XI THE RESERVE BANK'S ACCOUNTS FOR 2011-12

The balance sheet of the Reserve Bank expanded significantly during the year mainly reflecting the impact of liquidity injection through open market operations as also the impact of depreciation of the rupee on valuation of foreign assets. Due to low interest rates in international markets, the income from investments in foreign assets declined for the third successive year. This decline was, however, more than offset by increase in earnings from domestic assets. While the Reserve Bank's gross income increased by 43.4 per cent to ₹531.76 billion in 2011-12, there was a 17.1 per cent increase in total expenditure to ₹101.37 billion. After transfers to the Contingency Reserve, the Asset Development Reserve and the four Statutory Funds, ₹160.10 billion was allocated for transfer to the Central Government.

XI.1 The size of the Reserve Bank's balance sheet increased significantly by about ₹4,043 billion, *i.e.*, by more than 22 per cent, during the Reserve Bank's accounting year 2011-12 (July-June). On the assets side, there was an increase in the Reserve Bank's holding of domestic securities and foreign assets. The increase in domestic securities was mainly on account of the large scale open market purchases of government securities undertaken by the Reserve Bank for injection of liquidity. At nearly ₹2,140 billion, the open market purchases explain a little over half of the increase in the balance sheet during 2011-12. The increase in foreign assets was mainly due to valuation effect on the portfolio arising due to depreciation of the Indian rupee against the US dollar, which is the numeraire currency for foreign exchange reserves, and the valuation gain on gold. On the liabilities side, the expansion of the balance sheet is explained by the rise in currency in circulation as well as accretion to the Currency and Gold Revaluation Account (CGRA).

XI.2 The financial statements of the Reserve Bank are prepared in accordance with the Reserve Bank of India (RBI) Act, 1934 and the notifications issued thereunder and in the form prescribed by the Reserve Bank of India General Regulations, 1949. The balance sheet items are based on historical cost, except where they are modified to reflect the impact of revaluation. Income and expenditure are recognised on accrual basis except penal interest receivable and dividend to be earned, which are accounted for on cash basis. The Reserve Bank prepares two balance sheets. The first one relates to the sole function of currency management and is presented as the balance sheet of the Issue Department. The second one reflects the impact of all other functions of the Reserve Bank and is known as the balance sheet of the Banking Department. The balance sheet of the Reserve Bank is largely a reflection of its activities undertaken in pursuance of its currency issue function as well as monetary and reserve management policy objectives. The key financial results of the Reserve Bank's operations during the year 2011-12, together with explanations, are presented in this Chapter.

INCOME

XI.3 The Reserve Bank's income comprises earnings from foreign sources and earnings from domestic sources, with the major portion being contributed by interest receipts, complemented by relatively small amounts of income from other sources, *viz.*, discount, exchange, commission, *etc.*

XI.4 The gross income of the Reserve Bank during the year 2011-12 was ₹531.76 billion as against ₹370.70 billion in the year 2010-11, registering an increase of 43.4 per cent. The significant increase in income from domestic sources offset the decline in income from foreign sources (Table XI.1).

Table XI.1: Gross Income

(₹ billion)

Item		2007-08	2008-09	2009-10	2010-11	2011-12
1		2	3	4	5	6
A.	**Foreign Sources**					
	Interest, Discount, Exchange	518.83	507.96	251.02	211.50	198.10
B.	**Domestic Sources**					
	(i) Interest	49.58	90.56	66.47	150.32	323.39
	(ii) Other Earnings	9.09	8.80	11.35	8.88	10.27
	Total: (i) + (ii)	58.67	99.36	77.82	159.20	333.66
C.	**Total Income (Gross) (A+B)**	**577.50**	**607.32**	**328.84**	**370.70**	**531.76**

Earnings from Foreign Sources

XI.5 The Reserve Bank's earnings from the deployment of foreign currency assets (FCA) and gold decreased by ₹13.40 billion (6.3 per cent) to ₹198.10 billion in 2011-12. The rate of earnings on FCA and gold was lower at 1.47 per cent in 2011-12 compared with 1.74 per cent in 2010-11, due to the low interest rates prevalent in international markets (Table XI.2).

Earnings from Domestic Sources

XI.6 The earnings from domestic sources increased by ₹174.46 billion to ₹333.66 billion in 2011-12 recording an increase of 109.6 per cent (Table XI.3). The increase was mostly due to the combined effect of earnings from Liquidity Adjustment Facility (LAF) operations, higher coupon receipts on an increased portfolio of government securities (on account of large scale open market operations) and profit on sale of securities. The rate of earnings on average domestic assets increased from 3.77 per cent in the previous year to 5.43 per cent in 2011-12. The interest income received from the Central Government on account of Ways and Means Advances (WMA)/Overdraft (OD) was ₹12.66 billion during 2011-12 compared with ₹4.39 billion in the previous year, while the same for the State Governments was ₹348.50 million compared with ₹616.80 million during 2010-11. The daily average utilisation of WMA/OD by the Central Government was ₹142.39 billion in 2011-12 as against ₹61.70 billion in 2010-11. In the case of the states, the daily average utilisation of WMA/OD was lower at ₹4.07 billion in 2011-12 as against ₹9.26 billion in 2010-11.

EXPENDITURE

XI.7 The Reserve Bank's expenditure consists of its establishment expenses besides expenditure such as agency charges/commission and security printing charges that arise in the course of performing statutory functions. The total expenditure of the Reserve Bank increased by 17.1 per cent to

Table XI.2: Earnings from Foreign Sources

(₹ billion)

Item	Year ended		Variation	
	June 30, 2011	June 30, 2012	Absolute	Per cent
1	2	3	4	5
Foreign Currency Assets (FCA)	12,687.44	14,492.81	1,805.37	14.2
Average FCA	12,177.51	13,477.55	1,300.04	10.7
Earnings from FCA (and gold) (interest, discount, exchange gain/loss, capital gain/loss on securities)	211.50	198.10	-13.40	-6.3
Earnings from FCA (and gold) as percentage of average FCA	1.74	1.47		

Table XI.3: Earnings from Domestic Sources

(₹ billion)

Item	Year ended		Variation	
	June 30, 2011	June 30, 2012	Absolute	Per cent
1	2	3	4	5
Domestic Assets	**5,359.07**	**7,596.54**	**2,237.47**	**41.8**
Weekly Average of Domestic Assets	4,220.33	6,140.50	1,920.17	45.5
Earnings (I + II)	**159.20**	**333.66**	**174.46**	**109.6**
I. Interest and Other Income (items i to iv)	150.32	323.39	173.07	115.1
(i) Profit on Sale of Securities	30.91	93.30	62.39	201.8
(ii) Interest on Securities (A-B)	111.66	210.84	99.18	88.8
(A) Interest on Domestic Securities and LAF Operations	223.22	354.79	131.57	58.9
(B) Depreciation on Securities	111.56	143.95	32.39	29.0
(iii) Interest on Loans and Advances	7.31	18.53	11.22	153.5
(iv) Other Interest Receipts	0.44	0.72	0.28	63.6
II. Other Earnings (a+b+c+d)	8.88	10.27	1.39	15.6
(a) Discount	-	-	-	-
(b) Exchange	-	-	-	-
(c) Commission	7.81	9.52	1.71	21.9
(d) Rent realised and others	1.07	0.75	(-) 0.32	(-) 29.9
Earnings in percentage terms (on Average Domestic Assets)	3.77	5.43	--	--

₹101.37 billion in 2011-12 due to increase under all heads of expenditure (Table XI.4).

Establishment Expenditure

XI.8 The establishment expenses increased by 30.1 per cent in 2011-12 to ₹29.93 billion. The increase is primarily due to the increase in contribution of the Reserve Bank towards accrued liability of the Gratuity and Superannuation Fund based on actuarial calculations. The contribution for the year 2011-12 was ₹8.22 billion compared with ₹2.04 billion in the previous year.

Non-Establishment Expenditure

XI.9 The Reserve Bank discharges the function of banker to the government through a large network of agency bank branches that serve as retail outlets for government transactions. The

Table XI.4: Expenditure

(₹ billion)

Item	2007-08	2008-09	2009-10	2010-11	2011-12
1	2	3	4	5	6
I. Interest Payment	**0.03**	**0.01**	**0.01**	**0.55**	**0.59**
of which: Scheduled Banks*	0.02	0.00	0.00	0.00	0.00
II. Establishment	**14.31**	**24.48**	**19.87**	**23.01**	**29.93**
III. Non-establishment	**46.63**	**57.68**	**64.15**	**62.99**	**70.85**
of which: (a) Agency charges/commission	21.11	29.99	28.55	30.12	33.51
(b) Security printing charges	20.32	20.63	27.54	23.76	27.04
Total (I+II+III)	**60.97**	**82.17**	**84.03**	**86.55**	**101.37**

* : Pursuant to amendment to the RBI Act, 1934, interest payable on eligible Cash Reserve Ratio (CRR) balances was withdrawn with effect from the fortnight beginning March 31, 2007. The amount in 2007-08 was paid towards interest on CRR balances relating to the previous year.

Reserve Bank pays commission to the agency banks at prescribed rates. Agency charges/ commission paid to banks/primary dealers/ external asset managers for the year 2011-12 was ₹33.51 billion compared with ₹30.12 billion in 2010-11. This increase is mainly attributable to the increase in the commission paid to agency banks from ₹29.29 billion in 2010-11 to ₹32.13 billion in 2011-12 due to rise in the overall volume of government business conducted by them. Two smaller components of agency charges are fees paid to primary dealers as underwriting commission for the borrowing programme of the Central Government and fees paid to the external asset managers who are entrusted with the management of a small portion of the Reserve Bank's foreign exchange reserves. The expenditure on underwriting commission increased from ₹367.54 million in 2010-11 to ₹722.69 million in 2011-12 on account of increase in the number and the size of the loans floated by the Central Government. It constituted 2.2 per cent of the agency charges for the year 2011-12 as against 1.2 per cent for the year 2010-11.

XI.10 The expenditure incurred on security printing charges (such as cheques and note forms) increased by 13.8 per cent to ₹27.04 billion in 2011-12. This rise was mainly on account of increase in the overall supply of notes, particularly higher denomination notes.

Surplus transfer to the Government of India

XI.11 Section 47 of the RBI Act stipulates that after making provisions for contingencies and corpus funds as defined therein, the balance profit of the Reserve Bank is to be transferred to the Central Government. In terms of section 48 of the RBI Act, the Reserve Bank is exempted from paying any income tax or super-tax. The surplus transferable to the Government for the year 2011-12 amounted to ₹160.10 billion. This included ₹13.22 billion payable to the Government towards the interest differential on special securities converted into marketable securities. The interest differential was paid to compensate for the difference in interest expenditure borne by the Government consequent to conversion of such special securities into dated securities. The position of income, expenditure and surplus transferred to the Government during the last five years is given in Table XI.5.

Transfers to Internal Reserves

XI.12 Contingency Reserve (CR) represents the amount set aside on a year-to-year basis for meeting unexpected and unforeseen contingencies, including depreciation in the value of securities, exchange guarantees and risks arising out of monetary/exchange rate policy operations. In order to meet the needs of internal capital expenditure and make investments in subsidiaries and associate institutions, a further sum is provided and credited

Table XI.5: Trends in Gross Income, Expenditure and Net Disposable Income

(₹ billion)

Item		2007-08	2008-09	2009-10	2010-11	2011-12
1		2	3	4	5	6
a)	**Total Income (Gross)**	**577.51**	**607.32**	**328.84**	**370.70**	**531.76**
b)	**Transfers to Internal Reserves (i+ii)**	**366.39**	**275.01**	**57.18**	**134.02**	**270.25**
	(i) Contingency Reserve	334.31	261.91	51.68	121.67	246.77
	(ii) Asset Development Reserve	32.08	13.10	5.50	12.35	23.48
c)	**Total Income (Net) (a-b)**	**211.12**	**332.31**	**271.66**	**236.68**	**261.51**
d)	**Total Expenditure**	**60.97**	**82.18**	**84.03**	**86.55**	**101.37**
e)	Net Disposable Income (c-d)	150.15	250.13	187.63	150.13	160.14
f)	Transfer to Funds*	0.04	0.04	0.04	0.04	0.04
g)	**Surplus transferred to the Government (e-f)**	**150.11**	**250.09**	**187.59**	**150.09**	**160.10**

*: An amount of ₹10 million each has been transferred to the National Industrial Credit (Long Term Operations) Fund, the National Rural Credit (Long Term Operations) Fund, the National Rural Credit (Stabilisation) Fund and the National Housing Credit (Long Term Operations) Fund during each of the five years.

Table XI.6: Contingency and Asset Development Reserves and Surplus Transferred to the Government

(₹ billion)

Item	2007-08	2008-09	2009-10	2010-11	2011-12
1	2	3	4	5	6
Total Income (Gross)	**577.51**	**607.32**	**328.84**	**370.70**	**531.76**
i) Transfer to Contingency Reserve	334.30	261.91	51.68	121.67	246.77
	(57.9)	(43.1)	(15.7)	(32.8)	(46.4)
ii) Transfer to Asset Development Reserve	32.08	13.10	5.50	12.35	23.48
	(5.6)	(2.2)	(1.7)	(3.3)	(4.4)
iii) Transfer of Surplus to the Government	150.11	250.09	187.59	150.09	160.10
	(26.0)	(41.2)	(57.0)	(40.5)	(30.1)
Transfer of Surplus to the Government as Percentage of Total Income (Gross) less Expenditure	29.1	47.6	76.6	52.8	37.2

Note: Figures in parentheses indicate proportion to the total income (gross).

to the Asset Development Reserve (ADR). The amount of transfer to the CR and the ADR and the surplus transferred to the Government as a percentage of the total income in the last five years is set out in Table XI.6.

BALANCE SHEET

XI.13 The size of the balance sheet of the Reserve Bank increased significantly during 2011-12 largely due to the acquisition of domestic assets through open market operations and valuation gains reflected in the holdings of foreign assets. The increase in FCA was mainly on account of valuation gain, which more than offset the decrease in net stock of FCA due to dollar sales. On the liabilities side, the increase in the balance sheet is led by accretion to CGRA (part of 'Other Liabilities') and increase in notes in circulation (liabilities of the Issue Department). While the first component represents the effect of valuation gains in FCA and gold on account of depreciation of the Indian rupee against the US dollar as well as rise in gold prices during the year, the second component is demand-driven. These two together offset the decline in banks' deposits with the Reserve Bank brought on by reduction in the Cash Reserve Ratio (CRR) during 2011-12.

XI.14 The Reserve Bank prepares its Profit and Loss Account for the year ending June 30 every year. The format is prescribed by the Central Board with the approval of the Central Government in terms of Regulation 22 of RBI General Regulations, 1949.

Issue Department – Liabilities

XI.15 The liabilities of the Issue Department equal the currency notes issued by the Government of India before the commencement of operations of the Reserve Bank on April 1, 1935 plus the bank notes issued by the Reserve Bank since then, in terms of section 34(1) of the RBI Act. The notes in circulation increased by 13.8 per cent during 2011-12, compared with increase of 15.1 per cent during 2010-11.

Issue Department – Assets

XI.16 In terms of the RBI Act, the eligible assets for the Issue Department comprise gold coin and bullion, foreign securities, rupee coin, government securities, internal bills of exchange and other commercial paper. The total holding of gold of the Reserve Bank is 557.75 metric tonnes. A part of the gold stock, valued at ₹760.10 billion, is recorded as a distinct item on the assets side of the Issue Department balance sheet. The remaining stock of gold valued at ₹690.46 billion is reckoned as part of the assets of the Banking Department and is shown under 'Other Assets' in the balance sheet of the Banking Department.

Banking Department – Liabilities

XI.17 The liabilities of the Banking Department include the following:

a) Capital paid-up: The Reserve Bank was constituted as a private shareholders' bank in 1935 with an initial paid-up capital of ₹0.05

billion. The bank was nationalised with effect from January 1, 1949 and the entire ownership was vested in the Government of India. The paid-up capital continues to be ₹0.05 billion as per section 4 of the RBI Act.

b) Reserve Fund: The original Reserve Fund of ₹0.05 billion was created in terms of section 46 of the RBI Act as contribution from the Central Government for the currency liability of the then sovereign government taken over by the Reserve Bank. Thereafter, ₹64.95 billion was credited to this Fund by way of gain on periodic revaluation of gold up to October 1990, thus taking it to ₹65 billion. Since then, such valuation gain/loss on gold and FCA is booked in the CGRA under the head 'Other Liabilities' in the balance sheet.

c) National Industrial Credit (Long Term Operations) Fund: This Fund was created in July 1964 under section 46C of the RBI Act with an initial corpus of ₹100 million plus annual contributions from the Reserve Bank for financial assistance to eligible financial institutions. Since 1992-93, only a token amount of ₹10 million is being contributed each year.

d) National Housing Credit (Long Term Operations) Fund: This Fund was created in January 1989 under section 46D of the RBI Act with an initial corpus of ₹500 million plus annual contributions from the Reserve Bank thereafter for extending financial accommodation to the National Housing Bank. Since 1992-93, only a token amount of ₹10 million is being contributed each year. There are two other Funds, *viz.*, National Rural Credit (Long Term Operations) Fund and National Rural Credit (Stabilisation) Fund constituted under section 46A of the RBI Act which are now placed with NABARD. A token contribution of ₹10 million each is made every year to both these Funds.

e) Deposits: These represent the cash balances maintained with the Reserve Bank by the Central and the State Governments, banks, all India financial institutions such as EXIM Bank and NABARD, foreign central banks, international financial institutions, the balances in different accounts relating to the Employees' Provident Fund, Gratuity and Superannuation Funds.

Deposits – Government

The Reserve Bank acts as banker to the Central Government in terms of sections 20 and 21 and as banker to the State Governments by mutual agreement in terms of section 21A of the RBI Act. Accordingly, the Central and the State Governments maintain deposits with the Reserve Bank.

Deposits – Banks

These are the balances maintained by banks in their current accounts with the Reserve Bank for maintaining CRR and as working funds for meeting payment and settlement obligations. The decline in banks' deposits by about 10 per cent in 2011-12 is mainly reflective of the cumulative CRR cut of 125 basis points for scheduled banks during the year.

Deposits – Others

These include deposits from financial institutions, Employees' Provident Fund and sundry deposits.

f) Bills payable: This represents Demand Drafts (DDs) and Payment Orders (POs) outstanding for payment and balances under the Remittance Clearance Account pending encashment of the DDs issued.

g) Other Liabilities: Internal reserves and provisions of the Reserve Bank are major components of other liabilities. In terms of specific sub-heads, other liabilities include balances in the CR, the ADR, the CGRA, the Exchange Equalisation Account (EEA), the Investment Revaluation Account (IRA) and also the surplus pending transfer to the Government and provision for outstanding expenses. Other liabilities increased from

₹4,141.97 billion as on June 30, 2011 to ₹7,263.55 billion as on June 30, 2012 mainly due to accretion to the CGRA. The CR and the ADR reflected in 'Other Liabilities' are in addition to the 'Reserve Fund' of ₹65 billion held by the Reserve Bank as a distinct balance sheet head.

Currency and Gold Revaluation Account (CGRA), Exchange Equalisation Account (EEA) and Investment Revaluation Account (IRA)

XI.18 Gains/losses on valuation of FCA and gold due to movements in the exchange rates and/or price of gold are not taken to the Profit and Loss Account but instead booked under a balance sheet head named the CGRA. The balance in this account represents accumulated net gain on valuation of FCA and gold. During 2011-12, the balances in CGRA increased by ₹2,908.86 billion from ₹1,822.86 billion as on June 30, 2011 to ₹4,731.72 billion as on June 30, 2012. This reflected the depreciation of rupee against the US dollar after adjusting for appreciation of US dollar against other currencies in which the Reserve Bank's FCA are held and the increase in the value of gold.

XI.19 The balance in the EEA represents provision made for the exchange losses arising from forward commitments. The balance in the EEA as on June 30, 2012 was ₹24.05 billion.

XI.20 The Reserve Bank values foreign dated securities at market prices prevailing on the last business day of each month and the appreciation/ depreciation arising therefrom is transferred to the IRA. The balance in the IRA as on June 30, 2012 was ₹122.22 billion. The balances in CGRA, IRA and EEA are grouped under 'Other Liabilities' in the balance sheet (Table XI.7).

Contingency Reserve (CR)

XI.21 The Reserve Bank maintains a CR to enable it to absorb unexpected and unforeseen contingencies. With transfer of ₹246.77 billion from the Reserve Bank's income to CR during 2011-12, the balance in the CR increased to ₹1,954.05 billion as on June 30, 2012.

Asset Development Reserve (ADR)

XI.22 To meet the internal capital expenditure and make investments in its subsidiaries and associate institutions, the Reserve Bank had created a separate ADR in 1997-98 with the aim of reaching one per cent of the Reserve Bank's total assets within the overall indicative target of 12 per cent of the total assets set for CR and ADR taken together. In 2011-12, ₹23.48 billion was transferred from income to ADR raising its level to ₹182.14 billion as on June 30, 2012. The CR and the ADR together constituted 9.7 per cent of the total assets of the Reserve Bank as on June 30, 2012 (Table XI.8). The ADR now accounts for 0.8 per cent of the total assets of the Reserve Bank as against the target of one per cent.

Banking Department – Assets

XI.23 The assets of the Banking Department comprise notes, rupee coin, small coin, bills purchased and discounted, balances held abroad, investments, loans and advances and other assets.

Table XI.7: Balances in Currency and Gold Revaluation Account (CGRA), Exchange Equalisation Account (EEA) and Investment Revaluation Account (IRA)

(₹ billion)

As on June 30	CGRA	EEA	IRA
1	2	3	4
2008	1,632.12	0.00	-
2009	1,988.42	0.27	-
2010	1,191.34	0.19	93.71
2011	1,822.86	0.01	42.69
2012	4,731.72	24.05	122.22

Table XI.8: Balances in Contingency Reserve and Asset Development Reserve

(₹ billion)

As on June 30	CR	ADR	Total	Percentage to Total Assets
1	2	3	4=(2+3)	5
2008	1,272.01	127.72	1,399.73	9.6
2009	1,533.92	140.82	1,674.74	11.9
2010	1,585.61	146.32	1,731.92	11.3
2011	1,707.28	158.66	1,865.94	10.3
2012	1,954.05	182.14	2,136.19	9.7

They are presented in the balance sheet in descending order of liquidity.

Notes, Rupee Coin and Small Coin

XI.24 This is the stock of bank notes, one rupee notes, rupee coins of ₹1, 2, 5 and 10 and small coins kept in the vaults of the Banking Department to meet the day to day requirements arising out of usual receipt and payment transactions as a banker.

Bills Purchased and Discounted

XI.25 Though the Reserve Bank can undertake purchase and discounting of commercial bills under the RBI Act, there is no such asset in the Reserve Bank's books at present.

Balances Held Abroad

XI.26 This represents foreign currency balances held abroad. This is a part of Reserve Bank's FCA shown under assets of the Banking Department. The other parts of the FCA are the foreign securities shown under assets of the Issue Department and those included in the Bank's Investment account as assets of the Banking Department.

Foreign Currency Assets

XI.27 The RBI Act provides the legal framework for deployment of the FCA as well as gold. The FCA comprises deposits with other central banks, the Bank for International Settlements (BIS), foreign commercial banks, securities representing debt of sovereigns and supra-national institutions and any other instrument or institution as approved by the Central Board of the Reserve Bank in accordance with the provisions of the Act. The increase in the level of FCA in rupee terms in 2011-12 was mainly on account of depreciation of the rupee against the US dollar after adjusting for appreciation of the US dollar against other currencies in which the Reserve Bank's FCA are held. The valuation gains more than offset the decline in FCA on account of forex sales to authorised dealers. The position of FCA as also the domestic assets over the last five years is given in Table XI.9.

Table XI.9: Foreign Currency Assets and Domestic Assets

(₹ billion)

As on June 30	Foreign Currency Assets	Domestic Assets
1	2	3
2008	12,985.52	1,644.31
2009	12,175.42	1,906.53
2010	11,644.31	3,885.94
2011	12,687.44	5,359.07
2012	14,492.81	7,596.54

XI.28 The FCA forms a major part of the foreign exchange reserves of the country. The comparative position of the foreign exchange reserves in the last two years is given in Table XI.10. It may be noted that though the Special Drawing Rights (SDRs) and the Reserve Tranche Position (RTP) form part of India's official reserves, these are held by the

Table XI.10: Foreign Exchange Reserves

(₹ billion)

Item	As on		Variation	
	June 30, 2011	June 30, 2012	Absolute	Per cent
1	2	3	4	5
A. Foreign Currency Assets	12,687.44	14,492.81 @	1,805.37	14.2
B. Gold	1,103.17	1,450.56 #	347.39	31.5
C. Special Drawing Rights (SDR)	206.32	246.59	40.27	19.5
D. Reserve Tranche Position in the IMF*	133.03	162.99	29.96	22.5
Total Foreign Exchange Reserves (A+B+C+D)	14,129.96	16,352.95	2,222.99	15.7

: Detailed composition of foreign currency assets is given in para 8 of Notes to the Accounts.
@ : Of this, gold valued at ₹760.10 billion is held as an asset of Issue Department and gold valued at ₹690.46 billion is held under 'Other Assets' in the Banking Department.
* : Reserve Tranche Position in the International Monetary Fund (IMF), which was shown as a memo item from May 23, 2003 to March 26, 2004 has been included in the reserves from the week ended April 2, 2004.

Government of India and therefore, not reflected in the Reserve Bank's balance sheet.

XI.29 The Reserve Bank has agreed to make resources available under the IMF's New Arrangements to Borrow (NAB) up to an amount of SDR 8,740.82 million (₹746.93 billion/US$13.26 billion). As on June 30, 2012, investments amounting to SDR 1,020 million (₹87.16 billion/ US$1.55 billion) have been made in notes issued under NAB.

XI.30 The Reserve Bank has agreed to invest up to an amount, the aggregate of which shall not exceed US$5 billion (₹281.55 billion), in the bonds issued by the India Infrastructure Finance Company (UK) Limited. As on June 30, 2012, the Reserve Bank has invested US$673 million (₹37.90 billion) in such bonds.

Investments

XI.31 Investments (₹6,305.90 billion appearing as assets of the Banking Department) consist of:

i) Government of India Rupee securities (₹4,827.27 billion as compared with ₹2,950.37 billion in the previous year).

ii) Foreign securities earmarked and held in the Banking Department as asset backing against future expansion of Issue Department liabilities (₹588.03 billion as compared with ₹548.34 billion in the previous year).

iii) Shares held in the BIS and the Society for Worldwide Interbank Financial Telecommunication (SWIFT) amounting to ₹2.54 billion as compared with ₹2.13 billion in the previous year.

iv) Government securities received as collateral under Repurchase agreement (Repo) and Marginal Standing Facility (MSF), netted against the securities used as collateral for Reverse Repo sales (₹874.86 billion as compared with ₹1,072.02 billion in the previous year).

v) Holdings in subsidiaries/associate institutions (₹13.20 billion – same as in the previous year).

XI.32 In addition, Government of India Rupee securities aggregating ₹10.46 billion (same position as previous year) are also held as assets of the Issue Department. As on June 30, 2012, these Government of India Rupee securities held in the Issue Department and in the Banking Department indicated at item no. (i) above, taken together, amounted to ₹4,837.73 billion as compared with ₹2,960.83 billion in the previous year. The significant increase in holdings of Government securities indicated at item (i) above was primarily on account of open market purchases by the Reserve Bank.

XI.33 Items (ii) and (iii) above taken together (*i.e.,* ₹590.57 billion) constitute the FCA component of 'Investments' in the Banking Department.

Investments in shares of subsidiaries and associate institutions

XI.34 Investments in shares are valued at cost. There was no change in the position of such investments during the year (Table XI.11).

Loans and Advances

XI.35 These represent loans and advances given to

i) Central and State Governments – These loans take the form of WMA extended in terms of

Table XI.11: Investments in Shares of Subsidiaries/Associate Institutions

(₹ million)

Name of Institution	Book value of shares held as on	
	June 30, 2011	June 30, 2012
1	2	3
1. Deposit Insurance and Credit Guarantee Corporation	500.00	500.00
2. National Bank for Agriculture and Rural Development	200.00	200.00
3. National Housing Bank	4,500.00	4,500.00
4. Bhartiya Reserve Bank Note Mudran (Pvt.) Ltd.	8,000.00	8,000.00
Total	**13,200.00**	**13,200.00**

*: The Reserve Bank divested its stake in NABARD as per the decision of the Government of India. Thus, out of 72.5 per cent of NABARD's total share capital of ₹20 billion earlier held by the Reserve Bank, 71.5 per cent was transferred to the Government of India at par on October 13, 2010. The Reserve Bank now has a 1 per cent shareholding in NABARD.

section 17(5) of the RBI Act and OD facilities, limits for which are fixed from time to time in consultation with the governments.

ii) Commercial and co-operative banks – These represent the refinance facilities made available to banks.

iii) NABARD – The Reserve Bank can extend loans to NABARD under section 17 (4E) of the RBI Act.

iv) Others – This mainly includes the loans given to EXIM Bank and primary dealers.

Other Assets

XI.36 'Other Assets' comprise fixed assets (net of depreciation), gold held abroad, amounts spent on projects pending completion, staff advances, income earned but not received, *etc.* The value of 'Other Assets' increased by ₹204.11 billion to ₹902.60 billion as on June 30, 2012, mainly on account of increase in the value of gold holdings by 31.5 per cent from ₹525.11 billion as on June 30, 2011 to ₹690.46 billion as on June 30, 2012.

Auditors

XI.37 The accounts of the Reserve Bank for the year 2011-12 were audited by M/s. V. Sankar Aiyar & Co., Mumbai and M/s. Jain Chowdhary & Co., Mumbai as the Statutory Central Auditors. Branches and other Offices were audited by the Statutory Branch Auditors, namely, M/s. S. Ramanand Aiyar & Co., New Delhi, M/s. K.K. Mankeshwar & Co., Nagpur, M/s. M.K. Dandeker & Co., Chennai and M/s. S. N. Guha & Co., Kolkata. The auditors were appointed by the Central Government in terms of section 50 of the RBI Act, 1934.

RESERVE BANK OF INDIA
BALANCE SHEET AS AT 30th JUNE 2012
ISSUE DEPARTMENT

(₹ thousands)

2010-11	LIABILITIES	2011-12	2010-11	ASSETS	2011-12
	Notes held in the			**Gold Coin and Bullion:**	
151,426	**Banking Department**	**89,169**	578,065,257	(a) Held in India	**760,096,797**
9692,612,385	**Notes in Circulation**	**11034,645,327**	–	(b) Held outside India	**–**
			9101,656,191	**Foreign Securities**	**10261,966,851**
9692,763,811	**Total Notes Issued**	**11034,734,496**	9679,721,448	**Total**	**11022,063,648**
			2,578,063	**Rupee Coin**	**2,206,548**
			10,464,300	**Government of India Rupee Securities**	**10,464,300**
			–	**Internal Bills of Exchange and other Commercial Paper**	**–**
9692,763,811	**Total Liabilities**	**11034,734,496**	9692,763,811	**Total Assets**	**11034,734,496**

BANKING DEPARTMENT

(₹ thousands)

2010-11	LIABILITIES	2011-12	2010-11	ASSETS	2011-12
50,000	**Capital paid-up**	**50,000**	151,426	**Notes**	**89,169**
65,000,000	**Reserve Fund**	**65,000,000**	534	**Rupee Coin**	**418**
200,000	**National Industrial Credit (Long Term Operations) Fund**	**210,000**	225	**Small Coin**	**125**
1,940,000	**National Housing Credit (Long Term Operations) Fund**	**1,950,000**		**Bills Purchased and Discounted :**	
			–	(a) Internal	**–**
			–	(b) External	**–**
			–	(c) Government Treasury Bills	**–**
	Deposits				
	(a) Government		3035,309,297	**Balances Held Abroad**	**3640,273,093**
1,005,130	(i) Central Government	**1,004,903**			
424,443	(ii) State Governments	**424,570**			
	(b) Banks		4586,062,175	**Investments**	**6305,897,052**
3812,064,138	(i) Scheduled Commercial Banks	**3419,535,741**			
36,798,218	(ii) Scheduled State Co-operative Banks	**33,242,701**		**Loans and Advances to :**	
57,553,642	(iii) Other Scheduled Co-operative Banks	**53,643,644**	7,700,000	(i) Central Government	**–**
673,180	(iv) Non-Scheduled State Co-operative Banks	**916,213**	765,100	(ii) State Governments	**7,307,400**
103,578,103	(v) Other Banks	**92,870,015**		**Loans and Advances to:**	
124,307,591	**(c) Others**	**122,045,831**	17,466,900	(i) Scheduled Commercial Banks	**167,962,800**
			–	(ii) Scheduled State Co-operative Banks	**390,000**
			–	(iii) Other Scheduled Co-operative Banks	**1,290,000**
8,331,436	**Bills Payable**	**270,361**	–	(iv) Non-Scheduled State Co-operative Banks	**–**
			–	(v) NABARD	**–**
			7,952,848	(vi) Others	**28,902,498**
				Loans, Advances and Investments from National Industrial Credit (Long Term Operations) Fund:	
				(a) Loans and Advances to:	
			–	(i) Industrial Development Bank of India	**–**
			–	(ii) Export Import Bank of India	**–**
4141,971,513	**Other Liabilities**	**7263,548,128**	–	(iii) Industrial Investment Bank of India Ltd.	**–**
			–	(iv) Others	**–**
				(b) Investments in bonds/ debentures issued by:	
			–	(i) Industrial Development Bank of India	**–**
			–	(ii) Export Import Bank of India	**–**
			–	(iii) Industrial Investment Bank of India Ltd.	**–**
			–	(iv) Others	**–**
				Loans, Advances and Investments from National Housing Credit (Long Term Operations) Fund:	
			–	(a) Loans and Advances to National Housing Bank	**–**
			–	(b) Investments in bonds/debentures issued by National Housing Bank	**–**
			698,488,889	**Other Assets**	**902,599,552**
8353,897,394	**Total Liabilities**	**11054,712,107**	8353,897,394	**Total Assets**	**11054,712,107**

Significant Accounting Policies and Notes to the Accounts as per the Annex.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30th JUNE 2012

(₹ thousands)

2010-11	INCOME		2011-12
236,682,172	**Interest, Discount, Exchange, Commission, *etc.*[1]**		**261,508,821**
236,682,172	**Total**		**261,508,821**
	EXPENDITURE		
550,644	**Interest**		**587,780**
23,007,071	**Establishment**		**29,934,972**
22,961	**Directors' and Local Board Members' Fees and Expenses**		**29,802**
455,277	**Remittance of Treasure**		**528,245**
30,124,883	**Agency Charges**		**33,508,790**
23,763,720	**Security Printing (Cheque, Note forms, *etc.*)**		**27,037,058**
233,259	**Printing and Stationery**		**257,177**
718,443	**Postage and Telecommunication Charges**		**804,859**
855,027	**Rent, Taxes, Insurance, Lighting, *etc.***		**1,022,927**
31,386	**Auditors' Fees and Expenses**		**26,794**
32,684	**Law Charges**		**27,879**
2,439,195	**Depreciation and Repairs to Bank's Property**		**2,424,716**
4,317,622	**Miscellaneous Expenses**		**5,177,822**
86,552,172	**Total**		**101,368,821**
150,130,000	**Available Balance**		**160,140,000**
	Less: Contribution To:		
	National Industrial Credit (Long Term Operations) Fund	10,000	
	National Rural Credit (Long Term Operations) Fund[2]	10,000	
	National Rural Credit (Stabilisation) Fund[2]	10,000	
	National Housing Credit (Long Term Operations) Fund	10,000	
40,000			**40,000**
150,090,000	**Surplus payable to the Central Government**		**160,100,000**

1. After making the usual or necessary provisions in terms of section 47 of the Reserve Bank of India Act, 1934 amounting to ₹270,254,407 thousands (2010-11 - ₹134,019,026 thousands).
2. These funds are maintained by the National Bank for Agriculture and Rural Development (NABARD).

A.K. Bera	**Harun R. Khan**	**Anand Sinha**	**Subir Gokarn**	**K.C. Chakrabarty**	**D. Subbarao**
Chief General Manager	Deputy Governor	Deputy Governor	Deputy Governor	Deputy Governor	Governor

REPORT OF THE AUDITORS

TO THE PRESIDENT OF INDIA

We, the undersigned auditors of the Reserve Bank of India (hereinafter referred to as the Bank), do hereby report to the Central Government upon the Balance Sheet of the Bank as at June 30, 2012 and the Profit and Loss Account for the year ended on that date.

We have examined the Balance Sheet of the Bank as at June 30, 2012 and the Profit and Loss Account of the Bank for the year ended on that date and report that where we have called for information and explanations from the Bank, such information and explanations have been given to our satisfaction.

These financial statements include the accounts of nineteen Accounting Units of the Bank which have been audited by the Statutory Branch Auditors. We have considered branch audit reports which were furnished to us.

These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and according to the best of our information and explanations given to us and as shown by the books of account of the Bank, the Balance Sheet read with Significant Accounting Policies and Notes to the Accounts is a full and fair Balance Sheet containing all necessary particulars and is properly drawn up in accordance with the Reserve Bank of India Act, 1934 and Regulations framed thereunder so as to exhibit a true and correct view of the state of the Bank's affairs in conformity with the accounting principles generally accepted in India.

For V. Sankar Aiyar & Co.	For Jain Chowdhary & Co.
Chartered Accountants	Chartered Accountants
Firm Registration No.109208W	Firm Registration No.113267W
S.Venkatraman	S.C.Jain
Partner	Partner
(M. No. 34319)	(M. No. 14871)

Dated: August 09, 2012
Place: Mumbai

ANNEX

RESERVE BANK OF INDIA

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FOR THE YEAR 2011-12

SIGNIFICANT ACCOUNTING POLICIES

1. CONVENTION

The financial statements are prepared in accordance with the Reserve Bank of India Act, 1934 and the notifications issued thereunder and in the form prescribed by the Reserve Bank of India General Regulations, 1949 and are based on historical cost except where it is modified to reflect revaluation.

The accounting practices and policies followed in the financial statements are consistent with those followed in the previous year unless otherwise stated.

2. REVENUE RECOGNITION

Income and expenditure are recognised on accrual basis except penal interest and dividend, which are accounted for on receipt basis. Only realised gains are recognised.

Balances unclaimed and outstanding for more than three clear consecutive years in certain transit accounts including Drafts Payable Account, Payment Orders Account, Sundry Deposits Account, Remittance Clearance Account and Earnest Money Deposit Account are reviewed and written back to income. Claims in this respect are considered and charged against income in the year of payment.

Income and expenditure in foreign currency are recorded at the exchange rates prevailing on the last business day of the week/month/year as applicable.

3. GOLD AND FOREIGN CURRENCY ASSETS AND LIABILITIES

Transactions in gold and foreign currency assets and liabilities are accounted for on settlement date basis.

(a) Gold

Gold is revalued at the end of the month at 90 per cent of the daily average price quoted at London for the month. The rupee equivalent is determined on the basis of the exchange rate prevailing on the last business day of the month. Unrealised gains/losses are credited/debited to the Currency and Gold Revaluation Account (CGRA).

(b) Foreign Currency Assets and Liabilities

All foreign currency assets and liabilities are translated at the exchange rates prevailing on the last business day of the week as well as on the last business day of the month. At the year-end, foreign currency assets and liabilities are translated at the exchange rates prevailing on the last business day, except in cases where rates are contractually fixed. Exchange gains and losses arising from such translation of foreign currency assets and liabilities are accounted for in CGRA and remain adjusted therein. Forward exchange contracts are valued half-yearly, and net loss, if any, is provided for in the Exchange Equalisation Account (EEA).

Foreign securities other than Treasury Bills are valued at market price prevailing on the last business day of each month except certain "held to maturity" securities, which are valued at cost. Appreciation or depreciation, if any, is transferred to the Investment Revaluation Account (IRA). Credit balance in IRA is carried forward to the subsequent year. Debit balance, if any, at the end of the year in IRA is charged to the Profit and Loss Account and the same is reversed to the credit of the Profit and Loss Account on the first working day of the succeeding financial year.

Foreign Treasury Bills and Commercial Papers are carried at cost as adjusted by amortisation of discount. Premium or discount on foreign securities is amortised daily. Profit/loss on sale of foreign currency assets is recognised with respect to the book value. In the case of foreign securities, it is recognised with reference to the amortised cost. Further, on sale/redemption of foreign dated securities, gain/loss in relation to the securities sold lying in IRA, is transferred to the Profit and Loss Account.

4. RUPEE SECURITIES

Rupee securities, other than Treasury Bills, held in the Issue and Banking Departments, are valued at lower of book value or market price (LOBOM). Where the market price for such securities is not available, the rates are derived based on the yield curve prevailing on the last business day of the month as notified by the Fixed Income Money Market and Derivatives Association of India (FIMMDA). Depreciation in value, if any, is adjusted against current interest income.

Treasury Bills are valued at cost.

Securities received as collateral under Repurchase Agreement (Repo) and Marginal Standing Facility (MSF) are held in the Reserve Bank's books at face value.

5. SHARES

Investments in shares are valued at cost.

6. FIXED ASSETS

Fixed Assets are stated at cost less depreciation.

Depreciation on computers, microprocessors, software (costing ₹0.1 million and above), motor vehicles, furniture, *etc.* is provided on straight-line basis at the following rates.

Asset Category	Rate of depreciation
Computers, microprocessors, software, *etc.*	33.33 per cent
Motor vehicles, furniture, *etc.*	20 per cent

Amortisation of premium on leasehold land and depreciation on building is provided on written-down value basis at the following rates.

Asset Category	Rate of amortisation/ depreciation
Leasehold Land and Building(s) constructed thereon	Proportionate to lease period but not less than 5 per cent
Building(s) constructed on Freehold Land	10 per cent

Fixed Assets, costing less than ₹0.1 million, (except easily portable electronic assets such as laptops, mobile phones, *etc.,* costing more than ₹10,000) are charged to the Profit and Loss Account in the year of acquisition.

Depreciation is provided on year-end balances of the Fixed Assets.

7. EMPLOYEE BENEFITS

The liability on account of long term employee benefits is provided based on an actuarial valuation under the 'Projected Unit Credit' method.

8. CONTINGENCY RESERVE AND ASSET DEVELOPMENT RESERVE

Contingency Reserve (CR) represents the amount set aside on a year-to-year basis for meeting unexpected and unforeseen contingencies including depreciation in the value of securities, exchange guarantees and risks arising out of monetary/exchange rate policy operations.

In order to meet the internal capital expenditure and make investments in subsidiaries and associate institutions, a further sum is provided and credited to the Asset Development Reserve (ADR).

NOTES TO THE ACCOUNTS

1. SURPLUS TRANSFER TO GOVERNMENT OF INDIA

Surplus transferable to the Government includes ₹13.22 billion (same as in the previous year) representing interest differential pertaining to the period April 1, 2011-March 31, 2012 on account of conversion of special securities issued by the Government of India into marketable securities.

2. EARMARKED SECURITIES

The Reserve Bank has earmarked certain Government securities having a book value of ₹112.48 billion (previous year ₹100.67 billion) from its Investment Account in order to cover the liabilities in the Provident Fund, Gratuity and Superannuation Fund and Leave Encashment (Retiring Employees) Fund.

3. RESERVE FUND

Reserve Fund comprises initial contribution of ₹0.05 billion made by the Government of India and appreciation of ₹64.95 billion on account of revaluation of gold up to October 1990. Subsequent gains/losses on monthly revaluation of gold are taken to the Currency and Gold Revaluation Account (CGRA).

4. DEPOSITS

(a) Government

There is no outstanding balance maintained by the Central Government under the Market Stabilisation Scheme (MSS).

Deposits of State Governments include balance of the Government of the Union Territory of Puducherry.

(b) Others

(₹ billion)

Particulars	As on June 30	
	2011	2012
1	2	3
I. Rupee Deposits from the Foreign Central Banks and the Foreign Financial Institutions	7.25	11.18
II. Deposits from the Indian Financial Institutions	1.99	1.27
III. Accumulated Retirement Benefits (i+ii)	94.01	105.39
(i) Provident Fund	30.13	33.55
(ii) Gratuity and Superannuation Fund	63.88	71.84
IV. Miscellaneous	21.05	4.21
Total	**124.30**	**122.05**

5. DETAILS OF OTHER LIABILITIES

(₹ billion)

Particulars	As on June 30	
	2011	2012
1	2	3
I. Contingency Reserve		
Balance at the beginning of the year	**1,585.61**	**1,707.28**
Add: Accretion during the year	121.67	246.77
Balance at the end of the year	**1,707.28**	**1,954.05**
II. Asset Development Reserve		
Balance at the beginning of the year	**146.32**	**158.66**
Add: Accretion during the year	12.34	23.48
Balance at the end of the year	**158.66**	**182.14**
III. Currency and Gold Revaluation Account		
Balance at the beginning of the year	**1,191.34**	**1,822.86**
Add: Net Accretion (+)/Net Depletion (-) during the year	631.52	2,908.86
Balance at the end of the year	**1,822.86**	**4,731.72**
IV. Investment Revaluation Account		
Balance at the beginning of the year	**93.71**	**42.69**
Add: Net Accretion (+)/Net Utilisation (-) during the year	(-)51.02	(+)79.53
Balance at the end of the year	**42.69**	**122.22**
V. Exchange Equalisation Account		
Balance at the beginning of the year	**0.19**	**0.01**
Transfer from Exchange Account	0.01	24.05
Add: Net Accretion (+)/Net Utilisation (-) during the year	(-)0.19	(-)0.01
Balance at the end of the year	**0.01**	**24.05**
VI. Settlement Liabilities	**166.89**	**Nil**
VII. Provision for Outstanding Expenses	**15.18**	**16.16**
VIII. Surplus Transferable to the Government of India	**150.09**	**160.10**
IX. Miscellaneous	**78.32**	**73.11**
X. Total (I to IX)	**4,141.97**	**7,263.55**

6. RBI GENERAL ACCOUNT

'Other Assets' include ₹138.28 million (corresponding figure of the previous year was ₹171.90 million) of the RBI General Account in respect of inter-office transactions and balances which are at various stages of reconciliation and necessary adjustments are being effected as and when reconciled. Consequent upon the implementation of the Core Banking System (CBS) in the Reserve Bank during 2011-12, this mechanism of inter-office transactions has ceased to exist.

7. RUPEE INVESTMENTS

Securities purchased (Repo) and sold (Reverse Repo) under the Liquidity Adjustment Facility (LAF) are added to and reduced from 'Investments', respectively. As at the year-end, the outstanding Repos and Reverse Repos amounted to ₹904.60 billion (previous year ₹1,046.90 billion) and ₹77.60 billion (previous year ₹26.00 billion), respectively. The MSF balance outstanding as at the year-end was ₹6 billion. The corresponding figure in the previous year was nil.

8. DETAILS OF FOREIGN CURRENCY ASSETS

(₹ billion)

Particulars	As on June 30	
	2011	2012
1	2	3
I. Held in Issue Department	9,101.66	10,261.97
II. Held in Banking Department		
(a) Included in Investments	550.47	590.57
(b) Balances Held Abroad	3,035.31	3,640.27
Total	**12,687.44**	**14,492.81**

Notes :

1. Uncalled amount on partly paid shares of the Bank for International Settlements (BIS) as on June 30, 2012 was ₹1.03 billion (SDR 12,041,250). The amount was ₹0.86 billion (SDR 12,041,250) in the previous year.
2. The Reserve Bank has agreed to make resources available under the IMF's New Arrangements to Borrow (NAB) (which subsumes the earlier commitment of US$10 billion/₹563.10 billion under the Note Purchase Agreement) up to a maximum amount of SDR 8,740.82 million (₹746.93 billion/US$13.26 billion). As on June 30, 2012, investments amounting to SDR 1,020 million (₹87.16 billion/US$1.55 billion) have been made under the NAB.
3. The Reserve Bank has agreed to invest up to an amount, the aggregate of which shall not exceed US$5 billion (₹281.55 billion), in the bonds issued by India Infrastructure Finance Company (UK) Limited. As on June 30, 2012, the Reserve Bank had invested US$ 673 million (₹37.90 billion) in such bonds.

9. DETAILS OF OTHER ASSETS

(₹ billion)

Particulars	As on June 30	
	2011	2012
1	2	3
I. Fixed Assets (net of accumulated depreciation)	4.88	4.37
II. Gold	525.11	690.46
III. Income Accrued	159.01	195.11
IV. Miscellaneous	9.49	12.66
Total	**698.49**	**902.60**

10. INTEREST, DISCOUNT, EXCHANGE, COMMISSION, *etc.*

Interest, Discount, Exchange, Commission, *etc.,* include the following:

(₹ billion)

Particulars	Year ended	
	June 30, 2011	June 30, 2012
1	2	3
I. Profit on sale of Foreign and Rupee Securities	55.37	111.07
II. Net profit on sale of Bank's Property	0.03	0.02

11. AUDITORS' FEES

Out of total Auditors' Fees and Expenses of ₹26.79 million, a sum of ₹2.4 million was paid to the Bank's Statutory Auditors as audit fees for audit of the Bank's accounts.

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