

DISCLOSURE DOCUMENT FOR PORTFOLIO MANAGEMENT

- (i) The Document has been filed with the Board along with the certificate in the prescribed format in terms of Regulation 14 of the SEBI (Portfolio Managers) Regulations, 1993.
- (ii) The purpose of the Document is to provide essential information about the portfolio management services in a manner to assist and enable the investors in making informed decision for engaging a portfolio manager.
- (iii) The necessary information about the portfolio manager required by an investor before investing, and the investor may also be advised to retain the document for future reference.
- (iv) The name, phone number, E-mail address of the principal officer is as stated below:

Shri P K Gupta
Deputy Managing Director & Group Executive (Global Markets)
Telephone No: 2289 1429/30/31/32
Fax No: 2289 1111
Email: dmd.treasury@sbi.co.in

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1) Disclaimer clause

The Particulars in this document have been prepared in accordance with the SEBI (Portfolio Managers) regulations, 1993 and filed with SEBI. This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the Document.

2) Definitions

Expressions used in this document shall contain the same meaning as defined in the SEBI (Portfolio Managers) Regulations, 1993.

3) Description

(i) History, Present Business and Background

SBI was established under the SBI Act, 1955 by taking over the business of Imperial Bank of India and commenced operations as SBI from 01/07/1955. Besides being the premier commercial Bank undertaking usual deposit accepting and lending operations along with various fee based activities, SBI has diversified either directly or through subsidiaries into areas of merchant banking, mutual funds, leasing, hire-purchase, custodial functions, home finance, portfolio management services, life insurance, credit cards and general insurance etc. It also undertakes the management of funds of clients after taking approval of RBI on case to case basis.

(ii) Promoters of the portfolio manager, directors and their background

The Share Holding Pattern of SBI as on **31st March 2015** is as under:

Name of the Shareholder	Percentage of Holding
President of India	58.60
Non Residents (FIIs, OCBs, NRIs, GDRs)	12.04
Mutual Funds & UTI	3.78
Private Corporate Bodies	2.87
Banks/FIs/Insurance Cos etc	16.79
Others including Resident Individuals	5.92

A list of present directors is enclosed as Annexure - I

(iii) Top 10 Group companies/firms of the portfolio manager on turnover basis

A list of the Top ten Associates and Subsidiaries of SBI as per Asset Size is enclosed as Annexure - II

(iv) Details of the services being offered: Discretionary/ Non discretionary / Advisory.

SBI offers discretionary and Non-discretionary services. No Advisory services are being provided by SBI at present. Under Non-Discretionary Portfolio Management Services, SBI provides only a platform for settling deals through their CSGL A/c.

4) Penalties, pending litigation or proceedings, findings of inspection or investigations for which action may have been taken or initiated by any regulatory authority.

No penalty has been imposed on SBI as a Portfolio Manager, till date. Also there is no pending litigation or proceedings against SBI as a Portfolio Manager. Further there is also no case of findings of inspection or investigations for which action may have been taken or initiated by any regulatory authority against SBI PMS.

However, we disclose the following incidents related to State Bank of India and its operations in past:

- (i) SEBI had started adjudication proceedings against State Bank of India in respect of our Debenture Trustee activities. The Bank decided to go for consent proceeding.
- (ii) SEBI had issued a deficiency letter in respect of our DP operations in 2012. Reply has already been submitted to SEBI.
- (iii) RBI imposed a penalty of Rs. 10 lacs after considering Bank's response to their show cause notice dated 08.10.2010, which was served citing instances of non-compliance of RBI directives in Bank's derivative operations during the year 2006-07 and 2007-08. The amount has already been paid.
- (iv) The Reserve Bank of India has imposed a penalty of Rs. 5.63 lacs on July 12, 2013 on the bank for violation of the terms of agreement with RBI for opening and maintaining currency chests. The above penalty has been levied in connection with the deficiencies/lapses observed in the operations and maintenance of the Currency Chest at SBI, Secunderabad branch.
- (v) The Reserve Bank of India has imposed a penalty of Rs. 300 lacs on July 15, 2013 on the bank for violation of its instructions, in respect of Know Your Customer/Anti Money Laundering requirements.

5) Services Offered

- (i) The following types of portfolio management services are offered.
 - a. Discretionary - Under this offering, the choice as well as timing of the investment decisions rest solely with the Portfolio Manager. Various reports are sent to the client at stipulated intervals as per the terms of the agreement.
 - b. Non-Discretionary - Under this offering, the Portfolio Manager executes transactions in securities as per directions of the Client. Under Non-Discretionary Portfolio Management Services, SBI provides only a platform for settling deals through its CSGL A/c.

The objective of the investments is to give market related returns to the clients. SBI does not promise any specific return to clients. SBI adheres to the guidelines issued by the clients. Generally, investments are made in Central Govt. Securities, State Development Loans and bonds issued by Private and Public Sector Undertakings with caps, if any, prescribed by the client.

- (ii) As regards investments in associates and group companies are concerned; SBI follows the instructions contained in the guidelines issued by the client.

6) Risk factors

- (i) The securities investments are subject to market risks and there is no assurance or guarantee that the objective of the investments will be achieved.
- (ii) The past performance of the portfolio manager does not guarantee its future performance.
- (iii) The investments in private sector bonds carry highest risk. Investments in PSU Bonds are riskier than Investments in Government securities.
- (iv) Earnings on Investments depend upon interest fluctuations in addition to other market conditions. Investment objective is to maximize the return within the guidelines and pattern prescribed by the clients.
- (v) Investment Strategy and Asset Allocation are subject to the interest rate movement at the material time. Depending upon the market conditions assets are diversified to the Public Sector/Private Sector bonds within stipulated pattern. This is, however, subject to the risk arising out of economic cycle or sector specific performance at a particular point of time.

7) Client Representation

(i)

Category of clients		No. of clients	Funds managed (Rs. in Cr.)	Discretionary/Non Discretionary (if available)
Associates /group companies (Last 3 years)	31.03.2013	-	-	-
	31.03.2014	-	-	-
	31.03.2015	-	-	-
Others (last 3 years)	31.03.2013	28	2,38,571.18	Discretionary
	31.03.2014	26	2,79,255.16	Discretionary
	31.03.2015	26	3,17,382.87	Discretionary
Total (Last 3 Years)	31.03.2013	28	2,38,571.18	Discretionary
	31.03.2014	26	2,79,255.16	Discretionary
	31.03.2015	26	3,17,382.87	Discretionary

(Under Non-Discretionary Portfolio Management Services, SBI provides only a platform for settling deals through its CSGL A/c.)

(ii) Security purchased are in the name of Clients and the full details of the transactions including related party transactions are provided to them by way of Monthly Investment Made Report.

8) The Financial Performance of the Portfolio Manager at the end of financial years (based on audited financial statements):

Capital Structure:

(Rs in Crore)

	2012	2013	2014
(a) Paid-up capital	671	684	747
(b) Reserves & Surplus (Excluding Revaluation Reserve)	80,666	94,724	1,11,495
(c) Total (a) + (b)	81,337	95,408	1,12,242

Deployment of Resources:

(Rs in Crore)

	2012	2013	2014
(a) Fixed Assets	5,467	7,005	8002
(b) Plant & Machinery	--	--	--
(c) Investments	3,12,198	3,50,927	3,98,308
(d) Other Assets	53,113	47,892	43,546

Major Sources of Income:

(Rs in Crore)

Year	2012	2013	2014
Interest Income	1,06,521	1,19,657	1,36,351
Other Income	14,351	16,035	18,553
Total Income	1,20,872	135,692	1,54,904

Net Profit:

(Rs in Crore)

Year	2012	2013	2014
Net Profit	11,707	14,105	10,891

The audited financial statements for the financial year ended 31st March 2015 have not yet been published. The figure related to FY 2014-15 shall be included in the Disclosure Document for September 2015.

9) Portfolio Management performance of the portfolio manager for the last three years, and in case of discretionary portfolio manager disclosure of performance indicators calculated using weighted average method in terms of Regulation 14 of the SEBI (Portfolio Managers) Regulations, 1993.

Year	2013	2014	2015
Yield Generated	9.35%	9.24%	9.32%

10) Nature of expenses

(i) Investment management and advisory fees: Investment Fees – As specified in the agreement entered in to with the Client. No advisory fees to be charged.

(ii) Custodian fee – As specified in the agreement entered in to with the Client.

(iii) Registrar and transfer agent fee – *

(iv) Brokerage and transaction cost – As applicable

* At present, No separate fee is being charged from PMS Clients. In case of change, it will be intimated to clients in advance.

11) Taxation

All the PMS Clients of SBI are tax exempted entities as of now, except Regional Rural Banks.

12) Accounting policies

SBI acts as an agent of the Clients and carries out day to day operations by way of a Power of Attorney.

Accounts are maintained in the name of Clients and securities are also purchased in the name of Clients. Interest is generally reinvested or dealt with as per the instructions of clients. We are following prescribed guidelines issued by clients. Any incentives received on purchase of securities etc. are credited to Clients' account. Any charges incurred in carrying out business are debited to clients' account. Remunerations received on account of services rendered are credited to Bank's account.

13) Investors services

(i) Name, address and telephone number of the investor relation officer who shall attend to the investor queries and complaints.

Name : Ram Lal Kejriwal

Address: PM&CS section,
Global Markets, 15th floor
State Bank Bhawan,
Madam Cama Road, Nariman Point
Mumbai - 400021
Tel – 22891429/30/31/32; Fax-22891132
E-mail: ram.kejriwal@sbi.co.in

(ii) Any grievances, dispute is mutually settled.

Place: Mumbai
Date: 28/04/2015

Sd/-
P K Gupta
Deputy Managing Director & Group Executive
(Global Markets)

LIST OF CENTRAL BOARD DIRECTORS
As on 31.03.2015

Sl. No.	Name	Designation	Under Section of SBI Act 1955
1	Smt. Arundhati Bhattacharya	Chairman	19(a)
2	Shri P. Pradeep Kumar	Managing Director	19(b)
3	Shri B. Sriram	Managing Director	19(b)
4	Shri V. G. Kannan	Managing Director	19(b)
5	Shri Sanjiv Malhotra	Director	19(c)
6	Shri Sunil Mehta	Director	19(c)
7	Shri M.D. Mallya	Director	19(c)
8	Shri Deepak I. Amin	Director	19(c)
9	Shri S.K.Mukherjee	Officer Employee Director	19(cb)
10	Dr. Rajiv Kumar	Director	19(d)
11	Shri Harichandra Bahadur Singh	Director	19(d)
12	Shri Tribhuvan Nath Chaturvedi	Director	19(d)
13	Dr. Hasmukh Adhia	Director	19(e)
14	Dr. Urjit R. Patel	Director	19(f)

LIST OF ASSOCIATE BASED ON BUSINESS TURNOVER (BANKING)

(Rs in Cr)

Sl. No.	Name	Business Turnover as on 31/12/2014
1	State Bank of Hyderabad	2,22,088
2	State Bank of Patiala	1,69,615
3	State Bank of Travancore	1,59,137
4	State Bank of Bikaner & Jaipur	1,48,076
5	State Bank of Mysore	1,14,035

LIST OF SUBSIDIARIES BASED ON PROFIT (LOSS) AFTER TAX (NON BANKING)

(Rs in Cr)

Sl. No.	Name	Profit (Loss) after Tax as on 31/12/2014
1	SBI Life Insurance Co. Ltd.	615.00
2	SBI Cards & Payment Services (P) Ltd.	251.90
3	SBI Capital Markets Ltd.	211.98
4	SBI Funds Management(P) Ltd.	115.55
5	SBI DFHI Ltd.	73.95
6	SBI SG Global Securities Ltd.	4.01
7	SBI Pension Funds Ltd.	1.89
8	SBI Mutual Fund Trustee Co. Ltd	0.88
9	SBI Payment Services Pvt. Ltd.	0.12
10	SBI Global Factors Ltd.	-38.15