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This Disclosure Document is neither a Prospectus nor a Statement in Lieu of Prospectus. This Disclosure Document is prepared in conformity with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008 as amended from time to time  
Dated: January 25, 2016

## STATE BANK OF HYDERABAD

(Constituted under the State Bank of India (Subsidiary Banks) Act, 1959)

Head Office: Gunfoundry, Hyderabad - 500001

Contact Person: Shri P.Mohandas, Deputy General Manager (F&A)

Tel: +91-40-23387724; 23387302 Fax: +91-40-23387562

E-mail: dgmans@sbhyd.co.in; Website: [www.sbhyd.com](http://www.sbhyd.com)

**PRIVATE PLACEMENT OF NON-CONVERTIBLE, REDEEMABLE, UNSECURED, BASEL III COMPLIANT TIER 2 BONDS, FOR INCLUSION IN TIER 2 CAPITAL OF THE BANK, IN THE NATURE OF DEBENTURES OF FACE VALUE OF ₹10 LAKHS EACH ("BONDS") AT PAR AGGREGATING ₹ 200 CRORES BY STATE BANK OF HYDERABAD (OR SBH OR "ISSUER" OR "BANK")**

### GENERAL RISK

For taking an investment decision, investors must rely on their own examination of the Issue and the Disclosure Document including the risks involved. The Issue has not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this Disclosure Document.




The Bonds are Capital Instruments and not deposits of the Bank and they cannot be used as Collateral for any loan made by the Bank or any of its Subsidiaries or Affiliates. The Bonds are different from Fixed Deposits and are not covered by Deposit Insurance. Unlike the Fixed Deposits where Deposits are repaid at the option of Deposit Holder, the Bonds are not redeemable at the option of the Bondholders or without the prior consent of RBI. The Bonds carry Loss Absorption Features applicable to such instruments as are prescribed by RBI and may impact the payment of interest and principal.

### CREDIT RATING

The Bonds proposed to be issued by the Bank have been assigned a rating of [ICRA] AAA (Hyb) by ICRA Limited vide its letter No. ICRA/ HYD/SBH-277/2015-16/1612/B dated 16<sup>th</sup> December 2015 and revalidated the said ratings vide letter No.ICRA/HYD/SBH/RVL-1/2015-16/2101 dated 21.01.2015 and CARE AAA by CARE Ratings vide its letter No.CARE/HRO/RL/2015-16/1366 dated 17<sup>th</sup> December 2015 and revalidated the said rating vide letter No.CARE/HRO/RL/2015-16/1472 dated 22.01.2015. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agency and should be evaluated independently of any other ratings. Please refer to Annexure II & III for the above ratings.

**LISTING:** The Bonds are proposed to be listed on the Wholesale Debt Market (WDM) segment of BSE Ltd. (BSE).

Arranger of the Issue	Trustee of the Issue	Registrar of the Issue
 <b>SBI Capital Markets Limited</b> 202, Maker Tower 'E', Cuffe Parade, Mumbai 400 005 Tel: +91-22-22178300 Fax: +91-22-2218 8332 Email: <a href="mailto:dcm@sbicaps.com">dcm@sbicaps.com</a> Website: <a href="http://www.sbicaps.com">www.sbicaps.com</a>	 <b>IDBI Trusteeship Services Ltd.</b> Asian Building, Ground Floor 17, R. Kamani Marg, Ballard Estate Mumbai 400 001 Tel: +91-22-4080 7000 Fax: +91-22-6631 1776 Email: <a href="mailto:itsl@idbitrustee.com">itsl@idbitrustee.com</a> Website: <a href="http://www.idbitrustee.com">www.idbitrustee.com</a>	 <b>M/s. Karvy Computer Share Pvt.Ltd</b> Karvy Selenium Tower B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda Hyderabad-500032 Phone: +91-40-67161503 Cell No.9177401177 Email: <a href="mailto:support@karvy.com">support@karvy.com</a> Website: <a href="http://karvycomputershare.com">karvycomputershare.com</a>
<b>Issue Opens on</b> 08.02.2016	<b>Issue Closes on</b> 08.02.2016	<b>Deemed Date of Allotment</b> 08.02.2016

The Bank reserves its sole and absolute right to modify (pre-poner/ postpone) the above issue schedule without giving any reasons or prior notice. The Bank also reserves its sole and absolute right to change the deemed date of allotment of the above issue and/or reserves the right to keep multiple Deemed Date(s) of Allotment without giving any reasons or prior notice.

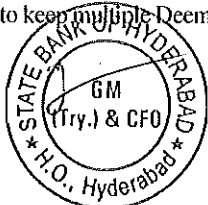
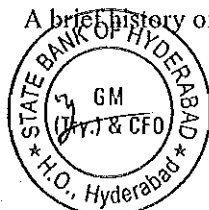
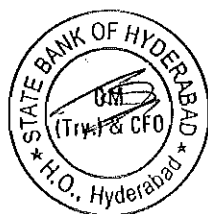


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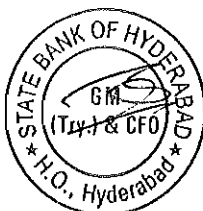
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Disclaimers:

**1. General Disclaimer:**

This Disclosure Document is neither a Prospectus nor a Statement in Lieu of Prospectus and is prepared in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/20 08/13/127878 dated June 06, 2008, as amended from time to time. This Disclosure Document does not constitute an offer to public in general to subscribe for or otherwise acquire the Bonds to be issued by ("State Bank of Hyderabad"/ "SBH"/ the "Issuer"/ the "Bank"). This Disclosure Document is for the exclusive use of the addressee and it should not be circulated or distributed to third party (ies). It is not and shall not be deemed to constitute an offer or an invitation to the public in general to subscribe to the Bonds issued by the Issuer. This bond issue is made strictly on private placement basis. Apart from this Disclosure Document, no offer document or prospectus has been prepared in connection with the offering of this bond issue or in relation to the issuer.

This Disclosure Document is not intended to form the basis of evaluation for the prospective subscribers to whom it is addressed and who are willing and eligible to subscribe to the bonds issued by SBH. This Disclosure Document has been prepared to give general information regarding to parties proposing to invest in this issue of Bonds and it does not purport to contain all the information that any such party may require. SBH believes that the information contained in this Disclosure Document is true and correct as of the date hereof.

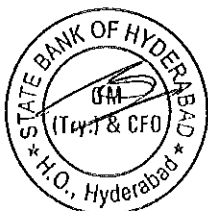
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**2. Disclaimer of Securities & Exchange Board of India (SEBI):**

This Disclosure Document has not been filed with Securities & Exchange Board of India ("SEBI"). The Bonds have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Disclosure Document. It is to be distinctly understood that this Disclosure Document should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to



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**3. Disclaimer of Arranger to the Issue:**

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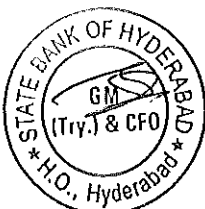
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The Issuer has prepared this Information Memorandum and the Issuer is solely responsible and liable for its contents. The Issuer confirms that all the information contained in this Information Memorandum has been provided by the Issuer or is from publicly available information, the use of which isn't regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise and that such information has not been independently verified by the Arranger.

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Please note that:

- (a) The Arranger and/or their affiliates may, now and/or in the future, have other investment and commercial banking, trust and other relationships with the Issuer and other entities related to the Issuer;
- (b) As a result of those other relationships, the Arranger and/or their affiliates may get information about the Issuer and/or the Issue or that may be relevant to any of them. Despite this, the Arranger and/or their affiliates will not be required to disclose such information, or the fact that it is in possession of such information, to any recipient of this Information Memorandum;
- (c) The Arranger and/or their affiliates may, now and in the future, have fiduciary or other relationships under which it, or they, may exercise voting power over securities of various persons. Those securities may, from time to time, include securities of the Issuer;
- (d) The Arranger and/or their affiliates may exercise such voting powers, and otherwise perform its functions in connection with such fiduciary or other relationships, without regard to its relationship to the Issuer and/or the securities;
- (e) The Arranger is not acting as trustee or fiduciary for the investors or any other person; and
- (f) The Arranger is under no obligation to conduct any "know your customer" or other procedures in relation to any person.

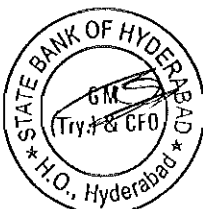
Nothing in this Information Memorandum constitutes an offer of securities for sale in the United States of America or any other jurisdiction where such offer or placement would be in violation of any law, rule or regulation. No action is being taken to permit an offering of the bonds in the nature of debentures or the distribution of this Information Memorandum in any jurisdiction where such action is required. The distribution/taking/sending/dispatching/transmitting of this Information Memorandum and the offering and sale of the Bonds may be restricted by law in certain jurisdictions, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

#### **4. Disclaimer of Stock Exchange:**

As required, a copy of this Disclosure Document will be submitted to BSE Limited (hereinafter referred to as "BSE") for hosting the same on its website. It is to be distinctly understood that such submission of the Disclosure Document with BSE or hosting the same on its website should not in any way be deemed or construed that the Disclosure Document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Disclosure Document; nor does it warrant that this Issuer's securities will be listed or continue to be listed on the Exchange; nor does it take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **5. Disclaimer of Rating Agencies:**

An ICRA rating reflects ICRA current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by ICRA. ICRA ratings are based on information provided by the issuer or obtained by ICRA from sources it considers reliable. ICRA does not

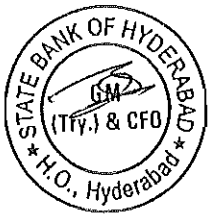


guarantee the completeness or accuracy of the information on which the rating is based. An ICRA rating is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. ICRA has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. ICRA is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitter / distributors of its ratings.

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**6. Disclaimer of Debenture Trustees:**

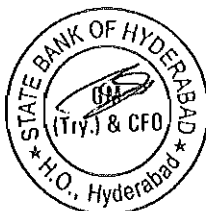
Investors should carefully read and note the contents of the Information Memorandum/Disclosure document. Each prospective investor should make its own independent assessment of the merit of the investment in NCDs/Bonds and the issuer bank. Prospective investor should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the NCDs and should possess the appropriate resources to analysis such investments and suitability of such investment to such investor's particular circumstance. Prospective investors are required to make their own independent evaluation and judgement before making the investments and or believed to be experienced in Investing in debt markets and or able to bear the economic risk of investing in such instruments.



### Forward Looking Statements

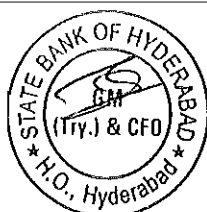
The Bank has included statements in this Disclosure Document which contain words or phrases such as "will", "would", "aim", "aimed", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will achieve", "anticipate", "estimate", "estimating", "intend", "plan", "contemplate", "seek to", "seeking to", "trying to", "target", "propose to", "future", "objective", "goal", "project", "should", "can", "could", "may", "will pursue", "our judgment" and similar expressions or variations of such expressions, that are "forward-looking statements". Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with the Bank's expectations with respect to, but not limited to, the actual growth in demand for banking and other financial products and services, its ability to successfully implement its strategy, including its use of the Internet and other technology and its rural expansion, its ability to integrate recent or future mergers or acquisitions into its operations, its ability to manage the increased complexity of the risks the Bank faces following its rapid international growth, future levels of impaired loans, its growth and expansion in domestic and overseas markets, the adequacy of its allowance for credit and investment losses, technological changes, investment income, its ability to market new products, cash flow projections, the outcome of any legal, tax or regulatory proceedings in India and in other jurisdictions the Bank is or will become a party to, the future impact of new accounting standards, its ability to implement its dividend policy, the impact of changes in banking regulations and other regulatory changes in India and other jurisdictions on the Bank, its ability to roll over its short-term funding sources and its exposure to credit, market and liquidity risks. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated.

In addition, other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this Disclosure Document include, but are not limited to, the monetary and interest rate policies of India and the other markets in which the Bank operates, natural calamities, general economic, financial or political conditions, instability or uncertainty in India, southeast Asia, or any other country, caused by any factor including terrorist attacks in India or elsewhere, military armament or social unrest in any part of India, inflation, deflation, unanticipated turbulence in interest rates, changes or volatility in the value of the rupee, instability in the subprime credit market and liquidity levels in the foreign exchange rates, equity prices or other market rates or prices, the performance of the financial markets in general, changes in domestic and foreign laws, regulations and taxes, changes in the competitive and pricing environment in India, and general or regional changes in asset valuations.

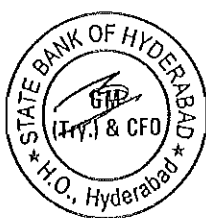


**Definitions and Abbreviations**

AY	Assessment Year
Allotment/ Allot/ Allotted	The issue and allotment of the Bonds to the successful Applicants in the Issue
Allottee	A successful Applicant to whom the Bonds are allotted pursuant to the Issue, either in full or in part
Applicant/ Investor	A person who makes an offer to subscribe the Bonds pursuant to the terms of this Disclosure Document and the Application Form
Application Form	The form in terms of which the Applicant shall make an offer to subscribe to the Bonds and which will be considered as the application for allotment of Bonds in the Issue
Bondholder(s)	Any person or entity holding the Bonds and whose name appears in the list of Beneficial Owners provided by the Depositories
Beneficial Owner(s)	Bondholder(s) holding Bond(s) in dematerialized form (Beneficial Owner of the Bond(s) as defined in clause (a) of sub-section of Section 2 of the Depositories Act, 1996)
Board/ Board of Directors	The Board of State Bank of Hyderabad or Committee thereof, unless otherwise specified
Bond(s)	Non-Convertible, Redeemable, Unsecured Basel III compliant Tier 2 Bonds for inclusion in Tier 2 Capital in the nature of promissory note of face value of Rs. 10 lacs each at par to be issued by State Bank of Hyderabad ("SBH" or "Issuer" or the "Bank") through private placement route under the terms of this Disclosure Document.
BSE	BSE Limited
CARE	Credit Analysis & Research Ltd.
CAR	Capital Adequacy Ratio
CDSL	Central Depository Services (India) Limited
Coupon / Interest Payment Date	The date as may be specified in the Summary Term Sheet of this Disclosure Document
Debt Securities	Non-Convertible debt securities which create or acknowledge indebtedness and include debenture, bonds and such other securities of a body corporate or any statutory body constituted by virtue of a legislation, whether constituting a charge on the assets of the Bank or not, but excludes security bonds issued by Government or such other bodies as may be specified by SEBI, security receipts and securitized debt instruments
Deemed Date of Allotment	The cut-off date declared by the Bank from which all benefits under the Bonds including interest on the Bonds shall be available to the Bondholder(s). The actual allotment of Bonds (i.e. approval from the Board of Directors or a Committee thereof) may take place on a date other than the Deemed Date of Allotment
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant	A Depository participant as defined under Depositories Act
Disclosure Document	Disclosure Document dated January 14, 2016 for private placement of Non-Convertible, Redeemable, Unsecured Basel III compliant Tier 2 Bonds for inclusion in Tier 2 Capital in the nature of Debentures of face value of Rs. 10 lacs each ("Bonds") at par aggregating Rs. 200 crores by State Bank of Hyderabad
DP	Depository Participant
DRR	Bond/ Debenture Redemption Reserve
EPS	Earnings Per Share
FIs	Financial Institutions
FIIs	Foreign Institutional Investors
Financial Year/ FY	Period of twelve months beginning from April 1 of a calendar year and ending on March 31 of the subsequent calendar year
FRN	Firm Registration Number
GoI	Government of India/ Central Government
Trustees	Trustees for the Bondholders in this case being IDBI Trusteeship Services Ltd.
Issuer / SBH / Bank	State Bank of Hyderabad



I.T. Act	The Income Tax Act, 1961, as amended from time to time
Listing Agreement	Listing Agreement for Debt Securities issued by Securities and Exchange Board of India vide circular no. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 and Amendments to Simplified Debt Listing Agreement for Debt Securities issued by Securities and Exchange Board of India vide circular no. SEBI/IMD/DOF-1/BOND/Cir-5/2009 dated November 26, 2009 and Amendments to Simplified Debt Listing Agreement for Debt Securities issued by Securities and Exchange Board of India vide circular no. SEBI/IMD/DOF-1/BOND/Cir-1/2010 dated January 07, 2010
MF	Mutual Fund
MoF	Ministry of Finance
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
GIR	General Index Registration Number
Rs. / INR	Indian National Rupee
RBI	Reserve Bank of India
RBI Norms / RBI Guidelines	Master Circular No. DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 issued by the Reserve Bank of India on Basel III capital regulations covering terms and conditions for issue of debt capital instruments for inclusion as Tier 2 capital as updated/modified from time to time
RTGS	Real Time Gross Settlement
Record Date	As may be specified in the Summary Term Sheet
Registrar	Registrar to the Issue, in this case being M/s. KARVY Computershare Pvt Ltd.,
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended from time to time.
TDS	Tax Deducted at Source
The Companies Act	The Companies Act, 1956 to the extent not repealed, and the Companies Act, 2013 to the extent provisions of the Companies Act, 2013 have been notified by the Government of India.
The Issue/ The Offer/ Private Placement	Private Placement of Non-Convertible, Redeemable, Unsecured Basel III compliant Tier 2 Bonds for inclusion in Tier 2 Capital in the nature of Debentures of face value of Rs. 10 lacs each ("Bonds") at par aggregating Rs. 200crores by State Bank of Hyderabad



**A. Issuer Information**

**a. Name and address of the following:-**

**i. Registered Office of the Issuer**

State Bank of Hyderabad  
Head Office: Gunfoundry,  
Hyderabad-500001(Telangana)  
Ph: +91-40-23387724, 23387301  
Fax: +91-40-23387562  
Email: [dgmans@sbhyd.co.in](mailto:dgmans@sbhyd.co.in)  
Web site: [www.sbhyd.com](http://www.sbhyd.com)

**ii. Corporate Office of the Issuer**

State Bank of Hyderabad  
Head Office: Gunfoundry,  
Hyderabad-500001(Telangana)  
Ph: +91-40-23387724, 23387301  
Centrex: +91-40-23387201 to 208  
Fax: +91-40-23387562  
Email: [dgmans@sbhyd.co.in](mailto:dgmans@sbhyd.co.in)  
Web site: [www.sbhyd.com](http://www.sbhyd.com)

**iii. Compliance Officer of the Issuer**

Shri Ashok Kumar Goyal  
Deputy General Manager (Compliance)  
Chief Compliance Officer,  
State Bank of Hyderabad,  
1<sup>st</sup> Floor, Prabhat Towers  
Gunfoundry, Hyderabad-500001  
Telangana  
Ph.: +91-40-23387449.

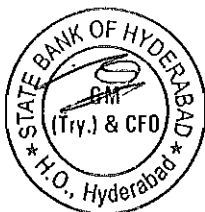
Shri P Mohandas  
Deputy General Manager (F&A)  
Compliance Officer for Stock Exchange,  
State Bank of Hyderabad,  
Head Office  
Gunfoundry, Hyderabad-500001  
Telangana  
Ph.: +91-40-23387724, 302.

**iv. CFO of the Issuer**

Shri.S.Chandrasekharan  
General Manager (Treasury) & CFO  
State Bank of Hyderabad  
Head Office: Gunfoundry,  
Hyderabad-500001(Telangana)  
Ph.: +91-40-23382814  
Fax: +91-40-23387887

**v. Arrangers**

**SBI Capital Markets Limited**  
202, Maker Tower 'E',  
Cuffe Parade,  
Mumbai - 400 005  
Tel: +91-22-2217 8300  
Fax: +91-22-2218 8332  
Email: [dem@sbicaps.com](mailto:dem@sbicaps.com)



vi. **Trustee of the Issue**

**IDBI TRUSTEESHIP SERVICES LTD.**

Asian Building, Ground Floor  
17, R. Kamani Marg, Ballard Estate  
Mumbai 400 001  
Ph.: +91-22-4080 7000,  
Fax: +91-22-6631 1776  
Email: itsl@idbitrustee.com  
Website: www.idbitrustee.com

vii. **Registrar of the Issue**

**Karvy Computershare Pvt. Ltd.**  
Karvy Selenium Tower B, Plot No.31-32  
Gachibowli, Financial District  
Nanakramguda  
Hyderabad-500032  
Phone: +91-40-67161503  
Cell No.9177401177

viii. **Credit Rating Agencies**

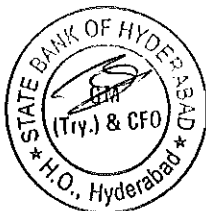
ICRA Limited  
105, Kailash Building  
11th Floor, 26,  
Kasturba Gandhi Marg  
New Delhi- 110 001.  
Ph: +91-124-4545300  
Fax: +91-124-4050424  
Email: info@icraindia.com  
Website: www.icra.in

CARE Ratings  
4th Floor, Godrej Colleseum  
Somaiya Hospital Road  
Off Eastern Express Highway  
Sion(E), Mumbai -400 022  
Ph: +91-22-6754-3456  
Fax: +91-22-6754-3457  
Email: care@careratings.com  
Website: www.careratings.com

ix. **Auditors of the Issuer**

(As on 31<sup>st</sup> December 2015)

- |  |  |
|--|--|
| 1. M/s. Anjaneylu & Co.<br>30, Bhagyalakshmi Nagar<br>Gandhi Nagar,<br>Hyderabad – 500080<br>Telangana   | 2. M/s. S.K. Basu & Co.<br>Temple Chambers, 2nd Floor<br>6, Old Post Office Street<br>Kolkata – 700 001<br>West Bengal |
| 3. M/s. K.G. Somani & Co.<br>3/15, Asif Ali Road<br>4th Floor, Near Delite Cinema<br>New Delhi - 110 002 | 4. M/s. Jawahar and Associates<br>C-5, Skylark Apartments<br>3-6-309, Basheerbagh,<br>Hyderabad – 500029, Telangana    |



*b. A brief summary of the business/ activities of the Issuer and its line of business containing at-least following information:-*

**i. Overview**

State Bank of Hyderabad was constituted as 'Hyderabad State Bank' on August 8<sup>th</sup> 1941 under the Hyderabad State Bank Act, 1941. The Bank started as the central Bank to the erstwhile princely State of Hyderabad for managing its currency-Osmania Sikka- and public debt, besides functioning as a commercial bank. The First branch of the Bank was opened at Gunfoundry, Hyderabad on 5<sup>th</sup> April 1942. In 1953 the Bank took over the assets and liabilities of the Hyderabad Mercantile Bank Ltd., and in the same year, the Bank started conducting Government and Treasury business as an agent of Reserve Bank of India. In 1956, the Bank was taken over by Reserve Bank of India as its first subsidiary and its name was changed from Hyderabad State Bank to 'State Bank of Hyderabad' The Bank became a subsidiary of State Bank of India on 1<sup>st</sup> October, 1959 and is now the largest Associate Bank of State Bank of India. Recently our Bank has awarded "Best Public Sector Bank in India" by AB News.

As on date State Bank of India holds 100% shares of our Bank.

Our Bank is one of the leading Public Sector scheduled commercial Banks in Telangana State and offers a wide range of products and services to Retail and Corporate customers through a variety of delivery channels. In 74 years of our operations, we have significantly grown our branch network with a presence predominantly in South India, especially Telangana State.

Our Bank has widespread network of 1882 Branches, 2350 ATMs and 22 Extension Counters (as on 31<sup>st</sup> December 2015) spread all over India including 1 Corporate Finance Branch, 39 specialized MSME branches, 3 Industrial Finance Branches, 2 Currency Administration Branches, 4 Commercial Branches, 8 Personal & Services Banking Branches, 24 Agricultural Development Branches, 5 Treasury Branches, 2 Overseas Branches, 17 specialized Branches (NRI/Service Br/Asset Recovery Br), 209 Government Business Branches, 205 Currency Chest Branches offering wide range of services to the customers.

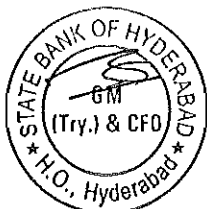
Our Bank has a dedicated work force of 18888 employees. The staff strength comprised 7528 officers, 7673 clerical staff and 3687 sub-ordinate staff (as on 31<sup>st</sup> December 2015). The skill and competence of the employees have been kept updated by providing in house training and also deputing to Reputed agencies to meet the requirement of our customers keeping in view the changes in the business environment.

We have three main business lines:

- Corporate/Wholesale Banking
- Retail Banking
- Treasury Operations

We offer various corporate/wholesale banking products and services to our trade and corporate customers, including project finance, term loans, short term loans, cash credit, working capital finance, export credit, bill discounting, line of credit, letters of credit and guarantees.

Our retail banking portfolio consists of Savings Bank, Current Account and Term Deposit services, retail lending for Housing, Gold Loan, Vehicle, Education, MSME lending, Agriculture and other personal loans, and also other personal banking products. We offer our customers a suite of technological products, including global debit cards, "anywhere banking"



facilities, mobile banking, Internet banking, RTGS, NEFT and POS machines at commercial outlets. Bank has launched a Mobile application named "SBH Touch" on Android platform which gives access to MBS/INB/Holiday List/Branch Locator/ATM Locator etc. Bank has started SMS/Missed Call Banking whereby customer will get statement of account/Balance on his registered Mobile Number.

We distribute third-party products such as life and non-life insurance policies and Pradhan Mantri Jeevan Jyothi Bima Yojana (5,27,986 policies of PMJJBY) through corporate agency agreements with SBI Life Insurance Company Limited, Pradhan Mantri Suraksha Bima Yojana (9,32,020 policies of PMSBY) through corporate agency agreement with National Insurance Company Limited and SBI General Insurance Company Limited, and mutual funds with SBI Funds Management Private Limited through a distribution agreement. We have entered into an agreement for sourcing the applications for SBI Credit Cards. We also act as an agent for various State Governments and the Central Government on numerous matters including the collection of taxes and payment of salary and pension including pensions under New Pension Scheme.

Our treasury operations comprise of liquidity management by seeking to maintain an optimum level of liquidity, while complying with the CRR and the SLR, monitoring and implementation of non-SLR investments of our Bank. We maintain the SLR through a portfolio of Central Government, State Government and Government-guaranteed securities that we actively manage to optimize yield and benefit from price movements. We are also involved in the trading of debt securities, equity securities and foreign exchange within permissible limits.

#### Performance:

##### Deposits:

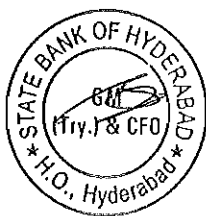
The Aggregate Deposits (Total Deposits excluding Inter Bank Deposits) stood at ₹1,31,051 crore as on 30th September 2015. The share of CASA deposits to aggregate deposits is 32%. Share of Personal Segment deposits to aggregate deposits as on 30th September 15 is 60%.

To further boost deposits growth under Personal segment new deposits Schemes viz., Kuber-400 days Deposit Scheme and Kuber Recurring Deposit Scheme were introduced and the Bank mobilized aggregate amount of ₹8,034.29 crore under the schemes during the current financial year.

##### Advances:

The total advances of the Bank as on 30th September 2015 is ₹1,05,301 crores and the CD Ratio as on 30.09.2015 is 79.78%. Our Bank is having the Corporate Network consisting of 10 large branches spread over Metro and other big centres of the Country, for catering to the needs of large Corporates. The Corporate Network of the Bank has achieved a business level of ₹49,504 crores, comprising of ₹10948 crores of deposits & ₹38,556 crores of advances, as on 30.09.2015.

We have conducted loan campaigns viz., Utsav Car Loan, Gold Loan during the current year. During the Gold Loan campaign from 01.07.2015 to 30.09.2015 the Bank has sanctioned 42,926 loans. During Monsoon Dhamaka 2015 campaign from 01.07.2015 to 30.09.2015 the Bank could mobilize Housing loans amounting to Rs.918 crores. Personal segment advances as on 30.09.2015 stood at ₹27,153 crores consisting 26% of total advances. Special campaigns are being conducted to provide a boost to the growth in Housing loans, Car loans, and Gold loans.



For boosting credit flow to MSME special sector, special campaigns viz., Subhlabbh, Suvidha and Mudra were also launched.

#### Income:

Total Income of the Bank increased by 4.84%, from ₹14449.28 crs as at March, 2014 to ₹15148.83 crs in March, 2015. Interest Income increased from ₹ 13466.81 crs to ₹13823.76 crs (2.65%). Average Yield on Advances decreased from 11.23% in 2013-14 to 11.13% in 2014-15, while Average Yield on Investments decreased from 7.79% as on 31<sup>st</sup> March 2014 to 7.76% as on 31<sup>st</sup> March 2015. Non-Interest Income increased by 34.87 % from ₹982.47 crs to ₹1325.07 crs with the growth in profit from sale of securities improved from ₹193.83 crs to ₹ 349.55 crs. The ratio of Non-Interest Income to Total Income, therefore, stood at 8.74 % (6.79 % last year).

#### Expenditure:

The Total Expenditure (before provisions and contingencies) increased by ₹476.87 crs, from ₹11758.28 crs in 2013-14 to ₹12235.15 crs in 2014-15. While Interest Expenses decreased by ₹59.67 crs (0.63%), the Operating Expenses increased by ₹536.55 crs (23.67%) during the current year. The Average Cost of Deposits decreased from 7.51% in March, 2014 to 7.26% in March, 2015 predominantly due to decrease in high cost bulk deposits.

#### Profit

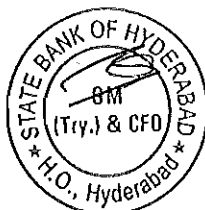
While the Operating Profit increased from ₹2690.99 crs in 2013-14 to ₹2913.67 crs in 2014-15 (8.28%), the Net Profit increased from ₹1019.52 crs to ₹1317.13 crs (29.19%). The increase in net profits was predominantly on account of the steep increase in Net Interest Income and Other Income. While Return on Assets (ROA) increased from 0.70 % to 0.89 %, Return on Equity (ROE) also increased from 12.74 % to 14.66 % during the year.

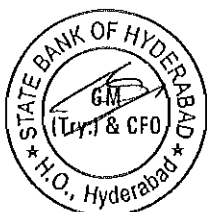
#### Capital Adequacy

The Capital Adequacy Ratio recast under Basel III guidelines as per RBI directives effective from 1<sup>st</sup> April 2013 stands at 11.26% as at March, 2015, against 12.00% as at March 2014. The CRAR of 11.26% consists of Common Equity Tier (CET-I) of 8.86%, Additional Tier (AT-I) of 0.32% both forming Tier-I Capital, besides 2.08% of Tier-II Capital. The CRAR under Basel II guidelines as at March 2015 stood at 12.00% as against 12.52% in the previous year.

Bank has recently secured the following awards:

1. SKOCH INDIA'S BEST 2015 AWARD under Economic Value Add category for its "Paperless Board Meeting Project".
2. SKOCH SMART TECHNOLOGY AWARD 2015 for "e-payment solution" in Marathwada Region of Maharashtra to Government of Maharashtra and the Portal designed for SLBC, Telangana, [www.telanganaslbc.com](http://www.telanganaslbc.com).
3. BEST BANK (Public Sector) award received in "Banking, Financial Services & Insurance (BFSI) Awards" by ABP News



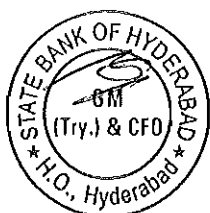


## iii. Key Operational and Financial Parameters for the last 3 Audited Years

Key Operational and Financial Parameters of the Bank for the last 3 Audited years and Unaudited Results up to 30.09.2015 are as under:

(₹ in crore):

Particulars	Half year ended September 30, 2015 (Unaudited)	Year ended 31.03.2015 (Audited)	Year ended 31.03.2014 (Audited)	Year ended 31.03.2013 (Audited)
Capital	20.75	20.75	20.75	20.75
Reserves & Surplus	10202.56	9575.81	8348.67	7610.92
Net worth	10223.31	9596.56	8369.42	7631.67
Deposits	128607.02	130166.19	119509.70	113324.26
Borrowings	6533.39	8502.45	6336.39	5448.42
Other Liabilities & Provisions	8738.73	6237.58	7273.54	9673.71
Cash and Balances with Reserve Bank of India	6003.23	5791.68	6637.59	6375.97
Balances with Banks and money at call and short notice	542.77	1622.50	247.27	1419.60
Investments	38122.36	36491.15	34266.96	33967.98
Advances	101460.38	105053.13	95653.80	89856.51
Fixed Assets	710.47	638.17	519.90	472.47
Other Assets	7263.24	4906.15	4163.53	3985.53
Contingent Liabilities	63382.97	62795.85	45787.47	44463.40
Bills for Collection	1819.25	2412.97	6985.68	3168.24
Interest earned	7168.41	13823.75	13466.81	12447.80
Other Income	607.04	1325.06	982.46	975.61
Interest expended	4934.00	9431.14	9490.82	8529.90
Operating expenses	1320.40	2804.01	2267.47	2105.07
Provisions and contingencies (including tax)	894.29	1596.53	1671.47	1538.22
Net Profit for the Period	626.76	1317.12	1019.51	1250.22
Gross NPA (%)	4.92%	4.59%	5.89%	3.46%
Net NPA (%)	2.39%	2.24%	3.12%	1.61%
Tier I Capital Adequacy Ratio (Basel II) (%)	9.36%	9.37%	9.58%	9.25%
Tier II Capital Adequacy Ratio (Basel II) (%)	2.44%	2.63	2.94%	3.11%
ROA	0.77	0.89	0.70	0.99
ROE	15.34	14.66	12.74	17.70



Gross Debt: Equity Ratio of the Company:-

(Based on figures as on 30<sup>th</sup> September 2015)

Particulars	Before the issue of bonds	After the issue of bonds
Total Borrowing (₹ Crore)	6533.39	7033.39
Net worth (₹ Crore)	10223.31	10223.31
Borrowings / Equity Ratio	0.64	0.69

Note: Borrowings does not include deposits

iv. Project Cost and means of financing, in case of funding of new projects

The funds being raised by the Issuer through present issue of Tier 2 bonds are not meant for financing any particular project. The Bank shall utilize the proceeds of the issue for augmenting its Tier 2 and overall capital base and for the purpose of its regular business activities & other associated business objectives.

c. A brief history of the Issuer since its incorporation giving details of its following activities:-

State Bank of Hyderabad was constituted as 'Hyderabad State Bank' on August 8th 1941 under the Hyderabad State Bank Act, 1941. The Bank started as the central Bank to the erstwhile princely State Bank of Hyderabad for managing its currency-Osmania Sikka- and public debt, besides functioning as a commercial bank. The First branch of the Bank was opened at Gunfoundry, Hyderabad on 5th April 1942. In 1953 the Bank took over the assets and liabilities of the Hyderabad Mercantile Bank Ltd., and in the same year, the Bank started conducting Government and Treasury business as an agent of Reserve Bank of India. In 1956, the Bank was taken over by Reserve Bank of India as its first subsidiary and its name was changed from Hyderabad State Bank to 'State Bank of Hyderabad' The Bank became a subsidiary of the State Bank of India on 1st October, 1959 and is now the largest Associate Bank of State Bank of India. State Bank of India holds 100% of Share holding.

i. Details of Share Capital as on 31<sup>st</sup> December 2015:-

Share Capital	₹ in crs
Authorized Share Capital	500
Issued, Subscribed and Paid-up Share Capital	20.75

ii. Changes in its capital structure as on 31<sup>st</sup> December 2015, for the last five years:-

Date of Change	Amount (Increase) (₹ in Crore)		Particulars
31.03.2010	Capital	3.50	Infusion of additional Equity Capital by SBI
	Premium	346.50	

iii. Equity Share Capital History of the Company as on last quarter end, for the last five years:-

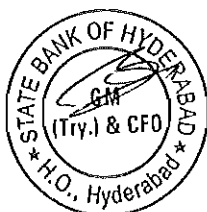
State Bank of India holds 100% share holding.

iv. Details of any Acquisition or Amalgamation in the last 1 year:-

There has not been any Acquisition or Amalgamation in the last 1 year

v. Details of any Reorganization or Reconstruction in the last 1 year:-

Type of Event	Date of Annoucement	Date of Completion	Details
There has not been any Reorganization or Reconstruction in the last 1 year			



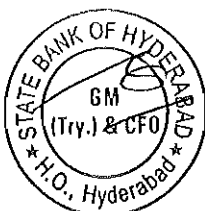
**d. Details of the shareholding of the Company as on 31<sup>st</sup> December 2015:-****i. Shareholding pattern of the Company as on 31<sup>st</sup> December 2015:-**

Sr. No	Particulars	Total No. of Equity Shares	No. of Shares In Demat Form	Total Shareholding as a % of total no. of equity shares
(A)	Shareholding of Promoter (SBI)	20,75,000	-	100%
(B)	Public shareholding			
<b>1</b>	<b>Institutions</b>			
(a)	Mutual Funds/UTI			
(b)	Financial Institutions / Banks			
(c)	Central Government/State Government(s)			
(d)	Insurance Companies			
(e)	Foreign Institutional Investors			
(f)	Qualified Foreign Investor			
	<b>Sub Total (B)(1)</b>			
<b>2</b>	<b>Non-Institutions</b>			
(a)	Bodies Corporate			
(b)	Individuals			
i)	Individuals - shareholders holding nominal share capital up to ₹ 1 Lakh			
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh			
(c)	Qualified Foreign Investor			
(d)	Any Other (specify)			
(d-i)	Non Resident Indian			
(d-ii)	Trusts			
(d-iii)	OCB			
(d-iv)	Foreign National			
(d-v)	Foreign Body Corporates			
(d-vi)	Clearing Member			
	<b>Sub Total (B)(2)</b>			
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>			
(C)	Shares held by Custodians and against which Depository Receipts have been issued			
	<b>GRAND TOTAL(A)+(B)+(C)</b>	<b>20,75,000</b>	<b>0</b>	<b>100.00%</b>

Note: There are no shares pledged or encumbered by the promoters of the Bank.

**ii. List of top 10 holders of equity shares of the Company as on 31<sup>st</sup> December 2015**

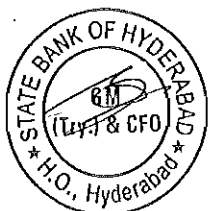
Sr. No.	Name of the shareholders	Total No of Equity Shares	No of shares In demat form	Total Shareholding as % of total no of equity shares
1	State Bank Of India	20,75,000	-	100%



## e. Following details regarding the directors of the Company:-

i. Details of the current directors of the Bank as on 31<sup>st</sup> December 2015

Sr. No.	Name, Designation and DIN	Age (yrs.)	Address	Director of the Bank since	Details of other directorships
1	Smt. Arundhati Bhattacharya Chairman	59	No.5, Dunedin, J.M.Mehta Road, Mumbai – 400 006	07.10.2013	State Bank of India, State Bank of Patiala, State Bank of Bikaner & Jaipur, State Bank of Mysore, State Bank of Travancore, SBI Capital Markets Limited, SBI Global Factors Ltd., SBI Pension Funds Pvt Ltd., SBI Life Insurance Company Ltd., SBI Funds Management Pvt. Ltd., SBI General Insurance Company Ltd., SBI DFHI Limited., SBI Cards & Payment Services P. Ltd., Export-Import Bank of India, IBA, NIBM, Indian Institute of Banking and Finance
2	Shri Santanu Mukherjee Director	59	Flat No.A5, Trendset Villa, Road No.3, Banjara Hills, Hyderabad - 500034	23.07.2014	
3	Shri Anil K Sharma Director	52	Chief General Manager Reserve Bank of India, Dept., of Co-operative Bank Supervision, Garment House, Worli, Mumbai-400018	26.06.2015	
4	Shri V. G. Kannan Director DIN: 03443982	59	MD&GE, A&S Group, State Bank of India, Corporate Centre, Floor 18, State Bank Bhavan, Madam Cama Road, Mumbai-400021	21.10.2014	State Bank of Patiala, State Bank of Bikaner & Jaipur, State Bank of Mysore, State Bank of Travancore, SBI Capital. Markets, SBICAP Securities Ltd, SBICAP Ventures Ltd, SBICAP(UK) Ltd, SBICAP Singapore Ltd, SBI Cards & Payments Services Pvt Ltd. SBI Global Factors Limited.
5	Shri Neeraj Vyas Director	57	Chief General Manager , State Bank of India, A&S Department, SBI Corporate Bank, Mumbai -400 021	24.08.2015	
6	Shri Ravi Nandan Sahay Director	55	Chief General Manager , State Bank of India, A&S Department, SBI Corporate Bank, Mumbai -400 021	28.08.2015	
7	Shri. Vijay Kumar Monga Director	57	General Manager (A&S), State Bank of India, A&S Group, SBI Corporate Centre, Mumbai-400021	30.09.2015	
8	Smt. Nallapati Laxmi Srinivas Director	59	Special Assistant, PPG Department, SBH, Head Office, Hyderabad	17.07.2013	
9	Sri M. Harshavardhan Director	55	Assistant General Manager, Inspection Department, State Bank of Hyderabad. D.No.3-3-109/7, Plot No.7, Street No.7, Pleasant Park, Attapur, Hyderguda, Hyderabad-500048	18.06.2013	
10	Shri Venkat Changavalli Director	61	Villa 105, Hill County, Nizampet, Bachupalli Road, Kukatpally, Hyderabad-500072	16.12.2014	



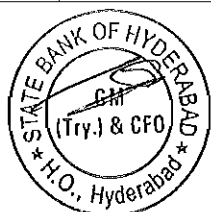
11	Mrs Bolleni Shanti Sree Director	53	Chartered Accountant Castukaram & Co, Flat No. 209, Venkata Rama Towers, Opp. Talwalkars, Lane Adj. to Shanbagh Hotel, Basheerbagh, Hyderabad-500 029.	21.03.2015	
12	Smt Annie George Mathew Director	52	Joint Secretary, Dept. of expenditure, min. of finance, GOI, Room No.39-A, North Block, New Delhi.	15.06.2015	
13 *	Dr. Syed Mazhar Hussain Director	57	Executive Director, Confederation of Voluntary Association, H.No.5-9-48/8/A, Basheer Bagh, Hyderabad	16.01.2013	

Note: None of the current Directors of the Bank appear in the RBI's Defaulters' List or ECGC's Default List

\* Completed the term on 15.01.2016

ii. Details of change in directors since last three years:-

Sr. No.	Name, Designation and DIN	Date of Appointment / Cessation / Resignation	Director of the Bank since (in case of Cessation / Resignation)	Reason / Remarks
1	Shri Pratip Chaudhuri, Chairman, SBI	07.04.2011	30.09.2013	Retired
2	Shri M. Bhagavantha Rao, Managing Director	22.08.2011	31.05.2014	Retired
3	Shri Kaza Sudhakar CGM(CVO), RBI	03.01.2011	02.03.2014	Transferred
4	Shri Shyamal Acharya DMD & GE(A&S)	01.07.2011	29.11.2012	Transferred
5	Shri A K Deb CGM, SBI	05.09.2011	30.11.2012	Retired
6	Shri K.N. Nayak DGM, SBI	30.09.2011	25.11.2013	Transferred
7	Gopal Vaidya Workmen Director	08.04.2010	31.12.2012	Resigned
8	Sri P. Narasimha Officer Employee Director	23.02.2010	22.02.2013	Term Completed
9	Prof. V V Ramana Non Official Director	21.09.2011	23.04.2012	Resigned
10	Shri Ramesh Datla Non Official Director	01.12.2010	30.11.2013	Term Completed
11	Shri Venkat Changavalli Non Official Director	20.01.2011	19.01.2014	Term Completed
12	Shri S. Gopal Krishna, Under Secretary, DFS, Govt of India	09.06.2008	12.12.2012	Term Completed
13	Shri Anand Rao Vishnu Patil Govt of India nominee Director	12.12.2012	29.09.2013	Transferred
14	Shri S. Vishvanathan CGM, SBI	17.07.2013	30.04.2013	Retired
15	Shri Ashok Kumar Dogra Dy. Secretary(DA&RB), DFS, GOI	30.09.2013	25.11.2014	Transferred
16	Sri P C Jena, DGM, SBI	26.11.2013	17.07.2014	Transferred
17	Shri KK Saraf CGM, RBI	03.03.2014	04.02.2015	Transferred
18	Shri Ajay Michyari	04.02.2015	26.06.2015	Transferred
19	Shri B. Ramesh Babu	05.05.2014	24.08.2015	Transferred
20	Shri R.C. Srivastava	17.07.2014	28.08.2015	Transferred



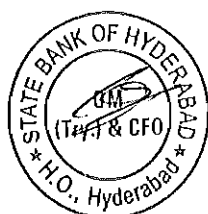
## f. Following details regarding the auditors of the Company:-

## i. Details of the auditors of the Company

Name	Address	Auditor since
Anjaneyulu & Co.,	30, Bhagyalakshmi Nagar, Gandhi Nagar, Hyderabad 500 080, Telangana	March 2015
S.K. Basu & Co.,	Temple Chambers, 2nd floor, 6, Old Post Office Street, Kolkata 700 001, West Bengal.	December 2015
K.G. Somani & Co.,	3/15, Asif Ali Road, 4th floor, Near Delite Cinema, New Delhi 110 002.	December 2015
Jawahar and Associates	Basheerbagh, Hyderabad 500 029, Telangana	December 2015

## ii. Details of change in auditors since last three years:-

Name	Address	Date of Appointment/ Resignation	Auditor of the company since (In case of resignation)	Remarks
Rao & Narayan	Srinivas Apartments, Flat NO.6, Raj Bhavan Road, Smajiguda, Hyderabad 500082	Dec-14	Dec-11	Retirement
S. Mann & Co.	1006, 10 <sup>th</sup> Floor, Vikrant Tower Ranjindra Place, New Delhi 110008	Dec-14	Dec-11	Retirement
Elias George & Co.	B-16, HIG Avenue, Gandhi Nagar, Kochi – 682020, Kerala	Dec-14	Dec-11	Retirement
Chandra Gupta & Associates	106, Laxman Chambers, 370-371, Hospital Road, Jangpura, New Delhi – 110014	Sep-11	Dec-08	Retirement
P.G. Joshi & Co.	Dhanwate Chambers, Sitalbuldi, Nagpur-440012	Sep-11	Dec-08	Retirement
K C Khanna & Co.	Gobind Mansion, H-96, Connaught Circus, New Delhi-110001	Sep-11	Dec-08	Retirement
Rao & Kumar	10-50-19/4, Southamani Siripuram Visakhapatnam – 530003	Sep-12	Dec-09	Retirement
Ananthan & Sundaram	123, Sivakarathi, Sankarnagar, Kairinam P.O, Neeramankara, Tiruvananthapuram – 695 040	Sep-12	Dec-09	Retirement
D V Rama Rao & Co.	1-1-773/A, Opp. Park Gandhi Nagar, Hyderabad – 500 080	Sep-12	Dec-09	Retirement
Khanna & Annadhanam	706, Akash Deep, 26-A, Barakamba Road, New Delhi-11 0001	Sep-15	Dec-12	Retirement
Sharma Goel & Co., LLP.	A-47, Lower Ground floor, HauzKhas, New Delhi 110016	Sep-15	Dec-12	Retirement
SRI Associates	Central Plaza , 3 <sup>rd</sup> Floor, 41 B BGanguly Street, Kolkata – 700012	Sep-15	Dec-12	Retirement
M/s Anjaneyulu & Co.	30, Bhagyalaxmi Nagar, Gandhinagar, Hyderabad-500008	--	Mar-15	Appointment
S.K. Basu & Co	Temple Chambers, 2nd floor, 6, Old Post Office Street, Kolkata 700 001.	--	Dec-15	Appointment
K.G. Somani & Co	3/15, Asif Ali Road, 4th floor, Near Delite Cinema, New Delhi 110 002.	--	Dec-15	Appointment
Jawahar & Associates	Basheerbagh, Hyderabad 500 029, Telangana	--	Dec-15	Appointment



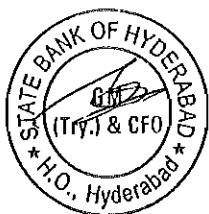
## g. Details of borrowings of the Company, as on 30th September 2015:-

## i. Details of Loan Facilities:-

<b>Borrowings as on 30.09.2015 (₹ in crores)</b>		<b>6533.38</b>
<b>I. Borrowings in India</b>		<b>4959.28</b>
i.	Reserve Bank of India	
ii.	Other Banks	
iii.	Other Institutions and Agencies	1421.28
iv.	<b>Capital Instruments</b>	
	a. Innovative Perpetual Debt instruments	685.00
	b. Subordinated Debt	2853.00
	<b>T O T A L</b>	<b>4959.28</b>
<b>II. Borrowings outside India</b>		
i.	Borrowings and Refinance outside India	1574.10
	<b>TOTAL</b>	<b>1574.10</b>
	<b>GRAND TOTAL</b>	<b>6533.38</b>
<b>Secured borrowings included in I &amp; II above</b>		

ii. Details of Deposits as on 30<sup>th</sup> September, 2015:-

Sr. no.	Particulars	Amount (₹ crores)	Cumulative (₹ crores)
<b>I.</b>	<b>Demand Deposits</b>		
i.	From Banks	448.98	9567.48
ii.	From Others	9118.50	
<b>II.</b>	<b>Savings Bank Deposits</b>		<b>31842.65</b>
<b>III.</b>	<b>Term Deposits</b>		
i.	From Banks	491.18	
ii.	From Others	86705.71	
	<b>Total</b>		<b>87196.89</b>
	Deposits of Branches in India		128607.02
	Deposits of Branches outside India		
	<b>Total</b>		<b>128607.02</b>



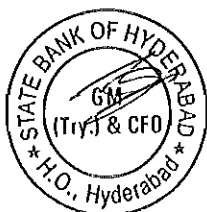
## iii. Details of Subordinated debt (Bonds)

Sr. No	Bond series	Date of issue	Amount in crore	R.O.I	Tenure	Due Date	Rating		
							CARE	CRISIL	ICRA
1	V(Tier II)	29.09.2006	550	8.80%	115 months	29.04.2016	CARE AAA	AAA/ STABLE	LAAA
2	VI(Tier II)	23.02.2008	160	9.15%	115 months	23.09.2017	CARE AAA	AAA/ STABLE	LAAA
3	VII(Tier II-U)	19.03.2008	500	9.35%	180 months	19.03.2023	CARE AAA	AAA/ STABLE	
4	VIII(Tier I-IPDI)	28.03.2008	350	9.95%	Perpetual	NA	CARE AAA	AAA/ STABLE	
5	IX(Tier II-U)	05.06.2009	325	8.39%	180 months	05.06.2024	CARE AAA	AAA/ STABLE	
6	X(Tier II-U)	21.08.2009	450	8.50%	180 months	21.08.2024	CARE AAA	AAA/ STABLE	
7	XI(Tier II-U)	08.09.2009	475	8.60%	180 months	08.09.2024	CARE AAA	AAA/ STABLE	
8	XII(Tier I-IPDI)	24.02.2010	135	9.20%	Perpetual	NA	CARE AAA	AAA/ STABLE	
9	XIII(Tier I-IPDI)	20.09.2010	200	9.05%	Perpetual	NA	CARE AAA	AAA/ STABLE	
10	XIV (Tier II)	31.03.2015	393	8.32%	120 months	31.03.2015	---	AAA/ STABLE	AAA (HYB)
11	XV (Tier II)	30.12.2015	500	8.40%	120 months	30.03.2025	CARE AAA	---	AAA (HYB)

iv. List of Top 10 Debenture Holders as on 31<sup>st</sup> December 2015

Sr. No.	Name of Bond Holders	Amount in crores
1	LIFE INSURANCE CORPORATION OF INDIA	1253
2	CENTRAL BOARD OF TRUSTEES EMPLOYEES PF ORGANISATION	1287.40
3	LIFE INSURANCE CORPORATION OF INDIA P&GS FUND	325
4	NPS TRUST	100
5	COAL MINES PF ORGANISATION	80
6	KOTAK MAHINDRA TRUSTEE CO.LTD.	60
7	ONGC LTD EMPLOYEES CONTRIBUTORY PROVIDENT FUND	55
8	ONGC SELF CONTRIBUTORY POST RETIREMENT & DEATH IN SERVICE SUPER ANNUATION BENEFIT TRUST	47.80
9	BIRLA LIFE INSURANCE CO.LTD	42.60
10	HVPNL EMPLOYEES PF TRUST	40

Note: Top 10 holders' (in value terms, on cumulative basis for all outstanding debentures issues) details should be provided.



- v. The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, Group Company, etc.) on behalf of whom it has been issued.

There are no Corporate Guarantees issued by the Bank to counterparties including the Bank's Subsidiaries, Joint Ventures, Group Companies, etc.; except Non Fund based limits in the form of Bank Guarantees, during the course of Bank's Business Operations.

- vi. Details of Certificate of Deposit: - The total Face Value of Certificate of Deposit Outstanding as on 31<sup>st</sup> December 2015 is NIL

- vii. Details of Rest of the borrowings (including hybrid debt like FCCB, Optionally Convertible Bonds /Preference Shares) as on 31<sup>st</sup> December 2015:

The Bank has not issued any hybrid debt like Foreign Currency Convertible Bonds (FCCBs), optionally Convertible Bonds /Debentures (OCBs) / Preference Shares etc.

- viii. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 5 years .

There has been no default (s) and / or delay (s) in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Bank, in the past five years.

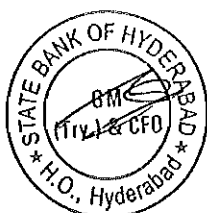
- ix. Details of any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option;

The Bank confirms that other than and to the extent mentioned elsewhere in this Disclosure Document, it has not issued any debt securities or agreed to issue any debt securities or availed any borrowings for a consideration other than cash, whether in whole or in part, at a premium or discount or in pursuance of an option since inception.

***h. Details of Promoters of the Company:-***

- i. Details of Promoter Holding in the Bank as on 31<sup>st</sup> December 2015:-

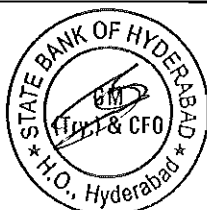
Sr.no.	Name of the shareholders	Total no. of equity shares	No. of shares in demat form	Total shareholding as % of total no. of equity shares	No. of shares pledged	% of shares pledged with respect to shares owned
1.	State Bank of India	2075000	--	100%	Nil	Nil



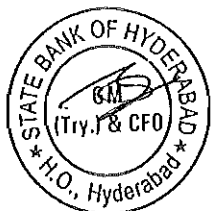
1. Abridged version of Audited/Consolidated (wherever available) and Standalone Financial Information (Profit & Loss statement, Balance Sheet and Cash Flow statement) for last three years and auditor qualifications

## Balance Sheet

Abridged Balance Sheet of State Bank of Hyderabad						
(₹ in crores)						
	CAPITAL	As on 31.03.2015		As on 31.03.2014		As on 31.03.2013
I	Authorised Capital :					
	50000000 Equity shares of ₹100/- each		500		500	500
	Issued Subscribed & Paid up Capital					
	2075000 Equity shares of ₹100/- each		20.75		20.75	20.75
II	Reserves & Surplus		9575.80		8348.68	7610.92
	i. Statutory Reserve	3242.39		2847.26		2541.4
	ii. Capital Reserve	203.67		156.18		131.93
	iii. Share Premium	346.5		346.50		346.5
	iv. Revenue And Other Reserves	5783.24		4998.74		4591.09
	v. Balance In Profit And Loss Account					
III	DEPOSITS		130166.18		119509.71	113324.26
	I. DEMAND DEPOSITS		12231.19		10088.31	9538.04
	II. SAVINGS BANK		30998.73		26739.46	23171.49
	III. TERM DEPOSITS		86936.26		82681.94	80614.73
IV	SCHEDULE - 4 : BORROWINGS					
	I BORROWINGS IN INDIA		8502.45		6336.38	5448.42
	i) Banks (RBI / export refinance)		124.00		750	0
	ii) Banks (other than RBI)		0		0	0
	iii) Other Institutions & Agencies		2777.95		970.76	329.58
	iv) Innovative Perpetual Debt Instruments		685.00		685.00	685
	v) Subordinated Debt		3353.00		2960.00	2960
			6939.95		5365.76	3974.58
	II BORROWINGS OUTSIDE INDIA					
	From Overseas Banks		1562.5		970.62	1473.84
	TOTAL - B		1562.5		970.62	1473.84
	Secured borrowings included in I & II above		0		0	0
V	OTHER LIABILITIES AND PROVISIONS					
	₹ in thousands		6237.58		7273.54	9673.71
	I. Bills payable		1423.82		1131.14	1435.86
	II. Interest Accrued		1110.62		1203.15	1067.19
	III. Deferred Tax Liability		73.93		223.46	0
	IV. MAT Tax Liability		0		53.83	0
	IV. Others (including provisions)		3629.21		4661.96	7170.66
VI	CASH AND BALANCES WITH RESERVE BANK OF INDIA		5791.68		6637.60	6375.97
	I. Cash in hand (including Foreign Currency Notes)		588.00		626.03	510.19
	II. Balances with Reserve Bank of India					
	- in Current Account		5203.68		6011.57	5865.78

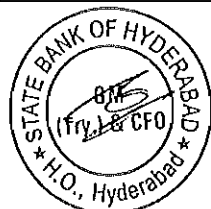


VII	BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		1622.50		247.28		
	I. IN INDIA						
	(a) Balances with Banks :						
	(i) In Current Accounts		38.81		80.03		77.92
	(ii) In Other Deposit Accounts		0		0		614
	(b) Money at Call and Short notice						
	With Other Institutions		1415.49		100.49		700
	TOTAL		1454.30		180.52		1391.92
	II. OUTSIDE INDIA - In Current Accounts		168.20		66.76		27.68
VIII	INVESTMENTS		36491.14		34266.96		33967.98
	I. INVESTMENTS IN INDIA						
	i) Government Securities		31055.52		31862.23		31750.97
	ii) Other Approved Securities						0
	iii) Shares		218.77		251.95		280.03
	iv) Debentures and Bonds		2838.93		998.43		612.53
	v) Subsidiaries and/or Joint Venture		6.32		6.32		6.33
	vi) Others		2371.60		1148.03		1318.12
	II. GROSS INVESTMENTS		36521.24		34381.49		33967.98
	Less: Depreciation		30.10		114.53		66.71
IX	ADVANCES (In India)		105053.12		95653.80		89856.51
	A) I. Bills purchased and discounted		2591.43		2130.81		1702.61
	II. Cash Credits Overdrafts and						
	Loans repayable on demand		47347.79		39585.87		38410.99
	III. Term Loans		55113.90		53937.12		49742.91
X	FIXED ASSETS		638.17		519.90		472.47
XI	OTHER ASSETS		4906.15		4163.53		3985.53
	I. Inter Office Adjustments (Net)		2236.72		871.86		821.95
	II. Interest Accrued		1259.75		1343.32		1153.99
	III. Tax paid in advance/Tax deducted at source		744.37		782.20		706.84
	IV. MAT Credit Entitlement		0		53.84		0
	V. Stationery & Stamps		9.53		7.21		7.78
	V. Deferred Tax Asset		0		0		167.04
	VI. Others		655.78		1105.10		1127.93
XII	CONTINGENT LIABILITIES		62795.85		45787.47		44463.4
	I. Claims against the bank not acknowledged as debt		84.86		26.41		79.08
	II. Liability for partly paid investments		0.2		0.2		0.2
	III. Liability on account of out-standing forward						
	Exchange Contracts		42021.55		28033.66		28591.18
	IV. Guarantees given on behalf of Constituents						
	(Including Letters of Comfort)						
	i) In India	9795.4		8414.85		7306.51	
	ii) Outside India	916.98	10712.38	678.45	9093.30	612.41	7918.92
	V. Acceptances endorsements and other Obligations		9058.12		8315.00		7312.69
	VI. Other items for which the bank is contingently (net of provisions)		918.74		318.90		561.33

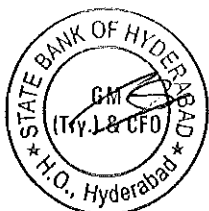


## Profit &amp; Loss

Abridged Profit & Loss Account of State Bank of Hyderabad						
(₹ In crores)						
		As on 31.03.2015	As on 31.03.2014	As on 31.03.2013		
<b>XIII</b>	<b>Interest Earned</b>	<b>13823.76</b>	<b>13466.81</b>	<b>12447.8</b>		
	Interest/Discount on advances/ bills	10959.24	10395.74	9555.83		
	Income on Investments	2651.15	2805.75	2587.3		
	Interest on balances with RBI and other inter bank funds	92.19	172.06	193.38		
	Others	121.18	93.26	111.29		
<b>XIV</b>	<b>Other Income</b>	<b>1325.06</b>	<b>982.46</b>	<b>975.61</b>		
	Commission/Exchange/Brokerage	780.24	661.63	667.41		
	Profit on sale of investments	389.63	194.94	197.82		
	Less loss on sale of investments	40.08	1.11	8.3		
	Profit on sale of land/Building and other assets	0.06	0.09	0.15		-7.9
	Less loss on sale of land/Building and other assets	4.84	4.28	8.05		
	Profit on Exchange transactions	106.24	320.1	338.63		85.02
	Less Loss on Exchange transactions	11.64	226.33	253.61		
	Lease income					
	lease rental	0	0	0		
	lease equalization	0	0	0		
	Misc Income	105.45	37.42	41.55		
<b>XV</b>	<b>Interest Expended</b>	<b>9431.15</b>	<b>9490.82</b>	<b>8529.9</b>		
	Interest on Deposits	8841.68	8857.69	8121.1		
	Interest on RBI/ Inter Bank Borrowings	103.58	157.08	28.55		
	Others	485.89	476.05	380.25		
<b>XVI</b>	<b>Operating expenses</b>	<b>2804.00</b>	<b>2267.47</b>	<b>2105.07</b>		
	Employee cost	1745.89	1519.72	1415.46		
	Rent taxes & lighting	242.83	214.31	173.98		
	Printing & stationery	25.61	22.89	20.23		
	Advertisement & publicity	17.04	20.05	23.45		
	Depreciation on fixed assets	104.25	83.15	98.87		
	Directors fees, allowances & expenses	0.14	0.07	0.26		
	Auditors fees and expenses	20.48	20.36	11.18		
	Law charges	6.03	5.45	3.08		
	postage, telegrams, telephones	16.11	17.59	14.85		
	Repairs & Maintenance	21.11	17.38	14.87		
	Insurance	140.83	150.28	120.33		
	Other operating expenses	463.68	196.22	208.51		
	<b>Provisions &amp; contingencies</b>	<b>947.2</b>	<b>1232.68</b>	<b>1276.5</b>		
	Provisions towards NPA	668.88	1050.26	1041.62		
	Provisions towards Standard assets	39.14	9.68	30.96		
	Others (Excluding taxes)	239.18	172.74	203.92		
	<b>Profit (Loss) before Tax</b>	<b>1966.47</b>	<b>1458.31</b>	<b>1511.94</b>		
	Current tax	798.85	248.15	614.7		
	Deferred tax	-149.52	190.64	-352.98		
	<b>Profit (Loss) after tax</b>	<b>1317.14</b>	<b>1019.52</b>	<b>1250.22</b>		
	<b>Appropriations</b>					
	Transfer to Statutory Reserve	395.14	305.86	375.32		
	Transfer to Other Reserves	832	631.76	758.68		
	Transfer to Government/ Dividend & Dividend tax	90	81.9	116.22		
	Balance earned forward to Balance sheet					



Cash Flow Statement		(₹ in crores)	YEAR ENDED	YEAR ENDED	YEAR ENDED
PARTICULARS		31.03.2015	31.03.2014	31.03.2013	
A	Cash Flow from Operating activities	1156.28	-392.99	-635.85	
B	Cash Flow from Investing activities	-217.75	-117.07	-141.8	
C	Cash Flow from Financial activities	-409.21	-400.65	-434.97	
	Net Change in Cash & Cash Equivalents	529.32	-910.71	-1212.62	
D	Cash & Cash Equivalents at the beginning of the year	6884.86	7795.57	9008.19	
E	Cash & Cash Equivalents at the end of the year	7414.18	6884.86	7795.57	
	Net Change in Cash&Cash Equivalents at the end of year(A+B+C+D)	529.32	-910.71	-1212.62	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit after Taxes	1317.13	1019.51	1250.22	
	Add: Tax Provision	799.17	248.3	614.7	
	SUB - TOTAL :-	2116.30	1267.81	1864.92	
	Less: Amount Transferred to Provision for leave encashment	0	0	0	
	SUB - TOTAL :-	2116.30	1267.81	1864.92	
	Adjustments :-				
i.	Depreciation on Fixed Assets	109.04	-83.74	-82.76	
ii.	Provision for NPAs(pbdd)	668.88	1050.27	1384.43	
iii.	Depreciation on Investments	-43.96	63.24	-57.9	
iv.	Interest paid on Subordinated Debts	319.22	318.75	318.75	
vi.	Provision for Agri. Debt Relief	0	0	0	
v.	Earmarked for restructured advances	277.15	126.98	235.11	
vi.	Other Provisions				
	Provision for wage revision	327.76	0	60	
	DTA / DTL for current year	-149.50	190.64	-352.98	
	Provision for Retired employee's Medical Bills			0	
	Adhoc provision for loan loss & Misc. Items/other provision	65.66	2.3	-35.43	
	Provision for Contingent Liabilities	26.92	27.13	22.06	
	Floating Provision for Loan Losses	-47.77	-47.06	4.63	
	Amount transferred from Dividend payable A/c	1553.4	299.99	-66.61	0
	SUB - TOTAL :-	3669.70	2916.32	3360.83	
	Less:: Direct Taxes (Actual advance Tax paid )	-837	310	812.61	
	SUB-TOTAL :-	2832.70	2606.32	2548.22	
	Increase in Deposits	10656.48	6185.45	14592.35	
	Increase/Decrease in Borrowings	2166.07	887.96	-529.98	
	Increase in Investments	-2224.19	-184.45	-4478.76	
	Increase in Advances	-9399.33	-2624.2	-14188.63	
	Increase in Other Liabilities & Provisions	-1773.57	-7443.38	2279.89	
	Increase in Other Assets	-1101.88	179.31	-858.93	
	SUB-TOTAL :-	1156.28	-2999.31	-3184.06	
	Net Cash Flow from Operating Activities	1156.28	-392.99	-635.84	
	Investment in Subsidiaries and/or Joint Ventures	0	0	0	
	Income Earned on Such Investment	0	0	0	
	Fixed Assets	-217.75	-117.06	-141.8	
	Additions during the year	-306.48	-191.74	-154.75	
	Deductions during the year	88.73	74.68	12.95	
	Net Cash used in Investing Activities	-217.75	-117.06	-141.8	
	Share Capital and Share Premium	0	0	0	
	Subordinated Bonds	0	0	0	
	Redemption of Bonds (Series - I)	0	0	0	
	Interest paid on Subordinated Bonds	-319.21	-318.75	-318.75	
	Dividend paid	-90	-81.9	-116.22	
	Net Cash Provided by (used in) Financing Activities	-409.21	-400.65	-434.97	
	Cash in Hand (including Foreign Currency Notes)	626.03	510.19	543.83	
	Balance with Reserve Bank of India	6011.57	5865.78	5193.51	
	Balance with Banks and Money at call and short Notice	247.27	1419.61	3270.85	
	Total::	6884.87	7795.58	9008.19	
	Cash in Hand (including Foreign Currency Notes)	588	626.03	510.19	
	Balance with Reserve Bank of India	5203.69	6011.56	5865.78	
	Balance with Banks and Money at call and short Notice	1622.5	247.27	1419.6	
	Total::	7414.19	6884.86	7795.57	



- j. *Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/Promoters, Tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.*

The Issuer hereby confirms that there has been no material event, development or change having implications on the financials/ credit quality of the Issuer (e.g. any material regulatory proceedings against the Issuer/ promoters of the Issuer, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of Issue which may affect the Issue or the investor's decision to invest/ continue to invest in the debt securities of the Issuer.

- k. *Names of the Debentures Trustees and Consents thereof*

In accordance with the provisions of

(i) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended,

(ii) Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide Circular No. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as amended,

The Issuer has appointed M/s.IDBI Trusteeship Services Ltd to act as Trustees to the Bondholder(s).

The address and contact details of the Trustees are as under:

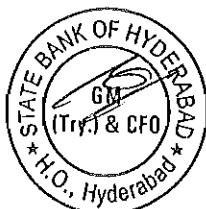
IDBI Trusteeship Services Ltd.  
Asian Building, Ground Floor  
17, R. Kamani Marg, Ballard Estate  
Mumbai 400 001  
Ph.022-40807001, Fax – 022 6631 1776

Copy of letter from M/s. IDBI Trusteeship Services Ltd. conveying their consent to act as Trustees for the current issue of Bonds is enclosed as Annexure in to this Disclosure Document.

The Issuer hereby undertakes that a Debenture Trusteeship Agreement shall be executed by it in favour of the Trustees within three months permissible under applicable laws. Further, the Debenture Trusteeship Agreement shall not contain a clause which has the effect of

- i. limiting or extinguishing the obligations and liabilities of the Trustees or the Issuer in relation to any rights or interests of the holder(s) of the Bonds,
- ii. limiting or restricting or waiving the provisions of the Securities and Exchange Board of India Act, 1992 (15 of 1992); Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 and circulars, regulations or guidelines issued by SEBI and
- iii. Indemnifying the Trustees or the Issuer for loss or damage caused by their act of negligence or commission or omission.

The Bondholder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Trustees may in their absolute discretion deem necessary or require to be done in the interest of the holder(s) of the Bonds. Any payment made by the Issuer to the Trustees on behalf of the Bondholder(s) shall discharge the Issuer pro-tanto to the Bondholder(s). No Bondholder shall be entitled to proceed directly against the Issuer unless the Trustees, having become so bound to proceed, fail to do so.



The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustees. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trusteeship Agreement, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.

***l. Rating and Rating Letter***

ICRA vide its letter No.ICRA/HYD/SBH-277/2015-16/1621/B dated 16<sup>th</sup> December 2015, has assigned a credit rating of [ICRA] AAA (Hyb) and revalidated the same rating vide its letter No.ICRA/HYD/SBH/RVL-1/2015-16/2101 dated 21.01.2015 and CARE vide its letter No. CARE/HRO/RL/2015-16/1366 dated 17<sup>th</sup> December 2015 has assigned a credit rating of "CARE AAA (Triple A)" and revalidated the same rating vide its letter No. CARE/HRO/RL/2015-16/1472 dated 22.01.2015 for the present issue of BASEL III compliant Tier II Bonds aggregating to ₹ 200 crore. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such Instruments carry very low credit risk. Copies of rating letter from ICRA Ltd. and Credit Analysis and Research Ltd. are enclosed as Annexure to this Disclosure Document.

The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The rating agencies have the right to suspend, withdraw the rating at any time on the basis of new information etc.

- m. If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines)***

Not Applicable

***n. Stock Exchange where Bonds are proposed to be listed***

The Bonds are proposed to be listed on the Wholesale Debt Market (WDM) segment of BSE Ltd. (BSE). BSE shall be the designated stock exchanges for the purpose of present Issue of the BASEL III compliant Tier 2 Bonds.

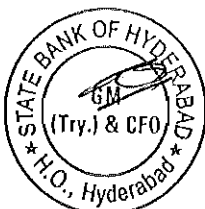
***o. Other Details***

***i. DRR Creation***

Since our bank is not incorporated under the Companies Act, provision relating to creation of Debenture Redemption Reserve are not applicable to the Bank. However, it may be noted that under the Companies (Share Capital and Debentures) Rules, 2014, Banking companies are not required to create Debenture Redemption Reserve.

***ii. Issue/instrument specific regulations***

The present issue of Bonds is being made in pursuance of RBI Master Circular No. DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 on Basel III Capital Regulations issued by the RBI, covering Prudential Guidelines on Implementation of Basel III Capital Regulations in India covering Criteria for inclusion of Debt Capital Instruments as Tier 2 Capital (Annex 5) and Minimum Requirements to ensure loss absorbency of Additional Tier I instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the PONV(Annex 16).



The present Issue of Bonds is being made pursuant to the approval by the Board of Directors at its meeting held on July 30, 2015 and the delegation provided there under. The current issue of bonds is within the overall borrowing limits. The Bank can issue the bonds proposed by it in view of the present approvals and no further internal or external permission/ approval(s) is/are required by it to undertake the proposed activity.

iii. Application Process

1. Who Can Apply

The categories of investors who are eligible to apply for this Issue of Bonds are mentioned in the Term Sheet of this Disclosure Document. However, the prospective subscribers must make their own independent evaluation and judgment regarding their eligibility to invest in the Issue.

All applicants are required to comply with the relevant regulations/ guidelines applicable to them for investing in the issue of Bonds as per the norms approved by Government of India, RBI or any other statutory body from time to time.

However, out of the aforesaid class of investors eligible to invest, this Disclosure Document is intended solely for the use of the person to whom it has been sent by the Issuer for the purpose of evaluating a possible investment opportunity by the recipient(s) in respect of the securities offered herein, and it is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving this Disclosure Document from the Issuer).

2. Documents to be provided by Investors

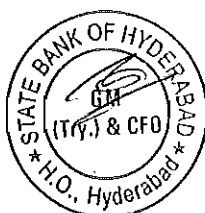
Investors need to submit the certified true copies of the following documents, along-with the Application Form, as applicable:

- Memorandum and Articles of Association/ Constitution/ Bye-laws/ Trust Deed;
- Board Resolution authorizing the investment and containing operating instructions;
- Power of Attorney/ relevant resolution/authority to make application;
- Specimen signatures of the authorized signatories (ink signed), duly certified by an appropriate authority;
- Government Notification (in case of Primary Co-operative Bank and RRBs);
- Copy of Permanent Account Number Card ("PAN Card") issued by the Income Tax Department;
- Necessary forms for claiming exemption from deduction of tax at source on interest on application money, wherever applicable.

3. How to Apply

This being a private placement Issue, the eligible investors who have been addressed through this communication directly, only are eligible to apply. Applications for the Bonds must be in the prescribed form and completed in BLOCK LETTERS in English and as per the instructions contained therein.

Applications complete in all respects must be submitted before the last date indicated in the issue time table or such extended time as decided by the Issuer, at any of the designated collection centres, accompanied by details of remittance of the application money. The original Applications Forms (along with all necessary documents as detailed in this Disclosure Document), payment details and other necessary documents should be sent to the Corporate Office of the Bank through respective Arrangers on the same day.



**Private and Confidential – Not for Circulation**

The payment should be made by electronic transfer of funds through RTGS mechanism for credit as per details given hereunder:

Name of the Banker	State Bank Hyderabad
Account Name	SBH A/C Tier II Bond Issue Series XVI
Credit into Current A/c No.	62453013423
IFS Code	SBHY0020066
Address of the Branch	Gunfoundry Branch, Abids, Hyderabad-500001
Nanation	Application Money for Bond Issue

Cheque(s), demand draft(s), Money orders, postal orders will not be accepted. The Bank assumes no responsibility for any applications lost in mail. The entire amount of Rs.10 lacs per Bond is payable on application.

Applications should be for the number of Bonds applied by the Applicant. Applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be filled in the Application Form. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants.

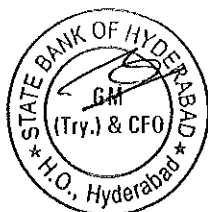
The applicant or in the case of an application in joint names, each of the applicant, should mention his/her Permanent Account Number (PAN) allotted under the Income -Tax Act, 1961 or where the same has not been allotted, the GIR No. and the Income tax Circle/Ward/District. As per the provision of Section 139A (5A) of the Income Tax Act, PAN/GIR No. needs to be mentioned on the TDS certificates. Hence, the investor should mention his PAN/GIR No. In case neither the PAN nor the GIR Number has been allotted, the applicant shall mention "Applied for" nor in case the applicant is not assessed to income tax, the applicant shall mention 'Not Applicable' (stating reasons for non-applicability) in the appropriate box provided for the purpose. Application Forms without this information will be considered incomplete and are liable to be rejected.

All applicants are requested to tick the relevant column "Category of Investor" in the Application Form. Public/ Private/ Religious/ Charitable Trusts, Provident Funds and Other Superannuation Trusts and other investors requiring "approved security" status for making investments.

*For further instructions about how to make an application for applying for the Bonds and procedure for remittance of application money, please refer to the Summary Term Sheet and the Application Form.*

**4. Terms of Payment**

The full face value of the Bonds applied for is to be paid along with the Application Form. Investor(s) need to send in the Application Form and the details of RTGS for the full value of Bonds applied for.



**5. Force Majeure**

The Issuer reserves the right to withdraw the issue prior to the Issue Closing Date in the event of any unforeseen development adversely affecting the economic and regulatory environment.

**6. Applications under Power of Attorney**

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the Issuer or to the Registrars or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

**7. Application by Mutual Funds**

In case of applications by Mutual Funds, a separate application must be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications, provided that the application made by the Asset Management Company/ Trustees/ Custodian clearly indicate their intention as to the scheme for which the application has been made.

**8. Application by Provident Funds, Superannuation Funds and Gratuity Funds**

The applications must be accompanied by certified true copies of

- a. Trust Deed / Bye Laws /Resolutions
- b. Resolution authorizing Investment
- c. Specimen Signatures of the Authorized Signatories

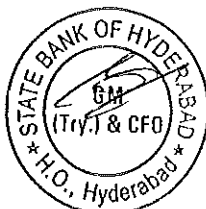
Those desirous of claiming tax exemptions on interest on application money are compulsorily required to submit a certificate issued by the Income Tax Officer along with the Application form. For subsequent interest payments, such certificates have to be submitted periodically.

**9. Acknowledgements**

No separate receipts will be issued for the application money. However, the Bankers to the Issue receiving the duly completed Application Form will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgement slip at the bottom of each Application Form.

**10. Basis of Allocation**

Beginning from the issue opening date and until the day immediately prior to the issue closing date, full and firm allotment against all valid applications for the Bonds will be made to applicants on a first -come-first-served basis, subject to a limit of the Issue size, in accordance with applicable laws. At its sole discretion, the Issuer shall decide the amount of oversubscription to be retained over and above the basic issue size. If and to the extent, the Issue (including the option to retain oversubscription as decided and finalized by the Issuer) is fully subscribed prior to the issue closing date; no allotments



shall be accepted once the Issue (including the option to retain oversubscription as decided and finalized by the Issuer) is fully subscribed.

Allotment will be done on "day-priority basis". In case of oversubscription over and above the issue size inclusive of the option to retain oversubscription exercised by the Issuer, the allotment of such valid applications received on the closing day shall be on pro rata basis to the investors in the ratio in which they have applied regardless of investor category. If the proportionate allotment of Bonds to such applicants is not a minimum of one Bond or in multiples of one Bond (which is the market lot), the decimal would be rounded off to the next higher whole number if that decimal is 0.5 or higher and to the next lower whole number if the decimal is lower than 0.5. All successful applicants on the issue closing date would be allotted the number of Bonds arrived at after such rounding off.

#### 11. Right to Accept or Reject Applications

The Issuer reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. Interest on application money will be paid from the date of realization of the cheque(s)/ demand drafts(s) till one day prior to the date of refund. The application forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- a. Number of bonds applied for is less than the minimum application size;
- b. Applications exceeding the issue size;
- c. Bank account details not given;
- d. Details for issue of Bonds in electronic/ dematerialized form not given;
- e. PAN/GIR and IT Circle/Ward/District not given;
- f. In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;

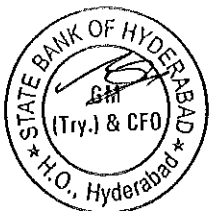
In the event, if any Bond(s) applied for is/ are not allotted in full, the excess application monies of such Bonds will be refunded, as may be permitted.

#### 12. PAN /GIR Number

All applicants should mention their Permanent Account Number or the GIR Number allotted under Income Tax Act, 1961 and the Income Tax Circle/ Ward/ District. In case where neither the PAN nor the GIR Number has been allotted, the fact of such a non-allotment should be mentioned in the Application Form in the space provided.

#### 13. Signatures

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a Bank or by a Magistrate/ Notary Public under his/her official seal.



#### 14. Nomination Facility

Only individuals applying as sole applicant/Joint Applicant can nominate, in the prescribed manner, a person to whom his Bonds shall vest in the event of his death. Non-individuals including holders of Power of Attorney cannot nominate.

#### 15. Fictitious Applications

Any person who makes, in fictitious name, any application to a body corporate for acquiring, or subscribing to, the bonds, or otherwise induced a body corporate to allot, register any transfer of bonds therein to them or any other person in a fictitious name, shall be punishable under the extant laws.

#### 16. Depository Arrangements

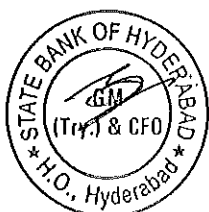
The Issuer has appointed M/s Karvy Computershare Pvt. Ltd., as the Registrar for the present Bond Issue. The Issuer has entered into necessary depository arrangements with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") for dematerialization of the Bonds offered under the present Issue, in accordance with the Depositories Act, 1996 and regulations made there under. In this context, the Issuer has signed two tripartite agreements as under:

- Tripartite Agreement between the Issuer, NSDL and the Registrar for dematerialization of the Bonds offered under the present Issue.
- Tripartite Agreement between the Issuer, CDSL and the Registrar for dematerialization of the Bonds offered under the present Issue.

Bondholders can hold the bonds only in dematerialized form and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time.

#### 17. Procedure for applying for Demat Facility

- a. Applicant(s) must have a Beneficiary Account with any Depository Participant of NSDL or CDSL prior to making the application.
- b. Applicant(s) must specify their beneficiary account number and depository participants ID in the relevant columns of the Application Form.
- c. For subscribing to the Bonds, names in the application form should be identical to those appearing in the account details of the Depository. In case of Joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- d. If incomplete/ incorrect beneficiary account details are given in the Application Form which does not match with the details in the depository system, it will be deemed to be an incomplete application and the same be held liable for rejection at the sole discretion of the Bank.
- e. The Bonds shall be directly credited to the Beneficiary Account as given in the Application Form and after due verification, allotment advice/ refund order, if any, would be sent directly to the applicant by the Registrars to the Issue but the confirmation of the credit of the Bonds to the applicant's Depository Account will be provided to the applicant by the Depository Participant of the applicant.



- f. Interest or other benefits with respect to the Bonds would be paid to those bondholders whose names appear on the list of beneficial owners given by the depositories to the Issuer as on the Record Date. In case, the beneficial owner is not identified by the depository on the Record Date due to any reason whatsoever, the Issuer shall keep in abeyance the payment of interest or other benefits, till such time the beneficial owner is identified by the depository and intimated to the Issuer. On receiving such intimation, the Issuer shall pay the interest or other benefits to the beneficiaries identified, within a period of 15 days from the date of receiving such intimation.
- g. Applicants may please note that the Bonds shall be allotted and traded on the stock exchange(s) only in dematerialized form.

**ii. Others**

**1. Right of Bondholder(s)**

Bondholder is not a shareholder. The Bondholders will not be entitled to any other rights and privilege of shareholders other than those available to them under statutory requirements. The Bond(s) shall not confer upon the holders the right to receive notice, or to attend and vote at the General Meetings of the Issuer. The principal amount and interest on the Bonds will be paid to the registered Bondholders only, and in case of Joint holders, to the one whose name stands first.

Besides the above, the Bonds shall be subject to the provisions of the terms of this bond issue and the other terms and conditions as may be incorporated in the Debenture Trusteeship Agreement and other documents that may be executed in respect of these Bonds.

**2. Modification of Rights**

The rights, privileges, terms and conditions attached to the Bonds may be varied, modified or abrogated with the consent, in writing, of those holders of the Bonds who hold at least three fourth of the outstanding amount of the Bonds or with the sanction accorded pursuant to a resolution passed at a meeting of the Bondholders, provided that nothing in such consent or resolution shall be operative against the Issuer where such consent or resolution modifies or varies the terms and conditions of the Bonds, if the same are not acceptable to the Issuer.

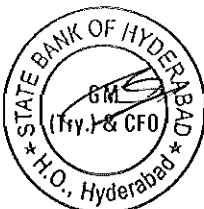
**3. Future Borrowings**

The Issuer shall be entitled to borrow/ raise loans or avail of financial assistance in whatever form as also issue Bonds or other securities in any manner with ranking as pari-passu basis or otherwise and to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid up capital, on such terms and conditions as the Issuer may think appropriate, without the consent of, or intimation to, the Bondholder(s) or the Trustees in this connection.

**4. Notices**

All notices required to be given by the Issuer or by the Trustees to the Bondholders shall be deemed to have been given if sent by ordinary post/ courier to the original sole/ first allottees of the Bonds and/ or if published in one English daily newspaper having nation - wide circulation and one regional language newspaper.

All notices required to be given by the Bondholder(s), including notices referred to under "Payment of Interest" and "Payment on Redemption" shall be sent by registered post or



by hand delivery to the Issuer or to such persons at such address as may be notified by the Issuer from time to time.

**5. Minimum subscription**

As the current issue of Bonds is being made on private placement basis, the requirement of minimum subscription shall not be applicable and therefore the Bank shall not be liable to refund the issue subscription(s) / proceed (s) in the event of the total issue collection falling short of the issue size or certain percentage of the issue size.

**6. Underwriting**

The present issue of Bonds is not underwritten.

**7. Deemed Date of Allotment**

All benefits under the Bonds including payment of interest will accrue to the Bondholders from and including the Deemed Date of Allotment. All benefits relating to the Bonds will be available to the investors from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment. The Bank reserves the right to keep multiple date(s) of allotment / allotment date(s) at its sole and absolute discretion without any notice. In case if the issue closing date/ pay in dates is/are changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre -pond/ postponed) by the Issuer at its sole and absolute discretion.

**8. Letter(s) of Allotment / Bond Certificate(s) /Refund Order (s)/ Issue of Letter(s) of Allotment**

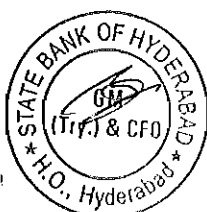
The beneficiary account of the investor(s) with National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL)/ Depository Participant will be given initial credit within 2 working days from the Deemed Date of Allotment. The initial credit in the account will be akin to the Letter of Allotment. On completion of the all statutory formalities, such credit in the account will be akin to a Bond Certificate.

**9. Issue of Bond Certificate(s)**

Subject to the completion of all statutory formalities within time frame prescribed in the relevant Regulations/Act/ Rules etc., the initial credit akin to a Letter of Allotment in the Beneficiary Account of the investor would be replaced with the number of Bonds allotted. The Bonds since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof. The Bonds shall be allotted in dematerialized form only

**10. Market Lot**

The market lot will be one Bond ("Market Lot"). Since the Bonds are being issued only in dematerialized form, the odd lots will not arise either at the time of issuance or at the time of transfer of Bonds.



**11. Trading of Bonds**

The marketable lot for the purpose of trading of Bonds shall be 1 (one) Bond of face value of ₹10 lacs each. Trading of Bonds would be permitted in demat mode only in standard denomination of ₹10 lacs and such trades shall be cleared and settled in recognized stock exchange(s) subject to conditions specified by SEBI. In case of trading in Bonds which has been made over the counter, the trades shall be reported on a recognized stock exchange having a nationwide trading terminal or such other platform as may be specified by SEBI.

**12. Mode of Transfer of Bonds**

The Bonds shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/ CDSL/ Depository Participant of the transferor/transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Bonds held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Bank.

Transfer of Bonds to and from NRIs/ OCBs, in case they seek to hold the Bonds and are eligible to do so, will be governed by the then prevailing guidelines of RBI.

**13. Common Form of Transfer**

The Issuer undertakes that it shall use a common form/procedure for transfer of Bonds issued under terms of this Disclosure Document.

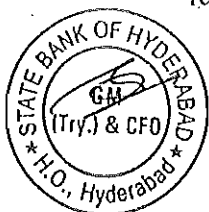
**14. Interest on Application Money**

Interest at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Bonds.

Such interest shall be paid for the period starting from and including the date of realization of application money in Issuer's Bank Account up to one day prior to the Deemed Date of Allotment. The interest on application money will be computed as per Actual/Actual day count convention. Such interest would be paid on all valid applications, including the refunds. Where the entire subscription amount has been refunded, the interest on application money will be paid along with the Refund Orders. Where an applicant is allotted lesser number of Bonds than applied for, the excess amount paid on application will be refunded to the applicant along with the interest on refunded money.

Provided that, notwithstanding anything contained hereinabove, Bank shall not be liable to pay any interest on monies liable to be refunded in case of invalid Applications or Applications liable to be rejected.

The interest cheque(s)/ demand draft(s) for interest on application money (along with Refund Orders, in case of refund of application money, if any) shall be dispatched by the Issuer within 15 days from the Deemed Date of Allotment and the relative interest warrant(s) along with the Refund Order(s), as the case may be, will be dispatched by registered post to the sole/ first applicant, at the sole risk of the applicant.



#### 15. Interest on the Bonds

The Bonds shall carry a fixed rate of interest at the Coupon Rate from, and including, the Deemed Date of Allotment up to, but excluding the Redemption Date, payable on the "Coupon Payment Dates", on the outstanding Principal Amount of Bonds till Redemption Date, to the holders of Bonds (the "Holders" and each, a "Holder") as of the relevant Record Date. Interest on Bonds will cease from the Redemption Date in all events.

#### 16. Deduction of Tax at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source out of interest payable on Bonds.

Interest payable subsequent to the Deemed Date of Allotment of Bonds shall be treated as "Interest on Securities" as per Income Tax Rules. Bondholders desirous of claiming exemption from deduction of income tax at source on the interest payable on Bonds should submit tax exemption certificate/ document, under Section 193 of the Income Tax Act, 1961, if any, with the Registrars, or to such other person(s) at such other address(es) as the Issuer may specify from time to time through suitable communication, at least 45 days before the payment becoming due. Regarding deduction of tax at source and the requisite declaration forms to be submitted, applicants are advised to consult their own tax consultant(s).

#### 17. List of Beneficial Owners

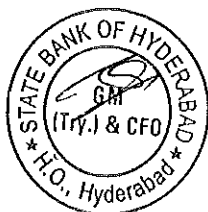
The Issuer shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

#### 18. Succession

In the event of the demise of the sole/first holder of the Bond(s) or the last survivor, in case of joint holders for the time being, the Issuer shall recognize the executor or administrator of the deceased Bondholder or the holder of succession certificate or other legal representative as having title to the Bond(s). The Issuer shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, wherever it is necessary, or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter. The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Bond(s) standing in the name of the deceased Bondholder on production of sufficient documentary proof or indemnity.

Where a non-resident Indian becomes entitled to the Bond by way of succession, the following steps have to be complied:

- Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the Bond was acquired by the NRI as part of the legacy left by the deceased holder.
- Proof that the NRI is an Indian National or is of Indian origin.
- Such holding by the NRI will be on a non -repatriation basis



**19. Joint – Holders**

Where two or more persons are holders of any Bond(s), they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to provisions contained in the Companies Act, 1956 and the amendments there to.

**20. Disputes & Governing Law**

The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of district courts of Mumbai, Maharashtra.

**21. Investor Relations and Grievance Redressal**

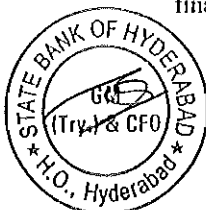
Arrangements have been made to redress investor grievances expeditiously as far as possible. The Issuer shall endeavour to resolve the investor's grievances within 30 days of its receipt. All grievances related to the issue quoting the Application Number (including prefix), number of Bonds applied for, amount paid on application and details of collection centre where the Application was submitted, may be addressed to the Compliance Officer at registered office of the Issuer. All investors are hereby informed that the Issuer has designated a Compliance Officer who may be contacted in case of any pre-issuance/ post-issuance related problems such as non-credit of letter(s) of allotment/ bond certificate(s) in the demat account, non-receipt of refund order(s), interest warrant(s)/ cheque(s) etc. Contact details of the Compliance Officer are given elsewhere in this Disclosure Document.

**22. Material Contracts & Agreements Involving Financial Obligations of the Issuer**

By very nature of its business, the Bank is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of the Bank. However, the contracts referred to in Para A below (not being contracts entered into in the ordinary course of the business carried on by the Bank) which are or may be deemed to be material that have been entered into by the Bank. Copies of these contracts together with the copies of documents referred to in Para B may be inspected at the Head Office of the Bank between 10.30 a.m. and 2.30 p.m. on any working day until the issue closing date.

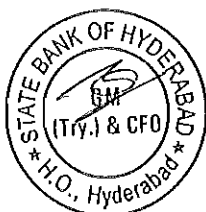
**A. Material Contracts & Documents**

- a. Letter appointing Registrars and copy of MoU entered into between the Bank and the Registrars.
- b. Letter appointing Trustees to the Issue.
- c. The State Bank of India (Subsidiary Banks) Act, 1959
- d. Board Memorandum of the meeting held on October 28, 2015 authorizing issue of Bonds offered under terms of this Disclosure Document.
- e. Letter of Consent from the Trustees to act as Trustees to the Issue.
- f. Letter of Consent from the Registrars for acting as Registrars to the Issue.
- g. Letter/Email granting In-principle Approval for listing of Bonds by BSE.
- h. Letter from CARE & ICRA Ratings conveying the credit rating for the Bonds.
- i. Tripartite Agreement between the Issuer, NSDL and Registrars for issue of Bonds in dematerialized form.
- j. Tripartite Agreement between the Issuer, CDSL and Registrars for issue of Bonds in dematerialized form.
- k. Annual Report along with Audited financials and Audit Reports for the last three financial years

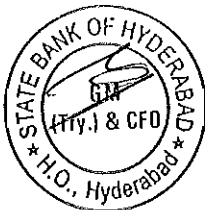


**B. Issue Details***a. Summary term sheet:*

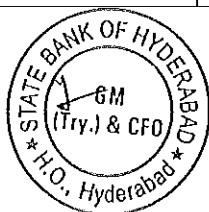
Security Name	8.45%SBH2026
Series	Series XVI
Issuer	State Bank of Hyderabad
Type Nature of Instrument	Non-convertible, Redeemable, Unsecured Basel III compliant Tier 2 Bonds in the nature of debentures of ₹10 laes each
Nature of Instrument	Unsecured
Seniority	<p>The claims of the investors in instruments shall be –</p> <ul style="list-style-type: none"> <li>(i) senior to the claims of Investors in Instruments eligible for inclusion in Tier 1 Capital</li> <li>(ii) subordinate to the claims of all depositors and general Creditors of the Bank and</li> <li>(iii) neither be secured nor covered by a guarantee of the Issuer or its related entity or other arrangement that legally or economically enhances the seniority of the claim vis -à-vis creditors of the Bank.</li> <li>(iv) Unless the terms of any subsequent issuance of bonds/debentures by the Bank specifies that the claims of such subsequent bond holders are senior or subordinate to the Bonds issued under this Information Memorandum or unless the RBI specifies otherwise in its guidelines, the claims of the Bond holders shall be paripassu with claims of holders of such subsequent debentures/bond issuances; and shall be on paripassu ranking with holders of other Tier 2 instruments issued by the Bank.</li> </ul>
Mode of Issue	Private Placement
Eligible Investors	<p>The following class of investors are eligible to participate in the offer:</p> <p>Mutual Funds, Public Financial Institutions as defined in section 4A of the Companies Act, 1956, Scheduled Commercial Banks, Insurance Companies, Provident Funds, Gratuity Funds, Superannuation Funds and Pension Funds, Co-operative Banks, Regional Rural Banks authorized to invest in bonds/ debentures, Companies and Bodies Corporate authorized to invest in bonds/ debentures, Societies authorized to invest in bonds/ debentures, Trusts authorized to invest in bonds/ debentures, Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures, etc., Foreign Institutional Investors*.</p> <p>This being a private placement issue, the eligible investors who have been addressed through this communication directly, are only eligible to apply.</p> <p>The following class of investors are not eligible to participate in the offer:</p> <p>Resident Individual Investors, Foreign Nationals, Persons resident outside India, Venture Capital Funds, Alternative Investment Funds, Overseas Corporate Bodies, Partnership firms formed under applicable laws in India in the name of the partners, Hindu Undivided Families through Karta, Person ineligible to contract under applicable statutory/ regulatory requirements.</p> <p>*Investment by FIIs in Tier 2 instruments raised in Indian Rupees shall be subject to a separate ceiling of USD 500 million.</p>



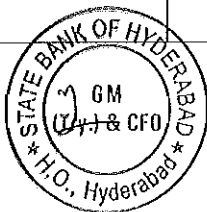
Listing	Proposed on the Wholesale Debt Market (WDM) Segment of BSE
Rating	"[ICRA] AAA (hyb)" by ICRA Limited and CARE AAA by CARE Ratings.
Issue Size	₹ 200 crores
Option to retain oversubscription	Nil
Objects of the Issue	Augmenting Tier 2 Capital and overall capital of the Bank for strengthening its capital adequacy and for enhancing its long-term resources
Details of Utilization of funds	Augmenting Tier 2 Capital and overall capital of the Bank for strengthening its capital adequacy and for enhancing its long-term resources
Coupon Rate	8.45% p.a.
StepUp/StepDown Coupon Rate	Not Applicable
Coupon Payment Frequency	Annual
Coupon Payment Dates	31 <sup>st</sup> March every year till redemption of Bonds
Coupon Type	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	Not Applicable
Day Count Basis	<p>Interest for each of the interest periods shall be computed as per Actual / Actual day count conversion on the face value of principal outstanding at the coupon rate rounded off to the nearest rupee.</p> <p>Interest Period means each period beginning on (and including) the deemed date of allotment(s) or any coupon payment date and ending on (but excluding) the next coupon payment date/ Redemption Date.</p> <p>Sample interest calculation is provided in the Information Memorandum in Annexure IV</p>
Interest on Application Money	<p>Interest at the coupon rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Bonds for the period starting from and including the date of realization of application money in Issuer's Bank Account upto one day prior to the Date of Allotment.</p> <p>Provided that, notwithstanding anything contained hereinabove, Bank shall not be liable to pay any interest on monies liable to be refunded in case of invalid Applications or Applications liable to be rejected.</p>
Default Interest Rate	<p>In case of default in payment of Interest and/or principal redemption on the due dates, additional interest at 2% p.a. over the coupon rate will be payable by the Issuer for the defaulting period.</p> <p>However, any non-payment of interest and / or principal on account of RBI Guidelines on Basel III capital regulations and other provisions of this Summary Term Sheet, no such default interest shall be payable</p>
Tenor	Redeemable after 120 months from the Deemed Date of Allotment



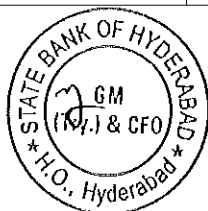
Redemption Date	08.02.2026 provided that the instrument has not been written-off on account of PONV and/or any other event on account of RBI Guidelines.
Redemption Amount	At par along with interest accrued till one day prior to the Redemption Date subject to adjustments and write-off on account of "Loss Absorbency" & "Other Events" mentioned in the Summary Term Sheet
Premium/Discount on redemption	Nil
Issue Price	At par (₹ 10 lacs per Bond)
Discount on Issue	Nil
Put Option Date	Not Applicable
Put Option Price	Not Applicable
Call Option Date	No Call Option
Condition for exercise of Call Option	Not Applicable



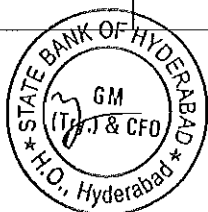
Call Option Price	Not Applicable
Put Notification Time	Not Applicable
Call Notification Time	Not Applicable
Face Value	₹ 10 Laes per Bond
Minimum Application	10 (Ten) Bonds and in multiples of 1 (One) Bond thereafter
Issue Timing: 1. Issue Opening Date 2. Issue Closing Date 3. Pay-in Date 4. Decmed Date of Allotment	 08.02.2016 08.02.2016 08.02.2016 08.02.2016
Issuance mode	In Demat mode only
Trading Mode	In Demat mode only
Settlement	Payment of interest and repayment of principal shall be made by way of cheque(s)/interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit/ NECS/RTGS/ NEFT mechanism



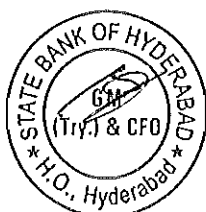
Depository	National Securities Depository Limited and Central Depository Services (India) Limited
Business Day Convention/ Effect of Holidays	'Business Day' shall be a day on which commercial banks are open for business in the city of Hyderabad, Telangana. If the date of payment of interest does not fall on a Business Day, then the succeeding Business Day will be considered for such payment of interest with interest for such additional period. Such additional interest will be deducted from the interest payable on the next date of payment of interest. In case the Maturity Date does not fall on a Business Day, the payment will be made on the preceding Business Day, along with coupon/interest accrued on the Bonds until but excluding the date of such payment.
Record Date	15 days prior to each coupon payment date / Redemption date.
Security	Unsecured
Transaction documents	<p>The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue:</p> <ol style="list-style-type: none"> <li>1. Letter appointing IDBI Trusteeship Services Ltd., as Trustees to the Bondholders;</li> <li>2. Letter appointing Arranger to the issue</li> <li>3. Debenture Trusteeship Agreement;</li> <li>4. Debenture Trust Deed;</li> <li>5. Rating Letter from rating agency;</li> <li>6. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds in dematerialized form;</li> <li>7. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form;</li> <li>8. Letter appointing Registrar and MoU entered into between the Issuer and the Registrar;</li> <li>9. Application made to BSE for seeking its in-principle approval for listing of Bonds;</li> <li>10. Listing Agreement with BSE</li> </ol>
Conditions precedent to subscription of Bonds	<p>The subscription from applicants shall be accepted for allocation and allotment by the Bank, subject to the following:</p> <ol style="list-style-type: none"> <li>a) Rating Letters from ICRA Limited and CARE Ratings</li> <li>b) Consent Letter from the Trustees to act as Trustee to the Bondholder(s)</li> <li>c) Letter from BSE conveying In-Principle Approval for listing &amp; trading of Bonds</li> </ol>
Conditions subsequent to subscription of Bonds	<p>The Bank shall ensure that the following documents are executed/ activities are completed as per terms of this Disclosure Document:</p> <ol style="list-style-type: none"> <li>a) Credit of Demat Account(s) of the Allottee(s) by number of Bonds allotted within 2 working days from the Deemed Date of Allotment</li> <li>b) Making application to BSE within 15 days from the Deemed Date of Allotment to list the Bonds and seek listing permission within 20 days from the Deemed Date of Allotment</li> <li>c) Neither the Bank nor any related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards) shall purchase the Bonds, nor would the Bank directly or indirectly fund the purchase of the Bonds. The Bank shall not grant advances against the security of the Bonds issued by it</li> </ol>
Events of Default	The investor shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation of the Issuer.
Treatment in Bankruptcy / Liquidation	The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation.



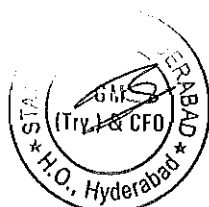
Cross Default	Not Applicable
Role and Responsibilities of Trustees to the Issue	<p>The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustees. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trusteeship Agreement, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.</p>
Loss Absorbency	<p>The Bonds (including all claims, demands on the Bonds and interest thereon, whether accrued or contingent) are issued subject to loss absorbency features applicable for non-equity capital Instruments issued in terms of RBI Master Circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 on Basel III Capital Regulations in India, including in compliance with the requirements of Annex 5 thereof and are subject to certain loss absorbency features as described herein and required of Tier 2 instruments at the Point of Non Viability ("PONV") as provided for in Annex 16 of the aforesaid circular.</p> <p>Accordingly, the instrument and any claims or demands of any holder thereof or any other person claiming for or on behalf of or through such holder of the instrument, against us or any of our assets, wherever situated, may at the option of RBI be permanently written-off, in whole or in part, upon the occurrence of the trigger event called the Point of Non Viability (PONV). A write-off of the Bonds may have the following effects:</p> <ul style="list-style-type: none"> <li>(i) reduce the claim of the Bond (up to nil) in liquidation;</li> <li>(ii) reduce the amount to be re-paid on the Bond when call is exercised (up to nil);</li> <li>(iii) partially or fully reduce coupon payments on the Bond (up to nil coupon)."</li> </ul> <p>PONV trigger event shall be as defined in the aforesaid RBI Circular and shall be determined by the RBI.</p> <p>RBI may in its option alter or modify the PONV trigger whether generally or in relation to us or otherwise. In any case it should be noted that following writing-off of the instruments and claims and demands as noted above neither us, nor any other person on our behalf shall be required to compensate or provide any relief, whether absolutely or contingently, to the holder of the instrument or any other person claiming for or on behalf of or through such holder and all claims and demands of such persons, whether under law, contract or equity, shall stand permanently and irrevocably extinguished and terminated. Unless otherwise specified in this Information Memorandum, the write-off of any common equity or any other regulatory capital (as understood in terms of the aforesaid circular or any replacement/amendment thereof), whether senior or paripassu or subordinate, and whether a Tier 1 capital or otherwise shall not be required before the write-off of any of the instruments issued in terms of this Information Memorandum and there is no right available to the holder hereof or any other person claiming for or on behalf of or through such holder to demand or seek that any other regulatory capital be subject to prior or simultaneous write-off or that the treatment offered to holders of such other regulatory capital be also offered to the holders of the instruments issued pursuant to this Information Memorandum.</p>



<p>PONV</p>	<p>The Bonds (including all claims, demands on the Bonds and interest thereon, whether accrued or contingent), at the option of the RBI, can be written down upon the occurrence of the trigger event, called "Point of Non-Viability Trigger" (PONV Trigger)</p> <p>The PONV Trigger event is the earlier of:</p> <ol style="list-style-type: none"> <li>a decision that a write-off without which the Bank would become non-viable, is necessary, as determined by the Reserve Bank of India; and</li> <li>the decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the relevant authority.</li> </ol> <p>The amount of non-equity capital to be written-off will be determined by RBI.</p> <p>The Write-off of any Common Equity Tier 1 capital shall not be required before the write-off of any Non-equity (Additional Tier 1 and Tier 2) regulatory capital instrument. The order of write-off of the Bonds shall be as specified in the order of seniority as per this Information Memorandum and any other regulatory norms as may be stipulated by the RBI from time to time.</p> <p>Such a decision would invariably imply that the write-off consequent upon the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted. The holders of the Bonds shall not have any residual claims on the Bank (including any claims which are senior to ordinary shares of the Bank), following any trigger event. In any case it should be noted that following writing-off of the instruments and claims and demands as noted above neither the Bank, nor any other person on the Bank's behalf shall be required to compensate or provide any relief, whether absolutely or contingently, to the holder of the instrument or any other person claiming for or on behalf of or through such holder and all claims and demands of such persons, whether under law, contract or equity, shall stand permanently and irrevocably extinguished and terminated. Unless otherwise specified in this Information Memorandum, the write-off of any common equity or any other regulatory capital (as understood in terms of the aforesaid circular or any replacement/amendment thereof), whether senior or paripassu or subordinate, and whether a Tier 1 capital or otherwise shall not be required before the write-off of any of the instruments issued in terms of this Information Memorandum and there is no right available to the holder hereof or any other person claiming for or on behalf of or through such holder to demand or seek that any other regulatory capital be subject to prior or simultaneous write-off or that the treatment offered to holders of such other regulatory capital be also offered to the holders of the instruments issued pursuant to this Information Memorandum.</p> <p>For these purposes, the Bank may be considered as non-viable if::</p> <p>The Bank which, owing to its financial and other difficulties, may no longer remain a going concern on its own in the opinion of the Reserve Bank unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by the Bank should be such that these are likely to result in financial losses and raising the Common Equity Tier 1 capital of the Bank should be considered as the most appropriate way to prevent the bank from turning nonviable. Such measures would include write-off / conversion of non-equity regulatory capital into common shares in combination with or without other measures as considered appropriate by the Reserve Bank.</p>
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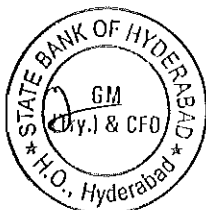
	<p>The Bank facing financial difficulties and approaching a PONV will be deemed to achieve viability if within a reasonable time in the opinion of Reserve Bank, it will be able to come out of the present difficulties if appropriate measures are taken to revive it. The measures including augmentation of equity capital through write off/conversion/public sector injection of funds are likely to:</p> <ol style="list-style-type: none"> <li>Restore depositors'/investors' confidence;</li> <li>Improve rating /creditworthiness of the Bank and thereby improve its borrowing capacity and liquidity and reduce cost of funds; and</li> <li>Augment the resource base to fund balance sheet growth in the case of fresh injection of funds.</li> </ol> <p><b>The trigger at PONV will be evaluated both at consolidated and solo level and breach at either level will trigger write-off.</b></p> <p><i>In addition, the Bonds shall have additional trigger events. This additional trigger event is the earlier of:</i></p> <ol style="list-style-type: none"> <li>(1) a decision that a conversion or write-off, without which SBI or SBH would become non-viable, is necessary, as determined by the Reserve Bank of India; and</li> <li>(2) the decision to make a public sector injection of capital, or equivalent support, without which the SBI or SBH would have become non-viable, as determined by the Reserve Bank of India. Such a decision would invariably imply that the write-off or issuance of any new shares as a result of conversion consequent upon the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted.</li> </ol>
Other Events	<p><i>Treatment of Bonds in the event of Winding-Up:</i></p> <p>Subject to the provisions of The State Bank of India Act (Subsidiary Banks) Act, 1959 as amended from time to time</p> <ol style="list-style-type: none"> <li>If the Bank goes into liquidation before the instrument has been written-down, these instruments will absorb losses in accordance with the order of Seniority as specified in this Information Memorandum and as per usual legal provisions governing priority of charges.</li> <li>If the Bank goes into liquidation after the instrument has been written-down, the holders of these instruments will have no claim on the proceeds of liquidation.</li> </ol> <p><i>Amalgamation of a banking company: (Section 44 A of BR Act, 1949)</i></p> <p>Subject to the provisions of The State Bank of India Act (Subsidiary Banks) Act, 1959 and the Banking Regulation Act, 1949 as amended from time to time</p> <ol style="list-style-type: none"> <li>If the Bank is amalgamated with any other bank before the instrument has been written-down, these instrument will become part of the corresponding categories of regulatory capital of the new bank emerging after the merger.</li> <li>If the Bank is amalgamated with any other bank after the instrument has been written-down permanently, these bonds cannot be written up by the amalgamated entity.</li> </ol>



	<p><i>Scheme of reconstitution or amalgamation of a banking company</i></p> <p>Subject to the provisions of The State Bank of India Act (Subsidiary Banks) Act, 1959 and the Banking Regulation Act, 1949 as amended from time to time:</p> <p>If the relevant authorities decide to reconstitute the Bank or amalgamate the Bank with any other bank under the Section 45 of BR Act, 1949, the Bank will be deemed as non-viable or approaching non-viability and both the pre-specified trigger and the trigger at the point of non-viability for write-down of AT1/AT2 instruments will be activated. Accordingly, the Bonds may be written-down permanently before amalgamation / reconstitution in accordance with these rules.</p>
Order of claim of Tier 2 instruments	<p>The order of claim of various types of Regulatory capital instruments issued by the Bank and that may be issued in future shall be as under:</p> <p>Tier 2 instruments shall be superior to the claims of investors in instruments eligible for inclusion in Tier 1 Capital and subordinate to the claims of all depositors and general Creditors of the Bank. Tier 2 debt instruments will rank paripassu without preference amongst themselves and other debt instruments irrespective of the date of issue classifying as Tier 2 Capital in terms of Basel III Guidelines. Unless the terms of any subsequent issuance of bonds/debentures by the Bank specifies that the claims of such subsequent bond holders are senior or subordinate to the Bonds issued under this Information Memorandum or unless the RBI specifies otherwise in its guidelines, the claims of the Bond holders shall be paripassu with claims of holders of such subsequent debentures/bond issuances; and shall be on pari-passu ranking with holders of other Tier 2 instruments issued by the Bank.</p> <p>However, the claims of the Bondholders shall be subject to the provisions of Loss Absorbency and Other Events mentioned above.</p>
Governing Law and Jurisdiction	<p>The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of courts of Mumbai, Maharashtra</p>

Note: The Bank reserves its sole and absolute right to modify (pre -pone/ postpone) the above issue schedule without giving any reasons or prior notice. The Bank also reserves its sole and absolute right to change the deemed date of allotment of the above issue without giving any reasons or prior notice. Consequent to change in Deemed Date of Allotment, the Coupon Payment Dates and/or Redemption Date may also be changed at the sole and absolute discretion of the Issuer. The Bank reserves the right to close the Issue earlier than the stipulated issue closing date and it is further clarified that the Bank need not wait for any minimum subscription amount to the Bonds before closing the Issue.

In case of delay in listing of the Bonds beyond 20 days from the Deemed Date of Allotment, the Issuer will pay penal interest of at least 1% p.a. over the coupon rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of the Bonds to the investor.

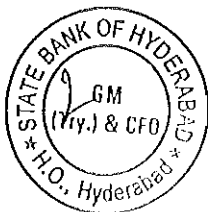


**b. Cash Flow Illustration:**

Name of the Company	State Bank of Hyderabad
Face Value	10,00,000
Deemed Date of Allotment	08.02.2016
Redemption Date	08.02.2026
Coupon Rate	8.45% p.a.
Frequency of Interest Payment	31 <sup>st</sup> March every year till redemption of Bonds
First Interest Payment Date	31 <sup>st</sup> March 2016
Day Count Convention	Actual/Actual

Cash Flow	Day, Date	No. of Days in Coupon Period	Amount (in Rupees)
Interest	31.03.2016	53	12,270
Interest	31.03.2017	365	84,500
Interest	31.03.2018	365	84,500
Interest	31.03.2019	365	84,500
Interest	31.03.2020	366	84,500
Interest	31.03.2021	365	84,500
Interest	31.03.2022	365	84,500
Interest	31.03.2023	365	84,500
Interest	31.03.2024	366	84,500
Interest	31.03.2025	365	84,500
Interest	08.02.2026	313	72,230
Principal			10,00,000

Note: The above example is for illustration only and does not take into account the effect of holidays announced as well as the impact of the loss absorption features mentioned in the Term Sheet. The actual payment of interest shall be made as per the terms mentioned in the Information Memorandum.



**C. DECLARATION**

The Issuer undertakes that this Disclosure Document contains full disclosures in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended from time to time.

The Issuer also confirms that to the best of its knowledge and beliefs this Disclosure Document does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Disclosure Document also does not contain any false or misleading statement.

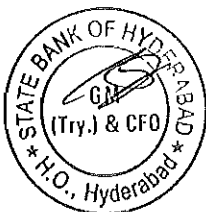
The Issuer accepts no responsibility for the statement made otherwise than in the Disclosure Document or in any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information would be doing so at his own risk.

Signed pursuant to internal authority granted;

**For State Bank of Hyderabad**



Authorized Signatory  
Place: Hyderabad  
Date: 25.01.2016





**STATE BANK OF HYDERABAD**
**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED 30.09.2015**

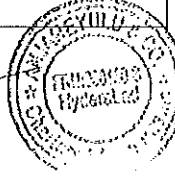
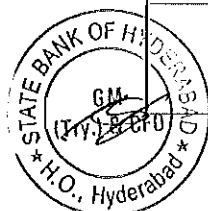
(₹ In Crore)

Sl. No.	PARTICULARS	For the Quarters Ended			For the half year ended		Previous accounting year ended
		30.09.2015 (Reviewed)	30.06.2015 (Reviewed)	30.09.2014 (Reviewed)	30.09.2015 (Reviewed)	30.09.2014 (Reviewed)	31.03.2015 (Audited)
1	2	3	4	5	6	7	8
1.	INTEREST EARNED (a+b+c+d)	3,616.80	3,551.82	3,451.27	7,168.42	6,740.25	13,823.76
a.	Interest and discount on Advances/bills	2,822.29	2,791.49	2,757.23	5,613.78	5,345.19	10,959.24
b.	Income on Investments	738.64	692.20	622.92	1,430.84	1,287.83	2,651.15
c.	Interest on balances with RBI and Other Inter bank funds	17.60	22.00	28.01	39.60	62.68	92.19
d.	Others	38.27	46.93	43.11	84.20	54.65	121.18
2.	OTHER INCOME	328.68	278.38	223.97	607.04	462.61	1,325.06
3.	TOTAL INCOME (1+2)	3,945.48	3,829.98	3,675.24	7,775.46	7,202.86	15,148.82
4.	INTEREST EXPENDED	2,480.74	2,444.28	2,357.10	4,934.00	4,647.62	9,431.15
5.	OPERATING EXPENSES	647.86	672.55	629.78	1,320.41	1,296.46	2,804.01
i.	Employee Cost	346.25	398.95	383.15	744.20	831.04	1,745.89
ii.	Other operating expenses	302.61	273.60	246.63	576.21	465.42	1,058.12
6.	TOTAL EXPENDITURE (4+5) (Excluding Provisions and Contingencies)	3,127.60	3,116.83	2,986.88	6,254.41	5,943.08	12,235.18
7.	OPERATING PROFIT/LOSS (3-6) (Profit before provisions & contingencies)	817.88	713.17	688.36	1,521.05	1,259.78	2,913.66
8.	Provisions (Other than tax) and Contingencies	242.70	300.00	312.06	552.69	536.05	947.20
	Of which provisions for NPAs	310.63	294.47	210.00	606.00	410.20	668.88
9.	Exceptional Items	NIL	NIL	NIL	NIL	NIL	NIL
10.	Profit / Loss from ordinary activities before tax (7-8-9)	565.18	403.18	376.31	968.36	723.73	1,966.46
11.	Tax Expenses	189.87	151.73	65.89	341.60	185.00	649.33
12.	Net Profit/Loss from ordinary activities after tax (10-11)	375.31	251.45	310.42	626.76	538.73	1,317.13
13.	Extraordinary Items (net of tax expenses)	NIL	NIL	NIL	NIL	NIL	NIL
14.	Net Profit / Loss for the period (12-13)	375.31	251.45	310.42	626.76	538.73	1,317.13
15.	PAID - UP EQUITY SHARE CAPITAL	20.75	20.75	20.75	20.75	20.75	20.75
16.	RESERVES EXCLUDING REVALUATION RESERVES (as per balance sheet of previous accounting year)						0,676.81
17.	ANALYTICAL RATIOS						
(i)	Percentage of shares held by Govt	NIL	NIL	NIL	NIL	NIL	NIL
(ii)	Capital Adequacy Ratio						
a.	Basel II	11.80%	11.80%	11.78%	11.80%	11.78%	12.00%
b.	Basel III	11.11%	11.11%	11.20%	11.11%	11.20%	11.26%
(iii)	Liquidity Coverage ratio	109.96%	97.94%		109.96%		170.71%
(iv)	Earning per share (in ₹) ("") (not annualised)	1,808.72	1,211.81	1,406.48	3,020.53	2,591.47	6,347.61
a)	Basic & Diluted EPS before extraordinary items	NIL	NIL	NIL	NIL	NIL	NIL
b)	Basic & Diluted EPS after extraordinary items	NIL	NIL	NIL	NIL	NIL	NIL
(v)	(a) Gross NPA	5,167.80	5,482.39	5,854.20	5,167.80	5,854.20	4,984.77
(b)	Net NPA	2,422.12	2,635.08	2,723.77	2,422.12	2,723.77	2,348.51
(c)	% of Gross NPAs to Gross Advances	4.02%	5.14%	5.73%	4.02%	5.73%	4.59%
(d)	% of Net NPA to Net Advances	2.30%	2.58%	2.87%	2.30%	2.87%	2.24%
(e)	Return on Assets (annualised)	0.77%	0.82%	0.72%	0.77%	0.72%	0.89%

("") Figures reported for the period are not annualised.

**Notes:**

- The above financial results have been subjected to limited review by the Statutory Central Auditors of the Bank and approved by the Board of Directors in their meeting held on 28th October 2015.
- The financial results for the quarter / half year ended 30th September 2015 have been arrived at after considering provisions for non-performing assets, standard assets, diminution in fair value of advances in respect of restructured accounts and other usual and necessary provisions and depreciation on investments as per prudential norms issued by RBI. Provision for gratuity, pension, leave encashment, depreciation on fixed assets, income tax and deferred tax have been made on estimated basis, which are subject to adjustment at the year end.
- There is no material change in the Accounting Policies adopted by the Bank during the quarter / half year ended 30th September 2015 as compared to those followed in the annual financial statements for the year ended 31st March 2015.
- The reconciliation of various accounts relating to inter-branch and inter-bank transactions including frozen accounts, National and Local Clearing etc., is an ongoing process and is under progress. The impact of the above, if any, on the financial results for the quarter / half year ended 30th September 2015 cannot be quantified but is not likely to be material on the operating results of this period.



5	In terms of RBI Circular No.DBOD.No.BP.BC.86/21.06.200/2013-14 dated 15.01.2014, the Bank has worked out provision of ₹ 19.84 crore (previous quarter ₹18.88 crore) towards Unhedged Foreign Currency Exposures for the quarter / half year ended 30th September 2015 on the basis of Information provided by the constituents and accepted by the auditors. The additional provision made for the quarter ended 30th September 2016 is ₹98.00 lakh.
6	In terms of RBI Circular No.DBOD.BP.BC.2/21.06.201/2013-14 dated 01.07.2013 Banks are required to make Pillar 3 and Liquidity Coverage Ratio disclosures under Basel III Capital Regulations. The disclosures are being made available on the Bank's website www.sbiyd.com and have not been subjected to review by the auditors.
7	The PCR as on 30th September 2015 is 62.31%.
8	During the quarter ended 30th September 2015 Bank has sold non-performing assets / Investments of the book value of ₹436.64 crore (₹560.44 crore for the half year ended on that date) to Asset Reconstruction Companies resulting in reduction of NPAs by the same amount. The deficit of ₹368.70 crore up to 30th September 2015 (₹130.20 crore for the half year ended on that date) is being written off in eight quarters in equal proportions from the quarter in which the assets have been sold. The amount written off for the FY 2014-15 was ₹42.00 crore and the amount written off for the quarter ended 30th September 2015 is ₹46.84 crore (₹75.53 crore for the half year ended on that date) and the balance of ₹249.09 crore is carried forward to be written off in terms of RBI Circular No.DBOD.No.BP.BC.9/21.04.040/2014-15 dated 01.07.2014 and Circular No.DBR.No.BP.BC.94/21.04.040/2014-15 dated 21.05.2015.
9	For the quarter ended 30th September 2015 the Bank has created deferred tax liability of ₹0.60 crore (₹20.01 crore for the half year ended on that date) on Special Reserve under Section 30(1) (viii) of the Income Tax Act, 1961 pursuant to RBI Circular DBOD.No.BP.BC.77/21.04.010/2013-14 dated 20th December 2013.
10	As on 30th September 2015, the Bank has restructured advances amounting to ₹6024.27 crore which have been classified as standard assets. A provision of ₹288.60 crore is held for such assets. Accounts being restructured from 1st April 2015 are to be treated as NPAs and provided for as per IRAC norms. This change has no material effect on the results of quarter / half year ended 30th September 2015.
11	Upto 31st March 2015 the Bank had made a provision of ₹381.07 crore for revised wages from 01st November 2012 to the employees. After settlement of arrears of Salary / Wages, the remaining surplus in provision account amounting to ₹124.74 crore has been credited to 'Employee Costs'.
12	The Bank has no direct exposure to the coal blocks / mines cancelled by the Hon'ble Supreme Court of India. However, the impact, if any, of such cancellation on the valuation of security, penalty imposed and consequent liability of the projects financed by the Bank dependant on such coal blocks / mines, being unascertainable at this stage has not been considered.
13	Figures of the corresponding / previous period / year have been regrouped / rearranged / re-classified wherever necessary to conform to current period's classification.

(SANTANU MUKHERJEE)  
MANAGING DIRECTOR

PLACE: Hyderabad  
DATE: 28.10.2015

for M/s Khanna & Annadhanam  
Chartered Accountants  
Firm Regn No.001297N

(K.A. Balasubramanian)  
Partner  
Mem No.017415



for M/s Sharma Gool & Co., LLP  
Chartered Accountants  
Firm Regn No.000643N

(Amar Nath Mittal)  
Partner  
Mem No.017756



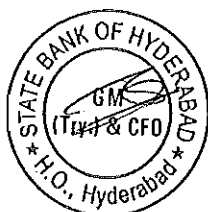
for M/s SRI Associates  
Chartered Accountants  
Firm Regn No.305109E

(Debasish Ghosh)  
Partner  
Mem No.051089



for M/s Anjanoyulu & Co.,  
Chartered Accountants  
Firm Regn No.000160S

(D V Anjanoyulu)  
Partner  
Mem No.021038

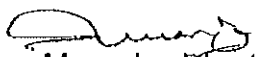


State Bank of Hyderabad  
Finance & Accounts Dept.,  
Head Office, Hyderabad


### Summarised Balance Sheet

(Rs., in Crores)

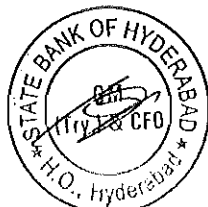
Liabilities	As at 30.9.2015 Not Reviewed	As at 30.9.2014 Not Reviewed
Capital	20.75	20.75
Reserves and Surplus	10202.56	8886.4
Deposits	128607.02	118860.48
Borrowings	6533.39	8476.39
Other Liabilities and Provisions	8738.73	6783.86
<b>Total</b>	<b>154102.45</b>	<b>143027.88</b>
<b>Assets</b>		
Cash and Balances with Reserve Bank of India	6003.23	5692.99
Balances with Banks and Money at Call and Short Notice	542.77	2617.88
Investments	38122.36	34306.85
Advances	101460.38	94835.95
Fixed Assets	710.47	623.31
Other Assets	7263.24	4950.9
<b>Total</b>	<b>154102.45</b>	<b>143027.88</b>

  
Managing Director

Date : 28 OCT 2015



Statutory Central Auditor





CARE/HRO/RL/2015-16/1472

The Deputy General Manager  
Finance and Accounts,  
State Bank of Hyderabad,  
Head Office, Gunfoundry  
Hyderabad - 500001

January 22, 2016

Confidential

Dear Sir,

Credit rating for proposed Long Term Tier-II Bonds under Basel III

Please refer to our letter dated December 17, 2015 and your request for revalidation of the rating assigned to the proposed Long Term Tier-II Bonds under Basel III of State Bank of Hyderabad, for a limit of Rs1,500 crore.

2. Our Rating Committee has reviewed the following rating:

Instrument	Amount (Rs. crore)	Rating <sup>1</sup>	Remarks
Proposed Long Term Tier-II Bonds under Basel III	1,500 (Rs. One Thousand Five Hundred only)	CARE AAA (Triple A)	Reaffirmed

- Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter.
- Please inform us the details of issue [date of issue, name of investor, amount issued; interest rate, date of maturity, etc.] as soon as it has been placed.
- CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
- CARE reserves the right to suspend / withdraw / revise the rating assigned on the basis of new information or in the event of failure on the part of the company to



<sup>1</sup> Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

Page 1 of 2



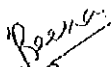
furnish such information, material and clarifications as may be required by CARE.  
CARE shall also be entitled to publicize / disseminate such suspension / withdrawal /  
revision in the assigned rating in any manner considered appropriate by It, without  
any reference to you.

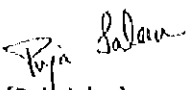
7. Users of this rating may kindly refer our website [www.careratings.com](http://www.careratings.com) for latest  
update on the outstanding rating.
8. CARE ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

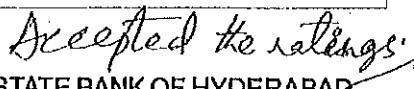
  
{Beena George}  
Deputy Manager  
beena.george@careratings.com

  
{Puja Jalan}  
Manager  
puja.jalan@careratings.com

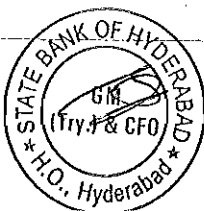
Encl.: As above

**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

  
For STATE BANK OF HYDERABAD

Deputy General Manager



CARE/HRO/RI/2015-16/1366

The Deputy General Manager  
Finance and Accounts,  
State Bank of Hyderabad,  
Head Office, Gunfoundry  
Hyderabad – 500001

శ్రీ వి. జి. దేవినేని  
State Bank of Hyderabad  
Finance and Accounts Dept.

18 DEC 2015

RECEIVED  
STATE BANK OF HYDERABAD  
FINANCE AND ACCOUNTS DEPT.

December 17, 2015

**Confidential**

Dear Sir,

**Credit rating for proposed Long Term Tier-II Bonds under Basel III**

Please refer to your request for rating of proposed long-term Tier-II bonds (Basel III) issue aggregating to Rs. 1,500 crore of State Bank of Hyderabad.

2. The following rating has been assigned by our Rating Committee:

Instrument	Amount (Rs. crore)	Rating <sup>1</sup>	Remarks
Proposed Long Term Tier-II Bonds under Basel III	1,500 (Rs. One Thousand Five Hundred crore only)	CARE AAA (Triple A)	Assigned

- The rationale for the rating will be communicated to you separately.
- Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you (that is December 16, 2015).
- In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
- Please inform us the details of issue (date of issue, name of investor, amount issued, interest rate, date of payment of interest, date and amount of repayment etc.) as soon as the long term bonds have been placed.
- Kindly arrange to submit to us a copy of each of the documents pertaining to the long term bonds issue, including the offer document and the trust deed.

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.





8. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
9. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension/withdrawal/revision in the assigned rating in any manner considered appropriate by it, without reference to you.
10. Users of this rating may kindly refer our website [www.careratings.com](http://www.careratings.com) for latest update on the outstanding rating.
11. CARE ratings are not recommendations to buy, sell or hold any securities.

If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,

Yours faithfully,

  
[Gowri Nayak]  
Manager  
Gowri.nayak@careratings.com  
Encl.: As above

  
[Vidhyasagar L]  
Assistant General Manager  
Vidhya.sagar@careratings.com

**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

*The rating 'CARE AAA' given by you is acceptable to us.*

Page 2 of 2

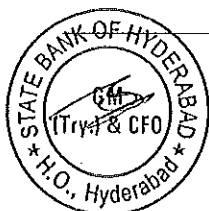
*For State Bank of Hyderabad*

CREDIT ANALYSIS & RESEARCH LTD.

401, Ashoka Sclintilla, 3-6-520, Himayat Nagar, Hyderabad 500 029.

Tel: +91-040-4010 2030, 6900 0500-522 | Fax: +91-040-4002 0131 | Email: care@careratings.com | www.careratings.com

CIN: U67190MH1999PLC071671



December 30, 2015

## CARE ASSIGNS 'CARE AAA' TO THE PROPOSED TIER II BONDS (BASEL III) OF STATE BANK OF HYDERABAD

### Ratings

Instruments	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Proposed Tier – II Bonds (Basel III)	1,500	CARE AAA [Triple A]	Assigned
<b>Total</b>	<b>1,500</b> <b>(Rupees One Thousand Five Hundred crore only)</b>		

Tier II Bonds under Basel III are characterised by a 'Point of Non-Viability' (PONV) trigger due to which the Investor may suffer a loss of principal. PONV will be determined by the Reserve Bank of India (RBI) and is a point at which the bank may no longer remain a going concern on its own unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. In addition, the difficulties faced by a bank should be such that these are likely to result in financial losses and raising the Common Equity Tier I capital of the bank should be considered as the most appropriate way to prevent the bank from turning non-viable. In CARE's opinion, the parameters considered to assess whether a bank will reach the PONV are similar to the parameters considered to assess rating of Tier II instruments even under Basel II. CARE has rated the Tier II bonds under Basel III after factoring in the additional feature of PONV.

### Rating Rationale

The rating takes into consideration capital support and 100% ownership of State Bank of Hyderabad (SBH) by State Bank of India (SBI), (rated CARE AAA) comfortable capitalization level, moderate growth in deposits and advances, improvement in CASA proportion, moderate asset quality and an improvement in profitability.

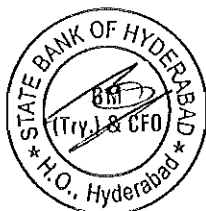
Continued ownership and support from SBI, asset quality, capital adequacy and profitability are the key rating sensitivities.

### Background

State Bank of Hyderabad (SBH) was incorporated on August 8, 1941, under the Hyderabad State Bank Act, 1941. SBH became a subsidiary of the State Bank of India on October 1, 1959 and is now the largest associate bank (based on the number of branches and volume of business) of the State Bank of India. SBH is a wholly-owned subsidiary of the State Bank of India (SBI). SBH had 1,821 branches as of March 31, 2015. The bank is operating entirely on Core Banking Platform since 2005.

In FY15, the bank registered a growth of 9.8% and 8.9% in net advances and deposits, respectively. During the same period, the bank's total income grew by 4.84% to Rs.15,148.82 crore. The PAT increased by 29.2% in FY15 to Rs. 1317.14 crore with moderate growth in net interest income and lower provisioning for NPAs. Gross NPA% and Net NPA% reduced to 4.59% and 2.24% as on March 31, 2015 from 5.89% and 3.12% respectively as on March 31, 2014, while reported Provision Coverage stood at 61.00% as on March 31, 2015. The Bank reported a Capital Adequacy Ratio of 11.26% (Tier I – 9.18%) as on March 31, 2015 under Basel III guidelines.

<sup>1</sup> Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications



During H1FY16, the bank's deposits and advances grew by 8.2% and 7.0% y-o-y, respectively. During H1FY16, the bank's total income grew by 8.0% to Rs. 7,775 crore while net profit increased by 16.6% to Rs. 627 crore. The Gross NPA ratio and Net NPA ratio stood at 4.92% and 2.39%, respectively, as on September 30, 2015. State bank of Hyderabad reported a Capital Adequacy Ratio of 11.11% under Basel III as on September 30, 2015.

**Analyst Contact**

Name: Mr. Vidhyasagar L

Tel: 040 – 69000517

Cell: + 91 88018 80184

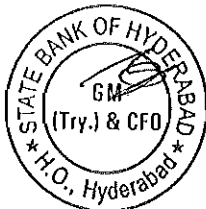
Email: vidhya.sagar@careratings.com

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**

*CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.*

**Disclaimer:** CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.





# ICRA Limited

Confidential

Ref: ICRA/HYD/SBH/RVL-1/2015-16/2101

January 21, 2016

Mr. Santanu Mukherjee  
Managing Director  
State Bank of Hyderabad  
Head Office, Gunfoundry  
Hyderabad – 500 001


Re: ICRA Credit Rating of the Rs.1,500 crore Basel III compliant Tier II bonds of State Bank of Hyderabad

This is with reference to your request dated January 21, 2016 for re-validating your rating for the aforementioned bonds programme of Rs 1,500 crore.


We hereby confirm that the rating of "[ICRA]AAA(hyb)" (pronounced ICRA triple A hybrid) with Stable outlook assigned to the Basel III compliant Tier II bonds of Rs.1,500 crore of your bank and last communicated to you vide our letter dated December 16, 2015 stands. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. The letters "hyb" in parenthesis suffixed to a rating symbol stand for "hybrid", indicating that the rated instrument is a hybrid subordinated instrument with equity-like loss-absorption features; such features may translate into higher levels of rating transition and loss-severity vis-à-vis conventional debt instruments.

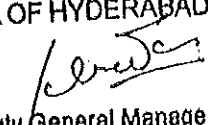
The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref No: ICRA/HYD/SBH-277/2015-16/1612B dated December 16, 2015.

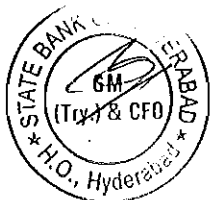
With kind regards,  
For ICRA Limited

  
[Rajeshwar Birla]  
Asst. Vice President



  
[Vinay Kumar G]  
Senior Analyst

*Accepted the rating.*  
For STATE BANK OF HYDERABAD  
  
Deputy General Manager



4A, 4th Floor, SHOBHAN  
6-3-927/A&B, Rajbhavan Road  
Somajiguda, Hyderabad-500 002

Tel. : +(91-40) 40676500  
Fax : +(91-40) 40676510  
CIN : L74990DL1991PLC042740

website : www.icra.in  
email : info@icraindia.com

Regd. Office : 1105 Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi - 110001

R A T I N G • R E S E A R C H • I N F O R M A T I O N





8/12/15  
S.B.H. M.D.'s Dept.  
Inward No. 10/13629  
M.D. 18 DEC 2015  
C.S.M. (RJ) C.G.A. (CI) C.M. (S/AG)

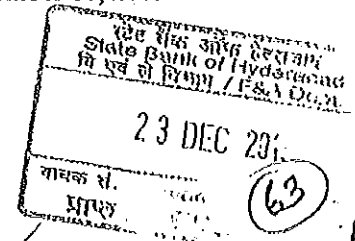
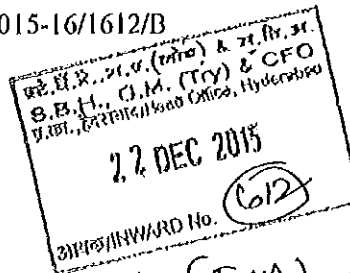
CONFIDENTIAL

ICRA Limited

Ref: ICRA/HYD/SBH-277/2015-16/1612/B

December 16, 2015

Mr. Santanu Mukherjee  
Managing Director  
State Bank of Hyderabad  
Head Office, Gunfoundry  
Hyderabad - 500 001



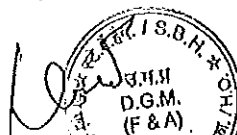
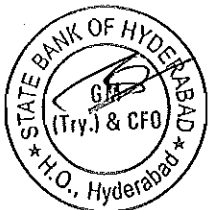
Dear Sir,

Re: ICRA Credit Rating for the Basel III compliant Tier II bonds of Rs.1500 crore of State Bank of Hyderabad

Please refer to your Rating requisition and Rating Agreement of December 15, 2015 for carrying out the rating of the captioned bond programme. The Rating Committee of ICRA, after due consideration, has assigned the "[ICRA]AAA(hyb)" (pronounced ICRA triple A hybrid) rating with Stable Outlook to the captioned bond programme. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. The letters "hyb" in parenthesis suffixed to a rating symbol stand for "hybrid", indicating that the rated instrument is a hybrid subordinated instrument with equity-like loss-absorption features; such features may translate into higher levels of rating transition and loss-severity vis-à-vis conventional debt instruments.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as "[ICRA]AAA(hyb)" with Stable outlook. We would appreciate if you can sign on the duplicate copy of this letter and send it to us within 7 days from the date of this letter as a token of your acceptance and use of the assigned rating. The rationale for assigning the above rating will be sent to you on receipt of your confirmation about the use of our rating, as above. Any intimation by you about the above rating to any Banker/Lending Agency/Government Authorities/Stock Exchange would constitute use of this rating by you.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and confirmed to use by you, it would be subject to our review and may result in change in the rating assigned.



4A, 4th Floor, SHOBHAN  
6-3-927/A&B, Rajbhavan Road  
Somajiguda, Hyderabad-600 082

Tel.: +(91-40) 40676500  
Fax: +(91-40) 40676510  
CIN: L74999DL1991PLC042749

website: www.icra.in  
email: info@icraindia.com

Regd. Office: 1105 Kallash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi - 110001

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ICRA reserves the right to suspend, withdraw or revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds to be issued by you. If the instrument rated, as above, is not issued by you within a period of 3 months from the date of this letter communicating the rating, the same would stand withdrawn unless revalidated before the expiry of 3 months.

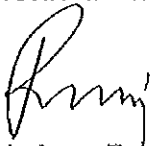
You are required to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing. You are also required to keep us forthwith informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s).

You are required to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority (ies) is exceeded.

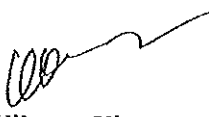
We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

With kind regards,


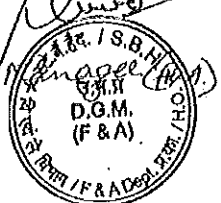
Yours sincerely,  
for ICRA Limited

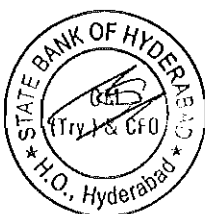
  
[Rajeshwar Burla]  
Assistant Vice President



  
[Vikram V]  
Senior Analyst

*The rating [ICRA AAA Chyb] given by you is acceptable to us.*

*For State Bank of Hyderabad*  
*Deputy General Manager*  
  








ICRA

## State Bank of Hyderabad

Instrument	Amount (Rs. crore)	Rating Action
BASEL III Compliant Tier II Bonds Programme	1500	[ICRA]AAA (hyb) (stable); assigned

ICRA has assigned the [ICRA]AAA (hyb) (pronounced ICRA triple A hybrid) rating with Stable outlook to the Rs.1500 crore Tier II Bonds Programme of State Bank of Hyderabad (SBH/"the bank"). The letters "hyb" in parenthesis suffixed to a rating symbol stand for "hybrid", indicating that the rated instrument is a hybrid subordinated instrument with equity-like loss-absorption features; such features may translate into higher levels of rating transition and loss-severity vis-à-vis conventional debt instruments. The rated Tier 2 bonds are expected to absorb losses once "Point of Non Viability" (PONV) trigger is invoked. ICRA also has a rating outstanding of [ICRA]AAA (hyb) to the Rs.393 crore Tier II Bonds, a rating of [ICRA]AAA (pronounced ICRA triple A) to the Rs. 1400 crore Lower Tier II bonds, a rating of MAAA (pronounced ICRA triple A) to the term deposit programme and a rating of [ICRA]A1+ (pronounced ICRA A one plus) to the Rs. 15,000 crore Certificate of deposit (CD) programme of SBH. The long term ratings have a 'Stable' outlook

The highest credit quality ratings of SBH continue to draw strength from its SBI parentage\* and the advantages it enjoys on account of operational and management synergies with its parent. The ratings factor in the banks established franchise in Telangana and Andhra Pradesh, which enables access to low cost CASA deposits (31.96% in Sep-15) and access to fee-based income from Government of Telangana (GoT) transactions. SBH's strong franchise, backed by the 'SBI' brand is likely to ensure adequate growth in the credit and deposits of the bank. ICRA has noted the deterioration in SBH asset quality profile over the past couple of years (Gross NPA% plus 35% of standard restructured advances plus Security receipts increased to 7.9% as on December 2015 against 4.6% in March 2013). It would be critical for SBH to improve its asset quality profile. As for capitalization, SBH's capitalisation profile remains adequate (Tier I capital at 9.17% and CRAR at 11.11%). However SBH would be dependent on SBI for fresh capital raising for meeting higher capital requirements under Basel III norms as well as for business growth. Nevertheless, SBH's relatively better internal capital generation (SBH's return on net worth was 12.65% during H1 FY16) lowers its external CET requirement during FY15-FY19 to around 20-30% of its net worth as on March 2015.

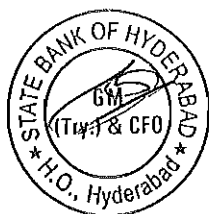
SBH reported a credit growth of 7% in FY2015 and a marginal dip of 3% in H1 FY2016 to Rs.1,01,460 crore as the bank adopted a cautious lending approach in a challenging operating environment. As on September 30, 2015 SBH's gross NPA% was 5.0%, and declined from 5.9% in March 2014 largely on account of sale of NPAs by the bank to Asset Reconstruction Companies (ARCs). ICRA notes a moderation in the NPA generation rate of the bank to 3.3% in FY15 and 2.5% in H1-2016 (against 5.5% in FY14), although these remain relatively high. The weakness in the bank's asset quality largely stems from its exposures in the corporate and SME segments, where gross NPA% as on September 30, 2015 was 7.1% and 7.7% respectively. SBH's standard restructured advances stood at about 6.55% in September 30, 2015 is however lower than the public sector bank average. Going forward would be important for SBH to control its NPA generation rate and recover from standard restructured advances. SBH's net NPA declined to 2.39% in September 2015 from 3.12% in March 2014 as a result its solvency ratio (net NPA to net worth) improved to a moderate 24% in September 2015 from 35.7% in March 2014. SBH has healthy deposits profile with good proportion of low cost deposits or CASA<sup>†</sup> (32% of total deposits as of September 2015).

SBH has reported adequate profitability profile vs. peers (PAT/ATA<sup>‡</sup> of 0.81% during H1-FY16 against 0.89% in FY15) on the back of adequate NIMs (2.90% in H1-FY16) and low operating expenses (1.71% in H1-FY-16). SBH's NIMs are supported by healthy share of CASA deposits and consequent low cost of funds. In ICRA's view, over the medium-term earnings of the bank would be contingent

\* SBI has 100% equity stake in SBH

<sup>†</sup> Current Account and Savings Account-

<sup>‡</sup> Profit after Tax / Average Total Assets





ICRA

upon its ability to maintain NIMs as well as asset quality profile. SBH's liquidity profile is comfortable supported by healthy deposits profile. ICRA expects the bank to maintain an adequate liquidity profile on the back of its strong parentage and the franchise imparting a stable deposit base.

#### Bank Profile

State Bank of Hyderabad was constituted as Hyderabad State Bank on August 1941 under Hyderabad State Bank Act, 1941. The first branch of the Bank was opened at Gunfoundry, Hyderabad on 5th April, 1942. In 1953, the Bank took over the assets and liabilities of the Hyderabad Mercantile Bank Ltd. In the same year, the Bank started conducting Government and Treasury business as agent of Reserve Bank of India. In 1956, the Bank was taken over by Reserve Bank of India as its first subsidiary and its name was changed from Hyderabad State Bank to State Bank of Hyderabad. The Bank became a subsidiary of the State Bank of India (SBI) on the 1st October 1959 and is the largest subsidiary in terms of balance sheet size as on September 30, 2015. SBH, a 100% subsidiary of SBI, has a strong branch penetration in Telangana and Andhra Pradesh. During the financial year ended March 31, 2015 SBH reported a reported net profit of Rs 1318 crore on an asset base of Rs. 1,54,503 crore compared to a profit of Rs. 1,020 crore on an asset base of Rs. 1,41,489 crore in the previous financial year. During the six month period ended September 30, 2015 the bank reported a profit of Rs. 627 crore against a profit of Rs. 538 crore during the corresponding period in the previous financial year.

December 2015

For further details please contact:

#### Analyst Contacts:

**Ms. Vibha Batra**, (Tel. No. +91-124-4545 302)  
vibha@icraindia.com

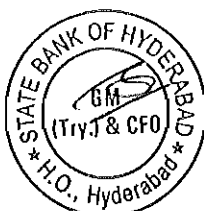
#### Relationship Contacts:

**Mr. Jayanta Chatterjee** (Tel. No. +91-80-43326401)  
jayantac@icraindia.com

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**IDBI Trusteeship Services Ltd**

CIN : U65991MH2001GOI131154



No. 6060/ITSL/OPR/ CL/15-16/WT/939  
January 21, 2016

P Mohandas  
Deputy General Manager  
State Bank of Hyderabad  
P&A Deptt., Head Office,  
5th Floor, Gunfoundry,  
Hyderabad - 500 001

Dear Sir,

Bond Trustee for the Unsecured Redeemable Non-Convertible Basel III compliant Tier II  
Subordinated Debt Bonds of Rs.200 crore.

This is with reference to the e-mail dated 15.12.2015 from your Bank on appointment of IDBI Trusteeship Services Limited (ITSL) as Bond Trustee for Unsecured Redeemable Non-Convertible Basel III compliant Tier II Subordinated Debt Bonds of Rs.200 crore.

It would indeed be our pleasure to be associated with your esteemed organization as Bond Trustee

In this connection, we confirm our acceptance to act as Debenture Trustee for the same, subject to the Bank agreeing the conditions as set out in Annexure - A.

We are also agreeable for inclusion of our name as trustees in the Bank's offer document / disclosure document / listing application / any other document to be filed with SEBI / the Stock Exchange(s) or any other authority as required.

State Bank of Hyderabad shall enter into Debenture Trustee Agreement for the said issue of the NCDs.

Thanking you,

*Accepted*

Yours faithfully,  
For IDBI Trusteeship Services Limited

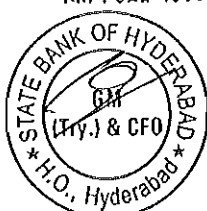
For STATE BANK OF HYDERABAD

Ajit Gurrali  
Vice President

*[Signature]*  
Deputy General Manager

64

Regd. Office : Aslan Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001. .  
Tel. : 022-4080 7000 • Fax : 022-6631 1776 • Email : itsl@idbitrustee.com • response@idbitrustee.com  
Website : www.idbitrustee.com



**IDBI Trusteeship Services Ltd**

CIN : U65991MH2001GO1131154



No. 6060/ITSL/OPR/ CL/15-16/WT/939  
January 21, 2016

P Mohandas  
Deputy General Manager  
State Bank of Hyderabad  
P&A Dept., Head Office,  
5th Floor, Gunfoundry,  
Hyderabad - 500 001

Dear Sir,

**Bond Trustee for the Unsecured Redeemable Non-Convertible Basel III compliant Tier II Subordinated Debt Bonds of Rs.200 crore,**

This is with reference to the e-mail dated 15.12.2015 from your Bank on appointment of IDBI Trusteeship Services Limited (ITSL) as Bond Trustee for Unsecured Redeemable Non-Convertible Basel III compliant Tier II Subordinated Debt Bonds of Rs.200 crore.

It would indeed be our pleasure to be associated with your esteemed organization as Bond Trustee on trusteeship remuneration as under.

Acceptance fees: Rs.40,000 (plus applicable taxes) onetime payment payable upfront;  
Service charges: Rs. 40,000/- p.a. (plus applicable taxes).  
First such payment would become payable immediately for pro-rata period from issue opening date till 31.03.2016; there after service charges are payable on annual basis in advance on 1st April each year till full redemption.

Out of Pocket Expenses: To be claimed on actual basis.

Any enforcement consequent to Event of Default would attract separate fees.

In case the payment of above fees is not received within a period of 30 days from the date of invoice, ITSL reserves the right to charge "delayed payment charges" @ 12% p.a. on the outstanding amount till the date of actual payment.

IN THIS CONNECTION, we confirm our acceptance to act as Debenture Trustee for the same, subject to the Bank agreeing the conditions as set out in Annexure - A.

Requesting your acceptance to the above by signing at the space provided below.

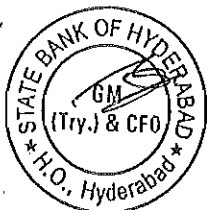
Looking forward to a fruitful association with your organization and assuring you of our best services at all times.

Yours faithfully,  
For IDBI Trusteeship Services Limited

Ajit Gurup  
Vice President

State Bank of Hyderabad

Authorised Signatory



Regd. Office : Asian Building, Ground Floor, 17, R. Kaman Marg, Ballard Estate, Mumbai - 400 001.  
Tel. : 022-4080 7000 • Fax : 022-6631 1776 • Email : itsl@idbitrustee.com • response@idbitrustee.com  
Website : www.idbitrustee.com



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Annexure A

1. The Bank agrees & undertakes to pay to the Debenture Trustees so long as they hold the office of the Debenture Trustee, remuneration as stated above for their services as Debenture Trustee in addition to all legal, travelling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other Documents affecting the Security till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with.

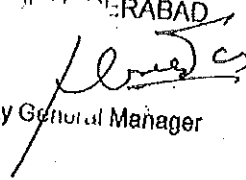
2. The Bank agrees & undertakes to comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, read with SEBI (Issue & Listing of Debt securities) (Amendment) Regulation, 2012, read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Circular No. SEBI/IMD/DOF-1/Bond/2009/11/05 dated 11/05/2009 on Simplified Listing Agreement for Debt Securities read with the SEBI Circular No. SEBI/IMD/DOF-1/BOND/Cir-5/2009 dated the 26th November, 2009 and other applicable provisions as amended from time to time and agrees to furnish to Trustees such information in terms of the same on regular basis.

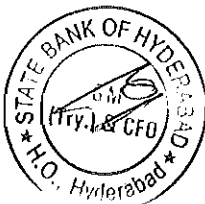
For IDBI Trusteeship Services Limited

  
Ajit Gauri  
Vice President

*Accepted*

For STATE BANK OF HYDERABAD

  
Deputy General Manager





January 21, 2016

The Deputy General Manager  
Finance & Accounts Dept.,  
State Bank of Hyderabad  
Head Office : Hyderabad  
V floor, HY BANK Towers  
Abids, Gunfoundry  
Hyderabad

Sub: Consent to act as Registrar to your Issue of Unsecured Redeemable non-convertible Basel III compliant Tier II Subordinated Debt bonds aggregating to Rs 200 Crores by State Bank of Hyderabad.

Dear Sir,

We hereby give our consent to act as Registrar to your Issue of Unsecured Redeemable non-convertible Basel III compliant Tier II Subordinated Debt bonds aggregating to Rs 200 Crores and are agreeable to the Inclusion of our name as "Registrar to Issue" in the Disclosure Documents and/or applications to be made to the Stock Exchange(s) and/or Depositories in this regard.

Thanking you,

For KARVY COMPUTERSHARE PVT. LTD



VARGHESE P.A.,  
ZONAL HEAD - CORPORATE REGISTRY

CC: National Securities Depository Limited  
Trade World-A Wing, Kamala Mills Compound  
Senapati Bapat Marg, Lower Parel,  
Mumbai - 400013

Central Depository Services (India) Limited  
Phiroze Jeejeebhoy Towers,  
16<sup>th</sup> Floor, Dalal Street,  
Mumbai-400 001

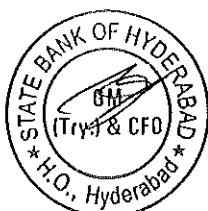


**Karvy ComputerShare Private Limited**

\*Karvy Debonium Tower- B\*, Plot No. 31 & 32, Onchibowli, Financial District, Nanakramguda,  
Banjara Hills, Hyderabad- 500 032. Ph: +91-40-07162722, 33211000, e-mail: support@karvy.com

Registered Office: Karvy House, 46, Avenue 4, Block No. 1, Banjara Hills, Hyderabad- 500 034  
T: +91 40 2331 2151/2332 016/0162251 | F: +91 40 2331 1668 | www.karvy.com | karvy@karvy.com | karvy.com

Australia | Bahrain | Canada | Channel Islands | Denmark | Hong Kong | Ireland | Israel | Japan | Kuwait | Lebanon | Malaysia | Mexico | New Zealand | Oman | Pakistan | Philippines | Qatar | Saudi Arabia | Singapore | South Africa | United Arab Emirates | USA



KCPL/SBH/QUOTE/PAV  
January 21, 2016

Deputy General Manager (F&A)  
State Bank of Hyderabad  
Accounts & Services Department  
Head Office,  
Hyderabad - 500 001

Dear Sir,

**Sub : Proposed Issue of Unsecured, Redeemable, Non-Convertible Basel III Compliant, Tier II Subordinated Debt Bonds of Rs.200 Crore.-Appointment of Registrar and Transfer Agent.**

This has reference to your letter No.F/F&A/BS/2015-16/Bonds/573 dated 20.01.2016 with regard to subject matter. We understand that the Bank is planning to appoint Registrar & Transferring Agent for existing and the proposed bond offerings. We hereby offer our services to act as Registrars and Transfer Agents for the same on the terms and conditions set out in the annexure.

Karvy Computershare Private Limited (KCPL) is a 50:50 Joint venture between Karvy Consultants Limited and Computershare Limited. Computershare Limited is a global registrar head quartered in Australia with presence in 19 other countries. They are currently servicing more than 14000 corporate entities and 90 million investors. The registry business earlier handled by Karvy Consultants Limited has been hived off to the new entity. SEBI has since made over the Registration Certificate issued in the name of Karvy Consultants Limited to the above joint venture. The joint venture with Computershare Limited is expected to help adopt international practices in client and investor servicing and absorption of better technology.

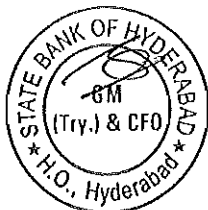
Karvy Consultants Limited (KARVY) has been one of the leading Registrars to Issues and Share Transfer Agents, registered with SEBI. KARVY has, since inception, handled over 800 issues as Registrar to Issue/Offer. The assignments include IPOs through both Book Building and Fixed Price mechanisms. In the process, we had associated and interacted with a large number of professionals, regulatory authorities, and all the major active stock exchanges, other financial sector intermediaries and has become a repository of the most precious thing in business - rich knowledge and experience.

We are presently servicing over 24 million investor accounts spread over 350 corporate clients including banks, PSUs and mutual funds. The Company has a work force of over 3600 experienced personnel drawn from various disciplines.



Karvy Computershare Private Limited  
"Karvy Solanki Tower- B", Plot No. 31 & 32, Oorchilla, Financial District, Hitechampally,  
Bertalingampally, Hyderabad- 600 012. Ph: 191-50 9710222, 33211600, e-mail: support@karvy.com

Registered Office: Karvy Computershare Private Limited, Plot No. 31 & 32, Oorchilla, Financial District, Hitechampally, Bertalingampally, Hyderabad- 600 012. Ph: 191-50 9710222, 33211600, e-mail: support@karvy.com  
Karvy Computershare Private Limited is a 50:50 Joint venture between Karvy Consultants Limited and Computershare Limited. Karvy Consultants Limited is a company registered in India under the Companies Act, 1956. Computershare Limited is a company registered in Australia under the Corporations Act, 2006.



# KARVY

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We have emerged as a market leader in Investor Servicing in the country by offering its services through its network of 592 Branches in 391 cities spread across the country and abroad, undoubtedly the largest in the country. We are poised to set new benchmarks in Investor Servicing by establishing performance standards for Service Delivery and development and enhancement of Service delivery competence through structured and custom built training and development initiatives.

In its quest for quality and excellence in Investor Servicing, KARVY has been conferred the prestigious ISO 9002 certificate by DNV for all its business divisions-the first Registrar in the country to receive this coveted recognition. Our association with prominent international players has highlighted the importance of service performance and has led to quantitative measurement and monitoring of Service delivery.

KARVY group of companies are actively engaged in a number of financial services including, but not limited to, Registrars and Transfer Agent Services, Distribution of Financial Products, Mutual Fund Servicing, Merchant Banking, Depository Participant Services and Stock Broking, - in short a one-stop for all the financial services needs of the investors and corporates. We have consciously chosen to be in these activities as all them are investor centric, apart from being inter related and thus could pave way for comprehensive cost effective services. In a short span of time we have been able to register significant growth in each of the above activities. We have been consistently ranked No. 1 Share Transfer Agent in the country for more than a decade in a row.

Karvy has also established connectivity with National Securities Depository Ltd. and Central Depository Services Ltd for providing depository services to the issuer.

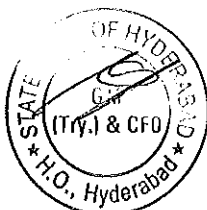
Currently, we are the registrars for the bonds issued by the Government, Semi Government and Private Sector entities, including,

- A P Road Development Corp.
- A P Infrastructure Dev. Corp.
- Bank of Baroda
- National Housing Bank
- Syndicate Bank
- Union Bank of India
- IDBI Flexi Bonds - 2, 3, 4, 5, 7
- State Bank of Bikaner and Jaipur
- A P Power Finance Corp. Ltd.
- A P State Electricity Board
- National Capital Regional Plg. Board
- WB Infrastructure Bonds
- UTI Bank Ltd.
- UCO Bank
- State Bank of Hyderabad



Karvy Computations Private Limited  
 "Karvy Suburban Tower- B", Plot No. 41 & 42, Oorahalli, Financial District, Hyderabad-500032.  
 Hyderabad-500032, Tel: 01-40-0716222, 3121000, e-mail: support@karvy.com

Registered Office: Karvy Bank, 10, Green Park, Banjara Hills, Hyderabad-500034  
 Tel: 01-40-0716222, 3121000, e-mail: support@karvy.com  
 Karvy Bank, 10, Green Park, Banjara Hills, Hyderabad-500034  
 Karvy Bank, 10, Green Park, Banjara Hills, Hyderabad-500034



KARVY

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Please find enclosed our both scope of work and Financials in a sealed envelope. We trust you will find the same competitive and look forward to receiving your favorable consideration of our proposal.

While assuring you of our best attention and services we thank you once again for the interest evinced in us.

Thanking you,

Yours faithfully,  
For Karvy Computershare Private Limited

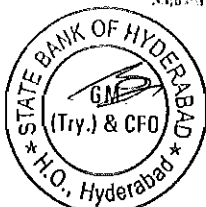


Varghese P A  
Zonal Head - Corporate Registry



Karvy Computershare Private Limited  
"Karvy Belfort Tower- II", Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda,  
North Hyderabad, Hyderabad- 500 032. Ph: 191-40 67102122, 31211000, e-mail: support@karvy.com

Proposer: Office Karvy Belfort Tower- II, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda,  
North Hyderabad, Hyderabad- 500 032. Ph: 191-40 67102122, 31211000, e-mail: support@karvy.com  
Agency: Registrar of Companies (R.O.) Hyderabad (R.O.) Karvy Computershare Private Limited, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda,  
North Hyderabad, Hyderabad- 500 032. Ph: 191-40 67102122, 31211000, e-mail: support@karvy.com



## Annexure – VI: Application Form



## State Bank of Hyderabad

(Associate of the State Bank of India)

Head Office: Gunfoundry, Abids, Hyderabad – 500001

Tel: +91-40-23387724; 23387301 Fax: +91-40-23387562

E-mail: dgmans@sbhyd.co.in; Website: www.sbhyd.com

Application Form Sr. No.

Dear Sirs,

Having read and understood the contents of the Disclosure Document dated \_\_\_\_\_ for Private Placement, we apply for allotment to us of the Unsecured, Redeemable Non-Convertible, Basel III Compliant Tier II Subordinated Bonds in the nature of Debentures. The amount payable on application as shown below is remitted herewith. On allotment, please place our name on the Register of Bond holders. We bind ourselves to the terms and conditions as contained in the Disclosure Document for Private Placement. We note that the Bank is entitled in its absolute discretion to accept or reject this application whole or in part without assigning any reason whatsoever.

(PLEASE READ THE INSTRUCTIONS CAREFULLY BEFORE FILLING THIS FORM)

## Form in which certificate is to be issued

Demat	NSDL	<input type="checkbox"/>	CDSL	<input type="checkbox"/>
DP NAME:				
DPID:		CLIENT ID:		

We understand that in case of allotment of Bonds to us, our Beneficiary Account as mentioned above would be credited to the extent of Bonds allotted. In case the Bonds allotted to us cannot be credited to our Beneficiary Account for any reason whatsoever, we will accept physical Bonds certificates.

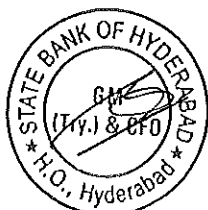
The application shall be for a minimum of 1 (One) Bonds and in Multiples of 1 (One) Bond thereafter (Each bond of Rs. 10,00,000)

## Remittance through Cheque/Draft

No. of Bonds applied for (In figures)		
No. of Bonds applied for (In words)		
Amount (Rs.) _____		
(In words) _____		
Date	Cheque /Demand Draft No.	Cheque /Demand Draft drawn on

## Remittance through RTGS

No. of Bonds applied for (In figures)
No. of Bonds applied for (In words)
Amount (Rs.) _____
(In words) _____
Remittance Particulars



**Private and Confidential – Not for Circulation**

Mode of Remittance	UTR No.	Name of the Remitting Bank and Branch and Date of Remittance
RTGS		

We are applying as (Tick (✓) whichever is applicable)

1	Company Body Corporate	2	Commercial Bank	3	Regional Rural Bank
4	Co-operative Banks	5	Financial Institution	6	Insurance Companies
7	Mutual Fund	8	Provident/Superannuation/Gratuity Funds	9	Port Trusts
10	NBFC & Residuary NBFC	11	Association of Persons	12	Others (Please specify)

**Application Details**

First Applicant's Name in Full (Block letters)	
Second Applicant's Name in Full (Block letters)	
Third Applicant's Name in Full (Block letters)	
Mailing Address in Full (Do not repeat name, Post Box No. alone is not sufficient.)	
Pin:	Tel:
Tax Details	Fax:
	PAN or GIR No.
	IT Circle / Ward / District
	Not Allotted

**Details of Bank Account of the First Applicant:**

Name of the Bank	Branch
Account No:	Nature of Account: SB/CA
RTGS Code of Bank/ Branch	

**Tax Deduction Status: (Please tick one)**

<input type="checkbox"/> Fully Exempt (Please furnish exemption certificate):
<input type="checkbox"/> Tax to be deducted at Source:

**Specimen Signature**

	Name of the Authorised Signatory	Designation	Signature
1.			
2.			

Acknowledgement Slip shall be given to the Investors as shown below the Instructions.



-----Tear Here-----

ACKNOWLEDGEMENT SLIP



**State Bank of Hyderabad**

(Associate of the State Bank of India)

Head Office: Gunfoundry, Abids, Hyderabad - 500001

Tel: +91-40-23387724; 23387301 Fax: +91-40-23387562

E-mail: dgmans@sbhyd.co.in; Website: www.sbhyd.com

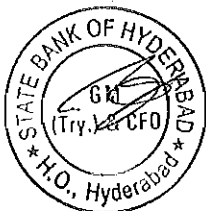
Application Form Sr. No: \_\_\_\_\_

Received from \_\_\_\_\_  
Address \_\_\_\_\_  
an application for \_\_\_\_\_ Bonds along with Cheque/Demand Draft No. \_\_\_\_\_ Dated \_\_\_\_\_  
Drawn on \_\_\_\_\_ for Rs. \_\_\_\_\_  
(Rupees \_\_\_\_\_ only)

(Note: Cheques and Drafts are subject to realisation)

RTGS Remittance Particulars

Mode of Transfer	Date of Remittance	Name of the Remitting Bank and Branch	Amount of Remittance
RTGS			Rs. _____ (Rupees _____)



# INSTRUCTIONS

- 1) Application Forms must be completed in BLOCK LETTERS IN ENGLISH. A blank space must be between two or more parts of the name. For Example:

A	B	C	D	E		L	T	D			
---	---	---	---	---	--	---	---	---	--	--	--

- 2) Application forms duly completed in all respects must be lodged with the Bank at its corporate office, before the closure of the subscription. Investors may remit the application money through RTGS (If remitted from branches of other Banks), with instructions to credit the same to the State Bank of Hyderabad account (A/c No. \_\_\_\_\_) maintained at our Gunfoundry Branch, (IFSC Code:SBHY0020006).
- 3) As an abundant precaution, the investors are advised to send by fax the particulars of the remittances made through RTGS [(like i) Name of the Investor ii) Number of Bonds applied for iii) Amount of Application Money remitted iv) Date of the remittance v) Bank and Branch through which the remittance is made etc.] to any of the Advisors, on the fax number mentioned elsewhere in the Document/Application Form.
- 4) Cash, outstation cheques/drafts, money orders, postal orders and stock invest will NOT be accepted.
- 5) Receipt of application will be acknowledged by the collecting Bank branch(es) in the "Acknowledgement Slip" appearing below the Application Form. No separate receipt will be issued.
- 6) All applicant(s) should mention their Permanent Account Number (PAN) or the GIR number allotted under the Income Tax Act, 1961 and the Income Tax Circle/Ward district. In case where neither the PAN nor GIR is allotted, the fact of non-allotment should be mentioned in the application form in the space provided for.
- 7) The Application would be accepted as per the terms and conditions of the Bonds outlined in the Information Memorandum of Private Placement.
- 8) Signatures should be made in English or in any other Indian language included in Schedule VIII of the Constitution of India. Thumb impression must be attested by an authorized official of a Bank or by a Magistrate/Notary Public under his/her official seal.
- 9) Those desirous of claiming tax exemptions on interest on Application Money are compulsorily required to submit a certificate issued by the Income Tax Officer / relevant declaration forms as per Income Tax Act, 1961 along with the Application Form. In case the above documents are not enclosed with the application forms, TDS will be deducted on interest on Application Money. For subsequent interest payments such certificates have to be submitted periodically.

Application Form(s) can be submitted to the offices of the Arrangers or Bankers to the issue or at the branch (es) of State Bank of Hyderabad designated as collection centers mentioned in the Information Memorandum:

