



SCHEDULE 18 : NOTES TO ACCOUNTS

(Amount in Rupees in crores)

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

1.1 The 29 Subsidiaries, 8 Joint Ventures and 22 Associates including 19 Regional Rural Banks from/up to respective dates of merger/exit during the year (which along with State Bank of India, the parent, constitute the Group), considered in the preparation of the consolidated financial statements, are

A) Subsidiaries:

S. No.	Name of the Subsidiary	Country of incorporation	Group's Stake (%)	
			Current Year	Previous Year
1)	State Bank of Bikaner & Jaipur	India	75.07	75.07
2)	State Bank of Hyderabad	India	100.00	100.00
3)	State Bank of Mysore	India	90.00	92.33
4)	State Bank of Patiala	India	100.00	100.00
5)	State Bank of Travancore	India	75.01	75.01
6)	SBI Capital Markets Ltd.	India	100.00	100.00
7)	SBICAP Securities Ltd.	India	100.00	100.00
8)	SBICAP Trustee Company Ltd.	India	100.00	100.00
9)	SBICAP Ventures Ltd.	India	100.00	100.00
10)	SBI DFHI Ltd.	India	71.54	71.56
11)	SBI Mutual Fund Trustee Company Pvt Ltd.	India	100.00	100.00
12)	SBI Global Factors Ltd.	India	86.18	86.18
13)	SBI Pension Funds Pvt Ltd.	India	92.60	92.60
14)	SBI -SG Global Securities Services Pvt. Ltd. @	India	65.00	65.00
15)	SBI General Insurance Company Ltd. @	India	74.00	74.00
16)	SBI Payment Services Pvt. Ltd.	India	100.00	100.00
17)	State Bank of India (Canada)	Canada	100.00	100.00
18)	State Bank of India (California)	USA	100.00	100.00
19)	SBI (Mauritius) Ltd.	Mauritius	96.36	93.40
20)	PT Bank SBI Indonesia	Indonesia	99.00	76.00
21)	State Bank of India (Botswana) Ltd.	Botswana	100.00	--
22)	SBICAP (UK) Ltd.	U.K.	100.00	100.00
23)	SBI Cards and Payment Services Pvt. Ltd. @	India	60.00	60.00
24)	SBI Funds Management Pvt. Ltd. @	India	63.00	63.00
25)	SBI Life Insurance Company Ltd. @	India	74.00	74.00
26)	Commercial Indo Bank Llc , Moscow @ #	Russia	60.00	60.00
27)	Nepal SBI Bank Ltd.	Nepal	55.28	55.28
28)	SBI Funds Management (International) Private Ltd. @	Mauritius	63.00	63.00
29)	SBICAP (Singapore) Ltd.	Singapore	100.00	100.00

@ Represents companies which are jointly controlled entities in terms of the shareholders' agreement. However, the same are consolidated as subsidiaries in accordance with AS 21 "Consolidated Financial Statements" as SBI is holding in these companies in excess of 50%.

previously known as Commercial Bank of India Llc upto January 19, 2014.

**B) Joint Ventures:**

S. No.	Name of the Joint Venture	Country of Incorporation	Group's Stake (%)	
			Current Year	Previous Year
1)	C - Edge Technologies Ltd.	India	49.00	49.00
2)	GE Capital Business Process Management Services Pvt Ltd.	India	40.00	40.00
3)	SBI Macquarie Infrastructure Management Pvt. Ltd.	India	45.00	45.00
4)	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	India	45.00	45.00
5)	Macquarie SBI Infrastructure Management Pte. Ltd.	Singapore	45.00	45.00
6)	Macquarie SBI Infrastructure Trustee Ltd.	Bermuda	45.00	45.00
7)	Oman India Joint Investment Fund – Management Company Pvt. Ltd.	India	50.00	50.00
8)	Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.	India	50.00	50.00

C) Associates:

S. No.	Name of the Associate	Country of Incorporation	Group's Stake (%)	
			Current Year	Previous Year
1)	Andhra Pradesh Grameena Vikas Bank	India	35.00	35.00
2)	Arunachal Pradesh Rural Bank	India	35.00	35.00
3)	Chhattisgarh Rajya Gramin Bank	India	35.00	35.00
4)	Ellaquai Dehati Bank	India	35.00	35.00
5)	Meghalaya Rural Bank	India	35.00	35.00
6)	Krishna Grameena Bank (upto 22.08.2013)	India	35.00	35.00
7)	Langpi Dehangi Rural Bank	India	35.00	35.00
8)	Madhyanchal Gramin Bank	India	35.00	35.00
9)	Mizoram Rural Bank	India	35.00	35.00
10)	Nagaland Rural Bank	India	35.00	35.00
11)	Purvanchal Bank	India	35.00	35.00
12)	Utkal Grameen Bank	India	35.00	35.00
13)	Uttarakhand Gramin Bank	India	35.00	35.00
14)	Vananchal Gramin Bank	India	35.00	35.00
15)	Saurashtra Gramin Bank	India	35.00	35.00
16)	Marudhara Gramin Bank	India	26.27	26.27
17)	Deccan Grameena Bank	India	35.00	35.00
18)	Kaveri Grameena Bank	India	31.50	32.32
19)	Malwa Gramin Bank	India	35.00	35.00
20)	The Clearing Corporation of India Ltd.	India	29.22	29.22
21)	Bank of Bhutan Ltd.	Bhutan	20.00	20.00
22)	SBI Home Finance Ltd. (under winding up)	India	25.05	25.05

- a. 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%. As a result, the Group's stake in SBI DFHI Ltd. and Kaveri Grameena Bank has been reduced from 71.56% to 71.54% and from 32.32% to 31.50% respectively due to indirect method.
- b. During the year SBI has:
- incorporated a wholly owned subsidiary, State Bank of India (Botswana) Ltd. and invested capital equivalent to ₹ 47.37 crores.
 - acquired an additional stake of 23% in its subsidiary, PT Bank SBI Indonesia, by investing ₹258 crores, after which the stake of SBI is increased to 99%. Further, infused an additional amount of ₹ 157.27 crores in proportion to its share in PT Bank SBI Indonesia.
 - 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%.
 - off-loaded its stake in Regional Rural Bank, Krishna Grameena Bank for a total value of ₹ 6.92 crores.
- c. During the year, SBI and its domestic banking subsidiaries have infused the following additional capital in Regional Rural Banks (RRBs) sponsored by them :-



₹ in crores

Regional Rural Banks	Amount	Increase in % stake
Chhattisgarh Rajya Gramin Bank	31.56	Nil
Mizoram Rural Bank	6.53	Nil
Purvanchal Bank	11.73	Nil
Marudhara Gramin Bank	19.18	Nil
Total	69.00	

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

The details of amalgamation of RRBs, where the transferee RRBs are sponsored by SBI are as below:-

Sr. No.	Name of transferor RRBs	Sponsor Bank of transferor RRBs	New Name after Amalgamation of RRBs	Sponsor Bank of transferee RRBs	Effective Date of Amalgamation
1	Purvanchal Gramin Bank	State Bank of India	Purvanchal Bank	State Bank of India	April 1, 2013
	Ballia Etawah Gramin Bank	Central Bank of India			
2	Chhattisgarh Gramin Bank	State Bank of India	Chhattisgarh Rajya Gramin Bank	State Bank of India	September 2, 2013
	Surguja Kshetriya Gramin Bank	Central Bank of India			
	Durg Rajnandgaon Gramin Bank	Dena Bank			

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

Sr. No.	Name of transferor RRBs	Sponsor Bank of transferor RRBs	New Name after Amalgamation of RRB	Sponsor Bank of transferee RRB	Effective Date of Amalgamation
1	Pragathi Gramin Bank	Canara Bank	Pragathi Krishna Gramin Bank	Canara Bank	August 23, 2013
	Krishna Grameena Bank	State Bank of India			

1.2 The consolidated financial statements for the financial year 2013-14 of the Group includes unaudited financial statements of State Bank of India (Canada), a subsidiary and Bank of Bhutan Ltd., an associate.

2. Share capital:

2.1 During the year, SBI has allotted 1,12,18,685 shares of ₹ 10/- each for cash at a premium of ₹ 1,772.74 per equity share aggregating to ₹ 2,000 crores under Preferential Allotment to GOI. Out of the total subscription of ₹ 2,000 crores received from GOI, an amount of ₹ 11.22 crores was transferred to Share Capital Account and ₹ 1,988.78 crores to Share Premium Account.

2.2 SBI has also allotted 5,13,20,436 equity shares of ₹ 10/- each under Qualified Institutional Placement (QIP) for cash at a premium of ₹ 1,555/- per equity share aggregating to ₹ 8,031.65 crores. Out of the total subscription received through QIP, an amount of ₹ 51.32 crores was transferred to Share Capital Account and ₹ 7,980.33 crores to Share Premium Account.

2.3 SBI 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.

2.4 Expenses in relation to the issue of shares of ₹ 25.62 crores (Previous Year ₹ 3.73 crores) debited to Share Premium Account.

3. Employee Benefits:

3.1.1 Defined Benefit Plans

3.1.1.1 Employee's Pension Plans and Gratuity Plans



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

₹ in crores

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation at 1st April 2013	50,109.94	45,956.37	9,287.23	8,514.31
Current Service Cost	1,377.26	1,501.20	269.73	322.54
Interest Cost	4,300.42	4,002.80	780.71	722.16
Past Service Cost (Vested Benefit)	Nil	Nil	0.06	Nil
Actuarial losses / (gains)	4,498.58	1,438.89	(117.85)	524.97
Benefits paid	(718.94)	(556.85)	(1,042.90)	(796.75)
Direct Payment by SBI	(2,704.21)	(2,232.47)	Nil	Nil
Closing defined benefit obligation at 31st March 2014	56,863.05	50,109.94	9,176.98	9,287.23
Change in Plan Assets				
Opening fair value of plan assets at 1st April 2013	44,715.33	35,877.71	8,595.25	7,153.07
Expected Return on Plan assets	3,903.23	3,082.04	703.92	608.73
Contributions by employer	5,079.95	5,737.17	942.51	1,547.54
Benefits Paid	(718.94)	(556.85)	(1,042.90)	(796.75)
Actuarial Gains / (Losses) on plan assets	164.25	575.26	7.55	82.66
Closing fair value of plan assets at 31st March 2014	53,143.82	44,715.33	9,206.33	8,595.25
Reconciliation of present value of the obligation and fair value of the plan assets				
Present Value of funded obligation at 31st March 2014	56,863.05	50,109.94	9,176.98	9,287.23
Fair Value of plan assets at 31st March 2014	53,143.82	44,715.33	9,206.33	8,595.25
Deficit/(Surplus)	3,719.23	5,394.61	(29.35)	691.98
Unrecognised Past Service Cost (Vested) Closing Balance	187.10	374.19	51.59	303.18
Net Liability/(Asset)	3,532.13	5,020.42	(80.94)	388.80
Amount Recognised in the Balance Sheet				
Liabilities	56,863.05	50,109.94	9,176.98	9,287.23
Assets	53,143.82	44,715.33	9,206.33	8,595.25
Net Liability / (Asset) recognised in Balance Sheet	3,719.23	5,394.61	(29.35)	691.98
Unrecognised Past Service Cost (Vested) Closing Balance	187.10	374.19	51.59	303.18
Net Liability/ (Asset)	3,532.13	5,020.42	(80.94)	388.80
Net Cost recognised in the profit and loss account				
Current Service Cost	1,377.26	1,501.20	269.73	322.54
Interest Cost	4,300.42	4,002.80	780.71	722.16
Expected return on plan assets	(3,903.23)	(3,082.04)	(703.92)	(608.73)
Past Service Cost (Amortised) Recognised	187.09	187.10	251.59	151.59
Past Service Cost (Vested Benefits) Recognised	Nil	Nil	Nil	Nil
Net Actuarial Losses / (Gains) recognised during the year	4,334.33	863.63	(125.40)	442.31
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	6,295.87	3,472.69	472.71	1,029.87
Reconciliation of expected return and actual return on Plan Assets				
Expected Return on Plan Assets	3,903.23	3,082.04	703.92	608.73
Actuarial Gains/ (Losses) on Plan Assets	164.25	575.26	7.55	82.66
Actual Return on Plan Assets	4,067.48	3,657.30	711.47	691.39
Reconciliation of opening and closing net liability/(asset) recognised in Balance Sheet				
Opening Net Liability as at 1st April 2013	5,020.42	9,233.55	388.80	854.05
Expenses as recognised in profit and loss account	6,295.87	3,472.69	472.71	1,029.87
Paid by SBI Directly	(2,704.21)	(2,232.47)	Nil	Nil
Employer's Contribution	(5,079.95)	(5,737.17)	(942.51)	(1,547.54)
Past Service Cost	Nil	283.82	0.06	52.42
Net liability/(Asset) recognised in Balance Sheet	3,532.13	5,020.42	(80.94)	388.80



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

Category of Assets	Pension Fund	Gratuity Fund
	% of Plan Assets	% of Plan Assets
Central Govt. Securities	29.79%	23.03%
State Govt. Securities	24.73%	17.42%
Debt Securities, Money Market Securities and Bank Deposits	41.21%	34.41%
Insurer Managed Funds	0.35%	22.79%
Others	3.92%	2.35%
Total	100.00 %	100.00 %

Principal actuarial assumptions:

Particulars	Pension Plans		Gratuity Plans	
	Current year	Previous year	Current year	Previous year
Discount Rate	8.75% to 9.27%	8.06% to 8.50%	8.75% to 9.31%	8.24% to 8.50%
Expected Rate of return on Plan Asset	8.75% to 9.27%	7.50% to 9.00%	8.75% to 9.31%	7.50% to 8.75%
Salary Escalation	5.00% to 5.00%	3.50% to 5.60%	5.00% to 5.00%	3.50% to 5.60%

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

3.1.1.2 Employees Provident Fund

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

Particulars	Provident Fund	
	Current Year	Previous Year
₹ in crores		
Change in the present value of the defined benefit obligation		
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
Change in Plan Assets		
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
Reconciliation of present value of the obligation and fair value of the plan assets		
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



Particulars	Provident Fund	
	Current Year	Previous Year
Net Cost recognised in the profit and loss account		
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
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
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 March 31, 2014 are as follows:

Category of Assets	Provident Fund
	% 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%
Total	100.00%

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%

3.1.2 Defined Contribution Plans

3.1.2.1 Employees Provident Fund

An amount of ₹ 31.29 crores (Previous Year ₹ 26.68 crores) is recognised as an expense towards the Provident Fund Scheme by the group (excluding SBI) and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

3.1.2.2 Defined Contribution Pension Scheme

The Defined Contribution Pension Scheme (DCPS) is applicable to all categories of officers and employees joining the SBI, its Domestic Banking Subsidiaries i.e. State Bank of Bikaner & Jaipur and State Bank of Hyderabad on or after August 01, 2010 and for other Domestic Banking Subsidiaries (comprising State Bank of Mysore, State Bank of Patiala and State Bank of Travancore) the scheme is applicable to all categories of officers and employees who join on or after April 01, 2010. The Scheme is managed by NPS Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During the year, an amount of ₹ 160.16 crores (Previous Year ₹ 98.97 crores) has been contributed in the scheme.

3.1.3 Other Long term Employee Benefits

Amount of ₹ (-) 19.56 crores (Previous Year ₹ 885.98 crores) is (written back)/provided towards Long Term Employee Benefits and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.



Details of Provisions made for various long Term Employees' Benefits during the year;

₹ in crores

Sl. No.	Long Term Employees' Benefits	Current Year	Previous Year
1	Privilege Leave (Encashment) incl. leave encashment at the time of retirement	448.98	704.49
2	Leave Travel and Home Travel Concession (Encashment/Availment)	7.00	79.03
3	Sick Leave	(385.64)	14.64
4	Silver Jubilee/Long Term Service Award	(11.14)	43.79
5	Resettlement Expenses on Superannuation	1.07	5.51
6	Casual Leave	(82.55)	17.89
7	Retirement Award	2.72	20.63
Total		(19.56)	885.98

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

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

3.1.5 Unamortised Pension & Gratuity Liabilities

3.1.5.1 Gratuity

In accordance with RBI Circular No. DBOD.BP.BC.80/21.04.018/2010-11 dated February 9, 2011, SBI and its domestic banking subsidiaries (DBS) 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. Accordingly, DBS have charged a sum of ₹ 112.24 crores to the Profit & Loss Account, being the proportionate amount for the year ended March 31, 2014, however, SBI in the current year has decided to provide in full the balance unrecognised liability and accordingly, SBI has charged a sum of ₹ 200 crores to the Profit and Loss Account for the financial year ended March 31, 2014. The unamortized liability of DBS ₹ 110.19 crores as on March 31, 2014 will be amortized proportionately in accordance with the above circular.

3.1.5.2 Pension

The domestic banking subsidiaries have charged an amount of ₹ 360.47 crores to Profit & Loss Account being the

proportionate amount for the year ended March 31, 2014 towards the pension option given in financial year ended March 31, 2011 to employees who had not opted for the pension scheme earlier, being amortized over 5 years beginning from the year ended March 31, 2011. The balance amount of ₹ 359.93 crores will be charged proportionately as per the directions contained in the said circular.

3.2 Segment Reporting:

3.2.1 Segment identification

A) Primary (Business Segment)

The following are the Primary Segments of the Group:

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

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

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



- b) Corporate / Wholesale Banking:** The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Mid Corporate Accounts Group and Stressed Assets Management Group. These include providing loans and transaction services to corporate and institutional clients and further include non treasury operations of foreign offices/entities.
- c) Retail Banking:** The Retail Banking Segment comprises of branches in National Banking Group, which primarily includes personal Banking activities including lending activities to corporate customers having Banking relations with branches in the National Banking Group. This segment also includes agency business and ATMs
- d) Insurance Business –** The Insurance Business Segment comprises of the results of SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd.
- e) Other Banking business –** Segments not classified under (a) to (d) above are classified under this primary segment. This segment also includes the operations of all the Non-Banking Subsidiaries/Joint Ventures other than SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd. of the group.

B) Secondary (Geographical Segment):

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

3.2.2 SEGMENT INFORMATION

PART A: PRIMARY (BUSINESS) SEGMENTS:

₹ in crores

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Insurance Business	Other Banking Operations	Elimination	TOTAL
Revenue	42,418.29 (33,722.31)	73,300.30 (65,688.06)	89,329.62 (82,613.11)	18,066.15 (15,264.65)	3,388.22 (2,798.89)		2,26,502.58 (2,00,087.02)
Unallocated Revenue							441.98 (472.81)
Total Revenue							2,26,944.56 (2,00,559.83)
Result	847.54 (3,909.10)	4,945.83 (10,440.31)	18,007.47 (14,161.86)	718.43 (560.15)	948.79 (900.09)		25,468.06 (29,971.51)
Unallocated Income(+)/ Expenses(-) net							-4,142.52 (-4,089.70)
Operating Profit (PBT)							21,325.54 (25,881.81)



Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking	Insurance Business	Other Banking Operations	Elimination	TOTAL
Taxes							6,836.07 (7,558.82)
Extraordinary Profit/Loss							- (-)
Net Profit before share in profit in Associates and Minority Interest							14,489.47 (18,322.99)
Add: Share in Profit in Associates							317.73 (231.68)
Less: Minority Interest							633.43 (638.44)
Net Profit for the Group							14,173.77 (17,916.23)
Other Information:							
Segment Assets	5,45,105.61 (4,78,698.21)	9,44,851.52 (8,16,405.69)	8,12,863.85 (7,52,700.48)	62,451.99 (54,933.15)	10,975.68 (10,473.87)		23,76,248.65 (21,13,211.40)
Unallocated Assets							19,732.96 (19,897.17)
Total Assets							23,95,981.61 (21,33,108.57)
Segment Liabilities	2,64,556.11 (2,72,060.80)	8,16,172.78 (6,69,288.50)	10,33,771.53 (9,45,349.62)	58,592.60 (51,845.39)	7,239.78 (7,158.39)		21,80,332.80 (19,45,702.70)
Unallocated Liabilities							68,278.28 (62,372.85)
Total Liabilities							22,48,611.08 (20,08,075.55)

PART B: SECONDARY (GEOGRAPHIC) SEGMENTS

₹ in crores

	Domestic Operations	Foreign Operations	TOTAL
Revenue	2,16,975.27 (1,91,233.82)	9,969.29 (9,326.01)	2,26,944.56 (2,00,559.83)
Results	22,136.04 (26,485.50)	3,332.02 (3,486.01)	25,468.06 (29,971.51)
Assets	21,08,607.32 (18,86,124.68)	2,87,374.29 (2,46,983.89)	23,95,981.61 (21,33,108.57)
Liabilities	19,64,601.69 (17,63,888.25)	2,84,009.39 (2,44,187.30)	22,48,611.08 (20,08,075.55)

(i) Income/Expenses are for the whole year. Assets/Liabilities are as at March 31, 2014.

(ii) Figures within brackets are for previous year

3.3 Related Party Disclosures:**3.3.1 Related Parties to the Group:****A) JOINT VENTURES:**

- C - Edge Technologies Ltd.
- GE Capital Business Process Management Services Private Ltd.

- SBI Macquarie Infrastructure Management Pvt. Ltd.
- SBI Macquarie Infrastructure Trustee Pvt. Ltd.
- Macquarie SBI Infrastructure Management Pte. Ltd.
- Macquarie SBI Infrastructure Trustee Ltd.
- Oman India Joint Investment Fund – Management Company Pvt. Ltd.
- Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.

B) ASSOCIATES:**i) Regional Rural Banks**

- Andhra Pradesh Grameena Vikas Bank
- Arunachal Pradesh Rural Bank
- Chhattisgarh Rajya Gramin Bank
- Deccan Grameena Bank
- Ellaquai Dehati Bank



6. Kaveri Grameena Bank
7. Krishna Grameena Bank (upto 22.08.2013)
8. Langpi Dehangi Rural Bank
9. Madhyanchal Gramin Bank
10. Malwa Gramin Bank
11. Marudhara Gramin Bank
12. Meghalaya Rural Bank
13. Mizoram Rural Bank
14. Nagaland Rural Bank
15. Purvanchal Bank
16. Saurashtra Gramin Bank
17. Utkal Grameen Bank
18. Uttarakhand Gramin Bank
19. Vananchal Gramin Bank

ii) Others

20. The Clearing Corporation of India Ltd.
21. Bank of Bhutan Ltd.
22. SBI Home Finance Ltd.

C) 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 (Up to 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)

3.3.2 Related Parties with whom transactions were entered into during the year:

No disclosure is required in respect of related parties, which are "State controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker-Customer relationship are not required to be disclosed in respect of Key Management Personnel and relatives of Key Management Personnel.

3.3.3 Transactions and Balances:

₹ in crores

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Transactions during the year 2013-14			
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 \$	3.50 (21.24)	- (-)	3.50 (21.24)
Other Expenditure \$	9.01 (231.22)	- (-)	9.01 (231.22)
Management Contract \$	267.08 (227.98)	1.08 (0.95)	268.16 (228.93)
Outstanding as on 31st March 2014			
Payables			
Deposit#	95.40 (150.03)	- (-)	95.40 (150.03)
Other Liabilities#	16.32 (13.16)	- (-)	16.32 (13.16)



Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Receivables			
Investments #	41.55 (41.55)	- (-)	41.55 (41.55)
Advances #	- (-)	- (-)	- (-)
Other Assets #	0.30 (0.18)	- (-)	0.30 (0.18)

(Figures in brackets pertain to previous year)

Balances as at 31st March

\$ Transactions for the year

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

3.4 Leases:

Finance Leases

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

₹ in crores

Particulars	Current Year	Previous Year
Total Minimum lease payments outstanding		
Less than 1 year	5.68	4.69
1 to 5 years	9.11	12.73
5 years and above	-	-
Total	14.79	17.42
Interest Cost payable		
Less than 1 year	1.49	1.51
1 to 5 years	1.09	2.16
5 years and above	-	-
Total	2.58	3.67
Present value of minimum lease payments payable		
Less than 1 year	4.19	3.18
1 to 5 years	8.02	10.57
5 years and above	-	-
Total	12.21	13.75

Operating Lease*

Premises taken on operating lease are given below:

₹ in crores

Particulars	Current Year	Previous Year
Not later than 1 year	209.55	192.38
Later than 1 year and not later than 5 years	608.53	575.01
Later than 5 years	157.73	171.25
Total	975.81	938.64
Amount of lease payments recognised in the P&L Account for the year.	235.15	211.24

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

* In respect of Non-Cancellable leases only.

3.5 Earnings per Share:

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

Particulars	Current Year	Previous Year
Basic and diluted		
Number of Equity Shares outstanding at the beginning of the year	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 earning per share	69,47,83,910	67,14,72,052
Weighted average number of shares used in computing diluted earning per share	69,47,83,910	67,14,72,052
Net profit (Other than minority) (₹ in crores)	14,173.77	17,916.23
Basic earnings per share (₹)	204.00	266.82
Diluted earnings per share (₹)	204.00	266.82
Nominal value per share (₹)	10.00	10.00

3.6 Accounting for Taxes on Income:

- During the year, ₹ 1,173.66 crores has been debited to Profit and Loss Account [Previous Year ₹ 701.09 crores credited] on account of deferred tax.
- The break up of deferred tax assets and liabilities into major items is given below:



₹ in crores

Particulars	As at 31-Mar-2014	As at 31-Mar-2013
Deferred Tax Assets		
Provision for Defined Benefit Schemes on account of Wage Revision	364.66	128.03
Provision for long term employee Benefits	1,632.72	2,474.34 #
Provision for Restructured Assets	837.07	Nil
Depreciation on Fixed Assets	14.37	16.31
Provision for non performing assets	205.78	362.78
Others	845.85	588.12
Total	3,900.45	3,569.58
Deferred Tax Liabilities		
Depreciation on Fixed Assets	28.02	14.01
Interest on securities	3,441.43	3,257.14
Special Reserve created u/s 36(1)(viii) of Income Tax Act 1961	2,541.06 \$	Nil
Others	863.33	423.23
Total	6,873.84	3,694.38
Net Deferred Tax Assets/ (Liabilities)	(2,973.39)	(124.80)

This includes ₹ 922.15 crores being deferred tax credit arising out of provision for leave encashment for employees of SBI.

\$ Includes ₹ 2,052.76 crores transferred from Revenue and Other reserves in accordance with RBI circular.

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

Sr. No	Particulars	Brief Description
1	Claims against the Group not acknowledged as debts	The parent and its constituents are parties to various proceedings in the normal course of business. It does not expect the outcome of these proceedings to have a material adverse effect on the Group's financial conditions, results of operations or cash flows. The Group is a party to various taxation matters in respect of which appeals are pending.
2	Liability on account of outstanding forward exchange contracts	The Group 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.

3.7 Impairment of assets:

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

3.8 Provisions, Contingent Liabilities & Contingent Assets:

a) Break up of provisions:

₹ in crores

Particulars	Current Year	Previous Year
a) Provision for Taxation		
- Current Tax	5,650.56	8,258.02
- Deferred Tax	1,173.66	(701.09)
- Fringe Benefit Tax	-	(34.06)
- Other Taxes	11.85	35.96
b) Provision on Non-Performing Assets	17,465.50	13,443.45
c) Provision on Restructured Assets	871.80	1,463.11
d) Provision on Standard Assets	1,568.87	1,090.71
e) Provision for Depreciation on Investments	876.27	(950.12)
f) Other Provisions	(11.20)	(6.85)
Total	27,607.31	22,599.13

(Figures in brackets indicate credit)

b) Floating provisions:

₹ in crores

Particulars	Current Year	Previous Year
a) Opening Balance	479.22	479.22
b) Addition during the year	-	-
c) Draw down during the year	116.85	-
d) Closing balance	362.37	479.22



Sr. No	Particulars	Brief Description
3	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial banking activities, the Group issues documentary credits and guarantees on behalf of its customers. Documentary credits enhance the credit standing of the customers of the Group. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfil its financial or performance obligations.
4	Other items for which the Group is contingently liable	These are being contested by the Group and not provided for. Further the Group has made commitments to subscribe to shares in the normal course of business.

d) 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.

e) Movement of provisions against contingent liabilities:

₹ in crores

Particulars	Current Year	Previous Year
a) Opening Balance	495.06	482.82
b) Additions during the year	116.68	92.81
c) Reductions during the year	27.82	80.57
d) Closing balance	583.92	495.06

4 The investments of life and general insurance subsidiaries have been accounted in accordance with the IRDA (Investment Regulations) 2000 instead of restating the same in accordance the accounting policy followed by the banks. The investments of insurance subsidiaries constitute approximate 9.69% (Previous Year 9.33%) of the total investments as on March 31, 2014.

5 In accordance with RBI circular DBOD NO.BP. BC.42/21.01.02/2007-08, redeemable preference shares (if any) are treated as liabilities and the coupon payable thereon is treated as interest.

6 Additional statutory information disclosed in separate financial statements of the parent and the subsidiaries having no bearing on the true and fair view of the consolidated financial statements and also the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements in view of the general clarifications issued by ICAI.

7 Specific Provision for NPAs

During the year, SBI has utilized the specific provisions of ₹ 2,056.26 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.

8 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 October 31, 2012. Pending execution of agreement for wage revision, to be effective from November 01, 2012, SBI and its domestic banking subsidiaries have made a provision of ₹ 2,353.27 crores (Previous year ₹ 923 crores) during the year. Considering the above, SBI and its Domestic Banking Subsidiaries (excluding State Bank of Mysore), on estimated basis have made a provision of ₹ 652.30 crores (Previous year ₹ 264.93 crores) towards Superannuation and other long term employee benefits.

9 Counter Cyclical Buffer

RBIvideCircularNo.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, SBI 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 March 31, 2013) for making specific provision for NPAs, in accordance with the board approved policy and approval of the Board.

10 Effect of Changes in Accounting Policies

10.1 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 of SBI by ₹ 55.48 crores.

10.2 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 ₹ 7.75 crores is provided for during the year and the depreciation for the year is lower by ₹ 32.34 crores. As a result the fixed assets and profit before tax is higher by ₹ 24.59 crores.

10.3 Policy on Recognition of Premium in case of Variable Insurance Products by SBI Life Insurance Company Ltd.

Effective from this year, in case of Variable Insurance Products (viz. Flexi Smart, Life Long Pension and Life Long Pension Plus), there has been a change in accounting policy relating to recognition of premium when the Policy Account Value is credited, as against the earlier policy of recognising premium income on policy renewal date. Consequent to the change, the reported premium income, commission and change in valuation of liabilities is lower by ₹ 94.65 crores, ₹ 3.28 crores and ₹ 85.91 crores respectively.

11 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 March 31, 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 ₹ 2,052.76 crores has been adjusted from the reserves for creation of DTL on Special Reserve of ₹ 6,039.30 crores as on March 31, 2013. Further an amount of ₹ 488.30 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.

12 Previous year's figures have been regrouped/reclassified, wherever necessary, to conform to current period 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.

(ARUNDHATI BHATTACHARYA)
CHAIRMAN

(P. PRADEEP KUMAR)
MD & GE (Corp. Bkg)

(A. KRISHNA KUMAR)
MD & GE (Int'l Bkg)

In terms of our Report of even date

For **S. VENKATRAM & CO.**
Chartered Accountants

(G. NARAYANASWAMY)
Partner : M.No. 002161
Firm Regn. No. 004656 S

Kolkata,
Dated: 23rd May 2014