

State Bank of India

(Associate of State Bank of India) Head Office : 5, Yeshwant Niwas Road, Indore - 452 003 (M.P.) Visit us at : www.indorebank.org

Dividend
125%

Business Turnover
Rs. 28537 cr.

Net Profit
Rs. 139.1 cr.

Return on Equity
13.67%

BOOK VALUE PER SHARE OF Rs. 100

PER EMPLOYEE BUSINESS

Rs. 5506.38

DEPOSIT GROWTH 20.67%

ADVANCE GROWTH 31.36%

SCHEDULE 1 : CAPITAL

(In Rupees 000's Omitted)

	AS ON 31.03.2006	AS ON 31.03.2005
Authorised Capital	50,00,00,000	50,00,00,000
50,00,00,000 Shares of Rs.100/- each Issued, Subscribed & Paid-up Capital	17,50,00,000	17,50,00,000
17,50,00,000 Shares of Rs.100/- each fully paid-up	17,50,00,000	17,50,00,000
TOTAL	67,50,00,000	67,50,00,000

BALANCE SHEET AS ON 31st MARCH, 2006

(In Rupees 000's omitted)

SCHEDULE	AS ON 31.03.2006	AS ON 31.03.2005
CAPITAL & LIABILITIES		
Capital	17,50,00,000	17,50,00,000
Reserves and Surplus	10,00,23,238	8,80,06,34
Deposits	1,66,60,71,41	1,38,07,07,40
Borrowings	14,23,01,71	11,39,27,80
Other Liabilities and Provisions	17,89,35,17	10,48,45,21
TOTAL	2,07,10,80,97	1,68,98,36,75
ASSETS		
Cash and Balances with Reserve Bank of India	11,46,56,65	5,66,68,70
Balances with Banks and Money	9,02,20,79	6,33,36,01
Loans and advances to and from short notice		
Investments	51,11,98,37	58,94,14,93
Advances	1,18,75,97,05	90,40,65,20
Fixed Assets	1,12,75,90	77,06,06
Other Assets	15,61,22,78	10,45,25,25
TOTAL	2,07,10,80,97	1,68,98,36,75

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2006

(In Rupees 000's Omitted)

SCHEDULE	YEAR ENDED 31.03.2006	YEAR ENDED 31.03.2005
I. INCOME		
Net Profit for the year	13,22,69,28	11,09,83,10
Other Income	2,75,71,41	1,78,26,97
TOTAL	15,98,40,69	12,88,10,07
II. EXPENDITURE		
Interest Expended	7,11,37,18	6,07,63,03
Operating Expenses	3,97,18,51	3,28,37,68
Provisions & Contingencies	2,80,94,17	2,18,61,69
TOTAL	14,59,50,06	11,54,92,40
III. PROFIT		
Net Profit for the year	1,39,10,63	1,33,17,67
Transfer from Investment Fluctuation Reserve	1,06	1,42
Profit Brought Forward	1,39,11,69	1,33,19,09
IV. EXPENDITURE		
Transfer to Statutory Reserves	39,82,50	1,00,00,00
Capital Reserve	14,49,69	3,33
Proposed Dividend	21,87,50	17,50,00
Operating Expenses	3,96,79	2,28,70
Transfer of Investment Fluctuation Reserve	(2,40,45,7)	
Other Reserves	2,80,30,80	13,36,00
Balance carried over to Balance Sheet	98	1,06
TOTAL	1,39,11,69	1,33,19,09

3.5 Business Ratios

(Rs. in crore)

	Current year	Previous year
(i) Interest Income as a percentage to Working Funds	7.23	7.67
(ii) Non-interest income as a percentage to Working Funds	1.51	1.21
(iii) Operating Profit as a percentage to Working Funds	2.29	2.43
(iv) Return on Assets	2.1	1.9
(v) Business (Deposits plus advances) per employee (Rs. in lakhs)	429.32	293.88
(vi) Profit per employee (Rs. in lakhs)	2.09	2.07

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2006

(In Rupees 000's Omitted)

YEAR ENDED	YEAR ENDED	YEAR ENDED
31.03.2006	31.03.2005	31.03.2004
A. Cash Flow from Operating Activities	7,20,96,11	3,17,15,54
B. Cash Flow from Investing Activities	(74,56,34)	(41,87,61)
C. Cash Flow from Financing Activities	2,02,42,38	1,08,26,06
Net Change in Cash & Cash Equivalents	8,48,12,15	3,83,52,99
E. Cash & Cash Equivalents at the beginning of the year	12,00,04,71	8,16,51,72
F. Cash & Cash Equivalents at the end of the year (A + B + C + D + E)	20,48,86,86	12,00,04,71

SCHEDULE 2 : RESERVES AND SURPLUS

(In Rupees 000's Omitted)

	AS ON 31.03.2006	AS ON 31.03.2005
I. Statutory Reserves		
Opening Balance	5,57,67,50	4,57,67,50
Additions during the year	39,82,50	1,00,00,00
Deductions during the year	5,97,50,00	5,57,67,50
II. Share Premium		
Opening Balance	43,75,00	43,75,00
Additions during the year	0	0
Deductions during the year	43,75,00	43,75,00
III. Capital Reserve		
Opening Balance	16,76,01	16,72,68
Additions during the year	14,49,69	3,33
Deductions during the year	31,25,70	16,76,01
IV. Investment Fluctuation Reserve		
Opening Balance	2,20,46,57	2,20,46,57
Additions during the year	2,20,46,57	2,20,46,57
Transfer to other Reserve	2,20,46,57	2,20,46,57
V. Revenue and Other Reserves		
Special Development Fund	3,07,24	3,07,24
Opening Balance	3,07,24	3,07,24
Additions during the year	0	0
Transfer to other Reserve	3,07,24	3,07,24
II. Other Reserves - Operating Balance		
Opening Balance	44,32,06	30,86,06
Additions during the year	2,80,30,80	13,36,00
Transfer from Special Development Fund	3,07,24	0
Deductions during the year	3,27,71,00	44,32,06
VI. Balance in Profit and Loss Account		
Opening Balance	10,00,22,98	8,86,06,34
Additions during the year	10,00,22,98	8,86,06,34
Deductions during the year	10,00,22,98	8,86,06,34

SCHEDULE 11 : OTHER ASSETS

(In Rupees 000's Omitted)

	AS ON 31.03.2006	AS ON 31.03.2005
I. Inter office adjustments (net)	1,04,82,30	0
II. Interest accrued	2,07,20,79	1,51,19,90
III. Tax paid in advance / tax deducted at source	1,10,16,11	13,36,27
IV. Stationary and stamps	2,16,74	2,60,34
V. Others (includes non-interest bearing loans and advances to Bank's own staff Rs. 5.03 crore)	11,36,78,84	5,12,78,74
TOTAL : (I to V)	15,61,22,78	6,82,45,25

SCHEDULE 12 : CONTINGENT LIABILITIES

(In Rupees 000's Omitted)

	AS ON 31.03.2006	AS ON 31.03.2005
I. Claims against the bank not acknowledged as debts	59,60,95	59,07,22
II. Liability for partly paid investments	0	0
III. Liability on account of outstanding forward exchange contracts	1,50,37,82,33	85,00,08,01
IV. Guarantees given on behalf of constituents		
a) In India	4,89,96,76	4,12,70,56
b) Outside India	2,52,03	4,55,08
V. Acceptances, Endorsements and other obligations	10,80,31,16	7,66,21,06
VI. Other items for which the bank is contingently liable	1,00,00,00	81,06
TOTAL : (I to VI)	1,67,80,43,23	97,48,33,19

SCHEDULE 13 : INTEREST EARNED

(In Rupees 000's Omitted)

YEAR ENDED	YEAR ENDED	YEAR ENDED
31.03.2006	31.03.2005	31.03.2004
I. Interest on advances/bills	8,46,04,20	6,21,51,86
II. Interest on investments	4,27,30,64	4,53,63,90
III. Income on balances with Reserve Bank of India & other Inter-Bank funds	42,59,24	24,61,00
IV. Others	7,09,51	10,06,34
TOTAL	13,22,69,28	11,09,83,10

SCHEDULE 3 : DEPOSITS

(In Rupees 000's Omitted)

	AS ON 31.03.2006	AS ON 31.03.2005
A. I. Demand Deposits	1,81,01,30	2,86,21,78
From Banks	14,90,74,80	17,85,17,49
From Depositors	34,65,51,93	28,57,17,49
II. Savings Bank Deposits	2,80,30,80	13,36,00
From Banks	2,80,30,80	13,36,00
From Depositors	0	0
III. Term Deposits	1,14,99,83,38	92,84,59,87
From Banks	1,14,99,83,38	92,84,59,87
From Depositors	0	0
IV. Deposits of Branches in India	1,66,60,71,41	1,38,07,07,40
From Banks	1,66,60,71,41	1,38,07,07,40
From Depositors	0	0
TOTAL : (I to IV)	1,66,60,71,41	1,38,07,07,40

SCHEDULE 14 : OTHER INCOME

(In Rupees 000's Omitted)

YEAR ENDED	YEAR ENDED	YEAR ENDED
31.03.2006	31.03.2005	31.03.2004
I. Commission, Exchange and Brokerage	11,91,61,99	1,10,30,36
II. Profit on sale of investments (Net)	78,32,27	17,36,72
III. Profit on sale of land, buildings & other assets (Net)	(33)	(416)
IV. Dividend and other income	1,18,61,99	1,10,30,36
V. Profit on exchange transactions (Net)	27,15,46	22,20,10
VI. Lease Income	9,21	9,21
VII. Miscellaneous Income	50,52,81	28,34,74
TOTAL	2,75,71,41	1,78,26,97

SCHEDULE 15 : INTEREST EXPENDED

(In Rupees 000's Omitted)

YEAR ENDED	YEAR ENDED	YEAR ENDED
31.03.2006	31.03.2005	31.03.2004
I. Interest on deposits	7,02,18,73	5,71,28,41
II. Interest on Reserve Bank of India/ Inter-bank borrowings	38,77,10	15,40,23
III. Others	40,09,56	20,94,39
TOTAL	7,80,05,39	6,07,63,03

SCHEDULE 16 : OPERATING EXPENSES

(In Rupees 000's Omitted)

YEAR ENDED	YEAR ENDED	YEAR ENDED
31.03.2006	31.03.2005	31.03.2004
I. Payments to and provisions for employees	2,14,24,95	1,95,31,72
II. Rent, Taxes & Lighting	28,26,36	24,64,00
III. Printing and Stationery	71,98	6,51,13
IV. Advertisement and Publicity	4,03,69	4,48,93
V. Depreciation on Bank's Property	38,47,43	25,32,59
VI. Directors' Fees, Allowances & Expenses	11,27	13,51
VII. Auditors' Fees & expenses	4,01,00	3,84,21
VIII. Law Charges	1,15,55	79,53
IX. Postage, Telephones & Telegrams	4,25,92	4,46,01
X. Repairs & Maintenance	4,76,90	3,50,16
XI. Insurance-Deposit Insurance Premium	17,72,46	8,39,48
XII. Other expenses	18,74,68	50,56,41
TOTAL	3,97,18,51	3,28,37,68

SCHEDULE 6 : CASH AND BALANCES WITH RESERVE BANK OF INDIA

(In Rupees 000's Omitted)

	AS ON 31.03.2006	AS ON 31.03.2005
I. Cash in hand (including foreign currency notes)	24,72,94	23,06,37
II. Balances with Reserve Bank of India	11,21,83,71	5,43,62,33
From Banks	11,21,83,71	5,43,62,33
From Depositors	0	0
TOTAL : (I to II)	11,46,56,65	5,66,68,70

SCHEDULE 17 : PRINCIPAL ACCOUNTING POLICIES

1. GENERAL

The accounting financial statements have been prepared on historical cost basis and conform to the generally accepted practices and statutory provisions, unless otherwise stated.

2. TRANSACTIONS INVOLVING FOREIGN EXCHANGE

(a) Monetary assets and liabilities in Foreign Exchange are converted at the FEMA rates prevailing at the date of the transaction.

(b) Income and expenditure items are translated at the exchange rates prevailing on the date of the transaction.

(c) Assets, Liabilities and Letters of Credit issued in Foreign currencies are translated at the rates prevailing on the date of the respective transactions.

(d) Profit/loss on outstanding forward contracts is accounted for on the basis of valuation as per FEMA guidelines.

3. INVESTMENTS

(a) Investments in accordance with the guidelines issued by RBI vide circular No. SP/RC/21/21/04/14/2004 dated 22 September 2003, all the investments are classified under three categories viz. "Held to Maturity", "Available for Sale" and "Held for Trading". However, for investments in the Balance Sheet, these are classified under three categories - Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Subordinated Loans/Ventures and Others.

(b) The valuation of securities in these classifications has been done as per RBI guidelines, as detailed hereunder.

(c) Investments in "Held to Maturity" category are carried at acquisition cost, unless it is more than the face value, in which case the premium is amortised over the residual period of maturity and the book value of each security is adjusted accordingly.

(d) Investments held in "Available for Sale" and "Held for Trading" are marked to market, net profit/loss on each classification is provided and the net appreciation/loss on each classification is ignored.

(e) Investments in Government of India Securities, State Government Securities and other Government Securities are classified under "Held to Maturity" category, unless they are valued at the market price available from the tradepublishers on the National Stock Exchange, price declared by Primary Dealers Association of India (PDAI) jointly with the Fixed Income Money Market and Derivatives Association of India (FIMMDA).

(f) Investments in Shares, debentures, bonds of public sector undertakings and private corporate bodies, units of Unit Trust of India or other mutual funds classified in "Available for Sale" or "Held for Trading" category are marked to market. The net appreciation/loss on each classification is provided and the net appreciation/loss on each classification is ignored.

(g) Investments in Shares, debentures, bonds of public sector undertakings and private corporate bodies, units of Unit Trust of India or other mutual funds classified in "Available for Sale" or "Held for Trading" category are marked to market. The net appreciation/loss on each classification is provided and the net appreciation/loss on each classification is ignored.

(h) Investments in Shares, debentures, bonds of public sector undertakings and private corporate bodies, units of Unit Trust of India or other mutual funds classified in "Available for Sale" or "Held for Trading" category are marked to market. The net appreciation/loss on each classification is provided and the net appreciation/loss on each classification is ignored.

(i) Investments in Shares, debentures, bonds of public sector undertakings and private corporate bodies, units of Unit Trust of India or other mutual funds classified in "Available for Sale" or "Held for Trading" category are marked to market. The net appreciation/loss on each classification is provided and the net appreciation/loss on each classification is ignored.

(j) Investments in Shares, debentures, bonds of public sector undertakings and private corporate bodies, units of Unit Trust of India or other mutual funds classified in "Available for Sale" or "Held for Trading" category are marked to market. The net appreciation/loss on each classification is provided and the net appreciation/loss on each classification is ignored.

(k) Investments in Shares, debentures, bonds of public sector undertakings and private corporate bodies, units of Unit Trust of India or other mutual funds classified in "Available for Sale" or "Held for Trading" category are marked to market. The net appreciation/loss on each classification is provided and the net appreciation/loss on each classification is ignored.

(l) Investments in Shares, debentures, bonds of public sector undertakings and private corporate bodies, units of Unit Trust of India or other mutual funds classified in "Available for Sale" or "Held for Trading" category are marked to market. The net appreciation/loss on each classification is provided and the net appreciation/loss on each classification is ignored.

(m) Investments in Shares, debentures, bonds of public sector undertakings and private corporate bodies, units of Unit Trust of India or other mutual funds classified in "Available for Sale" or "Held for Trading" category are marked to market. The net appreciation/loss on each classification is provided and the net appreciation/loss on each classification is ignored.

(n) Investments in Shares, debentures, bonds of public sector undertakings and private corporate bodies, units of Unit Trust of India or other mutual funds classified in "Available for Sale" or "Held for Trading" category are marked to market. The net appreciation/loss on each classification is provided and the net appreciation/loss on each classification is ignored.

(o) Investments in Shares, debentures, bonds of public sector undertakings and private corporate bodies, units of Unit Trust of India or other mutual funds classified in "Available for Sale" or "Held for Trading" category are marked to market. The net appreciation/loss on each classification is provided and the net appreciation/loss on each classification is ignored.

(p) Investments in Shares, debentures, bonds of public sector undertakings and private corporate bodies, units of Unit Trust of India or other mutual funds classified in "Available for Sale" or "Held for Trading" category are marked to market. The net appreciation/loss on each classification is provided and the net appreciation/loss on each classification is ignored.

(q) Investments in Shares, debentures, bonds of public sector undertakings and private corporate bodies, units of Unit Trust of India or other mutual funds classified in "Available for Sale" or "Held for Trading" category are marked to market. The net appreciation/loss on each classification is provided and the net appreciation/loss on each classification is ignored.

(r) Investments in Shares, debentures, bonds of public sector undertakings and private corporate bodies, units of Unit Trust of India or other mutual funds classified in "Available for Sale" or "Held for Trading" category are marked to market. The net appreciation/loss on each classification is provided and the net appreciation/loss on each classification is ignored.

(s) Investments in Shares, debentures, bonds of public sector undertakings and private corporate bodies, units of Unit Trust of India or other mutual funds classified in "Available for Sale" or "Held for Trading" category are marked to market. The net appreciation/loss on each classification is provided and the net appreciation/loss on each classification is ignored.

(t) Investments in Shares, debentures, bonds of public sector undertakings and private corporate bodies, units of Unit Trust of India or other mutual funds classified in "Available for Sale" or "Held for Trading" category are marked to market. The net appreciation/loss on each classification is provided and the net appreciation/loss on each classification is ignored.

(u) Investments in Shares, debentures, bonds of public sector undertakings and private corporate bodies, units of Unit Trust of India or other mutual funds classified in "Available for Sale" or "Held for Trading" category are marked to market. The net appreciation/loss on each classification is provided and the net appreciation/loss on each classification is ignored.

(v) Investments in Shares, debentures, bonds of public sector undertakings and private corporate bodies, units of Unit Trust of India or other mutual funds classified in "Available for Sale" or "Held for Trading" category are marked to market. The net appreciation/loss on each classification is provided and the net appreciation/loss on each classification is ignored.

(w) Investments in Shares, debentures, bonds of public sector undertakings and private corporate bodies, units of Unit Trust of India or other mutual funds classified in "Available for Sale" or "Held for Trading" category are marked to market. The net appreciation/loss on each classification is provided and the net appreciation/loss on each classification is ignored.

(x) Investments in Shares, debentures, bonds of public sector undertakings and private corporate bodies, units of Unit Trust of India or other mutual funds classified in "Available for Sale" or "Held for Trading" category are marked to market. The net appreciation/loss on each classification is provided and the net appreciation/loss on each classification is ignored.

(y) Investments in Shares, debentures, bonds of public sector undertakings and private corporate bodies, units of Unit Trust of India or other mutual funds classified in "Available for Sale" or "Held for Trading" category are marked to market. The net appreciation/loss on each classification is provided and the net appreciation/loss on each classification is ignored.

(z) Investments in Shares, debentures, bonds of public sector undertakings and private corporate bodies, units of Unit Trust of India or other mutual funds classified in "Available for Sale" or "Held for Trading" category are marked to market. The net appreciation/loss on each classification is provided and the net appreciation/loss on each classification is ignored.

SCHEDULE 18 : NOTES ON ACCOUNTS

1. RECONCILIATION OF VARIANCES OF INTER-BRANCH TRANSACTIONS WITH GOVERNMENT ACCOUNTS

(a) Government Accounts and State Bank of India's inter-branch transactions are reconciled on a daily basis. Any discrepancy is investigated and rectified immediately.

(b) Inter-branch transactions are reconciled on a daily basis. Any discrepancy is investigated and rectified immediately.

(c) Inter-branch transactions are reconciled on a daily basis. Any discrepancy is investigated and rectified immediately.

(d) Inter-branch transactions are reconciled on a daily basis. Any discrepancy is investigated and rectified immediately.

(e) Inter-branch transactions are reconciled on a daily basis. Any discrepancy is investigated and rectified immediately.

(f) Inter-branch transactions are reconciled on a daily basis. Any discrepancy is investigated and rectified immediately.

(g) Inter-branch transactions are reconciled on a daily basis. Any discrepancy is investigated and rectified immediately.

(