

# ANNUAL REPORT 2015-16



സ്റ്റേറ്റ് ബാങ്ക് ഓഫ് ട്രാവൻകൂർ  
स्टेट बैंक ऑफ़ त्रावणकोर  
State Bank of Travancore

## JOURNEY THROUGH THE DECADES

(₹ in Crore)

	December 1976	December 1986	March 1996	March 2006	March 2016
Paid up Capital & Reserves	2.07	8.00	200	1332	6021
Deposits	155.18	1210.03	5621	25997	101119
Advances	97.12	745.22	3349	18866	67004
Gross Investment	45.57	386.79	1880	10745	36123
Priority Sector Lending	22.16	341.78	1129	7755	27793
Export Finance	5.57	23.08	375	921	1984
Net Profit	0.21	1.08	26	259	338
Number of Branches	330	573	651	690	1177
Number of Employees	4318	11214	12855	11642	14892

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# State Bank of Travancore

(Associate of the State Bank of India)

Head Office: Thiruvananthapuram

## NOTICE

The Fifty Sixth Annual General Meeting of the Shareholders of the State Bank of Travancore will be held in the A.K.G. Memorial Hall, Gas House Junction, Palayam, Thiruvananthapuram - 695034, on Monday, the 30<sup>th</sup> May, 2016 at 11.30 A.M. (Indian Standard Time) to transact the following business:

“To discuss and adopt the Balance Sheet and Profit and Loss Account of the Bank made up to the 31<sup>st</sup> March, 2016, the Report of the Board of Directors and the Auditors’ Report on the Balance Sheet and Accounts.”

Mumbai  
Date: 25<sup>th</sup> April, 2016

Jeevandas Narayan  
Managing Director

## BOARD OF DIRECTORS AS ON 31<sup>ST</sup> MARCH, 2016

<b>Smt. Arundhati Bhattacharya</b>	Chairman of the Board under clause (a) of sub-section (1) of section 25 of the State Bank of India (Subsidiary Banks) Act, 1959
<b>Shri. Jeevandas Narayan</b>	Director under Clause (aa) of sub-section (1) of Section 25 of the State Bank of India (Subsidiary Banks) Act, 1959
<b>Dr. J Sadakkadulla</b>	Director under clause (b) of sub-section (1) of section 25 of the State Bank of India (Subsidiary Banks) Act, 1959
<b>Shri. V G Kannan</b>	Director under clause (c) of sub-section (1) of Section 25 of the State Bank of India (Subsidiary Banks) Act, 1959
<b>Shri. Neeraj Vyas</b>	Director under clause (c) of sub-section (1) of section 25 of the State Bank of India (Subsidiary Banks) Act, 1959
<b>Shri. Ravi Nandan Sahay</b>	Director under clause (c) of sub-section (1) of section 25 of the State Bank of India (Subsidiary Banks) Act, 1959.
<b>Shri. Vijay Kumar Monga</b>	Director under clause (c) of sub-section (1) of Section 25 of the State Bank of India (Subsidiary Banks) Act, 1959
<b>Shri. V Kaliappan</b>	Director under Clause (c) of sub-section (1) of Section 25 of the State Bank of India (Subsidiary Banks) Act, 1959
<b>Shri. P V Prasad</b>	Director under Clause (ca) of sub-section (1) of Section 25 of the State Bank of India (Subsidiary Banks) Act, 1959
<b>Shri. M C Jacob</b>	Director under Clause (d) of sub-section (1) of Section 25 of the State Bank of India (Subsidiary Banks) Act, 1959
<b>Shri. Sajen Peter</b>	Director under Clause (d) of sub-section (1) of Section 25 of the State Bank of India (Subsidiary Banks) Act, 1959
<b>Shri. Anshuman Sharma</b>	Director under clause (e) of sub-section (1) of section 25 of the State Bank of India (Subsidiary Banks) Act, 1959.

## MANAGEMENT COMMITTEE AS ON 31<sup>ST</sup> MARCH, 2016

<b>Shri. Jeevandas Narayan</b>	Managing Director
<b>Shri. E.K. Harikumar</b>	Chief General Manager (Retail Banking)
<b>Shri. S. Adikesavan</b>	Chief General Manager (Commercial Banking)
<b>Shri. D. Babu Jayaraj</b>	General Manager (Retail Network III)
<b>Shri. S. Harisankar</b>	General Manager (Retail Network II)
<b>Shri. M.K. Bhattacharya</b>	General Manager (Business Strategy & Rural Banking)
<b>Shri. Varadaraja Iyer M</b>	General Manager (Risk Management, CRO & IT)
<b>Shri. M. Devi Prasad</b>	General Manager (Retail Network I)
<b>Shri. Satyaki Rastogi</b>	Chief Vigilance Officer
<b>Shri. Samkutty Mathews</b>	General Manager (Human Resources & SAMG)
<b>Shri. Sushil Kumar Goyal</b>	General Manager (Commercial Banking)
<b>Shri. A. Aravind</b>	General Manager (Treasury & Chief Financial Officer)

# Report of the Board of Directors to the State Bank of India, the Reserve Bank of India and the Central Government in terms of Section 43(1) of State Bank of India (Subsidiary Banks) Act, 1959

Period covered by the Report: 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016

## 1. MANAGEMENT DISCUSSIONS & ANALYSIS

### 1.1 Global Economy

Global economic activity remained subdued during the FY16. While, there was a modest recovery in advanced economies, the growth in emerging markets and developing economies (which accounts for over 70% of global growth), declined for the fifth consecutive year.

The International Monetary Fund (IMF) in its April, 2016 World Economic Outlook update has estimated the Global growth at 3.10% for the calendar year 2015. It has projected a Global growth at 3.20% for 2016 and 3.50% for 2017.

Growth in advanced economies is projected at 1.9% in 2016, and a modest improvement to 2.0% in 2017. Growth in United States is expected to remain resilient owing to easy financial conditions and strengthening of housing and labour markets.

Growth in the euro area is expected to improve due to stronger private consumption supported by lower oil prices and easy financial conditions. Growth in Japan is also expected to consolidate in 2016, on the back of fiscal support, lower oil prices, accommodative financial conditions, and rising incomes.

The picture for emerging market and developing economies is diverse but in many cases challenging. The slowdown and rebalancing of the Chinese economy, lower commodity prices and strains in some large emerging market economies will continue to weigh on the growth prospects in coming years.

The recovery is projected to grow at a modest pace in the next two years, despite the ongoing slowdown in China, driven primarily by emerging markets, developing economies and improvement of growth rates in economies currently in economic distress, notably Brazil, Russia, and some countries in the Middle East.

However, the prolonged fall in commodity prices, particularly crude prices will continue to keep risks elevated for emerging markets.

### 1.2 Indian Economy

The Indian economy is the seventh largest in the world by nominal Gross Domestic Product (GDP) and the third largest by Purchasing Power Parity (PPP). The long-term growth prospective of the Indian economy is positive due to its young population, corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy. India has one of the fastest growing service sectors in the world with annual growth rate of above 9%.

The Indian economy has continued to consolidate the gains achieved in restoring the macroeconomic stability with decline in inflation, fiscal deficit and the current account deficit, thus rendering India as a relative haven of macro stability in these difficult times.

The economic growth appears to be recovering, albeit at varying speeds across sectors. The GDP for the current FY16 is estimated to improve to 7.60% from 7.20% in FY15. At the sectoral level, the growth rate for agriculture & allied sectors, industry and services sector for FY16 are estimated to be 1.1%, 7.3% and 9.2% respectively.

Industrial production remained subdued with decline in manufacturing activity in recent months. Nonetheless electricity generation remained resilient and is expected to sustain its performance backed by thermal supplies. Services sector activity expanded steadily through the year, with trade, hotels, transport, communication, public administration, defence and related services turning out to be the main drivers. The construction sector continues to be saddled with unsold inventory in the residential space, although commercial real estate is being boosted by demand from information technology (IT) and IT-enabled services. Agriculture and allied activities output moderated due to decline in kharif production during the year. However, the prospects of above normal monsoon in 2016 will provide enough boost to the economy.

Merchandise exports shrank by 15.9% in FY16 to \$261.1 billion amid weak overseas demand, a slump in commodity prices and currency volatility. Reflecting a slowdown in the domestic economy, especially in the manufacturing sector, the goods imported contracted by 15.3% to \$379.6 billion. The trend of falling exports is

in tandem with other major world economies.

Inflation remains under control. The Consumer Price Index (CPI) has fluctuated around 5% to 5.50%. Going forward, CPI inflation is expected to decelerate modestly and remain under 5% during most of the FY17.

Indian economy is now on the threshold of a major transformation, with expectations of policy initiatives by Central government and RBI. The economy is on the road to recovery due to positive business sentiments, improved consumer confidence, controlled level of inflation and lower fiscal deficit.

### 1.3 Kerala Economy

Kerala is known for its high quality of human development which is getting enhanced at a significantly higher pace in recent years as against the rest of the country. With both urban and rural areas of Kerala reporting asset holdings much higher than all India average, the state is ranked among the top three Indian states.

Gross Value Added (GVA) growth rate (base year 2011-12) in FY15 is estimated to be 6.20% as compared to 4.34% in FY14. During FY15, the contribution from primary, secondary and tertiary sectors to the Gross State Value Added (GSVA) at constant prices (2011-12) was 12.15%, 25.11% and 62.74% respectively.

Tourism and remittances from abroad, continue to play an important role in the growth of Kerala's economy. The last two decades have seen a boom in Tourism sector in Kerala. Currently the contribution of Tourism to the Kerala economy is over 10%.

Recognizing the importance of infrastructure, the State has during the last four years given a thrust to major projects like the Kochi Metro, Vizhinjam Port and Kannur Air Port. These projects are expected to bring about major transformation in the State economy. The framework for the development of the Kerala Perspective Plan 2030 has also been conceived in terms of innovation-embracing entrepreneurs at the centre of the economy, with eight pillars of institutional elements, infrastructure, health and primary education, quality of higher education, labour market efficiency, development of financial Sector, technological readiness and innovation built on the foundational elements of environmental sustainability and social sustainability. This will boost Kerala's competitiveness and improve its future economic outlook. In short, the overall economic environment is conducive to generate good business, particularly on credit side, in the upcoming year.

### 1.4 Banking Environment

The resilience and stability of the domestic financial system have become essential to the country's macroeconomic stability, particularly in an increasingly integrated world. The Indian banking system is resilient enough to face any adverse economic situation. The sector has passed the financial crisis without any copious impact on the banks' balance sheet, which was mainly due to strong regulations and less exposure to the global economy. However, at present the Indian banking system is undergoing a critical phase, with high level of NPAs, need for additional capital for expansion, etc.

In a view to build a robust and resilient financial system, RBI has taken a number of steps in 2015-16. Some of them are stringent capital and liquidity measures for Commercial Banks and steps to build up Capital Conservation Buffers (CCB) and implementation of the Liquidity Coverage Ratio (LCR). Additionally, the Net Stable Funding Ratio (NSFR) is scheduled to be implemented from January 1, 2018, which will require banks to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities.

RBI has also asked banks to implement marginal cost-based lending rate (MCLR), from 1<sup>st</sup> April, 2016, to benchmark the lending rate for the new borrowers. The banks have implemented the MCLR and it is about 5 to 65 basis points lower than banks' base rate. MCLR is expected to improve transparency in the methodology followed by banks for determining interest rates on advances.

In FY16, the growth rate of deposits and advances of the banking system have declined. Growth in Aggregate deposits of the banking system declined to a historic low of 9.9% in FY16 (for the fortnight ended 18 March, 16), compared to 10.7% in FY15 (fortnight ended 20 March, 15). While, credit grew at a higher rate of 11.3% in FY16 (18 March, 16), compared to 9.0% in FY15 (20 March, 15), the incremental lending during the financial year has been mostly to the personal loan segment.

In a move to increase financial inclusion in the country, RBI has issued a total of 23 new banking licences (2 Universal Bank, 11 Payment Bank and 10 Small Finance Bank) in 2015. This may increase competition for deposits and remittance business.

Against this backdrop, FY17 will be a challenging year for the banking sector. The key focus areas for the Indian banks would include liquidity management, gainful deployment of funds, maintaining asset quality,

improving Capital adequacy, Strong Risk Management and increased use of technology to drive business and improve profitability. Financial inclusion and talent management would also require greater focus.

### 1.5 ASCB Performance

All Scheduled Commercial Banks' (ASCB) Deposits grew by ₹7,93,010 crore (9.24%) between 20<sup>th</sup> March, 2015 and 18<sup>th</sup> March, 2016 to reach ₹93,78,650 crore as on 18<sup>th</sup> March, 2016. The Gross Advance grew by ₹7,12,968 crore (10.86%) in the same period to touch ₹72,77,648 crore. Food credit increased by 11.48% to ₹1,05,254 crore. Non Food credit grew by 10.85% and reached the level of ₹71,72,394 crore.

### 1.6 Regulatory Measures and Monetary Policy

The year 2015-16 witnessed a series of monetary measures initiated by Reserve Bank of India to contain rising inflation and arresting the weakening of rupee. Further, liberalisation in the Branch Authorization Policy and adoption of more stringent security measures for electronic payment system were announced.

RBI issued 6 Bi-monthly Monetary Policy statements during the year under review, in April, June, August, September and December, 2015 and in February, 2016. Some of the main policy changes and reforms announced by RBI are as under:

Repo rate under the Liquidity Adjustment Facility (LAF) has been reduced by 25 basis points from 7.5 per cent to 7.25 per cent from June 02, 2015 and further by 50 basis points from 7.25 per cent to 6.75 per cent from September 29, 2015.

- Cash Reserve Ratio (CRR) of Scheduled Commercial Banks has been maintained at 4.0 per cent of Net Demand and Time Liability (NDTL).
- Increased liquidity provided under 7-day and 14-day term repos.

RBI vide circular dated 23.04.2015 has issued guidelines revising Priority sector norms. The salient features of the guidelines are as under:-

- Categories of the priority sector: Medium Enterprises, Social Infrastructure and Renewable Energy will form part of priority sector, in addition to the existing categories.
- Agriculture: The distinction between direct and indirect agriculture is dispensed with.
- Small and Marginal Farmers: A target of 8 percent

of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, has been prescribed

- Micro Enterprises: A target of 7.5 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, has been prescribed for Micro Enterprises, to be achieved in a phased manner i.e. 7 percent by March 2016 and 7.5 percent by March 2017.
- There is no change in the target of 10 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, for Weaker Sections.
- Bank loans to food and agro processing units upto an aggregate sanctioned limit of ₹100 crore per borrower from banking system will form part of ancillary activities under Agriculture.
- Export credit: Export credit up to 32 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, will be eligible as part of priority sector for foreign banks with less than 20 branches. For other banks, the incremental export credit over corresponding date of the preceding year will be reckoned up to 2 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher.
- The loan limits for housing loans and MFI loans qualifying under priority sector have been revised.
- The priority sector non-achievement will be assessed on quarterly average basis at the end of the respective year from 2016-17 onwards, instead of annual basis as at present.

## 2. The Bank's operations and performance

**2.1** The Bank continued the process of consolidation during FY 2015-16. While, there were not much greenfield investment happening in the corporate sector and with the credit off-take not picking up to the expected levels, concerted efforts were made to reduce interest expenditure and thereby to improve the operating profit. Conscious efforts were made to reduce Bulk deposits, high cost deposits and borrowings to reduce interest expenditure and thereby improve Net Interest Income.

The bulk deposits (including CDs) have come down by over ₹2,613 crore during the year, and consequently the bulk deposit ratio has come down from 13.24% as on 31<sup>st</sup> March, 2015 to 9.34% as on 31<sup>st</sup> March, 2016.



This, together with improvement of CASA and lowering of interest rates on deposits has resulted in the cost of deposits coming down from 7.32% as on 31<sup>st</sup> March, 2015 to 6.94% as on 31<sup>st</sup> March, 2016.

## 2.2 Total Business

The Total Business of the Bank stood at ₹1,68,123 crore as on 31<sup>st</sup> March, 2016 against ₹1,60,984 crore as on 31<sup>st</sup> March, 2015. It comprises of Total Deposits of ₹1,01,119 crore and Gross Advances of ₹67,004 crore.

## 2.3 Working results and Operating Profit

The Operating Profit for the year ended 31<sup>st</sup> March, 2016 grew by 31.06% from ₹1,372.16 crore as on 31<sup>st</sup> March, 2015 to ₹1,798.33 crore as on 31<sup>st</sup> March, 2016. The Net Profit for the year stood at ₹337.73 crore as compared to ₹335.53 crore for FY 2014-15. The earnings per share (face value of ₹10) was ₹47.50 as on 31<sup>st</sup> March, 2016 as against ₹56.63 as on 31<sup>st</sup> March, 2015.

## 2.4 Dividend

The Bank declared a dividend of ₹5 per equity share of face value ₹10 each for the year (previous year dividend ₹5 per equity share) to the shareholders, entailing a total payout of ₹35.55 crore. The dividend payout Ratio works out to 10.53% of Net Profit.

## 2.5 Capital and Capital Adequacy

During the year, the Bank has allotted 1,18,50,694 equity shares of ₹10 each fully paid up for cash at a price of ₹400 including a Premium of ₹390 per equity share aggregating to ₹474.03 crore on Rights basis to the existing equity shareholders of the Bank in the ratio of 1(One) fully paid-up equity share for every 5(Five) equity shares held as on Record Date i.e. 04<sup>th</sup> March, 2015. The Bank made the allotment of the equity shares on 13<sup>th</sup> April, 2015 against the share application money held as on 31<sup>st</sup> March, 2015.

The Bank has also raised ₹515 crore to augment the Capital resources by issuing Basel III compliant Tier II bonds. These bonds are listed on National Stock Exchange of India Ltd.

Under Basel III, the Bank's capital position improved from ₹6636.65 crore as on March 31, 2015 to ₹7317.40 crore as on March 31, 2016 and the Capital Adequacy Ratio improved from 10.89% as on March 31, 2015 to 11.60% as on March 31, 2016 against a minimum of 9.625% stipulated by RBI.

The Capital Adequacy Ratio under Basel II improved from

11.63% as on March 31, 2015 to 12.50% as on March 31, 2016.

## 2.6 Deposits

Bank's Aggregate Deposits showed a growth of 11.23% and stood at ₹1,00,473 crore as on 31<sup>st</sup> March, 2016 compared to ₹90,328 crore in the previous year. Total Deposits of the Bank (including Inter Bank Deposits) grew by ₹10,042 crore to ₹1,01,119 crore as on 31<sup>st</sup> March, 2016 as against ₹91,077 crore as on 31<sup>st</sup> March, 2015.

More than 50% of growth under Total Deposits came from CASA deposits, which grew by ₹5,073 Crore. The CASA Ratio improved from 29.79% as on 31<sup>st</sup> March, 2015 to 31.84% as on 31<sup>st</sup> March, 2016.

## 2.7 Advances

The Gross Advances of the Bank stood ₹67,004 crore as at the end of 31<sup>st</sup> March, 2016 as against ₹69,907 crore a year ago, recording a negative growth of ₹2,903 crore (-4.15%) due to sluggish credit off-take coupled with macroeconomic conditions. Personal segment advance grew by ₹1,959 crore, SME advance grew by ₹883 crore whereas the advance in C&I & Agriculture segment declined by ₹2,856 crore & ₹2,889 crore respectively.

The retail lending stood at ₹35,481 crore and constituted 52.95% of the Total Advances as at the end of 31<sup>st</sup> March, 2016.

The Credit Deposit Ratio (Gross Advance to Aggregate Deposits) stood at 66.69% as on 31<sup>st</sup> March, 2016 as against 76.76% as on 31<sup>st</sup> March, 2015.

## 2.8 Market Share

The Bank's market share in ASCB Deposits has increased from 1.05% as on 20/03/2015 to 1.08% as on 18/03/2016 (last reporting friday data of RBI). The market share in Advances has come down from 1.06 % as on 20/03/2015 to 0.92% as on 18/03/2016. The Bank's All India Market share in total business as on 18/03/2016 stood at 1.01%.

The Bank continued to maintain its position as the premier Bank in Kerala with a market share of 19.78% in business among all Commercial Banks (as at the end of December 2015) with a share of 13.88% of the total branch network. In respect of NRI deposits, Bank's market share in the State is 24.20% (Source: SLBC, Kerala).

## 2.9 Priority Sector Lending

The Bank continued to give special emphasis on lending to the priority sector in conformity with national policies, expectations and for fulfillment of social objectives.

Bank's Gross Advances to the Priority sector was ₹27,793 crore as on 31<sup>st</sup> March, 2016 as against ₹27,609 crore as on 31<sup>st</sup> March, 2015 and constituted 38.74% of the Adjusted Net Bank Credit against the benchmark of 40%.

## 2.10 Agricultural Finance

The Bank disbursed an amount of ₹5,681 crore under Agriculture segment during the financial year 2015-16 against the Special Agricultural Credit Plan target of ₹7,000 crore. Exposure to Agriculture segment stood at ₹9,326 crore (including RIDF) as on 31<sup>st</sup> March, 2016, which is 13.00% of Adjusted Net Bank Credit, against a benchmark of 18%.

The Bank had conducted an intensive Agricultural lending campaign, called "HARITHOLSAVAM" from 01/07/2015 to 30/09/2015, to give thrust to agriculture lending.

The Bank celebrated Farmers Day on Chingam 1 (17/08/2015) in association with Krishi Bhavans and Animal Husbandry Department at various centres. Progressive farmers were felicitated on the occasion.

The Bank ranked first in the category of Nationalised Banks on the basis of credit linkage to neighbourhood groups (NHGs) sponsored by Kudumbasree Mission. The award was presented by the Hon'ble Chief Minister of Kerala in the 17<sup>th</sup> Anniversary Function of Kudumbasree on 03/09/2015 at Malappuram.

## 2.11 Lending to Micro, Small and Medium Enterprises (MSMEs)

MSMEs play a major role in the country's economic development. The Bank gives due importance for the growth of this vital segment of the economy. Total lending to MSME sector as on 31<sup>st</sup> March, 2016 stood at ₹12,432 crore. The lending to Micro and Small Enterprises (MSEs) stood at ₹9,276 crore.

The Bank received the National Conference & Excellence Award on empowering MSME 2016 for outstanding performance in MSME Lending from Federation of Industry Trade and Services.

Bank also received MSME Banking Excellence Awards 2015 from Chamber of Indian Micro, Small & Medium Enterprises for Best Bank for Eco Technology under "Emerging Banks" Category.

## RTO – Tie up arrangement

Road Transport Operators (RTO) is an important sub segment under service segment. Outstanding under RTO segment, as on 31<sup>st</sup> March, 2016 is ₹280 crore comprising

of 7792 accounts.

## Prime Minister's Employment Generation Programme (PMEGP)

The Bank has been actively supporting the programme to generate employment for youth and stood first in the State of Kerala, surpassing the targets. The Bank financed 296 projects against the target of 171 projects. The total outstanding under PMEGP scheme was ₹59 crore to 2,313 beneficiaries as on 31<sup>st</sup> March, 2016.

## Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)

The Bank is a Member Lending Institution of CGTMSE which provides guarantee cover to collateral free loans upto ₹1 crore. The Bank made it mandatory to cover all eligible accounts up to a limit of ₹50 lacs under CGTMSE. As on 31<sup>st</sup> March, 2016, 16518 accounts with limits aggregating to ₹758 crore stood covered under the scheme.

## Specialised MSME Branches:

The Bank is having 10 specialised MSME Branches in Kerala to cater to the needs of MSME clientele.

## Loan Origination Software (LOS):

The Bank has implemented Loan Origination Software (LOS) as a process of digitalisation of SME Loan processing mechanism. It integrates sourcing, sanctioning and documentation processes.

## Dealer Finance Scheme (e-DFS and m-DFS):

The Bank has introduced a new product as Dealer Finance Scheme to provide credit facility to dealers of Industrial Majors for carrying inventory. The scheme operates on the Bank Internet Banking platform. The Bank has entered into tie up arrangement with five Industrial Majors in various parts of the country.

## Pradhan Mantri Mudra Yojana

The Bank has implemented 'Pradhan Mantri Mudra Yojana' (PMMY), a flagship scheme of Government of India which was launched by the Hon'ble Prime Minister. The Bank has taken many initiatives to make the public aware of the scheme details as per Government of India guidelines and has made a Credit delivery of ₹335 crore under the scheme to 19470 beneficiaries.

## Vizhinjam Port Package

As a novel initiative, the Bank has bundled 7 MSME products and introduced Vizhinjam Port Package to cater to the needs of MSME customers who would be

associated with the launch of Vizhinjam International Seaport Project.

## 2.12 Commercial & Institutional Finance

The Bank's performance under this segment stood at ₹31,523 crore as on 31<sup>st</sup> March, 2016 as against ₹34,379 crore as on 31<sup>st</sup> March, 2015. The share of C&I segment to Total Advances came down from 49.18% as on 31<sup>st</sup> March, 2015 to 47.05% as on 31<sup>st</sup> March, 2016. This segment comprises of financing Manufacturing sector, Industry, Trade, Services, Infrastructure, Corporate customers, NBFC and other institutions.

In order to have greater focus on large value advances the Bank has 15 branches under Commercial Network, which are highly specialized with better infrastructure facilities. The Bank has opened two Mid Corporate branches during the year which is part of Commercial Network branches. The Total Advances of these 15 branches stood at ₹27,456 crore as on 31<sup>st</sup> March, 2016, representing 40.98% of Total Advances of the Bank.

Large value advances were migrated from retail branches to specialized Commercial Business Network branches in various centers having necessary infrastructure and expertise for better monitoring and also to provide timely service to these customers.

## 2.13 Personal Segment Deposits

Deposits under Personal segment grew from ₹71,176 crore as on 31<sup>st</sup> March, 2015 to ₹81,866 crore as on 31<sup>st</sup> March, 2016, thus recording a growth of ₹10,690 crore (15.02%). Domestic Deposits grew by ₹4,676 crore while NRI deposits grew by ₹6,014 crore. The share of Personal Deposits in the Aggregate Deposits of the Bank improved from 78.80% in 2014-15 to 81.48% in 2015-16.

## 2.14 Personal Segment Advances

The Bank continued to be active in extending finance to Personal Segment, mainly by way of Housing Loans, Car Loans, Education Loans and Gold Loans.

The Personal Segment Advances increased by ₹1,959 crore during the Financial Year and the level stood at ₹20,743 crore as on 31<sup>st</sup> March, 2016, compared to ₹18,784 crore as on 31<sup>st</sup> March, 2015.

During the year, 12767 housing loans aggregating to ₹2,266 crore were sanctioned and the outstanding amount stood at ₹11,046 crore as on 31<sup>st</sup> March, 2016. Similarly, 10264 Vehicle loans aggregating to ₹594 crore were sanctioned during the year and the outstanding amount stood at ₹1,522 crore as on 31<sup>st</sup> March, 2016.

The Bank continued to support the younger generation to pursue higher studies by extending Education Loans under IBA Model Scheme. During the year under review, 4409 Education Loans amounting to ₹194 crore were sanctioned, taking the total outstanding amount to ₹2,048 crore as at the end of March, 2016.

## Social Banking

Central Scheme to provide Interest Subsidy on Education Loans whose parental annual income falls within the Government stipulated ceiling has been implemented. Subsidy amount of ₹81.27 crore pertaining to the education loans sanctioned by the bank was received during this year and credited to the respective accounts of borrowers. The Bank has integrated with Vidyalakshmi Portal – The Government of India initiative – for sourcing of Education Loan application through online facility.

## 2.15 Treasury Operations

Integrated Treasury performs the treasury functions of the Bank, ensuring safety, liquidity and optimizing yields / returns from investments, besides maintaining statutory reserve requirements.

The Gross Investments of the Bank stood at ₹36,123 crore as on 31<sup>st</sup> March, 2016 as against ₹24,846 crore as on 31<sup>st</sup> March, 2015 (After reducing RIDF/ SIDBI/ RHDF deposits as per revised guidelines of RBI).

The interest discount and dividend income from domestic investment portfolio for the year was ₹2,502 crore as against ₹ 2,223 crore for the previous year. The average yield on investments was at 7.81% during the year as compared to 7.63% during the previous year ended 31<sup>st</sup> March 2015. The Bank earned a profit of ₹247 crore from Domestic Treasury Operations during the year compared to ₹236 crore during the previous year ended 31<sup>st</sup> March 2015. The total exchange earnings from Forex Operations during the year was ₹94 crore as against ₹102 crore as on 31<sup>st</sup> March, 2015.

## 2.16 International Banking

The Bank has 77 Authorised Dealer branches across India which undertakes Forex transactions on behalf of customers. The Bank's total Forex turnover during the year from Merchant transactions was ₹27,187 crore (\$4,103 million) compared to ₹26,083 crore (\$4,173 million) during the previous year. Inter-Bank turnover stood at ₹11,67,714 crore as against ₹7,06,094 crore during the previous year.

The export finance extended by the Bank stood at ₹1,984 crore. The Bank also provides cheaper loans in foreign

currency under FCNR Loan scheme. The outlay of FCNR Loans as of 31<sup>st</sup> March, 2016 stood at \$306.25 million.

The Bank has entered into an agreement with Export Credit Guarantee Corporation of India (ECGC) to cover its export credit portfolio. Accordingly eligible accounts have been covered with ECGC under the Whole Turnover Packing Credit Guarantee (WTPCG) and Whole Turnover Post Shipment Guarantee (WTPSG).

Foreign Travel Card has been introduced in 7 currencies viz. USD, EURO, GBP, CAD, AUD, SGD and SAR.

The Bank would shortly be introducing FX-Out, an online forex product, which will enable all branches to make remittances abroad within the overall ceilings stipulated under Liberalised Remittance Scheme (LRS), up to a maximum amount of ₹10 lakhs at a time, in any of the six currencies.

The Bank has implemented the reporting of Foreign Direct Investment and Overseas Direct Investment through online mode to RBI.

With a view to speeding up issuing of Bank Realisation Certificate (issued to exporters) for claiming export incentives and as part of message exchange initiative of Directorate General of Foreign Trade (DGFT), the Bank issues digital transmission of Bank Realisation Certificate (e-BRCs) through DGFT website.

To improve the operating skills of the officials handling forex business, the Bank has conducted 3 in-house training programmes, one FEDAI workshop and a series of one day workshops at various centres. Interactive sessions for customers were also arranged at different centers of the country for clarification of queries of customers in connection with forex transactions.

### 2.17 Cross Selling

The Bank has been constantly endeavoring to meet the financial requirements of its customers by making available various insurance and investment products. It includes Life Insurance products of SBI Life Insurance Company Ltd., General Insurance products of SBI General Insurance Company Ltd. and Mutual fund products of SBI Mutual fund. Bank also offers Credit cards of SBI Cards and extends the service of Demat Accounts and 'Three in one' Accounts in association with SBI Cap Securities Ltd. Bank has enabled the insurance coverage to about 6 lakh customers under the Pradhan Mantri Social Security Schemes.

The Bank earned an amount of ₹14.37 crore (net of Taxes)

from cross selling business in FY15 –16 as against ₹12.59 crore during FY 14–15, thereby recording a YoY growth of 14.14%.

### 2.18 Asset Quality

Despite the uncertain economic environment, the Bank continued to give special focus to improve the quality of Assets and to ensure building up of well performing loan portfolio. The Gross NPA level of the Bank as on 31<sup>st</sup> March, 2016 stood at ₹3200 crore and its percentage to Gross Advance stood at 4.78% compared to 3.37% as on 31<sup>st</sup> March, 2015. The Net NPA level of the Bank as on 31<sup>st</sup> March, 2016 stood at ₹1814 crore. The percentage of Net NPA to Net Advances was 2.77% as on 31<sup>st</sup> March, 2016 compared to 2.04% as at the end of the previous year.

A well-built monitoring mechanism for recovery has been put in place by constituting a Board level Committee, besides a High Power Task Force Committee with Top Executives as members to review the Non-Performing Assets and build momentum for recovery. e-auctions has been made mandatory for assets auction valued ₹5 lacs and above through DRTs and sale under SARFAESI Act to help break cartelization in auctions and allow general public to freely participate.

As a strategic initiative to liberalize the approach of NPA recovery in Education Loan portfolio which is not fully secured and where the feasibility of recovery through various alternative means seems bleak, a new liberalised OTS scheme named Karunya has been introduced for the FY 2015-16.

The Bank is continuously engaged in providing the right kind of rehabilitation package to sick units to ensure revival of potentially viable sick industrial units. As on 31<sup>st</sup> March, 2016, Rehabilitation/ Restructuring packages are under implementation in respect of 299 units with a total exposure of ₹5,526 crore, of which, 37 units are under CDR scheme with an exposure of ₹2,875 crore and 39 units are under BIFR scheme with an exposure of ₹1,249 crore.

### 2.19 Government Business

The Bank maintains its status as the Principal Banker to Government of Kerala. The Bank has been authorized by Reserve Bank of India to handle State Government Business at 145 branches in the State of Kerala and 1 branch in Tamil Nadu. 434 Post Offices are linked with the branches, with a total turnover of ₹6,443 crore. More Post Offices are coming forward to open their accounts with the Bank as per the Government Policy for linking of Post



Offices with the banks. The Bank is undertaking Railway transactions in 37 branches.

194 branches of the Bank are authorized by CBDT for collection of Direct Taxes (134 branches in Kerala and 60 branches outside Kerala) and 148 branches are authorized by CBEC in Kerala for Indirect Taxes.

The Bank is a Banking partner of the Government of Kerala in the e-tender/e-procurement project. e-payment facility launched by the Government of Kerala, through the Bank for the payment of Commercial Taxes is well received by the business community and the Bank recorded a Turnover of ₹13,036 crore for FY 15-16. e-payment of Kerala State Excise License Fee, Rent, Vehicle Tax, Duty, collection of petty case penalties and import fee etc are enabled through SBT online.

Other e-payment initiatives include collection of Karnataka State Government Taxes, Transport, Commercial and Sales Tax of Tamil Nadu and Professional Tax and Sales Tax payment of Maharashtra State Government. Bank also initiated collection of property tax online in selected Corporations, Municipalities and Panchayats in the state of Kerala.

Online facility for remitting fees for UPSC examinations, CUSAT and fee collection for Calicut University is enabled through SBT online. The Scholarship payments of Kerala State Higher Education and Technical Education are centrally processed by the Bank and credit given to the beneficiaries account.

The Centralized Pension Processing Cell (CPPC) handles pension payments. As on 31<sup>st</sup> March, 2016, 148517 pensioners are being serviced through this cell.

The Bank is having 110 currency chest branches in Kerala, one in Karnataka and eight in Tamil Nadu with a total of 119 currency chests. In FY 15-16, the Bank earned Commission to the tune of ₹64.71 crore by conducting Government business.

### Linkage of Sub-Treasuries

During the year, 13 Sub-Treasuries have been linked with branches taking the total number of branches linked to Sub-Treasuries in Kerala to 145.

### New Initiative

Sukanya Samridhi Account: Government of India introduced a new deposit scheme called "Sukanya Samridhi Account" exclusively for the benefit of the girl child, which was implemented by the Bank from June 2015. An amount of ₹6.71 crore was mobilized from 2219

accounts upto 31<sup>st</sup> March, 2016.

Sovereign Gold Bond Scheme: Subscription to Sovereign Gold Bond Scheme of Government of India has been done through Bank and first tranche and second tranche issue has been completed successfully during the period. The Bank has mobilized an amount of ₹1.26 crore under this scheme.

### Collection of VAT/Commercial Taxes

The Bank got authorization for collection of e-payment of VAT and Commercial Taxes of NCT of Delhi during this financial year.

### 2.20 Electronic Payment Systems

Electronic Payments of the Bank are done by the Payment and Settlement Group located in Belapur, Navi Mumbai. All the branches of the Bank are enabled for RTGS/ GRPT/ NEFT remittances. The total number of outward electronic remittances for the year ended 31<sup>st</sup> March, 2016 was 1.53 crore registering an increase of 51%, over the previous year. While, the number of transactions under RTGS recorded a growth of 9%, GRPT outward transactions and NEFT transactions increased by 40% & 57% respectively, during the year.

## 3. Marketing initiatives and development of new products

The Bank continues to play its role in facilitating customer acquisition, retention and broadening of customer base by conducting segment centric marketing drives.

- The salary payments of employees of most of the State Government Departments and Corporates are disbursed through the Bank. Railway Salary Package, Police Salary Package and KSEB Salary Package were rolled out during the year, with attractive features to cater to the needs of the employees.
- The Bank is the preferred Bank for almost all State Government Departments.
- The Bank has tie-up arrangement with SBICAP Securities Ltd. for opening Demat & Trading accounts. 5469 Demat accounts were opened during the year.
- The Bank has also entered into tie-up arrangement with SBICAP Securities Ltd. for sourcing Demat & Trading Accounts for NRI customers through PIS accounts.
- Atal Pension Yojana (APY), a Government of India Scheme, to encourage the citizens of India to save

small amounts during their productive years to enable them to draw a pension during old age, was launched in the Bank during June, 2015. The scheme is administered by Pension Fund Regulatory and Development Authority (PFRDA). During the Financial Year 2015-16, 12987 customers have opened APY accounts.

- PFRDA has introduced the online facility (e-NPS) for opening of NPS accounts in order to address the tax planning of Individuals & Corporates. The Bank is designated for this facility. The customers can open and contribute for NPS through 'SBT online'. During the Financial Year 2015-16, 460 customers have opened NPS account through online.

The following schemes were rolled out during the year.

- **P&SB:** Certified Pre-Owned Car Loan Scheme, Education Loan- Smart Scholar Scheme, SBT Kaushal Skill Loan Scheme, Housing for all(Urban): Mission 2022, Two Wheeler Loan, Special Term Loan for setting up Solar Plants over residential building roof for KSEB employees.
- **MSME:** Vizhinjam Port Package, Asset Backed Loans –CRE, Rent Plus Scheme, Supply Chain Finance, Used Premium Car Loan, Mudra Loan, Credit Enhancement Guarantee Scheme and Stand up India scheme.

### 3.1 Honouring eminent personalities/ Institutions

Bank is honouring eminent personalities/ Institutions in various fields every year with "Prathibha Samman Award". This year the following eminent personalities/ Institutions have been honoured with the "SBT Prathibha Samman Award -2015":

Sl. No.	Category	Eminent Personalities/ Institutions honoured
1	Pravasi Indian	Sri. K. Muralidharan
2	Person of National Eminence	Sri. Adoor Gopalakrishnan
3	Eminent person/ Institution from Kerala	Kerala Social Security Mission

## 4. Customer Service

Customer service in the Bank is accorded top priority and every endeavour is made to improve the quality of service to the customers and redress their grievances.

A well-defined Customer Grievances Redressal Mechanism is put in place in the Bank. In order to collect the grievance/ feedback from the customers, which are a source of information for the Bank, Bank has implemented a centralized Complaint Management System (CMS) with effect from 05<sup>th</sup> Jan, 2015.

With the implementation of the centralized CMS, all the complaints received from various channels are entered into the CMS. Once the complaint is punched in CMS, an acknowledgement is generated along with the ticket number, which is immediately communicated to the customer. Once the resolution submitted by the branch is approved by the controller, the complaint is closed in CMS. A message is sent to the customer conveying the details of resolution.

The complaints which are received by way of letters are now scanned and uploaded in the CMS and available to branch on real time for redressal there by, saving a lot of time in resolution of grievance.

Various reports on the number of complaints received / disposed / pending in the Bank as a whole are appraised to the Customer Service Committee of the Board. The Standing Committee on Customer Service, constituted pursuant to the Tarapore Committee recommendations also reviews the quality of customer service extended in the Bank at regular intervals. The committee examine all issues that have a bearing on the quality of customer service provided to individual depositors and borrowers.

While these are structured meets, the customers are free to meet the Branch Managers / other Officials at Administrative Offices to discuss their grievances. "Open House Meet" is conducted on 15<sup>th</sup> of every month. Top functionaries at Administrative Offices and Branch Managers will be present in the Branch / Office to meet the customers between 3.00 PM to 5.00 PM without prior appointment.

As a proactive measure, apart from acknowledging each complaint immediately on receipt, senior officials at Customer Service Department endeavor to contact the complainant personally wherever contact numbers are available. The complaints at Head Office / Zonal Office level have been reduced substantially. This has created a very positive effect on the customers and is widely appreciated by them.

The Bank has also provided Toll free number 1800 270 2525 to know their account balance and also established a call centre with toll free number 1800 425 5566 which enables the customers and general public to seek

clarification on Bank's products, service etc. Adequate publicity through print and visual media is ensured throughout the year.

The Bank has provided various channels to receive complaints and grievances. These include SMS, email, missed call facility and contacting Controllers and Zonal Heads at Zonal Offices.

Training programmes are conducted regularly for staff on customer service and minimizing customer grievances. Further, all staff training programme of duration exceeding 3 days will have a session dedicated for sensitizing the staff and imparting soft skills required for handling irate customers. The bank conducts customer satisfaction surveys periodically to understand customers' perceptions of Bank's service and to identify priority areas for improvement of customer satisfaction.

As per Reserve Bank of India, Mumbai vide their letter No. CEPD.CO.PRS.516/13.01.01/2015-16 dated 15<sup>th</sup> July, 2015, the Bank has now appointed the Chief Customer Service Officer (CCSO) (Internal Ombudsman) w.e.f., Dec 17, 2015. In the case of complaints received by the bank, the bank shall examine the grievance as per its Internal Grievance Redressal Mechanism and in case the Bank decides to reject a complaint and or decides to provide only partial relief to the complainant, it should invariably forward such cases to the CCSO for further examination.

## 5. NRI Services

The NRI deposits recorded a growth of ₹6,014 crore during the year thereby achieving a year end level of ₹35,622 crore. Bank continues to maintain the Top position among Banks in the Kerala State in NRI deposits. As on 31<sup>st</sup> Dec, 2015, the Bank enjoys a market share of 24.20% among All Scheduled Commercial Banks (ASCB) in the State of Kerala.

The NRI deposits constitute 35% of Bank's Total Deposits and 44% of the Personal Segment Deposits.

In order to provide personalised service to the NRI Customers, Bank has 12 specialized NRI branches. 3 Relationship Managers were deputed to the Gulf countries during the year to strengthen Bank's international presence, taking the total number of Relationship Managers posted abroad to 13.

Tie-up arrangements were established with 2 Exchange Houses in UAE during the year, taking the total number of such tie-ups to 45. The Bank proposes to increase the total no of tie-ups to 50 during the FY 2016-17. Inward remittance to the tune of ₹44,000 crore (approximately)

were received through these Exchange Houses during the year.

An advanced version of the speed remittance arrangement on a real time basis, "SBT FLASH" which started with one exchange House in 2014-15 was extended to 32 more exchange houses this year. The facility will be extended to the remaining Exchange Houses during FY 2016-17.

Further, in order to boost the forex income, Bank is managing two exchange houses, M/s City Exchange, UAE and M/s Global Money Exchange, Sultanate of Oman. In addition, Bank is maintaining a Representative Office in Dubai for extending better customer service, as also to maintain close liaison with exchange houses for improving remittance business.

'SBT NRI Family Card', a prepaid card for hassle free remittance and rechargeable through Internet Banking was introduced in FY 15-16.

In order to reach the customers at their door step from highest level, Managing Director and Chief General Manager (RB) paid visit to UAE and Oman in FY 15-16.

## 6. Lead Bank Scheme

The Bank is undertaking Lead Bank activities in three districts of Kerala State viz. Alappuzha, Kottayam and Pathanamthitta. The District Credit Plans for the year 2015-16 were launched in the lead districts during March 2015.

The Lead Banks initiated several steps for successful implementation of DBT/ DBTL/ PMJDY/ PMMY/ APY schemes. Counseling for students seeking educational loans, Financial Literacy seminars and Entrepreneur development programmes for different target groups were also arranged in the lead districts.

### 6.1 Rural Self-Employment Training Institutes (RSETIs)

The Bank has sponsored 4 RSETIs in Wayanad, Pathanamthitta, Alappuzha and Kottayam for providing skill up-gradation trainings to the rural youth with focus on Below the Poverty line (BPL) category.

During the current year, 3312 persons have been trained in these RSETIs. Majority of the trainees have been successful in starting self-employment ventures. The courses for which training is imparted include - beautician course, ornaments manufacturing, Mobile Phone Servicing & Repairing, aluminum fabrication, tailoring, textile ornamentation and off-site Driving

programme. Computer based programmes like Tally, DTP and hardware servicing have also been imparted.

RSETIs also imparted EDP training to beneficiaries selected under Kerala State Entrepreneurs Development Mission (KSEDM). All the four RSETIs have been awarded "AA" grade by Ministry of Rural Development.

## 6.2 Financial Literacy Centre (FLCs)

Bank has 17 Financial Literacy Centres (FLCs) in Kerala. The main objectives of the FLCs are to provide free Financial Literacy /Education and Credit Counselling, through face to face interaction, with individuals /groups and educating people on proactive and early savings, different banking products and services available to them from Banks and other Financial Institutions.

## 7. Financial Inclusion

Financial Inclusion (FI) is delivery of banking services at an affordable cost to the vast sections of the disadvantaged and low-income groups. The Government of India launched 'Prime Minister's Jan Dhan Yojana' (PMJDY) in 2014. For this, surveys of households were conducted to identify the excluded populations and opening of PMJDY accounts for them. The Service Areas of the branches have been further divided into Sub Service Areas (SSAs), depending on the number of households (1000 to 15000 Households per SSA).

The Bank has entered into a MoU with M/s CSC e-Governance Services India Ltd., which is a Special Purpose Vehicle (SPV) setup by the Ministry of Telecommunications and IT. As per the MoU, CSC is providing the Business Correspondents (BCs) through IT Mission of Kerala in all the SSAs in Kerala that are not covered by the Bank Branch network. The Business correspondents of the Bank in Kerala, are the Akshaya Entrepreneurs who are recruited by IT Mission, Kerala.

838 SSAs have been allotted to the Bank in Kerala and 15 FI villages in Tamil Nadu. Of which, in Kerala 511 SSAs are covered by the Bank Branches and 327 by Akshaya Entrepreneurs. In Tamil Nadu 10 FI villages are covered by various Bank branches and 5 FI villages are covered by Bank BCs.

All the BCs are working in "Kiosk Banking" Platform. "Kiosk Banking" is application software developed by Tata Consultancy Services (TCS) for State Bank of India and shared by SBI with all Associate Banks. It is an internet based robust and secure biometric platform for carrying out banking operations.

During the year, the Bank has opened 60735 accounts through the BCs. The Kiosk Banking module is interoperable ie., transactions of other Banks' customers are enabled through Aadhaar Enabled Payment System (AEPS) and also for ATM debit card transactions. Remittances to any account with any Bank in India are also enabled in Kiosk Banking. The Bank customers can make loan repayment in the BC counters. All the above services are free except for the remittances made to other Banks.

The Bank has opened 30.02 lacs No-frill accounts, of which, over 90% of the accounts were opened in Kerala. Under the Prime Minister's Jan Dhan Yojana, the Bank has opened 5.17 lacs accounts.

### 7.1 AADHAAR seeding to customer accounts

The Bank's percentage of Aadhaar seeding in all SB accounts is 46.91%. The percentage of Aadhaar seeding in PMJDY accounts is 82.93%, which is the highest in the country. The Aadhaar seeding in Central Government Pensioner accounts stands at 81.33%.

### 7.2 Direct Benefit Transfer (DBT) –DBTL, NACH, PFMS & ECS Transactions

The Bank has a dedicated DBT Branch at Thycaud, Thiruvananthapuram for handling all electronic payments through Aadhaar Based Payments System (APBS), Public Financial Management System (PFMS), Electronic Clearing System (ECS) etc. The DBT Branch is processing most of transactions through National Payment Corporation of India (NPCI), using the National Automated Clearing House (NACH) platform.

The Bank is the sole Banker for payment of MGNREGA wages in the state of Kerala.

The Bank is acting as sponsor bank to all DBT schemes like Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), Indira Awas Yojana (IAY), Janani Suraksha Yojana, Directorate of Public Instruction (DPI Students' Scholarships), Chief Minister's Distress Relief Fund and Social Security Pension (DOP) payments.

In addition to above, the Bank is sponsor bank for payments under Rubber Board Subsidy Scheme and Cashew Board Subsidy Scheme of the Government of Kerala.

The branch has processed 3.88 crore of DBT/DBTL transactions amounting to ₹3,564 crore during the financial year. SMS alerts are sent on credit of subsidy under DBT/DBTL to the beneficiaries. During the year



26.48 lacs of SMS alerts were sent. No SMS charges are levied to these customers.

On 01<sup>st</sup> Jan, 2016, Ministry of Rural Development, Government of India launched National Electronic Financial Management System (NEFMS) piloted in Kerala with SBT as the sponsor bank. Under the new scheme, unskilled wage component of MGNREGA is being disbursed. During the period the Bank has processed 34.24 lacs transactions amounting to ₹361.52 crore.

## **8. Support to Weaker Sections**

### **8.1 Assistance to Schedule Caste/Schedule Tribes (SC/ST)**

The Bank continues to give due importance to extending financial assistance to meet the credit requirements of the SC/ST citizens. A Credit Cell is functioning at Head Office under the control of Deputy General Manager (MSME) for monitoring flow of credit to these communities. Advances to SC and ST borrowers under Priority sector aggregated to ₹4,118 crore constituting 14.82% of priority sector lending.

### **8.2 Assistance to Minority Communities (MC)**

The Bank continues to give due importance in extending financial assistance to meet the credit requirements of the Minority Community borrowers. Advances to Minority Community borrowers under Priority sector stood at ₹11,632 crore as on 31<sup>st</sup> March, 2016, as against ₹10,718 crore as on 31<sup>st</sup> March, 2015, constituting 41.85% of the Bank's priority sector lending.

### **8.3 Lending to Women**

The Bank actively supported lending to women entrepreneurs. The total lending to women entrepreneurs stood at ₹7,406 crore covering 572368 borrowers. The exposure constitutes 10.32% of ANBC.

## **9. Information Technology – Technology Up-Gradation and IT Initiatives**

The Core Banking System has provided the Bank with state-of-the-art software that has greatly enhanced the efficiency of customer services, accelerated data processing capabilities, strengthened MIS, enabled efficient Asset Liability Management, reduced transaction cost and offered alternate channels to customers for transactions.

### **9.1 Alternate Delivery Channels**

The CBS has facilitated effective implementation of Alternate Channels viz., Automated Teller Machines

(ATMs), Cash Depositing Machine (CDM), Cash Recyclers, Internet Banking, Mobile Banking, Green Channel Counters (GCC), Point of Sales terminals (POS), Pre-paid cards and Self Service Kiosks (SSK). The Internet Banking facility is recognised to be the best among its class.

### **9.2 ATMs**

The Bank has a network of 1707 ATMs as on 31<sup>st</sup> March, 2016, out of which, 252 are Cash Recyclers. Out of the 1707 ATMs, 1345 ATMs are in Kerala & 362 ATMs are in other states.

The Bank's ATM cum Debit cards are accepted in all outlets having Master Card /Visa/ RuPay card logo. Several facilities such as Visa Money Transfer (VMT), SBI Credit Card payment, SBI Life Premium payment, Mobile recharge, Mobile Banking registration and Cheque Book order have also been enabled in the ATMs.

The Bank has a card base of 1.14 crore as on 31<sup>st</sup> March, 2016, which translates into an increase of 15.34% over the card base as at the end of the previous year.

### **9.3 Internet Banking**

The Bank's highly secure Internet Banking platform supported by encryption offers utmost security to Internet Banking customers against phishing / hacking threats and provides Intra-Bank / Inter-Bank funds transfer facility up to a limit of ₹500 crore per transaction for corporate customers.

1.71 lacs new registrations were activated during the current year, i.e, an increase of 19.62% over the registrations as at the end of previous year. Total number of Internet Banking registrations as on 31<sup>st</sup> March, 2016 is 1042633, out of which, the number of Retail customers is 939326 and Corporate clients is 103307. The average total transaction per branch stood at 19991. Bank could channelize 2.33 crore transactions during the FY 2015-16, through Internet Banking as against 1.71 crore transactions during the FY 2014-15. The average INB transactions per day stood at 63905 during the FY 2015-16 as against 47017 during the FY 2014-15.

Bank earned a commission of ₹11.30 crore through internet banking transactions during the financial year 2015-16 as against ₹8.44 crore during 2014-15.

### **Internet Banking Projects:**

SBT is the pioneer in various e-banking initiatives. The Bank is associated with the Government of Kerala as well as with Central Government & other State Governments for various e-governance initiatives. The major initiatives

are given below:

- Bank customers can now avail the facility to pay KSEB bills without any commission.
- Site-to-Site integration with Kerala State Electricity Board portal for collecting electricity bill online for bank customers has been done during the first week of February 2016.
- Bank has rolled out a powerful fee collection interface State Bank Collect in our Internet banking portal www.sbsonline.in. Many educational institutions, charitable trusts, Government organisations are presently availing this facility.
- e-payment of Tamil Nadu and Delhi commercial tax is enabled for Bank customers.
- Bank has a strong online shopping platform with the support of thirteen aggregators offering merchant transactions with nearly 8000 websites.
- SBI General Insurance Co Ltd premium payment option and SBI Life Insurance Co Ltd payment of renewal premium is enabled.
- Online SB account opening, online nomination registration, Online OD account opening, ATM PIN Generation, Pre-Paid Card registration and top-up are enabled through Internet Banking.

#### 9.4 Mobile Banking

**State Bank Freedom:** New version of Mobile Banking Application State Bank Freedom is made available for all kinds of handsets.

Mobile Banking provides customers with another safe, secure, fast and convenient channel for banking transactions. The services provided include enquiry services, funds transfer, IMPS, Demat account services, bill payment, mobile top-up, DTH recharge, M-commerce etc. The daily limit for MBS transaction is ₹50,000 for aggregate of funds transfer & transactions involving purchase of goods & services, within an overall calendar month limit of ₹2,50,000. Services like Mobile Top up, DTH recharge and IMPS (Inter Bank Mobile Payment System) also called as Immediate Payment System makes the transaction simple and faster and are available 24X7 even on holidays.

Besides existing facilities, Open and operate FD/RD facility, Feedback and Refer a Friend options are included in new version. IMPS is made live in INET (Internet) Channel for better availability.

**State Bank Anywhere Associate Banks:** State Bank Anywhere Associate Banks is a mobile application to operate Internet Banking. Presently, the application is available for Android and Apple iPhone users. Customer can use their active Retail - Internet Banking credentials to login to the application. This application does not need any separate registration.

**SBT Quick:** An SMS/Missed Call based service enabled with following features. Customers can register/deregister this service by sending an SMS "REGSBT<space> Account Number / DREG <space> Account Number" to 09223488888 from the mobile number recorded in CIF.

- Balance Enquiry: Give a missed call or send SMS 'bal' to 09223766666 to receive the account balance as SMS.
- Mini Statement: Give a missed call or send SMS 'bal' to 09223866666 to receive the account statement as SMS.
- ATM card blocking: SMS 'block <space> last 4 digits of ATM card number' to 567676.

#### 9.5 Other Software Initiatives and Value Added Applications

Following are the major in-house software developments.

- Web portal for Depositors Education Awareness Fund Scheme (DEAF) - DEAF Scheme is initiated by RBI for custody of unclaimed amount. This application is developed to provide an interface to report unclaimed balances with the branches.
- NREGA - EFMS Payment System - Payment System for NREGA.
- Public Interface to check status for MoneyTrans remittance - currently only Exchange Company can check the status of the amount remitted via MoneyTrans this interface will be available in public website so that customers can directly check the status.
- Virtual Fee Counter - A service portal for collection of fee through ECS debit.
- Vidyalakshmi portal - Vidyalakshmi is a portal for eligible students seeking Education Loan. The portal has been developed and maintained by NSDL e-Governance Infrastructure Limited. As on date, 28 Banks have integrated their systems with Vidyalakshmi Portal. Education Loan schemes of these Banks are activated on Vidyalakshmi LIVE

portal. Our Bank was enabled on 30/11/2015 in the NSDL Vidyalakshmi Portal and students can now apply for Education Loan Schemes offered by our Bank through Vidyalakshmi Portal.

- Home Listing Builders' Interface- A module for Builders to view and respond to customer's queries.
- Online Mudra Shishu application form: New Online portal for customers to apply for Mudra Shishu loan. Provision has been given to Applicant for tracking the status of application

### Social Media

The Bank is having dedicated page/channel in Facebook, Twitter and YouTube with special emphasis to embrace the new generation customers. All major products are now promoted through social media also. Customer feedback/ information exchanges are also obtained through this media.

## 10. Business Process Re-Engineering (BPR) Initiatives

With the objective of improving performance and enhancing customer service to global standards, the Bank has embarked on implementation of various BPR initiatives by leveraging on its core competencies, state of the art technology and redesigned operating architecture:

- RASMECCs for appraisal and sanction of loans in PSB Retail and Small & Medium Enterprises segments are functioning at 10 major centres. This has enabled the Bank to reduce the response time in these centres, thereby improving the level of customer satisfaction.
- Stressed Assets Resolution Centres (SARC) are functioning at seven centres for more focused attention on recovery of stressed assets and to upgrade the quality of assets.
- Trade Finance Central Processing Centres (TFCC), aimed at ensuring efficient and uniform handling of transactions related to inland and foreign trade and Bank Guarantees by experienced personnel are functioning at Ernakulam and Chennai linking 70 branches.
- Multi Product Sales Teams (MPST) are functioning at 11 centres. MPSTs are supporting RASMECCC linked branches in marketing specific products.
- Currency Administration Cells (CAC) are functioning

at 24 centres linking 362 branches for better cash management, out of which, 2 CACs were set up this year. All the CACs have been merged with parent branch for effective monitoring and follow up.

- A Liability Central Processing Centre (LCPC) is functioning at Thiruvananthapuram to provide back office support to branches, in opening and servicing of liability accounts such as Savings Bank and Current Deposit Accounts. The Centre provides pre-generated Welcome Kits to the linked branches consisting of ATM cards and cheque books. This facilitates the customers to operate the accounts immediately after opening the account. Issue of Cheque Books has been centralized and issued through the centre.
- Pension processing is centralized at Centralised Pension Processing Centre (CPPC) functioning at Thiruvananthapuram. All pension paying branches are linked to the centre. The Centre ensures accuracy in pension calculations, timely disbursement of pension and quick settlement of transactions.
- A Centralised Clearing Processing Centre (CCPC) is functioning at Thiruvananthapuram for processing of both inward and outward clearing cheques. Branches in Kerala are linked to the centre. The Bank has migrated fully to CTS scenario. All branches are processing cheques through the linked regional grids of NPCI.
- "SBT CARE" an in-house customer care centre of the Bank at Thiruvananthapuram, manned by the Bank's own staff was setup during the year, in order to provide better service to the Banks' customers and to the general public by way of information on product and services, support and guidance on banking matters, redressal of issues faced by customers etc., to supplement the existing Contact Centre at Bengaluru.
- Door step Banking is functioning at Thiruvananthapuram, Ernakulam and Chennai. This facilitates cash pick up to corporate & leading business establishments from their door steps.
- Dedicated ATM Cash Replenishment Van for replenishing cash in ATMs are functioning at Thiruvananthapuram, Kollam, Kottayam, Ernakulam, Palakkad and Kozhikode centres.
- Loan Origination Software (LOS) for processing PSB Retail Loan applications through a web based utility

is enabled in all branches during the year. LOS for Agri and SME loans has also been introduced during the year.

- Loan Lifecycle Management System (LLMS) for processing loans of above ₹5 crore was rolled out in March, 2016. The objective of the LLMS application is to cover all the activities involved in end-to-end credit process with focus on high value credit to track the health of advances at all levels and to make available the required alerts on the portfolios to all functionaries across the Bank.

The above major BPR initiatives implemented by the Bank are contributing to the improvement of overall efficiency, service delivery, customers' convenience and business growth.

## 11. Internal Control Systems & Supervision

### 11.1 Integrated Risk Management

Bank's risk management philosophy is based on clear and timely identification of various types of risks, accurate risk assessment and measurement procedures and continuous monitoring. Integrated Risk Management facilitates the Bank to have a holistic view of the risk management. The risk from the major business lines of the Bank is identified and monitored. The distribution of possible losses is mapped mainly under Credit, Market, Operational and Liquidity risks. The range and distribution of losses/possible losses are quantified on the basis of stressed scenario analysis and capital requirement for the Bank is assessed through Internal Capital Adequacy Assessment Process (ICAAP) exercise. The risk capital assessed through ICAAP is also subjected to periodical review through back testing.

Modular structure under Integrated Risk Management has various divisions focused on management of specific risks, viz. Asset Liability, Market Risk, Credit Risk, Operational Risk and Information Systems Security. The risk management architecture of the Bank consists of the Board of Directors at the top having overall responsibility to implement Risk Management Systems in the Bank. To this effect, Risk Management Committee of the Board supervises the overall risk management functions of the Bank. In line with the modular structure of Integrated Risk Management, there are various risk management committees to have focused attention on various risks, viz. Asset Liability Management Committee (ALCO), Market Risk Management Committee (MRMC), Credit Risk Management Committee (CRMC), and Operational Risk Management Committee (ORMC). The General Manager

(Risk Management) is designated as the Chief Risk Officer (CRO). The Integrated Risk Management Department headed by Deputy General Manager is responsible for the overall daily management of risks at macro level. For management of various risks, Bank has put in place various policies and procedures.

For Credit Risk management, the Bank has a well-structured credit review process with due emphasis on assessing the risk profile of the counter party through internal rating mechanism. These ratings are reviewed by independent risk rater and rating validation committees. The Bank has also introduced validation of credit proposals by Chief Risk Officer of the Bank from risk angle. Migration of internal rating and external rating of borrowers are reviewed annually, besides quarterly review of internal rating for an exposure of ₹5 crore and above. External rating is made mandatory for borrowers with specific exposure limit. Bank has also put in place various exposure limits – for single borrower, group of borrowers, specific sectors, industries etc. – as per prudential exposure norms and as stipulated under Bank's internal policies.

In order to mitigate the risk due to currency induced credit risk, the Bank had implemented RBI guidelines to capture the un-hedged foreign currency exposure of borrower entities. With a view to ensuring efficient use of capital, the concept of Return on Capital Charge (ROCC) has been implemented. Bank has initiated steps for introducing Risk Adjusted Return on Capital (RAROC) of borrower entities for risk based pricing. Bank takes up regular reviews of its various industry portfolios to review industry outlook and initiate proactive measures suitably. Credit Risk Assessment Systems followed by the Bank are reviewed periodically to incorporate market changes. For retail loans, Bank uses a risk scoring model. The Bank is presently following Standardized Approach for Credit Risk.

The Bank is estimating capital charges for Operational Risk under Basic Indicator Approach. Other risk prone operational areas of the Bank's business are monitored and proactive actions for improvement are initiated in consultation with other departments like Inspection department, Systems & Procedures department, Frauds Prevention Monitoring & Recovery department etc.

Market Risk is managed through adherence to various policies, in the conduct of the investment and trading activities along with compliance to various risk limits like position limits, stop loss limits, Value at Risk (VaR), Management Action Trigger (MAT) and Cut Loss Triggers



(CLT), etc through constant monitoring of the risk positions. The policies are reviewed periodically keeping in view regulatory changes, business requirements and market developments. Presently the Bank has adopted Standardized Duration approach for Market risk.

The Bank is closely monitoring the roadmap for migration to advanced approaches under Basel norms. In this direction, Integrated Risk Management Department has been conducting various programmes to disseminate the risk management knowledge to the operating units. This has resulted in better awareness among the operating staff about the various risks, importance of accurate data for computation of capital charge, need for capital conservation, and in general better risk management orientation.

### **11.2 Asset Liability Management (ALM)**

Asset Liability Management system has been implemented in the Bank, since April 1, 1999, as per the Reserve Bank of India guidelines on ALM and Liquidity Risk Management. As per the Bank's ALM Policy, the Asset Liability Management Committee (ALCO) is authorized to evolve appropriate systems and procedures for ongoing identification and analysis of liquidity and market risks and to prescribe parameters for efficient management of these risks. The ALCO headed by Managing Director meets regularly to review and monitor the same.

Liquidity and interest rate risks are identified, measured and monitored by the ALCO through the prescribed statements, viz. Statement of Structural Liquidity, Statement of Short Term Dynamic Liquidity, Statement of Interest Rate Risk Sensitivity (Traditional and Duration Gap methods), Stress Testing on Liquidity and Earnings, Liquidity Coverage Ratio, other Basel III Liquidity Returns etc. ALCO discusses these statements in detail and takes corrective actions whenever necessary. As per the Bank's ALM Policy, a Contingency Funding Plan is reviewed on a quarterly basis. Bank's Benchmark Lending Rates (Base Rate and BPLR) and Card Rates for Deposits are discussed and decided by the ALCO. The ALCO also discusses the economic developments and monitors the changes in the market on an ongoing basis.

### **11.3 Information Security**

Information Systems Security Cell (ISSC) monitors and supervises the Information Systems with the goal to maintain its confidentiality, integrity and availability at a level appropriate to Bank's targeted Business. Information Security Policy of the Bank is the guiding principle for the functioning of the ISSC. The information security

initiatives and analysis are discussed and reviewed by the Information Security Committee (IS Committee).

All the servers and public facing URLs are integrated with State Bank-SOC. Real time monitoring and generation of log and audit trail are taking place. Vulnerability Assessment and Penetration Testing exercise is being carried out for mitigation, complying with the periodicity stipulated by the Reserve Bank of India.

Various initiatives to bring awareness among staff/customers regarding information security are also undertaken.

### **Progress in implementation of Gopalakrishna Committee recommendations:**

IS Committee reviews the progress in implementing the recommendations of the Working Group on Information Security, Electronic Banking, Technology Risk Management and Cyber Frauds under the Chairmanship of Shri G.Gopalakrishna. At present, 182 of the 201 applicable recommendations are implemented in the Bank where as it was 146 on 31<sup>st</sup> March, 2015. The progress is also reviewed in the periodic CISO Conference of State Bank Group Entities and Chief Risk Officers Meet of Associate Banks of SBI.

### **11.4 Credit Policy and Procedure Department**

In order to have a centralized approach and proper coordination among various development departments, Credit Policy and Procedure Department (CPPD) has been set up in the Bank. The department is vested with the responsibility of formulation and review of various credit related policies and procedures of the Bank and also to keep track of RBI/SBI directives in the matter.

The department came out with Loan Policy, Forensic Audit Policy, Hand book of Pre-sanction and Post sanction – Due diligence in advances and Credit manual apart from contributing significantly towards strengthening systems and procedures by providing clarifications on various credit related issues and guidance to field level functionaries.

### **11.5 Inspection and Supervision**

Internal Audit/ inspection is an independent appraisal of operations of various Systems and Controls within an organization to determine whether acceptable policies and procedures designed to add value and improve an organization's objectives are followed and resources are used efficiently and economically. Inspection and Audit Department at Head Office monitors various risk

parameters by conducting regular Internal Inspection, Information System Audit, Compliance Audit of Branches and System Audit of various Head Office Departments and Modules.

Apart from the above, the Bank has put in place an effective institutional mechanism for Risk Based Supervision through RBS Cell in the Inspection Department. As envisaged by the Regulator, the Bank has adopted Risk Focused Internal Audit (RFIA) under RBS since 1<sup>st</sup> April, 2003. Based on the guidelines on Internal Audit issued by Government of India, Bank's Inspection & Audit Policy has been suitably modified. The Bank has also incorporated the RBI guidelines on Information System Audit in the IS Audit Policy.

Subsequent to migration to Core Banking, and constant up-gradation in technology, corresponding changes have been brought in, especially in the area of Audit Rating, Audit Report Formats, grouping of branches, sampling norms and periodicity of inspection. Various user friendly formats have been introduced for RFIA, FEMA Audit, IS Audit, Concurrent Audit etc. The Bank has introduced Online Audit Report Processing System (OARPS) for RFIA and Credit Audit for automated reporting and processing.

In order to instill knowledge and to improve the quality of various reports, the Bank is imparting training for the existing and newly joined inspecting officials in the area of RFIA, IS Audit and Concurrent Audit. Further, to improve the adherence to the systems and procedures, the Bank has introduced Dynamic Rating System in terms of which penalty of negative marking is awarded for false compliance submitted by the branches. The auditee units are grouped into different categories and different scoring models are used for each group based on the risk assessment.

### **11.6 Credit Audit**

Credit Audit is done to ensure that the Bank's laid down policies in the area of credit appraisal, sanction and loan administration are complied with and an independent review of credit risk associated with the borrowal accounts is made. The marks awarded by the credit auditors are normalized by the internal auditors under Credit Risk Management to arrive overall risk rating of the branch.

The Bank conducted Credit Audit of 1229 accounts (having limits of ₹2 crore and above, both fund based and non-fund based) with total exposure of ₹49,077 crore, covering the pre-sanction, post sanction compliance and follow up aspects.

Monthly reports of performance are regularly submitted to the Audit Committee of the Executives for information and the quarterly review reports are being submitted to the Audit Committee of the Board.

### **11.7 Inter-Office Reconciliation**

Bank has completed reconciliation of Inter Branch accounts for the period from 01<sup>st</sup> Apr, 2015 to 30<sup>th</sup> Sep, 2015. Bank achieved 100% reconciliation of debit and credit entries for this period, which is in conformity with RBI stipulations.

### **11.8 Compliance**

The Bank ensures timely compliance in submission of various statutory and regulatory returns and also prompt replies to references received from the Government of India / Reserve Bank of India and other institutions viz., State Bank of India, Indian Banks Association etc. The Compliance Officer monitors the Compliance function effectively on an on-going basis to ensure that regulatory guidelines issued by RBI, GOI & other regulatory authorities are duly captured in the Bank's policies and laid down instructions and that they are complied with at all levels. The Compliance Officer further apprises the Audit Committee of the Board and the Group Compliance Officer of material breaches.

Realising paramount importance of the Compliance Function in the Corporate Governance, steps have been initiated for re-engineering of the compliance function and the Bank is in the process of roll out of the same.

The Compliance Department also provides secretarial services to the Central Public Information Officer, who deals with requests under the Right to information Act, 2005.

Under the Right to Information Act 2005, the Bank has handled 749 RTI applications till 31<sup>st</sup> March, 2016. The Deputy General Manager (Compliance) is also designated as one of the Appellate Authorities under the above Act and the Bank has handled 105 appeals till 31<sup>st</sup> March, 2016.

### **11.9 KYC Norms & AML/ CFT Measures**

The Bank has put in place a Board approved revised policy and procedural guidelines on Know Your Customer (KYC)/ Anti Money Laundering (AML)/Combating of Financing of Terrorism (CFT) measures in line with the master policy and subsequent guidelines issued by Reserve Bank of India. A dedicated KYC-AML Cell is functioning in the Head Office to oversee the compliance of KYC/AML/CFT guidelines.

In terms of the policy, the branches are to obtain Customer identification data including photograph, identity proof and address proof, while opening the new accounts. Customer acceptance and Customer identification are the most important pre-requisites in the opening of new accounts. The customers have to submit fresh proof for identity and address proof periodically based on their risk categorisation viz. two years for High Risk, eight years for Medium Risk and Ten years for Low risk customers. Verification and compliance of KYC norms by the branches is periodically ensured by the Controllers during their visits to the branches and also by the Risk Focused Internal Auditors and Concurrent Auditors during their respective audits.

In order to reduce the risk of identity fraud, document forgery and have paperless KYC verification, UIDAI has launched its e-KYC service. RBI guidelines permit acceptance of e-KYC service as a valid process for KYC verification under Prevention of Money Laundering (Maintenance of Records) Rules, 2005 and the provision for the same has been introduced by the Bank.

The Compliance Officer is the nominated Principal Officer for the purpose of KYC/AML/CFT of the Bank. The Principal Officer ensures implementation of the policy and compliance of the various regulatory directions including reporting requirements. However, the primary responsibility of ensuring implementation of the KYC/AML/CFT Policy and related guidelines are vested with the respective Branches/BPR units/Controllers/Zones/Networks. Suitable checks and confirmations with regard to KYC/AML/CFT measures are put in place at the time of introducing new products / procedures and also at the time of review of existing products / procedures to ensure proper risk categorization, risk mitigation and compliance management.

Further, monitoring of transactions is also done with a view to arrest criminal elements using the Bank forum for money laundering and criminal/terrorist activities. The Bank has acquired appropriate software for processing all the transactions generated by all the branches of the Bank, on a day to day basis and to enable periodical submission of mandatory reports to Financial Intelligence Unit-India (FIU-IND), mandated under Prevention of Money Laundering Act (PMLA) 2002 viz. Monthly Cash Transaction Reports (CTRs), Non Profit Organisation (NPOs) Transaction Reports (NTRs), Suspicious Transaction Report (STRs), Counterfeit Currency Reports (CCRs) and Cross Border Wire Transfer Reports.

KYC/AML Cell is also maintaining an intra web site on

Circular letters and upto date relevant information/statistics on KYC/AML/CFT measures for the benefit of the Branches/ Administrative offices for their information, attention and further action plans in the matter.

KYC updation campaigns were conducted from 16<sup>th</sup> April, 2015 to 30<sup>th</sup> Jun, 2015 during the year in order to improve awareness for KYC compliance and make non-compliant accounts compliant, as directed by GOI/ RBI. The Bank has achieved a compliance level of 98.25% as on 31<sup>st</sup> March, 2016 and it is on the drive to make cent percent compliance.

### **Decoy customer Exercise**

As per RBI direction a decoy customer survey exercise was carried out during the financial year by engaging 150 newly recruited Probationary Officers to evaluate and ascertain the extent of compliance with regard to KYC/AML norms and level of awareness among the frontline /supervisory staff on KYC/AML guidelines/ requirements. Steps/actions have been initiated to rectify the deficiencies brought out by the study team. For augmenting the awareness of all the operating staff to open BSBD (Basic Savings Bank Deposit Account)/ PMJDY Account, staff have been imparted training at Staff Learning Centres.

### **Unique Customer Identification Code (UCIC)**

Reserve Bank of India has directed banks to allot a unique customer identification code (UCIC) for each and every customer. The Bank has completed the process of de-duplication with regard to all the accounts.

### **FIU-IND Review Meeting**

FIU-IND had convened a Review meeting of Five Kerala based Banks at Thrissur on 04<sup>th</sup> Jan, 2016 under PMLA and other AML/CFT related issues. The Chief General Manager (CB) representing as the Designated Director and the Principal Officer participated in the meeting and discussions that followed on key aspects of suspicious transactions reports (STRs) to be generated by Banks.

### **KYC/AML/CFT - Co-ordination Meeting of Principal Officers of Associate Banks**

A Meeting of Principal officers of Associate Banks/SBI was coordinated and hosted by the Bank on 21<sup>st</sup> March, 2016 at Global Information Technology Centre (GITC), Mumbai. Various parameters of KYC/AML/CFT issues and concerns for Automatic Risk Categorisation of Customers and AMLOCK version were addressed and decision for delivery of upgraded technology platforms developed and introduced by SBI, to Associate Banks was made.

Training on KYC/AML is being imparted on an ongoing basis in the Bank. Staff awareness programmes are conducted regularly through seminars at Zonal/ Regional Office levels, Learning Centers and during branch visits.

### **11.10 International Financial Reporting Standards (IFRS)**

The Ministry of Corporate Affairs (MCA) vide press release dated Jan 18, 2016 has issued guideline by outlining the roadmap for implementation of International Financial Reporting Standards (IFRS) converging Indian Accounting Standards for Banks, NBFCs, select All India Term Lending and Refinancing Institutions and Insurance entities.

Reserve Bank of India vide their circular no DBR.BP.BC. No.76/21.07.001/2015-16 dated Feb 11, 2016 has also advised guidelines regarding the same. As per the circular, the Banks shall comply with the Indian Accounting Standards (IND AS) for financial statements for accounting periods beginning from Apr 1, 2018 onwards, with comparatives for the periods ending March 31, 2018 or thereafter. "Comparatives" shall mean comparative figures for the preceding accounting period. Banks shall apply IND AS only as per the above timelines and shall not be permitted to adopt IND AS earlier. The Bank has constituted a Steering Committee to facilitate smooth implementation of IND AS. The Reserve Bank of India will issue necessary instructions / guidelines/ clarification on relevant aspects as and when required.

## **12. Security arrangements**

During the year, no loss of cash due to security breaches in the Bank was reported. Based on the assessment of Risk, Security Guards have been posted at Banks' vulnerable Branches in addition to 119 currency chest branches.

All Bank branches are provided with essential safeguards like CCTV systems, fire alarm systems and burglar alarm systems. The Controllers, Chief Security Officer, Security Officers attached to Zones and Fire Officers attached to Head Office are constantly visiting branches and monitoring security measures provided at branches. Immediate remedial measures are taken wherever necessary. The Bank has 25 cash vans for remittance of cash at various centres.

## **13. Vigilance Machinery and Frauds Monitoring**

### **13.1 Frauds Monitoring**

During the current year 2015-16, 21 fraud cases involving

an amount of ₹138.89 crore, has been reported as against 38 cases involving an amount of ₹236.26 crore as on previous year. This include one large value fraud reported by a single branch involving an amount of ₹133.61 crore. Recovery of ₹1.70 crore has been made in various fraud accounts during the year.

8 fraud cases involving staff were reported during the year. Disciplinary action has been initiated against the staff members involved in the cases.

### **13.2 Vigilance Machinery**

During the year 2015-16 the vigilance administration within the Bank was generally positive. It is the endeavour of the department to develop a culture in the organization wherein the fact that 'Vigilance is a management function' is well imbibed in the ethos. At every forum, it is reiterated that vigilance is a positive function and leads to enhancement in managerial efficiency and contributes to improvement in service delivery. The Management and the employees have responded well and there is remarkable improvement seen in effective implementation of overall monitoring and preventive tools.

### **13.3 Preventive Vigilance measures**

- a. A sense of positive approach towards compliances from vigilance angle among all the functionaries including adherence to systems and procedures has been inculcated.
- b. As a part of educative vigilance, Vigilance Department officials handled sessions on Preventive Vigilance at Bank's training programmes, including programmes for newly recruited employees, highlighting the importance of the need to demonstrate probity in public life and adherence of systems and procedures.
- c. A CVO's corner has been introduced for dissemination of information and exchange of views with the employees.
- d. Surprise inspections were conducted at selected branches and compliance from vigilance angle was ensured through feedback and monitoring. 237 such surprise inspections were conducted during this year.
- e. 40 Vigilance Investigations were conducted to find out the facts, and submitted to the appropriate authorities to initiate corrective measures.
- f. Issues of preventive vigilance are discussed in the Management Committee meetings in which all the Top Management functionaries are present. The issues taken up are discussed; solutions/ corrective action



- identified and timelines for action points are decided.
- g. Systems are constantly evaluated and whenever felt necessary corrective action is suggested.
- h. The vigilance initiatives are also discussed with the Managing Director of the Bank and his intervention, whenever required, is sought to ensure that corrective measures are put in place.

### 13.4 Vigilance Newsletter “NAVA CHETANA”

The News letter of the Vigilance Department was launched in July 2012 to ensure a dialogue between Vigilance Department and the rest of the Bank. The News letter carries the message of MD and CVO, various articles of vigilance, irregularities observed in branches with events of vigilance, etc. In Nov 2015, the news letter has been rechristened ‘Nava Chetana’ keeping into mind the renewed focus on Preventive Vigilance.

### 13.5 Rotation of Officers in Sensitive positions

In order to mitigate the risk of developing vested interest, officers continuing in the same position and officials who are holding sensitive positions are shifted once in 3 years. The CVO is monitoring this and the issue is discussed with MD during the Quarterly Structured meeting.

### 13.6 Training Programmes Conducted By Vigilance Department

The Vigilance Department has conducted the following training programmes to the officers of the Bank on vigilance matters.

- A 3 day training programme for Investigating officers, Presenting officers and Inquiry authorities was organised from 05/10/2015 to 07/10/2015. Shri Radhakrishnan.R, General Manager (Retired), RBI, Ex. CVO of Bank of India and State Bank of India, conducted the programme, which was attended by the officers connected to Disciplinary proceedings, throughout the Bank.
- A half day workshop was handled by Shri J.K. Srivastava, Advisor, Central Vigilance Commission on 17<sup>th</sup> Oct, 2015, which was attended by Investigating Officials, Inquiry Officials and Disciplinary Authorities of the Bank.

### 13.7 Conference of CVOs

In order to provide a forum for freely exchanging vigilance related information and sharing of knowledge, the CVOs of South-based Public Sector Banks meet every quarter at different locations. This forum has been helping CVOs of South-based Public Sector Banks to understand the

nuances of vigilance through discussions and experience sharing. Two conferences were held during the year at Chennai and Hyderabad on 27/05/2015 and 11/12/2015 respectively.

### 13.8 Preventive Vigilance Committees at branch level

As part of monitoring preventive vigilance activities, Preventive Vigilance Committee has been set up in all branches and administrative offices. This helps the Branch Manager to discuss collectively the vigilance matters concerning the branch and work in a co-ordinated manner.

### 13.9 Vigilance Awareness Week – 2015

- The Vigilance Awareness Week – 2015 was observed during Oct 26 – 31, 2015 with pledge administered at Head Office/Other offices/Branches. This year’s theme for Vigilance Awareness Week was ‘Preventive Vigilance as a tool of Good Governance’. Essay competitions, quiz competitions, elocution competitions were conducted at Zonal Offices to school and college students.
- A lecture was given by the RBI Regional Director, Shri Nirmal Chand, at the Bank’s Staff Learning Centre on ‘Preventive Vigilance and its role in Corporate Governance.’
- The CVO was invited by HUDCO, Thiruvananthapuram for delivering a lecture on “Preventive Vigilance as a tool of good governance” as part of the Vigilance Awareness Week - 2015.
- Shri Raju Narayanaswamy I.A.S, Secretary to the Government of Kerala was the guest of honour for the valedictory function of the Vigilance Awareness Week – 2015, on 31<sup>st</sup> Oct 2015.

### 13.10 Interactive Session on Preventive Vigilance

An Interactive Session on Preventive Vigilance by Ms. Anna Roy, Joint Secretary, Ministry of Finance, with executives of different Banks and Financial Institutions, who have presence in Kerala, was organised by State Bank of Travancore on 05<sup>th</sup> Dec, 2015. Executives representing 24 Public Sector Banks and Insurance Companies participated in the session and the event was well received.

### 13.11 Liaison with CBI officials

CVO and the Vigilance Department maintain close relationship with CBI officials. The progress of cases being pursued by CBI is monitored by CVO.

### 13.12 Liaison with Other Functionaries of the Bank

Perfect co-ordination and harmony exists between the Disciplinary Authority and the Vigilance Department/CVO in dealing with disciplinary cases. The Managing Director is being appraised of the development informally on many occasions and formally once in a quarter in a structured meeting.

### 13.13 Apprising the Board

The Vigilance Department apprises the Board of Directors every quarter on the status of disposal of vigilance cases and also the preventive vigilance measures being followed in the bank.

## 14. Human Resources Development & Industrial Relations

### 14.1 Human Resource

- As on 31<sup>st</sup> March, 2016, the Bank had on its rolls 14892 members of staff, comprising 5443 officers, 7059 clerical and cash department staff, 1799 subordinate staff and 591 maintenance staff. The number of women employees and ex-service personnel constituted 6284 and 1951 respectively of the total work force. Out of the women employees, 1870 are officers, 3667 non-subordinate staff and 747 subordinate staff. The Bank has also on its rolls 269 employees who are differently abled.
- During the year, 52 employees were promoted from Subordinate Cadre to Clerical Cadre, 179 employees from Clerical Cadre to the Officers Cadre and 434 promotions took place within Officers Cadre.
- The average age of the employees (excluding TEGS) is 41.32 as on 31<sup>st</sup> March, 2016 as against 43.28 as on 31<sup>st</sup> March, 2015.
- During the year, 2034 staff were recruited (751 in the officers cadre, 1190 in non-subordinate and 93 in the subordinate cadre):

Number of Staff recruited – 2015-16

CADRE	Total
Officers	751
Clerical	1190
Sub-staff (Including Maintenance Staff)	93
Total	2034

Staff Strength as on 31 <sup>st</sup> March, 2016	Total	Of Which,				
		SC	ST	Ex-Ser.	Women	PWD
Officers	5443	740	246	180	1870	98
Clerical	7059	893	189	840	3667	162
Subordinate (Excl. MS)	1799	344	55	931	310	7
Maintenance Staff	591	154	14	-	437	2
<b>TOTAL STAFF</b>	<b>14892</b>	<b>2131</b>	<b>504</b>	<b>1951</b>	<b>6284</b>	<b>269</b>

### 14.2 Staff Productivity

Business per employee stood at ₹11.50 crore as at the end of March, 2016 as against ₹12.28 crore as on March, 2015.

Net Profit per employee is ₹2.36 lacs as on March, 2016 compared to ₹2.55 lacs for the year ended March, 2015.

### 14.3 SBT Anthem, Oath and Flag:

To strengthen a sense of 'ownership' among the employees, the Bank has begun a process of 'Rediscovering the soul of SBT'. 'Proud to be an SBTian' is the theme of this process with Bank's Anthem, Oath and Flag being the external symbols of Bank's 'pride' of ownership.

### 14.4 SBT History Project and Museum:

The story of State Bank of Travancore, born under royal patronage, and metamorphic transformation to its present state, is worthy of being scripted and preserved. The Bank has celebrated 70<sup>th</sup> year of its foundation. As an initiative the Bank has taken up a project of chronicling the history of the Bank and is setting up a 'Museum'.

The Museum is being inaugurated on 23.04.2016. It is a well-known fact that the Bank's history is closely interwoven with the financial history of Kerala. A History book charting the journey of the Bank so far is also on the anvil.

### 14.5 Training

- Training programmes are conducted at Bank's three learning centres located at Thiruvananthapuram and Ernakulam with the objective of updating knowledge, improving skills and reorienting the attitude of staff members. This is done on an ongoing basis with particular reference to areas of corporate goals/concern areas.
- Besides functional programmes like general

banking, credit etc., programmes on leadership, behavioral science etc., are also being conducted. Expert faculty from outside the Bank are also invited whenever needed.

- During the year under review 537 Training programmes were conducted by the Learning Centres imparting training to 6655 Officers, 6619 Non-subordinate staff and 1180 Subordinate staff. In addition to above 'Aarohan' training programme was conducted all over the Bank covering 8860 employees of the Bank. Aarohan is a corporate message to all employees of the Bank in the form of a mass communication programme.
- In addition to in-house training programmes 918 officers were deputed to the Apex Training Institutes of State Bank of India, RBI and other outside Institutes for training. For conducting trainings at outside Kerala centres, facilities of SBI and other Associates are also being used.
- Retiring officers and employees are given special training covering matters like investment guidance, post-retirement life etc. During the year Bank has given such training to 513 staff members.
- In order to improve training capacity Bank has decided to set up one more learning centre. The third centre is planned to be set up in Tamil Nadu.

#### **Pre-Promotion Training to SC/ST/OBC**

Pre Promotion training and Mock Interviews were conducted for employees belonging to SC/ST/OBC category, appearing for promotion from Subordinate to Non-subordinate cadre and Non-subordinate cadre to Officer Cadre.

#### **Foreign Training**

Two officers attended the 10<sup>th</sup> FEDAI Annual Conference at Brussels, Belgium. One officer attended a training programme arranged by SBI Mutual Fund in London.

#### **14.6 Reward & Recognition**

The Bank has formulated a scheme to recognize and motivate high achievers among the branches by awarding the honour of MD's Club, CGM's Club and GM's Club membership. Twenty one branches became eligible for the honour this year. The Bank has also formulated a scheme to recognize the best performers among the controllers. Three controllers were selected and honoured.

#### **14.7 Performance Linked Incentive Scheme**

The Bank has introduced a scheme of payment of Performance Linked Incentive to the staff members. Accordingly, Branch Managers, Controllers and Unit Heads up to the level of General Managers and their team members would be paid incentives based on their performance under the pre-determined parameters.

#### **14.8 Human Resources Management Solutions (HRMS)**

The Bank has rolled out Project HRMS from 01<sup>st</sup> Apr, 2012, with a view to automate, integrate and centralize HR processes of the Bank.

HRMS has become a single and central source of information for efficient HR Management. This has also contributed to employee satisfaction through transparent and time bound monetary transactions relating to emoluments and perks payment as well as other services through uniform interpretation of the Bank's instructions.

Bank derives the following benefits out of automation of HR viz., consolidated and detailed data available immediately for informed decision making, saving of man hours which can be utilized for other areas like marketing, recovery etc., besides resulting in cost savings to the Bank through reduction of paperwork and telephone/fax charges.

At present, the services through HRMS Portal for employees include centralised salary payment, centralised payment of all kind of employee reimbursement, Sanction of annual and stagnation increments to employees of the rank AGMs and below, Online submission, Reporting and Review of Annual Appraisal Reports of officers, Online submission of Declaration of Assets and Liabilities by all employees of the Bank as per the Lokpal and Lokayuktas Act 2013, Investment Declaration for Income Tax calculation, Centralized Form 16 generation, updation of Blood Group of employees, updation of personal & family details, link to State Bank Training Management System – for Training at SBI Apex Training Institutes & State Bank Learning Centres, HRMS Service Desk etc.

#### **14.9 Staff – SC/ST Cell Reservation Rules— Implementation in the Bank**

Reservation policy has been implemented in the Bank for Scheduled Castes and Scheduled Tribes from the year 1972, in direct recruitment and from the year 1978, in promotion.

Reservation at 15% for SCs and 7.5% for STs is provided in direct recruitment for Officers cadre.

In direct recruitment to Clerical and Subordinate staff cadres, percentages of reservation as applicable in each State are provided for SCs and STs as per the DOPT guidelines.

#### The staff data as on 31<sup>st</sup> March, 2016

Category	Total	SC	%	ST	%
Officers	5443	740	13.6	246	4.52
Clerical	7059	893	12.65	189	2.68
Sub-staff	1799	344	19.12	55	3.06
Maintenance Staff	591	154	26.06	14	2.37
<b>Total</b>	<b>14892</b>	<b>2131</b>	<b>14.31</b>	<b>504</b>	<b>3.38</b>

Post based roster which shows a clear picture of implementation of reservation rules is maintained in the Bank, in accordance with the Government of India guidelines. Such rosters are being verified by the Chief Liaison Officer for SCs and STs annually. Roster for the year ending 31<sup>st</sup> Dec, 2014 has been uploaded in Banks' site.

Whenever backlog of reserved vacancies for SCs and STs occur, such vacancies are filled through special recruitment. Last such special recruitment was conducted during 2015-2016 wherein 31 SC candidates and 105 ST candidates were recruited in the Officers cadre. As at the end of March 2016, the position of backlog is as follows.

#### (a) Backlog under Direct Recruitment to:

Sl No	Cadre	SC	ST	OBC
1	Officer	0	18	0
2	Clerical	0	0	0
3	Sub-Staff	0	2	0
4	Maintenance Staff	0	0	0

The above backlog vacancies were included in current year recruitment process.

#### (b) Backlog under Promotion from:

Sl. No	Cadre	Category	
		SC	ST
1	Clerical to Officer cadre	34	55
2	Subordinate to Clerical cadre	0	0

Backlog of SC/ ST vacancies under promotion from clerical cadre to Officer cadre is due to non-availability of candidates in feeder cadre.

The following concessions / relaxations are made available to employees in the SC/ST Category

- Relaxation up to 5% of the required qualifying marks both in written test and interview is allowed in direct recruitment to subordinate and clerical cadre.
- Relaxation up to 5% of the required qualifying marks both in written test and interview is allowed in promotion from clerical cadre to Junior Management Grade Scale- I under Group –A and Group – B channels.
- Relaxation of 5 years in upper age limit is allowed to candidates belonging to SCs and STs in recruitment to subordinate, clerical and officer cadres.
- Relaxation 5 years in upper age limit is allowed to candidates belonging to SCs and STs in promotion from Clerical cadre to Officer Cadre under Group-A, Group-B & Group-D channels.

Pre-promotion training and Mock Interview to SC/ST/OBC employees were conducted for promotion from Subordinate to Non-Subordinate and Clerical Cadre to Officers Cadre under Group A, B and D channels at Thiruvananthapuram and Ernakulam learning centres.

In recruitment, the total number of vacancies and number of vacancies available for SC and ST are advertised extensively in newspapers.

The Bank has designated an Officer of General Manager rank as Chief Liaison Officer for SC/ST. The Bank also has a separate Reservation Cell (SC/ST) headed by a Manager at Head Office and assisted by Liaison Officers at the 8 Zonal Offices and 2 Regional Offices (Mumbai and New Delhi) to safeguard the interests of SC/ST employees. The Cell at Head Office arranges periodic meetings of the representatives of the SBT SC & ST Staff Welfare Association with the Top Management to listen to and redress the grievances.

The Bank has already provided a well-furnished office with telephone and computer to the SBT SC & ST Staff Welfare Association. Check- off facility for payment of subscription by the members to the Association also has been provided.

The Cell is conducting meetings of Liaison officers of all the Zones/ Regional Offices at quarterly intervals. Such meetings are presided over by the Chief Liaison Officer to discuss issues/redress the issues, if any, pertaining to respective areas.

The General Manager (HR) also invariably participates in the meeting. The action points which emerge in such

meetings are meticulously followed up.

The other tasks undertaken by the Cell are:

- Ensuring compliance, by the Bank, with orders and instructions pertaining to the reservation in favour of SCs/STs in the matter of recruitment/promotions and other service benefits such as relaxations/concessions admissible to them.
- Ensuring the placing of an Annual Review Report on the progress of implementation of reservation policy for SC/ ST before the Board of Directors.
- Ensuring that the Bank takes appropriate steps to provide all help and co-operation to the National Commission for SCs and National Commission for STs.
- Ensuring that Government of India's directions are followed in respect of DPCs/ Selection Committees pertaining to SC/ST/MC members.
- Ensuring proper implementation of the Reservation Policy by conducting annual inspection of the rosters maintained in the organization.
- Acting as Liaison Office between Bank and the Ministry of Finance, Government of India and National Commission for SCs, STs, OBCs and Minority Communities for supply of information, answering questions and clearing doubts in regard to matters covered by the reservation orders.
- Cases of suspicious caste certificate are referred to a three member Scrutiny Committee constituted by the respective State Governments and followed up closely. In verified cases, as recommended by the Scrutiny Committee, actions are taken.

#### **14.10 Activities of Minority Communities [MC]/ Other Backward Communities [OBC]/Persons with Disability [PWD] /Ex-Servicemen [EX-Ser] Cell**

The Bank has designated an Officer of General Manager rank as Chief Liaison Officer for OBC Cell and PWD/Ex-Servicemen Cell.

The Bank has also designated an Officer of General Manager rank as Chief Liaison Officer for Minority Community. MC/OBC/PWD & Ex-Ser Cell assisted by Liaison Officers at Head Office, eight Zonal offices and two Regional Offices are functioning to protect the interests of the employees belonging to the respective sections. The Cell at Head Office arranges periodic meetings of the Liaison Officers of OBC employees at quarterly

intervals. Such meetings are presided over by the Chief Liaison Officer to discuss issues/redress the issues, if any, pertaining to respective areas.

The General Manager (HR) also invariably participates in the meeting. The action points which emerge in such meetings are meticulously followed up to cases of negligence, lapses of grievances in the matter of following the reservation and other orders relating to OBC employees coming to the light through the inspection carried out by the liaison Officer or otherwise, should be reported to the Reservation Cell for further follow-up or settlement of the issues.

The Cell ensures:

- Compliance by the Bank with orders and instructions pertaining to the reservation of vacancies in favour of Ex- Servicemen and Persons with Disabilities in the matter of recruitment/ promotions and other service benefits.
- Compliance by the Bank with orders and instructions pertaining to the reservation of vacancies in favour of Minority Community and Other Backward Communities in the matter of recruitment and other service benefits.
- The Bank takes appropriate steps to provide all help and co-operation to the Backward Classes Development Corporation.

#### **Responsibilities of Liaison Officers (OBC)**

Liaison Officers at each Zone/Regions should convene quarterly meetings headed by the Deputy General Manager of their respective zones to discuss the complaints/grievances and its minutes should be sent to the Reservation Cell.

#### **14.11 Industrial Relations**

- The time tested mechanism of bilateral negotiations at various levels of the organisation with the Employees' Union and the Officers' Association through periodical structured meetings and redressal of the issues ensured harmonious and cordial industrial relations in the Bank throughout the year.
- Bank attended the bipartite meeting held on 20/03/2016 at Gurgaon with Associate Bank Officers' Association (ABOA) along with SBI.
- One Staff Welfare Committee and Five Sub-committee meetings were held during the year.



- Four strikes were conducted by Employees Unions' / Officers' Association as detailed below:
  1. On 04/06/2015, strike by SSBEA on industry level,
  2. On 12/06/2015, flash strike by AIBOC on state level,
  3. On 02/09/2015, strike by various workmen unions on industry level and
  4. On 08/01/2016, strike by SSBEA in all associates of SBI.
- In the online Employee Grievance Redressal System 39 complaints were received and disposed off in time.
- Details of complaints received on sexual harassment against women at work place as on 31/03/2016:

Received	Disposed	Pending as on 31 <sup>st</sup> March, 2016
Nil	Nil	Nil

During FY 2015-16, the following activities under various Staff Welfare Schemes were undertaken:

- Under the Scheme for reimbursement of expenses of annual health check up for retired staff/spouse of the deceased retirees (₹1,500/- for retired staff and ₹2,000/- for spouse of the deceased retirees per financial year) an amount of ₹66.61 lacs was paid.
- Under the scheme for reimbursement of expenses of health check up of spouse of staff members (i.e., ₹1,000/- per financial year), ₹30.32 lacs was paid against 3,032 applications.
- Super Suraksha Insurance Scheme for employees was renewed with the life cover of ₹5.00 lacs per employee. 32 claims were settled under this scheme.
- At present 21 holiday homes are functioning at 20 centers.
- As per the 10<sup>th</sup> Bipartite settlement/joint note dated 25<sup>th</sup> May, 2015, a new medical insurance scheme has come into force in Bank from 01<sup>st</sup> Oct, 2015 in lieu of existing hospitalization scheme. The scheme has been designed and finalized by IBA with United India Insurance Company. M/s K M Dastur Reinsurance Brokers Pvt Ltd is the intermediary. Subsequently with effect from 01<sup>st</sup> Nov, 2015, a similar scheme also has been introduced for the Retirees of the Bank. The scheme is being monitored by IR Department and the Chief Manager (IR) is the Nodal officer of the Bank for repudiation of claims.

- Scholarships and tuition fees for wards of staff members amounting to ₹78.30 lacs were disbursed.
- Under the outpatient scheme reimbursement amounting to ₹42.82 lacs was made.
- 21 applications were considered for payment amounting to ₹1 lac under the scheme of financial assistance for expenses incurred by Staff Members for the differently abled dependent wards.
- 22 claims amounting to ₹26.91 lacs were paid under the scheme of part payment of outstanding in loan accounts at the time of death of an employee.
- 152 claims were paid under the funeral expenses scheme.
- An amount of ₹7.89 lacs was disbursed as financial assistance to pre retirees and spouse during the year.
- A quarterly journal "Vishranthi" has been published exclusively for the Retirees during the year.

## 15. Legal Services

The Bank has a well-established Law Department with law officers placed at Head Office, Zonal / Regional Offices and also at various Centers. The Department performs diverse functions such as giving advice on legal issues, preparation of general and case specific documents, vetting and scrutiny of loan documents etc.

The Department plays an important role in the matter of recovery. Filing of Suits and DRT applications for recovery of dues are arranged and followed up by the Law Officers. They also assist the branches and other operational functionaries in enforcement of security under the SARFAESI Act, 2002 and also in defending the cases filed against the Bank before DRTs/DRATs/High Courts in this regard. Various Cases, petitions and claims against the Bank filed in various High Courts, Tribunals, Civil Courts, Consumer Forum, Ombudsman, Labour Courts, Human Rights Commission and other authorities are defended under the advice and guidance of the Law Department.

The Department assists the concerned functionaries of the Bank in implementing the provisions of the Right to Information Act, 2005. In coordination with the respective departments, Law department arrange for placing of the regulations framed by the Bank under Section 63 of the State Bank of India (Subsidiary Banks) Act, 1959 before Parliament after the same published in the Gazette.

The Law Department is also involved in the training of

the staff on topics involving law and practice of banking. The Law Officers handle varied legal matters and provide legal advice and suggestions to the business units and developmental/ operational functionaries and take steps to legally protect the bank and safeguard its interest in all respects.

In addition to the above, Law Department is maintaining 'Law Portal' for the internal use of the Bank. Law Portal is very informative and user friendly and helps the functionaries in accessing the panel of advocates, formats for documentation / SARFAESI, acts, rules, instructions, notifications, case laws etc. which are relevant for bankers.

## 16. Public Relations and Publicity

Public Relations Department shoulders the responsibility of disseminating various information projecting Bank's image among public and Government Departments. The Department maintained close rapport with the Government Departments, Media, Commercial and Social Organizations and the general public. Extensive coverage was given through the newspapers, TV channels, FM radio, Online publications and hoardings.

During the year, the Bank was one of the main sponsors of International Film Festival of Kerala, GV Raja All India Football Tournament, MSME Summit, Kerala Literature Festival, Kerala State Film Award Night, Kerala State School Youth Festival, All India College Games and All India Police Athletic Meet.

Many programmes conducted by Mathrubhumi, Malayala Manorama, Deshabhimani, Madhyamam, DC Books, Asianet channel, Kairali channel etc were supported by us. Maximum publicity was derived through organising the live music concert of violin maestro Dr. L. Subramaniam and Dr. Kavitha Krishnamoorthy at Thiruvananthapuram.

The Literary Camps organised with the support of Kerala Sahitya Academy at Munroethuruthu, Kollam and Thrissur were also well received. The Bank was also associated with the programmes conducted by Mahatma Gandhi University, CMS College, Kottayam, Indian Medical Association, Kerala IT Mission, ISKON, Trivandrum Management Association, Lions Club and AKG Centre for Development Studies.

Publicity through hoardings gave good visibility for the various products and services of the Bank. The Bank has at present 101 hoardings all over Kerala. Apart from the hoardings, the Bank has displayed advertisements through sign boards on the Sabarimala route and Kodimatha town, Glow Sign Boards at Chennai Central

Railway Station, Roto Sign Boards at Palakkad railway station etc. Bank's advertisements are at display in the baggage area of Thiruvananthapuram airport Domestic Terminal and on the exterior of Parasuram Express and Ernad Express trains.

Bank have also branded the Thiruvananthapuram Central railway station and ticket counters with a huge hoarding, two arches, fifty unipoles, five glow sign boards and announcement system (jingles), with Bank's logo and advertisements. This has been a highly successful image projection step for the Bank. The Bank has name boards with advertisements in ten major railway stations of Kerala. The Bank as a responsible Corporate Citizen has also sponsored 50 traffic awareness boards in Thiruvananthapuram city and 25 boards in the High Range area in collaboration with Kerala Police.

The Bank's Calendar for 2016 with the theme "Palaces of India" and Diary with cover photo of founder, His Highness Sree Chitra Thirunal Maharaja announcing the formation of Bank were well received by the public.

The Bank has also produced its corporate film titled "Sands of Time" this year, which was formally released at the inaugural function of Bank's 70<sup>th</sup> Foundation day Celebrations held at Thiruvananthapuram.

During the year house magazine "Maithri" was published twice, one as "Sapthatharangini Special" with a comprehensive history of Bank and contributions received from eminent SBTians of yesteryears, which was appreciated by one and all.

As done every year pilgrim service centres were opened at Pampa and Sabarimala Sannidhanam to cater to the banking requirements of the pilgrims. Bank has also sponsored the 'Sabarimala Virtual Queue Portal' of Kerala Police.

## 17. Progressive use of Hindi

The Bank complied with the provisions relating to the Official Languages Act, rules, instructions and directives of Government of India and Reserve Bank of India. As per the guidelines of the Reserve Bank of India, the Bank has introduced SBT Rajabhasha Shield for Zonal / Regional Offices situated at linguistic regions A, B and C. SBT Rajbhasha Shields were awarded to the Regional Office Mumbai under linguistic regions A & B category and Zonal Office Ernakulam, Kottayam and Kozhikode under linguistic regions C category.

Hindi workshops and Hindi programmes were conducted for the benefit of staff members, to increase

their knowledge of functional Hindi and attending to correspondence in Hindi. All the letters received in Hindi were essentially replied to in Hindi.

### 17.1 Awards won:

- The Bank participated in the State Level Official Language Exhibition instituted by Kerala Hindi Prachar Sabha and won the Shield for implementation of Official Language Policy.
- Bank secured First Prize instituted by the Town Official Language Implementation Committee, Thiruvananthapuram for the implementation of Official Language Policy among Public Sector Banks situated in Thiruvananthapuram.
- Zonal Office, Ernakulam, Kozhikode and Thiruvananthapuram secured shields from their respective Town Official Language Implementation Committees for the implementation of Official Language Policy.

### 17.2 Magazine and Publication:

Annual publication 'Swathi', the Bank's Hindi Magazine 'Rajabhasha Sahayika' and "Phrases of official noting" were also published. The Official Language Department published News letter in Hindi during the year.

Programmes and Awards sponsored:

During the year, various competitions were held for school level students in Hindi. Hindi Fortnight / Hindi Day were also celebrated at Head Office, Zonal Offices and Regional Offices.

Each year Bank sponsors "SBT Hindi Sahitya Puraskar" organized by the Kerala Hindi Sahitya Academy. This year the award has honored the noted Hindi Writers Dr. Jayakrishnan.J and Smt V. Anandavalli of Kerala.

## 18. Branch Network

The Bank opened 23 new branches during the year. As at the end of 31<sup>st</sup> March, 2016 the Bank has 1177 branches and 12 extension counters and is now represented in 16 States and 3 Union Territories. 3 Mid Corporate branches were merged with commercial branches in the same Centre. 21 Gold point branches were converted into normal business branches.

The number of branches in Kerala increased from 838 as on 31<sup>st</sup> March, 2015 to 852 as at the end of 31<sup>st</sup> March, 2016.

The Bank has 46 Specialised Personal Segment branches,

12 NRI branches, 2 Housing Finance branches, 5 Treasury branches, 6 Service branches, 1 DBT branch, 15 Commercial network branches (CNW), 9 Specialised Krishi Point branches (Agricultural Development Branches), 10 Specialized SME branches, 2 Asset Recovery Management Branches, 1 Micro Credit branch, 1 Specialized branch for women entrepreneur, 2 Shradha Kendras, 1 e-Business Hub, 1 SSBGT and 1 International Service Branch.

The Bank has a representative office at Dubai and manages two Exchange Companies in Dubai and Oman.

Under the BPR initiatives, Bank has 10 RASMECCCs, 1 CPPC, 7 SARC, 2 TFCPCs, 1 LCPC and 24 CACs. The Bank is having 2 Exchange Bureaus, one each at Cochin and Kozhikode International Airports in addition to the above branches/ offices.

## 19. Premises

Premises Department undertakes the development and maintenance of fixed assets and framing of policies on acquisition of premises. Some of the major activities undertaken during the year are as follows:

- Construction of compound wall and other site development works has been completed in the 3 acres of land taken on long term lease (90 years) by the Bank for 'IT HUB' at Techno Park, Thiruvananthapuram.
- Renovation works were undertaken at the Staff Learning Centre at Chittoor Road, Ernakulam and capacity was also increased by taking additional space on rent.
- Renovation works undertaken for the second & third floor at Head Office, Canteen cum Kitchen block at Staff Learning Centre, Thiruvananthapuram and Bank's own building at Chinnakada, Kollam
- Renovation works undertaken on the acquired land at Kowdiar, for setting up Bank's History Museum.
- Renovated the third, fourth and fifth floor of the rented premises at Aikkara building at Thycaud, Thiruvananthapuram. Mid Corporate Branch, Thiruvananthapuram, New Business Department and part of Information Technology Department are placed in this premises.
- As a green initiative a solar power plant was installed at Staff Learning Centre, Thiruvananthapuram. The painting works of Head office complex was also undertaken during the year.



### 19.1 On-going projects

- The construction of Branch building with Currency Chest at its own premises at Idukki and Adoor had been initiated.
- Bank proposes to construct flats in Banks own land in Sector 18, Rohini, New Delhi.

### 20. Corporate Social Responsibility (CSR)

Bank, under Corporate Social Responsibility initiatives has conducted a wide range of social activities both in rural and urban areas to serve the community at large. During FY 2016-15 an amount of ₹2.72 crore was spent for CSR activities. The major CSR initiatives undertaken by the Bank during the year are as under:

- Vehicle for cancer control and patient support activities to Regional Cancer Care Centre, Thiruvananthapuram.
- Cut models in automobile trades for imparting skill training to the persons with disabilities to Vocational Rehabilitation Centre for Handicapped, Nalanchira, Thiruvananthapuram.
- Equipments to start paper bag, paper cup and paper plate manufacturing unit to Rotary Institute for Children in Need of Special Care, Thiruvananthapuram.
- Establishment of Labour Room at the Swami Vivekananda Medical Mission Hospital Attappady, Palakkad.
- Resource for Cardiac Transplant Programme to Sree Chitra Thirunal Institute for Medical Science and Technology, Thiruvananthapuram.
- Expenses of four Rural Self Employment Training Institutes paid to State Bank of Travancore Rural Development Trust.
- Modernising classrooms, revamping the school ground of Government L P School, Peyad which has a legacy of 150 years of existence.
- Hemodialysis Unit to Snehasparsham Kidney Patients Welfare Society, Eranhipalam, Kozhikode.
- Assistance to start IT related Women Empowerment Programme by S.M.S.S. Hindu Mahila Mandiram, Poojapura, Thiruvananthapuram.
- Modernisation and Digitalization of the prison library of Central Prison, Poojapura, Thiruvananthapuram.

- Construction of kitchen and providing basic amenities to Government U.P School, Vilappilssala, Thiruvananthapuram.
- Ambulances to Access Healthcare LLC. Sanstha, Jaipur; Rajeshwary Foundation, Jagathy; Sevana Nilayam, Kottayam; Pain & Palliative Care, Koyilandy; Sree Ramakrishna Asrama Charitable Hospital, Sasthamangalam, Thiruvananthapuram; Welfare Drivers' Association, Pangode, Thiruvananthapuram; Gandhipuram International Trust, Pathanapuram and Government Old Age Home, Kasargode.
- Vehicle to Special School for Mentally Retarded Children, managed by Mahatma Gandhi Seva Sangam, Vasudevanallur, Tirunelveli and Battery operated vehicle to remove waste from doorsteps to Shencottah Municipality.

### Social Circles

Social Circles are voluntary organizations formed by our staff members working in branches and administrative offices for undertaking social service activities. They address themselves to the requirements of their area of operation and extend assistance, which are outside the purview of banking services. Voluntary participation by the staff members and independent assessment of the requirements of the society under the guidance of the parent institution are unique concepts in the functioning of the Social Circles. They are excellent public relation tools to derive acceptance in the society. The Bank is having 980 Social Circles functioning at various branches and administrative offices, spread all over India.

Major Social Circle activities done:

- Social Circles conducted programmes of Health Care activities like Blood Donation Camps and Cancer detection camps, provided equipments, cots, water purifier, washing machines, wheel chairs and medicines to hospitals and primary health centres, in addition to providing bed sheets and food packets to patients.
- Extended financial support to pain & palliative clinics to improve home care treatment provided to terminally ill & bed ridden patients, for taking care of HIV affected children, for rehabilitative measures for mental patients.
- Distributed Scholarship to HIV infected students, Donated Multimedia projector to Autism Special School, Provided equipments to Regional Ophthalmic Centre and organized Seminar on Bio

farming.

- This year on 13<sup>th</sup> Nov, 2015 Social Circle day was observed by most of the Social Circles as Senior Citizens' day. Many welfare activities for the benefit of older citizens were organized on the day.
- Donated one day's privilege leave by employees for the benefit of Chennai Flood victims. Also supported the relief measures of Social Circles of Chennai Region by collecting resources from the staff members.

## 21. SPORTS AND GAMES

### Cricket 'A' Team

- Bank's Cricket 'A' team has participated in various All India/All Kerala tournaments. Out of the 6 tournaments played, the team won in 3 and became runner up in 2. The Team also won the 2 matches it played in the mandatory District League matches.
- As recognition of the performance of the team, 2 players are selected by the Kerala State team to represent the State Senior Team in the Ranji Trophy and 1 player each to represent State U-25 and U-23 Kerala State Teams.

### Cricket 'B' Team

- Bank's Cricket 'B' team has participated in the League matches organized by Thiruvananthapuram District Association. Out of the 12 matches played, it has won 8 matches.

### Football Team

- Bank's Senior Football team participated in 5 tournaments. Out of which, won in 2 and lost in 2 in Semi final and 1 in Quarter Final.
- Bank's 9 players participated in the Santhosh Trophy representing the Kerala State Team during the period.

### Junior Football team

- Bank's Junior Football team consisting of school/college going children has been elevated to the District Super Division. 2 team players represented Kerala University in the All India Inter University tournament.

## 22. Changes in the Board of Directors

During the course of the financial year 2015-16, the following changes have occurred in the Board of Directors of the Bank.

1. Shri. B Ramesh Babu, Chief General Manager (A&S), State Bank of India, Director appointed under Clause (c) of sub-section (1) of Section 25 of the State Bank of India (Subsidiary Banks) Act 1959, tendered his resignation upon his transfer to Chennai Circle on 24<sup>th</sup> August, 2015, from the Board of Directors.
2. Shri. Ramesh Chandra Srivastava, General Manager (A&S), State Bank of India, Director appointed under Clause (c) of sub-section (1) of Section 25 of the State Bank of India (Subsidiary Banks) Act 1959, tendered his resignation upon his transfer to Zonal inspection Office, Bengaluru on 27<sup>th</sup> August, 2015, from the Board of Directors.
3. Shri. Neeraj Vyas, Chief General Manager (A&S), State Bank of India was appointed as Director under Clause (c) of sub-section (1) of Section 25 of the State Bank of India (Subsidiary Banks) Act 1959 with effect from 24<sup>th</sup> August, 2015 in place of Shri.B. Ramesh Babu.
4. Shri. Ravi Nandan Sahay, Chief General Manager (A&S), State Bank of India was appointed as Director under Clause (c) of sub-section (1) of Section 25 of the State Bank of India (Subsidiary Banks) Act 1959 with effect from 28<sup>th</sup> August, 2015 in place of Shri. Ramesh Chandra Srivastava
5. Shri. C Rajkumar, Director under Clause (cb) of sub-section (1) of Section 25 of the State Bank of India (Subsidiary Banks) Act 1959, tendered his resignation upon his cessation to be an office bearer of the ABOA unit of State Bank of Travancore, on 15<sup>th</sup> September, 2015.
6. Shri. Vijay Kumar Monga, General Manager (A&S), State Bank of India was appointed as Director under Clause (c) of sub-section (1) of Section 25 of the State Bank of India (Subsidiary Banks) Act 1959 with effect from 30<sup>th</sup> September, 2015.
7. Shri. Ashok Kumar Singh, Director appointed under clause (e) of sub-section (1) of section 25 of the State Bank of India (Subsidiary Banks) Act 1959 ceased to be Director with effect from 15<sup>th</sup> January, 2016.
8. Shri Anshuman Sharma, Deputy Secretary, Department of Financial Services, Government of India, was appointed Director under Clause (e) of sub-section (1) of section 25 of the State Bank of India (Subsidiary Banks) Act 1959 with effect from 28<sup>th</sup> March, 2016 in place of Shri. Ashok Kumar Singh.

The Board of Directors welcomed Shri Neeraj Vyas,

Shri Ravi Nandan Sahay, Shri Vijay Kumar Monga and Shri Anshuman Sharma as Directors of the Bank.

The Board of Directors place on record their appreciation and thanks for the valuable services rendered by Shri B Ramesh Babu, Shri Ramesh Chandra Srivastava, Shri C. Rajkumar and Shri Ashok Kumar Singh during their tenure as Directors of the Bank.

### **23. Board and Executive Committee Meetings**

During the year 2015-16, 7 Meetings of the Board of Directors were held. The Executive Committee of the Board of Directors met 16 times.

### **24. Statutory Audit**

M/s Kumar Vijay Gupta & Co. New Delhi, M/s G.Venugopal Kamath & Co. Kochi, M/s Gopalaiyer and Subramanian, Coimbatore and M/s. Babu A Kallivayalil & Co. Kochi were appointed as Statutory Auditors of the Bank for the year 2015-16 by State Bank of India, with the approval of Reserve Bank of India. The Board of Directors sincerely appreciates the valuable suggestions offered and the excellent support and cooperation extended by the Statutory Central Auditors for the completion of the

audit well in time.

### **25. Acknowledgments**

The Board of Directors gratefully acknowledge the valuable advice and support extended by the Ministry of Finance, Government of India, Reserve Bank of India, Indian Banks' Association, State Bank of India and the cooperation and support extended by the Securities and Exchange Board of India, Financial Institutions, Stock Exchanges and Correspondents.

The Board also wishes to place on record its sincere appreciation for the excellent support, goodwill and patronage received from the esteemed customers and shareholders, the support and co-operation extended and contributions made by the members of staff-award and supervising. The Board also places on record its appreciation for the contributions made by the Employees' Union and Officers' Association.

By Order of the Board,

Jeevandas Narayan  
Managing Director

**State Bank of Travancore**  
**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016**

(₹ in thousands)

I. CAPITAL AND LIABILITIES		SCHEDULE	As at 31-Mar-16	As at 31-Mar-15
1	Capital	1	711042	592535
	Share Application Money Pending Allotment		0	4740278
2	Reserves and Surplus	2	59500183	51931002
3	Deposits	3	1011187998	910769350
4	Borrowings	4	29494375	37962740
5	Other Liabilities and Provisions	5	44174201	49958442
	<b>Total</b>		<b>1145067799</b>	<b>1055954347</b>
II. ASSETS				
1	Cash and Balance with Reserve Bank of India	6	53237928	53399272
2	Balances with Banks and Money at Call & Short Notice	7	24958924	6679299
3	Investments	8	360618290	248194579
4	Advances	9	654662724	687206088
5	Fixed Assets	10	4448480	4319507
6	Other Assets	11	47141453	56155602
	<b>Total</b>		<b>1145067799</b>	<b>1055954347</b>
	Contingent Liabilities	12	407926734	300298662
	Bills for Collection		46936433	40815154
	Principal Accounting Policy	17		
	Notes to Accounts	18		

**RABINDRA KUMAR DASH**  
Deputy General Manager  
(Finance and Accounts)

**E K HARIKUMAR**  
Chief General Manager (RB)

**A ARAVIND**  
General Manager (Treasury) & CFO

**JEEVANDAS NARAYAN**  
Managing Director

**ADIKESAVAN S**  
Chief General Manager (CB)

**ARUNDHATI BHATTACHARYA**  
Chairperson

**DIRECTORS**

**V G KANNAN**

**VIJAY KUMAR MONGA**

**SAJEN PETER**

**NEERAJ VYAS**

**ANSHUMAN SHARMA**

**M C JACOB**

**RAVI NANDAN SAHAY**

**V KALIAPPAN**

**P V PRASAD**

As per our report of even date

**AUDITORS**

**For Kumar Vijay Gupta & Co**

Chartered Accountants  
Pawan Kumar  
Partner  
Membership No.097900  
FRN: 007814N

**For Gopalaier and Subramanian**

Chartered Accountants  
Suresh K R  
Partner  
Membership No.025453  
FRN: 000960S

Mumbai, 25<sup>th</sup> April 2016

**For G Venugopal Kamath & Co**

Chartered Accountants  
Thrivikrama Shenoy.V.  
Partner  
Membership No.209891  
FRN: 004674S

**For Babu A. Kallivayalil & Co**

Chartered Accountants  
Babu Abraham Kallivayalil  
Partner  
Membership No.026973  
FRN: 005374S

**State Bank of Travancore**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**

(₹ in thousands)

I. INCOME	SCHEDULE	For the year ended 31-Mar-16	For the year ended 31-Mar-15
1. Interest Earned	13	96088790	95686023
2. Other Income	14	11481885	10147895
<b>Total</b>		<b>107570675</b>	<b>105833918</b>
II. EXPENDITURE			
1. Interest Expended	15	70549576	72854662
2. Operating Expenses	16	19037760	19257680
3. Provisions & Contingencies		14606016	10366296
<b>Total</b>		<b>104193352</b>	<b>102478638</b>
III. PROFIT / LOSS			
1. Net Profit for the Year		3377323	3355280
2. Profit brought forward		65243	30185
<b>Total</b>		<b>3442566</b>	<b>3385465</b>
APPROPRIATIONS			
1. Transfer to Statutory Reserves		844331	838820
2. Transfer to Capital Reserves (net of tax adjustments)		281114	130521
3. Transfer to Revenue and Other Reserves			
a. Reserve under Sec 36(1)(viii) of IT ACT		930000	766200
b. General Reserves		891900	1000000
c. Investment Reserve Account		0	154768
4. Proposed Dividend		355521	355521
5. Tax on Dividend		74392	74392
6. Interim Dividend		0	0
7. Tax on Interim Dividend		0	0
8. Balance carried over to Balance Sheet		65308	65243
<b>Total</b>		<b>3442566</b>	<b>3385465</b>
Principal Accounting Policy	17		
Notes to Accounts	18		
<b>Basic and diluted Earnings per share (in ₹)</b>		<b>47.50</b>	<b>56.63</b>

**RABINDRA KUMAR DASH**

Deputy General Manager  
(Finance and Accounts)

**E K HARIKUMAR**

Chief General Manager (RB)

**A ARAVIND**

General Manager (Treasury) & CFO

**JEEVANDAS NARAYAN**

Managing Director

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As per our report of even date

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**For Kumar Vijay Gupta & Co**

Chartered Accountants

Pawan Kumar

Partner

Membership No.097900

FRN: 007814N

**For Gopalaiyer and Subramanian**

Chartered Accountants

Suresh K R

Partner

Membership No.025453

FRN: 000960S

Mumbai, 25<sup>th</sup> April 2016

**For G Venugopal Kamath & Co**

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Thrivikrama Shenoy.V.

Partner

Membership No.209891

FRN: 004674S

**For Babu A. Kallivayalil & Co**

Chartered Accountants

Babu Abraham Kallivayalil

Partner

Membership No.026973

FRN: 005374S

**State Bank of Travancore**  
**SCHEDULES TO ACCOUNTS**

(₹ in thousands)

<b>Schedule 1 - CAPITAL</b>	<b>As at 31-Mar-16</b>	<b>As at 31-Mar-15</b>
A. Authorised Capital (50,00,00,000 shares of ₹ 10 each)	5000000	5000000
B. Issued, Subscribed & Paid up Capital (711,04,167 shares of Rs 10 each)	711042	592535
<b>Share Application Money Pending Allotment</b>	0	4740278
<b>Schedule 2 - RESERVES &amp; SURPLUS</b>		
<b>I. Statutory Reserves</b>		
Opening Balance	16514682	15675862
Additions during the year	844331	838820
Deductions during the year	- 17359013	- 16514682
<b>II. Capital Reserves</b>		
Opening Balance	1170687	1040166
Additions during the year	281114	130521
Deductions during the year	- 1451801	1170687
<b>III. Share Premium</b>		
Opening Balance	5182465	1425000
Additions during the year	4621771	3757465
Deductions during the year	- 9804236	- 5182465
<b>IV. Revaluation Reserve Account</b>		
Opening Balance	-	-
Additions during the year	-	-
Deductions during the year	-	-
<b>V. Revenue &amp; Other Reserves</b>		
<b>a. Special Reserve account -Interest Rate Derivatives</b>		
Opening Balance	26734	26734
Additions during the year	-	-
Deductions during the year	- 26734	- 26734
<b>b. Reserve under Sec 36(1)(viii) of IT ACT</b>		
Opening Balance	3856700	3090500
Additions during the year	930000	766200
Deductions during the year	- 4786700	- 3856700
<b>c. General Reserves</b>		
Opening Balance	24858383	23858383
Additions during the year	891900	1000000
Deductions during the year	- 25750283	- 24858383
<b>d. Investment Reserve Account</b>		
Opening Balance	256108	101340
Additions during the year	-	154768
Deductions during the year	- 256108	- 256108
<b>VI. Balance in Profit &amp; Loss Account</b>	- 65308	65243
<b>Total</b>	<b>59500183</b>	<b>51931002</b>

(₹ in thousands)				
<b>Schedule 3 - DEPOSITS</b>	<b>As at 31-Mar-16</b>		<b>As at 31-Mar-15</b>	
<b>A. I. Demand Deposits</b>				
From Banks	2941457		2855461	
From Others	32627387	35568844	25768675	28624136
II.Savings Bank Deposits		286439369		242653427
III.Term Deposits				
From Banks	3511645		4638798	
From Others	685668140	689179785	634852989	639491787
<b>Total</b>		<b>1011187998</b>		<b>910769350</b>
B. I. Deposits of Branches in India	1011187998		910769350	
II. Deposits of Branches outside India	-		-	
<b>Total</b>		<b>1011187998</b>		<b>910769350</b>
<b>Schedule 4 - BORROWINGS</b>				
<b>I. Borrowings in India</b>				
i) Reserve Bank of India	-		-	
ii) Other Banks	-		2000000	
iii) Other Institutions & Agencies	8844375		16712740	
iv) Capital Instruments	20650000	29494375	19250000	37962740
<b>II. Borrowings outside India</b>		-		-
<b>Total</b>		<b>29494375</b>		<b>37962740</b>
<b>III. Secured Borrowings included in above</b>		-		-
<b>Schedule 5 - OTHER LIABILITIES &amp; PROVISIONS</b>				
I. Bills Payable		10935303		11177846
II. Inter Office Adjustments (net)		1754211		6371704
III. Interest Accrued		12246701		11153260
IV. Others (including provisions) #		19237986		21255632
<b>TOTAL</b>		<b>44174201</b>		<b>49958442</b>
#includes Provision against Standard Assets	3691600		4257500	
<b>Schedule 6 - CASH &amp; BALANCE WITH R.B.I.</b>				
I. Cash in hand (including foreign currency notes)		5879217		6032632
II. Balances with Reserve Bank of India				
i) in Current Account	47358711		47366640	
ii) in Other Accounts	-	47358711	-	47366640
<b>Total</b>		<b>53237928</b>		<b>53399272</b>



(₹ in thousands)

<b>Schedule 7 - BALANCES WITH BANKS &amp; MONEY AT CALL &amp; SHORT NOTICE</b>	<b>As at 31-Mar-16</b>	<b>As at 31-Mar-15</b>
<b>I. In India</b>		
i) Balances with Banks		
a) in Current Accounts	12652	5993
b) in Other Deposit Accounts	- 12652	- 5993
ii) Money at Call & Short Notice		
a) with Banks	11496507	4000000
b) with other institutions	- 11496507	- 4000000
<b>II. Outside India</b>		
i) in Current Accounts	13449765	2673306
ii) in Other Deposit Accounts	-	-
iii) Money at Call & Short Notice	- 13449765	- 2673306
<b>Total</b>	<b>24958924</b>	<b>6679299</b>
<b>Schedule 8 - INVESTMENTS</b>		
<b>A I. In India in:</b>		
i) Government Securities	279728606	205251528
ii) Other Approved Securities	-	-
iii) Shares	1826064	1589524
iv) Debentures & Bonds	3817727	3464100
v) Subsidiaries and/or Joint Ventures	-	-
vi) Others	75245893 360618290	37889427 248194579
<b>A II. Outside India</b>	-	-
<b>Total</b>	<b>360618290</b>	<b>248194579</b>
<b>B I. Investment in India</b>		
i) Gross Value of Investments	361230526	248457982
ii) Less: Aggregate provision for Depreciation	612236	263403
iii) Net Value of Investments	360618290	248194579
<b>B II. Investments outside India</b>	-	-
<b>Total</b>	<b>360618290</b>	<b>248194579</b>
<b>Schedule 9 - ADVANCES</b>		
<b>A</b> i) Bills Purchased & Discounted	21659031	34794729
ii) Cash Credits, Overdrafts & Loans repayable on demand	277925898	297453752
iii) Term Loans	355077795	354957607
<b>Total</b>	<b>654662724</b>	<b>687206088</b>
<b>B</b> i) Secured by Tangible Assets (includes advances against Book Debts)	578655330	599956867
ii) Covered by Bank/Government Guarantees	3912	2213260
iii) Unsecured	76003482	85035961
<b>Total</b>	<b>654662724</b>	<b>687206088</b>



				(₹ in thousands)
		<b>As at 31-Mar-16</b>		<b>As at 31-Mar-15</b>
<b>C</b>	<b>I Advances in India</b>			
	i. Priority Sector	255536691		257376043
	ii. Public Sector	25567895		37725378
	iii. Banks	-		636
	iv. Others	373558138		392104031
	<b>Sub Total</b>	<b>654662724</b>		<b>687206088</b>
<b>C</b>	<b>II Advances outside India</b>			
	i) Due from Banks	-		-
	ii) Due from Others	-		-
	a) Bills purchased & discounted	-		-
	b) Syndicated Loans	-		-
	c) Others	-	-	-
	Sub Total	-		-
	<b>Total</b>	<b>654662724</b>		<b>687206088</b>
<b>Schedule 10- FIXED ASSETS</b>				
<b>I.</b>	<b>Premises</b>			
	i) At cost as on 31st March of the preceding year	1089855		1088056
	ii) Additions during the year	89		1799
	iii) Deductions during the year	-		-
	iv) Depreciation to date	203937	886007	188784 901071
<b>II.</b>	<b>Other Fixed Assets (including Furniture &amp; Fixtures)</b>			
	i) At cost as on 31st March of the preceding year	9308115		7873786
	ii) Additions during the year	1255006		1646288
	iii) Deductions during the year	338580		211960
	iv) Depreciation to date	6765233	3459308	5994006 3314108
<b>III.</b>	<b>Leased Assets</b>			
	i) At cost as on 31st March of the preceding year	151404		46738
	ii) Additions during the year	-		104666
	iii) Deductions during the year	-		-
	iv) Depreciation to date	48239	103165	47076 104328
	<b>Total</b>	<b>4448480</b>		<b>4319507</b>
<b>Schedule 11 - OTHER ASSETS</b>				
	I. Inter Office Adjustments (net)	-		-
	II. Interest Accrued	8206117		9568431
	III. Tax paid in Advance/ Tax Deducted at source (net of Provisions)	5405853		6528870
	IV. Stationery & Stamps	62218		47048

(₹ in thousands)				
	<b>As at 31-Mar-16</b>		<b>As at 31-Mar-15</b>	
V Non banking assets acquired in satisfaction of claims	4810		3972	
VI Others #	33462455		40007281	
<b>Total</b>	<b>47141453</b>		<b>56155602</b>	
# Includes:				
Deposits placed with NABARD/ SIDBI/ NHB on Account of shortfall in priority sector targets	18868340		18284190	
Deferred Tax Assets (Net)	-		736300	
<b>Schedule 12 - CONTINGENT LIABILITIES</b>				
I. Claims against the Bank not acknowledged as debts	21981		24500	
II. Liability for partly paid Investments	-		-	
III. Liability on account of outstanding forward exchange contracts	308924400		199214281	
IV. Liability on account of outstanding int. rate swap contracts	198800		2150000	
V. Guarantees given on behalf of constituents:-				
i) In India	55581244		51892234	
ii) Outside India	1143090	56724334	87877	51980111
VI. Acceptances, endorsements & other obligations	39043948		45169940	
VII. Disputed Income-tax liability	1757552		1525750	
VIII. Capital commitments on account of unexecuted contracts	116045		24114	
IX. DEAF-Unclaimed Balance Account-Funds Transfer to RBI DEAF Account	1138840		209712	
X. Banker's Cheques > 3 Years	834		254	
<b>Total</b>	<b>407926734</b>		<b>300298662</b>	
<b>BILLS FOR COLLECTION</b>	<b>46936433</b>		<b>40815154</b>	
<b>Schedule 13- INTEREST EARNED</b>				
I. Interest/Discount on Advances/Bills	69637932		72787178	
II. Income on Investments	24546430		22380015	
III. Interest on balances with Reserve Bank of India and other inter-bank funds	898517		433470	
IV. Others	1005911		85360	
<b>Total</b>	<b>96088790</b>		<b>95686023</b>	
<b>Schedule 14- OTHER INCOME</b>				
I. Commission, Exchange & Brokerage	6827132		5300816	
II. Profit on sale of investments	2779546		2463988	
Less: Loss on sale of Investments	307858	2471688	104582	2359406
III. Profit on revaluation of Investments	-		-	
Less: Loss on revaluation of investments	-		-	
IV. Profit on sale of land, buildings & other assets	3267		104	

(₹ in thousands)				
	<b>As at 31-Mar-16</b>		<b>As at 31-Mar-15</b>	
Less: Loss on sale of land, buildings & other assets	5653	-2386	12102	-11998
V. Profit (net of loss) on exchange transactions	946688		1015220	
VI. Income earned by way of dividends etc				
from subsidiary companies and/or				
joint ventures abroad in India	-		-	
VII. Miscellaneous Income	1238763		1484451	
<b>Total</b>	<b>11481885</b>		<b>10147895</b>	
<b>Total Income</b>	<b>107570675</b>		<b>105833918</b>	
<b>Schedule 15 - INTEREST EXPENDED</b>				
I. Interest on Deposits	67071610		67712686	
II. Interest on R.B.I. / Inter-bank Borrowings	772778		1635782	
III. Others	2705188		3506194	
<b>Total</b>	<b>70549576</b>		<b>72854662</b>	
<b>Schedule 16 - OPERATING EXPENSES</b>				
I. Payments to & Provisions for Employees	10724033		11883713	
II. Rent, Taxes & Lighting	1931258		1717532	
III. Printing & Stationery	98417		107149	
IV. Advertisement & Publicity	129823		87433	
V. Depreciation on Bank's Property	948125		841573	
VI. Directors' Fees, Allowances and Expenses	2059		1856	
VII. Auditors' Fee and Expenses	178366		156145	
VIII. Law Charges	76884		75838	
IX. Postage, Telegrams, Telephones etc.	53032		92049	
X. Repairs & Maintenance	209854		215988	
XI. Insurance	1176592		1137898	
XII. Other Expenditure	3509317		2940506	
<b>Total</b>	<b>19037760</b>		<b>19257680</b>	

## **SCHEDULE 17**

### **PRINCIPAL ACCOUNTING POLICY 2015-16**

#### **1. GENERAL**

1.1 The accompanying financial statements have been prepared under the historical cost convention and they conform to Generally Accepted Accounting Principles (GAAP) in India, which comprise the statutory provisions, guidelines of regulatory authorities and Reserve Bank of India (RBI), Accounting Standards and guidance notes issued by the Institute of Chartered Accountants of India (ICAI) and the practices prevalent in the banking industry in India.

1.2 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 estimates.

#### **2. TRANSACTIONS INVOLVING FOREIGN EXCHANGE**

2.1 Foreign Currency transactions are recorded at the exchange rates prevailing on the date of the respective transactions.

2.2 Monetary assets and liabilities denominated in Foreign Currencies are translated at the Foreign Exchange Dealers Association of India (FEDAI) closing spot rates prevailing on the Balance Sheet date.

2.3 Guarantees / Standby Letters of Credit, Letters of Credit, Forward Rate Agreements, Foreign Currency Options and Forward Exchange Contracts are translated at FEDAI closing spot rates as on the Balance Sheet date.

2.4 a) Each outstanding forward exchange contract (Other than those mentioned in para 2.4 c) is subject to revaluation process separately.

2.4 b) The revaluation rate for each outstanding contract is derived by maturity date-wise arithmetic interpolation. The difference between revalued and the contracted amount is arrived at and its Present Value is calculated using maturity date wise arithmetic interpolation of MIFOR rate. The profit or loss is recognized on the above basis.

2.4 c) FCNB swaps with RBI and swaps done for arbitrage

are not subject to marked to market valuation. The premium or discount arising at the inception of such forward exchange contracts is amortised as expense or income over the life of the contract.

2.5 Premium received / paid on outstanding currency options are accounted for as per FEDAI guidelines.

2.6 Gains/Losses on account of change 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 recognized in profit and loss account.

#### **3. INVESTMENTS – Domestic**

Investments are accounted for in accordance with the extant regulatory guidelines.

##### **3.1 Classification**

Investments are classified into three categories namely: Held to Maturity, Available for Sale and Held for Trading. Investments are further classified into the following six groups in the balance sheet:

(i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures and Bonds, (v) Subsidiaries / Joint Ventures and (vi) Others (CPs, Mutual Funds, Units, etc.)

##### **3.2 Basis of Classification**

Investments that the Bank intends to hold till maturity are classified as Held to Maturity.

Investments that are held principally for resale within 90 days from the date of purchase are classified as Held for Trading.

Investments that are not classified in the above two categories are classified as Available for Sale.

An investment is classified as "Held to Maturity", "Available for Sale" or "Held for Trading" at the time of its purchase and subsequent shift amongst categories is done in conformity with Regulatory Guidelines.

##### **3.3 Valuations and Accounting**

i. In determining the cost of an investment:

c. Brokerage / commission received on subscription is reduced from the cost.

d. Brokerage / commission etc., paid in connection with the acquisition of investments is charged to revenue and not included in cost.

e. Broken period interest paid / received on debt

instruments is treated as interest expended / income and is not included in cost / sale consideration.

- f. Cost is determined on the weighted average cost method.
- g. Transfer of scrips from AFS /HFT category to HTM category is made at the lower of book value or market value. In cases where the market value is less than the book value, the provision against depreciation held against this security is adjusted to reduce the book value to the market value and the security is transferred at the market value.

Transfer of scrips from HTM to AFS/HFT category is done at the acquisition price/book value. After transfer, these securities are immediately revalued and resultant depreciation, if any, is provided.

ii. Held to Maturity categories:

Each security is carried at acquisition cost or at amortized cost, if acquired at a premium over the face value. Any premium on acquisition is amortized over the remaining maturity period of the security on constant yield basis. Such amortization of premium is adjusted against income under the head "Interest on investments".

iii. Available for Sale and Held for Trading categories:

a. The value of investments held under the Available For Sale category is determined as per Reserve bank of India guidelines as under:

- Central Government Securities: Marked to market on the basis of prices declared for the purpose of valuation jointly by Fixed Income Money Market and Derivatives Association of India (FIMMDA) and Primary Dealers Association of India (PDAI).
- State Government Securities and Other Trustee Securities: Marked to market on the basis of prices derived out of the yield for respective maturities declared for the purpose of valuation jointly by FIMMDA and PDAI.
- Shares: Wherever Stock Exchange quotations are available valuation is done as per lower of the quotations in Bombay Stock Exchange or National Stock Exchange. Wherever current quotations are not available and in respect of unquoted shares (i) Valuation is as per Book Value (without considering Revaluation Reserves, if any) ascertained from the latest Balance Sheet of the Company (which is not more than one year prior to the date of valuation) (ii) In case the latest Balance Sheet is not available, the

shares are valued at Re.1.00 per Company.

- Bonds & Debentures: Valued on the YTM method for the respective maturity and rating put out by FIMMDA and PDAI.
- Mutual Fund Units: Investment in quoted MF Units should be valued as per Stock Exchange quotations.
- Investment in un-quoted MF Units is to be value on the basis of the latest re- purchase price declared by the MF in respect of each particular scheme. In case of funds with a lock in period, where re-purchase price/market quote is not available, units are valued at Net Asset Value (NAV). If NAV is not available, then these are valued at cost, till the end of lock in period.
- Treasury Bills, Certificates of Deposits and Commercial Papers are valued at carrying cost.
- Preference Shares are valued at lower of market value determined on YTM basis and its redemption value.

b. Each security in the above two categories is 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.

iv. Security receipts issued by an Asset Reconstruction Company (ARC) are valued in accordance with the guidelines applicable for Non-SLR investments.

v. Investments are classified as performing and non-performing based on the following guidelines issued by the RBI.

a. Interest / Installment (including maturity proceeds) is due and remains unpaid for more than 90 days.

b. The above would apply mutatis mutandis to preference shares where the fixed dividend is not paid.

c. In the case of equity shares, in the event of the investment in the share of any company is valued at Rs.1.00 per company on account of the non- availability of the latest balance sheet, those equity shares would be reckoned as NPI.

d. If any credit facility availed by the issuer is NPA in the books of the Bank, investment in any of the securities, including preference shares issued by the same issuer is also treated as NPI and vice versa. However, if the preference shares alone are classified as NPI, the



investment in any of the other performing securities issued by the same issuer is not classified as NPI and any performing credit facilities granted to that borrower is not treated as NPA.

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. The Bank has adopted the Uniform Accounting Procedure prescribed by the RBI for accounting of Repo and Reverse Repo transactions.

### **3.4 Non-Performing Investments**

All such securities where repayment of principal or interest not serviced within 90 days from the due date are classified as Non-performing Investments, except securities guaranteed by the Central Government, which is, treated as performing investments notwithstanding arrears of principal / interest payments. In respect of investments classified as Non-performing, appropriate provisions are made for the depreciation in the value. The depreciation requirement in respect of these securities is not set off against appreciation in respect of other performing securities.

## **4. Derivatives**

4.1 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.

4.2 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.

4.3 Except as mentioned above, all other derivative contracts are marked to market as per the generally accepted practices prevalent in the industry. In respect of derivative contracts that are marked to market, changes in the market value are recognized 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.

4.4 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 have been considered to arrive at Mark to Market value for forex Over the Counter options.

4.5 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.

### **4.6 Interest Rate Swaps and Forward Rate Agreements**

a. When a hedge becomes naked in part or full owing to shrinking portfolio, and if allowed to continue till maturity, it is marked to market at regular intervals.

b. The periodical net cash flows arising out of Interest Rate Swaps in domestic currency are booked as income/ expenditure.

c. The periodical net cash flows arising out of Interest Rate Swaps in foreign currency are booked as income / expenditure and form part of the exchange position in Forex transactions.

d. Gain / Loss arising out of swap transactions in respect of Tier I / II bonds, is computed separately. Losses, if any, are fully provided for. Gains on reset or sale is recognized as Income and appropriated to Special Reserve net of taxes and mandatory transfer to statutory reserve.

## **5. ADVANCES**

5.1 All advances have been classified under four categories i.e., (i) Standard Assets (ii) Sub-Standard Assets (iii) Doubtful Assets and (iv) Loss Assets as per RBI directives / guidelines.

5.2 Advances shown in the Balance Sheet are net of:

- a. Provision made on Non-Performing Assets (NPA)
- b. Uncollected Interest Income in respect of NPA
- c. Bills rediscounted with IDBI / SIDBI
- d. Claims received
- e. Diminution in fair value of Restructured Assets
- f. Technical write-off

g. Inter-Bank Participations with Risk sharing

5.3 Provision on advances have been made in accordance with RBI guidelines / directives as under:

d. For Standard Assets:

- (i) 0.25% on direct advance to agriculture and SME sectors
- (ii) Advances to commercial real estate.
  - a. 0.75% on Advances to Commercial Real Estate - Residence Housing sector.
  - b. 1.00% on advances to Commercial Real Estate - Others.
- (iii) 2% on Teaser Home Loans. Provisioning on these assets would be reverted to @ 0.40% after 1 year from the date on which the rates are reset at higher rates, if the accounts remain "standard"
- (iv) For Restructured accounts classified as standard advances provision is made at a higher provision in the first two years from the date of restructuring. In cases of moratorium on payment of interest/principal after restructuring, such advances will attract the prescribed higher provision for the period covering moratorium and two years thereafter.
- (v) Restructured accounts classified as non-performing advances, when upgraded to standard category provision will attract a higher provision in the first year from the date of upgradation.

In respect of new restructured standard accounts with effect from June 1, 2013, provision is made at 5% and in respect of restructured standard accounts as on May 31, 2013, the provision is increased from 2.75 per cent in a phased manner as under:

- ▶ 3.50 per cent - with effect from March 31, 2014 (spread over the four quarters of 2013-14)
  - ▶ 4.25 per cent - with effect from March 31, 2015 (spread over the four quarters of 2014-15)
  - ▶ 5.00 per cent - with effect from March 31, 2016 (spread over the four quarters of 2015-16)
- (vi) 0.40% on all other advances

(b) For all Non-Performing Assets (NPA):

(i) Sub-Standard Assets:

- (a) A general provision of 15%

(b) Additional provision:

1. Additional provision of 10% exposures, which are unsecured ab-initio (where realizable value of security is not more than 10% ab-initio) that is a total of 25% of outstanding.

2. In respect of Infrastructure lending where safe guards such as Escrow accounts are available, additional provision of 5% for exposures, which are unsecured ab-initio (where realizable value of security is not more than 10% ab-initio) ie, a total 20% of outstanding.

(ii) Doubtful assets at 25%, 40% or 100% of the secured portion based on the number of years the account remained as 'Doubtful Asset' and at 100% of the unsecured portion of the outstanding after netting retainable amount of the guarantee cover under the scheme of Export Credit and Guarantee Corporation (ECGC)/Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), wherever applicable and

(iii) Loss Assets at 100%.

5.4 Restructuring of Advances: In respect of restructured accounts, where the outstanding is Rs.1.00 crore and above, the erosion in the fair value of the advance is computed as the difference between the fair value of the loan before and after restructuring.

Fair value of the loan before restructuring is computed as the present value of cash flows representing the interest at the existing rate charged on the advance before restructuring and the principal, discounted at a rate equal to the Bank's BPLR or Base rate (which ever is applicable to the Borrower) as on the date of restructuring plus the appropriate term premium and credit risk premium for the borrower category on the date of restructuring. Fair value of the loan after restructuring is computed as the present value of cash flows representing the interest at the rate charged on the advance on restructuring and the principal, discounted at a rate equal to the Bank's BPLR or Base rate (which ever is applicable to the Borrower) as on the date of restructuring plus the appropriate term premium and credit risk premium for the borrower category on the date of restructuring.

In respect of restructured accounts, where the outstanding is less than Rs.1.00 crore, the amount of diminution in the Fair value has been computed at 5% of the outstanding.

On a review, RBI vide their notification DBR.NO.BP. BC.27/21.04.048/2015- 16 dated 02.07.2015, has been decided that a rate equal to the actual interest rate

charged to the borrower before restructuring may be used to discount the future cash flows for the purpose of determining the Diminution in Fair Value of loans on restructuring.

5.5 In cases where the existing credit facilities to a borrower carry different rates of interest, the weighted average interest rate (with share of each credit facility in the total outstanding of the borrower as on the date of restructuring being used as weights); may be used as the discounting rate. This discount rate may be used to discount both the pre-restructuring cash flows as well as the post- restructuring cash flows.

In the case of suit filed accounts, legal expenses are charged to Profit & Loss account and credited to revenue expenditure, when recovered.

5.6 Financial assets sold to Asset Reconstruction Company (ARC) / Securitisation Company (SC) are recognized as under:

(a) (i) When financial assets are sold to SC/RC, on transfer of the same, will be removed from the Bank's books.

(ii) in the case the sale is at a price lower than the net book value (NBV), (Book Value less provision), the shortfall is charged to the Profit and Loss account. Counter cycling/floating provisions can be used for meeting any shortfall on sale of NPAs i.e., when the sale price is lower than the Net Book Value (NBV). In case the asset sold on or after February 26, 2014 and up to 31<sup>st</sup> March, 2016 any shortfall, can spread over, for the period of 2 years. This facility of spreading over the shortfall will be subject to necessary disclosures in the Notes to account in the Annual Financial Statements of the Bank.

(iii) The excess provision on sale of NPAs, may be reversed, if the sale is for value higher than NBV to Profit to Loss Account in the year the amounts are received. Excess provision can be reversed, arising out of sale of NPAs, only when the cash received (by way of initial consideration and/or redemption of SRs/PTCs is higher than the Net Book Value (NBV) of the Asset. Reversal of excess provision will be limited to the extent to which cash received exceeds the NBV of the assets.

With regard to assets sold before February, 26 2014, the quantum of excess provision reversed to the Profit and Loss account on account of sale of NPAs shall be disclosed in the financial statement of the Bank under "Notes to Accounts".

## 6. DEPOSITS

Interest on deposits, with provision for re-investment of interest, is capitalized for every completed quarter and shown as principal.

## 7. FIXED ASSETS & DEPRECIATION

7.1 Premises and other fixed assets have been accounted for at historical cost. Pending registration, the land and buildings acquired by the Bank are capitalized, based on letters of allotment / agreement and the physical possession.

7.2 (a) Cost of furnishing items like curtains (including stitching charges) / carpets / mattresses and pillows irrespective of cost,

(b) Cost of replacement of Batteries for UPS / Inverters irrespective of cost and

(c) Other individual items costing Rs.1000 or less are charged to profit and loss account in the year of purchase.

7.3 Depreciation on premises and other fixed assets including system software is provided for on Straight Line Method based on the useful life of the assets at the rates given below

No.	Description of fixed assets	Depreciation/ Amortisation rate
1.	Premises including building used for the Bank's business, guest house and residential purpose	1.6667%
2.	Vehicles (Motor Cars)	20%
3.	Safe Deposit Lockers, Fire Proof Data Safe, Strong room doors	5%
4.	Furniture and Fixtures other than Electrical Fittings and Fixtures	10%
5.	Electrical Fittings and Fixtures	20%
6.	Items provided at residence of Officials. Electrical Equipments Wooden and Steel Furniture	20% 10%
7.	Computer and ATM	20.00%
8.	Computer software forming an integral part of hardware	33.33%
9.	Computer Software which does not form an integral part of hardware	33.33%

10.	Cycles	10%
11.	Light /Fan	20%
12.	Servers	25%

7.4 Depreciation is charged on the basis of number of days put to use on a proportionate basis except in the case of Non integral software, which is depreciated fully in the first year of use irrespective of number of days put in to use. In the final year of depreciation a book value of Rupee 1 is left in the books, i.e the book value of any assets will not be zero at any point of time till it is discarded by the Branch / Bank.

7.5 In respect of Leasehold Properties, the lease premium is amortized over the period of the lease.

## 8. EMPLOYEE BENEFITS

8.1 Short Term Employee benefits:

Amount of short-term employee benefits, such as casual leave and medical benefits, expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service.

8.2 Post Employment benefits:

i. Defined Contribution Plan

The Bank operates a Provident Fund scheme, which is a defined contribution plan. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are made to a fund set up by the Bank and administered by a Board of Trustees. The Bank has no liability for future provident fund benefits other than its annual contribution, and recognizes such contributions as an expense in the year to which they relate.

ii. Defined Benefit Plan

a. The Bank operates gratuity, pension and resettlement schemes, which are defined benefit plans.

b. The Bank provides for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on superannuation, on death while in employment or on termination of employment. The rate of gratuity payable to an employee is 15 days based on the rate of wages / salary last drawn by the employee as per the Payment of Gratuity Act, 1972 for

every completed year of service. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for a period of not less than 5 years (on retirement, resignation, except death & disablement). To be eligible under SBT (Payment of Gratuity to Employees) Regulations, 1972 minimum service required is 10 years. The Bank makes annual contribution to the Fund administered by the Board of Trustees based on independent actuarial valuation carried out annually. The maximum amount payable as per the Payment of Gratuity Act, 1972 is Rs.10.00 lakhs. The amount payable to the employees will be higher of the amount calculated as per SBT (Payment of Gratuity to Employees) Regulations or Payment of Gratuity Act, 1972, subject to deduction of Income Tax on amount in excess of Rs.10.00 lakhs.

c. The Bank provides for pension to all eligible employees who have opted for pension and joined the services of the Bank on or before 31<sup>st</sup> March 2010. The benefit is in the form of monthly payments as per rules and regular payments to vested employees on retirement, on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes annual contributions to fund administered by Board of Trustees based on an independent external actuarial valuation carried out annually.

d. 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 recognized in the statement of profit and loss and are not deferred.

e. The bank has exercised the option of recognizing the transitional liability on adoption of Accounting Standard 15 (2005) for its defined benefit schemes against revenue and other reserves.

f. Defined Contributory Pension Scheme: Employees, joining services of the Bank on or after 1<sup>st</sup> April 2010 are eligible for Defined Contributory Pension Scheme in line with the New Pension Scheme introduced for employees of Central Government.

g. The additional liability on account of reopening of pension option for serving employees who had not opted for pension earlier as well as the enhancement in gratuity limits is being amortized over a period of five years beginning with the financial year ending March 31, 2011 as per the RBI notification.

h. The additional liability on account of reopening of

pension option for retired employees who had not opted for pension earlier as well as the enhancement in gratuity limit is being charged to the profit and loss account.

iii. Other Long Term Employee benefits:

(a) All eligible employees of the bank are eligible to encash certain portion of their earned leave while in employment or on retirement, on death or on termination of employment, subject to a maximum amount. This is paid by the Bank as and when the liability arises.

(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 recognized in the statement of profit and loss and is not deferred.

## 9. PROVISION FOR TAXATION

a. Income tax expense is the aggregate amount of current tax, deferred tax and wealth tax. Current year taxes are determined in accordance with the prevailing tax rates and tax laws. Deferred tax adjustments comprise of changes in the deferred tax assets or liabilities during the year.

b. Deferred tax assets and liabilities are recognized on a prudent basis for the future tax consequences of timing differences arising between the carrying values of assets and liabilities and their respective tax basis and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted prior to the balance sheet date. The impact of changes in the deferred tax assets and liabilities is recognized in the profit and loss account.

c. Deferred tax assets are recognized and reassessed at each reporting date, in accordance with Accounting Standard 22 and based upon Management's judgment as to whether realization is considered certain. Deferred tax assets are recognized only if there is virtual certainty that such deferred tax assets can be realized against future taxable income.

## 10. REVENUE RECOGNITION

10.1 Income: Interest and other income are recognized on accrual basis except for the following, which are recognized on cash basis:

a. Income from Non performing assets (NPAs), projects under implementation with time over run and

government guaranteed accounts where interest is not received regularly, is recognized upon realization as per RBI prudential norms.

b. Dividend is accounted on accrual basis where the right to receive the dividend is established.

c. Locker Rent;

d. Exchange on demand bills purchased / commission on bills sent for collection;

e. Interest on Overdue bills on realization basis;

f. Income on cross selling products and management fee;

g. Interest on application money for Investments;

h. Insurance claims;

i. Funded interest on restructured accounts represented by FITL;

j. Profit on sale / redemption of HTM securities is recognized as income and appropriated to Capital Reserve net of taxes and mandatory transfer to statutory reserves;

k. Income (other than interest) on investments in "Held to Maturity" category acquired at a discount to the face value, is recognized as follows:

a) On interest bearing securities, it is recognized 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.

l. Commission on Letter of Credits/ Bank Guarantees except Deferred Payment Guarantee

10.2 Adjustment in respect of recoveries made in NPA accounts – the recoveries made are appropriated in the order of Charges, Interest and then to Principal in live NPA and in respect of protested bills accounts, the recoveries made are appropriated in the order of Principal, Charges and then to unrealized Interest.

10.3 Income from interest on refund of income tax is accounted for in the year the assessment order is passed by the concerned authority.

10.4 Expenditure: Revenue expenditure is accounted for on accrual basis.



## 11. NET PROFIT

The net profit disclosed in the Profit and Loss account is arrived at, after making provisions for the following:

- a. Provision for taxes on Income including Deferred Tax and Wealth Tax,
- b. Provision for Non-performing Advances and / or Investments,
- c. Provision on Standard Assets,
- d. Interest sacrifice on restructured accounts,
- e. Depreciation on Investments,
- f. Transfers to contingencies and
- g. Other usual and necessary provisions.

## 12. IMPAIRMENT OF ASSETS

Impairment loss, if any, on Fixed Assets is recognized in accordance with the Accounting Standard 28 issued in this regard by the Institute of Chartered Accountants of India.

## 13. ACCOUNTING FOR PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

1. 1. In conformity with Accounting Standard 29, "Provisions, Contingent Liabilities and Contingent Assets", the Bank recognizes provisions only when it has a present obligation as a result of a past event, it

is probable that an out flow of resources embodying economic benefits will be required to settle the obligations, and when a reliable estimate of the amount of the obligation can be made.

2. No provision required 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 recognized 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.

3. Contingent Assets are not recognized in the financial Statements.

## SCHEDULE 18 – NOTES TO ACCOUNTS

### 1. CAPITAL

#### 1.1 Capital Adequacy Ratio

As per the extant guidelines of RBI, Bank has migrated to Basel III framework with effect from 01.04.2013. Bank has adopted Standardized Approach for Credit Risk, Standardized Duration Approach for Market Risk and Basic Indicator Approach for Operational Risk towards compounding the minimum Capital under BASEL - III.

(₹ in Crore)

Sl. No.	Particulars	Current Year	Previous Year
i)	Common Equity Tier 1 capital ratio	8.90%	8.61%
ii)	Tier 1 capital ratio	9.19%	8.90%
iii)	Tier 2 capital ratio	2.41%	1.99%
iv)	Total Capital ratio (CRAR)	11.60%	10.89%
v)	Percentage of the shareholding of the Government of India in public sector banks	0.00%	0%
vi)	Amount of equity capital raised (as below) (Application money pending allotment) Transfer of Application Money Pending Allotment to Paid Up Capital & Share Premium	0.00 474.03	474.03 385.00
vii)	Amount of Additional Tier 1 capital raised; of which; Perpetual Non Cumulative Preference Shares (PNCPS)  Perpetual Debt Instruments (PDI)	0.00 0.00 0.00	0.00 0.00 0.00
viii)	Amount of Tier 2 capital raised of which; Debt capital instrument: Preference Share Capital Instruments: [Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]	515.00 515.00 0.00	0.00 0.00 0.00

## Subordinate debts and Hybrid instruments raised as part of Tier I / Tier II Capital

(₹ in Crore)

Details	Year of issue	Tenor	Interest Rate %	Amount 31.03.2016	Amount 31.03.2015
<b>Subordinated Debt-Bonds</b>					
Lower Tier II Series VII	2005-2006	115 months	7.45	0.00 *	235.00
Lower Tier II Series VIII	2005-2006	111 months	7.80	0.00 **	140.00
Lower Tier II Series IX	2007-2008	120 months	9.20	125.00	125.00
Lower Tier II Series X	2007-2008	120 months	9.18	125.00	125.00
Upper Tier II Series I	2006-2007	180 months	9.65	200.00	200.00
Upper Tier II Series II	2007-2008	180 months	10.25	300.00	300.00
Upper Tier II Series III	2011-2012	180 months	9.25	500.00	500.00
Tier II Series I	2015-2016	120 months	8.45	515.00	0.00
<b>Innovative Perpetual Debt Instrument (IPDI) - Tier I Capital</b>					
Series I	2006-2007	Perpetual	9.34	200.00	200.00
Series II	2007-2008	Perpetual	9.95	100.00	100.00
<b>Total</b>				<b>2065.00</b>	<b>1925.00</b>

\* Redeemed on 06-05-2015.

\*\* Redeemed on 15-05-2015.

### 1.2 Issue of Tier II Bonds

During the Financial Year 2015 - 16, the Bank successfully issued 5150 Basel III compliant Tier II Bonds aggregating to ₹515 Crores at an annual coupon rate of 8.45%. The allotment of the Tier II Bonds was made on 30<sup>th</sup> March, 2016. The Bonds are redeemable on 30<sup>th</sup> March, 2026 with a call option on 30<sup>th</sup> March, 2021. The Bonds are rated "CRISIL AAA / Stable" by CRISIL and "CARE AAA" by CARE Ratings. The Bonds have been listed on the National Stock Exchange of India Limited, Mumbai with effect from 12<sup>th</sup> April, 2016.

### 1.3 Share Application Money Pending Allotment

During the year ended 31<sup>st</sup> March, 2016, the Bank has allotted 1,18,50,694 equity shares of ₹10 each fully paid up for cash at a price of ₹ 400 including a Premium of ₹390 per equity share aggregating to ₹474.03 Crores on Rights basis to the existing equity shareholders of the Bank as on the Record Date i.e. 04<sup>th</sup> March, 2015, at the ratio of 1 (One) fully paid-up equity share for every 5 (Five) equity shares held on the Record Date. The allotment of the equity shares was made on 13<sup>th</sup> April, 2015 against the share application money held as on 31<sup>st</sup> March, 2015.

## 2. INVESTMENTS

(₹ in Crore)

Particulars	31.03.2016	31.03.2015
Value of Investments		
Gross value of Investments	36123.05	26674.22
a) In India	36123.05	26674.22
b) Outside India	Nil	Nil
Less: Provisions for Depreciation	61.22	26.34
a) In India	61.22	26.34
b) Outside India		
Net value of Investments	36061.83	26647.88
a) In India	36061.83	26647.88
b) Outside India	Nil	Nil
Movement of Provisions held towards Depreciation on Investments		
Opening Balance (as on 1 <sup>st</sup> April)	26.34	93.34
Add: Provisions made during the year	39.32	0.00
Less: Write back of excess provisions during the year	0.00	31.26
Less: Write-off during the year	*4.43	#35.74
Closing Balance (as on 31 <sup>st</sup> March)	61.22	26.34
#Depreciation on account of shifting of securities ₹35.74 crore.		
* Depreciation on account of shifting of securities ₹4.43 crore.		

In accordance with the RBI guidelines, the Bank's gross investment portfolio has been classified into three categories. The classification as on 31.03.2016 is given below:

(₹ in Crore)

Classification	31.03.2016		31.03.2015	
	Amount	%	Amount	%
Held to Maturity - HTM	20716.31	57.3493	19548.00	73.2828
Available for Sale - AFS	15356.61	42.5120	7089.88	26.5858
Held for Trading - HFT	50.12	0.1387	36.34	0.1414
Total	36123.05	100.0000	26674.22	100.0000

Domestic HTM securities (SLR) as a percentage of Net Demand and Time Liabilities works out to 20.15% (22.85%) as against a stipulated maximum level of 21.50% (23.50%).

## 2.1 Repo transactions during the year 2015-16

(₹ in Crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on 31/03/2016
Securities sold under Repo				
Government Securities	30.00 (230.00)	*4046.00 (4046.00)	*588.37 (1061.76)	#445.00 (4046)
Corporate Debt Securities	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Securities purchased under reverse Repo				
Government Securities	92.00 (50)	955 (2795.93)	139.33 (309.97)	Nil (Nil)
Corporate Debt Securities	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)

\* Amount represents LAF. (Note: Figures in brackets relate to the previous year).

# amount represents LAF, Term Repo, MSF.

## 2.2 Non-SLR Investment Portfolio

Issuer composition of Non-SLR Investments as on 31<sup>st</sup> March, 2016.

(₹ in Crore)

Sl. No	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Un-rated' Securities	Extent of 'Unlisted' Securities
(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	PSUs	198.45 (389.67)	Nil (Nil)	1.50 (1.50)	77.08 (96.29)	Nil (Nil)
2	Financial Institutions	370.46 (1853.06)	5.54 (9.60)	6.50 (Nil)	17.00 (Nil)	5.54 (9.60)
3	Banks	6182.23 (1332.57)	9.60 (Nil)	1.00 (Nil)	Nil (Nil)	Nil (Nil)
4	Private Corporate	248.67 (708.78)	57.83 (27.62)	Nil (1.23)	18.39 (9.95)	68.67 (50.89)
5	Subsidiaries & JVs	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
6	Others	1136.24 (13.63)	Nil (13.63)	Nil (Nil)	1.23 (Nil)	Nil (Nil)
7	Provision held towards Depreciation	47.14 (26.34)	Nil (Nil)	Nil (2.73)	28.08 (4.41)	Nil (Nil)
8	Total *	8089.94 (4271.39)	72.97 (50.87)	9.00 (Nil)	85.61 (95.83)	83.81 (60.49)

\* Total figure arrived net of depreciation. (Note: Figures in brackets relate to the previous year).



## 2.3 Non Performing Non-SLR Investments

(₹ in Crore)

Particulars	31.03.2016	31.03.2015
Opening balance	28.82	14.88
Additions during the year since 01.04.2015	17.00	16.44
Reductions during the above period	3.16	2.50
Closing Balance	42.68	28.82
Total Provisions held	40.82	26.26

## 2.4 Sale and transfers to/from HTM Category

(₹ in Crore)

Sl. No	Particulars of transfer	Classification	Value of security	Total
1	Shifting from AFS TO HTM	G.SEC &SDL	971.58(1366.41)	971.58(1366.41)
2	Shifting from HTM TO AFS	G.SEC &SDL	1597.85(2116.89)	1597.85(2116.89)
3	Shifting from HTM TO AFS	VCF	2.53 (4.90)	2.53 (4.90)
4	Sale from HTM	G.SEC& SDL	2571.97(1230.11)	2571.97(1230.11)

a) The value of sales and transfers of securities to/from HTM category does not exceed 5 per cent of the book value of investments held in HTM category at the beginning of the year.

Note: The 5 per cent threshold referred to above will exclude the one time transfer of securities to / from HTM category with the approval of Board of Directors permitted to be undertaken by banks at the beginning of the accounting year and sales to the Reserve Bank of India under pre-announced OMO auctions.

b) In terms of RBI Circular No.DBOD.BP.BC.No.20/21.04.141/2015-16 dated 01.07.2015 on "Investments portfolio of banks - Classification, Valuation and Provisioning", Bank has transferred SLR securities with face value of Rs.922.61 crores (Book Value of Rs.971.58 crores) held under AFS portfolio to HTM portfolio and the loss on such transfer amounting to Rs.4.43 crores has been recognized during the year.

## 3. DERIVATIVES

### 3.1 Interest Rate Swap / Forward Rate Agreement

Coupon only swap in Japanese Yen

(₹ in Crore)

Particulars	31.03.2016	31.03.2015
The notional Principal of Swap agreements		
Interest Rate Swap	Nil	Nil
Coupon only Swap	Nil	140.00
Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements	Nil	14.00
Collateral required by the Bank upon entering into swaps	Nil	Nil
Concentration of credit risk arising from the swaps	Nil	Nil
The fair value of the swap book	Nil	0.04

\*Net of provision and Special Reserve referred in para 3.1 (e) below

## Interest Rate Swap in USD

(₹ in Crore)

Particulars	31.03.2016	31.03.2015
The notional Principal of Swap agreements		
- Interest Rate Swap	19.88	75.00
- Coupon only Swap	Nil	Nil
Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements	0.11	0.86
Collateral required by the Bank upon entering into swaps	Nil	Nil
Concentration of credit risk arising from the swaps	Nil	Nil
The fair value of the swap book	0.01	0.39

- The Bank has entered into (1) Interest Rate Swap (Coupon only swaps) for hedging the interest rate risks of Tier II Bonds and (2) Interest Rate Swap for hedging the interest rate risks of FCNR (B) deposits. No swap transaction was undertaken for trading purpose during the year.
- All the Interest Rate Swaps are within the counter party exposure limits.
- The value and maturity of the hedge have not exceeded the underlying liabilities and no stand-alone transactions are initiated / outstanding.
- The Coupon only swaps are done in Japanese Yen and Indian Rupees receiving Fixed Rate interest in Indian Rupee and paying Japanese Yen LIBOR for one year (plus a spread) with a cap of 1%.
- There is an exchange risk in respect of interest payout for coupon only swap transaction as the same is marked to market.
- Forex based Interest Rate Swaps are done in US Dollars receiving fixed and paying six month LIBOR – linked floating rate interest.
- Carrying value of the Notional Principal amount of the outstanding swaps is same as the Notional Principal amount and outstanding Interest Rate Swaps arrived at FEDAI revaluation rate as on balance sheet dates.
- The Bank has not offered any collateral for undertaking the swaps.
- There is no concentration of credit risks arising from Interest Rate Swaps undertaken during the year.
- No Forward Rate Agreement transaction was undertaken during the year.
- Disclosure is made on the information/valuations provided by the counterparty banks, viz, State Bank of India and ICICI Bank Limited.

## 3.2 Exchange Traded Interest Rate Derivatives (Rupee & Forex)

(₹ in Crore)

Sl. No.	Particulars	Amount
(i)	Notional Principal amount of exchange traded interest rate derivatives undertaken during the year.	Nil
(ii)	Notional Principal amount of exchange traded interest rate derivatives outstanding as on 31.03.2015.	Nil
(iii)	Notional Principal amount of exchange traded interest rate derivatives and not "highly effective".	Nil
(iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective".	Nil

### 3.3 Options

Options offered to customers have been covered back to back in the market.

The carrying value of the Notional Principal Amount of the outstanding options arrived at FEDAI rates and the fair value as on 31.03.2016 are:

(₹ in Crore)

Particulars	Carrying Value		Fair Value	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Option Contracts	Nil	Nil	Nil	Nil

### 3.4 Disclosures on risk exposure in derivatives

#### a. Qualitative Disclosure

- Bank has started trading in currency futures through MCX Exchange with IL&FS as Clearing agent as per Board approved policy.
- As risk measurement and monitoring, the hedge instrument is marked to the market at periodical intervals to ensure its effectiveness.
- Identifying an underlying, employing a derivative to hedge the Rate Sensitive Gap and reviewing the effectiveness based on interest rate view are some of the processes in risk mitigation.
- Hedge transactions are accounted on accrual basis and no marking to market is done. However, fair value and likely loss in the event of counter party default is disclosed. Credit Risk is mitigated through counter party exposure norms set internally.

#### b. Quantitative Disclosure

Coupon only swap in Japanese Yen

(₹ in Crore)

Sl. No	Particulars	Currency Derivatives		Interest Rate Derivatives	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015
1.	Derivatives (Notional Principal Amount)				
	a) For Hedging	Nil	Nil	Nil	140.00
	b) For Trading	Nil	Nil	Nil	Nil
2.	Marked to Market Positions				
	a) Asset (+)	Nil	Nil	Nil	0.04
	b) Liability (-)	Nil	Nil	Nil	Nil
3.	Credit Exposure	Nil	Nil	Nil	14.00
4.	Likely impact of one percentage change in interest Rate (100*PV01)				
	a) On Hedging derivatives	Nil	Nil	Nil	Nil
	b) On Trading derivatives	Nil	Nil	Nil	Nil
5.	Maximum and Minimum of 100*PV01 observed during the year				
	a) On Hedging	Nil	Nil	Nil	Nil
	b) On Trading	Nil	Nil	Nil	Nil

## Interest Rate Swap in USD

(₹ in Crore)

SL. NO	Particulars	Currency Derivatives		Interest Rate Derivatives	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015
1.	Derivatives (Notional Principal Amount)				
	a) For Hedging	Nil	Nil	19.88	75.00
	b) For Trading	Nil	Nil	Nil	Nil
2.	Marked to Market Positions				
	a) Asset (+)	Nil	Nil	0.01	0.39
	b) Liability (-)	Nil	Nil	Nil	Nil
3.	Credit Exposure	Nil	Nil	0.11	0.86
4.	Likely impact of one percentage change in interest Rate (100*PV01)				
	a) On Hedging derivatives	Nil	Nil	0.13	0.73
	b) On Trading derivatives	Nil	Nil	Nil	Nil
5.	Maximum and Minimum of 100*PV01 observed during the year				
	a) On Hedging	Nil	Nil	0.57/0.13	0.82/0.73
	b) On Trading	Nil	Nil	Nil	Nil

(Disclosure is made based on the intimation received by the Management from the Counter party banks viz. State Bank of India and ICICI Bank Ltd.)

#### 4. ASSET QUALITY

##### 4.1 Non-Performing Assets

(₹ in Crore)

Particulars	31.03.2016	31.03.2015
i. Net NPAs to Net Advances (%)	2.77	2.04
ii. Movement of NPAs (Gross)		
a. Opening balance	2357.05	3076.94
b. Additions during the year	5236.21	4474.93
c. Reductions during the year	4393.30	5194.82
d. Closing balance	3199.96	2357.05
iii. Movement of Net NPAs		
a. Opening Balance	1398.66	1928.51
b. Additions during the year	3911.80	3641.41
c. Reductions during the year	3496.79	4171.26
d. Closing balance	1813.67	1398.66
iv. Movement of Provisions for NPAs (Excluding provision on Standard Assets)		
a. Opening balance @	896.32	1117.21
b. Provisions made during the year	1123.43	833.52
c. Write-off of excess provision (Utilized for write-off)	750.02	1054.41
d. Write back of excess provisions / reversal	0	0
e. Closing balance @	1269.73	896.32
@ includes Floating provision of Rs 50 crore & Provision for Diminution value Rs. 14.26 Crores		

#### 4.2 Particulars of Accounts Restructured as on 31.03.2016

Sl. No	Type of Restructuring Asset Classification -->	Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
		STD	SSA	DA	LA	TOTAL	STD	SSA	DA	LA	TOTAL	STD	SSA	DA	LA	TOTAL	STD	SSA	DA	LA	TOTAL
1	Restructured accounts as on April 1 of the FY (Opening Figure)*	38	3	0	0	41	38	6	278	3	325	58	13	86	3	160	134	22	364	6	526
	No. of borrowers																				
	Amount outstanding	2898	266.39	0	0	3164.39	111.48	1.45	5.46	0.11	118.5	1207.53	15.81	144.6	7.76	1375.69	4217.01	283.65	150.06	7.87	4658.58
	Provision thereon	219.92	14.48	0	0	234.4	0.2	0.01	0.18	0.01	0.4	37.79	0.26	2.82	0.03	40.91	257.92	14.74	3	0.04	275.71
2	Fresh restructuring during the year	1	0	0	0	1	2	0	0	0	2	2	0	0	0	2	5	0	0	0	5
	No. of borrowers																				
	Amount outstanding	258.56	45.16	9	0	312.72	31.11	1.58	0.04	0	32.73	149.21	0.05	0.08	0	149.34	438.89	46.79	9.12	0	494.79
	Provision thereon	4.97	0	0.03	0	5	0.12	0.12	0.01	0	0.25	2.21	0	0	0	2.21	7.29	0.12	0.05	0	7.46
3	Upgradations to restructured standard category during the FY	0	0	0	0	0	4	-3	-1	0	0	2	-2	0	0	0	6	-5	-1	0	0
	No. of borrowers																				
	Amount outstanding	0	0	0	0	0	0.2	-0.19	-0.01	0	0	2.73	-2.73	0	0	0	2.93	-2.92	-0.01	0	0
	Provision thereon	0	0	0	0	0	0.01	-0.01	0	0	0	0	0	0	0	0	0.01	-0.01	0	0	0
4	Restructured STD advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	0																			
	No. of borrowers																				
	Amount outstanding	0																			
	Provision thereon	0																			
5	Down gradations of restructured accounts during the FY	-5	4	1	0	0	-9	8	-2	3	0	-6	4	-3	5	0	-20	16	-4	8	0
	No. of borrowers																				
	Amount outstanding	-552.8	538.72	14.08	0	0	-57.28	52.55	4.75	-0.02	0	-88.63	77.79	10.76	0.08	0	-698.72	669.06	29.59	0.07	0
	Provision thereon	-27.14	27.01	0.13	0	0	-0.07	0.06	0.01	0	0	-0.97	0.73	0.23	0.01	0	-28.18	27.8	0.38	0.01	0
6	Write-offs of restructured accounts during the FY	3	2	0	0	5	12	1	189	2	204	12	7	40	3	62	27	10	229	5	271
	No. of borrowers																				
	Amount outstanding	346.25	255.4	0	0	601.65	20.06	3.88	2.54	0.04	26.52	105.22	7.6	126.92	7.77	247.51	471.53	266.88	129.46	7.81	875.68
	Provision thereon	69.7	31.3	0	0	101	0.07	0.02	0.1	0	0.19	24.07	0.52	1.57	0.03	26.19	93.84	31.83	1.67	0.03	127.38
7	Restructured accounts as on March 31 of the FY (Closing balance*)	31	5	1	0	37	23	10	86	4	123	44	8	43	5	100	98	23	130	9	260
	No. of borrowers																				
	Amount outstanding	2257.51	594.87	23.08	0	2875.46	65.45	51.51	7.7	0.06	124.71	1165.62	83.32	28.51	0.07	1277.52	3488.58	729.69	59.29	0.13	4277.69
	Provision thereon	128.05	10.19	0.17	0	138.4	0.19	0.16	0.1	0	0.46	14.96	0.46	1.49	0.01	16.92	143.2	10.82	1.76	0.01	155.78

\* Excluding the figures of Standard Advances which do not attract higher provisioning or risk weight (if applicable).



### 4.3 Details of Non-performing financial assets purchased / sold

A. Details of Non-performing financial assets purchased			(₹ in Crore)	
Particulars	31.03.2016	31.03.2015		
1. (a) Number 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		
B. Details of Non-performing financial assets sold			(₹ in Crore)	
Particulars	31.03.2016	31.03.2015		
1. Number of accounts sold	1785	29		
2. Aggregate outstanding	1284.61	1534.43		
3. Aggregate consideration received	597.99	607.49		

C. (i) In terms of the RBI circular DBOD.BP.BC.No.98/21.04.132/2013-14 dated 26<sup>th</sup> February 2014 and RBI Master Circular DBOD.BP.BC.No. RBI/2014-15/74, on Prudential norms on Income Recognition, Asset Classification etc., dated 1<sup>st</sup> July 2014, in respect of assets sold to SC/RC's during the year ended 31<sup>st</sup> March, 2015 the shortfall arrived at by deducting sale consideration and provisions held as on the date of sale from the outstanding amount is being amortized over two years. Accordingly, the Bank has charged to the Profit and Loss account an amount of Rs.279.84 Crores for the year ended 31<sup>st</sup> March, 2016 and the unamortized balance as at March 31, 2016 amounts to Rs.129.34 Crores.

(ii) For the year ended 31<sup>st</sup> March, 2016 Bank has assigned financial assets having a net Book Value of Rs.924.91 Crores to Asset Reconstruction Companies for a consideration of Rs. 646.16 Crore. The Bank has spread over the net shortfall of Rs.360.69 Crores over a period of two years. Consequently, an amount of Rs.115.07 Crores has been charged off during the year ended 31<sup>st</sup> March, 2016. The unamortised balance as at 31<sup>st</sup> March, 2016 is Rs. 245.62 Crores.

(iii) The total unamortised balance on this account as at 31<sup>st</sup> March, 2016 is Rs. 374.96 Crores.

D. Details of sale of non performing assets (NPAs) to Securitisation / Reconstruction Companies for asset reconstruction.

(₹ in Crore)						
	Backed by NPAs sold by the bank as underlying		Backed by NPAs sold by other banks / financial institutions / non banking financial companies as underlying		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Book value of investments in security receipts	490.43	494.21	Nil	Nil	490.43	494.21

#### 4.4 Details of financial assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

(₹ in Crore)

Particulars	31.03.2016	31.03.2015
1. Number of accounts	8461	34
2. Aggregate value (net of provisions) of accounts sold to SC / RC	924.91	1173.46
3. Aggregate consideration	646.16	647.71
4. Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
5. Aggregate gain / loss over net book value	278.75	544.23

#### 4.5 Provision on Standard Assets

(₹ in Crore)

Particulars	31.03.2016	31.03.2015
Provision made during the year towards Standard Assets	-56.59	49.30
Cumulative Provision held for Standard Assets (Included under 'Other Liabilities & Provisions' in Schedule 5 to the Balance Sheet)	369.16	425.75

#### 4.6 Sector wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that Sector	
		31.03.2016	31.03.2015
1	Agriculture & Allied Activities	2.30	1.79
2	Industry (Micro & Small, Medium and Large)	7.18	3.77
3	Services	5.17	7.96
4	Personal Loans	1.97	1.78

#### 5. Business Ratios

Particulars	31.03.2016	31.03.2015
i. Interest Income as a percentage of Working Funds	8.72	9.01
ii. Non-Interest income as a percentage of Working Funds	1.04	0.96
iii. Operating profit as a percentage to Working Funds	1.63	1.29
iv. Return on Assets	0.31	0.32
v. Business (Deposits plus Advances) per Employee (Rs. in crore)	11.76	12.22
vi. Profit per Employee (Rs. in crore)	0.02	0.03

## 6. ASSET LIABILITY MANAGEMENT

Maturity Pattern of certain items of Assets and Liabilities as at 31.03.2016

(₹ in Crore)

Particulars	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	480.36 (372.54)	1091.89 (825.21)	1026.65 (969.27)	879.82 (1861.74)	1428.92 (2945.87)	1449.94	3580.34 (2995.41)	7638.54 (5353.04)	29466.44 (28572.91)	22384.77 (17773.27)	31691.14 (29407.69)	101118.80 (91076.94)
Advances	147.08 (488.98)	408.23 (602.62)	500.69 (466.22)	2584.42 (1689.33)	4284.06 (10174.35)	5245.30	4917.89 (6385.44)	12163.36 (14520.53)	10003.03 (10104.66)	6452.42 (6047.69)	18759.79 (18240.79)	65466.27 (68720.61)
Investments	7161.81 (237.61)	191.65 (48.98)	460.17 (147.52)	496.19 (49.21)	1829.23 (1208.44)	1829.23	1498.27 (479.40)	2081.26 (814.27)	3165.69 (3885.20)	3685.37 (4673.91)	13662.96 (15103.33)	36061.83 (26647.88)
Borrowings	0.00 (249.96)	0.00 (Nil)	0.00 (Nil)	0.00 (Nil)	0.00 (375.00)	0.00	0.00 (144.61)	0.00 (98.79)	250.00 (260.71)	0.00 (Nil)	2699.44 (2667.21)	2949.44 (3796.28)
Foreign Currency Assets	40.74 (386.45)	613.98 (136.25)	296.29 (585.94)	98.05 (64.12)	584.36 (731.00)	607.29	160.93 (462.63)	980.64 (148.50)	511.35 (518.81)	63.86 (223.87)	0.00 (Nil)	3957.49 (3257.57)
Foreign Currency Liabilities	86.59 (78.81)	13.12 (40.37)	13.58 (23.31)	29.22 (46.75)	54.53 (240.31)	70.43	264.89 (314.18)	700.38 (399.94)	1569.05 (645.37)	290.66 (1105.50)	0.00 (Nil)	3092.45 (2894.54)

\*(Figures in brackets relate to previous year)

Note: In compiling the above data certain assumptions as per RBI guidelines and estimates have been made by the Management and relied upon by the Auditors.

## 7. EXPOSURES

### 7.1 Exposure to Real Estate Sector

(₹ in Crore)

Particulars	31.03.2016	31.03.2015
a. Direct Exposure		
i. Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (individual housing loans eligible for inclusion in priority sector advances may be shown separately)	12162.90 (PSA 6924.06)	11033.06 (PSA 6405.66)
ii. Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, 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.) Exposure would also include non-fund based (NFB) limits;	579.54	884.84
iii. Investments in Mortgage Based Securities (MBS) and other securitised exposures		
- Residential	0.00	0.00
- Commercial Real Estate	0.00	0.00
b. Indirect Exposure Fund and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	1107.97	1010.12
<b>Total Exposure to Real Estate Sector</b>	<b>13850.41</b>	<b>12928.02</b>

## 7.2 Exposure to Capital Market

(₹ in Crore)

Particulars	31.03.2016	31.03.2015
i) 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	215.02	120.75
ii) 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	Nil	Nil
iii) 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	Nil	Nil
iv) 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	0.51	0.50
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	5.77	13.98
vi) Loans sanctioned to corporate 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	Nil	Nil
vii) Bridge loans to companies against expected equity flows / issues	Nil	Nil
viii) 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
ix) Financing to stockbrokers for margin trading	Nil	Nil
x) All exposures to Venture Capital Funds (both registered and unregistered)	15.51	13.65
<b>Total Exposure to Capital Market</b>	<b>236.81</b>	<b>148.88</b>

### CONVERSION OF DEBT INTO EQUITY UNDER SDR

No	Name of the Borrower	Total Debt	Of which, debt converted into equity	No of Shares	Total Face value
1	M/s. Coastal Projects Limited	298.73 Crs	10.84 Crs	1,08,40,760	10,84,07,600

### 7.3 Risk Category-wise Country Exposure

(₹ in Crore)

Risk Category	Based on Bank's Country Risk Management Policy			
	Exposure (net) as at 31.03.2016	Provision Held as at 31.03.2016	Exposure (net) as at 31.03.2015	Provision Held as at 31.03.2015
Insignificant	0.00	0.00	0.00	0.00
Very Low Risk	431.65	0.00	607.63	0.00
Low Risk	0.00	0.00	0.00	0.00
Low Medium Risk	186.75	0.00	234.45	0.00
Medium Risk	1.20	0.00	1.31	0.00
High Risk & Under Caution	4.91	0.00	12.89	0.00
Very High Risk & Under Caution	1.91	0.00	7.67	0.00
Off Credit Restricted & Under Caution	0.09	0.00	0.00	0.00
<b>Total</b>	<b>626.51</b>	<b>0.00</b>	<b>863.95</b>	<b>0.00</b>

For compiling the country-wise risk exposure, the Bank has used the Country Risk Management Policy last reviewed and approved by the Board at its meeting held on 02.03.2016. Since the Bank does not have net funded exposure of more than 1% of its total assets as on 31.03.2016 to any of the Countries, provision for Country risk is not necessary.

### 7.4 Details of Single Borrower (SGL) / Group Borrower (GBL) Limit exceeded by the Bank

In terms of the Loan Policy, the exposure should not exceed 15% of Capital funds (Tier I and Tier II) for single borrower and 40% of Capital funds for a group borrower (excluding Food credit, as per RBI norms). The ceiling may, however, go upto 20% for single borrower and 50% for a group borrower provided the additional exposure is on account of infrastructure projects in specified sectors. The Bank may also, in exceptional circumstances, with the approval of the Board, considered the enhancement of the exposure to a borrower (Single and Group) upto a maximum of a further 5% of the Bank's capital funds, subject to such borrowers consenting to the bank to make appropriate disclosure in the Bank's Annual Report. The Bank's position as on 31.03.2016 was as under:

#### a. Individual accounts (Ceiling level 15% of Capital Funds- Rs.995.50 crore)

Bank has not exceeded the exposure ceiling in any Single Borrower.

#### b. Group Borrowers (Ceiling level of 40% of Capital Funds- Rs.2654.66 crore)

Bank has not exceeded the exposure ceiling in any Group Borrower.

### 7.5 Unsecured Advances

(₹ in Crore)

Particulars	31.03.2016	31.03.2015
Unsecured Advances against intangible securities such as charge over the rights, licenses, authority, etc. #	Nil	Nil
Other Unsecured Advances	7600.35	8503.60

# The estimated value of rights, licenses, authorities etc. charged on the total amount of advances are as follows:

(₹ in Crore)

31.03.2016	31.03.2015
Nil	Nil



## 8. Disclosures of Penalties imposed by Reserve Bank of India

During the year, RBI / Government of India has imposed a penalty of Rs.1.21 crore on the Bank and the details are as under:

Sl. No.	Particulars	No. of instances	Amount (₹)
1	Penalty for deficiency in service	8	14,966.00
2	Penalty for irregularities in Currency Chest Branch (Delay / wrong reporting of ICCOMS)	5	38,326.00
3	Penalty for the detection of Fake Indian Currency from soiled note remittances	15	2,86,300.00
4	Penalty paid to Government of India (on account of delay in funds settlement during 2009 – 10)	1	17,17,000.00
5	Under Reporting in CRILC	1	1,00,00,000.00
	Total	21	1,20,56,592.00

## 9. DISCLOSURE AS PER ACCOUNTING STANDARDS (AS)

### 9.1 Accounting Standard 5: Net Profit or Loss for the period, prior period items and changes in Accounting Policies

There are no material prior period income / expenditure items for the year.

### 9.2 Accounting Standard 5: Net profit or Loss for the period, prior period items and changes in Accounting Policies.

Due to modification in Principle Accounting Policy 2015-16, in respect of depreciation on ATM, ATM category items, Networking Equipments (Switches, router, etc) and Computer application software, depreciation come down by Rs.5.53 crore.

### 9.3 Accounting Standard 6: Depreciation Accounting

Break up of total depreciation for the year for each class of assets is as under:

(₹ in Crore)

Class of Assets	31.03.2016	31.03.2015
Premises	1.52	-21.13
Other Fixed Assets	93.18	105.26
Leased Assets	0.11	0.03

### 9.4 Accounting Standard 9: Revenue Recognition

Certain items of income are recognized on realization basis as per Accounting Policy number 10.1. These are considered not material in terms of RBI guidelines, and hence do not require disclosure.

During the year, due to change in Accounting Policy, the commission earned on LC / BG was recognized on cash basis as against accrual basis followed hitherto. The commission income has increased by Rs.46.74 crore on account of change in Accounting Policy.

### 9.5 Accounting Standard 15 (Revised): Employee Benefits

## 9.6 Employee Benefits

### i. Defined Benefit Pension Plan and Gratuity

The following table sets out the status of the defined benefit Pension Plan, Gratuity Plan and Resettlement Plan as required under Accounting Standard 15: (₹ in Crore)

Particulars	Pension Plan	Gratuity
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 01.04.2015	2506.07	374.12
Current Service Cost	45.63	25.86
Interest Cost	204.84	31.35
Actuarial Gains / (Losses)	70.25	27.82
Past Service Cost (Non-Vested Benefit)	Nil	Nil
Past Service Cost (Vested Benefit)	Nil	Nil
Benefits paid	203.30	-64.51
Closing defined benefit obligation at 31.03.2016	2623.50	394.64
Change in Plan Assets		
Opening fair value of Plan Assets at 01.04.2015	2421.11	362.79
Expected Return on Plan Assets	196.11	29.39
Contributions by Employer	119.20	11.35
Benefit paid	-203.30	-64.51
Actuarial Gains / (Losses)	-13.67	40.25
Closing fair value of Plan Assets at 31.03.2016	2519.45	379.26
Reconciliation of present value of the obligation and fair value of the Plan Assets		
Present Value of Funded obligation at 31.03.2015	2623.50	394.64
Fair Value of the Plan Assets at 31.03.2015	2519.45	379.26
Deficit / (Surplus)	-104.05	-15.38
Experience adjustment on Plan Assets	Nil	Nil
Experience adjustment on Plan Liabilities	Nil	Nil
Unrecognized Past Service Cost	Nil	Nil
Net Liability / (Asset)	104.05	15.38
Liabilities	2623.50	394.64
Assets	2503.45	379.26
Net Liability / (Asset) recognized in Balance Sheet as at 31.03.2016	104.05	15.38
Net Cost recognized in the profit and loss account		
Current Service Cost	45.63	25.86
Interest Cost	204.84	31.35
Expected return on Plan Assets	-196.11	-29.39
Net actuarial losses (Gain) recognized during the year	83.92	-12.42
Past Service Cost (Non-Vested Benefit) Recognized	Nil	Nil
Past Service Cost (Vested Benefit) Recognized	Nil	Nil
Total costs of defined benefit plans charged to P&L under Schedule 16 'Payments to and Provisions for Employees'	138.28	15.40
Reconciliation of expected return and actual return on Plan Assets		
Expected Return on Plan Assets	196.11	29.39
Actuarial Gain / (Loss) on Plan Assets	-13.67	40.25
Actual Return on Plan Assets	182.44	69.63
Reconciliation of opening and closing Net Liability recognized in Balance Sheet		
Opening Net Liability as at 01.04.2015	84.97	11.33
Expenses as recognized in profit and loss account	138.28	15.40
Employers' contribution	119.20	11.35
Net Liability / (Asset) recognized in Balance Sheet as at 31.03.2016	104.05	15.38
Expected Contribution in the next Financial Year (2016-17)	104.05	15.38

- ii. Investments under Plan Assets of Gratuity Fund & Pension Fund (Other than accrued interest, bank balance and other assets) as on 31.03.2016 are as follows: (₹ in Crore)

Category of Assets			
Gratuity Fund		Pension Fund	
Amount	% of Plan Assets	Amount	% of Plan Assets
324.62	85.60	2364.82	93.86

Out of the above following investments are made in State Bank of India:

(₹ in Crore)

Category of Assets			
Gratuity Fund		Pension Fund	
Amount	% of Plan Assets	Amount	% of Plan Assets
13.00	3.43	52.00	2.06

- iii. All the actuarial gains and losses have been fully recognized in the statement of profit and loss.
- iv. Brief description of type of plan:  
 Pension is paid to all eligible pension optees, on superannuation, voluntary retirement, etc. To be eligible for pension, the employee should have put in minimum ten years of service.  
 Gratuity is payable to all eligible employees on superannuation, voluntary retirement, etc. To be eligible for gratuity, the employee should have put in minimum five years of service.
- v. The expected return on plan assets over the accounting period is based on an assumed rate of return. The assumed rate of return is 8.10% per annum for Pension Plan and 8.10% for Gratuity Plan.

Principal assumptions considered in the actuarial report:

Particulars	Defined Benefit Pension Plans	Gratuity
Discount Rate as at 01.04.2015	8.21%	8.21%
Expected Rate of return on Plan Asset as at 01.04.2015	8.10%	8.10%
Salary Escalation as at 01.04.2015	5.00%	5.00%
Discount Rate as at 31.03.2016	8.10%	8.10%
Expected Rate of return on Plan Asset as at 31.03.2016	8.10%	8.10%
Salary Escalation as at 31.03.2016	5.00%	5.00%

- vi. The estimates of future salary increase considered in actuarial valuation, take into account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

## 9.7 Defined Contribution Plan

Amount of Rs 0.65 crore (Rs. 0.46 crore) recognized as an expense towards the Provident Fund scheme of the Bank and Rs. 15.23 crores (Rs 10.62 crore) as an expense towards new pension scheme is included under the head 'Payments to and provisions for employees' in profit and loss account.

### 9.7.1 Other Long term Employee Benefits

Amount of Rs. 23.35 crore (Previous Year Rs. 26.79 crore) is recognized as an expense towards Other Long term Employee Benefits included under the head 'Payments to and Provisions for Employees' in profit and loss account.

## 9.8 Accounting Standard 17: Segment Reporting

### Part A: Business Segments

Pursuant to RBI guidelines, the Bank has re-classified the business segments in which the Bank operates into:

- a. Corporate / Wholesale Banking
- b. Retail Banking
- c. Treasury and
- d. Other Banking Operations

The classification has been done on the basis of following criteria:

Corporate / Wholesale Banking: All loan and advance accounts with exposure of above Rs. 5 crore are classified under wholesale / corporate Banking.

Retail: All loan and advance accounts which are not covered above will be taken as Retail Banking.

Treasury: Entire investment portfolios are classified under Treasury segment.

Other Banking Operations: The Bank does not have Other Banking Operations segment.

Allocation of Income and Expenses and Assets / Liabilities:

- a. Income and Expenses and Assets / Liabilities directly attributed to particular segment are allocated to the relative segment.
- b. Items that are not directly attributable to segments are allocated to retail and wholesale segments in proportion to the business managed / ratio of number of employees / ratio of directly attributable income.
- c. The Bank has certain common assets / liabilities and income / expense that cannot be attributed to any particular segment and hence the same are treated as unallocated.

## Part B: Business segments

(₹ in Crore)

Business Segments	Treasury		Corporate / Wholesale Banking		Retail Banking		Other Banking Operations		Total	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Particulars										
Revenue	2886.33	2618.81	4929.73	5042.38	2941.00	2922.20	0.00	0.00	10757.07	10583.39
Result	185.50	49.78	140.25	323.23	171.33	187.32	0.00	0.00	497.08	560.33
Unallocated expenses									0.00	0.00
Operating profit *									497.08	560.33
Income taxes									159.35	224.80
Extraordinary profit / loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net profit									337.73	335.53
Other Information:										
Segment assets	43845.24	32840.96	44428.64	45600.90	25692.32	26427.06	0.00	0.00	113966.19	104868.92
Unallocated assets									540.59	726.52
Total assets									114506.78	105595.43
Segment liabilities	3588.72	4295.70	69094.86	64132.86	41823.20	37166.87	0.00	0.00	114506.78	105595.43
Unallocated liabilities									0.00	0.00
Total liabilities									114506.78	105595.43
* operating profit is arrived at after deduction of provisions & contingencies of Rs.1301.25 Crore (previous year Rs.811.83 crore)										

## Part C: Geographic Segment

The Bank operates only in Domestic segment and therefore, no separate disclosure under geographic segment is made.

### 9.9 Accounting Standard 18: Related Party Disclosures

The Key Managerial Personnel of the Bank and their remuneration (including superannuation benefits) during 2015-16 are as below: (₹ in Crore)

Name	Designation	Period	Salary & Allowances	Perquisites
Shri Jeevandas Narayan	Managing Director	2015-2016	0.39	0.10

Note: As all the other related parties are State Controlled Enterprises as defined in Accounting Standard 18 issued by the Institute of Chartered Accountants of India, transactions with them are not disclosed.

### 9.10 Accounting Standard 19: Leases

The properties taken on lease / rental basis are renewable / cancellable at the option of the Bank. The Bank's liabilities in respect of disputes pertaining to additional rent / lease rent are recognized on settlement or on renewal.

## 9.11 Accounting Standard 20: Earnings Per Share

Earnings Per Share has been computed as under:

Particulars	31.03.2016	31.03.2015
Net Profit (₹ in crore)	337.73	335.53
Weighted Average Number of Equity Shares	7,11,04,167	5,92,53,473
Earnings Per Share in Rupees - Basic (Face Value of share ₹ 10)	47.50	56.63
Earnings Per Share in Rupees – Diluted (Face Value of share ₹10)	47.50	56.63

## 9.12 Accounting Standard 22: Accounting for Taxes and Income

The breakup of the Deferred Tax Assets (DTA) and Deferred Tax Liabilities (DTL) as on 31.03.2016 into major components of the respective balances is as under:

(₹ in Crore)

Tax effects of timing differences	Opening Balance as on 31.03.15	Adjustment during the year in P&L	Closing Balance as on 31.03.16
Deferred Tax Assets (DTA)			
Provision on Employee Benefits	67.60	38.60	106.20
Depreciation of Investments	0.00	0.00	0.00
Wage Revision	82.94	-81.68	1.26
Fixed Assets	0.00	0.00	0.00
Restructured Assets	92.53	-39.98	52.55
Total Deferred Tax Assets (A)	243.07	-83.06	160.01
Deferred Tax Liabilities (DTL)			
Fixed Assets	9.73	-3.59	6.14
Amortisation of Pension & Gratuity	0.00	0.00	0.00
Depreciation of Investments	28.62	-22.47	6.15
SBT Spl. HL Insurance Premium	0.00	0.00	0.00
Provision u/s 36(1)viii **	131.09	34.57	165.66
Total Deferred Tax Liabilities (B)	169.44	8.51	177.95
Net Deferred Tax Assets/ (Liabilities)	73.63	-91.57	-17.94

## 9.13 Accounting Standard 28: Impairment of Assets

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

## 9.14 Accounting Standard 29: Statement of Provisions, Liabilities and Contingent Liabilities

### a. Movement in Provision for Contingent liabilities

(₹ in Crore)

Particulars	31.03.2016	31.03.2015
Balance as on 1 <sup>st</sup> April	2.45	1.72
Additions during the year	0	0.73
Utilized / Reversed during the year	0.25	Nil
Balance as on 31 <sup>st</sup> March	2.20	2.45



## b. Contingent liabilities

Liabilities at Item - I and VIII of Schedule 12 of the Balance Sheet are dependent upon the outcome of court / arbitration / out of court settlement, disposal of appeals, the amount being called up, terms of contractual obligations, development and raising of demand by concerned parties, respectively.

## c. Claims against the Bank, not acknowledged as debts

Claims against the Bank not acknowledged as debt in respect of cases subjudice is Rs.7.40 crore as on 31.03.2016.

## d. 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 pre-determined 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.

## e. Guarantees given on behalf of Constituents, acceptance, endorsements and other obligations

As 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 fulfill his financial or performance obligations.

## f. Other items for which the bank is contingently liable

The Bank is a party to various taxation matters in respect of which appeals are pending. 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.

## 10. OTHER / ADDITIONAL DISCLOSURES

### 10.1 Details of Provisions and Contingencies

(₹ in Crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit & Loss account	2015-16	2014-15
Provision for Depreciation on Investment	42.49	-31.26
Provision towards NPA	1442.85	749.14
Provision towards Standard Asset	-56.59	49.30
Provision made towards Income Tax (Including deferred tax)	159.35	224.60
Other Provision and Contingencies (with details)		
a) Provision for interest sacrifice on restructured NPA accounts	-4.28	-2.67
b) Provision for interest sacrifice on restructured Standard Assets	-120.37	43.28
c) Provision for other Miscellaneous items	-2.84	4.04
d) Wealth Tax	--	0.20
<b>TOTAL</b>	<b>1460.61</b>	<b>1036.63</b>

## 10.2 Floating Provision

(₹ in Crore)

Particulars	2015-16	2014-15
a) Opening Balance in the floating provision account	50.00	100.00
b) The quantum of floating provision made in the accounting year	Nil	Nil
c) Amount of draw down made during the accounting year	Nil	50.00
d) Closing balance in the floating provision account	50.00	50.00

## 10.3 Draw Down from Reserves

Amount drawn from reserves during the year is Nil (Previous year Nil).

## 10.4 Disclosure of Complaints

### A. Customer Complaints

Sl. No.	Particulars	Numbers
1	Number of Complaints pending at the beginning of the year	113
2	Number of Complaints received during the year	10893
3	Number of Complaints redressed during the year	10341
4	Number of Complaints pending at the end of the year	665

### B. Award passed by the Banking Ombudsman

Sl. No.	Particulars	Numbers
1	Number of Unimplemented Awards at the beginning of the year	NIL
2	Number of Awards passed by the Banking Ombudsmen during the year	NIL
3	Number of Awards implemented during the year	NIL
4	Number of Unimplemented Awards at the end of the year	NIL

## 10.5 Disclosure of Letter of Comforts (LoCs) issued by the Bank

SI No.	Ref No.Name of Customer / Ref No.	Date	Currency	Amount in Foreign Currency	Due Date	Bank
1	Sripathi Paper and Boards Pvt. Ltd.	11 Apr 2012	USD	142343.62	5 Oct 2016	CAN BK, MANAMA
2	Sripathi Paper and Boards Pvt. Ltd.	30 Oct 2015	USD	101436.15	24 Oct 2016	SBI, FRANKFURT
3	Sripathi Paper and Boards Pvt. Ltd.	17 Nov 2015	EUR	35166.31	13 May 2016	IOB, HONGKONG
4	Sripathi Paper and Boards Pvt. Ltd.	7 Dec 2015	USD	65599.07	5 Apr 2015	IOB, HONGKONG
5	Sripathi Paper and Boards Pvt. Ltd.	9 Dec 2015	USD	53050.08	7 Apr 2016	IND BK, SINGAPORE
6	Sripathi Paper and Boards Pvt. Ltd.	9 Dec 2015	USD	54053.20	8 Apr 2015	IND BK, SINGAPORE
7	Sripathi Paper and Boards Pvt. Ltd.	11 Dec 2015	USD	74214.68	11 Apr 2016	IND BK, SINGAPORE
8	Sripathi Paper and Boards Pvt. Ltd.	15 Dec 2016	USD	79980.18	13 Apr 2016	IND BK, SINGAPORE
9	Sripathi Paper and Boards Pvt. Ltd.	17 Dec 2015	USD	62284.65	15 Apr 2016	IOB, BANGKOK
10	Sripathi Paper and Boards Pvt. Ltd.	21 Dec 2015	USD	45737.41	16 Apr 2016	IOB, BANGKOK
11	Sripathi Paper and Boards Pvt. Ltd.	28 Dec 2015	USD	32695.14	21 Apr 2016	IOB, BANGKOK
12	Sripathi Paper and Boards Pvt. Ltd.	28 Dec 2016	USD	73006.00	21 Apr 2016	IOB, BANGKOK
13	Sripathi Paper and Boards Pvt. Ltd.	28 Dec 2015	USD	61833.33	26 Apr 2016	IOB, BANGKOK
14	Sripathi Paper and Boards Pvt. Ltd.	28 Dec 2015	USD	38104.67	26 Apr 2016	SBI, SHANGHAI
15	Sripathi Paper and Boards Pvt. Ltd.	8 Jan 2016	USD	73233.92	6 May 2016	SBI, DOHA
16	Sripathi Paper and Boards Pvt. Ltd.	13 Jan 2016	USD	66293.36	11 May 2016	SBI, DOHA
17	Sripathi Paper and Boards Pvt. Ltd.	14 Jan 2016	USD	49155.43	13 May 2016	SBI, DOHA
18	Sripathi Paper and Boards Pvt. Ltd.	15 Jan 2016	USD	47502.08	13 May 2016	SBI, DOHA
19	Sripathi Paper and Boards Pvt. Ltd.	20 Jan 2016	USD	52697.06	19 May 2016	SBI, DOHA
20	Sripathi Paper and Boards Pvt. Ltd.	21 Jan 2016	USD	43113.24	20 May 2016	SBI, DOHA
21	Sripathi Paper and Boards Pvt. Ltd.	22 Jan 2016	USD	51470.58	20 May 2016	SBI, DOHA
22	Sripathi Paper and Boards Pvt. Ltd.	22 Jan 2016	USD	62238.17	27 May 2016	SBI, DOHA
23	Sripathi Paper and Boards Pvt. Ltd.	3 Feb 2016	USD	59685.85	2 Jun 2016	SBI, DOHA
24	Sripathi Paper and Boards Pvt. Ltd.	4 Feb 2016	USD	66539.31	4 Apr 2016	CAN BK, MANAMA
25	Sripathi Paper and Boards Pvt. Ltd.	5 Feb 2016	USD	63771.40	5 Apr 2016	SBI, DOHA
26	Sripathi Paper and Boards Pvt. Ltd.	3 Feb 2016	USD	51354.71	1 Apr 2016	IND BK, SINGAPORE
27	Sripathi Paper and Boards Pvt. Ltd.	4 Feb 2016	USD	84439.32	2 Aug 2016	SBI, DOHA
28	Sripathi Paper and Boards Pvt. Ltd.	10 Feb 2016	JPY	3266581.00	8 Aug 2016	SBI, TOKYO
29	Sripathi Paper and Boards Pvt. Ltd.	8 Feb 2016	USD	78581.84	8 Apr 2016	SBI, DOHA
30	Sripathi Paper and Boards Pvt. Ltd.	11 Feb 2016	USD	67294.66	8 Aug 2016	SBI, DOHA
31	Sripathi Paper and Boards Pvt. Ltd.	12 Feb 2016	USD	41925.70	10 Aug 2016	SBI, DOHA
32	Sripathi Paper and Boards Pvt. Ltd.	12 Feb 2016	USD	70569.37	10 Aug 2016	SBI, TOKYO
33	Sripathi Paper and Boards Pvt. Ltd.	11 Feb 2016	USD	54587.53	11 Apr 2016	SBI, DOHA

34	Sripathi Paper and Boards Pvt. Ltd.	16 Feb 2016	USD	78998.24	16 May 2016	IND BK, SINGAPORE
35	Sripathi Paper and Boards Pvt. Ltd.	16 Feb 2016	USD	71720.52	12 Aug 2016	SBI, TOKYO
36	Sripathi Paper and Boards Pvt. Ltd.	17 Feb 2016	USD	89036.48	17 May 2016	IND BK, SHANGHAI
37	Sripathi Paper and Boards Pvt. Ltd.	21 Feb 2016	USD	60347.98	19 Aug 2016	IND BK, SINGAPORE
38	Sripathi Paper and Boards Pvt. Ltd.	24 Feb 2016	USD	88562.03	24 May 2016	IND BK, SINGAPORE
39	Sripathi Paper and Boards Pvt. Ltd.	22 Feb 2016	USD	42756.84	20 May 2016	IND BK, SINGAPORE
40	Sripathi Paper and Boards Pvt. Ltd.	24 Feb 2016	USD	80365.88	19 May 2016	IND BK, SINGAPORE
41	Sripathi Paper and Boards Pvt. Ltd.	24 Feb 2016	USD	64579.79	20 May 2016	IND BK, SINGAPORE
42	Sripathi Paper and Boards Pvt. Ltd.	29 Feb 2016	USD	60313.69	24 Aug 2016	SBI, DOHA
43	Sripathi Paper and Boards Pvt. Ltd.	29 Feb 2016	USD	51663.28	26 Aug 2016	SBI, DOHA
44	Sripathi Paper and Boards Pvt. Ltd.	2 Mar 2016	USD	61286.76	26 Aug 2016	IND BK, SINGAPORE
45	Sripathi Paper and Boards Pvt. Ltd.	9 Mar 2016	EURO	32192.00	5 Sep 2016	SBI, SIDNEY
46	Sripathi Paper and Boards Pvt. Ltd.	2 Mar 2016	USD	75849.30	7 Jun 2016	IND BK, SINGAPORE
47	Sripathi Paper and Boards Pvt. Ltd.	2 Mar 2016	USD	42368.41	2 Sep 2016	IND BK, SINGAPORE
48	Sripathi Paper and Boards Pvt. Ltd.	10 Mar 2016	USD	74213.82	6 Sep 2016	IND BK, SINGAPORE
49	Sripathi Paper and Boards Pvt. Ltd.	15 Mar 2016	USD	52818.56	11 Sep 2016	IOB, THAILAND
50	Sripathi Paper and Boards Pvt. Ltd.	18 Mar 2016	USD	56850.05	14 Sep 2016	IOB, THAILAND
51	Sripathi Paper and Boards Pvt. Ltd.	22 Mar 2016	USD	53521.60	18 Sep 2016	IOB, THAILAND
52	Sripathi Paper and Boards Pvt. Ltd.	18 Mar 2016	USD	59092.72	16 Jun 2016	CAN BK, BAHRAIN
53	Sripathi Paper and Boards Pvt. Ltd.	25 Mar 2016	USD	40904.80	23 Jun 2016	CAN BK, BAHRAIN
54	Sripathi Paper and Boards Pvt. Ltd.	25 Mar 2016	USD	74527.66	17 Jun 2016	CAN BK, BAHRAIN
55	Sripathi Paper and Boards Pvt. Ltd.	24 Mar 2016	USD	61051.53	20 Sep 2016	IOB, THAILAND
56	Sripathi Paper and Boards Pvt. Ltd.	25 Mar 2016	USD	53537.14	21 Sep 2016	IOB, THAILAND
57	Sripathi Paper and Boards Pvt. Ltd.	28 Mar 2016	USD	69315.65	21 Jun 2016	IOB, THAILAND
58	Sripathi Paper and Boards Pvt. Ltd.	29 Mar 2016	USD	73308.68	27 Jun 2016	CAN BK, BAHRAIN
59	Sripathi Paper and Boards Pvt. Ltd.	1 Apr 2016	USD	63428.87	29 Jun 2016	CAN BK, BAHRAIN
60	Sripathi Paper and Boards Pvt. Ltd.	30 Mar 2016	USD	59030.68	26 Sep 2016	IOB, THAILAND
61	Ruchi soya Industries Ltd	24/07/2015	USD	3174889.51	29/10/2015	BANK OF BARODA NEWYORK
62	National Steel and Agro Industries Ltd	30/07/2015	USD	1027500.00	31/12/2015	BANK OF BARODA NEWYORK
63	Ruchi soya Industries Ltd	26/08/2015	USD	5191819.58	30/11/2015	BANK OF BARODA NEWYORK
64	Indian Steel Corporation Ltd	04/09/2015	USD	2689960.50	04/03/2016	BANK OF BARODA NEWYORK

65	Ruchi soya Industries Ltd	28/09/2015	USD	4010000.00	30/12/2015	BANK OF BARODA NEWYORK
66	Ruchi soya Industries Ltd	08/10/2015	USD	5255997.37	08/01/2016	BANK OF BARODA NEWYORK
67	Ruchi soya Industries Ltd	02/12/2015	USD	5269910.97	04/03/2016	BANK OF BARODA NEWYORK
68	Swastik coal Corporation Ltd	15/12/2015	USD	239320.00	02/05/2016	CANARA BANK NEWYORK
69	Ruchi soya Industries Ltd	29/12/2015	USD	3745000.00	29/03/2016	BANK OF BARODA LONDON
70	Indian Steel Corporation Ltd	30/12/2015	USD	4459729.67	27/05/2016	BANK OF BARODA LONDON
71	Ruchi soya Industries Ltd	12/01/2016	USD	5529881.11	12/07/2016	BANK OF BARODA NEWYORK
72	Swastik coal Corporation Ltd	19/01/2016	USD	239320.00	20/04/2016	BANK OF BARODA LONDON
73	Swastik coal Corporation Ltd	19/01/2016	USD	156000.00	24/02/2016	BANK OF BARODA LONDON
74	Ruchi soya Industries Ltd	24/02/2016	USD	3603000.00	27/05/2016	BANK OF BARODA NEWYORK
75	Ruchi soya Industries Ltd	04/03/2016	USD	3840000.00	03/06/2016	BANK OF BARODA NEWYORK
76	Swastik coal Corporation Ltd	15/03/2016	USD	239320.00	13/04/2016	BANK OF BARODA LONDON
77	Ruchi soya Industries Ltd	24/03/2016	USD	4434205.75	27/06/2016	BANK OF BARODA LONDON
78	National Steel and Agro Industries Ltd	30/03/2016	USD	205808.08	08/09/2016	BANK OF BARODA NEWYORK
79	Bengal Energy Ltd.	01/07/2015	USD	1501277.40	18/08/2015	SBI ,FRANKFURT
80	JVL Agro Industries Ltd	20/07/2015	USD	3274795.03	15/01/2016	BANK OF INDIA,NEW YORK
81	Bengal Energy Ltd.	20/07/2015	USD	3210431.40	11/09/2015	SBI,TOKYO
82	Bengal Energy Ltd.	22/07/2015	USD	1035559.43	11/09/2015	SBI,TOKYO
83	Bengal Energy Ltd.	24/07/2015	USD	963069.70	11/09/2015	SBI,TOKYO
84	JVL Agro Industries Ltd	13/08/2015	USD	675621.63	08/02/2016	BOB,BAHAMAS
85	JVL Agro Industries Ltd	09/09/2015	USD	1632207.19	07/03/2016	BOB,BAHAMAS
86	Impex Ferro Tech Ltd	09/11/2015	USD	198465.03	08/02/2016	BOB,MAURITIUS
87	Viraj Profiles Ltd	21/05/2015	USD	851497.00	17/11/2015	BOB HONG KONG
88	Kancor Ingredients Ltd	20/07/2015	USD	260525.00	16/10/2015	BOB DUBAI
89	Kancor Ingredients Ltd	20/07/2015	USD	229425.00	16/10/2015	BOB DUBAI
90	Kancor Ingredients Ltd	20/07/2015	USD	619357.50	10/09/2015	BOB DUBAI
91	Kancor Ingredients Ltd	13/07/2015	USD	253665.00	09/08/2015	BOB DUBAI
92	Kancor Ingredients Ltd	06/02/2015	USD	519297.48	27/11/2015	BOB DUBAI
93	Vidharbha Industries Ltd	22/07/2015	USD	1173365.00	20/10/2015	SBI HONG KONG
94	Omni Active Health Tech	31/07/2015	USD	81648.00	29/10/2015	SBI SHANGHAI
95	Kancor Ingredients Ltd	21/08/2015	USD	236394.00	20/10/2015	SBI TOKYO

96	Kancor Ingredients Ltd	21/08/2015	USD	525419.20	20/10/2015	SBI TOKYO
97	Kancor Ingredients Ltd	09/02/2015	USD	193240.00	12/01/2015	BOB DUBAI
98	Kancor Ingredients Ltd	09/02/2015	USD	227010.00	12/01/2015	BOB DUBAI
99	Kancor Ingredients Ltd	18/09/2015	USD	138000.00	15/11/2015	BOB DUBAI
100	Omni Active Health Tech	16/09/2015	USD	81627.00	16/11/2015	SBI SHANGHAI
101	Kancor Ingredients Ltd	21/09/2015	USD	227240.00	17/11/2015	BOB DUBAI
102	Kancor Ingredients Ltd	15/10/2015	USD	90000.00	12/11/2015	BOB DUBAI
103	Omni Active Health Tech	08/10/2015	USD	305899.20	23/11/2015	SBI SHANGHAI
104	Omni Active Health Tech	09/01/2015	USD	480607.62	23/11/2015	BOB
105	GTN	13/10/2015	USD	412761.06	04/08/2016	BOB
106	GTN	27/10/2015	USD	205438.40	24/04/2016	BOB
107	Patspin India Ltd	11/05/2015	USD	275709.75	05/02/2016	BOB
108	Kancor Ingredients Ltd	16/11/2015	USD	516894.40	15/01/2016	BOB
109	Omni Active Health Tech	17/12/2015	USD	436653.00	15/02/2016	SBI HONG KONG
110	Kancor Ingredients Ltd	21/12/2015	USD	300000.00	16/02/2016	IOB BANGKOK
111	Viraj Profiles Ltd	21/12/2015	USD	546416.23	19/04/2016	BOB HONGKONG
112	Vldharbha Industries Ltd	24/12/2015	USD	3377293.92	18/04/2016	BOB LONDON
113	Viraj Profiles Ltd	28/12/2015	USD	508927.03	22/04/2016	BOB HONG KONG
114	Kancor Ingredients Ltd	01/07/2016	USD	450000.00	03/07/2016	BOB DUBAI
115	Viraj Profiles Ltd	01/08/2016	USD	165735.21	02/05/2016	BOB HONG KONG
116	Viraj Profiles Ltd	01/08/2016	USD	739615.50	02/05/2016	BOB HONG KONG
117	Viraj Profiles Ltd	14/01/2016	USD	138521.52	13/05/2016	BOI NEW YORK
118	Viraj Profiles Ltd	29/01/2016	USD	259101.59	26/02/2016	BOI NEW YORK
119	Kancor Ingredients Ltd	02/08/2016	USD	438000.00	04/06/2016	BOB DUBAI
120	Kancor Ingredients Ltd	02/11/2016	USD	292000.00	04/11/2016	BOB DUBAI
121	Viraj Profiles Ltd	18/02/2016	USD	694922.75	18/03/2016	BOI NEW YORK
122	Viraj Profiles Ltd	19/02/2016	USD	274532.88	18/03/2016	BOI NEW YORK
123	Viraj Profiles Ltd	29/02/2016	USD	139000.00	23/08/2016	BOB HONG KONG
124	Viraj Profiles Ltd	03/01/2016	USD	250261.24	30/03/2016	BOI NEW YORK
125	Omni Active Health Tech	14/03/2016	USD	156816.00	06/10/2016	SBIN NEWYORK
126	Viraj Profiles Ltd	31/03/2016	USD	134818.00	26/09/2016	BOB HONG KONG
127	Ushdev International Limited	14/01/2016	USD	501442.50	13/05/16	BANK OF INDIA, NEW YORK
128	Ushdev International Limited	23/02/2016	USD	2335800.00	06/06/16	BANK OF INDIA, NEW YORK
129	Ushdev International Limited	24/02/2016	USD	2036096.29	27/04/16	BANK OF INDIA, NEW YORK
130	Ushdev International Limited	24/02/2016	USD	2714056.03	26/04/16	BANK OF INDIA, NEW YORK
131	Alok Industries Limited	24/06/2015	USD	2650000.00	23/06/17	STATE BANK OF INDIA,MUMBAI
132	Alok Industries Limited	28/09/2015	USD	20700000.00	27/09/17	STATE BANK OF INDIA,MUMBAI

(Unaudited)



## 10.6 Provision coverage ratio (PCR)

(₹ in Crore)

Particulars	2015-16	2014-15
Provisioning to Gross Non-Performing Assets of the Bank	61.49%	60.62%

For calculation of Provision Coverage Ratio, account specific provision on Standard Assets is also included.

## 10.7 Fees/Remuneration received in respect of Banc-assurance business undertaken by the Bank

The Bank has received the following fees / remuneration in respect of the Banc-assurance business undertaken by the Bank: (₹ in Crore)

Sl. No.	Nature of income	2015-16	2014-15
1	For selling Life Insurance Policy	9.85	7.83
2	For selling Non-Life Insurance Policy	3.41	3.11
3	For selling Mutual Fund products	0.97	1.17
4	Others - SBI Cards, etc.	0.14	0.08
<b>TOTAL</b>		<b>14.37</b>	<b>12.19</b>

## 10.8 Concentration of Deposits, Advances, Exposures and NPAs

### Concentration of Deposits

(₹ in Crore)

Particulars	2015-16	2014-15
Total Deposits of twenty largest Depositors	7943.03	7557.61
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	7.86%	8.29%

### Concentration of Advances\*

(₹ in Crore)

Particulars	2015-16	2014-15
Total Advances to twenty largest borrowers	11258.99	12040.11
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	13.24%	13.15%

\*Advances should be computed as per definition of Credit Exposure including derivatives furnished in RBI Master Circular on exposure norms.

### Concentration of Exposures\*\*

(₹ in Crore)

Particulars	2015-16	2014-15
Total Exposure to twenty largest Borrowers / Customers	11401.26	12057.26
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Bank on borrowers / customers	9.38%	10.20%

\*\*Exposure should be computed based on credit and investment exposure as prescribed in RBI Master Circular on exposure norms

**Concentration of NPA**

(₹ in Crore)

Particulars	2015-16	2014-15
Total Exposure to Top four NPA accounts	887.16	508.17

**10.9 Sector-wise Advance**

(₹ in Crore)

Sl. No	Sector	2015-16			2014-15		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPA as to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPA as to Total Advances in that sector
A	Priority Sector						
1	Agriculture & Allied activities	7752.83	178.53	2.30	10641.94	190.71	1.79
2	Advances to Industries Sector eligible as priority sector lending	4425.97	502.71	11.35	3859.03	252.55	6.54
3	Services	4782.21	143.52	3.00	3041.75	203.89	6.70
4	Personal Loans	8965.28	309.26	3.45	8554.51	262.58	3.07
	Sub total (A)	25926.29	1134.02	4.48	26097.23	909.73	3.49
B	Non-Priority Sector						
1	Agriculture & Allied activities	0.00	0.00	0.00	0.00	0.00	0.00
2	Industries	26475.70	1716.89	6.48	31909.88	1201.46	3.77
3	Services	2824.74	249.84	8.84	1691.95	173.17	10.23
4	Personal Loans	11777.69	99.21	0.84	10207.87	72.69	0.71
	Sub total (B)	41078.13	2065.94	5.02	43809.70	1447.32	3.30
	Total (A +B)	67004.42	3199.96	4.78	69906.93	2357.05	3.37

Banks may also disclose in the format above, sub sectors where the outstanding advances exceeds 10% of the outstanding total advances to that sector. For instance, if a bank's outstanding advances to the mining industry exceeds 10% of the outstanding total advances to industry sector, it should disclose details of its outstanding advances to mining separately in the format above under the industry sector.

**10.10 Movement of NPA**

(₹ in Crore)

Particulars	2015-16	2014-15
Gross NPA as on 1 <sup>st</sup> April of particular year (Opening balance)	2357.05	3076.94
Additions (fresh NPA) during the year	5236.21	4474.93
Sub - Total (A)	7593.26	7551.87
Less:		
i) Upgradations	2521.79	2865.22

ii) Recoveries (excluding recoveries made from upgraded accounts)	1121.49	1275.19
iii) Technical / Prudential write off	386.60	514.51
iv) Write-offs other than those under (iii) above	363.42	539.90
Sub - Total (B)	4393.30	5194.82
Gross NPA as on 31 <sup>st</sup> March of following year (Closing balance) (A-B)	3199.96	2357.05

#### Details of Technical / Prudential written off accounts

(₹ in Crore)

Particulars	2015-16	2014-15
Opening balance of Technical / Prudential written off accounts as at April 1 <sup>st</sup>	1307.41	994.59
Add: Technical / Prudential write-offs during the year (*)	386.60	514.51
Sub Total (A)	1694.01	1509.10
Less: Recoveries made from previously technical / prudential written-off accounts during the year (B)(Includes dropped from AUCA Rs.95.32 crores)	184.36	201.69
Closing balance as at March 31 (A-B)	1509.65	1307.41

#### 10.11 Overseas Assets, NPAs and Revenue

(₹ in Crore)

Particulars	2015-16	2014-15
Total Assets	1344.98	267.33
Total NPAs	Nil	Nil
Total Revenue	Nil	6.06

#### 10.12 Off-Balance Sheet SPVs sponsored

Name of the SPV sponsored	
Domestic	Overseas
NIL	NIL

#### 10.13 Unamortised Pension and Gratuity Liabilities

In accordance with the provision of the RBI Circular number DBOD.BP.80/21.04.018/2010-11, the bank had amortized the amount of Rs.671.91 crores (being the additional liability on account of reopening of pension option and enhancement in the limit of Gratuity from Rs.3.00 Lakhs to Rs.10.00 Lakhs payable to its employees) over a period of five years commencing from the year ended 31.03.2011. Accordingly, Rs.134.38 crores being the fifth and final installment of amortization was charged to the Profit and Loss Account during the year ended 31.03.2015. Current year: NIL.

#### 10.14 Disclosure on remuneration : Not applicable

#### 10.15 Disclosures relating to securitization

Sl. No	Particulars		No. / Amount in crore	
1.	No of SPVs sponsored by the bank for securitisation transactions*		Nil	
2.	Total amount of securitised assets as per books of the SPVs sponsored by the bank		Nil	
3.	Total amount of exposures retained by the bank to comply with MRR as on the date of balance sheet		Nil	
	a)	Off-balance sheet exposures	Nil	
		First loss	Nil	
		Others	Nil	
	b)	On-balance sheet exposures	Nil	
		First loss	Nil	
		Others	Nil	
4.	Amount of exposures to securitisation transactions other than MRR		Nil	
	Off-balance sheet exposures		Nil	
	a)	i)	Exposure to own securitizations	Nil
			First loss	Nil
			Loss	Nil
		ii)	Exposure to third party securitisations	Nil
			First loss	Nil
			Others	Nil
	b)	On-balance sheet exposures		Nil
		i)	Exposure to own securitisations	Nil
			First loss	Nil
			Others	Nil
		ii)	Exposure to third party securitisations	Nil
			First loss	Nil
			Others	Nil
*Only the SPVs relating to outstanding securitisation transactions may be reported here				

#### 10.16 Credit Default Swaps: Nil

## 10.17 Intra Group Exposures

(₹ in Crore)

Sl.No.	Particulars	2015-16
a	Total amount of intra group exposure	Nil
b	Total amount of top 20 intra group exposure	Nil
c	Percentage of intra group exposures to total exposures of the Bank on the borrowers / customers	Nil
d	Details of breach of limits on intra group exposures and regulatory action thereon, if any	Nil

## Transfers to Depositor Education and Awareness Fund (DEAF)

### 10.18 Details of Amount transferred to DEAF

(₹ in Crore)

Particulars	2015-16	2014-15
Opening balance of amounts transferred to DEAF	20.97	0
Add: Amounts transferred to DEAF during the year	93.50	20.97
Less: Amounts reimbursed by DEAF towards claims	0.59	0
Closing balance of amounts transferred to DEAF	113.88	20.97

### 10.19 Unhedged Foreign Currency Exposure

In terms of RBI circular No. RBI/2013-14/448 DBOD.No.BP.BC.85/21.06.200/2013-14 dated 15.01.2014 and circular No. RBI/2013-14/620 DBOD.No.BP.BC.116/21.06.200/2013-14 dated 03/06/2014 on requirement of incremental capital and provisions for Banks on account of Unhedged Foreign Currency Exposure of borrowers, we have implemented the provisions with effect from 01/04/2014. The total provisions comes to Rs. 10.06 crore and the same has been provided for as on 31.03.2016.

## 11. Liquidity Coverage Ratio

### 11.1 Disclosure format

(₹ in Crore)

LCR Disclosure Template as on March 31, 2016 (Year end)		Year 2015-16	
(₹ in Crore)		Total Unweighted Value (average)	Total Weighted Value (average)
<b>High Quality Liquid Assets</b>		(12 data points)	
1	Total High Quality Liquid Assets (HQLA)		12655.46
<b>Cash Outflows</b>			
2	Retail deposits and deposits from small business customers, of which:	74103.80	6818.57
(i)	Stable deposits	11836.25	591.81
(ii)	Less stable deposits	62267.55	6226.75
3	Unsecured wholesale funding, of which:	14629.73	7028.78
(i)	Operational deposits (all counterparties)	0.00	0.00
(ii)	Non-operational deposits (all counterparties)	14629.73	7028.78
(iii)	Unsecured debt	0.00	0.00
4	Secured wholesale funding		6.55
5	Additional requirements, of which	9122.31	5961.19
(i)	Outflows related to derivative exposures and other collateral requirements	5703.34	5703.34
(ii)	outflows related to loss of funding on debt products	0.00	0.00
(iii)	Credit and liquidity facilities	3418.98	257.85

6	Other contractual funding obligations	1674.62	1674.62
7	Other contingent funding obligations	12319.46	601.39
8	<b>TOTAL CASH OUTFLOWS</b>		22091.10
<b>Cash Inflows</b>			
9	Secured Lending (e.g. reverse repo)	104.17	0.00
10	Inflows from fully performing exposures	3764.63	3061.77
11	Other cash inflows	5521.96	5480.06
12	<b>TOTAL CASH INFLOWS</b>	9390.76	8541.84
			Total Adjusted value
13	<b>TOTAL HQLA</b>		12655.46
14	<b>TOTAL NET CASH OUTFLOWS</b>		13549.26
15	<b>LIQUIDITY COVERAGE RATIO (%)</b>		93.40%

LCR Disclosure Template as on March 31, 2016 (Quarter end)

(₹ in Crore)

		<b>2015-16</b>	
		<b>Total Unweighted Value (average)</b>	<b>Total Weighted Value (average)</b>
<b>High Quality Liquid Assets</b>			
1	Total High Quality Liquid Assets (HQLA)		16029.03
<b>Cash Outflows</b>			
2	Retail deposits and deposits from small business customers, of which:	78268.80	7425.01
(i)	Stable deposits	8037.33	401.87
(ii)	Less stable deposits	70231.47	7023.15
3	Unsecured wholesale funding, of which:	21921.86	10574.15
(i)	Operational deposits (all counterparties)	0.00	0.00
(ii)	Non-operational deposits (all counterparties)	21921.86	10574.15
(iii)	Unsecured debt	0.00	0.00
4	Secured wholesale funding		0.00
5	Additional requirements, of which	7192.00	6385.47
(i)	Outflows related to derivative exposures and other collateral requirements	6338.33	6338.33
(ii)	outflows related to loss of funding on debt products	0.00	0.00
(iii)	Credit and liquidity facilities	853.67	47.13
6	Other contractual funding obligations	1768.62	1768.62
7	Other contingent funding obligations	14725.95	677.99
8	<b>TOTAL CASH OUTFLOWS</b>		<b>26831.23</b>
<b>Cash Inflows</b>			
9	Secured Lending (e.g. reverse repo)	133.33	0.00
10	Inflows from fully performing exposures	3449.47	2705.83
11	Other cash inflows	6972.41	6894.15
12	<b>TOTAL CASH INFLOWS</b>	<b>10555.21</b>	<b>9599.99</b>
			Total Adjusted value
13	<b>TOTAL HQLA</b>		<b>16029.03</b>
14	<b>TOTAL NET CASH OUTFLOWS</b>		<b>17231.25</b>
15	<b>LIQUIDITY COVERAGE RATIO (%)</b>		<b>93.02%</b>



## 11.2 Qualitative disclosure around LCR

### a. Main drivers of LCR and evolution of contribution of inputs

The Liquidity Coverage Ratio (LCR) Standard aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 calendar days time horizon under a significantly severe liquidity stress scenario, by which time it is assumed that appropriate corrective actions can be taken. The LCR position depends upon the level of High Quality Liquid Assets (HQLA) and level of inflows and outflows in 30 days stress horizon computed as per the RBI guidelines in this regard.

### b. Intra period changes

The intra period changes are mainly on account of changes in unencumbered excess SLR positions.

### c. The composition of High Quality Liquid Assets(HQLA)

Banks' High Quality Liquid Assets consists of the following

- i. Cash
- ii. Balance with RBI in excess of CRR requirement.
- iii. Unencumbered portion of investments in Government securities in excess of SLR requirement.
- iv. Investments in Government securities held within the mandatory SLR requirement, to the extent allowed by RBI under Marginal Standing facility(MSF).
- v. Investment in Government Securities held up to 8% of Net Demand and Time Liabilities(NDTL) permissible under Facility to Avail Liquidity for Liquidity Coverage Ratio(FALLCR).

### d. Concentration of funding

Banks' concentration from top 20 depositors is not significant and stood at 7.86% of total deposits as on March 31, 2016.

### e. Derivative exposure and potential collateral calls

Bank does not have derivative business except forward contracts. Exposure to derivative contracts has been incorporated in the calculation of LCR.

### f. Currency Mismatch in LCR

Bank does not have overseas operations. Hence, currency mismatch is not applicable.

### g. Centralisation of liquidity management

Banks' liquidity management and monitoring is centralized. Bank has a Board adopted Asset Liability Management (ALM) policy in line with RBI regulation and guidelines.

### h. Other Inflows and outflows in the LCR calculation that are not captured

Inflows and outflows are comprehensively captured in LCR.

## 12. MISCELLANEOUS

### 12.1 Amount of Provisions made for Taxes during the year:

(₹ in Crore)

Particulars	31.03.2016	31.03.2015
Income Tax (including deferred tax)	159.35	224.60
Wealth Tax	--	0.20
Dividend Distribution Tax	7.44	7.44

## 12.2 FIXED ASSETS

a) Gross Value of fixed assets (other than premises) jointly owned by State Bank of India and other Associate Banks

(₹ in Crore)

Particulars	31.03.2016		31.03.2015	
	Gross Value	Bank's Share(10%)	Gross Value	Bank's Share(10%)
Gross Value	1331.70	133.17	1183.70	118.37
Accumulated Depreciation	1197.90	119.79	1075.50	107.55
Written Down Value	133.80	13.38	108.20	10.82

## 12.3 INTER OFFICE ACCOUNTS

Transactions in Branch Clearing General Account (BCGA) and Drafts Account are being reconciled on an ongoing basis and steps for elimination of outstanding entries are in progress. In the opinion of the management, there are no significant items in the reconciliation to have any material consequential effect.

## 12.4 Previous year's figures have been regrouped / rearranged wherever necessary.

Signatures to Schedules 1 to 18

**RABINDRA KUMAR DASH**  
Deputy General Manager  
(Finance and Accounts)

**A ARAVIND**  
General Manager (Treasury) & CFO

**ADIKESAVAN S**  
Chief General Manager (CB)

**E K HARIKUMAR**  
Chief General Manager (RB)

**JEEVANDAS NARAYAN**  
Managing Director

**ARUNDHATI BHATTACHARYA**  
Chairperson

## DIRECTORS

**V G KANNAN**

**NEERAJ VYAS**

**RAVI NANDAN SAHAY**

**VIJAY KUMAR MONGA**

**ANSHUMAN SHARMA**

**V KALIAPPAN**

**SAJEN PETER**

**M C JACOB**

**P V PRASAD**

As per our report of even date

## AUDITORS

### **For Kumar Vijay Gupta & Co**

Chartered Accountants  
Pawan Kumar  
Partner  
Membership No.097900  
FRN: 007814N

### **For G Venugopal Kamath & Co**

Chartered Accountants  
Thrivikrama Shenoy.V.  
Partner  
Membership No.209891  
FRN: 004674S

### **For Gopalaier and Subramanian**

Chartered Accountants  
Suresh K R  
Partner  
Membership No.025453  
FRN: 000960S

### **For Babu A. Kallivayalil & Co**

Chartered Accountants  
Babu Abraham Kallivayalil  
Partner  
Membership No.026973  
FRN: 005374S

Date : 25.04.2016

Place : Mumbai

**State Bank of Travancore**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

(₹ in thousands)

	FOR THE YEAR ENDED 31-03-2016		FOR THE YEAR ENDED 31-03-2015	
	₹	₹	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>19738038</b>		<b>4667976</b>	
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(1077098)</b>		<b>(1770962)</b>	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(542659)</b>		<b>589882</b>	
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>18118281</b>		<b>3486896</b>	
<b>D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>60078571</b>		<b>56591675</b>	
<b>E. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (A+B+C+D)</b>	<b>18118281</b>	<b>78196852</b>	<b>3486896</b>	<b>60078571</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit for the year	3377323		3355281	
Add :Provision for Income Taxes	677800		2316400	
Provision for other Taxes	0		2000	
Deferred taxes	915700		(70400)	
Net Profit before Taxes	4970823		5603281	
<b>Adjustment for :</b>				
Depreciation charges	948125		841573	
Provision for NPAs	14428536		7491420	
Provision on standard assets	(565900)		493000	
Provision on Restructured standard assets	(1203736)		432836	
Provision on Restructured NPA	(42843)		(26757)	
Depreciation on Investments	424890		(312614)	
Amortisation of Investments	419151		528053	
Other provisions	(28431)		40411	
Deferred Revenue Expenditure written off during the year	0		1343826	
Amortisation on Sale of Assets to ARCs	39491		15078	
Interest paid on Innovative Perpetual Debt Instruments	286597		286300	
Interest paid on Upper Tier II Bonds	966477		962262	
Interest paid on SBT Bonds	259673		521920	
Less : Direct Taxes	(445217)		5132621	
<b>SUB-TOTAL</b>	<b>16377247</b>		<b>7484687</b>	
<b>Adjustment for :</b>				
Increase / (Decrease) in Deposits	100418647		17402532	
Increase / (Decrease) in Borrowings	(9868365)		(28271008)	
(Increase) / Decrease in Investments	(94983562)		12719445	
(Increase) / Decrease in Advances	19361407		(1057444)	
Increase / (Decrease) in Other Liabilities	(5369310)		7719588	
(Increase) / Decrease in Other Assets	(11168849)		(16933105)	
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>19738038</b>		<b>4667976</b>	

(₹ in thousands)			
	FOR THE YEAR ENDED 31-03-2016	FOR THE YEAR ENDED 31-03-2015	
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Investments in Subsidiaries and/or Joint Ventures	0	0	
Income earned on such Investments	0	0	
Fixed Assets	(1077098)	(1770962)	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1077098)</b>		<b>(1770962)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Share Capital	118507	0	
Share Premium	4621771	0	
Share Application Money Pending Allotment	(4740277)	4740277	
Issue of Innovative Perpetual Debt Instruments	0	0	
Issue of Upper Tier II Bonds	5150000	0	
Issue of Subordinated Bonds	0	0	
Redemption of IPDI Bonds	0	0	
Redemption of Upper Tier II Bonds	0	0	
Redemption of Subordinated Bonds	(3750000)	(1950000)	
Interest Paid on IPDI Bonds	(286597)	(286300)	
Interest Paid on Upper Tier II Bonds	(966477)	(962262)	
Interest Paid on Subordinate Bonds	(259673)	(521920)	
Dividends Paid	(429913)	(429913)	
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>(542659)</b>		<b>589882</b>
<b>D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>			
i) Cash in hand (including foreign currency notes and gold)	6032632	4890222	
ii) Balances with Reserve Bank of India	47366640	39695462	
iii) Balances with Banks and Money at Call and Short Notice	6679299	12005991	
	60078571		56591675
<b>E. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>			
i) Cash in hand (including foreign currency notes and gold)	5879217	6032632	
ii) Balances with Reserve Bank of India	47358711	47366640	
iii) Balances with Banks and Money at Call and Short Notice	24958924	6679299	
	78196852		60078571

**RABINDRA KUMAR DASH**  
Deputy General Manager  
(Finance and Accounts)

**A ARAVIND**  
General Manager (Treasury) & CFO

**ADIKESAVAN S**  
Chief General Manager (CB)

**E K HARIKUMAR**  
Chief General Manager (RB)

**JEEVANDAS NARAYAN**  
Managing Director

**ARUNDHATI BHATTACHARYA**  
Chairperson

#### DIRECTORS

**V G KANNAN**

**NEERAJ VYAS**

**RAVI NANDAN SAHAY**

**VIJAY KUMAR MONGA**

**ANSHUMAN SHARMA**

**V KALIAPPAN**

**SAJEN PETER**

**M C JACOB**

**P V PRASAD**

As per our report of even date

**AUDITORS**

**For Kumar Vijay Gupta & Co**

Chartered Accountants  
Pawan Kumar  
Partner  
Membership No.097900  
FRN: 007814N

**For G Venugopal Kamath & Co**

Chartered Accountants  
Thrivikrama Shenoy.V.  
Partner  
Membership No.209891  
FRN: 004674S

**For Gopalaiyer and Subramanian**

Chartered Accountants  
Suresh K R  
Partner  
Membership No.025453  
FRN: 000960S

**For Babu A. Kallivayalil & Co**

Chartered Accountants  
Babu Abraham Kallivayalil  
Partner  
Membership No.026973  
FRN: 005374S

Date : 25.04.2016  
Place : Mumbai

# INDEPENDENT AUDITOR'S REPORT TO STATE BANK OF INDIA

## Report on the Financial Statements

We, the undersigned auditors of State Bank of Travancore, appointed under Section 41 (1) of the State Bank of India (Subsidiary Banks) Act, 1959 do hereby report that:

1. We have audited the accompanying financial statements of State Bank of Travancore as at 31<sup>st</sup> March, 2016, which comprise the Balance Sheet as at March 31, 2016, Profit and Loss Account, Cash Flow Statement for the year then ended, Principal Accounting Policies and Notes to Accounts. Incorporated in these financial statements are the returns of Zonal Offices, various departments of Head Office and 20 branches audited by us and 820 branches audited by branch auditors. The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also incorporated in the Balance Sheet and the Profit and Loss Account are the returns from 337 branches which have not been subjected to audit. These unaudited branches account for 4.09% of advances, 5.35% of deposits, 3.66% of interest income and 4.37% of interest expenses of the Bank.

## Management's responsibility for the financial statements

2. Management is responsible for the preparation of these financial statements in accordance with the applicable laws of India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement whether due to fraud or error.

## Auditor's responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected

depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

6. In our opinion, as shown by the books of the Bank and to the best of our information and according to the explanations given to us:
  - i. The Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of state of affairs of the Bank as at 31<sup>st</sup> March, 2016 in conformity with accounting principles generally accepted in India.
  - ii. The Profit and Loss account, read with the notes thereon shows a true balance of profit in conformity with accounting principles generally accepted in India for the year covered by the account; and
  - iii. The Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.
7.
  - a. We draw attention to Note No. 4.3 C of Schedule 18 to the financial statements in respect of deferment of shortfall arising from sale of certain Non-Performing Assets during the year ended 31<sup>st</sup> March, 2015 and 31<sup>st</sup> March, 2016. The total unamortised balance as at 31<sup>st</sup> March 2016 is Rs. 374.96 crores.

Our opinion is not modified in respect of this matter.

- b. We draw attention to Note No. 9.4 of Schedule 18



to the financial statements in respect of change in accounting policy relating to recognition of commission on Bank Guarantee and Letters of Credit on cash basis.

Our opinion is not modified in respect of this matter.

### **Report on Other Legal and Regulatory requirements**

8. The Balance Sheet and the Profit and Loss Account have been drawn up in the Forms "A" and "B" respectively of the Third Schedule to the Banking Regulation Act, 1949.
9. Subject to the limitations of the audit indicated in Paragraph 1 to 5 above and as required by the State Bank of India (Subsidiary Banks) Act, 1959 and subject also to the limitations of disclosure required therein, we report that:

a. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory.

b. The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.

c. The returns received from the offices and branches of the Bank have been found adequate for the purpose of our audit.

d. The reports on accounts of the branches audited by branch auditors have been dealt with in preparing our report in the manner considered necessary by us.

10. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the applicable Accounting Standards.

### **AUDITORS**

#### **For Kumar Vijay Gupta & Co**

Chartered Accountants

Pawan Kumar

Partner

Membership No.097900

FRN: 007814N

#### **For G Venugopal Kamath & Co**

Chartered Accountants

Thrivikrama Shenoy.V.

Partner

Membership No.209891

FRN: 004674S

#### **For Gopalaiyer and Subramanian**

Chartered Accountants

Suresh K R

Partner

Membership No.025453

FRN: 000960S

#### **For Babu A. Kallivayalil & Co**

Chartered Accountants

Babu Abraham Kallivayalil

Partner

Membership No.026973

FRN: 005374S

Mumbai

25<sup>th</sup> April, 2016

## REPORT ON CORPORATE GOVERNANCE

### 1. The Bank's philosophy on Corporate Governance

State Bank of Travancore is committed to the best practices in the area of corporate governance, in letter and spirit. The Bank believes that good corporate governance is much more than complying with legal and regulatory requirements. Good governance facilitates effective management and control of business, maintaining a high level of business ethics and optimising the value for all its stakeholders. The objectives can be summarised as;

- To enhance shareholder value.
- To protect the interests of shareholders and other stakeholders including customers, employees and society at large.
- To ensure transparency and integrity in communication and to make available full, accurate and clear information to all concerned.
- To ensure accountability for performance and to achieve excellence at all levels.
- To provide corporate leadership of highest standard for others to emulate.

#### The Bank is committed to;

- Ensuring that the Bank's Board of Directors meets regularly, provides effective leadership, exercises control over management and monitors executive performance.
- Establishing a framework of strategic control and continuously reviewing its efficacy.
- Establishing clearly documented and transparent management processes for policy development, implementation and review, decision-making, monitoring, control and reporting.
- Providing free access to the Board to all relevant information, advice and resources as are necessary to enable it to carry out its role effectively.
- Ensuring that the Managing Director has responsibility for all aspects of executive management and is accountable to the Board for the ultimate performance of the Bank and implementation of the policies laid down by the Board. The roles of the Managing Director and the Board of Directors are also guided by the State Bank of India (Subsidiary Banks) Act, 1959, and State Bank

of Travancore General Regulations, 2015 with all amendments.

- Ensuring that a Senior Executive is made responsible in respect of compliance issues with all applicable statutes, regulations and other procedures, policies as laid down by the GOI/RBI and other regulators and the Board, and report deviation, if any.

A report on the implementation of the provisions of Corporate Governance in our Bank is furnished below:

### 2. Board of Directors

i. The Board of Directors presently consists of the Chairman, Managing Director & Group Executive (A&S), Managing Director, Four Directors nominated by SBI, of whom three are Officers of SBI and one Independent Director, one nominee each from Reserve Bank of India and Government of India, two elected Directors and a Workmen Director as on 31<sup>st</sup> March, 2016.

ii. a) Attendance of each Director at the last AGM and the Board meetings

Sl. No	Name of Director	No. of Meetings		
		Held during his/her tenure	Pre sent	AGM
1.	Smt. Arundhati Bhattacharya	7	2	P
2.	Shri. V G Kannan	7	3	P
3.	Shri. Jeevandas Narayan	7	7	P
4.	Shri. B Ramesh Babu	3	3	NP
5.	Shri. Ramesh Chandra Srivastava	3	2	P
6.	Shri. Neeraj Vyas	4	2	NA
7.	Shri. Ravi Nandan Sahay	4	3	NA
8.	Shri. Vijay Kumar Monga	4	2	NA
9.	Dr. J Sadakkadulla	7	5	P
10.	Shri. V Kaliappan	7	7	P
11.	Shri. Ashok Kumar Singh	5	1	NP
12.	Shri. Anshuman Sharma	0	0	NA
13.	Shri. C Rajkumar	3	3	P
14.	Shri. P V Prasad	7	7	P
15.	Shri. M C Jacob	7	7	P
16.	Shri. Sajen Peter	7	7	P

(P = Present, NP = Not Present, NA = Not Applicable)

(ii) (b) Total number of memberships / Chairmanships held by the Directors on the Boards / Board Level Committees of the Bank / other Companies as on 31.03.2016:

Sl. No.	Name of Director	Occupation & Address	Appointed to Board since	Number of Companies (including the Bank)
1	Smt. Arundhati Bhattacharya	Chairman State Bank of India Corporate Centre Mumbai – 400 021	07.10.2013	Director : 16 Chairman of Committee : 0 Member of the Committee: 0
2	Shri. Jeevandas Narayan	Managing Director State Bank of Travancore, Head Office, Poojapura Thiruvananthapuram	10.01.2014	Director: 1 Chairman of Committee : 5 Member of the Committee: 3
3	Shri. V G Kannan	Managing Director & Group Executive (A&S), State Bank of India, Corporate centre, Mumbai	21.10.2014	Director: 19 Chairman of Committee: 1 Member of the Committee: 0
4	Dr. J Sadakkadulla	Regional Director Reserve Bank of India Fort Glacis 16, Rajaji Salai Chennai-600001	03.01.2011	Director: 1 Chairman of Committee: Nil Member of the Committee: 3
5	Shri. Neeraj Vyas	Chief General Manager (A&S) State Bank of India, Corporate Centre, Mumbai – 400 021	24.08.2015	Director: 7 Chairman of Committee: Nil Member of the Committee: 5
6	Shri. Ravi Nandan Sahay	Chief General Manager (A&S) State Bank of India, Corporate Centre, Mumbai – 400 021	28.08.2015	Director: 6 Chairman of Committee: Nil Member of the Committee: 5
7	Shri. Vijay Kumar Monga	General Manager (A&S) State Bank of India, Corporate Centre, Mumbai – 400 021	30.09.2015	Director: 5 Chairman of Committee: Nil Member of the Committee: Nil
8	Shri. Anshuman Sharma	Deputy Secretary Department of Financial Services Ministry of Finance Government of India	28.03.2016	Director: 1 Chairman of Committee: Nil Member of the Committee: 5
9	Shri. P V Prasad	Special Assistant State Bank of Travancore, NRI Thiruvalla Branch Thiruvalla	19.07.2013	Director: 1 Chairman of Committee: Nil Member of the Committee: 1
10	Shri. V Kaliappan	79, Santhi Vinayagar Kovil Street, Sivagiri – 627757 Tirunelveli Dist, Tamil Nadu	11.11.2013	Director: 2 Chairman of Committee: 1 Member of the Committee: 6
11	Shri M C Jacob	Mannur House, 20, Avittam Road, Thiruvananthapuram – 695011	29.04.2014	Director: 1 Chairman of Committee: 2 Member of the Committee: 4
12	Shri. Sajen Peter	Vengaseril, NCC Gardens, NCC Road, Thiruvananthapuram –695005.	29.04.2014	Director: 1 Chairman of Committee: 1 Member of the Committee: 5

ii) c) Attendance of Directors, category-wise, at Board Meetings:

Date of the Meeting	No. of Directors Attended		
	Non-Executive/ RBI/ GOI Nominees	Whole-time including Chairman	Total
05/05/2015	9	2	11
24/06/2015	7	1	8
23/07/2015	9	1	10
29/10/2015	5	1	6
04/12/2015	7	1	8
01/02/2016	9	2	11
02/03/2016	6	1	7

### (iii) Resume of Directors

- Smt. Arundhati Bhattacharya - Chairman of the State Bank Group - Chairman of the Board under clause (a) of sub-section (1) of section 25 of the State Bank of India (Subsidiary Banks) Act, 1959.
- Shri Jeevandas Narayan - Managing Director - Director under Clause (aa) of sub-section (1) of Section 25 of the State Bank of India (Subsidiary Banks) Act, 1959.
- Dr J Sadakkadulla - Regional Director, Reserve Bank of India, Chennai - Director under clause (b) of sub-section (1) of section 25 of the State Bank of India (Subsidiary Banks) Act, 1959.
- Shri V G Kannan, Managing Director & Group Executive (A&S) State Bank of India, Corporate centre, Mumbai - Director under clause (c) of sub-section (1) of section 25 of the State Bank of India (Subsidiary Banks) Act, 1959.
- Shri Neeraj Vyas - Chief General Manager (A&S), State Bank of India, Corporate Centre, Mumbai - Director under clause (c) of sub-section (1) of section 25 of the State Bank of India (Subsidiary Banks) Act, 1959.
- Shri Ravi Nandan Sahay - Chief General Manager (A&S), State Bank of India, Corporate Centre, Mumbai - Director under clause (c) of sub-section (1) of section 25 of the State Bank of India (Subsidiary Banks) Act, 1959.
- Shri. Vijay Kumar Monga - General Manager (A&S), State Bank of India, Corporate Centre, Mumbai - Director under clause (c) of sub-section (1) of section 25 of the State Bank of India (Subsidiary Banks) Act, 1959.
- Shri V Kaliappan - Non official Director nominated under clause (c) of sub-section (1) of Section 25 of the State Bank of India (Subsidiary Banks) Act, 1959. He is a retired Teacher.
- Shri P V Prasad - Workmen Employee Director nominated under clause (ca) of sub-section (1) of section 25 of the State Bank of India (Subsidiary Banks) Act, 1959, presently working as Special Assistant, State Bank of Travancore, NRI Thiruvalla Branch.
- Shri M C Jacob - Director elected by shareholders under clause (d) of sub-section (1) of section 25 of the State Bank of India (Subsidiary Banks) Act, 1959. He is a retired Chief General Manager of State Bank of Travancore.
- Shri Sajen Peter - Director elected by shareholders under clause (d) of sub-section (1) of section 25 of the State Bank of India (Subsidiary Banks) Act, 1959. He is a retired IAS Officer. He has served as Additional Chief Secretary Home, Agriculture Secretary and Revenue Secretary and also Chairman of Rubber Board, Kerala.
- Shri. Anshuman Sharma - Deputy Secretary, Department of Financial Services, Ministry of Finance, Government of India - Director under clause (e) of sub-section (1) of section 25 of the State Bank of India (Subsidiary Banks) Act, 1959.

(iv) Board meets at least six times in a year and at least once in a quarter. During the year, seven meetings of the Board of Directors were held, on the following dates:

05.05.2015	04.12.2015
24.06.2015	01.02.2016
23.07.2015	02.03.2016
29.10.2015	

The quorum for the Board Meeting is four Directors of whom one shall be the Chairman or an Officer of State Bank being a Director nominated by the State Bank of India under clause (c) of sub-section (1) of section 25 of the State Bank of India (Subsidiary Banks) Act, 1959.

**(v) The details of the remuneration paid to the Directors**

(i) Remuneration paid to the Managing Director for the financial year 2015-16:

Salary and allowances paid to the Managing Director for the Financial year (inclusive of incentives)	₹ 38,93,711.05
Perquisites	₹ 9,99,970.00

(ii) Sitting fee paid to other Directors.

Directors are paid sitting fee as given below.

	Up to 06/12/2015	From 07/12/2015
For attending meeting of the Board of Directors	₹10000	₹20000
For attending meetings of various Board Level Committees	₹5000	₹10000

Details of Sitting fee paid to Directors during 2015-16 is as given below

Name of the Director	Sitting fee paid (₹ in lacs)
Shri V Kaliappan	3.90
Shri M C Jacob	2.85
Shri Sajen Peter	3.60
Shri P V Prasad	1.20
Shri C Rajkumar	0.40

Sitting fee is not paid to the Chairman, Managing Director & Group Executive (A&S), Managing Director, SBI Official Directors, Government of India Nominee Director and Reserve Bank of India Nominee Director.

(vi) All the Non-Executive Directors have declared that they do not have any pecuniary relationship vis-à-vis the Bank and that they have not entered into any other transaction with the Bank, except those in the usual course of employment, wherever applicable.

vii) Details of Shares held by the Directors as on 31st March, 2016

Sl. No.	Name of Director	No. of Shares Held
1	Smt. Arundhati Bhattacharya	NIL
2	Shri. Jeevandas Narayan	200
3	Shri. V. G. Kannan	NIL
4	Dr. J. Sadakkadulla	NIL
5	Shri. Neeraj Vyas	NIL
6	Shri. Ravi Nandan Sahay	NIL
7	Shri. Vijay Kumar Monga	NIL
8	Shri. Anshuman Sharma	NIL
9	Shri. P. V. Prasad	NIL
10	Shri. V. Kaliappan	NIL
11	Shri. M. C. Jacob	2950
12	Shri. Sajen Peter	250

**3. Executive Committee of the Board of Directors**

In terms of section 35 (1) of the State Bank of India (Subsidiary Banks) Act 1959, an Executive Committee of the Board of Directors has been constituted to consider various business matters viz. sanctioning of credit proposals, approval of capital and revenue expenditure, investments, donation, administrative matters etc., falling beyond the powers of the Managing Director.

The Committee presently comprises of the Managing Director, three Directors nominated by SBI, of whom two are SBI Officials and an independent Director. The Committee meets at least once in a month; during the year 2015-16 the Committee met 16 times.

**4. Audit Committee of the Board**

Audit Committee has been constituted to provide direction as also to oversee the operation of the total audit and compliance functions in the Bank. It reviews the inspection reports of specialized and extra large branches and all branches with unsatisfactory ratings. It also specially focuses on the operations of the total audit function in the Bank viz. organisation, operationalisation, and quality control of internal audit and inspection and follow-up of the statutory/external audit of the Bank and inspection by RBI.

The Committee interacts with the Statutory Central Auditors before the finalization of the annual / half-yearly / quarterly financial accounts and reports and also follows up the inspection reports of RBI. The Committee also reviews compliance report in respect of Long Form Audit.

The committee presently comprises of SBI Nominee Director, RBI Nominee Director and two Non-Official Directors viz. Shri. M. C. Jacob and Shri. Sajen Peter. Shri M. C. Jacob is the Chairman of the Committee. There is vacancy of the Chartered Accountant Director. The Committee meets at least once in a quarter; during the financial year 2015-16 it met 8 times.

Attendance of each Director at the meetings of the Audit Committee of the Board:

Sl. No	Name of Director	Number of Meetings	
		Held during his/her tenure	Present
1.	Shri M C Jacob	8	8
2	Shri Ramesh Chandra Srivastava	3	2
3	Shri Neeraj Vyas	5	3
4	Shri Ravi Nandan Sahay	5	3
5	Shri Sajen Peter	8	8
6	Dr J Sadakkadulla	8	6

## 5. Special Committee of the Board for Monitoring Large Value Frauds

The Special Committee of the Directors for Monitoring Large Value Frauds has been constituted as per the instruction from the Reserve Bank of India to monitor and review each fraud of ₹1 crore or more, so as to identify systemic lacunae, if any, that facilitated perpetration of the fraud and put in place measures to plug the same, and also to identify the reasons for delay in detection, if any, in reporting to the Top Management of the Bank and RBI. The committee monitors the progress of CBI / Police investigation, and recovery position and also ensures that staff accountability is examined at all levels in all the cases of fraud, and staff-side action, if required, is completed quickly, without loss of time.

The committee presently comprises of the Managing Director, SBI Nominee Director, GOI nominee Director and two Non-Official Directors. The Committee met 4 times during the financial year 2015-16.

## 6. Risk Management Committee of the Board

Risk Management Committee of the Board has been constituted in accordance with the Reserve Bank of India guidelines to oversee the policy and strategy for integrated risk management relative to various risk exposures of the Bank including Credit Risk, Market Risk and Operational Risk. The committee presently comprises of the Managing Director, SBI nominee Director, and three Non-Official Directors viz. Shri. V. Kaliappan, Shri M. C. Jacob and Shri. Sajen Peter. Managing Director is the Chairman of the Committee. The Committee meets at quarterly intervals and it met 5 times during the financial year 2015-16.

## 7. Stakeholders' Relationship Committee

As per Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Stakeholders' Relationship Committee has been constituted to look into the redressal of shareholder and investor complaints relating to delay, if any, in transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends etc. The Committee presently comprises of two Non-Official Directors viz. Shri. M. C. Jacob and Shri. V. Kaliappan, and Managing Director. The Committee meets at least once in a quarter, and during the year 2015-16, it met 4 times.

1. Name of Chairman of the Stakeholders' Relationship Committee: Shri. M C Jacob
2. Name of Compliance Officer: Shri. Sham K, Chief Manager (Company Secretary)
3. Number of Stakeholders' complaints received so far: 22
4. Number of complaints not solved to satisfaction of shareholders: Nil
5. Number of pending complaints: Nil

## 8. Customer Service Committee of the Board

The main function of the Committee is to oversee the functioning of the Apex Level Customer Service Committee and enhance the quality of customer service and improve the level of customer satisfaction for all categories of clientele.

The Committee presently comprises of the Managing Director, two Non-Official Directors, workmen Employee Director. The Committee meets at least once in a quarter



and it met 4 times during the financial year 2015-16.

## 9. Remuneration Committee of the Board

The committee was constituted as per the Government of India guidelines regarding payment of Performance Linked Incentive Scheme to the Whole Time Directors of PSU Banks. The scheme has since been extended to Chief General Managers also from the financial year 2010-11. The Committee evaluates the performance of the Managing Director and the Chief General Manager based on the broad quantitative parameters and the eligible incentive is paid. The constitution of the committee is Govt. of India nominee Director, RBI nominee Director, and two non-official Directors viz. Shri. M. C. Jacob and Shri. Sajen Peter. The Committee met once during the financial year 2015-16 on 1<sup>st</sup> February 2016.

Attendance of each Director at the meetings of the Remuneration Committee of the Board:

Sl. No	Name of Director	Number of Meetings	
		Held during his/her tenure	Present
1.	Dr. J Sadakkadulla	1	1
2	Shri. Ashok Kumar Singh	0	N.A.
3	Shri. Anshuman Sharma	0	N.A.
4	Shri. M C Jacob	1	1
5	Shri. Sajen Peter	1	1

(N.A. – Not Applicable)

## 10. Nomination Committee of the Board

Nomination Committee was constituted as per the RBI guidelines for determining the 'Fit and Proper' criteria for elected Directors on the Boards of Associate Banks of State Bank of India and also persons to be elected as a Director under Clause (d) of sub-section (1) of Section 25 of the State Bank of India (Subsidiary Banks) Act, 1959. The committee presently comprises of the SBI Nominee Director, Government of India Nominee Director and a Non-Official Director viz. Shri. V Kaliappan. Shri. V. Kaliappan is the Chairman of the Committee. The Committee met once during the financial year 2015-16 on 4<sup>th</sup> December, 2015.

## 11. Recovery and NPA Management Committee of the Board

Recovery and NPA Management Committee was

constituted as per the directions of Government of India. The Committee consists of Managing Director, Government of India Nominee Director and a Non-official Director. The Chief General Manager (RB) and the Chief General Manager (CB) are the invitees and the General Manager (SAMG) is the Secretary to the Committee. The formation of the Committee was approved by the Board in its meeting held on 5<sup>th</sup> March, 2013. The Committee meets to monitor the progress in recovery and reports to the Board. The committee met 10 times during the year.

## 12. IT Strategy Committee

IT Strategy Committee was constituted as per the directions of Reserve Bank of India. The Committee consists of Managing Director, two Non-official Directors: as members; one of them who has better expertise in managing /guiding technology initiative, being the Chairman of the Committee. The formation of the Committee was approved by the Board in its meeting held on 29<sup>th</sup> Oct, 2014. The committee meets as and when needed (at least four times in a year and not more than four months gap between two meetings). The Committee met 5 times during the financial year 2015-16.

## 13. Directors' Committee

Directors' Committee was constituted as per the directions of Government of India. The Committee consists of Managing Director & Group Executive (Associate Banks), Managing Director, Reserve Bank of India Nominee Director and Government of India Nominee Director. The Committee is required to review the disposal of vigilance and other disciplinary action cases. The Committee met 4 times during the financial year 2015-16.

## 14. General Body Meetings

i. Location and time of the last three Annual General Meetings:

Year	AGM No.	Date & Time	Location
2012-13	53 <sup>rd</sup>	28.05.2013 - 2.30 P.M	A.K.G. Memorial Hall, Gas House Junction, Palayam, Thiruvananthapuram – 34
2013-14	54 <sup>th</sup>	05.06.2014 - 10.30 A.M	A.K.G. Memorial Hall, Gas House Junction, Palayam, Thiruvananthapuram – 34

Year	AGM No.	Date & Time	Location
2014-15	55 <sup>th</sup>	15.06.2015 - 10.00 A.M	A.K.G. Memorial Hall, Gas House Junction, Palayam, Thiruvananthapuram - 34

ii) Any special resolutions passed at the AGM during the past 3 years - Nil

iii) Any postal ballots during the year 2014 – 15 - Nil

iv) Any postal ballots in the proposed AGM, 2015 - 16 - Nil

### Disclosures

The Bank has not entered into any materially significant related party transactions with its promoters, Directors, or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Bank at large.

The Bank has complied with applicable rules and regulations prescribed by Stock Exchanges, SEBI, RBI or any other statutory authority relating to the capital markets during the last three years. They have not imposed any penalties or strictures on the Bank with regard to capital market.

The Bank has complied in all respects with the requirements of Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent that the requirements of the Regulations do not violate the provisions of the State Bank of India (Subsidiary Banks) Act, 1959, the rules and regulations made there under, and guidelines or directives issued by the Reserve Bank of India. Mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as to the compositions of the Board of Directors, composition and quorum of the Audit Committee, Non-Executive Directors' compensation, the appointment, reappointment of the Statutory Auditors and fixation of their fees are not binding on the Bank, as separate provisions in the State Bank of India (Subsidiary Banks) Act, 1959, the State Bank of Travancore General Regulations, 2015 or the Reserve Bank of India guidelines deal with the same.

The Bank has complied with all applicable non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except for sending half yearly declaration of financial performance and summary of significant events to the households of shareholders, since detailed information on the same is posted on the website of the Bank.

The Reserve Bank of India during the Financial Year 2015 – 16, has imposed a monetary penalty of ₹1crore on State Bank of Travancore for violation of its instructions,

inter alia, on reporting of data to Central Repository of Information on Large Credits (CRILC). The penalties have been imposed in exercise of powers vested in the Reserve Bank under the provisions of Section 47(A) (1) (c) read with Section 46(4)(i) of the Banking Regulation Act, 1949, taking into account the violations of the instructions / directions / guidelines issued by the Reserve Bank of India.

This action was based on deficiencies in regulatory compliance and was not intended to pronounce upon the validity of any transaction or agreement entered into by the Bank and its customers.

A Whistle Blower Policy was approved by the Board of Directors on 17<sup>th</sup> June, 2013 and communicated to all branches and given wide publicity.

The Bank has conducted dematerialization campaign at various centres depending upon the number of shareholders there at, for assisting the shareholders to dematerialize their physical shares.

During the year, the Bank has allotted 1,18,50,694 equity shares of ₹10 each fully paid up for cash at a price of ₹400 including a Premium of ₹390 per equity share aggregating to ₹474.03 crore on Rights basis to the existing equity shareholders of the Bank at the ratio of 1(One) fully paid-up equity share for every 5(Five) equity shares held, as on Record Date i.e. 04<sup>th</sup> March, 2015. The Bank made the allotment of the equity shares on 13<sup>th</sup> April, 2015 against the share application money held as on 31<sup>st</sup> March, 2015.

The Bank does not have any material subsidiary.

The policy on related party transactions has been hosted in the website of the Bank; [www.statebankoftravancore.com](http://www.statebankoftravancore.com) under the head Corporate Governance.

### Means of Communication

The Bank wants all its shareholders to have complete access to information on its activities, performance and products. The annual, half yearly and quarterly results of the Bank were published in the leading newspapers of the country and also displayed on the Bank's website [www.statebankoftravancore.com](http://www.statebankoftravancore.com). The annual report (abridged version) is sent to all the shareholders of the Bank. The Bank's website displays inter alia, the various products and services offered, service charges, FEDAI rates, other disclosures, the Bank's Annual Report etc. Every year after the annual results are declared, a press meet and analyst meet are held, in which a presentation is made and the queries of the media and analysts are answered. After declaring the quarterly results, press notifications are issued.

### General Bond Holder Information:

The Bond Trustees for all the Tier II and IPDI Bonds issued by the Bank are:

M/s. IDBI Trusteeship Services Limited,  
Registered Office: Asian Building,  
Ground Floor, 17, R. Kamani Marg,  
Ballard Estate, Mumbai – 400 001.  
Tele No.: 022-40807000, Fax No.: 022-66311776  
E-mail: itsl@idbitrustee.com

The details of the Bonds issued by the Bank, including the Bonds issued during the Financial Year 2015 – 16, is already disclosed in Schedule 18: Notes to Accounts.

### General Shareholder Information

Annual General Meeting:  
Date : 30.05.2016  
Time : 11.30 A.M  
Venue : A.K.G. Memorial Hall, Gas House  
Junction, Palayam,  
Thiruvananthapuram – 695034

### Financial Calendar : 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016

Date of Book Closure : 07<sup>th</sup> May, 2016 to 11<sup>th</sup> May, 2016

Dividend Payment Date : 20<sup>th</sup> May, 2016

Listing in Stock Exchanges:

The equity shares of the Bank are listed on:

Sl.No	Name of Stock Exchange	Scrip Code
1	National Stock Exchange of India Limited, Exchange Plaza, C1, Block - G, Bandra Kurla Complex, Bandra East, Mumbai-400 051.	SBT
2	BSE Limited, First Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.	532191

ISIN No. INE654A01024 (NSDL)

It is confirmed that the Annual Listing Fee has been paid to both the above Stock Exchanges.

Market Price Data: High, Low (in Rupees) during each month of last financial year.

2015-16	National Stock Exchange (NSE)			
Month & Year	High	Date	Low	Date
April, 2015	462.00	09/04/2015	414.80	28/04/2015
May, 2015	486.40	06/05/2015	434.10	25/05/2015
June, 2015	450.00	04/06/2015	402.50	15/06/2015
July, 2015	434.95	31/07/2015	408.00	08/07/2015
August, 2015	456.50	18/08/2015	390.00	25/08/2015
September, 2015	426.00	30/09/2015	383.30	07/09/2015
October, 2015	448.00	30/10/2015	396.00	13/10/2015
November, 2015	446.80	02/11/2015	396.20	10/11/2015
December, 2015	422.00	31/12/2015	395.05	14/12/2015
January, 2016	417.00	01/01/2016	386.00	20/01/2016
February, 2016	416.00	02/02/2016	360.00	15/02/2016
March, 2016	402.95	21/03/2016	366.55	01/03/2016

2015-16	BSE Ltd.			
Month & Year	High	Date	Low	Date
April, 2015	462.00	09/04/2015	415.00	28/04/2015
May, 2015	487.00	06/05/2015	433.15	25/05/2015
June, 2015	449.40	04/06/2015	402.65	15/06/2015
July, 2015	434.50	31/07/2015	405.55	28/07/2015
August, 2015	455.95	18/08/2015	390.65	25/08/2015
September, 2015	424.00	30/09/2015	390.00	07/09/2015
October, 2015	444.75	30/10/2015	402.00	14/10/2015
November, 2015	430.00	02/11/2015	395.60	03/11/2015
December, 2015	417.60	31/12/2015	392.60	11/12/2015
January, 2016	412.95	01/01/2016	385.00	13/01/2016
February, 2016	411.50	02/02/2016	361.15	26/02/2016
March, 2016	399.00	21/03/2016	360.00	01/03/2016

### i) Performance in comparison to broad based indices such as BSE, SENSEX, CRISIL Index etc.

A comparison is not attempted in view of the limited movement of the shares.

- ii. **Registrar & Share Transfer Agents:**  
M/s Integrated Enterprises (India) Ltd.,  
Unit: State Bank of Travancore  
2<sup>nd</sup> Floor, "Kences Towers",  
No. 1, Ramakrishna Street,  
Off: North Usman Road, T. Nagar,  
Chennai – 600 017.  
Telephone No. (044) 28140801, 28140802,  
28140803, Fax : (044) 28143378  
Email : csdstd@integratedindia.in

**iii) Share Transfer System:**

The application for transfer of shares is processed by Share Transfer Agents and approved by the Share Transfer Committee at fortnightly intervals. The application for transmission of shares is processed by the Shares & Bonds Department of the Bank and approved by the Share Transfer Committee.

iv) Dematerialisation of shares and liquidity: As per the State Bank of India (Subsidiary Banks) Act 1959, as amended by the State Bank of India (Subsidiary Banks Laws) Amendment Act, 2006, restriction on maximum holding of the Bank's shares have been lifted and the Bank has dematerialized the equity shares from 22<sup>nd</sup> April, 2008. The ISIN No. allotted by NSDL is INE654A01024.

The format of the ECS Mandate and split option letter for sub division of shares are available in our website [www.statebankoftravancore.com](http://www.statebankoftravancore.com) under the head "Investor".

v) Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity: NIL

vi) Plant locations: Not Applicable.

**vii) Address for correspondence:**

The Chief Manager (Company Secretary),  
Shares & Bonds Department,  
State Bank of Travancore,  
Head Office: Poojappura,  
Thiruvananthapuram – 695 012.  
Tel Nos.: 0471 - 2192201, 2192202, 2192203  
Fax No.: 0471 - 2351861, E-mail: [cmsb@sbt.co.in](mailto:cmsb@sbt.co.in)

viii) The Bank has introduced the facility of nomination for the individual shareholders of the Bank holding shares in physical form. Such shareholders holding the shares of the Bank in physical form either singly or jointly can now avail the nomination facility. The nomination once made by the shareholder in Form 'A' given in this Annual Report can be subsequently cancelled or changed, if so wished by the shareholder by submitting the Form 'B'.

The individual shareholders holding the shares of the Bank in demat form can update the nomination by approaching the Depository Participant where the demat account is being maintained.

The shareholders holding the physical shares can submit the duly signed and executed Form 'A' or Form 'B' by post / courier to the following address for registering / changing / cancelling the nomination:

M/s. Integrated Enterprises (India) Limited,  
Unit: State Bank of Travancore,  
2<sup>nd</sup> Floor, "Kences Towers",  
No. 1, Ramakrishna Street,  
Off: North Usman Road, T. Nagar,  
Chennai – 600 017.  
Telephone Nos.: 044 - 28140801, 28140802, 28140803.

ix) The Shareholders in general sometimes face the following problems under the present system of payment of dividend by mailing of warrants, through post.

- a. Loss in transit
- b. Fraudulent encashment by third parties
- c. Postal delay
- d. Missing to get the dividend warrants encashed on time.

To avoid these problems, the Reserve Bank of India has introduced the Electronic Clearing Service (ECS) for payment of dividend, interest etc., which ensures the timely credit of dividend directly into the bank account of shareholders.

Under ECS, the bank account of the shareholder would be credited with the amount of dividend. The Bank would be issuing an advice directly to the shareholder after the transaction is effected.

This facility can be availed by the shareholders having a Bank Account with any Bank. The shareholder need not open any new Bank Account specially for availing the ECS facility, as credit will be given to any existing Bank Account of the shareholder. Please note that if any mandate instructions of Bank particulars for printing on the face of warrants have been furnished earlier by you, the same will stand cancelled and the ECS mandate will be taken on record, in case you opt for ECS.

Shareholders holding shares in demat form are requested to update bank account details with their Depository Participant (DP) in respect of shares held by them in demat form.

ECS Mandate form annexed hereto may be submitted in respect of shares held in physical form only.

The details pertaining to your bank account where the dividend is to be credited should be accurate and certified by your Bank Official. Please attach a self attested copy of the PAN Card of the shareholder.

Kindly send the duly filled ECS Form / Bank Mandate along with the self attested copy of PAN Card, directly to our Registrars and Share Transfer Agents viz. M/s. Integrated Enterprises (India) Limited, Unit: State Bank of Travancore, 2<sup>nd</sup> Floor, "Kences Towers", No. 1, Ramakrishna Street, Off: North Usman Road, T. Nagar, Chennai – 600 017. Telephone Nos.: 044 - 28140801, 28140802, 28140803.

The information provided by you will be kept confidential and would be utilised only for the purpose of remitting the future dividend payments, if any.

x) The shareholders holding the shares in certificate form (physical form) can avail the facility of converting the share certificates into demat form by contacting any Depository Participant (DP) which offers demat services for better safety, security and liquidity of the shareholdings. The following benefits are available by holding the shares in demat form.

- Immediate transfer of securities.
- No stamp duty on transfer of securities.
- Reduction in transaction cost, time and paperwork involved in transfer of securities.

- Elimination of risks associated with physical securities such as bad delivery, loss of share certificates, fake securities etc.
- Change in address and bank account can be updated across all holdings by just intimating the Depository Participant.
- Automatic credit into demat account, of shares arising out of split / consolidation / merger etc.
- Direct credit of allotments of Rights and Bonus issue of Shares.
- Applying for IPOs of various companies.
- Linking bank account for direct credit of dividend without any delay.

xi) The shares of the Bank are presently denominated in the Face Value of ₹10 each only. Those shareholders who are still holding the share certificates with the Face Value of ₹100 each are requested to surrender the same to our Registrars & Share Transfer Agents for exchanging the same with the new share certificates of ₹10 Face Value. Please note that this is a free service. Such shareholders should submit the original share certificates along with the Split Option Form annexed, self attested copies of the PAN Card and address proof to M/s. Integrated Enterprises (India) Limited, Unit: State Bank of Travancore, 2<sup>nd</sup> Floor, "Kences Towers", No. 1, Ramakrishna Street, Off: North Usman Road, T. Nagar, Chennai – 600 017.





Table I - Summary Statement holding of specified securities																
Category (i)	Category of share holder (ii)	Nos. of shareholders(III)	No. of fully paid up equity shares held(IV)	No. Of Partly paid-up equity shares held(V)	No. Of shares underlying Depository Receipts(VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)(VIII)As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. Of Shares Underlying O/s convertible securities and No. of Warrants (X)	Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital)(XI) = (VII)+(X)As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of equity shares held in dematerialized form (XIV)	
								Class eg:X	Class eg:Y	Total			Total as a % of (A+B+C)	No. Shares pledged or otherwise encumbered (XIII)	As a % of total Shares held (b)	No. No. of Locked in shares (a)
(A)	Promoter & Promoter Group	1	56235771	0	0	56235771	79.09	56235771	0	56235771	0	9253473	16.45	0	0.00	56235771
(B)	Public	60150	14868396	0	0	14868396	20.91	14868396	0	14868396	0	0	0	0	NA	11043179
(C)	Non Promoter- Non Public														NA	
(C1)	Shares Underlying DRs						NA								NA	
(C2)	Shares held by Employee Trusts														NA	
	Total	60151	71104167	0	0	71104167	100.00	71104167	0	71104167	0	9253473	16.45	0		67278950

**Table II - Statement showing shareholding pattern of the Promoter and Promoter Group**

Sr.	Category & Name of the Shareholders (i)	PAN (ii)	No. of shareholders (iii)	No. of fully paid up equity shares held (iv)	No. of Partly paid-up equity shares held (v)	No. of shares underlying Depository Receipts (vi)	Total nos. shares held (vii) = (iv)+(v)+(vi)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)(viii) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (ix)				No. of Shares Underlying O/s convertible securities and No. of Warrants (x)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (xi) = (vii)+(x) As a % of (A+B+C2)	Number of Locked in shares (xii)		Number of Shares pledged or otherwise encumbered (xiii)		Number of equity shares held in dematerialized form (xiv)	
									Class eg: X	Class eg: Y	Total	Total as a % of total Voting rights			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total Shares held (b)		
(1)	Indian																			
a	Individual/Hindu Undivided Family																			
b	Central Government/ State Governments																			
c	Financial Institutions/ Banks																			
	Name: STATE BANK OF INDIA		1	56235771	0	0	56235771	79.09	56235771	0	56235771	79.09	0	79.09	9253473	16.45	0	0.00	56235771	
d	Any other specify																			
	Name																			
	Sub Total A(1)		1	56235771	0	0	56235771	79.09	56235771	0	56235771	79.09	0	79.09	9253473	16.45	0	0.00	56235771	
(2)	Foreign																			
a	Individual (Non resident Individuals / Foreign individuals)																			
b	Government																			
c	Institutions																			
d	Foreign Portfolio Investor																			
e	Any other (Specify)																			
	Sub Total A(2)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0.00	0	
	Total share holding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)		1	56235771	0	0	56235771	79.09	56235771	0	56235771	79.09	0	79.09	9253473	16.45	0	0.00	56235771	

Sr.	Category & Name of the Shareholders (i)	PAN (ii)	Nos. of shareholders (iii)	No. of fully paid up equity shares held (iv)	No. of Partly paid-up equity shares held (v)	No. of shares underlying Depository Receipts (vi)	Total nos. shares held (vii) = (iv)+(v)+(vi)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)(viii) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (ix)				Shareholding of convertible securities full conversion, as a % assuming full (x) = (vii)+(x) As a % of (A+B+C2)	Number of Locked Shares (xii)		As a % of total Shares held (b) pledged or otherwise encumbered (xiii)		Number of equity shares held in dematerialized form (xiv)
									Class eg: X	Class eg: Y	Total	Total as a % of total Voting rights		No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(1)	Institutions																	
a	Mutual Funds/UTI		4	717613	0	0	717613	1.01	717613	0	717613	1.01	0	0.00	0	0.00	0	717613
b	Venture capital Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0
c	Alternate Investment Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0
d	Foreign Venture Capital Investors		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0
e	Foreign Portfolio Investors		12	205062	0	0	205062	0.29	205062	0	205062	0.29	0	0.00	0	0.00	0	205062
f	Financial Institutions /Banks		19	737970	0	0	737970	1.04	737970	0	737970	1.04	0	0.00	0	0.00	0	735420
g	Insurance Companies		2	83000	0	0	83000	0.12	83000	0	83000	0.12	0	0.00	0	0.00	0	83000
h	Provident Funds / Pension Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0
i	Any other (Specify) - Foreign Banks		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0
	Sub Total B(1)		37	1743645	0	0	1743645	2.45	1743645	0	1743645	2.45	0	0.00	0	0.00	0	1741095
(2)	Central Government / State Government / President of India		2	647650	0	0	647650	0.91	647650	0	647650	0.91	0	0.00	0	0.00	0	647650
	Sub Total B(1)		2	647650	0	0	647650	0.91	647650	0	647650	0.91	0	0.00	0	0.00	0	647650
(3)	Non-Institutions																	
a	Individuals																	
	Individual Shareholders holding Nominal Share Capital upto Rs.2 Lakhs		59465	8543031	0	0	8543031	12.01	8543031	0	8543031	12.01	0	0.00	0	0.00	0	4809244
	Individual Shareholders holding Nominal Share Capital in excess of Rs.2 Lakhs		10	800056	0	0	800056	1.13	800056	0	800056	1.13	0	0.00	0	0.00	0	800056

b	NBFCs Registered with RBI	7	6819	0	0	6819	0.01	6819	0	0	0	0.01	0	0	0	0.00	0	0.00	6819
c	Employee Trusts	0	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0
d	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0
e	Any other																		
	Edgbaston Asian Equity Trust (Category: Foreign Institutional Institution)	1	1161308	0	0	1161308	1.63	1161308	0	1161308	0	1.63	0	0	0	0.00	0	0.00	1161308
	Others	628	1965887	0	0	1965887	2.76	1965887	0	1965887	0	2.76	0	0	0	0.00	0	0.00	1877007
	Sub Total B(3)	60111	12477101	0	0	12477101	17.55	12477101	0	12477101	0	17.55	0	0	0	0.00	0	0.00	8654434
	Total Public Shareholding (B) = (B)(1)+(B)(2) + (B)(3)	60150	14868396	0	0	14868396	20.91	14868396	0	14868396	0	20.91	0	0	0	0.00	0	0.00	11043179
	TOTAL (A) + (B)	60151	71104167	0	0	71104167	100.00	71104167	0	71104167	0	100.00	0	0	0	0.00	0	0.00	67278950
	Any other																		
	CLEARING MEMBER	110	50302	0	0	50302	0.07	50302	0	50302	0	0.07	0	0	0	0.00	0	0.00	50302
	DOMESTIC BODY CORPORATE	496	1429639	0	0	1429639	2.01	1429639	0	1429639	0	2.01	0	0	0	0.00	0	0.00	1340909
	FOREIGN INSTITUTIONAL INSTITUTION	15	1596951	0	0	1596951	2.25	1596951	0	1596951	0	2.25	0	0	0	0.00	0	0.00	1596801
	LIMITED LIABILITY PARTNERSHIP	6	48551	0	0	48551	0.07	48551	0	48551	0	0.07	0	0	0	0.00	0	0.00	48551
	TRUST	2	1752	0	0	1752	0.00	1752	0	1752	0	0.00	0	0	0	0.00	0	0.00	1752
	<b>***TOTAL***</b>	<b>629</b>	<b>3127195</b>	<b>0</b>	<b>0</b>	<b>3127195</b>	<b>4.40</b>	<b>3127195</b>	<b>0</b>	<b>3127195</b>	<b>0</b>	<b>4.40</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>3038315</b>

Sr.	Category & Name of the Shareholders (i)	PAN (ii)	No. of shareholders (iii)	No. of fully paid up equity shares held (iv)	No. of Partly paid-up equity shares held (v)	No. of shares underlying Depository Receipts (vi)	Total nos. shares held (vii) = (iv)+(v)+(vi)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)(viii) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (ix)				No. of Shares Underlying O/s convertible securities (including Warrants (x))	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (xi) = (vii)+(x) As a % of (A+B+C2)	Number of Locked in shares (xii)		Number of equity shares held in dematerialized form (xiv)	
									Class eg: X	Class eg: Y	Total	Total as a % of total Voting rights			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total Shares held or otherwise pledged (b)
1	Custodian DRHolder	/																
a	Name of DR Holder if available		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Employee Benefit Trust (under SEBI (Share Based Employee Benefit) Regulations, 2014)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Non-Promoter - Non Public Shareholding (C) = (C) (1) + (C) (2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note: PAN of shareholders is not disclosed in the above tables.

### DISTRIBUTION SCHEDULE AS ON 31.03.2016

Sl.No	Face Value Of Shares (in ₹)	No. of Holders	% Of Holders	No. of Shares	% to Capital
1	Upto 5000	57565	95.71	5370607	7.55
2	5001 - 10000	1433	2.38	1079821	1.52
3	10001 - 20000	751	1.25	1136532	1.60
4	20001 - 30000	183	0.30	450923	0.63
5	30001 - 40000	48	0.08	169250	0.24
6	40001 - 50000	37	0.06	169818	0.24
7	50001 - 100000	62	0.10	440049	0.62
8	100001 and above	72	0.12	62287167	87.60
<b>Total</b>		<b>60151</b>	<b>100.00</b>	<b>71104167</b>	<b>100.00</b>

### REPORT OF OWNERSHIP AND CONTROL

(To be filled up by Bank's incorporated in India)

Reporting Institution : State Bank of Travancore  
 For the Quarter Ended : 31<sup>st</sup> March 2016  
 Date of Report : 31.03.2016

#### PART A- OWNERSHIP PATTERN

Sl.No	Name	Status (By Codes)	Shares Held (Nos)	% Shares In Total Equity
1	STATE BANK OF INDIA	RFI	56235771	79.09
2	EDGBASTON ASIAN EQUITY TRUST	FII	1161308	1.63
3	GOVERNOR OF KERALA	State Govt.	630000	0.89
4	HDFC TRUSTEE COMPANY LIMITED- HDFC PRUDENCE FUND	MF	567000	0.80
5	LIFE INSURANCE CORPORATION OF INDIA	INS	456684	0.64
6	THE EDGBASTON ASIAN EQUITY (JERSEY) TRUST	FII	317737	0.45
7	K. R. PRADEEP	RI	297344	0.42
8	THE LAKSHMI VILAS BANK LIMITED	Bank	237807	0.33
9	MEENAKSHI NARAYANAN INVESTMENTS (P) LTD.	Bodies Corporate	146520	0.21
10	MAX LIFE INSURANCE CO LTD A/C PARTICIPATING FUND	Bodies Corporate	136967	0.19
<b>(A)</b>	<b>Total of (A)</b>		<b>60187138</b>	<b>84.65</b>
<b>(B)</b>	<b>Other Shareholders</b>	<b>No of Holders</b>	<b>Total Nos of Shares</b>	<b>% in Equity</b>
(i)	Holding shares of 1% and above	Nil	Nil	Nil
(ii)	All other holders on Share Register	60141	10917029	15.35
	Total of (B)	60141	10917029	15.35
	<b>Total of (A +B)</b>	<b>60151</b>	<b>71104167</b>	<b>100.00</b>



## PART B - SHAREHOLDER CONTROL

Sl. No	Name of the Controller	Extent of No of Shares held	Control of Holding in Total Equity	Resident Status	Name of Associate	Residence Status
1	2	3	4	5	6	7
1	STATE BANK OF INDIA	56235771	79.09%	RFI	-	-

### SHARE HOLDING PATTERN AS ON 31/03/2016

Sl.No	Category	No of Holders	% of Holders	No of Shares	% of Shares
1	BODY CORPORATE	505	0.84	1454258	2.04
2	STATE BANK OF INDIA	1	0.00	56235771	79.09
3	FOREIGN INSTITUTIONAL	15	0.03	1596951	2.25
4	GOVERNOR OF KERALA	1	0.00	630000	0.89
5	INSURANCE COMPANIES	15	0.03	744746	1.05
6	LLP	6	0.01	48551	0.07
7	BANKS	14	0.02	249358	0.35
8	MUTUAL FUND	4	0.01	717613	1.01
9	NON-RESIDENT INDIAN	4081	6.78	1362379	1.92
10	RESIDENT INDIAN	55387	92.08	7980358	11.22
11	FOREIGN NATIONAL -FN	6	0.01	230	0.00
12	TRUST	2	0.00	1752	0.00
13	CLEARING MEMBER	110	0.18	50272	0.07
14	FINANCIAL INSTITUTIONS	4	0.01	31928	0.04
<b>TOTAL</b>		<b>60151</b>	<b>100.00</b>	<b>71104167</b>	<b>100.00</b>

#### Compliance with Bank's Code of Conduct.

The Directors on the Bank's Board and Senior Management have affirmed compliance with the Bank's Code of Conduct for the Financial Year 2015-16. Declaration to this effect signed by the Managing Director is placed below. The Code is posted on the Bank's website.

#### Declaration

##### Affirmation of compliance with the Bank's Code of Conduct

I declare that all Board Members and Senior Management have affirmed compliance with the Bank's Code of Conduct for the Financial Year 2015-16.

**Jeevandas Narayan**

Managing Director

Date : 25<sup>th</sup> April, 2016

# AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

## To the Shareholders of State Bank of Travancore

We have examined the compliance of conditions of Corporate Governance by State Bank of Travancore, for the year ended on 31<sup>st</sup> March, 2016, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the State Bank of Travancore for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of State Bank of Travancore.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the State Bank of Travancore has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We state that no investor grievances are pending for a period exceeding one month as per the records maintained by the Stakeholders Relationship Committee.

We further state that such compliance is neither an assurance as to the future viability of the State Bank of Travancore nor the efficiency or effectiveness with which the Management has conducted the affairs of State Bank of Travancore.

### AUDITORS

#### **For Kumar Vijay Gupta & Co**

Chartered Accountants  
Pawan Kumar  
Partner  
Membership No.097900  
FRN: 007814N

#### **For G Venugopal Kamath & Co**

Chartered Accountants  
Thrivikrama Shenoy.V.  
Partner  
Membership No.209891  
FRN: 004674S

#### **For Gopalaiyer and Subramanian**

Chartered Accountants  
Suresh K R  
Partner  
Membership No.025453  
FRN: 000960S

#### **For Babu A. Kallivayalil & Co**

Chartered Accountants  
Babu Abraham Kallivayalil  
Partner  
Membership No.026973  
FRN: 005374S

Mumbai

25<sup>th</sup> April, 2016

# DISCLOSURES UNDER PILLAR-III OF BASEL- III FRAMEWORK FOR THE YEAR ENDED MARCH 31, 2016.

**Table DF-1  
Scope of Application**

**Name of the head of the banking group to which the framework applies**

## I. Qualitative Disclosures:

### a. List of group entities considered for consolidation

Name of the entity/ Country of incorporation	Bank has no subsidiaries
Whether the entity is included under accounting scope of consolidation (yes/no)	
Explain the method of consolidation	
Whether the entity is included under regulatory scope of consolidation (yes/no)	
Explain the method of consolidation	
Explain the reasons for difference in the method of consolidation	
Explain the reasons if consolidated under only one scopes of consolidation	

### b. List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation

Name of the entity/ Country of incorporation	Bank has no subsidiaries
Principle activity of the entity	
Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	
% of Bank's holding in the total equity	
Regulatory treatment of bank's investments in the capital instruments of the entity	
Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)	

## II. Quantitative Disclosures:

### c. List of group entities considered for consolidation

Name of the entity/ Country of incorporation (as indicated in (i) a above)	Bank has no subsidiaries
Principle activity of the entity	
Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	
Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)	

**d. The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e. that are deducted:**

Name of the subsidiary/ Country of incorporation	Bank has no subsidiaries
Principle activity of the entity	
Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	
% of Bank's holding in the total equity	
Capital deficiencies	

**e. The aggregate amounts (e.g. current book value) of the bank's total interests in insurance entities, which are risk-weighted:**

Name of the insurance entities/ Country of incorporation	Bank has no subsidiaries
Principle activity of the entity	
Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	
% of Bank's holding in the total equity / proportion of voting power	
Quantitative impact on regulatory capital of using risk weighting method versus using the full deduction method	

**f. Any restrictions or impediments on transfer of funds or regulatory capital within the banking group:** Not Applicable

**Table DF-2  
Capital Adequacy**

**Qualitative Disclosures**

<p>(a) A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities</p>	<p>The Bank undertakes the Internal Capital Adequacy Assessment Process (ICAAP) on an annual basis in line with the extant guidelines of RBI. The ICAAP details the capital planning process and carries out an assessment covering measurement, monitoring, internal controls, reporting, capital requirement and stress testing of the following Risks:</p> <p><b>List of risks in ICAAP</b></p> <ul style="list-style-type: none"> <li>• Credit Risk</li> <li>• Operational Risk</li> <li>• Liquidity Risk</li> <li>• Compliance Risk</li> <li>• Pension Fund Obligation Risk</li> <li>• Reputation Risk</li> <li>• Talent Risk</li> <li>• Securitization Risk</li> <li>• Currency induced Credit Risk</li> <li>• Geographical concentration risk</li> <li>• Market Risk</li> <li>• Credit Concentration Risk</li> <li>• Interest Rate Risk in the Banking Book</li> <li>• Country Risk</li> <li>• Strategic Risk</li> <li>• Model Risk</li> <li>• Contagion Risk</li> <li>• Outsourcing risk</li> <li>• Residual risk</li> </ul> <p>CRAR of the Bank is estimated to be above the Regulatory CAR of 9.625% in the medium horizon of 1 year. However, to maintain adequate capital, the Bank has options to augment its capital resources by raising Subordinated Debt and Perpetual Debt Instruments, besides Equity as and when required.</p>
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**Quantitative Disclosures**

(₹ in Crore)

(b)	Capital requirements for Credit Risk: <ul style="list-style-type: none"> <li>• Portfolios subject to Standardised Approach</li> <li>• Securitisation Exposure</li> </ul>	4874.02 -
(c)	Capital requirements for Market Risk <ul style="list-style-type: none"> <li>• Standardised Duration Approach</li> <li>Interest rate risk</li> <li>Foreign exchange risk (including gold)</li> <li>Equity Risk</li> </ul>	535.09 421.93 4.50 108.66
(d)	Capital requirements for Operational Risk <ul style="list-style-type: none"> <li>• Basic Indicator Approach</li> <li>• The Standardised Approach (if applicable)</li> </ul>	462.27 -
	Total Capital requirement at Regulatory Minimum of 9%	5871.38
(e)	Common Equity Tier 1, Tier 1 and Total Capital ratios: <ul style="list-style-type: none"> <li>• For the top consolidated group <ul style="list-style-type: none"> <li>Common Equity Tier 1 Capital Ratio</li> <li>Tier 1 Capital Ratio</li> <li>Total Capital ratio</li> </ul> </li> <li>• For significant bank subsidiaries (stand alone or sub-consolidated depending on how the Framework is applied) <ul style="list-style-type: none"> <li>Common Equity Tier 1 Capital Ratio</li> <li>Tier 1 Capital Ratio</li> <li>Total Capital ratio</li> </ul> </li> </ul>	8.90 9.19 11.60  Not applicable

**Table DF-3****Credit Risk: General Disclosures for All Banks****Qualitative Disclosures****a) The general qualitative disclosure requirement with respect to credit risk****Definitions of past due and impaired assets (for accounting purposes)**

The Bank follows the extant RBI instructions for definitions of these categories for accounting purposes, as given below:

**Non-performing assets**

An asset becomes non-performing when it ceases to generate income for the bank.

A non performing asset (NPA) is a loan or an advance where;

- interest and/ or instalment of principal remain overdue for a period of more than 90 days in respect of a term loan,
- the account remains 'out of order' as indicated below, in respect of an Overdraft/Cash Credit (OD/CC),
- the bill remains overdue for a period of more than 90

days in the case of bills purchased and discounted,

- the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops,
- the instalment of principal or interest thereon remains overdue for one crop season for long duration crops,
- the amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitisation transaction undertaken in terms of guidelines on securitisation dated February 1, 2006.
- in respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.

In case of interest payments, banks should, classify an account as NPA only if the interest due and charged during any quarter is not serviced fully within 90 days from the end of the quarter.

### **'Out of Order' status**

An account should be treated as **'out of order'** if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power. In cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of Balance Sheet or credits are not enough to cover the interest debited during the same period, these accounts should be treated as **'out of order'**.

### **'Overdue'**

Any amount due to the bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the bank.

### **Credit Risk Management**

The Bank is exposed to Credit Risk mainly through their lending and investment activities. Bank has Credit Risk Management, Credit Risk Mitigation and Collateral Management Policy/Policies in place which are an exposition of their approach to the management of Credit Risk and seek to establish a comprehensive risk management framework that allows Credit Risks to be tracked, managed and overseen in a timely and efficient manner. Over the years, the policy and procedures in this regard have been refined as a result of evolving concepts and actual experience. The policy and procedures have been aligned to the approach laid down in Basel and RBI guidelines, wherever applicable.

Credit Risk Management processes encompasses identification, assessment, monitoring and control of the credit exposures. In the process of identification and assessment of Credit Risk, the following functions are undertaken:

- i. Internal Credit Risk Assessment Models/ Scoring Models are used, wherever applicable, to assess the counterparty risk and to support the analytical elements of the credit risk management framework, particularly the quantitative risk assessment part of the credit approval process. The rating process reflects the risk involved in the facility / borrower and is an evaluation of the borrower's intrinsic strength and is reviewed periodically.
- ii. The Bank conducts industry research regularly to give specific policy prescriptions and setting quantitative exposure parameters for handling portfolio in large / important industries, by issuing advisories on the general outlook for the Industries/ Sectors, from time to time.

For better risk management and avoidance of concentration of Credit Risk, regulatory / internal

guidelines on prudential exposure norms in respect of individual borrowers, borrower groups, banks, non-corporate entities, sensitive sectors such as capital market, real estate, etc., are in place in the Bank. Ongoing monitoring of these exposures is conducted for measurement of Credit Risk of the Bank. Credit Risk Stress Tests are conducted by the Bank to identify vulnerable areas for initiating corrective action, where necessary.

The Bank has a Loan Policy in place which documents the Bank's approach to sanctioning, managing and monitoring of loans and advances. The Policy establishes a commonality of approach regarding credit basics, appraisal skills, documentation standards and awareness of institutional concerns and strategies to ensure that there is continued improvement of the overall quality of assets at the portfolio level. Specific norms for Appraising, Sanctioning, Documentation, Inspections and Monitoring, Renewals, Maintenance, Rehabilitation and Management of Assets have been stipulated, with sufficient leg room for innovation, deviations and flexibility under proper authority.

The internal controls and processes in place in the Bank for the management of Credit Risk are:

- a. Risk Governance structures for Credit Risk Management.
- b. Delegation of financial powers for advances and allied matters with a graded authority structure.
- c. Pre-sanction and post-sanction processes are examined as part of Credit Audit conducted in branches for exposures above threshold limits.
- d. Credit Audit also examines identified risks and suggests risk mitigation measures.
- e. Close review and monitoring of Stressed Assets to prevent deterioration in quality.
- f. The Policies, Procedures and Risk Limits are circulated amongst all operating functionaries and the audit functionaries to keep them updated on an ongoing basis.
- g. Various training initiatives are also undertaken for updation of knowledge on Credit Risk Management policies and practices for all functionaries.



**Quantitative Disclosures:**

(₹ in Crore)

Quantitative Disclosures:		Fund Based	Non Fund Based	Total
(b)	Total Gross Credit Exposures	67004.42	9576.83	76581.25
(c)	Geographic Distribution of Credit Risk Exposure : FB/NFB			
	Overseas	0.00	0.00	0.00
	Domestic	67004.42	9576.83	76581.25
(d)	Industry Type Distribution of exposure	Please refer to Table "A"		
	Fund based/Non fund based separately			
(e)	Residual Contractual Maturity Breakdown of Assets	Please refer to Table "B"		

(f)	Amount of Gross NPA	3199.96
	Substandard	1854.40
	Doubtful - 1	540.49
	Doubtful - 2	498.42
	Doubtful - 3	113.86
	Loss	192.79
(g)	Net NPAs (Net of ECGC/DICGC Claims received)	1813.67

(h)	NPA Ratios	
	Gross NPA to Gross Advance	4.78
	Net NPA to Net Advance	2.77

(i)	Movement of NPA (Gross)	
	Opening balance	2357.05
	Additions	5236.21
	Reductions	4393.30
	Closing balance	3199.96

(j)	Movement of provisions for NPAs	Specific provision	General provision
	Opening balance	908.39	50.00
	Provisions made during the period	1177.92	0.00
	Write-offs	750.02	0.00
	Write-back of excess provisions	0.00	0.00
	Closing balance	1336.29	50.00
	Write-offs and recoveries that have been booked directly to the income statement		302.74
(k)	Amount in Non-Performing Investments (Gross)		61.21
(l)	Amount of Provisions held Non-Performing Investments		47.15
(m)	Movement of Provisions for Depreciation on Investments		
	Opening balance		26.33
	Provisions made during the period		39.22
	Write-offs / (Debit during the year (shifting from AFS to HTM))		0.00
	Write-back of excess provisions		4.44
	Closing Balance		61.21

(n)	Industry wise breakup of NPA and provision	Gross NPA	Specific Provision
	NPA in top 5 industries	1792.77	474.00

(o)	Geographic area wise distribution of NPA and provision			
	Geography	Gross NPA	Specific provision	General provision
	Domestic	3199.96	1336.29	50.00
	Overseas	0.00	0.00	0.00
	Total	3199.96	1336.29	50.00

**Table A**

**Industry Type Distribution of Exposures as on 31.03.2016** (₹ in Crore)

Code	Industry	Fund Based Outstandings			Non Fund Based Outstandings
		Standard	NPA	Total	Standard
1	Coal	237.84	0.00	237.84	137.22
2	Mining	97.34	0.00	97.34	9.84
3	Iron & Steel	3494.73	843.79	4338.52	628.25
4	Metal Products	296.65	251.11	547.76	38.31
5	All Engineering	1530.03	78.25	1608.28	1914.23
5.1	Of which Electronics	7.36	0.00	7.36	44.98
6	Electricity	1150.74	0.00	1150.74	221.38
7	Cotton Textiles	1040.08	219.68	1259.76	153.83
8	Jute Textiles	0.86	0.00	0.86	0.00
9	Other Textiles	1294.71	31.17	1325.88	349.72
10	Sugar	41.09	24.32	65.41	0.00
11	Tea	9.91	0.00	9.91	0.00
12	Food Processing	1147.72	134.01	1281.73	268.43
13	Vegetable Oils & Vanaspati	185.02	4.95	189.97	207.76
14	Tobacco / Tobacco Products	5.01	0.00	5.01	0.00
15	Paper / Paper Products	577.67	0.00	577.67	60.64
16	Rubber / Rubber Products	220.10	0.02	220.12	11.39
17	Chemicals / Dyes / Paints etc.	1264.08	89.93	1354.01	707.67
17.1	<b>Of which</b> Fertilizers	104.34	6.22	110.56	224.16
17.2	<b>Of which</b> Petrochemicals	371.72	4.12	375.84	198.76
17.3	<b>Of which</b> Drugs & Pharmaceuticals	345.58	71.28	416.86	5.73
18	Cement	269.20	0.00	269.20	5.85
19	Leather & Leather Products	80.86	0.10	80.96	42.52
20	Gems & Jewellery	2132.41	16.64	2149.05	344.59
21	Construction	956.93	59.96	1016.89	1028.78
22	Petroleum	123.32	193.82	317.14	162.32
23	Automobiles & Trucks	253.73	49.18	302.91	60.21
24	Computer Software	115.21	33.94	149.15	28.00

25	Infrastructure	6305.32	253.20	6558.52	1837.16
25.1	<b>Of which</b> Power	2671.16	110.58	2781.74	244.59
25.2	<b>Of which</b> Telecommunication	584.32	0.00	584.32	197.10
25.3	<b>Of which</b> Roads & Ports	1039.60	0.47	1040.07	582.91
26	Other Industries	2078.53	60.16	2138.69	491.72
27	NBFCs & Trading *	9670.13	194.90	9865.03	734.40
28	Res. Adv to bal. Gross Adv	29225.24	660.83	29886.07	132.61
<b>Total</b>		<b>63804.46</b>	<b>3199.96</b>	<b>67004.42</b>	<b>9576.83</b>
*	NBFC	4657.24	4.23	4661.47	44.38
*	Trading	5012.89	190.67	5203.56	690.02

**Table B**  
**Residual Contractual Maturity Break Down of Assets** (₹ in Crore)

Sl No	Particulars	1-14 days	15-30 days	31days – upto 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
1	Cash	587.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	587.92
2	Balances with RBI	0.00	103.96	17.60	17.60	57.16	143.21	305.54	1178.65	2912.15	4735.87
3	Balances with other Banks	2310.37	119.26	0.00	33.13	33.13	0.00	0.00	0.00	0.00	2495.89
4	Investments	7813.64	496.19	1829.23	1829.23	1498.27	2081.26	3165.68	3685.37	13662.96	36061.83
5	Advances*	1056.00	2584.42	4284.06	5245.30	4917.89	12163.36	10003.03	6452.42	18759.79	65466.27
6	Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	444.85	444.85
7	Other Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4714.15	4714.15
	<b>Total</b>	<b>11767.93</b>	<b>3303.83</b>	<b>6130.89</b>	<b>7125.26</b>	<b>6506.45</b>	<b>14387.83</b>	<b>13474.25</b>	<b>11316.44</b>	<b>40493.90</b>	<b>114506.78</b>

\*Net Advances (Gross advances Less IDBI bill rediscounted - SIDBI bills rediscounted- Advances. written off-provision for bad & doubtful debts –ECGC Claims - Floating Provision)

## Table DF-4

### Credit Risk: Disclosures for Portfolios Subject to the Standardised Approach

#### Qualitative Disclosures

(a) For portfolios under the standardized approach:
<p><b>Names of Credit Rating Agencies used, plus reasons for any changes</b>  As per RBI Guidelines, the Bank has identified CARE, CRISIL, ICRA, India Rating, SMERA and Brickwork (Domestic Credit Rating Agencies) and FITCH, Moody's and S&amp;P (International Rating Agencies) as approved Rating Agencies, for the purpose of rating credit exposures, whose ratings are used for the purpose of computing Risk-weighted Assets and Capital Charge.</p>
<p><b>Types of exposures for which each Agency is used</b></p> <p>i. For Exposures with a contractual maturity of less than or equal to one year (except Cash Credit, Overdraft and other Revolving Credits), Short-term Ratings given by approved Rating Agencies are used.</p> <p>ii. For Cash Credit, Overdraft and other Revolving Credits (irrespective of the period) and for Term Loan exposures of over 1 year, Long Term Ratings are used.</p>

#### Quantitative Disclosures

**(b) For exposure amounts ( as defined for Disclosure in item (b) of Table-DF4), after Risk Mitigation subject to Standardised Approach, amount of outstanding (rated and unrated together) in the following three risk buckets as well as those that are deducted, if any**

(₹ in Crore)

Below 100% Risk Weight	43841.55
Risk Weight at 100%	15733.28
More than 100% Risk weight	17006.42
Amount deducted, if any.	0.00
<b>Total</b>	<b>76581.25</b>

**Table DF-5**  
**Credit Risk Mitigation: Disclosures for Standardized Approaches**

**Qualitative Disclosures**

<p><b>(a) The general qualitative disclosure requirement with respect to credit risk mitigation including</b></p> <ul style="list-style-type: none"> <li>• <b>Policies and processes for, and an indication of the extent to which the bank makes use of, on- and off-balance sheet netting</b></li> </ul> <p>On-balance sheet netting is confined to loans/ advances and deposits, where the Bank has legally enforceable netting arrangements, involving specific lien with proof of documentation. Bank calculates capital requirements on the basis of net credit exposures subject to the following conditions: Where the Bank,</p> <ol style="list-style-type: none"> <li>a. has a well-founded legal basis for concluding that the netting or offsetting agreement is enforceable regardless of whether the counterparty is insolvent or bankrupt;</li> <li>b. is able at any time to determine the loans/advances and deposits with the same counterparty that are subject to the netting agreement; and</li> <li>c. monitor and control the relevant exposures on a net basis, it may use the net exposure of loans/advances and deposits as the basis for its capital adequacy calculation. Loans/advances are treated as exposure and deposits as collateral.</li> </ol> <ul style="list-style-type: none"> <li>• <b>Policies and Processes for Collateral Valuation and Management</b></li> </ul> <p>The Bank has an integrated Credit Risk Management, Credit Risk Mitigation and Collateral Management Policy in place which is reviewed annually. Part B of this policy deals with Credit Risk Mitigation and Collateral Management, addressing the Bank's approach towards the credit risk mitigants used for capital calculation.</p> <p>The objective of this Policy is to enable classification and valuation of credit risk mitigants in a manner that allows regulatory capital adjustment to reflect them.</p> <p>The Policy adopts the Comprehensive Approach, which allows full offset of collateral (after appropriate haircuts), wherever applicable against exposures, by effectively reducing the exposure amount by the value ascribed to the collateral. The following issues are addressed in the Policy :</p> <ol style="list-style-type: none"> <li>i. Classification of credit risk-mitigants</li> <li>ii. Acceptable credit risk-mitigants</li> <li>iii. Documentation and legal process requirements for credit risk-mitigants</li> <li>iv. Valuation of collateral</li> <li>v. Margin and Haircut requirements</li> <li>vi. External ratings</li> <li>vii. Custody of collateral</li> <li>viii. Insurance</li> <li>ix. Monitoring of credit risk mitigants</li> <li>x. General guidelines.</li> </ol> <ul style="list-style-type: none"> <li>• <b>Description of the main types of collateral</b></li> </ul> <p>The following collaterals are usually recognised as Credit Risk Mitigants under the Standardised Approach :</p> <ul style="list-style-type: none"> <li>• Cash or Cash equivalent (Bank Deposits/NSCs/KVP/LIC Policy, etc.)</li> <li>• Gold</li> <li>• Securities issued by Central / State Governments</li> <li>• Debt Securities rated BBB- or better/ PR3/P3/F3/A3 for Short-Term Debt Instruments</li> </ul>
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### Main types of Guarantor Counterparty and their creditworthiness

The Bank accepts the following entities as eligible guarantors, in line with RBI guidelines :

- Sovereign, Sovereign entities [including Bank for International Settlements (BIS), International Monetary Fund (IMF), European Central Bank and European Community as well as Multilateral Development Banks, Export Credit & Guarantee Corporation (ECGC) and Credit Guarantee Fund Trust for Micro and Small Enterprises (**CGTMSE**)], Public Sector Enterprises (PSEs), Banks and Primary Dealers with a lower risk weight than the counterparty.
- Other guarantors having an external rating of AA or better. In case the guarantor is a parent company, affiliate or subsidiary, they should enjoy a risk weight lower than the obligor for the guarantee to be recognised by the Bank. The rating of the guarantor should be an entity rating which has factored in all the liabilities and commitments (including guarantees) of the entity.

### Information about (Market or Credit) risk concentrations within the mitigation taken:

The Bank has a well-dispersed portfolio of assets which are secured by various types of collaterals, such as:-

- Eligible financial collaterals listed above
- Guarantees by sovereigns and well-rated corporates,
- Fixed assets and current assets of the counterparty

### Quantitative Disclosures

(₹ in Crore)

(b)	For each separately disclosed credit risk portfolio the total exposure (after, where applicable, on- or off balance sheet netting) that is covered by eligible financial collateral after the application of haircuts.	11418.93
(c)	For each separately disclosed portfolio the total exposure (after, where applicable, on or off-balance sheet netting) that is covered by guarantees/credit derivatives (whenever specifically permitted by RBI)	2380.19



**Table DF-6**  
**Securitisation Exposures: Disclosure for Standardised Approach**

**Qualitative Disclosures:**

(a)	<p>The general qualitative disclosure requirement with respect to securitisation including a discussion of:</p> <ul style="list-style-type: none"> <li>• the bank's objectives in relation to securitisation activity, including the extent to which these activities transfer credit risk of the underlying securitised exposures away from the bank to other entities.</li> <li>• the nature of other risks (e.g. liquidity risk) inherent in securitised assets;</li> <li>• the various roles played by the bank in the securitisation process (For example: originator, investor, servicer, provider of credit enhancement, liquidity provider, swap provider@, protection provider#) and an indication of the extent of the bank's involvement in each of them; @ A bank may have provided support to a securitisation structure in the form of an interest rate swap or currency swap to mitigate the interest rate/currency risk of the underlying assets, if permitted as per regulatory rules. # A bank may provide credit protection to a securitisation transaction through guarantees, credit derivatives or any other similar product, if permitted as per regulatory rules.</li> <li>• a description of the processes in place to monitor changes in the credit and market risk of securitisation exposures (for example, how the behaviour of the underlying assets impacts securitisation exposures as defined in para 5.16.1 of the Master Circular on NCAF dated July 1, 2011 ).</li> <li>• a description of the bank's policy governing the use of credit risk mitigation to mitigate the risks retained through securitisation exposures;</li> </ul>	The Bank does not have securitisation exposure
(b)	<p>Summary of the bank's accounting policies for securitisation activities, including:</p> <ul style="list-style-type: none"> <li>• whether the transactions are treated as sales or financings;</li> <li>• methods and key assumptions (including inputs) applied in valuing positions retained or purchased</li> <li>• changes in methods and key assumptions from the previous period and impact of the changes;</li> <li>• policies for recognising liabilities on the balance sheet for arrangements that could require the bank to provide financial support for securitised assets.</li> </ul>	The Bank does not have securitisation exposure
(c)	<p>In the banking book, the names of ECALs used for securitisations and the types of securitisation exposure for which each agency is used.</p>	The Bank does not have securitisation exposure

### Quantitative Disclosures: Banking Book

(d)	The total amount of exposures securitised by the bank.	The Bank does not have securitisation exposure
(e)	For exposures securitised losses recognised by the bank during the current period broken by the exposure type (e.g. Credit cards, housing loans, auto loans etc. detailed by underlying security)	
(f)	Amount of assets intended to be securitised within a year	
(g)	Of (f), amount of assets originated within a year before securitisation.	
(h)	The total amount of exposures securitised (by exposure type) and unrecognised gain or losses on sale by exposure type.	
(i)	Aggregate amount of:	
	• on-balance sheet securitisation exposures retained or purchased broken down by exposure type and	
	• off-balance sheet securitisation exposures broken down by exposure type	
(j)	• Aggregate amount of securitisation exposures retained or purchased and the associated capital charges, broken down between exposures and further broken down into different risk weight bands for each regulatory capital approach	
	• Exposures that have been deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type).	

### Quantitative Disclosures: Trading Book

(k)	Aggregate amount of exposures securitised by the bank for which the bank has retained some exposures and which is subject to the market risk approach, by exposure type.	The Bank does not have securitisation exposure
(l)	Aggregate amount of:	
	• on-balance sheet securitisation exposures retained or purchased broken down by exposure type; and	
	• off-balance sheet securitisation exposures broken down by exposure type	
(m)	Aggregate amount of securitisation exposures retained or purchased separately for:	
	• securitisation exposures retained or purchased subject to Comprehensive Risk Measure for specific risk; and	
	• securitisation exposures subject to the securitisation framework for specific risk broken down into different risk weight bands.	
(n)	Aggregate amount of:	
	• the capital requirements for the securitisation exposures, subject to the securitisation framework broken down into different risk weight bands.	
	• securitisation exposures that are deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type).	

## Table DF-7 Market Risk in Trading Book

### Qualitative Disclosures

The general qualitative disclosure requirement for market risk including the portfolios covered by the standardized approach	
1	The following portfolios are covered by the Standardised Duration Approach for computing capital requirement for Market Risk: <ul style="list-style-type: none"> <li>• Securities held under the Held for Trading (HFT) and Available for Sale (AFS) categories.</li> <li>• Derivatives entered into for hedging HFT &amp; AFS securities and Derivatives entered into for trading.</li> </ul>
2	Market Risk Management Department (MRMD)/Mid-Office have been put in place based on the approval accorded by the Board.
3	Market Risk Management Department is responsible for identification, assessment, monitoring and reporting of Risk associated with Treasury operations
4	The following Board approved policies with defined Market Risk Management parameters for each asset class are in place: <ul style="list-style-type: none"> <li>• Market Risk Management Policy</li> <li>• Investment Policy</li> <li>• Policy for Trading in Interest Rate Securities and Equity</li> <li>• Policy for Derivatives</li> <li>• Forex Trading Policy</li> <li>• Value- at- Risk Policy</li> <li>• Stress Test Policy</li> <li>• Model Validation Policy</li> </ul>
5	Risk monitoring is an ongoing process and risk positions are analysed and reported to Top Management, Market Risk Management Committee and Risk Management Committee of the Board.
6	Risk management and reporting is based on parameters such as Modified Duration, PV01, Maximum permissible exposures, Value at Risk Limits, Concentration Risk Limits, Cut Loss Trigger, Management Action Triggers, etc in line with global best practices.
7	Forex Open position limits (Daylight/Overnight), Stop Loss Limits, Aggregate Gap Limit (AGL), are monitored and exception reporting is regularly carried out.
8	Stress Testing is carried out at regular intervals as a complement to Value at Risk. Back-Testing of VaR number is carried out on daily basis. Results are reported to Top Management and Risk committees
9	Bank is in the process of migrating to Internal Models Approach (IMA) for calculating capital charge for market risk and has filed its Letter of Intent for migration to IMA to Reserve Bank of India during FY 2014.

### Quantitative Disclosures

(₹ in Crore)

The Capital requirement for:	
Interest Rate Risk	421.93
Equity Position Risk	108.66
Forex Risk	4.50
Total	535.09

## Table DF-8 Operational Risk

### Qualitative Disclosures:

#### A. The structure and organization of Operational Risk Management function

- The Operational Risk Management Department is functioning in Bank as part of the Integrated Risk Management Department under the control of Chief Risk Officer.
- Operational Risk Management Committee addresses issues relating to operational risk.
- Risk Management Committee of the Board (RMCB) monitors the overall risk assumed by the Bank.

#### B. Policies/Manual for control and mitigation of Operational Risk

The following policies/manuals are in place in Bank.

##### Policies

- Operational Risk Management Policy, seeking to establish explicit and consistent Operational Risk Management Framework for systematic and proactive identification, assessment, measurement, monitoring, mitigation and reporting of the Operational Risks.
- Business Continuity Planning (BCP) Policy.
- Loss Data Management Policy.
- Know Your Customer (KYC) Standards and Anti Money Laundering (AML) Measures Policy.
- Fraud Risk Management Policy.
- Outsourcing Policy
- Stress Testing policy

##### Manuals

- Operational Risk Management Manual [Risk & Control Self Assessment (RCSA), Key Risk Indicator (KRI) and MIS Framework Document]
- Loss Data Manual
- Business Continuity Manual

##### Frame work

- Scenario Analysis Framework

#### C. Strategies and Processes

The following measures are being used to control and mitigate Operational Risks in the Bank.

- "Book of Instructions" (Manual on General Instructions, Manual on Loans & Advances) which contains detailed procedural guidelines for processing various Banking transactions. Amendments and modifications to update these guidelines are being carried out regularly through e-circulars. Guidelines and instructions are also propagated through Job Cards, e-Circulars, Training Programs, etc.
- Manuals and operating instructions relating to Business Process Re-engineering (BPR) units.
- Delegation of Financial powers, which details sanctioning powers of various levels of officials for different types of financial and non-financial transactions.
- The process of building a comprehensive database of losses due to Operational Risks has been initiated, to facilitate better risk management. For this purpose a web based template for collecting loss data, including Near Misses, from branches has been developed to facilitate better risk management.
- Training of staff – inputs on Operational Risk is included as a part of Risk Management modules in the training programmes conducted for various categories of staff at Bank's Staff Learning Centres.
- Internal Auditors are responsible for the examination and evaluation of the adequacy and effectiveness of the control systems and the functioning of specific control procedures. They also conduct review of the existing systems to ensure compliance with legal and regulatory requirements, codes of conduct and the implementation of policies and procedures.
- Excel based template for conducting Risk & Control Self Assessment (RCSA) exercise through workshops has since been introduced.
- A Product Review Committee for vetting of new products is in place.

- In order to ensure business continuity, resumption and recovery of critical business process after a disaster, the Bank has robust Business Continuity Management in place.
- The Bank has drawn up a roadmap, which enunciates time bound action points for migration to Advanced Measurement Approach and filed Letter of Intent with Reserve Bank of India. The preliminary assessment has been completed and provided with parallel run check list.

**D. The scope and nature of Risk Reporting and Measurement Systems**

- A system of prompt submission of reports on Frauds is in place in the Bank.
- A comprehensive system of Preventive Vigilance has been established in the Bank.
- Basic Indicator Approach with capital charge of 15% of average gross income for previous 3 years is applied for Operational Risk.

**Quantitative Disclosures**

(₹ in Crore)

Capital requirement on Operational Risk.	462.27
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## Table DF-9 Interest Rate Risk in the Banking Book (IRRBB)

### Qualitative Disclosures

Interest Rate Risk: Interest rate risk refers to impact on Bank's Net Interest Income and the value of its assets and liabilities arising from fluctuations in interest rate due to internal and external factors. Internal factors include the composition of the Bank's assets and liabilities, quality, maturity, existing rates and re-pricing period of deposits, borrowings, loans and investments. External factors cover general economic conditions. Rising or falling interest rates impact the Bank depending on whether the Balance Sheet is asset sensitive or liability sensitive.

The Asset-Liability Management Committee (ALCO) is responsible for evolving appropriate systems and procedures for ongoing identification and analysis of Balance Sheet risks and laying down parameters for efficient management of these risks through Asset Liability Management Policy of the Bank. ALCO, therefore, periodically monitors and controls the risks and returns, funding and deployment, setting Bank's lending and deposit rates and directing the investment activities of the Bank. ALCO also develops the market risk strategy by clearly articulating the acceptable levels of exposure to specific risk types (i.e. interest rate, liquidity etc). The Risk Management Committee of the Board of Directors (RMCB) oversees the ALM systems and reviews its functioning periodically and provides direction. It reviews various decisions taken by Asset - Liability Management Committee (ALCO) for managing interest rate risk.

RBI has stipulated monitoring of interest rate risk through a Statement of Interest Rate Sensitivity (Repricing Gaps) to be prepared on a monthly basis. Accordingly, ALCO reviews Interest Rate Sensitivity statement on monthly basis and monitors the Earning at Risk (EaR) which measures the change in Net Interest Income of the Bank due to parallel change in interest rate on both the assets & liabilities.

1.2 RBI has also stipulated to estimate the impact of change in interest rates on economic value of bank's assets and liabilities through Interest rate sensitivity under Duration gap analysis (IRSD). Bank also carries out Duration Gap analysis as stipulated by RBI on monthly basis. The impact of interest rate changes on the Market Value of Equity is monitored through Duration Gap analysis by recognizing the changes in the value of assets and liabilities by a given change in the market interest rate. The change in value of equity (including reserves) with 2% parallel shift in interest rates for both assets and liabilities is estimated.

1.3 The following prudential limits have been fixed for monitoring of various interest risks:

Changes on account of Interest rate volatility	Maximum Impact (as % of Capital and Reserve)
Changes in Net Interest Income (with 1% change in interest rates for both assets and liabilities)	5%
Change in Market value of Equity (with 2% change in interest rates for assets and liabilities)	20%

1.4 The prudential limit aims to restrict the overall adverse impact on account of interest rate risk to the extent of 20% of capital and reserves, while part of the remaining capital and reserves serves as cushion for other risks.

### Quantitative Disclosures

#### A. Earnings at Risk (EaR)

Particulars	Impact on NII (₹ in crs)
Impact of 100 bps parallel shift in interest rate on both assets and liabilities on Net Interest Income (NII)	296.46

#### B. Market Value of Equity (MVE)

Particulars	Impact on MVE (₹ in crs)
Impact on 200 bps parallel shift in interest rate on both assets and liabilities on Market Value of Equity (MVE)	364.75

**Table DF-10**  
**General Disclosure for Exposures Related to Counterparty Credit Risk**

**Qualitative Disclosures**

- a. Counterparty Credit Risk is the risk that the counterparty to a transaction can default before the final settlement of the transaction's cash flow. Derivative transactions are undertaken only with those counterparties where approved counterparty limits are in place. Counterparty limit for banks are assessed using internal models considering a number of financial parameters like networth, capital adequacy ratio, rating etc. For corporates the Derivatives limits are assessed and sanctioned in conjunction with regular credit limit as part of regular appraisal.

Bank has not entered into any collateral agreement (Credit Support Annex or equivalent) with any of the bank which require maintenance of collateral. Bank does not recognize bilateral netting.

**Quantitative Disclosures**

- b. Gross positive fair value of contracts, netting benefits, netted current credit exposure, collateral held, (including type e.g. cash, government securities etc), and net derivatives credit exposure. Also report measures for exposures at default or exposure amount, under CEM. The notional value of the credit derivatives hedges, and the distributions of current credit exposures by types of credit exposure.

(₹ in Crore)

Item	Notional Amounts	Current Credit Exposure	Value under Credit exposure method
a) Currency Swaps	0.00	0.00	0.00
b) Forward Rate Agreement	19.88	0.01	0.11
c) Currency Futures	0.00	0.00	0.00
d) Caps / Floors	0.00	0.00	0.00
e) Options	0.00	0.00	0.00
f) Foreign Exchange Contract	30594.67	231.04	903.81
g) Credit Default Swaps - Buy protection	0.00	0.00	0.00
h) Credit Default Swaps - Sell protection	0.00	0.00	0.00
<b>Total</b>	<b>30614.55</b>	<b>231.05</b>	<b>903.92</b>

- c. Credit derivatives transactions that create exposures to CCR (notional value), segregated between use for the institutions own credit portfolio, as well as in its intermediation activities, including the distribution of the credit derivatives products used, broken down further by protection bought and sold within each product group. **Nil**



**Table DF-11**  
**Composition of Capital**

**Part II: Template to be used before December 31, 2017**  
(i.e. during the transition period of Basel III regulatory adjustments)

(₹ in Crore)

Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from March 31, 2013 to December 31, 2017)			Amounts Subject to Pre-Basel III Treatment	Ref No
<b>Common Equity Tier 1 Capital : instruments and reserves</b>				
1.	Directly issued qualifying common share capital plus related stock surplus (share premium)	1051.53		A1+A2+A3
2.	Retained Earnings	6.53		B1- B2
3.	Accumulated other comprehensive income (and other reserves)	4934.77		C1+C2+C3+ C4-C5
4.	<i>Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)</i>	0.00		
	Public sector capital injections grandfathered until 1 January 2018	0.00		D
5.	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	0.00		
6.	Common Equity Tier 1 capital before regulatory adjustments	5992.83		
<b>Common Equity Tier 1 capital before regulatory adjustments</b>				
7.	Prudential valuation adjustments	0.00		
8.	Goodwill (net of related tax liability)	0.00		
9.	Intangibles other than mortgage-servicing rights (net of related tax liability)	374.98		
10.	Deferred tax assets	0.00	0.00	E
11.	Cash-flow hedge reserve	0.00		
12.	Shortfall of provisions to expected losses	0.00		
13.	Securitisation gain on sale	0.00		
14.	Gains and losses due to changes in own credit risk on fair valued liabilities	0.00		
15.	Defined-benefit pension fund net assets	0.00		
16.	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	0.00		
17.	Reciprocal cross-holdings in common equity	0.23		
18.	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	0.00		
19.	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	0.00		
20.	Mortgage servicing rights (amount above 10% threshold)	0.00		

			<b>Amounts Subject to Pre-Basel III Treatment</b>	<b>Ref No</b>
21.	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	0.00		
22.	Amount exceeding the 15% threshold	0.00		
23.	of which: significant investments in the common stock of financial entities	0.00		
24.	of which: mortgage servicing rights	0.00		
25.	of which: deferred tax assets arising from temporary differences	0.00		
26.	National specific regulatory adjustments (26a+26b+26c+26d)	0.00		
26a.	of which: Investments in the equity capital of the unconsolidated insurance subsidiaries	0.00		
26b.	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries	0.00		
26c.	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	0.00		
26d.	of which: Unamortised pension funds expenditures	0.00		F
<b>Regulatory Adjustments Applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment</b>		<b>0.00</b>		
27.	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	0.00		
<b>28.</b>	<b>Total regulatory adjustments to Common equity Tier 1</b>	<b>375.21</b>		
<b>29.</b>	<b>Common Equity Tier 1 capital (CET1)</b>	<b>5617.63</b>		
<b>Additional Tier I Capital : Instruments</b>		<b>0.00</b>		
30.	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	0.00		
31.	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	0.00		
32.	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	0.00		
33.	Directly issued capital instruments subject to phase out from Additional Tier 1	300.00		G
34.	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	0.00		
35.	of which: instruments issued by subsidiaries subject to phase out	0.00		
36.	<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>300.00</b>		
<b>Additional Tier 1 Capital : regulatory adjustments</b>				
37.	Investments in own Additional Tier 1 instruments	0.00		
38.	Reciprocal cross-holdings in Additional Tier 1 instruments	0.00		
39.	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	0.00		

			Amounts Subject to Pre-Basel III Treatment	Ref No
40.	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	0.00		
41.	National specific regulatory adjustments (41a+41b)	0.00		
41a.	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	0.00		
41b.	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	0.00		
	Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	0.00		
	<i>of which: Deferred Tax Assets</i>	0.00		E
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	0.00		
43	<b>Total regulatory adjustments to Additional Tier 1 capital</b>	<b>0.00</b>		
44	<b>Additional Tier 1 capital (AT1)</b>	<b>300.00</b>		
44a.	<b>Additional Tier 1 capital reckoned for capital adequacy</b>	<b>180.00</b>		
45	<b>Tier 1 capital (T1 = CET1 + AT1) (29 +44a)</b>	<b>5797.63</b>		
<b>Tier 2 capital: Instruments and Provisions</b>				
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	0.00		
47	Directly issued capital instruments subject to phase out from Tier 2	1765.00		H
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	0.00		
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	0.00		
50	Provisions	394.77		I + J
51	<b>Tier II Capital before regulatory adjustments</b>	<b>2159.77</b>		
<b>Tier 2 capital: Regulatory Adjustments</b>				
52	Investments in own Tier 2 instruments	0.00		
53	Reciprocal cross-holdings in Tier 2 instruments	0.00		
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	0.00		
55	Significant investments <sup>13</sup> in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	0.00		
56	National specific regulatory adjustments (56a+56b)	0.00		

			<b>Amounts Subject to Pre-Basel III Treatment</b>	<b>Ref No</b>
56a	<i>of which:</i> Investments in the Tier 2 capital of unconsolidated subsidiaries	0.00		
56b	<i>of which:</i> Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	0.00		
	Regulatory Adjustments Applied To Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment	0.00		
57	<b>Total regulatory adjustments to Tier 2 capital</b>	0.00		
58	<b>Tier 2 capital (T2)</b>	2159.77		
58a	<b>Tier 2 capital reckoned for capital adequacy</b>	1519.77		
58b	<b>Excess Additional Tier 1 capital reckoned as Tier 2 capital</b>	0.00		
58c	<b>Total Tier 2 capital admissible for capital adequacy (58a + 58b)</b>	1519.77		
59	<b>Total capital (TC = T1 + T2) (45 + 58c)</b>	7317.40		
	Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment			
60	<b>Total risk weighted assets (60a + 60b + 60c)</b>	63106.20		
60a	<i>of which: total credit risk weighted assets</i>	50639.15		
60b	<i>of which: total market risk weighted assets</i>	6688.68		
60c	<i>of which: total operational risk weighted assets</i>	5778.37		
<b>Capital Ratios</b>				
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	8.90%		
62	Tier 1 (as a percentage of risk weighted assets)	9.19%		
63	Total capital (as a percentage of risk weighted assets)	11.60%		
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	6.125%		
65	<i>of which: capital conservation buffer requirement</i>	0.625%		
66	<i>of which: bank specific countercyclical buffer requirement</i>	0.00%		
67	<i>of which: G-SIB buffer requirement</i>	0.00%		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	2.78%		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%		
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%		
71	National total capital minimum ratio (if different from Basel III minimum)	9.625%		
72	Non-significant investments in the capital of other financial entities	0.00		

			<b>Amounts Subject to Pre-Basel III Treatment</b>	<b>Ref No</b>
74	Mortgage servicing rights (net of related tax liability)	0.00		
75	Deferred tax assets arising from temporary differences (net of related tax liability)	0.00		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	369.16		
77	Cap on inclusion of provisions in Tier 2 under standardised approach	NA		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	NA		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	NA		
<b>Capital instruments subject to phase-out arrangements (only applicable between September 30, 2017 and September 30, 2022)</b>				
80	Current cap on CET1 instruments subject to phase out arrangements	NA		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	NA		
82	Current cap on AT1 instruments subject to phase out arrangements	NA		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	NA		
84	Current cap on T2 instruments subject to phase out arrangements	NA		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	NA		

## Notes to the Template

Row No. of the template	Particular	Particular (₹ in Crore)
10	Deferred tax assets associated with accumulated losses	0.00
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	0.00
	<b>Total as indicated in row 10</b>	0.00
19	<b>If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank</b>	0.00
	of which: Increase in Common Equity Tier 1 capital	0.00
	of which: Increase in Additional Tier 1 capital	0.00
	of which: Increase in Tier 2 capital	0.00
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	
	(i) Increase in Common Equity Tier 1 capital	0.00
	(ii) Increase in risk weighted assets	0.00
44a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)	NA
	of which: Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b	NA
50	Eligible Provisions included in Tier 2 capital	394.77
	Eligible Revaluation Reserves included in Tier 2 capital	0.00
	Total of row 50	394.77
58a	<b>Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a)</b>	NA

**Table DF-12**  
**Composition of Capital- Reconciliation Requirements**

**Step 1**

Bank has no subsidiaries and there is no difference between accounting scope of consolidation and regulatory scope of consolidation.

**Step 2**

(₹ in Crore)

		<b>Balance sheet as in financial statements March 31, 2016</b>	<b>Balance sheet under regulatory scope of consolidation March 31, 2016</b>	<b>Ref No</b>
<b>A</b>	<b>CAPITAL &amp; LIABILITIES</b>			
i	Paid-up Capital	71.10	71.10	A1
	Share Application Money Pending Allotment	0.00	0.00	
	Reserves & Surplus	5950.02	5950.02	
	of which			
	Statutory Reserves	1735.90	1735.90	C1
	Share Premium	980.42	980.42	A2
	Capital Reserves	145.18	145.18	C2
	General Reserves	2575.03	2575.03	C3
	Special Reserve account Interest Rate Derivatives not reckoned for Capital Adequacy purpose	2.67	2.67	
	Investment Reserve Account	25.61	25.61	I
	Reserve Under 36 viii(8) of IT Act Out of which	477.66	477.66	C4
	Tax portion (a) above not reckoned for Capital Adequacy purpose	0.00	0.00	C5
	Balance in Profit and Loss Account <i>Out of which</i>	6.53	6.53	B1
	Current year profit included in (b) above not reckoned for Capital Adequacy purpose	0.00	0.00	B2
	Minority Interest	0.00	0.00	D
<b>Total Capital</b>	<b>6021.12</b>	<b>6021.12</b>		
ii	<b>Deposits</b>	<b>101118.80</b>	<b>101118.80</b>	
	of which: Deposits from banks	294.15	294.15	
	of which: Customer deposits	100824.65	100824.65	
iii	<b>Borrowings</b>	<b>2949.44</b>	<b>2949.44</b>	
	of which: From RBI	0.00	0.00	
	of which: From banks	0.00	0.00	
	of which: From other institutions & agencies	884.44	884.44	
	of which: Capital instruments	0.00	0.00	
	of which eligible Additional Tier 1 Capital instruments	2065.00	2065.00	G
	of which eligible Tier 2 Capital instruments	1765.00	1765.00	H
iv	<b>Other liabilities &amp; provisions</b>	<b>4417.42</b>	<b>4417.42</b>	
	of which Standard Assets provision	369.16	369.16	J
	<b>Total Capital &amp; Liabilities</b>	<b>114506.78</b>	<b>114506.78</b>	



		Balance sheet as in financial statements March 31, 2016	Balance sheet under regulatory scope of consolidation March 31, 2016	Ref No
<b>B</b>	<b>ASSETS</b>			
i	Cash and balances with Reserve Bank of India	587.92	587.92	
	Balance with banks and money at call and short notice	4735.87	4735.87	
	Balance with banks and money at call and short notice	2495.89	2495.89	
ii	Investments:	36061.83	36061.83	
	of which: Government securities	27972.86	27972.86	
	of which: Other approved securities	0.00	0.00	
	of which: Shares	182.61	182.61	
	of which: Debentures & Bonds	381.77	381.77	
	of which: Subsidiaries / Joint Ventures / Associates	0.00	0.00	
	of which: Others (Commercial Papers, Mutual Funds etc.)	7524.59	7524.59	
	Aggregate provision for Depreciation	61.22	61.22	
iii	Loans and advances	65466.27	65466.27	
	of which: Loans and advances to banks	0.00	0.00	
	of which: Loans and advances to Customers	65466.27	65466.27	
iv	Fixed Assets	444.85	444.85	
v	Other Assets	4714.15	4714.15	
	of which : Goodwill and intangible Assets	0.00	0.00	
	Deferred Tax Assets	0.00	0.00	E
	Unamortised pension funds expenditures	0.00	0.00	F
vi	Goodwill on consolidation	0.00	0.00	
vii	Debit Balance in Profit & Loss Account	0.00	0.00	
	<b>Total Assets</b>	<b>114506.78</b>	<b>114506.78</b>	

**Table DF-13:  
Main Features of Regulatory Capital Instruments**

(₹ in Crore)

		<b>Unsecured Non-convertible subordinated Perpetual Bonds</b>	<b>Unsecured Non-convertible subordinated Perpetual Bonds</b>	<b>Unsecured, Redeemable Non-convertible Upper Tier II Bonds in the nature of Promissory Notes</b>	<b>Unsecured, Redeemable Non-convertible Upper Tier II Bonds in the nature of Promissory Notes</b>	<b>Unsecured, Redeemable Non-convertible Upper Tier II Bonds in the nature of Promissory Notes</b>
1	Issuer	State Bank of Travancore	State Bank of Travancore	State Bank of Travancore	State Bank of Travancore	State Bank of Travancore
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE654A09118	INE654A09167	INE654A09126	INE654A09134	INE654A09175
3	Governing law(s) of the instrument	RBI Master Circulars, Companies Act, SEBI Regulations	RBI Master Circulars, Companies Act, SEBI Regulations	RBI Master Circulars, Companies Act, SEBI Regulations	RBI Master Circulars, Companies Act, SEBI Regulations	RBI Master Circulars, Companies Act, SEBI Regulations
	<i>Regulatory treatment</i>					
4	Transitional Basel III rules	Additional Tier 1	Additional Tier 1	Tier 2	Tier 2	Tier 2
5	Post-transitional Basel III rules	Ineligible	Ineligible	Ineligible	Ineligible	Ineligible
6	Eligible at solo/ group/ group & solo	Solo and Group	Solo and Group	Solo and Group	Solo and Group	Solo and Group
7	Instrument type	Perpetual Debt Instruments	Perpetual Debt Instruments	Upper Tier 2 Capital Instruments	Upper Tier 2 Capital Instruments	Upper Tier 2 Capital Instruments
8	Amount recognised in regulatory capital (as of most recent reporting date)	200	100	200	300	500
9	Par value of instrument (₹)	1000000	1000000	1000000	1000000	1000000
10	Accounting classification	Liability	Liability	Liability	Liability	Liability
11	Original date of issuance	31/10/2006	31/03/2008	01/03/2007	18/05/2007	26/03/2012
12	Perpetual or dated	Perpetual	Perpetual	Dated	Dated	Dated
13	Original maturity date	NA	NA	01/03/2022	18/05/2022	26/03/2027

		<b>Unsecured Non-convertible subordinated Perpetual Bonds</b>	<b>Unsecured Non-convertible subordinated Perpetual Bonds</b>	<b>Unsecured, Redeemable Non-convertible Upper Tier II Bonds in the nature of Promissory Notes</b>	<b>Unsecured, Redeemable Non-convertible Upper Tier II Bonds in the nature of Promissory Notes</b>	<b>Unsecured, Redeemable Non-convertible Upper Tier II Bonds in the nature of Promissory Notes</b>
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	30/10/2016, Redemption at Par Value	30/03/2018, Redemption at Par Value	28/02/2017, Redemption at Par Value	17/05/2017, Redemption at Par Value	25/03/2022, Redemption at Par Value
16	Subsequent call dates, if applicable	NA	NA	NA	NA	NA
	<i>Coupons / dividends</i>					
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	9.34%	9.95%	9.65%	10.25%	9.25%
19	Existence of a dividend stopper	Yes	Yes	Yes	Yes	No
20	Fully discretionary, partially discretionary or mandatory	Partially discretionary	Partially discretionary	Partially discretionary	Partially discretionary	Mandatory
21	Existence of step up or other incentive to redeem	Yes	Yes	Yes	Yes	No
22	Noncumulative or cumulative	Non cumulative	Non cumulative	Non cumulative	Non cumulative	Non cumulative
23	Convertible or non-convertible	Non convertible	Non convertible	Non convertible	Non convertible	Non convertible
24	If convertible, conversion trigger(s)	NA	NA	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA	NA	NA

		<b>Unsecured Non-convertible subordinated Perpetual Bonds</b>	<b>Unsecured Non-convertible subordinated Perpetual Bonds</b>	<b>Unsecured, Redeemable Non-convertible Upper Tier II Bonds in the nature of Promissory Notes</b>	<b>Unsecured, Redeemable Non-convertible Upper Tier II Bonds in the nature of Promissory Notes</b>	<b>Unsecured, Redeemable Non-convertible Upper Tier II Bonds in the nature of Promissory Notes</b>
28	If convertible, specify instrument type convertible into	NA	NA	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA	NA	NA
30	Write-down feature	No	No	No	No	No
31	If write-down, write-down trigger(s)	NA	NA	NA	NA	NA
32	If write-down, full or partial	NA	NA	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	a) Superior to the claims of investors in equity shares, and b) Subordinate to all other creditors and investors in instrument eligible for inclusion in Lower Tier II Capital and Upper Tier II capital	a) Superior to the claims of investors in equity shares, and b) Subordinate to all other creditors and investors in instrument eligible for inclusion in Lower Tier II Capital and Upper Tier II capital	a) Superior to the claims of investors in equity shares, other instruments eligible for inclusion in Tier I Capital, and b) Subordinate to all other creditors and investors in instrument eligible for inclusion in Lower Tier II Capital	a) Superior to the claims of investors in equity shares, other instruments eligible for inclusion in Tier I Capital, and b) Subordinate to all other creditors and investors in instrument eligible for inclusion in Lower Tier II Capital	a) Superior to the claims of investors in equity shares, other instruments eligible for inclusion in Tier I Capital, and b) Subordinate to all other creditors and investors in instrument eligible for inclusion in Lower Tier II Capital
36	Non-compliant transitioned features	Yes	Yes	Yes	Yes	Yes

		<b>Unsecured Non-convertible subordinated Perpetual Bonds</b>	<b>Unsecured Non-convertible subordinated Perpetual Bonds</b>	<b>Unsecured, Redeemable Non-convertible Upper Tier II Bonds in the nature of Promissory Notes</b>	<b>Unsecured, Redeemable Non-convertible Upper Tier II Bonds in the nature of Promissory Notes</b>	<b>Unsecured, Redeemable Non-convertible Upper Tier II Bonds in the nature of Promissory Notes</b>
37	If yes, specify non-compliant features	Absence of Loss absorbency features at Point of Non-Viability and Existence of a Step-up option on non-exercise of Call option	Absence of Loss absorbency features at Point of Non-Viability and Existence of a Step-up option on non-exercise of Call option	Absence of Loss absorbency features at Point of Non-Viability and Existence of a Step-up option on non-exercise of Call option	Absence of Loss absorbency features at Point of Non-Viability and Existence of a Step-up option on non-exercise of Call option	Absence of Loss absorbency features at Point of Non-Viability

(₹ in Crore)

		<b>Unsecured, Redeemable Non-convertible Subordinated Bonds in the nature of Promissory Notes</b>	<b>Unsecured, Redeemable Non-convertible Subordinated Bonds in the nature of Promissory Notes</b>	<b>Unsecured, Redeemable Non-convertible Subordinated Bonds in the nature of Promissory Notes</b>	<b>Equity</b>
1	Issuer	State Bank of Travancore	State Bank of Travancore	State Bank of Travancore	State Bank of Travancore
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE654A09142	INE654A09159	INE654A08011	INE654A01024
3	Governing law(s) of the instrument	RBI Master Circulars, Companies Act, SEBI Regulations	RBI Master Circulars, Companies Act, SEBI Regulations	RBI Master Circulars, Companies Act, SEBI Regulations	RBI Master Circulars, Companies Act, SEBI Regulations
	<i>Regulatory treatment</i>				
4	Transitional Basel III rules	Tier 2	Tier 2	Tier 2	CET - I
5	Post-transitional Basel III rules	Ineligible	Ineligible	Eligible	CET - I
6	Eligible at solo/group/group & solo	Solo and Group	Solo and Group	Solo and Group	Solo
7	Instrument type	Tier 2 Debt Instruments	Tier 2 Debt Instruments	Tier 2 Debt Instruments	Equity share capital
8	Amount recognised in regulatory capital (as of most recent reporting date)	125	125	515	71.10

(₹ in Crore)

		<b>Unsecured, Redeemable Non-convertible Subordinated Bonds in the nature of Promissory Notes</b>	<b>Unsecured, Redeemable Non-convertible Subordinated Bonds in the nature of Promissory Notes</b>	<b>Unsecured, Redeemable Non-convertible Subordinated Bonds in the nature of Promissory Notes</b>	<b>Equity</b>
9	Par value of instrument (₹)	1000000	1000000	1000000	10
10	Accounting classification	Liability	Liability	Liability	Share Capital
11	Original date of issuance	31/07/2007	08/01/2008	30/03/2016	Various dates
12	Perpetual or dated	Dated	Dated	Dated	Perpetual
13	Original maturity date	31/07/2017	08/01/2018	30/03/2026	NA
14	Issuer call subject to prior supervisory approval	No	No	Yes	No
15	Optional call date, contingent call dates and redemption amount	NA	NA	30/03/2021, Redemption at Par Value	NA
16	Subsequent call dates, if applicable	NA	NA	NA	NA
	Coupons / dividends				
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Not fixed
18	Coupon rate and any related index	9.20%	9.18%	8.45%	NA
19	Existence of a dividend stopper	No	No	No	NA
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory	NA
21	Existence of step up or other incentive to redeem	No	No	No	NA
22	Noncumulative or cumulative	Non cumulative	Non cumulative	Non cumulative	NA
23	Convertible or non- convertible	Non convertible	Non convertible	Non convertible	NA
24	If convertible, conversion trigger(s)	NA	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA	NA

29	If convertible, specify issuer of instrument it converts into	NA	NA	NA	NA
30	Write-down feature	No	No	No	No
31	If write-down, write-down trigger(s)	NA	NA	NA	NA
32	If write-down, full or partial	NA	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	a) Superior to the claims of investors in equity shares, other instruments eligible for inclusion in Tier I Capital, Upper Tier II Capital, and b) Subordinate to all other creditors	a) Superior to the claims of investors in equity shares, other instruments eligible for inclusion in Tier I Capital, Upper Tier II Capital, and b) Subordinate to all other creditors	a) Superior to the claims of investors in equity shares, other instruments eligible for inclusion in Tier I Capital, Upper Tier II Capital, and b) Subordinate to all other creditors	Most subordinate claim in liquidation of the Bank
36	Non-compliant transitioned features	Yes	Yes	No	No
37	If yes, specify non-compliant features	Absence of Loss absorbency features at Point of Non-Viability	Absence of Loss absorbency features at Point of Non-Viability	NA	NA

**Table DF-14**

**Full Terms and Conditions of Regulatory Capital Instruments**

The full terms and conditions of instruments included in the regulatory capital are as below:

Sl. No.	Instruments	Full Terms and Conditions
1	Unsecured Non-convertible subordinated Perpetual Bonds for ₹ 200 crore issued on 31/10/2006	A Link is provided in Bank's website.
2	Unsecured Non-convertible subordinated Perpetual Bonds for ₹ 100 crore issued on 31/03/2008	A Link is provided in Bank's website.
3	Unsecured, Redeemable Non-convertible Upper Tier II for Bonds ₹ 200 crore issued on 01/03/2007	A Link is provided in Bank's website.
4	Unsecured, Redeemable Non-convertible Upper Tier II for Bonds ₹ 300 crore issued on 18/05/2007	A Link is provided in Bank's website.
5	Unsecured, Redeemable Non-convertible Upper Tier II for Bonds ₹ 500 crore issued on 26/03/2012	A Link is provided in Bank's website.
6	Unsecured, Redeemable Non-convertible Subordinated Bonds for ₹ 125 crore issued on 31/07/2007	A Link is provided in Bank's website.
7	Unsecured, Redeemable Non-convertible Subordinated Bonds for ₹ 125 crore issued on 08/01/2008	A Link is provided in Bank's website.
8	Unsecured, Redeemable Non-convertible Subordinated Bonds for ₹ 515 crore issued on 30/03/2016	A Link is provided in Bank's website.



**Table DF-16**  
**Equities-Disclosure for Banking Book Positions**

Qualitative Disclosures	
1	The general qualitative disclosure requirement with respect to equity risk including: a) differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons b) discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used including key assumptions and practices affecting valuation as well as significant changes in these practices. Bank is having a valuation policy for valuation of investments in the Trading Book. Banking Book investments are valued at carrying cost. No changes in the valuation practices during the quarter.
Quantitative Disclosures	
	(₹ in Crore)
1	Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.
	15.51 (Fair valuation of the these VCF investments as on 31.03.2016 as per the NAV given by the AMC is at Rs.16.17 crores)
2	The types and nature of investments including the amount that can be classified as publicly traded and privately held.
	15.51
3	The cumulative realised gains or losses arising from sales and liquidations in the reporting period.
	0.35
4	Total unrealized gains or losses
	0.00
5	Total latent revaluation gains or losses
	0.66
6	Any amounts of the above included in Tier 1 and/or Tier 2 capital.
	0.35
7	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition or grandfathering provisions regarding regulatory capital requirements.
	1.02 (Capital charge under Credit Risk at a risk weight of 150%.)

**Table DF-17**  
**Summary comparison of accounting assets vs. leverage ratio exposure measure**

SI No	Item	₹ in crore
1	Total consolidated assets as per published financial statements	114506.99
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	0.00
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	0.00
4	Adjustment for derivative financial instruments	764.23
5	Adjustment for securities financing transactions (ie. Repos and similar secured lending)	0.00
6	Adjustment for off-balance sheet items (ie. Conversion to credit equivalent amounts of off-balance sheet exposures)	7473.34
7	Other adjustments	375.19
8	<b>Leverage ratio exposure</b>	<b>122369.38</b>

**Table DF-18**  
**Leverage ratio common disclosure template**

Sl. No	Item	Leverage ratio framework (₹ in Crore)
<b>On-balance sheet exposures</b>		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	114506.99
2	Asset amounts deducted in determining Basel III Tier 1 capital	375.19
3	<b>Total on-balance sheet exposures</b>	<b>114131.80</b>
<b>Derivative exposures</b>		
4	Replacement cost associated with all derivatives transactions (ie. Net of eligible cash variation margin)	196.01
5	Add-on amounts for PFE associated with all derivatives transactions	568.22
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0.00
7	Deductions of receivables assets for cash variation margin provided in derivatives transactions	0.00
8	Exempted CCP leg of client-cleared trade exposures	0.00
9	Adjusted effective notional amount of written credit derivatives	0.00
10	Adjusted effective notional offsets and add-on deductions for written credit derivatives	0.00
11	<b>Total derivative exposures</b>	<b>764.23</b>
<b>Securities financing transaction exposures</b>		
12	Gross SFT assets after adjusting for sale accounting transactions	0.00
13	Netted amounts of cash payables and cash receivables of gross SFT assets	0.00
14	CCR exposure for SFT assets	0.00
15	Agent transaction exposures	0.00
16	<b>Total securities financing transaction exposures</b>	<b>0.00</b>
<b>Other off-balance sheet exposures</b>		
17	Off-balance sheet exposure at gross notional amount	17080.69
18	Adjustments for conversion to credit equivalent amounts	9607.35
19	Off-balance sheet items	7473.34
<b>Capital and total exposures</b>		
20	<b>Tier 1 capital</b>	<b>5797.63</b>
21	<b>Total exposures (3+11+16+19)</b>	<b>122369.38</b>
<b>Leverage ratio</b>		
22	<b>Basel III leverage ratio</b>	<b>4.74%</b>

### ATTENDANCE SLIP

(Please complete this attendance slip and hand over at the entrance of the Meeting Hall)

I hereby record my presence at the FIFTY SIXTH ANNUAL GENERAL MEETING of State Bank of Travancore held at 11.30 A.M on Monday the 30<sup>th</sup> day of May 2016, at the A.K.G. Memorial Hall, Gas House Junction, Palayam, Thiruvananthapuram – 695 034.

SIGNATURE OF THE SHAREHOLDER / PROXY :

FULL NAME AND REGISTERED

ADDRESS OF THE SHAREHOLDER :

CLIENT I D / FOLIO NO. :

NO OF SHARES :

NAME OF THE PROXY :

CLIENT I D / FOLIO NO. :



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Please Note:

1. In case a Shareholder is attending the Meeting by proxy, he is requested to hand over the slip duly filled in, to the proxy.
2. Members are requested to bring their copies of the Annual Report (Abridged Version) to the Annual General Meeting.
3. Registration of members will be closed at 11.45 A.M.
4. Entry of members into the Meeting Hall will be stopped at 12.00 Noon.
5. Each shareholder of the Bank who has been registered as a shareholder for a period of not less than three months prior to the date of Annual General Meeting shall be entitled to vote on every resolution placed before the meeting.
6. Every shareholder entitled to vote as aforesaid who, not being a company, is present in person or by proxy or who being a company is present by a duly authorised representative, or by proxy shall have one vote on a show of hands and in case of a poll shall have one vote for each share held by him.

## Form 'A'

{See Sub-Regulation (1) of Regulation 17}

### Nomination Form

(Separate nomination form should be submitted for each folio by individual applying singly or jointly).

I/We.....<sup>(1)</sup>and.....<sup>(1)</sup>and  
.....<sup>(1)</sup>the holders of shares under Folio number.....<sup>(2)</sup>

of State Bank of Travancore wish to make a nomination and do hereby nominate the following person in whom all rights of transfer and / or amount payable in respect of the shares held under the aforesaid Folio Number shall vest in the event of my death / death of all joint holders.

#### NAME AND ADDRESS OF NOMINEE

Name<sup>(3)</sup>: .....

Address<sup>(4)</sup>: .....

Date of Birth\*: .....

[\*To be furnished in case the nominee is a minor]

\*\* The Nominee is a minor whose guardian is:

Name<sup>(5)</sup> : .....

Address: .....

[\*\* To be deleted if not applicable]

Signature of Shareholder .....

#### (First / Sole Holder)

Name : .....

Address : .....

Date .....

Signature of Shareholder (Second Holder) : .....

Name : .....

Address: .....

Date: .....

Signature of shareholder (Third holder): .....

Name: .....

Address: .....

.....

Date: .....

Name, Signature and Address of Two Witnesses:

Signature of first Witness: .....

Name: .....

Address: .....

.....

Date: .....

Signature of second Witness: .....

Name: .....

Address: .....

.....

Date: .....

**Note:**

<sup>(1)</sup>Name of Shareholder(s).

<sup>(2)</sup>Folio Number.

<sup>(3)</sup>Full Name of Nominee in capital letters.

<sup>(4)</sup>Complete permanent address of Nominee.

<sup>(5)</sup>Name and address of Guardian of Minor.



## Form 'B'

{See Sub-Regulation (6) of Regulation 17}

### Form for Variation or Cancellation of Nomination

I/We .....<sup>(1)</sup> and .....<sup>(1)</sup>  
and .....<sup>(1)</sup> the holders of shares under Folio Number .....<sup>(2)</sup>  
of State Bank of Travancore wish to cancel the nomination and do hereby cancel the nomination made by me/us  
in favour of .....<sup>(3)</sup> and nominate the following person in whom all  
rights of transfer and / or amount payable in respect of shares held under the aforesaid Folio Number shall vest in the  
event of my death / death of all joint holders.

#### NAME AND ADDRESS OF NOMINEE

Name<sup>(4)</sup>: .....

Address<sup>(5)</sup>: .....

Date of Birth\*: .....

*[\*To be furnished in case the nominee is a minor]*

\*\* The Nominee is a minor whose guardian is:

Name<sup>(6)</sup>: .....

Address: .....

*\*\*\* To be deleted if not applicable]*

Signature of Shareholder .....

#### (First / Sole Holder)

Name : .....

Address : .....

Date .....

Signature of Shareholder (Second Holder) : .....

Name : .....

Address: .....

Date: .....

Signature of shareholder (Third holder): .....

Name: .....



Address: \_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

Name, Signature and Address of Two Witnesses:

Signature of First Witness: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

Signature of Second Witness: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

**Note:**

<sup>(1)</sup>Name of Shareholder(s).

<sup>(2)</sup>Folio Number.

<sup>(3)</sup>Full Name of the previous Nominee.

<sup>(4)</sup>Full Name of the new Nominee in capital letters.

<sup>(5)</sup>Complete Permanent Address of new Nominee

<sup>(6)</sup>Name and address of Guardian of Minor.



**Form 'C'**

**Form of Proxy**

*[See Sub-Regulation (4) of Regulation 37]*

**State Bank of Travancore**

Folio Number: .....

*(To be filled in by the Shareholder)*

I/We, ..... resident of .....  
of in the District of ..... in the State of ..... being  
a shareholder / shareholders of the State Bank of Travancore holding shares numbers ..... on  
the share register at ..... do hereby appoint ..... resident of .....  
in the District of ..... in the State of .....  
or failing him ..... resident of ..... in the District of  
..... in the State of ..... as my/our proxy to vote for me /us and  
on my/our behalf at a meeting of the shareholders of the State Bank of Travancore to be held at 11.30 A.M. on Monday,  
the 30<sup>th</sup> day of May 2016, at A.K.G.Memorial Hall, Gas House Junction, Palayam, Thiruvananthapuram -695034 and at  
any adjournment thereof.

Signed this ..... day of ....., .....

Signature

Affix 1  
Rupee  
Revenue  
Stamp

## Schedule- II

[See Regulation 2(i)]

Relative means:

1. Spouse; 2. Father; 3. Mother (including step-mother); 4. Son (including step-son); 5. Son's wife; 6. Daughter (including step-daughter); 7. Daughter's husband; 8. Brother (including step-brother); 9. Brother's wife; 10. Sister (including step-sister); 11. Sister's husband; 12. Brother (including step-brother) of the spouse; 13. Sister (including step-sister) of the spouse.

### NOTE:

1. No instrument of proxy shall be valid unless in the case of an individual shareholder it is signed by him or by his attorney duly authorised in writing, or in the case of joint holders, it is signed by the shareholder first named in the share register or his attorney duly authorised in writing or in the case of a company it is executed under its common seal, if any, or signed by its attorney duly authorized in writing. An instrument of proxy shall be deemed to be sufficiently signed by any shareholder, who is, for any reason, unable to write his name, if his mark is affixed thereto and attested by a Judge, Magistrate, Registrar or Sub- Registrar of Assurances, or other Government Gazetted officer or an officer of the State Bank or the Subsidiary Bank.
2. No person shall be appointed as proxy unless he is entitled to attend the general meeting otherwise than as a proxy, provided that this shall not apply to a proxy appointed by a company.
3. No proxy shall be valid unless it is duly dated and stamped and unless it, together with the power of attorney or other authority (if any) under which it is signed, or a copy of that power of authority certified by a notary public or a Magistrate or in case a power of attorney which is previously deposited and registered with the Head Office of the Subsidiary Bank, certified by the Managing Director of the Subsidiary Bank or any other Officer of the Subsidiary Bank authorized by the Managing Director in this behalf, is deposited during working hours at the Head Office of the Subsidiary Bank not less than four clear working days before the date fixed for the general meeting.
4. No instrument of proxy shall be valid unless it is deposited in original in Form C as given above.
5. An instrument of proxy so deposited shall be irrevocable-
  - (i) unless on or before the last day for the deposit of proxies there shall have been deposited at the head office of the subsidiary bank a notice in writing under the hand or common seal of the grantor specifically stating—
    - (a) the name of the person in whose favour the instrument was granted ; and
    - (b) that such instrument is revoked ; or
  - (ii) unless the same is deemed to be invalid under sub-regulation (6).

In the case of an instrument of proxy granted in favour of two grantees in the alternative, it shall not be necessary to mention in the notice of revocation the name of the second or alternative grantee provided that the notice is otherwise sufficient to identify beyond doubt the instrument of proxy, which it is intended to revoke.

6. If two or more instruments of proxy in respect of the same shares is deposited and if on or before the last day for deposit of proxies all but one of such instruments of proxy shall not have been duly revoked in accordance with the procedure laid down in sub-regulation (5), all such instruments of proxy shall be deemed invalid.
7. The due revocation of an instrument of proxy shall in no way prevent the deposit of another valid instrument of proxy in that respect within the time specified in sub-regulation (3).
8. The grantor of an instrument of proxy, which has become irrevocable under this regulation shall not be entitled to vote in person at the meeting to which such instrument relates.
9. No person who is an Officer or an Employee of the Subsidiary Bank may be appointed as a duly authorised representative or a proxy in respect of a general meeting of the Subsidiary Bank.

**ECS MANDATE FORM****State Bank of Travancore**

(Associate of the State Bank of India)

Head Office: Thiruvananthapuram

Shareholder's Authorisation to credit dividend payment directly to the Bank Account

To M/s. Integrated Enterprises (India) Limited, Unit: State Bank of Travancore, 2 <sup>nd</sup> Floor, "Kences Towers", No. 1, Ramakrishna Street, Off: North Usman Road, T. Nagar, Chennai – 600 017.																					
Name of the First / Sole Shareholder																					
Folio No.																					
Name of the Bank																					
Address of the Bank / Branch	Address of the Shareholder																				
Type of Account (Please Tick)	<input type="radio"/> Savings <input type="radio"/> Current <input type="radio"/> Cash Credit																				
Phone Number	No (with STD Code): Mobile No.:																				
E mail address to which communication to be sent																					
Account No. (as appearing on the Cheque Book - fill all the Digits)	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>																				
MICR CODE (9 Digit Code number of the Bank and Branch as appearing on the MICR Cheque issued by the Bank)	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>																				
IFSC Code	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>																				

I hereby, declare that the particulars given above are correct and complete. I undertake to inform you promptly any subsequent changes in the above particulars. If the payment transaction is delayed or not effected at all for reason(s) of incomplete or incorrect information or beyond the control of the Bank, I will not hold State Bank of Travancore responsible. I have read the option letter and agree to discharge the responsibility expected of me as participant under the scheme.

Date:

Place:

Signature of the Shareholder  
(First / Sole Shareholder)**BANKER'S CERTIFICATION**

Certified that the particulars furnished above are correct as per our records.

Banker's Seal:

Date:

Signature of the Authorised Official of the Bank

## SPLIT OPTION FORM

**From**

.....  
.....  
.....  
.....

**To**

M/s. Integrated Enterprises (India) Limited,  
Unit: State Bank of Travancore,  
2<sup>nd</sup> Floor, "Kences Towers",  
No. 1, Ramakrishna Street,  
Off: North Usman Road, T. Nagar,  
Chennai – 600 017.

**Sub: Surrender of existing Share(s) and request for issue of sub-divided share(s)**

Folio Number: .....

Pursuant to the sub-division of the Ordinary Shares of Rs. 100/- each of State Bank of Travancore, I / we hereby surrender the following Share Certificate(s) for cancellation.

Certificate Number	Distinctive Numbers	Number of Shares	Name(s) of Holder(s)

Issue of new Shares:

(i) I / we would like to get the share certificate consolidated\*\*.

(ii) I / we would like to get my / our share certificates, subdivided into \_\_\_\_\_ numbers of shares of Rs. 10/- per share\*\*.

Yours sincerely,

	Name	Signature
First Shareholder		
Joint Shareholder 1		
Joint Shareholder 2		

- Encl:** 1. \_\_\_\_\_ numbers of Share Certificate(s)  
2. Self attested copy of PAN Card  
3. Self attested copy of address proof.

\*\*Strike off whichever is not required.







**FINANCIAL HIGHLIGHTS FOR THE LAST 10 YEARS**

(₹ in Crore)

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
<b>LIABILITIES</b>										
Capital	50	50	50	50	50	50	50	50	59	71
Share Application Money received								385	474	0
Reserves & Surplus	1549	1668	2200	2791	3413	3816	4315	4525	5193	5950
Deposits	30984	35354	42042	50883	58158	71470	84624	89337	91077	101119
Borrowings	1903	2849	808	3250	5726	7607	8747	6818	3796	2950
Other's	3507	3973	4361	2480	3629	3006	3843	4170	4996	4417
<b>Total</b>	<b>37993</b>	<b>43894</b>	<b>49461</b>	<b>59454</b>	<b>70976</b>	<b>85949</b>	<b>101579</b>	<b>105285</b>	<b>105595</b>	<b>114507</b>
<b>ASSETS</b>										
Investments (Net)	9562	11353	13232	15844	17927	22438	27225	27941	26648	36062
Advances (Net)	24786	28137	32711	38461	46044	55346	67484	69405	68721	65466
Other Assets	3645	4404	3518	5149	7005	8165	6870	7939	10226	12979
<b>Total</b>	<b>37993</b>	<b>43894</b>	<b>49461</b>	<b>59454</b>	<b>70976</b>	<b>85949</b>	<b>101579</b>	<b>105285</b>	<b>105595</b>	<b>114507</b>
Net Interest Income	1134	957	1283	1400	1696	1830	2128	2383	2283	2554
Provisions for NPA	70	105	55	80	245	421	392	669	789	1443
Operating Result	710	709	1056	972	1176	1249	1351	1370	1372	1798
Net Profit Before Taxes	468	528	803	888	882	748	896	537	560	497
Net Profit	326	386	608	684	728	510	615	304	336	338
Return on Average Assets (%)	0.95	0.94	1.30	1.26	1.12	0.65	0.66	0.29	0.32	0.31
Return on Equity (%)	20.40	22.47	29.29	25.65	22.72	13.62	15.54	6.73	6.65	6.24
Expenses to Income (%)	47.59	49.21	43.08	45.24	48.36	49.62	51.42	57.66	58.39	51.42
Profit per Employee (₹.in 000)	296	356	558	580	620	420	506	220	255	236
Earnings per share (₹.)	653	77	121	137	146	102	123	60.87	56.63	47.50
Dividend per share (₹.)	10	10	13	16	18	18	20	2.50	5	5
SBT share price (₹.)	3705	5625	219	649	769	632	521	421	438	381
Dividend payout Ratio %	15.41	15.24	11.46	12.05	12.41	17.73	16.65	4.11	10.60	10.53
<b>Capital Adequacy Ratio (%)</b>										
Basel -II (%)			14.03	13.74	12.54	13.55	11.70	11.52	11.63	12.50
Tier I (%)				9.24	9.00	9.35	8.46	8.78	8.90	9.19
Tier II (%)				4.50	3.54	4.20	3.24	2.74	1.99	2.41
Basel III (%)							10.74	10.79	10.89	11.60
Net NPA to Net Advances (%)	1.08	0.94	0.58	0.91	0.98	1.54	1.46	2.78	2.04	2.77
Number of Domestic Branches	704	710	726	748	792	879	1013	1117	1157	1177
Number of Foreign Branches/Offices	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil



## **State Bank of Travancore**

(Associate of the State Bank of India)

Head Office: Poojapura, Thiruvananthapuram-695 012

Tel: 0471-2192202, Fax: 0471-2351861, E-mail: [cmsb@sbt.co.in](mailto:cmsb@sbt.co.in)