Consolidated Financial Statements of State Bank Group
### CAPITAL AND LIABILITIES

<table>
<thead>
<tr>
<th>Schedule No.</th>
<th>As on 31.3.2009 (Current Year)</th>
<th>As on 31.3.2008 (Previous Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>634,88,02</td>
<td>631,47,04</td>
</tr>
<tr>
<td>2</td>
<td>71755,13,31</td>
<td>60604,91,23</td>
</tr>
<tr>
<td>2A</td>
<td>2228,27,31</td>
<td>2028,12,09</td>
</tr>
<tr>
<td>3</td>
<td>1011988,32,63</td>
<td>776416,51,88</td>
</tr>
<tr>
<td>4</td>
<td>153627,10,37</td>
<td>121565,32,52</td>
</tr>
</tbody>
</table>

### ASSETS

<table>
<thead>
<tr>
<th>Schedule No.</th>
<th>As on 31.3.2009 (Current Year)</th>
<th>As on 31.3.2008 (Previous Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>74161,06,66</td>
<td>74817,25,54</td>
</tr>
<tr>
<td>7</td>
<td>51100,62,90</td>
<td>14211,16,16</td>
</tr>
<tr>
<td>8</td>
<td>372231,44,86</td>
<td>273841,72,43</td>
</tr>
<tr>
<td>9</td>
<td>750362,38,45</td>
<td>603221,94,04</td>
</tr>
<tr>
<td>10</td>
<td>5223,47,75</td>
<td>4662,76,97</td>
</tr>
<tr>
<td>11</td>
<td>51746,73,45</td>
<td>56514,64,69</td>
</tr>
</tbody>
</table>

### Contingent Liabilities

<table>
<thead>
<tr>
<th>Schedule No.</th>
<th>As on 31.3.2009 (Current Year)</th>
<th>As on 31.3.2008 (Previous Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>860686,68,21</td>
<td>945770,20,75</td>
</tr>
<tr>
<td>17</td>
<td>49938,35,27</td>
<td>25225,90,75</td>
</tr>
</tbody>
</table>

**राज्य बँक ऑफ़ इंडिया (संगठित) सालग्रहण सूचना 31 मार्च 2009**

(Rs. in thousand)
### SCHEDULE 1 — CAPITAL

<table>
<thead>
<tr>
<th>Description</th>
<th>31.3.2009 (Current Year) As on</th>
<th>31.3.2008 (Previous Year) As on</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Authorised Capital</strong> - 10/- each share</td>
<td>Rs. 100,00,00,000</td>
<td>Rs. 100,00,00,000</td>
</tr>
<tr>
<td><strong>Issued Capital</strong> - 63,49,68,500 (Previous year 63,15,58,654) Equity Shares of Rs.10/- each</td>
<td>Rs. 63,49,68,500</td>
<td>Rs. 63,15,58,654</td>
</tr>
<tr>
<td><strong>Subscribed and Paid up Capital</strong> - 63,48,80,222 (previous year 63,14,70,376) shares of Rs 10/- each</td>
<td>Rs. 63,48,80,222</td>
<td>Rs. 63,14,70,376</td>
</tr>
<tr>
<td><strong>Yield / TOTAL</strong></td>
<td>Rs. 634,88,02</td>
<td>Rs. 631,47,04</td>
</tr>
</tbody>
</table>

### SCHEDULE 2 — RESERVES & SURPLUS

<table>
<thead>
<tr>
<th>Description</th>
<th>31.3.2009 (Current Year) As on</th>
<th>31.3.2008 (Previous Year) As on</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. Statutory Reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening Balance</td>
<td>Rs. 30,28,32,41</td>
<td>Rs. 24,708,88,63</td>
</tr>
<tr>
<td>Additions during the year</td>
<td>Rs. 5,999,18,65</td>
<td>Rs. 5,573,43,78</td>
</tr>
<tr>
<td>Deductions during the year</td>
<td></td>
<td>Rs. 36,281,51,06</td>
</tr>
<tr>
<td><strong>II. Capital Reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening Balance</td>
<td>Rs. 806,20,67</td>
<td>Rs. 794,94,99</td>
</tr>
<tr>
<td>Additions during the year</td>
<td>Rs. 1,024,36,81</td>
<td>Rs. 1,125,68</td>
</tr>
<tr>
<td>Deductions during the year</td>
<td></td>
<td>Rs. 1,830,57,48</td>
</tr>
<tr>
<td><strong>III. Share Premium</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening Balance</td>
<td>Rs. 2,009,98,96,75</td>
<td>Rs. 3,510,57,33</td>
</tr>
<tr>
<td>Additions during the year</td>
<td>Rs. 560,16,95</td>
<td>Rs. 1,661,09,67</td>
</tr>
<tr>
<td>Deductions during the year</td>
<td>Rs. 1,21,18</td>
<td>Rs. 2,065,92,52</td>
</tr>
</tbody>
</table>

# includes Capital Reserve on consolidation Rs. 164,08,17 thousand (Previous Year Rs. 173,29,00 thousand)
### Investment Reserve

<table>
<thead>
<tr>
<th></th>
<th>31.3.2009</th>
<th>31.3.2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Balance</td>
<td>Rs. 62,17,87</td>
<td>—</td>
</tr>
<tr>
<td>Additions during the year</td>
<td>Rs. 12,35</td>
<td>Rs. 62,17,87</td>
</tr>
<tr>
<td>Deductions during the year</td>
<td>Rs. 62,30,22</td>
<td>—</td>
</tr>
</tbody>
</table>

### Forex Translation Reserve

<table>
<thead>
<tr>
<th></th>
<th>31.3.2009</th>
<th>31.3.2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Balance</td>
<td>Rs. 216,70,38</td>
<td>Rs. 317,83,95</td>
</tr>
<tr>
<td>Additions during the year</td>
<td>Rs. 1530,98,35</td>
<td>—</td>
</tr>
<tr>
<td>Deductions during the year</td>
<td>—</td>
<td>Rs. 1747,68,73</td>
</tr>
</tbody>
</table>

### Revenue and Other Reserves

<table>
<thead>
<tr>
<th></th>
<th>31.3.2009</th>
<th>31.3.2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Balance</td>
<td>Rs. 9050,78,96</td>
<td>Rs. 12558,08,41</td>
</tr>
<tr>
<td>Additions during the year</td>
<td>Rs. 1995,31,99</td>
<td>Rs. 1772,36,55</td>
</tr>
<tr>
<td>Deductions during the year</td>
<td>—</td>
<td>Rs. 5279,66,00</td>
</tr>
</tbody>
</table>

### Balance in Profit and Loss Account

<table>
<thead>
<tr>
<th></th>
<th>31.3.2009</th>
<th>31.3.2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares Capital</td>
<td>Rs. 732,88,49</td>
<td>Rs. 687,10,51</td>
</tr>
<tr>
<td>Additions during the year</td>
<td>Rs. 1495,38,82</td>
<td>Rs. 1341,01,58</td>
</tr>
<tr>
<td>Deductions during the year</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

|                      | Rs. 2228,27,31     | Rs. 2028,12,09     |

### Minority Interest

<table>
<thead>
<tr>
<th></th>
<th>31.3.2009</th>
<th>31.3.2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share Capital</td>
<td>Rs. 732,88,49</td>
<td>Rs. 687,10,51</td>
</tr>
<tr>
<td>Additions during the year</td>
<td>Rs. 1495,38,82</td>
<td>Rs. 1341,01,58</td>
</tr>
<tr>
<td>Deductions during the year</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

|                      | Rs. 2228,27,31     | Rs. 2028,12,09     |
### Schedule 3 — Deposits

<table>
<thead>
<tr>
<th></th>
<th>As on 31.3.2009</th>
<th>As on 31.3.2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Current Year)</td>
<td>(Previous Year)</td>
</tr>
<tr>
<td><strong>I. Demand Deposits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) From Banks</td>
<td>12586.57,54</td>
<td>14451.43,01</td>
</tr>
<tr>
<td>(ii) From Others</td>
<td>119487.87,68</td>
<td>105165.34,89</td>
</tr>
<tr>
<td><strong>II. Savings Bank Deposits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>257008.50,77</td>
<td>205393.41,81</td>
</tr>
<tr>
<td><strong>III. Term Deposits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) From Banks</td>
<td>12600.45,27</td>
<td>7998.89,20</td>
</tr>
<tr>
<td>(ii) From Others</td>
<td>610304.91,37</td>
<td>444307.42,97</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1011988.32,63</td>
<td>776416.51,88</td>
</tr>
</tbody>
</table>

### Schedule 4 — Borrowings

<table>
<thead>
<tr>
<th></th>
<th>As on 31.3.2009</th>
<th>As on 31.3.2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Current Year)</td>
<td>(Previous Year)</td>
</tr>
<tr>
<td><strong>I. Borrowings in India</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Reserve Bank of India</td>
<td>700,00,00</td>
<td>2127,00,00</td>
</tr>
<tr>
<td>(ii) Other Banks</td>
<td>2979,59,20</td>
<td>10829,61,15</td>
</tr>
<tr>
<td>(iii) Other Institutions and Agencies</td>
<td>9010,74,75</td>
<td>10077,35,71</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>64591,64,43</td>
<td>66023,17,07</td>
</tr>
</tbody>
</table>

**Secured Borrowings included in I & II above**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4467,81,12</td>
<td>4824,41,65</td>
</tr>
</tbody>
</table>
### Schedule 5 — Other Liabilities & Provisions

<table>
<thead>
<tr>
<th>Description</th>
<th>As on 31.3.2009</th>
<th>As on 31.3.2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rs. in lakhs)</td>
<td>(Rs. in lakhs)</td>
</tr>
<tr>
<td>I. Bills payable</td>
<td>24105.02</td>
<td>24853.42</td>
</tr>
<tr>
<td>II. Inter-Office adjustments (net)</td>
<td>5847.80</td>
<td>921.17</td>
</tr>
<tr>
<td>III. Deferred Tax Liabilities</td>
<td>8.78</td>
<td>11.98</td>
</tr>
<tr>
<td>IV. Interest accrued</td>
<td>10135.91</td>
<td>7458.37</td>
</tr>
<tr>
<td>V. Cash in hand (including foreign currency notes and gold)</td>
<td>5462.49</td>
<td>3791.06</td>
</tr>
<tr>
<td>VI. Others (including provisions)</td>
<td>113538.28</td>
<td>88332.23</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>153627.10</td>
<td>121565.32</td>
</tr>
</tbody>
</table>

### Schedule 6 — Cash and Balances with Reserve Bank of India

<table>
<thead>
<tr>
<th>Description</th>
<th>As on 31.3.2009</th>
<th>As on 31.3.2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rs. in lakhs)</td>
<td>(Rs. in lakhs)</td>
</tr>
<tr>
<td>I. Cash in hand (including foreign currency notes and gold)</td>
<td>5462.49</td>
<td>3791.06</td>
</tr>
<tr>
<td>II. Balances with Reserve Bank of India</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) In Current Account</td>
<td>68696.06</td>
<td>43612.49</td>
</tr>
<tr>
<td>(ii) In Other Accounts</td>
<td>2.51</td>
<td>27413.70</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>74161.66</td>
<td>74817.25</td>
</tr>
</tbody>
</table>

(Rs. 36320.80 crores as on 31.03.2008 and perpetual bonds of Rs. 3694.50 crores as on 31.03.2008)
### SCHEDULE 7 — BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE

<table>
<thead>
<tr>
<th></th>
<th>31.3.2009 की स्थिति के अनुसार (कलन्तर वर्ष)</th>
<th>31.3.2008 की स्थिति के अनुसार (शिखर वर्ष)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As on 31.3.2009 (Current Year)</td>
<td>As on 31.3.2008 (Previous Year)</td>
</tr>
<tr>
<td></td>
<td>रू. Rs.</td>
<td>रू. Rs.</td>
</tr>
<tr>
<td><strong>I. भारत में</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In India</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Balances with banks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(क) बांकों से जुड़े हितांतर</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) In Current Account</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>... ... ... ...</td>
<td>1048,94,28</td>
</tr>
<tr>
<td>(b) In Other Deposit Accounts</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>... ... ... ...</td>
<td>11536,11,88</td>
</tr>
<tr>
<td>(ii) Money at call and short notice</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(क) बांकों से</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) With banks</td>
<td>... ... ... ...</td>
<td>13146,16,18</td>
</tr>
<tr>
<td>(b) With Other Institutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>... ... ... ...</td>
<td>—</td>
</tr>
<tr>
<td>मेरहंग</td>
<td></td>
<td>25731,22,34</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>II. भारत के बाहर</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outside India</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) In Current Account</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>... ... ... ...</td>
<td>14615,30,56</td>
</tr>
<tr>
<td>(ii) In Other Deposit Accounts</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>... ... ... ...</td>
<td>1760,24,73</td>
</tr>
<tr>
<td>(iii) Money at call and short notice</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>... ... ... ...</td>
<td>8993,85,27</td>
</tr>
<tr>
<td>मेरहंग</td>
<td></td>
<td>25369,40,56</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ग्रैंड मेरहंग</td>
<td></td>
<td>51100,62,90</td>
</tr>
</tbody>
</table>

(000 की छोटू दिया गया है) (000s omitted)

**Schedule 7 — Balances with Banks & Money at Call & Short Notice**

- **In India**
  - Balances with banks:
    - (क) बांकों से जुड़े हितांतर
      - (a) In Current Account
      - (b) In Other Deposit Accounts
  - Money at call and short notice:
    - (क) बांकों से
      - (a) With banks
      - (b) With Other Institutions
- **Outside India**
  - In Current Account
  - In Other Deposit Accounts
  - Money at call and short notice

**Grand Total**

|                | 25369,40,56 | 6423,05,30 | 51100,62,90 | 14211,16,16 |

**Note:**

- In India:
  - Balances with banks and money at call and short notice.
- Outside India:
  - Balances with banks and money at call and short notice.
## SCHEDULE 8 — INVESTMENTS

### I. Investments in India in

<table>
<thead>
<tr>
<th>Description</th>
<th>31.3.2009 (Current Year)</th>
<th>31.3.2008 (Previous Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Government Securities</td>
<td>30,437,193.75</td>
<td>21,135,791.30</td>
</tr>
<tr>
<td>(ii) Other Approved Securities</td>
<td>3,316,19.62</td>
<td>3,962,23.98</td>
</tr>
<tr>
<td>(iii) Shares</td>
<td>10,357,40.94</td>
<td>9,787,29.70</td>
</tr>
<tr>
<td>(iv) Debentures and Bonds</td>
<td>19,485,33.17</td>
<td>21,038,67.02</td>
</tr>
<tr>
<td>(v) Subsidiaries/Joint Ventures abroad</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(vi) Associates</td>
<td>1,104,29.77</td>
<td>984,53.30</td>
</tr>
<tr>
<td>(vii) Others (Units, etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>36,52,32,61.14</strong></td>
<td><strong>26,75,87,33.45</strong></td>
</tr>
</tbody>
</table>

### II. Investments outside India in

<table>
<thead>
<tr>
<th>Description</th>
<th>31.3.2009 (Current Year)</th>
<th>31.3.2008 (Previous Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Government Securities (including local authorities)</td>
<td>21,31,82.66</td>
<td>17,08,96.93</td>
</tr>
<tr>
<td>(ii) Subsidiaries/Joint Ventures abroad</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(iii) Associates</td>
<td>73,95.05</td>
<td>66,35.50</td>
</tr>
<tr>
<td>(iv) Other Investments (Shares, Debentures, etc.)</td>
<td>4,79,3,06.01</td>
<td>4,47,9,06.55</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>6,99,83.72</strong></td>
<td><strong>6,25,4,38.98</strong></td>
</tr>
</tbody>
</table>

**GRAND TOTAL**

(1 and II )

**37,22,31,44.86**

**27,38,41,72.43**

### III. Investments in India in

<table>
<thead>
<tr>
<th>Description</th>
<th>31.3.2009 (Current Year)</th>
<th>31.3.2008 (Previous Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Gross Value of Investments</td>
<td>36,74,37.74.29</td>
<td>26,89,50.26.38</td>
</tr>
<tr>
<td>(ii) Aggregate of Provisions for Depreciation</td>
<td>2,20,5,13.15</td>
<td>1,36,2,92.93</td>
</tr>
<tr>
<td>(iii) Net Investments (vide I above)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>36,52,32,61.14</strong></td>
<td><strong>26,75,87,33.45</strong></td>
</tr>
</tbody>
</table>

### IV. Investments outside India in

<table>
<thead>
<tr>
<th>Description</th>
<th>31.3.2009 (Current Year)</th>
<th>31.3.2008 (Previous Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Gross Value of Investments</td>
<td>7,33,3,18.85</td>
<td>6,29,7,49.54</td>
</tr>
<tr>
<td>(ii) Aggregate of Provisions for Depreciation</td>
<td>3,34,35.13</td>
<td>43,10,56</td>
</tr>
<tr>
<td>(iii) Net Investments (vide II above)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>6,99,83.72</strong></td>
<td><strong>6,25,4,38.98</strong></td>
</tr>
</tbody>
</table>

**37,22,31,44.86**

**27,38,41,72.43**
### SCHEDULE 9 — ADVANCES

<table>
<thead>
<tr>
<th>Description</th>
<th>31.3.2009 As on 31.3.2008 As on 31.3.2009 (Current Year)</th>
<th>31.3.2008 As on 31.3.2008 (Previous Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Bills purchased and discounted</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>59174,92,19</td>
<td>50693,99,66</td>
</tr>
<tr>
<td><strong>B. Cash Credits, Overdrafts and Loans repayable on demand</strong></td>
<td>300353,42,44</td>
<td>222346,44,52</td>
</tr>
<tr>
<td><strong>C. Term loans</strong></td>
<td>390834,03,82</td>
<td>330181,49,86</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>750362,38,45</td>
<td>603221,94,04</td>
</tr>
</tbody>
</table>

**B. Secured by tangible assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>31.3.2008 As on 31.3.2008 (Previous Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Bills purchased and discounted</strong></td>
<td>517483,82,61</td>
</tr>
<tr>
<td><strong>B. Cash Credits, Overdrafts and Loans repayable on demand</strong></td>
<td>84908,70,99</td>
</tr>
<tr>
<td><strong>C. Term loans</strong></td>
<td>147969,84,85</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>750362,38,45</td>
</tr>
</tbody>
</table>

**C. Advances in India**

<table>
<thead>
<tr>
<th>Description</th>
<th>31.3.2008 As on 31.3.2008 (Previous Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Priority Sector</strong></td>
<td>213187,15,33</td>
</tr>
<tr>
<td><strong>B. Public Sector</strong></td>
<td>45157,49,19</td>
</tr>
<tr>
<td><strong>C. Banks</strong></td>
<td>1357,92,62</td>
</tr>
<tr>
<td><strong>D. Others</strong></td>
<td>399071,89,13</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>658774,46,27</td>
</tr>
</tbody>
</table>

**D. Advances outside India**

<table>
<thead>
<tr>
<th>Description</th>
<th>31.3.2008 As on 31.3.2008 (Previous Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Due from banks</strong></td>
<td>4357,88,70</td>
</tr>
<tr>
<td><strong>B. Due from others</strong></td>
<td>29454,85,00</td>
</tr>
<tr>
<td><strong>C. Bills purchased and discounted</strong></td>
<td>28537,20,01</td>
</tr>
<tr>
<td><strong>D. Syndicated loans</strong></td>
<td>29237,98,47</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>91587,92,18</td>
</tr>
</tbody>
</table>

**GRAND TOTAL**

<table>
<thead>
<tr>
<th>Description</th>
<th>31.3.2008 As on 31.3.2008 (Previous Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Priority Sector</strong></td>
<td>213187,15,33</td>
</tr>
<tr>
<td><strong>B. Public Sector</strong></td>
<td>45157,49,19</td>
</tr>
<tr>
<td><strong>C. Banks</strong></td>
<td>1357,92,62</td>
</tr>
<tr>
<td><strong>D. Others</strong></td>
<td>399071,89,13</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>750362,38,45</td>
</tr>
</tbody>
</table>
### SCHEDULE 10 — FIXED ASSETS

<table>
<thead>
<tr>
<th></th>
<th>31.3.2009 की स्थिति के अनुसार (मन्दिर कर्म)</th>
<th>31.3.2008 की स्थिति के अनुसार (पिछला कर्म)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As on 31.3.2009 (Current Year)</td>
<td>As on 31.3.2008 (Previous Year)</td>
</tr>
<tr>
<td></td>
<td>रू. Rs.</td>
<td>रू. Rs.</td>
</tr>
</tbody>
</table>

### I. क. परिसर

**A. Premises**

- पूर्ववर्ती वर्ष की 31 मार्च की स्थिति के अनुसार लगान पर
  - At cost as on 31st March of the preceding year: 2020,16,22, 1919,93,70
  - वर्ष के दोस्त परिसर
    - Additions during the year: 115,44,78, 100,83,28
    - वर्ष के दोस्त कपड़ोंवाले
      - Deductions during the year: 1,48,03, 60,76
  - अदालत अवस्था
    - Depreciation to date: 799,97,91, 1334,15,06

**B. Premises under Construction**

- निर्माण के परिसर
  - ... 264,75,68, 234,33,61

### II. अन्य स्थानीय अवस्थितियाँ (इसमें परिसर और फिक्सेड स्टाइल सम्मिलित हैं)

**Other Fixed Assets (including furniture and fixtures)**

- पूर्ववर्ती वर्ष की 31 मार्च की स्थिति के अनुसार लगान पर
  - At cost as on 31st March of the preceding year: 9526,84,04, 8054,65,39
  - वर्ष के दोस्त परिसर
    - Additions during the year: 1421,52,17, 100,83,28
    - वर्ष के दोस्त कपड़ोंवाले
      - Deductions during the year: 110,26,51, 142,83,50
  - अदालत अवस्था
    - Depreciation to date: 7240,58,35, 3597,51,35

### III. क. परिसर

**B. Leased Assets**

- निर्माण के परिसर
  - At cost as on 31st March of the preceding year: 1104,41,79, 1300,30,74
  - वर्ष के दोस्त परिसर
    - Additions during the year: 12,66,66, 195,88,95
  - निर्माण के परिसर कपड़ोंवाले
    - Deductions during the year: 1083,79,61, 1050,69,08
  - अदालत अवस्था
    - Depreciation to date including provisions: 7,93,52, 53,72,71

<table>
<thead>
<tr>
<th>घटाएँ: पदार्थ संबंधित और प्रावधान</th>
<th>2,93,24, 5,00,28, 10,34,28, 43,38,43</th>
</tr>
</thead>
</table>

### छ. प्रावधान को पदार्थ कर्म के पूर्ववर्ती वर्ष (परिसर परिसर)

- रेप कोशिका: 22,05,38, 12,23,49

### योग कोशिका: 5223,47,75, 4662,78,97
### SCHEDULE 11 — OTHER ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>31.3.2009 (Current Year) Rs.</th>
<th>31.3.2008 (Previous Year) Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Inter-Office adjustments (net)</td>
<td>3475,61,14</td>
<td>13192,32,03</td>
</tr>
<tr>
<td>(ii) Inter Bank adjustments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(iii) Interest accrued</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(iv) Tax paid in advance/ tax deducted at source</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(v) Stationery and stamps</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(vi) Non-banking assets acquired in satisfaction of claims</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(vii) Interest accrued</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(viii) Deferred tax asset</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ix) Stationery and stamps</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>31062,11,09</td>
<td>28917,19,23</td>
</tr>
</tbody>
</table>

**TOTAL** 51746,73,45 56514,64,69

# Includes Goodwill on consolidation Rs. 610,14,42 thousand (P. Y. Rs. 404,67,84 thousand)

### SCHEDULE 12 — CONTINGENT LIABILITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>31.3.2009 (Current Year) Rs.</th>
<th>31.3.2008 (Previous Year) Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Claims against the bank not acknowledged as debts</td>
<td>2554,83,30</td>
<td>1193,08,72</td>
</tr>
<tr>
<td>II. Liability for partly paid investments</td>
<td>3,11,88</td>
<td>3,00,00</td>
</tr>
<tr>
<td>III. Liability on account of outstanding forward exchange contracts</td>
<td>391348,20,03</td>
<td>415574,61,06</td>
</tr>
<tr>
<td>IV. Guarantees given on behalf of constituents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) In India</td>
<td>61860,94,46</td>
<td>46429,29,93</td>
</tr>
<tr>
<td>(b) Outside India</td>
<td>27187,73,11</td>
<td>15116,23,35</td>
</tr>
<tr>
<td>V. Acceptances, endorsements and other obligations</td>
<td>125739,26,06</td>
<td>90113,41,98</td>
</tr>
<tr>
<td>VI. Other items for which the banks are contingently liable</td>
<td>251991,97,37</td>
<td>377340,55,71</td>
</tr>
</tbody>
</table>

**TOTAL** 860686,08,21 945770,20,75

# Includes Goodwill on consolidation Rs. 610,14,42 thousand (P. Y. Rs. 404,67,84 thousand)

### Bills for collection

<table>
<thead>
<tr>
<th>Description</th>
<th>31.3.2009</th>
<th>31.3.2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs. 49938,33,27</td>
<td>Rs. 25225,90,75</td>
</tr>
</tbody>
</table>
## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

<table>
<thead>
<tr>
<th>Schedule No.</th>
<th>Year ended 31.3.2009</th>
<th>Year ended 31.3.2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. INCOME</strong></td>
<td>Rs. 113093.09,97</td>
<td>Rs. 90218,80,92</td>
</tr>
<tr>
<td>Interest earned</td>
<td>91667,01,54</td>
<td>71495,81,61</td>
</tr>
<tr>
<td>Other Income</td>
<td>21426,08,43</td>
<td>18722,99,31</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>II. EXPENDITURE</strong></td>
<td>Rs. 101920,03,36</td>
<td>Rs. 81005,97,53</td>
</tr>
<tr>
<td>Interest expended</td>
<td>62626,46,55</td>
<td>47944,04,02</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>26571,72,02</td>
<td>23943,23,27</td>
</tr>
<tr>
<td>Provisions and contingencies</td>
<td>12721,84,79</td>
<td>9118,70,24</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>III. PROFIT</strong></td>
<td>Rs. 11043,02,85</td>
<td>Rs. 9079,72,21</td>
</tr>
<tr>
<td>Net Profit for the year</td>
<td>11173,06,61</td>
<td>9212,83,39</td>
</tr>
<tr>
<td>Less: Minority Interest</td>
<td>217,77,95</td>
<td>252,22,30</td>
</tr>
<tr>
<td>Group Profit</td>
<td>10955,28,66</td>
<td>8960,61,09</td>
</tr>
<tr>
<td>Add: Brought forward Profit attributable to the group</td>
<td>87,74,19</td>
<td>119,01,75</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>9,37</td>
</tr>
<tr>
<td><strong>APPROPRIATIONS</strong></td>
<td>Rs. 11043,02,85</td>
<td>Rs. 9079,72,21</td>
</tr>
<tr>
<td>Transfer to Statutory Reserves</td>
<td>5986,94,49</td>
<td>5573,43,78</td>
</tr>
<tr>
<td>Transfer to Other Reserves</td>
<td>2689,27,66</td>
<td>1829,15,31</td>
</tr>
<tr>
<td>Transfer to Proposed Dividend</td>
<td>1841,15,26</td>
<td>1357,66,13</td>
</tr>
<tr>
<td>Corporate Tax on Dividend</td>
<td>309,65,76</td>
<td>231,72,80</td>
</tr>
<tr>
<td>Balance carried over to Balance Sheet</td>
<td>215,99,68</td>
<td>87,74,19</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Earnings per Share

- Basic earnings per share: Rs. 172.68, Rs. 168.61
- Diluted earnings per share: Rs. 172.68, Rs. 168.45

### Principal Accounting Policies

- Pages 17 and 18
### Schedule 13 — Interest Earned

<table>
<thead>
<tr>
<th>Description</th>
<th>31.3.2009</th>
<th>31.3.2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Interest/discount on advances/bills</td>
<td>67285,11,86</td>
<td>51920,06,81</td>
</tr>
<tr>
<td>II. Income on investments</td>
<td>22079,30,66</td>
<td>17406,32,34</td>
</tr>
<tr>
<td>III. Interest on balances with Reserve Bank of India and other inter-bank funds</td>
<td>1783,49,79</td>
<td>1442,54,78</td>
</tr>
<tr>
<td>IV. Others</td>
<td>519,09,23</td>
<td>726,87,68</td>
</tr>
</tbody>
</table>

**Total** 91667,01,54 71495,81,61

### Schedule 14 — Other Income

<table>
<thead>
<tr>
<th>Description</th>
<th>31.3.2009</th>
<th>31.3.2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Commission, exchange and brokerage</td>
<td>9722,27,84</td>
<td>7823,87,01</td>
</tr>
<tr>
<td>II. Profit/Loss on sale of investments (Net)</td>
<td>1758,03,89</td>
<td>2780,60,20</td>
</tr>
<tr>
<td>III. Profit/Loss on revaluation of investments (Net)</td>
<td>(629,25,09)</td>
<td>(856,75,44)</td>
</tr>
<tr>
<td>IV. Profit on sale of land, buildings and other assets including leased assets (Net)</td>
<td>(4,20,67)</td>
<td>10,70,83</td>
</tr>
<tr>
<td>V. Profit on exchange transactions (Net)</td>
<td>1460,73,34</td>
<td>951,42,65</td>
</tr>
<tr>
<td>VI. Dividends from Associates in India/abroad</td>
<td>13,10,43</td>
<td>15,62,50</td>
</tr>
<tr>
<td>VII. Income from financial Lease</td>
<td>31,38,72</td>
<td>42,55,65</td>
</tr>
<tr>
<td>VIII. Credit card membership/service fees</td>
<td>266,86,43</td>
<td>424,56,77</td>
</tr>
<tr>
<td>IX. Life Insurance Premium</td>
<td>7202,38,85</td>
<td>5611,20,47</td>
</tr>
<tr>
<td>X. Share of earnings from associates</td>
<td>(13,64,06)</td>
<td>195,37,67</td>
</tr>
<tr>
<td>XI. Miscellaneous Income</td>
<td>1618,38,75</td>
<td>1723,81,00</td>
</tr>
</tbody>
</table>

**Total** 21426,08,43 18722,99,31
### Schedule 15 — Interest Expended

<table>
<thead>
<tr>
<th></th>
<th>31.3.2009 (in Rs.)</th>
<th>31.3.2008 (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Interest on deposits</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td></td>
<td>55422,48,03</td>
<td>41713,23,43</td>
</tr>
<tr>
<td>II. Interest on Reserve Bank of India/Inter-bank borrowings</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td></td>
<td>3116,10,37</td>
<td>3204,42,09</td>
</tr>
<tr>
<td>III. Others</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td></td>
<td>4087,88,15</td>
<td>3026,38,50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>62626,46,55</strong></td>
<td><strong>47944,04,02</strong></td>
</tr>
</tbody>
</table>

### Schedule 16 — Operating Expenses

<table>
<thead>
<tr>
<th></th>
<th>31.3.2009 (in Rs.)</th>
<th>31.3.2008 (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Payments to and provisions for employees</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td></td>
<td>12997,19,40</td>
<td>10457,50,98</td>
</tr>
<tr>
<td>II. Rent, taxes and lighting</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td></td>
<td>1780,92,54</td>
<td>1408,47,48</td>
</tr>
<tr>
<td>III. Printing and stationery</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td></td>
<td>303,44,90</td>
<td>256,50,51</td>
</tr>
<tr>
<td>IV. Advertisement and publicity</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td></td>
<td>336,76,05</td>
<td>358,98,05</td>
</tr>
<tr>
<td>V. Depreciation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Leased Assets</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td></td>
<td>25,86,74</td>
<td>40,71,98</td>
</tr>
<tr>
<td>(b) Other Fixed Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>898,59,44</td>
<td>997,61,38</td>
</tr>
<tr>
<td>VI. Directors' fees, allowances and expenses</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td></td>
<td>5,59,52</td>
<td>5,03,16</td>
</tr>
<tr>
<td>VII. Amortization of deferred revenue expenditure</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td></td>
<td>162,25,44</td>
<td>157,76,80</td>
</tr>
<tr>
<td>VIII. Law charges</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td></td>
<td>101,42,14</td>
<td>81,52,13</td>
</tr>
<tr>
<td>IX. Postages, Telegrams, Telephones, etc.</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td></td>
<td>361,09,96</td>
<td>297,99,14</td>
</tr>
<tr>
<td>X. Repairs and maintenance</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td></td>
<td>239,51,20</td>
<td>302,25,72</td>
</tr>
<tr>
<td>XI. Insurance</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td></td>
<td>770,68,21</td>
<td>617,15,35</td>
</tr>
<tr>
<td>XII. Amortization of deferred revenue expenditure</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td></td>
<td>5,83,24</td>
<td>—</td>
</tr>
<tr>
<td>XIII. Operating Expenses relating to Credit Card operations</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td></td>
<td>176,17,52</td>
<td>317,04,27</td>
</tr>
<tr>
<td>XIV. Operating Expenses relating to Life Insurance</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td></td>
<td>4638,63,45</td>
<td>5395,92,89</td>
</tr>
<tr>
<td>XV. Other expenditure</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td></td>
<td>3767,72,27</td>
<td>3246,73,43</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>26571,72,02</strong></td>
<td><strong>23943,23,27</strong></td>
</tr>
</tbody>
</table>
SCHEDULE 17
PRINCIPAL ACCOUNTING POLICIES:

A. Basis of Preparation:
The accompanying financial statements have been prepared under the historical cost convention as modified for derivatives and foreign currency transactions, as enumerated in Part C below. They conform to Generally Accepted Accounting Principles (GAAP) in India, which comprise of statutory provisions of regulatory authorities, Reserve Bank of India (RBI), Insurance Regulatory and Development Authority, Companies Act, 1956, Accounting Standards (AS)/guidance notes issued by the Institute of Chartered Accountants of India (ICAI), and the prevalent accounting practices in India.

Use of Estimates
The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as at the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to the accounting estimates is recognised prospectively in the current and future periods.

B. Basis of Consolidation:
Consolidated financial statements of the Group (comprising of 29 subsidiaries, 2 Joint Ventures and 28 Associates) have been prepared on the basis of:

a. Audited accounts of State Bank of India (Parent).
b. Line by line aggregation of each item of asset/liability/income/expense of the subsidiaries with the respective item of the Parent, and after eliminating all material inter-group balances/transactions, unrealised profit/loss, and making necessary adjustments wherever required for non-uniform accounting policies as per Accounting Standard 21 issued by the Institute of Chartered Accountants of India (ICAI).

c. Proportionate Consolidation – ‘Proportionate Consolidation’ as per AS 23 of ICAI.
d. Accounting for investment in ‘Associates’ under the ‘Equity Method’ as per the AS 23 of ICAI.

The difference between cost to the group of its investment in the subsidiary entities and the group’s portion of the equity of the subsidiaries is recognised in the financial statements as goodwill / capital reserve. Minority interest in the net assets of the consolidated subsidiaries consists of:

a. The amount of equity attributable to the minority at the date on which investment in a subsidiary is made, and
b. The minority share of movements in revenue reserves/loss (equity) since the date the parent-subsidiary relationship came into existence.

C. PRINCIPAL ACCOUNTING POLICIES:

1. Revenue recognition
1.1 Income and expenditure are accounted on accrual basis, except otherwise stated below. In respect of foreign entities, income is recognised as per the local laws of the country in which the respective foreign entities are located.
1.2 Interest income is recognised in the Profit and Loss Account as it accrues except (i) income from non-performing assets (NPAs), comprising of advances, leases and investments, which is recognised upon realisation, as per the prudential norms prescribed by the RBI/ respective country regulators (hereafter collectively referred to as Regulatory Authorities), (ii) interest on application money on investments (iii) overdue interest on investments and bills discounted, (iv) Income on Rupee Derivatives designated as “Trading”.

1.3 Profit / Loss on sale of investments is credited / debited to “Profit / Loss on Sale of Investments” and thereafter in respect of profit on sale of investments in the Held to Maturity category is appropriated (net of applicable taxes) to Capital Reserve.

1.4 Income from finance leases is calculated by applying the interest rate implicit in the lease to the net investment outstanding on the lease, over the primary lease period. Leases effective from April 1, 2001 are accounted as advances at an amount equal to the net investment in the lease. The lease rentals are apportioned between principal and finance income based on a pattern reflecting a constant periodic return on the net investment outstanding in respect of finance leases. The principal amount is utilised to reduce in balance of net investment in lease and finance income is reported as interest income.

1.5 Income (other than interest) on investments in “Held to Maturity” (HTM) category acquired at a discount to the face value, is recognised as follows:

i. On Interest bearing securities, it is recognised only at the time of sale/ redemption.

ii. On zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

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

1.7 All other commission and fee incomes are recognised on their realisation except for (i) Guarantee commission on deferred payment guarantees, which is spread over the period of the guarantee, (ii) income from non-performing assets, comprising of advances, leases and investments, which is recognised upon realisation, as per the prudential norms prescribed by the RBI/ respective country regulators (hereafter collectively referred to as Regulatory Authorities), (iii) interest on application money on investments (iv) overdue interest on investments and bills discounted, (v) Income on Rupee Derivatives designated as “Trading”.

1.8 Other commission and fees from stockbroking activities are recognised as the transactions take place, except for (i) income from underwriting commission relating to public issues/mutual fund/other securities is accounted for based on mobilisation and intimation received from clients/ intermediaries.

1.8.1 Brokerage income in relation to stock broking activity is recognized on the trade date of transactions and includes stamp duty and transaction charges.

1.8.2 Merchant Banking:

a. Management fee is recognised at specific rates agreed with the relevant schemes, applied on the average daily net assets of each scheme (excluding inter-scheme investments, where applicable, and
C177 K177

investments made by the company in the respective scheme) and are in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996.

b. Portfolio Advisory Service income is recognised on accrual basis as per the terms of the contract.

c. Recovery from guaranteed schemes of deficit earlier recognised as expense is recognised as income in the year of receipt.

d. Scheme Expenses: Expenses of schemes in excess of the stipulated rates are charged to Profit and Loss Account.

e. Recovery, if any, on realisation of devolved investments of schemes acquired by the company in terms of right of subrogation is accounted on the basis of receipts.

Credit Card Operations:

a. Joining membership fee and first annual fee have been recognised over a period of one year as they more closely reflects the period to which the fee relate to.

b. Interchange income is recognised on accrual basis.

c. All other service fees are recorded at the time of occurrence of the respective transaction.

Factoring:

Factoring service charges are accounted on accrual basis except in the case of non-performing assets, where income is accounted on realisation. Processing charges are accrued upon acceptance of sanction of the factoring/financing limits by the Company.

Life Insurance:

a. Premium (net of service tax) is recognised as income when due from policyholders. Uncollected premium from lapsed policies is not recognised as income until such policies are revived. In respect of linked business, premium income is recognised when the associated units are allotted.

b. Premium ceded on reinsurance is accounted in accordance with the terms of the treaty or principle arrangement with the Re-insurer.

c. Claims by death are accounted when intimated. Intimations up to the end of the year are considered for accounting of such claims. Claims by maturity are accounted on the policy maturity date. Annuity benefits are accounted when due. Surrenders are accounted as and when notified. Claims cost guidelines prescribed by the Institute of Actuaries of India.

d. Acquisition costs such as commission; medical fees etc. are costs that are primarily related to the acquisition of new and renewal insurance contracts and are expensed as and when incurred.

e. Liability for life policies: The actuarial liability for life policies is calculated by the appointed actuary as per the terms of the policy and provisions of the IRDAI Regulations, 1996.

e. Liability for life policies: The actuarial liability for life policies is calculated by the appointed actuary as per the terms of the policy and provisions of the IRDAI Regulations, 1996.
Pension Fund Operation:

a. Management fees is recognized at specified rates agreed with the relevant schemes calculated as per the Investment Management Agreement (IMA) entered into between the Company and NPS Trustees, on accrual basis. Revenue excludes Service Tax, wherever recovered.

b. Profit/loss on sale of investments is recognized on trade date basis.

Mutual Fund Trustee Operation:

Trusteeship fees / management fees are recognised on an accrual basis in accordance with the respective terms of contract between the Companies.

2. Investments

Investments are accounted for in accordance with the extant regulatory guidelines. The bank follows trade date method for accounting of its investments.

2.1 Classification

Investments are classified into 3 categories, viz. Held to Maturity, Available for Sale and Held for Trading categories (hereafter called categories). Under each of these categories, investments are further classified into the following six groups:

i. Government Securities,
ii. Other Approved Securities,
iii. Shares,
iv. Debentures and Bonds,
v. Subsidiaries/Joint ventures and
vi. Others.

2.2 Basis of classification:

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

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

iii. Investments, which are not classified in the above two categories, are classified as Available for Sale.

iv. An investment is classified as Held to Maturity, Available for Sale or Held for Trading at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.

2.3 Valuation:

i. In determining the acquisition cost of an investment:
   a. Brokerage/commission/securities transaction tax received on subscriptions is reduced from the cost.
   b. Brokerage, commission etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.
   c. Broken period interest paid / received on debt instruments is treated as revenue item.
   d. Cost is determined on the weighted average cost method.
vi. Investments are classified as performing and non-performing, based on the guidelines issued by the RBI in case of domestic offices and respective regulators in case of foreign entities. Investments of domestic offices become non performing where:

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

b. In the case of equity shares, in the event the investment in the shares of any company is valued at Re. 1 per company on account of the non availability of the latest balance sheet, those equity shares would be reckoned as NPI.

c. Any credit facility availed by the issuer is subjected to NPI norms as applicable to such transfer is fully provided for.

d. The above would apply mutatis-mutandis to SBI (Consolidated)
3. Loans /Advances and Provisions thereon

3.1 Loans and Advances are classified as performing and non-performing, based on the guidelines issued by the RBI. Loan assets become non-performing where:

i. In respect of term loan, interest and/or instalment of principal remains overdue for a period of more than 90 days;

ii. In respect of an Overdraft or Cash Credit advance, the account remains “out of order”, i.e. if the outstanding balance exceeds the sanctioned limit/drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance sheet, or if the credits are not adequate to cover the interest due during the same period;

iii. In respect of bills purchased/discounted, the bill remains overdue for a period of more than 90 days;

iv. In respect of agricultural advances for short duration crops, where the instalment of principal or interest remains overdue for 2 crop seasons;

v. In respect of agricultural advances for long duration crops, where the principal or interest remains overdue for one crop season.

3.2 Non-performing advances are classified into sub-standard, doubtful and loss assets, based on the following criteria stipulated by RBI:

i. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.

ii. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months but the amount has not been fully written off.

iii. Loss: A loan asset where loss has been identified but the amount has not been fully written off.

3.3 Provisions are made for non-performing investments are made as per the local regulations or as per the norms of RBI, whichever is higher.

vii. The Bank has adopted the Uniform Accounting Procedure prescribed by the RBI for accounting of Repo and Reverse Repo transactions [other than transactions under the Liquidity Adjustment Facility (LAF) with the RBI]. Accordingly, the securities sold/purchased under Repo/Reverse repo are treated as outright sales/purchases and accounted for in the Repo/Reverse Repo Accounts, and the entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/income, as the case may be. Balance in Repo/Reverse Repo Account is adjusted against the balance in the Investment Account.

viii. Securities purchased / sold under LAF with RBI are debited / credited to Investment Account and reversed on maturity of the transaction. Interest expended / earned thereon is accounted for as expenditure / revenue.
4. Floating Provision

In accordance with the Reserve Bank of India guidelines, the bank has an approved policy for creation and utilisation of floating provisions separately for advances, investments and general purpose. The quantum of floating provisions to be created would be assessed at the end of each financial year. The floating provisions would be

**Substandard Assets:**

i. A general provision of 10%

ii. Additional provision of 10% for exposures which are unsecured ab-initio (where realisable value of security is not more than 10 percent ab-initio)

**Doubtful Assets:**

- Secured portion:
  i. Upto one year – 20%
  ii. One to three years – 30%
  iii. More than three years – 100%

- Unsecured portion: 100%

**Loss Assets:** 100%

3.4 In respect of foreign entities, provisions for non-performing advances are made as per the local regulations or as per the norms of RBL, whichever is higher.

3.5 The sale of NPAs is accounted as per guidelines prescribed by the RBL which requires provisions to be made for any deficit (where sale price is lower than the net book value), while surplus (where sale price is higher than the net book value) is ignored. Net book value is outstanding as reduced by specific provisions held and ECGC claims received.

3.6 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills discounted.

3.7 For restructured/rescheduled assets, provisions are made in accordance with the guidelines issued by RBL, which requires that the present value of future interest due as per the original loan agreement, compared with the present value of the interest expected to be earned under the restructuring package, be provided in addition to provision for NPAs. The provision for interest sacrifice arising out of the above, is reduced from advances.

3.8 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing account if it conforms to the guidelines prescribed by the regulators.

3.9 Amounts recovered against debts written off in earlier years are recognised as revenue.

3.10 Unrealised Interest recognised in the previous year on advances which have become non-performing during the current year, is provided for.

3.11 In addition to the specific provision on NPAs, general provisions to be created would be assessed at the end of each financial year. The floating provisions would be

3.4 Provisions for non-performing advances are made as per the local regulations or as per the norms of RBL, whichever is higher.

3.5 The sale of NPAs is accounted as per guidelines prescribed by the RBL which requires provisions to be made for any deficit (where sale price is lower than the net book value), while surplus (where sale price is higher than the net book value) is ignored. Net book value is outstanding as reduced by specific provisions held and ECGC claims received.

3.6 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills discounted.

3.7 For restructured/rescheduled assets, provisions are made in accordance with the guidelines issued by RBL, which requires that the present value of future interest due as per the original loan agreement, compared with the present value of the interest expected to be earned under the restructuring package, be provided in addition to provision for NPAs. The provision for interest sacrifice arising out of the above, is reduced from advances.

3.8 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing account if it conforms to the guidelines prescribed by the regulators.

3.9 Amounts recovered against debts written off in earlier years are recognised as revenue.

3.10 Unrealised Interest recognised in the previous year on advances which have become non-performing during the current year, is provided for.

3.11 In addition to the specific provision on NPAs, general provisions are also made for standard assets as per the extant guidelines prescribed by the RBL. The provisions on standard assets are not reckoned for arriving at net NPAs. These provisions are reflected in Schedule 5 of the balance sheet under the head “Other Liabilities & Provisions – Others.”

4. Floating Provision

In accordance with the Reserve Bank of India guidelines, the bank has an approved policy for creation and utilisation of floating provisions separately for advances, investments and general purpose. The quantum of floating provisions to be created would be assessed at the end of each financial year. The floating provisions would be
5. **Provision for Country Exposure for Banking Entities**

In addition to the specific provisions held according to the asset classification status, provisions are held for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, insignificant, low, moderate, high, very high, restricted and off-credit, and provisioning made as per extant RBI guidelines. If the country exposure (net) of the bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in schedule 5 of the balance sheet under the “Other liabilities & Provisions – Others”.

6. **Derivatives:**

6.1 The Bank enters into derivative contracts, such as foreign currency options, interest rate swaps, currency swaps, and cross currency interest rate swap contracts and forward rate agreements in order to hedge on-balance sheet/off-balance sheet assets and liabilities or for trading purposes. The swap contracts entered to hedge on-balance sheet assets and liabilities are structured in such a way that they bear an opposite and offsetting impact with the underlying on-balance sheet items. The impact of such derivative instruments is correlated with the movement of the underlying assets and accounted in accordance with the principles of hedge accounting.

6.2 All derivative instruments are recognised as assets or liabilities in the balance sheet and measured at marked to market.

6.3 Derivative contracts classified as hedge are recorded on accrual basis. Hedge contracts are not marked to market unless the underlying Assets / Liabilities are also marked to market.

6.4 Except as mentioned above, all other derivative contracts are marked to market as per the generally accepted practices prevalent in the industry. In respect of derivative contracts that are marked to market, changes in the market value are recognised in the profit and loss account in the period of change.

6.5 Option premium paid or received is recorded in profit and loss account at the expiry of the option. The Balance in the premium received on options sold and premium paid on options bought have been considered to arrive at Mark to Market value for forex Over the Counter options.

7. **Fixed Assets and Depreciation**

7.1 Fixed assets are carried at cost less accumulated depreciation.

7.2 Cost includes all purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefits from such assets or their functioning capability.
7.3 The rates of depreciation and method of charging depreciation in respect of domestic operations are as under:

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Description of Method of Depreciation</th>
<th>Depreciation/amortisation rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Computers Straight Line Method</td>
<td>33.33% every year</td>
</tr>
<tr>
<td>2</td>
<td>Computer software forming an integral part of hardware Written Down Method</td>
<td>60%</td>
</tr>
<tr>
<td>3</td>
<td>Computer Software which does not form an integral part of hardware Straight Line Method</td>
<td>100%, in the year of acquisition</td>
</tr>
<tr>
<td>4</td>
<td>Assets given on lease financial lease upto 31st March 2001 Straight Line Method</td>
<td>At the rate prescribed under Companies Act 1956</td>
</tr>
<tr>
<td>5</td>
<td>Other fixed assets Written down value method</td>
<td>At the rate prescribed under Income-tax Rules 1962</td>
</tr>
</tbody>
</table>

7.4 In respect of assets acquired for domestic operations during the year, depreciation is charged for half an year in respect of assets used for up to 182 days and for the full year in respect of assets used for more than 182 days, except depreciation on computers and software, which is charged for the full year irrespective of the period for which the asset was put to use.

7.5 Items costing less than Rs. 1,000 each are charged off in the year of purchase.

7.6 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease and the lease rent is charged in the respective year.

7.7 In respect of assets given on lease by the Bank on or before 31st March 2001, the value of the assets given on lease is disclosed as Leased Assets under fixed assets, and the difference between the annual lease charge (capital recovery) and the depreciation is taken to Lease Equivalisation Account.

7.8 In respect of fixed assets held at foreign branches/subsidiaries/associates, depreciation is provided as per the regulations/norms of the respective countries.

8. Leases

The asset classification and provisioning norms applicable to advances, as laid down in Para 3 above, are applied to financial leases also.

9. Impairment of Assets

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net discounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.
10. Effect of changes in the foreign exchange rate

10.1 Foreign Currency Transactions

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

ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing spot/forward rates.

iii. Foreign currency non-monetary items, which are carried in terms at historical cost, are reported using the exchange rate at the date of the transaction.

iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.

v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting profit or loss is included in the Profit and Loss account.

vi. Foreign exchange forward contracts which are not intended for trading and are outstanding at the balance sheet date, are valued at the closing spot rate. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.

viii. Gains / Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains / losses are recognised in the profit and loss account.

10.2 Foreign Operations

Foreign entities of the Bank and Offshore Banking Units have been classified as Non-Integral Operations and Representative Offices have been classified as Integral Operations.

a. Non-integral Operations:

i. Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the balance sheet date.

ii. Income and expenditure of non-integral foreign operations are translated at quarterly average closing rates.

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

iv. The Assets and Liabilities of foreign offices/subsidiaries/joint ventures in foreign currency (other than local currency of the foreign offices/subsidiaries/joint ventures) are translated into local currency using spot rates applicable to that country.
11. Employee Benefits

11.1 Short Term Employee Benefits:

The undiscounted amount of short-term employee benefits, such as medical benefits, casual leave etc., which are expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the service.

11.2 Post Employment Benefits:

i. Defined Benefit Plan

11.3.1 Post Employment Benefits:

a. Some group entities provide for pension to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or on termination of employment. Vesting occurs at the completion of five years of service. The Bank makes annual contributions to a fund administered by trustees based on an independent external actuarial valuation carried out annually.

b. The group entities operate separate Provident Fund schemes. All eligible employees are entitled to receive benefits under the Provident Fund scheme. The entities contribute monthly at a determined rate. These contributions are remitted to a trust established for this purpose and are charged to Profit and Loss Account. The group entities are liable for annual contributions and interests, which is payable at minimum specified rate of interest. The entities recognise such annual contributions and interest as an expense in the year to which they relate.

c. The group entities operate separate gratuity and pension schemes, which are defined benefit plans.
12. Provision for Taxation

12.1 Income tax expense is the aggregate amount of current tax, deferred tax and fringe benefit tax charge. Current year taxes are determined in accordance with the provisions of Accounting Standard 22 and tax laws prevailing in India after taking into account taxes of foreign subsidiaries, which are based on the tax laws of respective jurisdiction. Deferred tax adjustments comprise of changes in the deferred tax assets or liabilities during the period.

12.2 Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted prior to the balance sheet date. Deferred tax assets and liabilities are determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. The costs of such long term employee benefits are internally funded by the Bank.

12.3 Deferred tax assets and liabilities are recognised and reassessed at each reporting date, based upon management’s judgement as to whether realisation is considered certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future profits.

12.4 Income tax expenses are the aggregate of the amounts of tax expense appearing in the separate financial statements of the parent and its subsidiaries/joint ventures, as per their applicable laws.

13. Earning per Share

13.1 The Bank reports basic and diluted earnings per share in accordance with AS 20 - ‘Earnings per Share’ issued by
14.1 In conformity with AS 29, “Provisions, Contingent Assets and Contingent Liabilities”, issued by the Institute of Chartered Accountants of India, the provision is recognised only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

14.2 No provision is recognised for

i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or

ii. any present obligation that arises from past events but is not recognised because

a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

b. a reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

14.3 Contingent Assets are not recognised in the financial statements as this may result in the recognition of income that may never be realised.

15. Cash and cash equivalents

Cash and cash equivalents include cash on hand and in ATM's, and gold in hand, balances with RBI, balances with other banks, and money at call and short notice.

16. Employee Share Purchase Scheme

In accordance with the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by the Securities and Exchange Board of India (“SEBI”), the excess of market price one day prior to the date of issue of the shares over the price at which they are issued is recognised as employee compensation cost.

17. Share Issue Expenses

Share issue expenses are charged to the Share Premium Account.
NOTES ON ACCOUNTS

(Amount in Rupees in crores)

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

1.1 The 29 Subsidiaries, 2 Joint Ventures and 28 Associates (which along with State Bank of India, the parent, constitute the Group), considered in the preparation of the consolidated financial statements are:

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Subsidiary</th>
<th>Country of Incorporation</th>
<th>Group’s Stake (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>State Bank of Bikaner &amp; Jaipur</td>
<td>India</td>
<td>75.07</td>
</tr>
<tr>
<td>2</td>
<td>State Bank of Hyderabad</td>
<td>India</td>
<td>100.00</td>
</tr>
<tr>
<td>3</td>
<td>State Bank of Indore</td>
<td>India</td>
<td>98.05</td>
</tr>
<tr>
<td>4</td>
<td>State Bank of Mysore</td>
<td>India</td>
<td>92.33</td>
</tr>
<tr>
<td>5</td>
<td>State Bank of Patiala</td>
<td>India</td>
<td>100.00</td>
</tr>
<tr>
<td>6</td>
<td>State Bank of Saurashtra (upto 13.08.08)</td>
<td>India</td>
<td>100.00</td>
</tr>
<tr>
<td>7</td>
<td>State Bank of Travancore</td>
<td>India</td>
<td>75.01</td>
</tr>
<tr>
<td>8</td>
<td>SBI Commercial &amp; International Bank Ltd</td>
<td>India</td>
<td>100.00</td>
</tr>
<tr>
<td>9</td>
<td>SBI Capital Markets Ltd</td>
<td>India</td>
<td>86.16</td>
</tr>
<tr>
<td>10</td>
<td>SBICAP Securities Ltd</td>
<td>India</td>
<td>86.16</td>
</tr>
<tr>
<td>11</td>
<td>SBICAP Trustee Company Ltd</td>
<td>India</td>
<td>86.16</td>
</tr>
<tr>
<td>12</td>
<td>SBICAPS Ventures Ltd</td>
<td>India</td>
<td>86.16</td>
</tr>
<tr>
<td>13</td>
<td>SBI DFHI Ltd</td>
<td>India</td>
<td>65.95</td>
</tr>
<tr>
<td>14</td>
<td>SBI Factors &amp; Commercial Services Pvt Ltd</td>
<td>India</td>
<td>69.88</td>
</tr>
<tr>
<td>15</td>
<td>SBI Mutual Fund Trustee Company Pvt Ltd</td>
<td>India</td>
<td>69.88</td>
</tr>
<tr>
<td>16</td>
<td>Global Trade Finance Ltd</td>
<td>India</td>
<td>92.85</td>
</tr>
<tr>
<td>17</td>
<td>SBI Pension Funds Pvt Ltd</td>
<td>India</td>
<td>96.85</td>
</tr>
<tr>
<td>18</td>
<td>SBI Custodial Services Pvt Ltd</td>
<td>India</td>
<td>100.00</td>
</tr>
<tr>
<td>19</td>
<td>SBI General Insurance Co. Ltd</td>
<td>India</td>
<td>100.00</td>
</tr>
<tr>
<td>20</td>
<td>State Bank of India (Canada)</td>
<td>Canada</td>
<td>100.00</td>
</tr>
<tr>
<td>21</td>
<td>State Bank of India (California)</td>
<td>USA</td>
<td>100.00</td>
</tr>
<tr>
<td>22</td>
<td>SBI (Mauritius) Ltd</td>
<td>Mauritius</td>
<td>93.40</td>
</tr>
<tr>
<td>23</td>
<td>PT Bank Indomoney</td>
<td>Indonesia</td>
<td>76.00</td>
</tr>
<tr>
<td>24</td>
<td>SBICAP (UK) Ltd</td>
<td>U.K.</td>
<td>86.16</td>
</tr>
</tbody>
</table>
25. SBI Cards and Payment Services Pvt Ltd @ India 60.00
26. SBI Funds Management Pvt Ltd@ India 63.00
27. SBI Life Insurance Company Ltd@ India 74.00
28. Commercial Bank of India Llc @ Russia 60.00
29. SBI Funds Management (International) Private Ltd @ Mauritius 63.00

* These entities are jointly controlled.

** B) Joint Ventures

<table>
<thead>
<tr>
<th>Sr.</th>
<th>Name of the Joint Venture</th>
<th>Country of Incorporation</th>
<th>Group’s Stake (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>C Edge Technologies Ltd</td>
<td>India</td>
<td>49.00</td>
</tr>
<tr>
<td>2</td>
<td>GE Capital Business Process Management Services Pvt Ltd</td>
<td>India</td>
<td>40.00</td>
</tr>
</tbody>
</table>

** C) Associates:

<table>
<thead>
<tr>
<th>Sr.</th>
<th>Name of the Associate</th>
<th>Country of Incorporation</th>
<th>Group’s Stake (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Andhra Pradesh Grameena Vikas Bank</td>
<td>India</td>
<td>35.00</td>
</tr>
<tr>
<td>2</td>
<td>Arunachal Pradesh Rural Bank</td>
<td>India</td>
<td>35.00</td>
</tr>
<tr>
<td>3</td>
<td>Chhattisgarh Gramin Bank</td>
<td>India</td>
<td>35.00</td>
</tr>
<tr>
<td>4</td>
<td>Ellaquai Dehati Bank</td>
<td>India</td>
<td>35.00</td>
</tr>
<tr>
<td>5</td>
<td>Meghalaya Rural Bank</td>
<td>India</td>
<td>35.00</td>
</tr>
<tr>
<td>6</td>
<td>Krishna Grameena Bank</td>
<td>India</td>
<td>35.00</td>
</tr>
<tr>
<td>7</td>
<td>Langpi Dehangi Rural Bank</td>
<td>India</td>
<td>35.00</td>
</tr>
<tr>
<td>8</td>
<td>Madhya Bharat Gramin Bank</td>
<td>India</td>
<td>35.00</td>
</tr>
<tr>
<td>9</td>
<td>Mizoram Rural Bank</td>
<td>India</td>
<td>35.00</td>
</tr>
<tr>
<td>10</td>
<td>Nagaland Rural Bank</td>
<td>India</td>
<td>35.00</td>
</tr>
<tr>
<td>11</td>
<td>Parvatiya Gramin Bank</td>
<td>India</td>
<td>35.00</td>
</tr>
<tr>
<td>12</td>
<td>Purvanchal Kshetriya Gramin Bank</td>
<td>India</td>
<td>35.00</td>
</tr>
<tr>
<td>13</td>
<td>Samastipur Kshetriya Gramin Bank</td>
<td>India</td>
<td>35.00</td>
</tr>
<tr>
<td>14</td>
<td>Utkal Gramin Bank</td>
<td>India</td>
<td>35.00</td>
</tr>
<tr>
<td>15</td>
<td>Uttaranchal Gramin Bank</td>
<td>India</td>
<td>35.00</td>
</tr>
<tr>
<td>16</td>
<td>Vananchal Gramin Bank</td>
<td>India</td>
<td>35.00</td>
</tr>
</tbody>
</table>
17. Marwar Ganganagar Bikaner Gramin Bank भारत 26.27
18. Vidisha Bhupal Khatriya Gramin Bank India 34.32
19. Deccan Grameena Bank India 35.00
20. Cauvery Kalpatharu Grameena Bank India 32.32
21. Malwa Gramin Bank India 35.00
22. Saurashtra Grameena Bank India 35.00
23. The Clearing Corporation of India Ltd India 28.97
24. SBI Home Finance Ltd India 25.05
25. UTI Asset Management Company Pvt Ltd India 25.00
26. Bank of Bhutan Bhutan 20.00
27. Nepal SBI Bank Ltd Nepal 50.00
28. S.S. Ventures Services Ltd India 43.08

1.2 The following changes have taken place in the consolidation process as compared to 2007-08.

a. The Government of India has notified the acquisition of State Bank of Saurashtra (SBS), a wholly owned banking subsidiary of SBI, with effect from 14th August 2008. Pursuant to the said notification, the entire undertaking of the erstwhile SBS stands acquired by SBI. The acquisition of SBS has been accounted using "Pooling of Interest method" as per Accounting Standard 14. The goodwill arising on acquisition amounting to Rs. 0.65 crores has been charged off to the revenue during the period.

b. SBI's subsidiary, Indian Ocean International Bank (IOIB) amalgamated with SBI International (Mauritius) Ltd, another subsidiary of SBI and the amalgamated entity's name has been changed to SBI (Mauritius) Ltd. and converted as a Public Limited Company from its erstwhile status as a Private Limited Company. The Scheme of Merger has been sanctioned by Bank of Mauritius from 1st April 2008, being the appointed date. Consequently, the SBI's stake in SBI (Mauritius) Limited has reduced from a 98% holding (pre-merger) to 93.40% holding (post-merger).
c. SBI has established a wholly owned subsidiary, SBI Custodial Services Pvt. Ltd. on 16th May 2008 and the capital of the company as on 31.03.09 is Rs. 13.76 crores. A joint venture agreement has been entered into with Societe Generale, France, with the bank having 65% stake. RBI has approved the said joint venture and SBI is awaiting approval from SEBI. The authorised capital of this joint venture is envisaged at Rs. 100 crores.

d. SBI Pension Funds Pvt. Ltd. has commenced operations on 2nd April 2008. During the year, SBI has divested 10% equity stake in SBI Pension Fund Pvt. Ltd. at cost in favour of its subsidiaries viz. SBI Life Insurance Company Limited and SBI Funds Management (Pvt.) Ltd. As a result of this divestment, the bank's total equity stake (including indirect stake) has come down to 96.85%.

e. SBI has incorporated SBI General Insurance Company Ltd. on 24th February 2009 with an authorised share capital of Rs. 20 crores for providing general insurance subject to regulatory approvals. SBI has signed a Joint Venture agreement with Insurance Australia Group (IAG) for conducting the General Insurance Business. SBI will hold 74% equity in the JV, while IAG will hold 26% equity.

f. Pursuant to a Scheme of Amalgamation approved by the Central Board at its meeting held on 25th June 2008, SBI Commercial and International Bank Ltd., a wholly owned subsidiary of SBI is proposed to be merged with SBI. The relevant scheme is yet to be approved by the Government of India, RBI and other authorities. Pending such approvals no effect has been given to the said scheme in the accounts.

g. The winding up petition of SBI Home Finance Ltd., an associate of the bank, was filed with the Kolkata High Court on 23rd September 2008. The Hon'ble Court has passed an order on 31st March 2009 giving direction for winding up of the company.

h. SBI has signed a joint venture with Macquarie Capital Group, Australia and IFC, Washington for setting up an Infrastructure fund of USD 3 billion for investing in various infrastructure projects in India for which RBI and Government approval have been received.
i. SBI has signed an MOU during the year with State General Reserve Fund (SGRF) of Oman, a Sovereign Fund of that country with an objective to set up a general fund to invest in various sectors in India. While the RBI approval has been received, the Government of India approval is awaited.

j. The Boards of SBI and SBI Capital Markets Ltd. (SBICAP) have approved takeover of SBICAP Securities Limited (SSL) by SBI as its subsidiary from SSL’s holding company - SBICAP, subject to necessary regulatory approval.

1.3 Two of the associates - Bank of Bhutan (Gregorian Calendar Year) and Nepal SBI Bank Ltd (Hindu Calendar Year) follow accounting years different from that of the parent. Accordingly, the financial statements of these associates are made as of 31st December 2008 and 15th July 2008 respectively.

2. Share Capital:

2.1 The parent has kept in abeyance the allotment of 88,278 Equity Shares of Rs.10/- each issued as part of Rights Issue last year, since they are subject to matter of title disputes or are subjudice.

2.2 During the year, the parent has issued 34,09,846 equity shares of Rs. 10/- each for cash at a premium of Rs. 1580/- per equity share i.e. at Rs. 1590/- per equity share aggregating to Rs. 542.17 crores to its employees under SBI Employees Share Purchase Scheme - 2008 (SBI ESPS - 2008). The issue of equity shares under SBI ESPS-2008 has been accounted in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) guidelines 1999. Accordingly, an amount of Rs 21.41 crores has been charged as employee expenses and transferred to Share Premium Account.

2.3 The Government of India had, during the year ended 31.03.2008, subscribed to 6,28,68,000 Equity Shares of Rs.10/- each at a premium of Rs.1580/- per share as part of Rights Offer of the bank. The Government of India has discharged the total consideration of Rs.9996.01 crores by issue of “8.35% SBI Rights Issue GOI Special Bonds 2024”. Certain restrictions have been placed by the Government on the sale of these bonds.
2.4 Expenses in relation to the issue of Equity Shares under the Employees Share Purchase Scheme 2008 amounting to Rs.1.21 crores is debited to Share Premium Account.

3. Disclosures as per Accounting Standards:

3.1 Change in Accounting Policy:

SBI has been making annual contribution to the pension fund administered by trustees based on an independent actuarial valuation carried out at the year end. SBI has decided to make its contribution to the Pension Fund at 10% of the basic salary in term of SBI Pension Fund Rules. The balance amount as per actuarial liability is fully provided for and kept in a special provision account for settlement to pensioners.

Consequent to this change the profit after tax has gone up by Rs.296 crores after considering the deferred tax assets of Rs. 508 crores.

3.2 Employee Benefits:

3.2.1 Defined Benefit Plans

The following table sets out the status of the defined benefit Pension Plan and Gratuity Plan as required under AS 15 (Revised 2005):

<table>
<thead>
<tr>
<th>Particulars</th>
<th>CY</th>
<th>PY</th>
<th>CY</th>
<th>PY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension Plans</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening</td>
<td>21387.5</td>
<td>1135.57</td>
<td>1684.31</td>
<td>1073.85</td>
</tr>
<tr>
<td>Service cost</td>
<td>20189.82</td>
<td>654.17</td>
<td>1637.57</td>
<td>149.72</td>
</tr>
<tr>
<td>Interest cost</td>
<td>4887.04</td>
<td>223.69</td>
<td>380.67</td>
<td>(138.88)</td>
</tr>
<tr>
<td>Actuarial gains</td>
<td>4800.07</td>
<td>195.36</td>
<td>387.15</td>
<td>(99.27)</td>
</tr>
<tr>
<td>Actuarial losses</td>
<td>21387.5</td>
<td>1135.57</td>
<td>1684.31</td>
<td>1073.85</td>
</tr>
<tr>
<td>Closing balance</td>
<td>5068.06</td>
<td>4887.04</td>
<td>24008.71</td>
<td>17366.99</td>
</tr>
</tbody>
</table>

| Gratuity |  |  |  |  |
| Opening | 16666.34 | 1232.78 | 508.58 | 231.81 |
| Service cost | 15263.37 | 1223.28 | 1354.95 | 68.52 |
| Interest cost | 4739.10 | 367.64 | 41.39 | 16.69 |
| Actuarial gains | 4599.59 | 354.87 | 129.8 | 51.09 |
| Closing balance | 17366.99 | 4880.36 | 4739.1 | 17366.99 |
The Group expects to contribute Rs. 1085 crores (Previous Year Rs. 822 crores) and Rs. 130 crores (Previous Year Rs. 113 crores) to its defined benefit Pension Plan and Gratuity Plan respectively during the next financial year.

Investments under Plan Assets of Gratuity Fund & Pension Fund as on 31 March 2009 are as follows:

<table>
<thead>
<tr>
<th>Category of Assets</th>
<th>Pension Fund</th>
<th>Gratuity Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of Plan Assets</td>
<td>% of Plan Assets</td>
</tr>
<tr>
<td>Central Govt. Securities</td>
<td>5.79</td>
<td>31.33</td>
</tr>
<tr>
<td>State Govt. Securities</td>
<td>3.15</td>
<td>20.67</td>
</tr>
<tr>
<td>Public Sector Bonds</td>
<td>5.18</td>
<td>33.37</td>
</tr>
<tr>
<td>FDR / TDR with Bank</td>
<td>3.79</td>
<td>3.64</td>
</tr>
<tr>
<td>Bank Deposits</td>
<td>80.72</td>
<td>6.34</td>
</tr>
<tr>
<td>Others</td>
<td>1.37</td>
<td>4.65</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>
Out of the above investments following are held with the group:

<table>
<thead>
<tr>
<th>Category of Assets</th>
<th>Pension Fund</th>
<th>Gratitude Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Plan Assets</td>
<td>% of Plan Assets</td>
<td></td>
</tr>
<tr>
<td>FDR / TDR with Bank &amp; Bank Deposits</td>
<td>81.45%</td>
<td>6.45%</td>
</tr>
</tbody>
</table>

Principal actuarial assumptions:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Current year</th>
<th>Previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount Rate</td>
<td>7.25% to 7.75%</td>
<td>7.75% to 8%</td>
</tr>
<tr>
<td>Expected Rate of return on Plan Asset</td>
<td>7.50% to 8%</td>
<td>7.50% to 8%</td>
</tr>
<tr>
<td>Salary Escalation</td>
<td>5% to 13%</td>
<td>4% to 13%</td>
</tr>
</tbody>
</table>

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

3.2.2 Employees Provident Fund

In terms of the guidance on implementing the AS-15 (Revised 2005) issued by the Institute of the Chartered Accountants of India, the Employees Provident Fund set up by the Bank is treated as a defined benefit plan since the Bank has to meet the specified minimum rate of return. As at the year end, no shortfall remains unprovided for. Accordingly, other related disclosures in respect of Provident Fund have not been made and an amount of Rs.394.59 crores (Previous Year Rs.546.01 crores) is recognised as an expense towards the Provident Fund scheme of the group included under the head “Payments to and provisions for employees” in Profit and Loss Account.

3.2.3 Other Long term Employee Benefits

Amount of Rs. 68.04 crores (Previous Year Rs.205.99 crores) is recognised as an expense towards Long term Employee Benefits included under the head “Payments to and provisions for employees” in Profit and Loss account.
Details of Provisions made for various long Term Employees' Benefits during the year:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Long Term Employees' Benefits</th>
<th>Current Year</th>
<th>Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Privilege Leave (Encashment) incl. leave encashment at the time of retirement</td>
<td>35.21</td>
<td>133.25</td>
</tr>
<tr>
<td>2</td>
<td>Leave Travel and Home Travel Concession (Encashment/Availment)</td>
<td>15.52</td>
<td>40.64</td>
</tr>
<tr>
<td>3</td>
<td>Sick Leave</td>
<td>(3.80)</td>
<td>23.74</td>
</tr>
<tr>
<td>4</td>
<td>Silver Jubilee Award</td>
<td>(4.23)</td>
<td>5.01</td>
</tr>
<tr>
<td>5</td>
<td>Resettlement Expenses on Superannuation</td>
<td>4.18</td>
<td>5.28</td>
</tr>
<tr>
<td>6</td>
<td>Casual Leave</td>
<td>5.74</td>
<td>(2.02)</td>
</tr>
<tr>
<td>7</td>
<td>Retirement Award</td>
<td>15.42</td>
<td>0.09</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>68.04</td>
<td>205.99</td>
</tr>
</tbody>
</table>

3.3 Segment Reporting (As complied by management and relied upon by the auditors)

3.3.1 Segment identification

A) Primary (Business Segment)

The following are the Primary Segments of the Group:

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

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

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

b) Corporate / Wholesale Banking: The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Mid Corporate Accounts Group and Stressed Assets Management Group. These include providing loans and transaction services to corporate and institutional clients and further include non treasury operations of foreign offices.
c) Retail Banking: The Retail Banking Segment comprises of branches in National Banking Group, which primarily includes personal Banking activities including lending activities to corporate customers having Banking relations with branches in the National Banking Group. This segment also includes agency business and ATM’s.

d) Other Banking business - Segments not classified under (a) to (c) above are classified under this primary segment. This segment also includes the operations of all the Non-Banking Subsidiaries/ Joint Ventures of the group.

In the case of Banking Subsidiaries who do not have the management reporting structure corresponding to the parent, all the exposures in excess of Rs. 5 crores have been segregated and included in Corporate/ Wholesale Banking.

B) Secondary (Geographical Segment):

i) Domestic operations comprise branches and subsidiaries having operations in India.

ii) Foreign operations comprise branches and subsidiaries having operations outside India and offshore banking units having operations in India.

C) Allocation of Expenses, Assets and liabilities

Expenses of parent incurred at Corporate Centre establishments directly attributable either to Corporate / Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of number of employees in each segment/ratio of directly attributable expenses.

3.3.2 The accounting policies adopted for segment reporting are in line with the accounting policies adopted in the parent's financial statements with the following additional features:

1) Pricing of inter-segment transactions between the Non Banking Operations segment and other segments are market led. In respect of transactions between treasury and other banking business, compensation for the use of funds is reckoned based on interest and other costs incurred by the lending segment.

2) Revenue and expenses have been identified to segments based on their relationship to the operating activities of the segment.

3) Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated Expenses".
### 3.3.3 विभागित सूचना के अंतर्गत प्रकटीकरण

#### भाग क : प्राथमिक विभाग

**PART A : PRIMARY SEGMENTS**

<table>
<thead>
<tr>
<th></th>
<th>क्षेत्र परिचालन</th>
<th>कारारो/क्षेत्र बैंकिंग</th>
<th>क्रेडिट कंपानी/ शॉपिंग बैंकिंग</th>
<th>क्रेडिट कंपानी परिचालन</th>
<th>अन्य कंपनी परिचालन</th>
<th>परिचालन निषेध</th>
<th>योग TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>आय</td>
<td>22,556.93</td>
<td>35,007.51</td>
<td>52,224.58</td>
<td>7,758.79</td>
<td>-4,462.57</td>
<td>1,13,085.24</td>
<td></td>
</tr>
<tr>
<td>परिणाम</td>
<td>3,287.16</td>
<td>7,780.35</td>
<td>10,087.52</td>
<td>343.96</td>
<td>—</td>
<td>21,498.99</td>
<td></td>
</tr>
<tr>
<td>अनावलीकृत आय</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>7.85</td>
</tr>
<tr>
<td>अनावलीकृत खर्च</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>-3,612.00</td>
</tr>
<tr>
<td>परिवर्तन लाभ (PBT)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>17,894.84</td>
<td></td>
</tr>
<tr>
<td>कर</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>6,721.77</td>
</tr>
<tr>
<td>भारतीय लाभ/परापति</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>विशिष्ट लाभ</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>अन्य सूचनाएँ:</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>खर्च अवसरों</td>
<td>4,18,116.72</td>
<td>3,91,946.01</td>
<td>7,50,918.91</td>
<td>25,393.18</td>
<td>-2,89,745.27</td>
<td>12,96,629.55</td>
<td></td>
</tr>
<tr>
<td>अनावलीकृत अवसरों</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>8,196.19</td>
</tr>
<tr>
<td>कुल अवसरों</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>13,04,825.74</td>
</tr>
<tr>
<td>खर्च विभाग</td>
<td>2,11,439.13</td>
<td>3,75,786.40</td>
<td>8,68,257.60</td>
<td>21,864.52</td>
<td>-2,89,745.27</td>
<td>11,87,602.38</td>
<td></td>
</tr>
<tr>
<td>अनावलीकृत विभाग</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>44,832.97</td>
</tr>
<tr>
<td>कुल विभाग</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>12,32,435.35</td>
</tr>
</tbody>
</table>

#### PART B : SECONDARY SEGMENTS

<table>
<thead>
<tr>
<th>विवरण विभाग</th>
<th>देशीय परिचालन Domestic Operations</th>
<th>विदेशी परिचालन Foreign Operations</th>
<th>योग Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>आय विभाग</td>
<td>1,07,536.61</td>
<td>5,556.48</td>
<td>1,13,093.09</td>
</tr>
<tr>
<td>(83,566.13)</td>
<td>(6,652.68)</td>
<td>(90,218.81)</td>
<td></td>
</tr>
<tr>
<td>आवसरों विभाग</td>
<td>11,85,292.32</td>
<td>21,864.52</td>
<td>13,04,825.74</td>
</tr>
<tr>
<td>(9,30,748.23)</td>
<td>(96,521.29)</td>
<td>(10,27,269.52)</td>
<td></td>
</tr>
</tbody>
</table>

i) आय/विभाग दूसरे वर्ष तेज हैं। आवसरों/विभागों का विवरण तिथि 31.03.2009 का है।

ii) विभागों में मिले गए आवश्यक विभाग के हैं।

i) Income/Expenses are for the whole year. Assets/Liabilities are as at 31st March 2009.

ii) Figures within brackets are for previous year.
3.4 Related Party Disclosures: As identified and compiled by the management and relied upon by the auditors

3.4.1 Related Parties to the Group:

A) JOINT VENTURES:
2. C Edge Technologies Ltd.

B) ASSOCIATES:

i Regional Rural Banks
1. Andhra Pradesh Grameena Vikas Bank
2. Arunachal Pradesh Rural Bank
3. Cauvery Kalpatharu Grameena Bank
4. Chhatisgarh Gramin Bank
5. Deccan Grameena Bank
6. Ellaquai Dehati Bank
7. Meghalaya Rural Bank
8. Krishna Grameena Bank
9. Langpi Dehangi Rural Bank
10. Madhya Bharat Gramin Bank
11. Malwa Gramin Bank
12. Marwar Ganganagar Bikaner Bank
13. Mizoram Rural Bank
14. Nagaland Rural Bank
15. Parvatiya Gramin Bank
16. Purvanchal Kshetriya Gramin Bank
17. Samastipur Kshetriya Gramin Bank
18. Saurashtra Grameena Bank
19. Utkal Gramya Bank
20. Uttaranchal Gramin Bank
21. Vananchal Gramin Bank
22. Vidisha Bhopal Kshetriya Gramin Bank

ii Others
23. SBI Home Finance Limited.
24. The Clearing Corporation of India Ltd.
25. Nepal SBI Bank Ltd.
26. Bank of Bhutan
27. UTI Asset Management Company Pvt. Ltd.
28. S. S. Ventures Services Pvt Ltd

C) Key Management Personnel of the Bank:
1. Shri O. P. Bhatt, Chairman
2. Shri S. K. Bhattacharyya, Managing Director
3. Shri R. Sridharan, Managing Director (from 5th December 2008)
3.4.2 Related Parties with whom transactions were entered into during the year:

No disclosure is required in respect of transactions with related parties which are "state controlled enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions in the nature of banker-customer relationship are not required to be disclosed in respect of Key Management Personnel. Other particulars are:

1. C Edge Technologies Ltd.
2. GE Capital Business Process Management Services Pvt. Ltd.
3. SBI Home Finance Ltd.
4. Bank of Bhutan
5. Nepal SBI Bank Ltd.
6. S. S. Ventures Services Ltd
7. Shri O. P. Bhatt, Chairman
8. Shri S. K. Bhattacharyya, Managing Director
9. Shri R. Sridharan, Managing Director (from 5th December 2008)

3.4.3 Transactions / Balances:

<table>
<thead>
<tr>
<th>Items</th>
<th>Associates/ Joint Ventures</th>
<th>Key Management Personnel @</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposit#</td>
<td>92.58 (62.56)</td>
<td>0.69</td>
<td>93.27 (62.56)</td>
</tr>
<tr>
<td>Other Liability#</td>
<td>50.39 (97.75)</td>
<td>0.26</td>
<td>50.65 (97.75)</td>
</tr>
<tr>
<td>Investments#</td>
<td>21.80 (21.75)</td>
<td>(—)</td>
<td>21.80 (21.75)</td>
</tr>
<tr>
<td>Other Assets #</td>
<td>(0.08)</td>
<td>(—)</td>
<td>(0.08)</td>
</tr>
<tr>
<td>Interest paid $</td>
<td>2.71 (3.16)</td>
<td>(—)</td>
<td>2.71 (3.16)</td>
</tr>
<tr>
<td>Interest received$</td>
<td>(—)</td>
<td>(—)</td>
<td>(—)</td>
</tr>
<tr>
<td>Income earned by way of Dividend $</td>
<td>1.89 (2.94)</td>
<td>(—)</td>
<td>1.89 (2.94)</td>
</tr>
<tr>
<td>Rendering of services $</td>
<td>2.61 (0.07)</td>
<td>(—)</td>
<td>2.61 (0.07)</td>
</tr>
<tr>
<td>Receiving of services $</td>
<td>150.43 (0.38)</td>
<td>(—)</td>
<td>150.43 (0.38)</td>
</tr>
<tr>
<td>Management contracts $</td>
<td>(—)</td>
<td>0.38 (0.54)</td>
<td>0.38 (0.54)</td>
</tr>
</tbody>
</table>

(Figures in brackets pertain to previous year)

# Balances as at 31st March
$ Transactions for the year
@ Transactions which are not in the nature of banker-customer relationship.
3.5 Leases:

### Financial Lease

Assets given on Financial Lease on or after 1st April 2001: The details of financial lease are given below.

<table>
<thead>
<tr>
<th>Current Year</th>
<th>Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>37.09</td>
<td>43.29</td>
</tr>
</tbody>
</table>

#### Present value of minimum lease payments receivable

- **Less than 1 year**: 6.48
- **1 to 5 years**: 9.67
- **5 years and above**: Nil

**Total**: 6.48

#### Present value of unearned finance income

<table>
<thead>
<tr>
<th>Current Year</th>
<th>Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.28</td>
<td>3.76</td>
</tr>
</tbody>
</table>

### Operating Lease

#### A. Office Premises/Staff Quarters taken on Operating Lease as on 31st March 2009

- **Minimum Lease Rent Payable**
  - Payable not later than 1 year i.e. 2009-10: 58.92
  - Payable later than 1 year and not later than 5 years i.e. 2010-11 to 2013-14: 144.78
  - Payable later than 5 years i.e. after 2013-14: 35.35

* in respect of Non Cancellable Lease only

- **Amount of lease charges debited to charges account during the year**: 690.46

#### B. Premises given on Operating Leases as on 31st March 2009

- **Minimum Lease Rental Receivable**
  - Payable not later than 1 year i.e. 2009-10: 0.04
  - Payable later than 1 year and not later than 5 years i.e. 2010-11 to 2013-14: 0.04
  - Payable later than 5 years i.e. after 2013-14: Nil

#### Particulars

<table>
<thead>
<tr>
<th>Original Cost</th>
<th>Accumulated Depreciation as on 31.03.2009</th>
<th>Depreciation for the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.21</td>
<td>0.21</td>
<td>Nil</td>
</tr>
</tbody>
</table>

---

**Legend**

- **Premises given on lease**
- **Particulars**
- **Assessment Year**
- **Valuation**
- **Depreciation for the year**
- **Depreciation for the year**

---

**Note**: The information provided is a translation of the original text. Please refer to the original document for the most accurate representation.
iii लाभ और हानि खाते में कोई आकस्मिक वितरण शामिल नहीं किया गया है।

3.6 प्रति शेयर उपार्जन:

बैंक ने लेखा मानक 20 - 'प्रति शेयर उपार्जन' के अनुसार प्रति शेयर लाभ और कम की गई आय की सूची दी है। वर्ष के दौरान, कर के परमाणु नियंत्रण द्वारा लाभ को बढ़ाने के इस्तेमाल शेयरों की भारी ऊपर और सर्दियों से अलग करके प्रति शेयर 'मूल अवधि' की गणना की गई है।

3.6 Earnings Per Share:

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Current Year</th>
<th>Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic and diluted</td>
<td>63,44,13,120</td>
<td>53,14,45,447</td>
</tr>
<tr>
<td>Weighted average No. of equity shares used in computing basic earning per share</td>
<td>—</td>
<td>5,09,911</td>
</tr>
<tr>
<td>Add: Potential number of equity shares that could arise on account of ESPS scheme</td>
<td>—</td>
<td>5,09,911</td>
</tr>
<tr>
<td>Weighted average number of shares used in computing diluted earning per share</td>
<td>63,44,13,120</td>
<td>53,19,55,358</td>
</tr>
<tr>
<td>Net profit (Other than minority)</td>
<td>10955.29</td>
<td>8960.61</td>
</tr>
<tr>
<td>Basic earnings per share (Rs.)</td>
<td>172.68</td>
<td>168.61</td>
</tr>
<tr>
<td>Diluted earnings per share (Rs.)</td>
<td>172.68</td>
<td>168.45</td>
</tr>
<tr>
<td>Nominal value per share (Rs.)</td>
<td>10.00</td>
<td>10.00</td>
</tr>
</tbody>
</table>

3.7 Accounting for taxes on Income

i) वर्ष के दौरान, आय के समायोजन के द्वारा ह. 1075.97 करोड़ [पिछले वर्ष ह. 483.03 करोड़] लाभ और हानि खाते में जा किया गया।

ii) अन्य मध्य के आय के दौरान विवरण आवश्यकता में दिया गया है:

<table>
<thead>
<tr>
<th>विवरण</th>
<th>31 मार्च 2009 की मिलति के अनुसार</th>
<th>31 मार्च 2008 की मिलति के अनुसार</th>
</tr>
</thead>
<tbody>
<tr>
<td>आवश्यक तथा आवश्यकताओं</td>
<td>454.78</td>
<td>282.81</td>
</tr>
<tr>
<td>एनकाउंटर निवेश के लिए अनुक्रम रैंक का मुकाबला</td>
<td>100.21</td>
<td>147.83</td>
</tr>
<tr>
<td>वेतन संगठन</td>
<td>769.19</td>
<td>214.92</td>
</tr>
<tr>
<td>ईस्पसे, अन्य अन्य, पेंशन आदि के लिए क्रमांक</td>
<td>1214.24</td>
<td>556.73</td>
</tr>
<tr>
<td>अन्य</td>
<td>461.39</td>
<td>751.68</td>
</tr>
<tr>
<td>योग</td>
<td>2999.81</td>
<td>1953.97</td>
</tr>
</tbody>
</table>

आवश्यक तथा देयताएं

अन्य आवश्यकताओं के लिए क्रमांक | 119.62                             | 110.43                             |
| प्राप्ति संख्याओं के लिए प्रयोग | 595.42                             | 580.96                             |
| अन्य | 276.76                             | 484.19                             |
| योग | 991.80                             | 1175.58                            |
| निम्नलिखित कर आवश्यकताएं (देयताएं) | 2008.01                            | 778.39                             |

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31-Mar 2009</th>
<th>As at 31-Mar 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Tax Assets</td>
<td>454.78</td>
<td>282.81</td>
</tr>
<tr>
<td>Ex-gratia paid under Exit option</td>
<td>100.21</td>
<td>147.83</td>
</tr>
<tr>
<td>Wage Revision</td>
<td>769.19</td>
<td>214.92</td>
</tr>
<tr>
<td>Provision for Gratuity, Leave, Pension etc.</td>
<td>1214.24</td>
<td>556.73</td>
</tr>
<tr>
<td>Others</td>
<td>461.39</td>
<td>751.68</td>
</tr>
<tr>
<td>Total</td>
<td>2999.81</td>
<td>1953.97</td>
</tr>
</tbody>
</table>

Deferred Tax Liabilities

Depreciation on Fixed Assets | 119.62            | 110.43            |
| Interest on securities         | 595.42            | 580.96            |
| Others                          | 276.76            | 484.19            |
| Total                           | 991.80            | 1175.58           |
| Net Deferred Tax Assets/(Liabilities) | 2008.01          | 778.39            |
3.8 Investments in jointly controlled entities:

As required by AS 27, the aggregate amount of the assets, liabilities, income and expenses related to the group's interests in jointly controlled entities are disclosed as under:

<table>
<thead>
<tr>
<th>विवरण / Particulars</th>
<th>31 March 2009 की स्थिति के अनुसार</th>
<th>31 March 2008 की स्थिति के अनुसार</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at 31-Mar-2009</td>
<td>As at 31-Mar-2008</td>
</tr>
<tr>
<td>दायित्व / Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>पूंजी और आर्थिक संरचनाएँ / Capital &amp; Reserves</td>
<td>70.34</td>
<td>64.41</td>
</tr>
<tr>
<td>जमातालियाँ / Deposits</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>उद्धार राशियाँ / Borrowings</td>
<td>0.26</td>
<td>0.35</td>
</tr>
<tr>
<td>अन्य दायित्व एवं प्राप्ति / Other Liabilities &amp; Provisions</td>
<td>28.65</td>
<td>27.05</td>
</tr>
<tr>
<td>योग / TOTAL</td>
<td>99.25</td>
<td>91.81</td>
</tr>
</tbody>
</table>

| आत्माओं / Assets      |                                   |                                   |
| नकदी और भारतीय रिजर्ड बैंक के पास जमातालियाँ |                                   |                                   |
| Cash and balances with Reserve Bank of India | 0.01 | 0.01 |
| बैंकों के पास जमातालियाँ और मार्ग पर तथा अत्यंत सुरक्षा पर प्रतिस्थार राशि | 21.44 | 2.04 |
| Balances with Banks and Money at call and short notice | 3.52 | 2.62 |
| विवरण / Investments |                                   |                                   |
| अधिग्रह / Advances    | —                                 | —                                 |
| अत्याधिक आत्माओं / Fixed Assets | 11.20 | 16.23 |
| अन्य आत्माओं / Other Assets | 63.08 | 70.91 |
| योग / TOTAL           | 99.25                             | 91.81                             |

| पुंजीविक्षा वापसी / Capital Commitments | Nil | Nil |
| अन्य आर्थिक संरचनाएँ / Other Contingent Liabilities | Nil | Nil |

| आय / Income          |                                   |                                   |
| उपार्जित व्याज / Interest earned | — | 5.69 |
| अन्य आय / Other income | 51.47 | 61.63 |
| कुल व्याज / Total      | 51.47                             | 67.32                             |

| Expenditure           |                                   |                                   |
| व्याज किच्चा गया व्याज / Interest expended | — | — |
| परिचालन व्याज / Operating expenses | 41.31 | 47.41 |
| प्राप्ति एवं आर्थिक संरचनाएँ / Provisions & contingencies | 4.23 | 6.44 |
| कुल / Total           | 45.54                             | 53.85                             |
| लाभ / Profit          | 5.93                              | 13.47                             |
3.9 Impairment of assets:

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

3.10 Provisions, Contingent Liabilities & Contingent Assets

a) Break up of provisions:

<table>
<thead>
<tr>
<th>Current Year</th>
<th>Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Provision for Income Tax (current tax)</td>
<td>7598.23</td>
</tr>
<tr>
<td>b) Provision for Income Tax (deferred tax asset)</td>
<td>(1075.97)</td>
</tr>
<tr>
<td>c) Fringe Benefit Tax</td>
<td>174.64</td>
</tr>
<tr>
<td>d) Provision for other taxes</td>
<td>24.87</td>
</tr>
<tr>
<td>e) Amount of provision made against NPAs (including write back of provision)</td>
<td>3616.30</td>
</tr>
<tr>
<td>f) General provision on Standard Assets in the global loan portfolio</td>
<td>304.83</td>
</tr>
<tr>
<td>g) Depreciation in the value of Investments in India and Outside India</td>
<td>1352.77</td>
</tr>
<tr>
<td>h) Others (Net of write-backs)</td>
<td>726.17</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12721.84</strong></td>
</tr>
</tbody>
</table>

(Figures in brackets indicate credit)

b) Floating provisions:

<table>
<thead>
<tr>
<th>Current Year</th>
<th>Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Opening Balance</td>
<td>685.04</td>
</tr>
<tr>
<td>b) Addition during the year</td>
<td>155.60</td>
</tr>
<tr>
<td>c) Draw down during the year</td>
<td>326.00</td>
</tr>
<tr>
<td>d) Closing balance</td>
<td>514.64</td>
</tr>
</tbody>
</table>
c) Description of contingent liabilities and contingent assets:

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Items</th>
<th>Brief Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Claims against the Group not acknowledged as debts</td>
<td>The parent and its constituents are parties to various proceedings in the normal course of business. It does not expect the outcome of these proceedings to have a material adverse effect on the Group's financial conditions, results of operations or cash flows.</td>
</tr>
<tr>
<td>2</td>
<td>Liability on account of forward exchange contracts</td>
<td>The Group enters into foreign exchange contracts, currency options, forward rate agreements, currency swaps and interest rate swaps with inter-bank participants on its own account and for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by way of an interest principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as contingent liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts.</td>
</tr>
<tr>
<td>3</td>
<td>Guarantees given on behalf of constituents, endorsements and other obligations</td>
<td>As a part of its commercial banking activities, the Group issues documentary credits and guarantees on behalf of its customers. Documentary credits enhance the credit standing of the customers of the Group. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfil its financial or performance obligations.</td>
</tr>
<tr>
<td>4</td>
<td>Other items for which the Group is contingently liable</td>
<td>The Group is a party to various taxation matters in respect of which appeals are pending. These are being contested by the Group and not provided for. Further the Group has made commitments to subscribe to shares in the normal course of business.</td>
</tr>
</tbody>
</table>

d) The contingent liabilities mentioned above are dependent upon the outcome of court/arbitration/ out of court settlements, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be.

e) Movement of provisions against contingent liabilities:

<table>
<thead>
<tr>
<th></th>
<th>Current Year</th>
<th>Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Opening Balance</td>
<td>238.34</td>
<td>142.19</td>
</tr>
<tr>
<td>b) Addition during the year</td>
<td>108.14</td>
<td>118.33</td>
</tr>
<tr>
<td>c) Draw down during the year</td>
<td>42.53</td>
<td>22.18</td>
</tr>
<tr>
<td>d) Closing balance</td>
<td>303.95</td>
<td>238.34</td>
</tr>
</tbody>
</table>

4. Pending Wage Agreement: The Eighth Bipartite Settlement entered into by the Indian Banks' Association on behalf of the member Banks with the All India Unions of Workmen expired on 31st October 2007. Pending the execution of a new agreement, a
5. Agricultural Debt Waiver and Debt Relief Scheme 2008

As per the Agricultural Debt Waiver and Debt Relief Scheme 2008, the amount receivable from the Central Government on account of debt waiver is Rs. 7424.37 crores and on account of debt relief is Rs. 947.94 crores, which is treated as part of advances and other assets respectively in accordance with the scheme. For the Debt Waiver, the Government of India has agreed to provide interest on the amount receivable from it from the date of payment of the first installment and accordingly no provision for loss of interest on present value terms has been made. Further, the instalment of Rs. 2912.61 crores has been received from Government of India. In respect of Debt Relief, the group has made provision of Rs. 248.28 crores towards present value of loss of interest on amount receivable from eligible farmers, which is reversible to General Reserve upon complete settling of the account after receipt of claim from the Government. The figures of debt relief are subject to payment of dues by the farmers.

6. In accordance with RBI circular DBOD NO.BP.BC.42/21.01.02/2007-08 redeemable preference shares are treated as liabilities and the coupon payable thereon makes them comparable with current year’s figures.

7. Additional statutory information disclosed in separate financial statements of the parent and the subsidiaries having no bearing on the true and fair view of the financial statements of the parent and the subsidiaries respectively in accordance with the scheme.

8. Previous year’s figures have been regrouped and reclassified, wherever necessary and determinable, to make them comparable with current year’s figures. In cases where disclosures have been made for first time in terms of RBI guidelines/Accouting Standards, previous year’s figures have not been mentioned.
# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

<table>
<thead>
<tr>
<th>Description</th>
<th>31.3.2009</th>
<th>31.3.2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. CASH FLOW FROM OPERATING ACTIVITIES</strong></td>
<td>31169,96,16</td>
<td>(4209,41,26)</td>
</tr>
</tbody>
</table>

**Adjustment for:**

- Net Profit before taxes 17677,05,43 13738,33,96
- Depreciation charge 924,46,18 1038,33,36
- (Profit)/Loss on sale of fixed assets (Net) 4,20,67 (10,70,83)
- Provision for NPLs 3616,30,20 2804,04,68
- Depreciation on Investments in India 294,65,42 103,94,12
- (Profit)/Loss on sale of investments (Net) (1758,03,89) (2780,60,20)
- Profit/Loss on revaluation of investments 629,25,09 856,75,44
- (Loss)/Profit on revaluation of other assets 51,38,94 413,26,93
- Other Provisions 674,79,65 197,29,16

**Other:**

- Deferred Revenue Expenditure written off during the year 583,24 (29,52,65)
- Interest paid on Bonds (Financing Activity) 2797,09,40 2384,62,06
- Dividend/Earnings from Associates (Investing activity) 53,63 (211,00,17)
- Less : Direct Taxes (7764,81,41) (5759,81,38)

**Total:** 18515,66,36 13567,36,96
<table>
<thead>
<tr>
<th>Description</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase/(Decrease) in Other Liabilities &amp; Provisions</td>
<td>21989,72,84</td>
<td>19870,98,41</td>
</tr>
<tr>
<td>Increase/(Decrease) in Other Assets</td>
<td>5753,73,71</td>
<td>(21025,14,61)</td>
</tr>
<tr>
<td><strong>NET CASH PROVIDED BY OPERATING ACTIVITIES</strong></td>
<td>31169,96,16</td>
<td>(4209,41,26)</td>
</tr>
<tr>
<td><strong>NET CASH PROVIDED BY INVESTING ACTIVITIES</strong></td>
<td>(1630,89,34)</td>
<td>(1642,44,22)</td>
</tr>
<tr>
<td><strong>NET CASH PROVIDED BY FINANCING ACTIVITIES</strong></td>
<td>4500,72,69</td>
<td>22633,71,61</td>
</tr>
<tr>
<td><strong>Net Cashflows on A/C of Exchange Fluctuation</strong></td>
<td>2193,48,35</td>
<td>(230,30,80)</td>
</tr>
</tbody>
</table>

**B. CASH FLOW FROM INVESTING ACTIVITIES**

<table>
<thead>
<tr>
<th>Description</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase/(Decrease) in Investments in Associates</td>
<td>(141,00,08)</td>
<td>(162,40,41)</td>
</tr>
<tr>
<td>Income earned on such Investments</td>
<td>53,63</td>
<td>211,00,17</td>
</tr>
<tr>
<td>Increase/(Decrease) in Fixed Assets</td>
<td>(1489,35,63)</td>
<td>(1691,03,98)</td>
</tr>
<tr>
<td><strong>NET CASH PROVIDED BY INVESTING ACTIVITIES</strong></td>
<td>(1630,89,34)</td>
<td>(1642,44,22)</td>
</tr>
</tbody>
</table>

**C. CASH FLOW FROM FINANCING ACTIVITIES**

<table>
<thead>
<tr>
<th>Description</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share Capital</td>
<td>3,40,98</td>
<td>105,17,15</td>
</tr>
<tr>
<td>Share Premium</td>
<td>558,95,77</td>
<td>16588,39,42</td>
</tr>
<tr>
<td>Issue of Bonds</td>
<td>8373,43,21</td>
<td>10967,80,00</td>
</tr>
<tr>
<td>Repayment of Subordinated Bonds</td>
<td>(40,00,00)</td>
<td>(1755,26,00)</td>
</tr>
<tr>
<td>Interest Paid on Bonds</td>
<td>(2797,09,40)</td>
<td>(2384,62,06)</td>
</tr>
<tr>
<td>Dividends Paid including tax thereon</td>
<td>(1532,11,70)</td>
<td>(862,04,07)</td>
</tr>
<tr>
<td>Dividends tax Paid by subsidiaries</td>
<td>(65,86,17)</td>
<td>(25,72,83)</td>
</tr>
<tr>
<td><strong>NET CASH PROVIDED BY FINANCING ACTIVITIES</strong></td>
<td>4500,72,69</td>
<td>22633,71,61</td>
</tr>
</tbody>
</table>

**D. CASH FLOW ON ACCOUNT OF EXCHANGE FLUCTUATION**

<table>
<thead>
<tr>
<th>Description</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserves of Foreign Subsidiaries</td>
<td>1530,98,35</td>
<td>(101,13,57)</td>
</tr>
<tr>
<td>Others- Revaluation of foreign currency bonds</td>
<td>662,50,00</td>
<td>(129,17,23)</td>
</tr>
<tr>
<td><strong>Net Cashflows on A/C of Exchange Fluctuation</strong></td>
<td>2193,48,35</td>
<td>(230,30,80)</td>
</tr>
</tbody>
</table>
### E. CASH AND CASH EQUIVALENTS - OPENING

<table>
<thead>
<tr>
<th>Description</th>
<th>31.3.2009</th>
<th>31.3.2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in hand (including FC notes &amp; gold)</td>
<td>3791.06,09</td>
<td>3147.25,02</td>
</tr>
<tr>
<td>Balances with Reserve Bank of India</td>
<td>71026.19,45</td>
<td>41918.85,11</td>
</tr>
<tr>
<td>Balances with Banks &amp; MACSN</td>
<td>14211.16,16</td>
<td>27410.76,24</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>89028.41,70</td>
<td>72476.86,37</td>
</tr>
</tbody>
</table>

### F. CASH AND CASH EQUIVALENTS - CLOSING

<table>
<thead>
<tr>
<th>Description</th>
<th>31.3.2009</th>
<th>31.3.2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in hand (including FC notes &amp; gold)</td>
<td>5462.49,27</td>
<td>3791.06,09</td>
</tr>
<tr>
<td>Balances with Reserve Bank of India</td>
<td>68698.57,39</td>
<td>71026.19,45</td>
</tr>
<tr>
<td>Balances with Banks &amp; MACSN</td>
<td>51100.62,90</td>
<td>14211.16,16</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>123261.69,56</td>
<td>89028.41,70</td>
</tr>
</tbody>
</table>
AUDITOR’S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS
STATE BANK OF INDIA

1. We have examined the attached Consolidated Balance Sheet of State Bank of India (the Bank), its subsidiaries, associates and joint ventures (the Group) as at 31st March 2009, and the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended in which are incorporated the:
   i. Audited accounts of the Bank audited by 14 Joint Auditors including us,
   ii. Audited accounts of 1 (one) subsidiary audited by us,
   iii. Audited accounts of 25 (twenty five) subsidiaries, 27 (twenty seven) Associates and 1 (one) joint venture audited by other auditors,
   iv. Accounts of 1 (one) subsidiary for the period 01st April 2008 to 13th August 2008 (the date of merger of this subsidiary with the Bank) audited by another auditor,
   v. Unaudited accounts of 2 (two) subsidiaries, 1 (one) associate and 1 (one) Joint venture.

These Consolidated financial statements are the responsibility of the Bank’s management and have been prepared by the management on the basis of separate financial statements and other financial information of the different entities in the Group. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material aspects in accordance with identified reporting framework and free of material
misstatements. An audit includes, examining on a test basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

3. We have jointly audited the financial statements of the Bank along with 13 other joint auditors, whose financial statements reflect total assets of Rs. 9,64,432 crores as at 31st March 2009, and total revenue of Rs. 76,479 crores and net cash flows amounting to Rs. 32,925 crores for the year then ended.

4. We have also audited the financial statements of one of the subsidiary whose financial statements reflect total assets of Rs. 730 crores as at 31st March 2009, total revenue of Rs. 57 crores and net cash flows amounting to Rs. 34 crores for the year then ended.

5. We did not audit the financial statements of its Subsidiaries, Associates and Joint Ventures whose financial statements reflect total assets of Rs. 3,36,451 crores as at 31st March 2009, and total revenue of Rs. 36,395 crores and net cash flows amounting to Rs. 2,311 crores for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of other entities, are based solely on the report of the other auditors.

6. We have also relied on the un-audited financial statements of 2 (two) subsidiaries, 1 (one) associate and 1 (one) joint venture, whose financial statements reflect total assets of Rs. 3,213 crores as at 31st March 2009, total revenue of Rs. 162 crores and net cash flows amounting to Rs. 373 crores for the year then ended.

7. We report that the consolidated financial statements have been prepared by the Bank's management in accordance with the requirement of Accounting Standard 21-Consolidated Financial Statements, Accounting Standard 23-Accounting for investment in Associates in Consolidated Financial Statements and Accounting Standard 27-Financial Reporting.
8. Based on our audit and consideration of report of other auditors on separate financial statements and on consideration of the unaudited financial statements and on the other financial information of the components, and to the best of our information and explanations given to us we are of the opinion that the attached Consolidated Financial Statements, give a true and fair view in conformity with the accounting principles generally accepted in India:

a. in the case of the Consolidated Balance Sheet on the state of affairs of the Group as at 31st March 2009;

b. in the case of the Consolidated Profit and Loss account of the consolidated profit of the Group for the year ended on that date; and

c. in the case of the Consolidated Cash Flow Statement of the Cash Flows of the Group for the year ended on that date.