,259.64	20,884.59
2. Movement of provisions held towards depreciation on investments		
i) Opening Balance	1,098.45	2,139.32
ii) Add: Provisions made during the year	1,337.20	303.44
iii) Less: Foreign Exchange revaluation adjustment / utilisation during the year	113.89	79.58
iv) Less: Write back of excess provision during the year.	773.95	1,264.73
v) Closing balance	1,547.81	1,098.45

## Notes:

- a. Investments in Government Securities is net of ₹ 25,852 crores and ₹ 28,250 crores utilised under Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) with RBI respectively.
- b. Securities amounting to ₹ 6,587.88 crores are kept as margin with Clearing Corporation of India Limited/NSCCL/MCX/ USEIL towards Securities Settlement.
- c. In compliance to Securities Contract Regulations (Amendment) Rules, 2010 on public share holding, State

Bank of Mysore (SBM) has issued 12,13,630 equity shares to Qualified Institutional Buyers through Institutional Placement Programme (IPP). Consequently stake of SBI in SBM has come down from 92.33% to 90% and public shareholding has increased to 10%.

- d. During the year the Bank infused additional capital in SBI General Insurance Company Limited ₹ 185.00 crores and State Bank of Patiala ₹ 462.00 crores, without any change in stake.
- e. SBI has incorporated a wholly owned subsidiary, State Bank of India (Botswana) Ltd. and invested capital equivalent to ₹ 47.37 crores.
- f. SBI has acquired an additional stake of 23% in its subsidiary, PT Bank SBI Indonesia, at ₹ 258 crores, after which the stake of SBI is increased to 99%. Further, SBI has infused additional amount of ₹ 157.27 crores in proportion to its share in PT Bank SBI Indonesia.
- g. SBI has acquired an additional stake of 2.96% in its subsidiary, SBI (Mauritius) Ltd., by investing ₹ 24.42 crores, after which the stake of SBI is increased to 96.36%.
- h. During the year the Bank has infused additional capital, without any change in stake, in the following RRBs:-

₹ In crores

Regional Rural Banks	Amount
Puravanchal Gramin Bank	11.73
Chhattisgarh Rajya Gramin Bank	31.56
Mizoram Rural Bank	6.53
<b>Total</b>	<b>49.82</b>

- i. The Bank exited from two RRBs as per details given below

₹ In crores

Name of Entity	Amount
Krishna Grameena Bank	6.92
Parvatiya Gramin Bank	1.32
<b>Total</b>	<b>8.24</b>



## 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 crores

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as on 31st March 2014
<b>Securities sold under repos</b>				
i. Government Securities	-	60,000.00	19,082.92	54,102.00
	(-)	(44,000.00)	(15,910.39)	(42,000.00)
ii. Corporate Debt Securities	442.80	2,166.74	496.99	795.82
	(-)	(135.30)	(33.36)	(-)
<b>Securities purchased under reverse repos</b>				
i. Government Securities	5.77	6,278.73	278.22	-
	(9.02)	(12057.64)	(499.47)	(20.65)
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 crores

Sl. No.	Issuer	Amount	Extent of Private Placement	Extent of "Below Investment Grade" Securities *	Extent of "Unrated" Securities *	Extent of "Unlisted" Securities *
(i)	PSUs	12,884.38	2,381.60	571.62	714.96	829.48
		(12063.43)	(825.29)	(-)	(-)	(19.45)
(ii)	FIs	11,488.61	2,377.99	-	-	200.00
		(10803.72)	(2868.58)	(-)	(-)	(216.20)
(iii)	Banks	19,883.51	5,515.59	27.41	-	192.10
		(21522.63)	(10386.50)	(-)	(-)	(205.54)
(iv)	Private Corporates	20,300.37	4,862.92	184.09	1,143.91	126.37
		(13558.81)	(5327.61)	(1,345.57)	(504.11)	(118.62)
(v)	Subsidiaries / Joint Ventures **	8,340.29	-	-	-	-
		(7,070.77)	(-)	(-)	(-)	(-)
(vi)	Others	18,760.03	-	119.34	499.09	375.77
		(17696.21)	(-)	(-)	(393.23)	(195.14)
(vii)	Provision held towards depreciation	1547.81	-	-	337.13	-
		(1,098.29)	(-)	(-)	(262.15)	(-)
	<b>Total</b>	<b>90,109.38</b>	<b>15,138.10</b>	<b>902.46</b>	<b>2,020.83</b>	<b>1,723.72</b>
		<b>(81617.28)</b>	<b>(19407.98)</b>	<b>(1,345.57)</b>	<b>(635.19)</b>	<b>(754.95)</b>

(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.

Others include an amount of ₹ 11,321.50 crores (Previous Year ₹ 13,330.20) under RIDF Scheme of NABARD and ₹ 1,141.60 crores (Previous Year ₹ 552.22) under Urban & Rural Housing Fund of NABARD.

**b) Non Performing Non-SLR Investments**

₹ In crores

Particulars	Current Year	Previous Year
Opening Balance	1042.49	860.50
Additions during the year	206.11	311.11
Reductions during the year	313.37	129.12
Closing balance	935.23	1042.49
<b>Total provisions held</b>	<b>892.29</b>	<b>894.86</b>

**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 crores

Particulars	As at 31 Mar 2014	As at 31 Mar 2013
i) The notional principal of swap agreements	1,53,015.27	1,60,156.94#
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	2,830.11	4,078.75
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	987.06	2,318.49

# IRS/FRA amounting to ₹ 10,338.05 crores 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 crores

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 Security	888.23	Nil
2	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March 2014		
A	Interest Rate Futures	Nil	Nil
B	10 Year Government of India Security	2.00	Nil
3	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective"	N.A.	N.A.
4	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective".	N.A.	N.A.



### C. Credit Default Swaps

₹ In crores

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	3
	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
3.	No. of transactions where credit event payment was received / made during the year				
	a) pertaining to current year's transactions	Nil	Nil	Nil	3
	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	0.83	Nil	13.19
	b) Credit event payments:				
	• made (net of the value of assets realised)	Nil	Nil	Nil	108.57
	• 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	1
	b) Amount of protection	Nil	Nil	Nil	54.29
6.	Highest level of outstanding transactions during the year:				
	a) No. of Transactions (as on 1st April)	Nil	1	Nil	13
	b) Amount of protection (as on 1st April )	Nil	59.39	Nil	546.90

### D. Disclosures on Risk Exposure in Derivatives

#### (A) Qualitative Disclosure

- i. The Bank currently deals in over-the-counter (OTC) interest rate and currency derivatives as also in Interest Rate. Interest Rate Derivatives dealt by the Bank are rupee interest rate swaps, foreign currency interest rate swaps and forward rate agreements. 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 on balance sheet items. The Bank also deals in a mix of these generic instruments. The Bank has done Option deals and Structured Products with customers.
- 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 2013-14.

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 Disclosures

₹ In crores

Particulars	Currency Derivatives		Interest Rate Derivatives	
	Current Year	Previous Year	Current Year	Previous Year
(I) Derivatives (Notional Principal Amount)				
(a) For hedging	9,989.90 <sup>Ⓐ</sup>	8,325.96	60,742.05 <sup>#</sup>	64,928.34
(b) For trading*	4,85,254.19	3,55,442.49	92,273.20	95,228.60 <sup>#</sup>
(II) Marked to Market Positions				
(a) Asset	14,876.90	1,341.90	482.13	54.67
(b) Liability	18,761.24	Nil	256.11	Nil
(III) Credit Exposure	27,578.81	7,592.19	3,907.81	5,218.35
(IV) Likely impact of one percentage change in interest rate (100* PV01)				
(a) on hedging derivatives	0.05	(52.68)	(128.55)	(917.87)
(b) on trading derivatives	10.53	10.95	1.02	(196.69)
(V) Maximum and Minimum of 100* PV 01 observed during the year				
(a) on hedging -Maximum	0.08	Nil	49.11	(159.70)
- Minimum	0	(77.68)	(130.06)	(1,126.65)
(b) on trading - Maximum	16.49	15.22	59	885.78
- Minimum	(1.70)	(5.29)	(22.16)	(1,108.33)

<sup>Ⓐ</sup> The swaps amounting to ₹ 8,040.52 crores (Previous Year ₹ 6,574.73 crores) 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.

<sup>#</sup> IRS/FRA amounting to ₹ 12,926.36 crores (Previous Year ₹ 10,338.05 crores) 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 - ₹ 531.58 crores (Previous Year ₹ 4349.04 crores) and Interest Rate Derivatives - ₹ 53.99 crores (Previous Year ₹ 167.53 crores)

1. The outstanding notional amount of derivatives done between Global Markets Unit and International Banking Group as on 31st March 2014 amounted to ₹ 21,552.45 crores (Previous Year ₹ 21,429.35 crores) and the derivatives done between SBI Foreign Offices as on 31st March 2014 amounted to ₹ 29,754.93 crores ( Previous Year ₹ 35,082.63 crores).

2. The outstanding notional amount of interest rate derivatives which are not marked to market where the underlying Assets/ Liabilities are not marked to market as on 31st March 2014 amounted to ₹ 74,877.22 crores (₹ 80,144.28 crores).

3. Credit Default Swap : Outstanding as on 31st March 2014 amounted to ₹ NIL (Previous Year ₹ 54.29 crores).



## 18.4 Asset Quality

### a) Non-Performing Asset

₹ In crores

Particulars	As at 31 Mar 2014	As at 31 Mar 2013
i) Net NPAs to Net Advances (%)	2.57%	2.10%
ii) Movement of NPAs (Gross)		
(a) Opening balance	51,189.39	39,676.46
(b) Additions (Fresh NPAs) during the year	41,216.67	31,993.35
<b>Sub-total (I)</b>	<b>92,406.06</b>	<b>71,669.81</b>
Less:		
(c) Reductions due to upgradations during the year	10,183.27	10,119.35
(d) Reductions due to recoveries (Excluding recoveries made from upgraded accounts)	7,734.94	4,766.30
(e) Technical/ Prudential Write-offs	Nil	Nil
(f) Reductions due to Write-offs during the year	12,882.50	5,594.77
<b>Sub-total (II)</b>	<b>30,800.71</b>	<b>20,480.42</b>
(g) Closing balance (I-II)	61,605.35	51,189.39
iii) Movement of Net NPAs		
(a) Opening balance	21,956.48	15,818.85
(b) Additions during the year	22,293.57	17,825.95
(c) Reductions during the year	13,153.98	11,688.32
(d) Closing balance	31,096.07	21,956.48
iv) Movement of provisions for NPAs		
(a) Opening balance	29,232.91	23,857.61
(b) Provisions made during the year	18,923.10	14,167.40
(c) Write-off / write-back of excess provisions	17,646.73	8,792.10
(d) Closing balance	30,509.28	29,232.91

Opening and closing balances provision for NPAs include ECGC claims received and held pending adjustment of ₹ 71.12 crores (Previous Year ₹ 46.32 crores) and ₹ 69.30 crores (Previous Year ₹ 71.12 crores) respectively.

b) Restructured Accounts

₹ In crores

Sl. No.	Type of Restructuring	Under CDR Mechanism (1)						Under SME Debt Restructuring Mechanism (2)					
		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total		
1	Restructured Accounts as on April 1, 2013 (Opening position)	No. of Borrowers	105 (71)	10 (8)	30 (15)	0 (1)	145 (95)	326 (1642)	51 (146)	127 (226)	3 (1)	507 (2015)	
		Amount outstanding	14914.32 (7112.82)	586.44 (340.09)	2119.60 (946.81)	0.00 (0.18)	17620.36 (8399.90)	2064.70 (2378.45)	450.71 (211.12)	522.11 (64.42)	0.34 (-)	3037.86 (2653.99)	
		Provision thereon	1384.65 (794.41)	39.78 (17.02)	82.90 (141.36)	0.00 (-)	1507.33 (952.79)	106.89 (37.03)	66.20 (16.54)	52.92 (8.23)	0.00 (-)	226.01 (61.80)	
2	Fresh Restructuring during the current FY *	No. of Borrowers	48 (66)	6 (4)	7 (14)	1 (-)	62 (84)	254 (201)	24 (33)	62 (31)	0 (1)	340 (266)	
		Amount outstanding	11870.52 (9314.95)	691.25 (252.81)	867.57 (1539.78)	57.43 (-)	13486.76 (11107.54)	2656.82 (2500.14)	207.91 (324.97)	703.13 (293.95)	48.70 (0.04)	3616.55 (3119.10)	
		Provision thereon	944.21 (868.52)	26.58 (34.79)	286.56 (487.89)	57.43 (-)	1314.78 (1391.20)	75.20 (81.43)	19.05 (27.87)	98.34 (11.48)	-2.74 (-)	189.85 (120.78)	
3	Upgradation to restructured standard category during current FY	No. of Borrowers	1 (3)	2 (-1)	-3 (-2)	0 (-)	0 (-)	6 (9)	-4 (-8)	-2 (-1)	0 (-)	0 (-)	
		Amount outstanding	126.84 (155.69)	17.59 (-48.66)	-144.43 (-107.03)	0.00 (-)	0.00 (-)	50.25 (12.29)	-50.25 (-12.29)	0.00 (-)	0.00 (-)	0.00 (-)	
		Provision thereon	0.58 (67.39)	0.00 (-11.30)	-0.58 (-56.09)	0.00 (-)	0.00 (-)	6.08 (0.01)	-6.08 (-0.01)	0.00 (-)	0.00 (-)	0.00 (-)	
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 standrad advances at the beginning of the next FY	No. of Borrowers	-9 (-15)				-9 (-15)	-10 (-1357)				-10 (-1357)	
		Amount outstanding	-388.15 (-738.64)				-388.15 (-738.64)	-35.76 (-221.12)				-35.76 (-221.12)	
		Provision thereon	-15.61 (-75.71)				-15.61 (-75.71)	-0.02 (-1.50)				-0.02 (-1.50)	
5	Downgradations of restructured accounts during current FY	No. of Borrowers	-26 (-10)	0 (2)	24 (8)	2 (-)	0 (-)	-23 (-41)	-4 (9)	20 (28)	7 (4)	0 (-)	
		Amount outstanding	-4830.76 (-813.81)	-441.39 (81.56)	4829.84 (732.25)	442.30 (-)	0.00 (-)	-418.37 (-315.50)	-73.51 (180.06)	454.73 (135.02)	37.15 (0.42)	0.00 (-)	
		Provision thereon	-353.14 (-47.55)	-0.70 (4.47)	353.74 (43.08)	0.10 (-)	0.00 (-)	-49.08 (-4.02)	-8.99 (-2.22)	55.28 (6.24)	2.78 (-)	0.00 (-)	
6	Write-offs of restructured accounts during current FY **	No. of Borrowers	9 (10)	5 (3)	18 (5)	0 (1)	32 (19)	70 (78)	32 (111)	129 (151)	1 (1)	232 (341)	
		Amount outstanding	558.17 (116.69)	17.79 (39.36)	2606.14 (992.21)	0.00 (0.18)	3182.10 (1148.44)	483.36 (1788.61)	283.16 (161.13)	470.01 (-31.97)	0.02 (0.05)	1236.55 (1917.82)	
		Provision thereon	324.37 (222.41)	5.31 (5.20)	201.89 (533.34)	57.43 (-)	589.00 (760.95)	21.86 (4.62)	47.29 (-24.74)	36.66 (-27.36)	0.00 (-)	105.81 (-47.48)	
7	TOTAL Restructured Accounts as on 31st March, 2014 (Closing Position)#	No. of Borrowers	110 (105)	13 (10)	40 (30)	3 (-)	166 (145)	483 (376)	35 (69)	78 (133)	9 (5)	605 (583)	
		Amount outstanding	21134.61 (14914.32)	836.09 (586.44)	5066.44 (2199.60)	499.74 (-)	27536.88 (17620.36)	3834.26 (2565.65)	251.71 (542.73)	1209.96 (525.36)	86.17 (0.41)	5382.10 (3634.15)	
		Provision thereon	1636.32 (1384.65)	60.34 (39.78)	520.73 (82.90)	0.10 (-)	2217.49 (1507.33)	117.21 (108.33)	22.89 (66.92)	169.89 (53.31)	0.04 (-)	310.03 (228.56)	



Sl. No.	Type of Restructuring		Others						TOTAL					
	Asset Classification Particulars		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total		
1	Restructured Accounts as on April 1, 2013 (Opening position)	No. of Borrowers	5213 (6112)	676 (511)	411 (255)	49 (4)	6349 (6882)	5644 (7825)	737 (665)	568 (496)	52 (6)	7001 (8992)		
Amount outstanding		15248.66 (11909.60)	1914.98 (1105.01)	5236.83 (3998.70)	52.17 (65.91)	22452.63 (17079.21)	32227.68 (21400.87)	2952.13 (1656.22)	7878.54 (5009.93)	52.51 (66.09)	43110.86 (28133.10)			
Provision thereon		487.40 (204.30)	81.20 (88.36)	742.99 (660.32)	3.55 (60.05)	1315.13 (1013.03)	1978.94 (1035.74)	187.17 (121.92)	878.81 (809.91)	3.55 (60.05)	3048.47 (2027.62)			
2	Fresh Restructuring during the current FY *	No. of Borrowers	772 (2211)	367 (134)	487 (88)	19 (6)	1645 (2439)	1074 (2478)	397 (171)	556 (133)	20 (7)	2047 (2789)		
Amount outstanding		10856.98 (9609.83)	834.37 (867.38)	1270.04 (715.12)	64.97 (0.18)	13026.36 (11192.50)	25384.32 (21424.92)	1733.52 (1445.16)	2840.73 (2548.85)	171.10 (0.22)	30129.68 (25419.14)			
Provision thereon		464.39 (280.31)	168.76 (41.17)	378.88 (55.88)	1.17 (0.07)	1013.20 (377.43)	1483.81 (1230.26)	214.39 (103.83)	763.78 (555.25)	55.86 (0.07)	2517.83 (1889.41)			
3	Upgradation to restructured standard category during current FY	No. of Borrowers	66 (147)	-57 (-140)	-9 (-7)	0 (-)	0 (-)	73 (159)	-59 (-149)	-14 (-10)	0 (-)	(-) (-)		
Amount outstanding		288.60 (192.50)	-13.18 (-177.37)	-275.43 (-15.13)	0.00 (-)	0.00 (-)	465.69 (360.48)	-45.84 (-238.32)	-419.86 (-122.16)	0.00 (-)	(-) (-)			
Provision thereon		26.23 (94.07)	0.15 (-92.04)	-26.08 (-2.03)	0.00 (-)	0.00 (-)	32.89 (161.47)	-6.23 (-103.35)	-26.66 (-58.12)	0.00 (-)	(-) (-)			
4	Restructured Standard Advances which ceases to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers	-74 (-2480)				-74 (-2480)	-93 (-3852)				-93 (-3852)		
Amount outstanding		-3604.84 (-2661.65)				-3604.84 (-2661.65)	-4028.75 (-3621.41)					-4028.75 (-3621.41)		
Provision thereon		-5.48 (-17.08)				-5.48 (-17.08)	-21.11 (-94.29)					-21.11 (-94.29)		
5	Downgradations of restructured accounts during current FY	No. of Borrowers	-950 (-550)	583 (322)	351 (189)	16 (39)	0 (-)	-999 (-601)	579 (333)	395 (225)	25 (43)	(-) (-)		
Amount outstanding		-2986.85 (-1622.59)	188.84 (639.80)	2616.86 (982.23)	181.15 (0.55)	0.00 (-)	-8235.98 (-2751.90)	-326.06 (901.42)	7901.43 (1849.50)	660.61 (0.97)	0.00 (-)			
Provision thereon		-88.79 (-64.85)	-28.57 (32.52)	108.72 (32.33)	8.65 (-)	0.00 (-)	-491.01 (-116.42)	-38.26 (34.77)	517.75 (81.65)	11.53 (-)	0.00 (-)			
6	Write-offs of restructured accounts during current FY**	No. of Borrowers	1256 (277)	481 (169)	490 (120)	7 (2)	2234 (568)	1335 (365)	518 (283)	637 (276)	8 (4)	2498 (928)		
Amount outstanding		1720.94 (2679.99)	1096.01 (611.86)	2906.05 (447.34)	132.48 (14.54)	5855.47 (3753.72)	2762.47 (4585.29)	1396.96 (812.35)	5982.19 (1407.58)	132.50 (14.77)	10274.12 (6819.98)			
Provision thereon		195.76 (10.79)	47.36 (-10.47)	946.72 (3.90)	9.69 (56.58)	1199.54 (60.80)	541.99 (237.82)	99.96 (-30.01)	1185.28 (509.88)	67.12 (56.58)	1894.36 (774.27)			
7	TOTAL Restructured Accounts as on 31st March, 2014 (Closing Position)#	No. of Borrowers	3771 (5163)	1088 (658)	750 (405)	77 (47)	5686 (6273)	4364 (5644)	1136 (737)	868 (568)	89 (52)	6457 (7001)		
Amount outstanding		18081.62 (14747.70)	1829.00 (1822.96)	5942.25 (5233.58)	165.81 (52.10)	26018.68 (21856.34)	43050.49 (32227.67)	2916.79 (2952.13)	12218.66 (7878.54)	751.72 (52.51)	58937.66 (43110.86)			
Provision thereon		688.00 (485.96)	173.87 (80.48)	257.78 (742.60)	3.66 (3.54)	1123.32 (1312.58)	2441.53 (1978.94)	257.10 (187.18)	948.40 (878.81)	3.81 (3.54)	3650.84 (3048.47)			

\* Fresh additions includes increase of outstanding balance of existing accounts amounting to ₹ 4,288.95 crores

\*\* The Write off includes decrease due to closure of accounts amounting to Rs. 2,688.68 crores and decrease in outstanding balance of existing accounts amounting to ₹ 1812.59 crores.

# Excluding the standard restructured advances which do not attract higher provisioning or risk weight (if any).

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

₹ In crores

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 crores

Particulars	Current Year	Previous Year
i) No. of Accounts	255	2
ii) Aggregate value (net of provisions) of accounts sold to SC/RC	1,487.52	6.42
iii) Aggregate consideration*	1,604.92	27.11
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	Nil
v) Aggregate gain / (loss) over net book value	117.40	20.69

\* Recognised and disclosed at lower of Net book value/sale price as per RBI Guidelines.

**e) Details of non-performing financial assets purchased**

₹ In crores

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

**f) Details of non-performing financial assets sold**

₹ In crores

Particulars	Current Year	Previous Year
1) No. of Accounts sold	236	6
2) Aggregate outstanding	3,725.90	139.96
3) Aggregate consideration received	1,672.98	45.84

**g) Provision on Standard Assets**

The Provision on Standard Assets held by the Bank as under:

₹ In crores

Particulars	As at 31 Mar 2014	As at 31 Mar 2013
Provision towards Standard Assets	6,575.43	5,289.58

**h) Business Ratios**

Particulars	Current Year	Previous Year
i. Interest Income as a percentage to Working Funds	7.57%	7.76%
ii. Non-interest income as a percentage to Working Funds	1.03%	1.04%
iii. Operating Profit as a percentage to Working Funds	1.78%	2.01%
iv. Return on Assets*	0.65%	0.97%
v. Business (Deposits plus advances) per employee (₹ in thousands)	106,375	94,389
vi. Profit per employee (₹ in thousands)	485.47	645.47

\* (on net-assets basis)


**i) Asset Liability Management: Maturity pattern of certain items of assets and liabilities as at 31st March 2014**

₹ In crores

	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	79,195.61	31,805.04	25,840.40	26,421.54	88,873.24	1,04,788.39	1,88,422.31	2,92,956.16	1,48,532.17	4,07,573.64	13,94,408.50
	(44,414.22)	(22,481.11)	(22,533.15)	(24,714.75)	(49,399.81)	(88,325.85)	(1,80,116.77)	(3,36,798.25)	2,24,094.01	(2,09,861.65)	(12,02,739.57)
Advances	1,29,202.87	7,791.49	13,189.69	7,071.30	41,231.15	42,066.55	68,304.91	5,60,674.65	1,30,009.54	2,10,286.57	12,09,828.72
	(97,506.39)	(7,028.89)	(12,010.67)	(8,620.34)	(47,231.34)	(43,115.51)	(41,753.47)	(5,02,134.63)	(1,15,593.50)	(1,70,621.81)	(10,45,616.55)
Investments	32.25	219.80	138.78	7,352.95	15,281.72	5,819.14	17,899.02	52,850.51	81,912.51	2,16,801.51	3,98,308.19
	(75.99)	(1,557.83)	(5,113.23)	(4,313.41)	(2,33,00.54)	(15,973.75)	(11,899.25)	(47,102.13)	(65,736.09)	(1,75,805.28)	(3,50,877.50)
Borrowings	1,573.81	12,195.05	5,335.61	5,803.97	33,984.67	21,323.88	27,551.44	23,574.78	19,617.62	32,170.05	1,83,130.88
	(551.20)	(16,955.79)	(4,919.76)	(10,590.92)	(37,664.35)	(18,006.82)	(7,552.70)	(27,666.70)	(8,861.34)	(36,413.13)	(1,69,182.71)
Foreign Currency Assets	91,335.00	1,933.42	2,066.88	4,470.93	15,883.68	11,369.86	17,891.03	44,682.10	40,029.55	37,356.73	2,67,019.18
	(67,049.33)	(2,832.10)	(1,983.54)	(6,157.46)	(20,768.87)	(20,961.05)	(9,990.15)	(31,414.02)	(28,714.05)	(32,775.41)	(2,22,645.98)
Foreign Currency Liabilities	27,799.57	13,613.23	3,956.01	9,385.88	47,340.79	20,377.06	46,983.85	49,453.36	32,992.43	2,274.94	254,177.12
	(19,192.37)	(12,784.44)	(6,168.25)	(14,976.21)	(35,035.92)	(24,080.39)	(24,246.59)	(40,932.48)	(16,320.81)	(4,719.07)	(1,98,456.53)

(Figures in brackets are as at 31st March 2013)

**18.5 Exposures**

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

**a) Real Estate Sector**

₹ In crores

Particulars	As at 31 Mar 2014	As at 31 Mar 2013
(I) Direct exposure		
i) Residential Mortgages	1,56,145.83	1,50,165.96
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	1,56,145.83	1,50,165.96
Of which (i) Individual housing loans up to Rs. 25 lakh in Metropolitan centres (Population < 10 lacs) and Rs 15 lakh in other centres for purchase/construction of dwelling unit per family.	69,270.80	87,575.87
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.	17,503.82	14,973.37
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:	714.76	607.12
a) Residential	453.77	601.48
b) Commercial Real Estate	260.99	5.64
(II) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	16,799.84	7,839.94
<b>Total</b>	<b>1,91,164.25</b>	<b>1,73,586.39</b>



## b) Capital Market

₹ In crores

Particulars	As at	As at
	31 Mar 2014	31 Mar 2013
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.	3,087.02	4,193.49
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.	5.04	5.36
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.	3,191.71	2,008.06
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.	133.55	48.83
5) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	20.47	43.35
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.	420.77	53.79
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.	0.41	Nil
10) Exposures to Venture Capital Funds (both registered and unregistered)	1,172.90	856.47
<b>Total Exposure to Capital Market</b>	<b>8,031.87</b>	<b>7,209.35</b>

## c) Risk Category wise Country Exposure

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

₹ In crores

Risk Category	Exposure (Net)		Provision held	
	As at	As at	As at	As at
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
Insignificant	Nil	1.90	Nil	Nil
Very Low	38,952.89	53,957.63	Nil	27.11
Low	240.69	11.61	Nil	Nil
Low Medium	31,557.39	29,021.20	21.98	26.25
Medium	3,413.04	4,110.40	Nil	Nil
High	1,085.53	374.30	Nil	Nil
Very High	1,938.39	2,224.39	Nil	Nil
Restricted	2,397.95	2,323.03	Nil	Nil
Off-Credit	Nil	Nil	Nil	Nil
<b>Total</b>	<b>79,585.88</b>	<b>92,024.46</b>	<b>21.98</b>	<b>53.36</b>



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

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

₹ In crores

Name of the Borrower	Exposure Ceiling	Exposure Sanctioned (Peak Level)	Period during which limit exceeded	Outstanding as on 31 Mar 2014
Indian Oil Corporation Limited (IOCL)	32,340.61 35,342.10	46,010.17	April 2013 to Dec 2013 March 2014	40,778.49
Bharat Heavy Electricals Limited (BHEL)	19,404.37 21,205.26	21,003.38	December 2013	18,890.18
Reliance Industries Limited	19,404.37 21,205.26	20,470.02	December 2013	15,047.32

Note :-

Exposure on IOCL, BHEL and RIL are within the discretion given to Banks by RBI (additional 5% of capital funds, over prudential limits)

RBI has exempted exposure of USD 1000 mio ( ₹ 5991.50 crores ) taken on IOCL from prudential exposure norms, which is included in above exposure. After excluding . ₹ 5991.50 crores, exposure on IOCL is ₹ 40,018.67 crores, 28.30% of Bank's capital fund.

Exposures on all borrower groups were within the prudential norms during the year.

#### e) Unsecured Advances

₹ In crores

Particulars	As at	As at
	31 Mar 2014	31 Mar 2013
a) Total Unsecured Advances of the bank	1,99,057.88	1,81,561.88
i) Of which amount of advances outstanding against charge over intangible securities such as rights, licences, authority etc.	5,654.07	3,654.02
ii) The estimated value of such intangible securities (as in (i) above).	24,391.94	15,236.41

#### 18.6 Miscellaneous

##### a) Disclosure of Penalties imposed by RBI

Rs. 3.00 Crores (Previous year Nil)

##### 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 Accounting Standards

##### a) Effect of Changes in Accounting Policies

###### i. Accounting for Loyalty Reward Points

The accounting for liability on account of 'Loyalty Reward Points' has been changed from actual to actuarial valuation. The impact of the change has resulted in increase of profits by ₹ 55.48 crores.

###### ii. Depreciation Policy on Computer Software forming integral part of hardware

During the year rate of Depreciation on Computer Software forming an integral part of hardware has been changed from 60% on written down value to 33.33% on straight line basis in order to align the same with extant guidelines. Consequent to the change, additional depreciation of prior period of ₹ 8.13 crores is provided for during the year and the depreciation for the year is lower by ₹ 28.54 crores. As a result the fixed assets and profit before tax are higher by ₹ 20.41 crores.

##### b) 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:-





Particulars	Pension Plans		Gratuity Plan	
	Current Year	Previous Year	Current Year	Previous Year
<b>Change in the present value of the defined benefit obligation</b>				
Opening defined benefit obligation at 1st April 2013	39,564.21	36,525.68	7,050.57	6,462.82
Current Service Cost	872.37	1,071.90	151.79	155.32
Interest Cost	3,362.96	3,196.00	581.67	549.34
Past Service Cost (Vested Benefit)	-	-	-	-
Actuarial losses (gains)	4,200.33	1,044.60	(135.41)	509.62
Benefits paid	(58.67)	(41.50)	(810.55)	(626.53)
Direct Payment by Bank	(2,704.21)	(2,232.47)	-	-
Closing defined benefit obligation at 31st March 2014	45,236.99	39,564.21	6,838.07	7,050.57
<b>Change in Plan Assets</b>				
Opening fair value of Plan Assets as at 1st April 2013	35,017.57	27,205.57	6,549.31	5,251.79
Expected Return on Plan Assets	3,011.51	2,339.68	569.79	451.65
Contributions by employer	3,971.20	5,094.24	758.17	1,409.94
Benefits Paid	(58.67)	(41.50)	(810.55)	(626.53)
Actuarial Gains / (Loss) on plan Assets	335.40	419.58	23.87	62.46
Closing fair value of plan assets as at 31st March 2014	42,277.01	35,017.57	7,090.59	6,549.31
<b>Reconciliation of present value of the obligation and fair value of the plan assets</b>				
Present Value of Funded obligation at 31st March 2014	45,236.99	39,564.21	6,838.07	7,050.57
Fair Value of Plan assets at 31st March 2014	42,277.01	35,017.57	7,090.59	6,549.31
Deficit/(Surplus)	2,959.98	4,546.64	(252.52)	501.26
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	200.00
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	2,959.98	4,546.64	(252.52)	301.26
<b>Amount Recognised in the Balance Sheet</b>				
Liabilities	45,236.99	39,564.21	6,838.07	7,050.57
Assets	42,277.01	35,017.57	7,090.59	6,549.31
Net Liability / (Asset) recognised in Balance Sheet	2,959.98	4,546.64	(252.52)	501.26
Unrecognised Past Service Cost (Vested) Closing Balance	-	-	-	200.00
Unrecognised Transitional Liability Closing Balance	-	-	-	-
Net Liability/(Asset)	2,959.98	4,546.64	(252.52)	301.26
<b>Net Cost recognised in the profit and loss account</b>				
Current Service Cost	872.37	1,071.90	151.79	155.32
Interest Cost	3,362.96	3,196.00	581.67	549.34
Expected return on plan assets	(3,011.51)	(2,339.68)	(569.79)	(451.65)
Past Service Cost (Amortised) Recognised	-	-	200.00	100.00
Past Service Cost (Vested Benefit) Recognised	-	-	-	-
Net actuarial losses (Gain) recognised during the year	3,864.93	625.02	(159.28)	447.16
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	5,088.75	2,553.24	204.39	800.17
<b>Reconciliation of expected return and actual return on Plan Assets</b>				
Expected Return on Plan Assets	3,011.51	2,339.68	569.79	451.65
Actuarial Gain/ (loss) on Plan Assets	335.40	419.58	23.87	62.46
Actual Return on Plan Assets	3,346.91	2,759.26	593.66	514.11
<b>Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet</b>				
Opening Net Liability as at 1st April 2013	4,546.64	9,320.11	301.26	911.03
Expenses as recognised in profit and loss account	5,088.75	2,553.24	204.39	800.17
Paid by Bank Directly	(2,704.21)	(2,232.47)	-	-
Debited to Other Provision	-	-	-	-
Recognised in Reserve	-	-	-	-
Employer's Contribution	(3,971.20)	(5,094.24)	(758.17)	(1,409.94)
Net liability/(Asset) recognised in Balance Sheet	2959.98	4,546.64	(252.52)	301.26



Investments under Plan Assets of Pension Fund & Gratuity Fund as on 31st March 2014 are as follows:

	Pension Fund	Gratuity Fund
Category of Assets	% of Plan Assets	% of Plan Assets
Central Govt. Securities	32.58	24.44
State Govt. Securities	22.54	17.54
Debt Securities, Money Market Securities and Bank Deposits	41.26	34.62
Insurer Managed Funds	-	21.28
Others	3.62	2.12
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

#### Principal actuarial assumptions

Particulars	Pension Plans		Gratuity Plans	
	Current year	Previous year	Current year	Previous year
Discount Rate	9.27%	8.50%	9.35%	8.25%
Expected Rate of return on Plan Asset	8.70%	8.60%	8.70%	8.60%
Salary Escalation	5.00%	5.00%	5.00%	5.00%

#### Surplus/ Deficit in the Plan

##### Gratuity Plan

Amount recognized in the Balance Sheet	Year ended 31-03-2009	Year ended 31-03-2010	Year ended 31-03-2011	Year ended 31-03-2012	Year ended 31-03-2013	Year ended 31-03-2014
Liability at the end of the year	3,778.18	3,889.14	5,817.19	6,462.82	7,050.57	6,838.07
Fair value of Plan Assets at the end of the year	3,746.73	3,811.28	4,102.25	5,251.79	6,549.31	7,090.59
Difference	31.45	77.86	1,714.94	1,211.03	501.26	(252.52)
Unrecognised Past Service Cost	-	-	400.00	300.00	200.00	-
Unrecognised Transition Liability	-	-	-	-	-	-
Amount Recognized in the Balance Sheet	31.45	77.86	1,314.94	911.03	301.26	(252.52)

##### Experience adjustment

Amount recognized in the Balance Sheet	Year ended 31-03-2009	Year ended 31-03-2010	Year ended 31-03-2011	Year ended 31-03-2012	Year ended 31-03-2013	Year ended 31-03-2014
On Plan Liability (Gain) /Loss	(90.81)	(0.40)	879.37	367.64	459.56	210.19
On Plan Asset (Loss) /Gain	(1.24)	7.89	1.94	32.58	62.46	23.87

#### Surplus/Deficit in the plan

##### Pension

Amount recognized in the Balance Sheet	Year ended 31-03-2009	Year ended 31-03-2010	Year ended 31-03-2011	Year ended 31-03-2012	Year ended 31-03-2013	Year ended 31-03-2014
Liability at the end of the year	19,328.72	21,715.61	33,879.30	36,525.68	39,564.21	45,236.99
Fair value of Plan Assets at the end of the year	13,710.13	14,714.83	16,800.10	27,205.57	35,017.57	42,277.01
Difference	5,618.59	7,000.78	17,079.20	9,320.11	4,546.64	2,959.98
Unrecognised Past Service Cost	-	-	-	-	-	-
Unrecognised Transition Liability	-	-	-	-	-	-
Amount Recognized in the Balance Sheet	5,618.59	7,000.78	17,079.20	9,320.11	4,546.64	2,959.98

**Experience adjustment**

On Plan Liability (Gain) /Loss	905.07	5,252.37	1,188.70	1,677.80	345.90	7,709.67
On Plan Asset (Loss) /Gain	124.74	233.12	282.65	130.16	419.58	335.40

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 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. 2013-14.

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

₹ in crores

Particulars	Provident Fund	
	Current Year	Previous Year
<b>Change in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation at 1st April 2013	20,742.83	19,482.46
Current Service Cost	529.53	529.97
Interest Cost	1,838.65	1,593.27
Employee Contribution (including VPF)	656.87	654.91
Actuarial losses/(gains)	-	784.39
Benefits paid	(1,963.49)	(2,302.17)
Closing defined benefit obligation at 31st March 2014	21,804.39	20,742.83
<b>Change in Plan Assets</b>		
Opening fair value of Plan Assets as at 1st April 2013	21,223.41	19,729.16
Expected Return on Plan Assets	1,838.65	1,593.27
Contributions	1,186.40	1,184.88
Benefits Paid	(1,963.49)	(2,302.17)
Actuarial Gains / (Loss) on plan Assets	81.45	1,018.27
Closing fair value of plan assets as at 31st March 2014	22,366.42	21,223.41
<b>Reconciliation of present value of the obligation and fair value of the plan assets</b>		
Present Value of Funded obligation at 31st March 2014	21,804.39	20,742.83
Fair Value of Plan assets at 31st March 2014	22,366.42	21,223.41
Deficit/(Surplus)	(562.03)	(480.58)
Net Asset not recognised in Balance Sheet	562.03	480.58
<b>Net Cost recognised in the profit and loss account</b>		
Current Service Cost	529.53	529.97
Interest Cost	1,838.65	1,593.27
Expected return on plan assets	(1,838.65)	(1,593.27)
Interest shortfall reversed	-	-
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	529.53	529.97
<b>Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet</b>		
Opening Net Liability as at 1st April 2013	-	-
Expense as above	529.53	529.97
Employer's Contribution	(529.53)	(529.97)
Net Liability/(Asset) Recognized In The Balance Sheet	-	-



Investments under Plan Assets of Provident Fund as on 31st March 2014 are as follows:

Provident Fund	
Category of Assets	% of Plan Assets
Central Govt. Securities	38.97
State Govt. Securities	16.63
Debt Securities, Money Market Securities and Bank Deposits	41.08
Insurer Managed Funds	-
Others	3.32
<b>Total</b>	<b>100.00%</b>

#### Principal actuarial assumptions

Particulars	Provident Fund	
	Current year	Previous year
Discount Rate	9.35%	8.50%
Guaranteed Return	8.75%	8.25%
Attrition Rate	2.00%	2.00%

#### 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.2013-14, the Bank has contributed ₹ 115.25 crores (Previous Year ₹ 67.73 crores).

#### iii. Other Long Term Employee Benefits

Amount of ₹(-)164.29 Crores (Previous Year ₹ 502.25 Crores) is (written back)/ provided towards 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 long Term Employee Benefits during the year:

₹ in crores

Sr. No.	Long Term Employee Benefits	Current Year	Previous Year
1	Privilege Leave (Encashment) incl. leave encashment at the time of retirement	366.46	407.59
2	Leave Travel and Home Travel Concession (Encashment/Availment)	(33.11)	24.96
3	Sick Leave	(392.42)	18.17

Sr. No.	Long Term Employee Benefits	Current Year	Previous Year
4	Silver Jubilee Award	(22.99)	12.24
5	Resettlement Expenses on Superannuation	(2.07)	1.44
6	Casual Leave	(82.55)	17.89
7	Retirement Award	2.39	19.96
<b>Total</b>		<b>(164.29)</b>	<b>502.25</b>

The provision towards Sick Leave and Casual Leave has been assessed based on the actuarial valuation considering the past behavioural pattern as on 31st March 2014 as Rs Nil. Accordingly, the existing provision of Rs 474.97 crores has been reversed during the year.

#### c) 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)

₹ In crores

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Revenue #	34,763.95 (29,467.67)	54,180.43 (46,453.57)	65,543.48 (59,427.06)	- (-)	1,54,487.86 (1,35,348.30)
Unallocated Revenue #	-	-	-	-	415.86 (343.64)
Total Revenue	-	-	-	-	1,54,903.72 (1,35,691.94)
Result #	1508.29 (4,782.29)	2,176.59 (7,315.21)	15,762.74 (11,215.21)	- (-)	19,447.62 (23,312.71)
Unallocated Income(+) / Expenses(-) - net #	-	-	-	-	(-) (-) 3,361.82
Operating Profit #	-	-	-	-	16,173.89 (19,950.89)
Tax #	-	-	-	-	5,282.72 (5,845.91)
Extraordinary Profit #	-	-	-	-	-
Net Profit #	-	-	-	-	10,891.17 (14,104.98)
<b>Other Information:</b>					
Segment Assets *	4,23,098.66 (3,73,533.96)	7,07,907.27 (5,82,664.07)	6,45,978.57 (5,96,698.77)	- (-)	17,76,984.50 (15,52,896.80)
Unallocated Assets *	-	-	-	-	15,250.10 (13,314.47)
Total Assets*	-	-	-	-	17,92,234.60 (15,66,211.27)
Segment Liabilities *	2,14,629.31 (1,99,998.27)	6,20,852.90 (4,91,994.55)	7,87,170.47 (7,29,632.90)	- (-)	16,22,652.68 (14,21,625.72)
Unallocated Liabilities*	-	-	-	-	51,299.67 (45,701.87)
Total Liabilities *	-	-	-	-	16,73,952.35 (14,67,327.59)

(Figures in brackets are for previous year)



## Part B: Secondary (Geographic Segments)

₹ In crores

	Domestic		Foreign		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue #	1,45,647.12	1,27,139.47	8,840.74	8,208.83	1,54,487.86	1,35,348.30
Result#	16,377.14	20,026.46	3070.48	3,286.25	19,447.62	23,312.71
Assets *	15,24,746.71	13,39,476.62	2,67,487.89	2,26,734.65	17,92,234.60	15,66,211.27
Liabilities*	14,06,464.46	12,40,592.94	2,67,487.89	2,26,734.65	16,73,952.35	14,67,327.59

# For the year ended 31st March 2014

\* As at 31st March 2014

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

##### 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.

### iv. FOREIGN NON-BANKING SUBSIDIARIES

1. SBICAP (UK) Ltd.
2. SBI Funds Management (International) Pvt. Ltd.
3. SBICAP (Singapore) Ltd.

### 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. Krishna Grameena Bank (upto 22.08.2013)
7. Langpi Dehangi Rural Bank
8. Madhyanchal Gramin Bank
9. Mizoram Rural Bank
10. Nagaland Rural Bank
11. Purvanchal Bank
12. Saurashtra Gramin Bank
13. Utkal Grameen Bank



14. Uttarakhand Gramin Bank
15. Vananchal Gramin Bank
16. Marudhara Gramin Bank
17. Deccan Grameena Bank
18. Kaveri Grameena Bank
19. Malwa Gramin Bank

**ii. Others**

1. SBI Home Finance Ltd.
2. The Clearing Corporation of India Ltd.
3. Bank of Bhutan Ltd.

**D. Key Management Personnel of the Bank**

1. Shri Pratip Chaudhuri, Chairman (up to 30.09.2013)
2. Smt. Arundhati Bhattacharya, Chairman (from 07.10.2013)
3. Shri Hemant G. Contractor, Managing Director & Group Executive (International Banking)
4. Shri A. Krishna Kumar, Managing Director & Group Executive (National Banking)

5. Shri Diwakar Gupta, Managing Director & Chief Financial Officer (upto 31.07.2013)
6. Smt. Arundhati Bhattacharya, Managing Director & Chief Financial Officer (from 02.08.2013 to 06.10.2013)
7. Shri S. Vishvanathan, Managing Director & Group Executive (Associates & Subsidiaries)
8. Shri P. Pradeep Kumar, Managing Director & Group Executive (Corporate Banking) (from 27.12.2013)

**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 crores

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
<b>Transactions during the year</b>			
Interest received	0.02 (-)	- (-)	0.02 (-)
Interest paid	4.00 (1.06)	- (-)	4.00 (1.06)
Income earned by way of dividend	12.24 (15.22)	- (-)	12.24 (15.22)
Other Income	- (17.81)	- (-)	- (17.81)
Other expenditure	- (-)	- (-)	- (-)
Management contracts	- (-)	1.08 (0.95)	1.08 (0.95)
<b>Outstanding as on 31st March</b>			
Payables	96.11 (154.21)	- (-)	96.11 (154.21)
Receivables	- (-)	- (-)	- (-)

Figures in brackets are for Previous Year

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





### e) Liability for Operating Leases

Premises taken on operating lease are given below:

₹ In crores

Particulars	As at	As at
	31 Mar 2014	31 Mar 2013
Not later than 1 year	135.06	112.44
Later than 1 year and not later than 5 years	434.85	388.60
Later than 5 years	109.27	117.79
<b>Total*</b>	<b>679.18</b>	<b>618.83</b>
Amount of lease payments recognised in the P&L Account for the year.	153.90	114.15

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

\* In respect of Non-Cancellable leases only.

### f) 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
<b>Basic and diluted</b>		
Number of Equity Shares outstanding at the beginning of the year	68,40,33,971	67,10,44,838
Number of Equity Shares issued during the year	6,25,39,121	1,29,89,133
Number of Equity Shares outstanding at the end of the year	74,65,73,092	68,40,33,971
Weighted average number of equity shares used in computing basic earnings per share	69,47,83,910	67,14,72,052
Weighted average number of shares used in computing diluted earnings per share	69,47,83,910	67,14,72,052
Net profit (₹ In crores )	10,891.17	14,104.98
Basic earnings per share (₹)	156.76	210.06
Diluted earnings per share (₹)	156.76	210.06
Nominal value per share (₹)	10	10

### g) Accounting for Taxes on Income

#### i. Deferred Tax :

- a. During the year, ₹ 1055.25 crores has been debited to Profit and Loss Account [Previous Year ₹ 107.97 crores credited] on account of deferred tax.

- b. During the year, the Bank has recognised deferred tax asset on provision for standard restructured assets, which was hitherto not being done. Accordingly, an amount of ₹ 516.43 crores (including ₹ 245.05 crores relating to period upto 31.03.2013) has been accounted for in the current year.

- ii. The Bank has net deferred tax liability of ₹ 2,837.84 crores (Previous Year net deferred tax liability of ₹ 628.92 Crores), which is included under 'Other Liabilities and Provisions'. The breakup of deferred tax assets and liabilities into major items is given below:

₹ In crores

Particulars	As at	As at
	31 Mar 2014	31 Mar 2013
<b>Deferred Tax Assets</b>		
Provision for Defined Benefit Schemes on account of Wage Revision	72.05	72.05
Provision for long term employee Benefits	1235.19	2,126.16#
Provision for restructured Standard Assets	516.43	Nil
Depreciation on Fixed Assets	Nil	7.55
Others	Nil	Nil
Net DTAs on account of Foreign Offices	511.82	282.16
<b>Total</b>	<b>2,335.49</b>	<b>2,487.92</b>
<b>Deferred Tax Liabilities</b>		
Depreciation on Fixed Assets	8.56	Nil
Interest on securities*	3280.02	3,116.84
Special Reserve created u/s 36(1)(VIII) of Income Tax Act 1961	1884.74\$	Nil
<b>Total</b>	<b>5,173.32</b>	<b>3,116.84</b>
<b>Net Deferred Tax Assets/ (Liabilities)</b>	<b>(2,837.83)</b>	<b>(628.92)</b>

# Includes tax credit arising out of provision for leave encashment for employees of ₹ 922.15 crores.

\* Includes ₹ 336.62 Crores transferred to Income Tax Account (Previous Year ₹ 917.04 Crores transferred from Income Tax Account).

\$ Includes ₹ 1525.13 Crores transferred from Revenue and Other reserves in accordance with RBI circular.

#### h) Investments in Jointly Controlled Entities

Investments include ₹ 38.28 crores (Previous Year ₹ 38.14 crores) representing Bank's interest in the following jointly controlled entities





Sr. No	Name of the Company	Amount ₹ In crores	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. #	0.78 (0.64)	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, except additional investment made during the FY 2013-14.

(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:

Particulars	₹ In crores	
	As at 31 Mar 2014	As at 31 Mar 2013
<b>Liabilities</b>		
Capital & Reserves	130.61	125.43
Deposits	-	-
Borrowings	10.91	12.65
Other Liabilities & Provisions	109.30	78.76
<b>Total</b>	<b>250.82</b>	<b>216.84</b>
<b>Assets</b>		
Cash and Balances with RBI	-	-
Balances with Banks and money at call and short notice	111.79	88.31
Investments	0.65	0.48
Advances	-	-
Fixed Assets	42.03	41.22
Other Assets	96.35	86.83
<b>Total</b>	<b>250.82</b>	<b>216.84</b>
Capital Commitments		
Other Contingent Liabilities	2.95	3.11
Income		
Interest earned	6.13	7.44
Other income	249.15	208.89
<b>Total</b>	<b>255.28</b>	<b>216.33</b>
<b>Expenditure</b>		
Interest expended	1.52	1.37
Operating expenses	198.54	170.56
Provisions & contingencies	13.97	11.63
<b>Total</b>	<b>214.03</b>	<b>183.56</b>
<b>Profit</b>	<b>41.25</b>	<b>32.77</b>



### i) Impairment of Assets

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

### j) 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 a party to various taxation matters in respect of which appeals are pending.
2	Liability on account of outstanding forward exchange contracts	The Bank enters into foreign exchange contracts, currency options, forward rate agreements, currency swaps and interest rate swaps with inter-Bank participants on its own account and for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. 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.
3	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.
4	Other items for which the Bank is contingently liable.	These are being contested by the Bank and not provided for. Further, the Bank has made commitments to subscribe to shares in the normal course of business.

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.

### a) Movement of provisions against Contingent Liabilities

₹ In crores

Particulars	Current Year	Previous Year
Opening balance	256.21	262.44
Additions during the year (Previous Year figures include provision transferred from e SBICI)	87.59	68.47
Reductions during the year	16.49	74.70
Closing balance	327.31	256.21

## 18.8 Additional Disclosures

### 1. Provisions and Contingencies

₹ In crores

Particulars	Current Year	Previous Year
Provision for Taxation		
-Current Tax	4,359.74	5,951.06
-Deferred Tax	1,055.25	(107.97)
-Write Back of Income Tax/ Fringe Benefit Tax	(142.28)	0
-Other Tax	10.00	2.82
Provision for Depreciation on Investments	563.25	(961.29)
Withdrawal from Counter Cyclical Buffer	(750.00)	0
Provision on Non-Performing Assets	14,478.45	10,656.97
Provision on Restructured Assets	495.12	710.82
Provision on Standard Assets	1260.69	749.61
Other Provisions	(112.16)	(25.28)
<b>Total</b>	<b>21,218.06</b>	<b>16,976.74</b>

**2. Floating Provisions**

₹ In crores

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, the Bank has withdrawn following amount from the Reserves:

₹ In crores

Particulars	As at 31 Mar 2014	As at 31 Mar 2013
On account of Inter Office reconciliation	-	0.21
For Creation of Deferred Tax Liability on Special Reserve created u/s 36(1)(viii) of Income Tax Act	1,525.13	-

**4. Status of complaints****A. Customer complaints**

Particulars	As at 31 Mar 2014	As at 31 Mar 2013
No. of complaints pending at the beginning of the year	32,705	13,414
No. of complaints received during the year	15,03,638	18,86,249
No. of complaints redressed during the year	15,14,930	18,66,958
No. of complaints pending at the end of the year	21,413	32,705

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

Particulars	Current Year	Previous Year
No. of unimplemented Awards at the beginning of the year	28	21
No. of Awards passed by the Banking Ombudsman during the year	63	159
No. of Awards implemented during the year	82	152
No. of unimplemented Awards at the end of the year	9	28

**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 have 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 letters of comfort on behalf of its subsidiaries. Outstanding letters of comfort as on 31st March 2014 aggregate to ₹ 1,914.97 Crores (Previous Year: ₹ 477.19 Crores). In the Bank's assessment no financial impact is likely to arise.

**7. Provisioning Coverage Ratio:**

The Provisioning to Gross Non-Performing Assets ratio of the Bank as on 31st March 2014 is 62.86% (Previous Year 66.58%).

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

₹ In crores

Name of Company	Current Year	Previous Year
SBI Life Insurance Co. Ltd.	222.05	212.03
SBI General Insurance Co. Ltd.	48.41	29.62
Manu Life Financial Limited and NTUC	0.61	2.97
Tokio Marine	1.52	-
<b>TOTAL</b>	<b>272.59</b>	<b>244.62</b>

**9. Concentration of Deposits, Advances Exposures & NPAs****a) Concentration of Deposits**

₹ In crores

Particulars	Current Year	Previous Year
Total Deposits of twenty largest depositors	1,03,157.26	79,985.27
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	7.40%	6.65%

**b) Concentration of Advances**

₹ In crores

Particulars	Current Year	Previous Year
Total Advances to twenty largest borrowers	2,22,862.28	1,11,717.95
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	17.90%	10.36%



### c) Concentration of Exposures

₹ In crores

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers/customers	3,32,789.45	2,47,179.38
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the Bank on borrowers/customers	16.88%	14.08%

### d) Concentration of NPAs

₹ In crores

Particulars	Current Year	Previous Year
Total Exposure to top four NPA accounts	4,782.78	2,797.98

### 10. Sector –wise NPAs

Sr. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		Current Year	Previous Year
1	Agriculture & allied activities	8.11 %	9.50 %
2	Industry (Micro & Small, Medium and Large)	3.87 %	4.37 %
3	Services	5.18 %	4.43 %
4	Personal Loans	1.31%	1.98 %

### 11. Overseas Assets, NPAs and Revenue

₹ In crores

Sr. No.	Particulars	Current Year	Previous Year
1	Total Assets	2,67,487.89	2,26,734.65
2	Total NPAs (Gross)	3,786.64	2,811.27
3	Total Revenue	8,840.74	8,208.83

### 12. Off-balance Sheet SPVs sponsored

	Name of the SPV Sponsored	
	Domestic	Overseas
Current Year	NIL	NIL
Previous Year	NIL	NIL

### 13. Unamortised Gratuity Liabilities

In accordance with RBI Circular No. DBOD. BP.BC.80/21.04.018/2010-11 dated February 9, 2011 the Bank had opted to amortise the additional liability on account of enhancement in Gratuity limit over a period of 5 years beginning with the financial

year ended March 31, 2011. However, the Bank in the current year has decided to provide in full the balance unrecognised liability and accordingly, the Bank has charged a sum of ₹ 200 crores to the Profit and Loss Account for the financial year ended March 31, 2014.

### 14. Disclosure relating to Securitisation

₹ In crores

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

### 15. Inter Office Accounts

Inter Office Accounts between branches, controlling offices and 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.



### 16. Specific Provision for NPAs

During the year, the Bank has utilized the specific provisions of Rs 2056.26 crores made during previous years (2011-12 and 2012-13) against certain non performing domestic advances to provide for estimated loss in the collectible amounts of such advances.

### 17. Pending Wage Agreement

The Ninth Bipartite Settlement entered into by the Indian Banks' Association on behalf of the member Banks with the All India Unions of Workmen expired on 31st October 2012. Pending execution of agreement for wage revision, to be effective from 1st November 2012, a provision of ₹ 1814 Crores (previous year ₹ 720 crores) has been made during the year. Considering the above the Bank, on estimated basis, has made a provision of ₹ 540 crores (previous year ₹ 225 crores) towards Superannuation and other long term employee benefits.

### 18. Counter Cyclical Buffer

RBI vide Circular No. DBOD.No.BP.95/21.04.048/2013-14 dated February 7, 2014 on 'Utilisation of Floating Provisions/Counter Cyclical Provisioning Buffer' has allowed the banks, to utilise up to 33 per cent of Counter Cyclical Provisioning Buffer (CCPB) held by them as on March 31, 2013, 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 ₹ 750 crores (as against the

maximum permissible limit of ₹ 1,132 crores i.e. 33% of ₹ 3,430 crores the balance as on 31.03.2013) for making specific provision for NPAs, in accordance with the board approved policy and approval of the Board.

### 19. Deferred Tax Liability on Special Reserve u/s 36(1) (viii)

RBI vide Circular No. DBOD.No.BP. BC.77/21.04.018/2013-14 dated December 20, 2013 on 'Deferred Tax Liability on Special Reserve created under Section 36(1)(viii) of the Income Tax Act, 1961', has advised that, as a matter of prudence, Deferred Tax Liability (DTL) should be created on Special Reserve. Further, it has allowed the banks to adjust the provision for DTL on Special Reserve as at 31st March 2013 against the Reserves and the provision for DTL on Special Reserve created from the year 2013-14 should be charged to the profit and loss account. Accordingly, an amount of ₹ 1,525.13 crores has been adjusted from the reserves for creation of DTL on Special Reserve of ₹ 4,487 crores as on 31st March 2013. Further, an amount of ₹ 359.61 crores has been charged to Profit and Loss Account for creation of DTL on Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 for the year.

20. 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.