

XIII. UNDERTAKING REGARDING COMMON FORM OF TRANSFER

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

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

XIV. Redemption amount, period of maturity, yield

Redemption Amount : At Par.(Rs.500 crs + amount mobilized through green shoe option)

Period of maturity: 15 Years

Coupon rate : 9.15 % p.a.

XV. Information relating to Terms of Offer

Private placement of unsecured redeemable non-convertible subordinated upper tier-II bonds (series V) in the nature of promissory notes of Rs. 10 lakh each for cash at par aggregating Rs. 500 crores with a green shoe option to retain oversubscription to be issued by State Bank of India

Issue Size

State Bank of India (the 'Issuer' or the "Bank") proposes to raise Rs. 500 crores with a green shoe option to retain oversubscription through issue of Unsecured Redeemable Non-Convertible Subordinated Upper Tier-II Bonds (Series V) in the nature of Promissory Notes (hereinafter referred to as "Bonds") of face value of Rs. 10,00,000/- each by way of private placement ('the Issue').

Face Value, Issue Price, Effective Yield for Investor

Each Bond has a face value of Rs. 10,00,000/- and is issued at par i.e. for Rs. 10,00,000/-. Since these Bonds are redeemable at par and there is no premium or discount on issue price of the Bonds, the effective yield for the investors shall be the same as the coupon rate on the Bonds (i.e. 9.15% p.a. for first 10 years and 9.65% p.a. for last five years if Call Option is not exercised by the Bank at the end of 10th year).

Terms of Payment

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

Face Value per Bond	Minimum Application for	Amount Payable on Application per Bond
Rs. 10,00,000/-	50 Bonds and in multiples of 1 Bond thereafter	Rs. 10,00,000/-

Nature and Status of Bonds

The Bonds are to be issued in the form of Unsecured Redeemable Non-Convertible Subordinated Upper Tier-II Bonds in the nature of Promissory Notes for inclusion as Upper Tier II capital. As per RBI master circular no. DBOD.No.BP.BC.11/21.06.001/2008-09 dated July 01, 2008 on Prudential Guidelines on Capital Adequacy and Market Discipline - Implementation of the New Capital Adequacy Framework covering terms and conditions for issue of Debt Instruments to qualify for inclusion as Upper Tier II capital, these Bonds shall be fully paid-up, unsecured, and free of any restrictive clauses. Claims of the investors in Upper Tier II Bonds shall be (a) superior to the claims of investors in instruments eligible for inclusion in Tier I capital and (b) subordinate to the claims of all other creditors of the Bank.

Deemed Date of Allotment

Interest on Bonds shall accrue to the Bondholder(s) from and including March 06, 2009, which shall be the Deemed Date of Allotment. All benefits relating to the Bonds will be available to the investors from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment. The Bank reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any notice. In case if the issue closing date is changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by the Bank at its sole and absolute discretion.

Underwriting

The present Issue of Bonds on private placement basis has not been underwritten.

Minimum Subscription

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

Market Lot

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

Trading of Bonds

The marketable lot for the purpose of trading of Bonds shall be Rs.10 lakhs. Trading of Bonds would be permitted in demat mode only in standard denomination of Rs.10 lakhs and such trades shall be cleared and settled in recognised stock exchange(s) subject to conditions specified by SEBI. In case of trading in Bonds which has been made over the counter, the trades shall be executed and reported on a recognized stock exchange having a nation wide trading terminal or such other platform as may be specified by SEBI.

Interest on Application Money

Interest at the coupon rate applicable for first 10 years (i.e. at the rate of 9.15 per cent per annum) (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to all the applicants on the application money for the Bonds. Such interest shall be paid from the date of realisation of cheque(s)/ demand draft(s)/ RTGS upto one day prior to the Deemed Date of Allotment. The interest on application money will be computed on an Actual/ 365 day basis (366 days in case of a leap year). Such interest would be paid on all the valid applications, including the refunds. Where the entire subscription amount has been refunded, the interest on application money will be paid along with the Refund Orders. Where an applicant is allotted lesser number of bonds than applied for, the excess amount paid on application will be refunded to the applicant along with the interest on refunded money.

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

Interest on the Bonds

The Bonds shall carry interest at the rate of 9.15 per cent per annum (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof for which a certificate will be issued by the Bank) from, and including, March 06, 2009 upto, but excluding, March 06, 2019, payable in arrears on April 1st, in each year (each, an "Interest Payment Date"), commencing April 1st, 2009, to the holders of Bonds (the "Holders" and each, a "Holder") as of the relevant Record Date. If the Bonds are not redeemed on March 06, 2019, interest from March 06, 2019 shall be reset to 9.65 per cent per annum (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof for which a certificate will be issued by the Bank) from, and including, March 06, 2019 upto, but excluding, March 06, 2024, payable in arrears on April 1st, in each year (each, an "Interest Payment Date"), commencing April 1, 2019, to the holders of Bonds (the "Holders" and each, a "Holder") as of the relevant Record Date. In case if call option is exercised at the end of 10th year from the Deemed Date of Allotment, then interest on Bonds will cease from the date of exercise of such call option in all events. The interest payable on any Interest Payment Date will be paid to the Bondholder(s) whose names appear in the List of Beneficial Owners given by the Depository to the Bank as on the Record Date.

- a. The first interest period is defined as the actual number of days falling between the Deemed Date of Allotment to 31st March, 2009 including the first and the last date. The first interest payment would be made on 1st April, 2009.
- b. The second and subsequent interest period (except the last interest period) is defined as the actual number of days in a year as 365 (366 in case of a leap year) between 1st April, 2009 and 31st March, 2010 including the first and the last date and so on.
- c. The last interest period is defined as the actual number of days falling between 1st April, 2018 and 5th March, 2019 (in case of exercise of call option) or 1st April, 2023 and 5th March, 2024 (in case of redemption on maturity) including the first and the last date. The last interest payment would be made on the redemption date along with the redemption of principal amount.
- d. If any interest payment day falls on a day which is not a business day (Business Day being a day on which commercial Banks are open for business in the city of Mumbai) then payment of interest will be made on next business day but without liability for making payment of interest for the delayed period.

In terms of RBI master circular no. DBOD.No.BP.BC.11/21.06.001/2008-09 dated July 01, 2008 on Prudential Guidelines on Capital Adequacy and Market Discipline - Implementation of the New Capital Adequacy Framework covering terms and conditions for issue of Debt Instruments to qualify for inclusion as Upper Tier II capital, these Bonds shall be subjected to a lock-in clause in terms of which, the Bank shall not be liable to pay interest if (a) the Bank's CRAR is below the minimum regulatory requirement prescribed by RBI or (b) the impact of such payment results in Bank's Capital to Risk Assets Ratio (CRAR) falling below or remaining below the minimum regulatory requirement prescribed by RBI. However, the Bank may pay interest with the prior approval of RBI when the impact of such payment may result in net loss or increase the net loss provided CRAR remains above the regulatory norm. The interest amount due and remaining unpaid may be allowed to be paid in the later years subject to the Bank complying with the above regulatory requirement.

In case the Deemed Date of Allotment is revised (pre-poned/ postponed) then the above Interest Payment Date may also be revised pre-poned/ postponed) accordingly by the Bank at its sole & absolute discretion.

Computation of Interest

Interest for each of the interest periods shall be calculated, on 'actual/ 365 (366 in case of a leap year) days' basis, on the face value of principal outstanding on the Bonds at the coupon rate rounded off to the nearest Rupee.

Record Date

The 'Record Date' for the Bonds shall be 30 days prior to each interest payment date and/ or call option due date and/or redemption due date. However, the Record date for payment of interest on 1st April 2009 shall be the Deemed date of allotment.

Deduction of Tax at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. The investor(s) desirous of claiming exemption from deduction of income tax at source on the interest on application money are required to submit the necessary certificate(s), in duplicate, along with the Application Form in terms of Income Tax rules.

Interest payable subsequent to the Deemed Date of Allotment of Bonds will be treated as "Interest on Securities" as per Income Tax Rules. Bondholders desirous of claiming exemption from deduction of income tax at source on the interest payable on Bonds should submit tax exemption certificate/ document, under Section 193 of the Income Tax Act, 1961, if any, at the Head Office of the Bank, at least 45 days before the payment becoming due.

Regarding deduction of tax at source and the requisite declaration forms to be submitted, prospective investors are advised to consult their own tax consultant(s).

Put Option

There is no Put Option available to the Bondholder(s). As per RBI master circular no. DBOD.No.BP.BC.11/21.06.001/2008-09 dated July 01, 2008 on Prudential Guidelines on Capital Adequacy and Market Discipline - Implementation of the New Capital Adequacy Framework covering terms and conditions for issue of Debt Instruments to qualify for inclusion as Upper Tier II capital, these Bonds shall be free of any restrictive clauses and thus shall not be redeemable at the initiative of the holder.

Call Option/ Option for Early Redemption

The Bank shall have the option of redeeming the Bonds at par, subject to the prior approval of the RBI and in accordance with applicable laws and regulations in effect at the time (relating to among other things, capital adequacy position of the Bank both at the time of exercise of the call option and after exercise of the call option), in whole but not in part, on March 06, 2019 (i.e. at the end of 10th year from the Deemed Date of Allotment) at a redemption price equal to the principal amount of the Bonds plus accrued interest.

In case of exercise of Call Option by the Bank, the Bank shall notify its intention to do so through a public notice at least in one All-India English and one regional language daily newspaper in Mumbai, New Delhi, Kolkata and Chennai and/or through notice sent by registered post/ courier to the sole/ first allottee or sole/ first Beneficial Owner of the Bonds at least 30 (thirty) days prior to the due date.

In terms of RBI master circular no. DBOD.No.BP.BC.11/21.06.001/2008-09 dated July 01, 2008 on Prudential Guidelines on Capital Adequacy and Market Discipline - Implementation of the New Capital Adequacy Framework covering terms and conditions for issue of Debt Instruments to qualify for inclusion as Upper Tier II capital, Call Option shall be exercised by the Bank only with the prior approval of RBI.

In case if the Call Option due date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for business in the city of Mumbai, then the payment due shall be made on the next Business Day together with additional interest for the intervening period.

Payment on exercise of Call Option will be made by cheque(s)/ redemption warrants(s)/ demand draft(s)/ credit through RTGS system in the name of the Bondholders whose name appear on the List of Beneficial Owners given by Depository to the Bank as on the Record Date/ Book Closure Date. On the Bank dispatching the

redemption warrants to such Beneficiary (ies) by registered post/ courier, the liability of the Bank shall stand extinguished.

The Bonds shall be taken as discharged on payment of the redemption amount by the Bank on exercise of Call Option to the list of Beneficial Owners as provided by the Depository to the Bank as on the Record Date. Such payment will be a legal discharge of the liability of the Bank towards the Bondholders. On such payment being made, the Bank will inform NSDL/ CDSL/ Depository Participant and accordingly the account of the Bondholders with NSDL/ CDSL/ Depository Participant will be adjusted.

The Bank's liability to the Bondholders towards all their rights including for payment or otherwise shall cease and stand extinguished from the date of exercise of Call Option in all events. Further the Bank will not be liable to pay any interest or compensation from the date of exercise of Call Option. On the Bank dispatching the amount as specified above in respect of the Bonds, the liability of the Bank shall stand extinguished.

Redemption

The face value of the Bonds will be redeemed at par on March 06, 2024 (at the end of 180 months from the Deemed Date of Allotment).

In case if the principal redemption date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for business in Mumbai, then the payment due shall be made on the next Business Day together with additional interest for the intervening period. In terms of RBI master circular no. DBOD.No.BP.BC.11/21.06.001/2008-09 dated July 01, 2008 on Prudential Guidelines on Capital Adequacy and Market Discipline - Implementation of the New Capital Adequacy Framework covering terms and conditions for issue of Debt Instruments to qualify for inclusion as Upper Tier II capital, these Bonds shall be subjected to a lock-in clause in terms of which, the Bank shall not be liable to pay principal even at maturity, if (a) the Bank's CRAR is below the minimum regulatory requirement prescribed by RBI or (b) the impact of such payment results in Bank's Capital to Risk Assets Ratio (CRAR) falling below or remaining below the minimum regulatory requirement prescribed by RBI. However, the Bank may pay interest with the prior approval of RBI when the impact of such payment may result in net loss or increase the net loss provided CRAR remains above the regulatory norm. The interest amount due and remaining unpaid may be allowed to be paid in the later years subject to the Bank complying with the above regulatory requirement.

Lock-In Clause

In terms of RBI master circular no. DBOD.No.BP.BC.11/21.06.001/2008-09 dated July 01, 2008 on Prudential Guidelines on Capital Adequacy and Market Discipline - Implementation of the New Capital Adequacy Framework covering terms and conditions for issue of Debt Instruments to qualify for inclusion as Upper Tier II capital, these Bonds shall be subjected to a lock-in clause in terms of which, the Bank shall not be liable to pay either interest or principal, even at maturity, if (a) the Bank's CRAR is below the minimum regulatory requirement prescribed by RBI or (b) the impact of such payment results in Bank's Capital to Risk Assets Ratio (CRAR) falling below or remaining below the minimum regulatory requirement prescribed by RBI. However, the Bank may pay interest with the prior approval of RBI when the impact of such payment may result in net loss or increase the net loss provided CRAR remains above the regulatory norm. The interest amount due and remaining unpaid may be allowed to be paid in the later years subject to the Bank complying with the above regulatory requirement.

Effect of Holidays

Should any of dates defined above or elsewhere in the Disclosure Document, excepting the Deemed Date of Allotment, fall on a Saturday, Sunday or a Public Holiday, the next working day shall be considered as the effective date(s). In case any Interest Payment Date(s) and/or the Call Option Due Date falls on a holiday, interest/ redemption will be paid on the next working day (i.e. a day on which scheduled commercial banks are open for business in the city of Mumbai).

Governing Law & Provisions

The Bonds offered are subject to provisions of State Bank of India Act 1955, the Companies Act, 1956, Securities Contract Regulation Act, 1956, Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, terms of this Disclosure Document, Instructions contained in the Application Form and other terms and conditions as may be incorporated in the Trustee Agreement and Bond Trust Deed. Over and above such terms and conditions, the Bonds shall also be subject to the applicable provisions of the Depositories Act 1996 and the laws as applicable, guidelines, notifications and regulations relating to the allotment & issue of capital and listing of securities issued from time to time by the Government of India (GoI), Reserve Bank of India (RBI), Securities & Exchange Board of India (SEBI), concerned Stock Exchange or any other authorities and other documents that may be executed in respect of the Bonds. The Bonds are governed by and shall be construed in accordance with the Indian Laws. The District Courts in Mumbai, Maharashtra State alone shall have the jurisdiction in connection with any matter arising under these precincts.

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

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

Issue of Bond Certificate(s)

Subject to the completion of all statutory formalities within 3 months from the Deemed Date of Allotment, or such extended period as may be approved by the appropriate authority(ies), the initial credit akin to a Letter of Allotment in the Beneficiary Account of the investor would be replaced with the number of Bonds allotted. The Bonds since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof.

Depository Arrangements

The Bank has appointed "Datamatics Financial Services Ltd." (hereinafter referred to as the 'Registrars/ 'RTA') [Address: Plot No. A-16 & 17, Part B, Cross Lane, MIDC, Andheri (East), Mumbai – 400 093; Tel No.: (022) 66712151 to 56; Fax No.: (022) 6671 2192; E-mail: sbibonds2008@dfssl.com] as Registrars & Transfer Agent for the present Bond Issue. The Bank shall make necessary depository arrangements with National Securities Depository Ltd. ("NSDL") and Central Depository Services (India) Ltd. ("CDSL") for issue and holding of Bonds in dematerialised form. In this context the Bank has signed two tripartite agreements as under:

1. Tripartite Agreement between State Bank of India, Datamatics Financial Services Ltd. and National Securities Depository Ltd. for offering depository option to the investors.
2. Tripartite Agreement between State Bank of India, Datamatics Financial Services Ltd. and Central Depository Services (India) Ltd. for offering depository option to the investors.

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

Procedure for applying for Demat Facility

- The applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the application.
- The applicant must necessarily fill in the details (including the beneficiary account number and Depository Participant's ID) appearing in the Application Form under the heading 'Details for Issue of Bonds in Electronic/ Dematerialised Form'.
- Bonds allotted to an applicant will be credited directly to the applicant's respective Beneficiary Account(s) with the DP.
- For subscribing the bonds, names in the application form should be identical to those appearing in the account details in the depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the depository.
- The Registrars to the Issue will directly send non-transferable allotment advice/refund orders to the applicant.
- If incomplete/ incorrect details are given under the heading 'Details for Issue of Bonds in Electronic/ Dematerialised Form' in the application form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Bank.
- For allotment of Bonds, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The Applicant is therefore responsible for the correctness of his/her demographic details given in the application form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for losses, if any.
- It may be noted that Bonds being issued in electronic form, the same can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. National Stock Exchange of India Ltd. where the Bonds of the Bank are proposed to be listed has connectivity with NSDL and CDSL.
- Interest or other benefits would be paid to those Bondholders whose names appear on the list of beneficial owners given by the Depositories to the Bank as on Record Date/ Book Closure Date. In case of those Bonds for which the beneficial owner is not identified by the Depository as on the Record Date/ Book Closure Date, the Bank would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to the Bank, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

Investors may note that pursuant to current provisions, the Bonds of the Bank would be issued and traded only in dematerialised form.

Mode of Transfer of Bonds

Bonds shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/ CDSL/ Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Bonds held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Transfer of Bonds to and from NRIs/ OCBs, in case they seek to hold the Bonds and are eligible to do so, will be governed by the then prevailing guidelines of RBI. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Bank.

List of Beneficial Owners

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

Succession

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

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

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

Such holding by the NRI will be on a non-repatriation basis.

Who Can Apply

The following categories of investors may apply for the Bonds, subject to fulfilling their respective investment norms/ rules by submitting all the relevant documents alongwith the application form.

1. Scheduled Commercial Banks;
2. Financial Institutions;
3. Insurance Companies;
4. Primary/ State/ District/ Central Co-operative Banks (subject to permission from RBI);
5. Regional Rural Banks;
6. Mutual Funds;
7. Provident, Gratuity, Superannuation and Pension Funds;
8. Companies, Bodies Corporate authorised to invest in Bonds;
9. Trusts, Individuals, Association of Persons, and Societies registered under the applicable laws in India which, are duly authorised to invest in bonds.

Application not to be made by

1. Hindu Undivided Family (neither by the name of the Karta);
2. Partnership Firms or their nominees;
3. Overseas Corporate Bodies (OCBs);
4. Foreign Institutional Investors (FIIs).

Although above investors are eligible to apply however only those investors, who are individually addressed through direct communication by the Bank/ Sole Arranger, are eligible to apply for the Bonds. No other person may apply. Hosting of Disclosure Document on the website of the NSE should not be construed as an offer to issue and the same has been hosted only as it is stipulated by SEBI. Investors should check about their eligibility before making any investment.

The applications must be accompanied by certified true copies of (1) Memorandum and Articles of Association/ Constitution/ Bye-laws (2) Resolution authorising investment and containing operating instructions (3) Specimen signatures of authorised signatories, (4) Copy of Permanent Account Number Card ("PAN Card")

issued by the Income Tax Department and (5) Necessary forms for claiming exemption from deduction of tax at source on the interest income/ interest on application money, wherever applicable.

Application under Power of Attorney or by Limited Companies

In case of applications made under a Power of Attorney or by a Limited Company or a Body Corporate or Registered Society or Mutual Fund, and scientific and/or industrial research organisations or Trusts etc, the relevant Power of Attorney or the relevant resolution or authority to make the application, as the case may be, together with the certified true copy thereof along with the certified copy of the Memorandum and Articles of Association and/or Bye-Laws as the case may be must be attached to the Application Form or lodged for scrutiny separately with the photocopy of the Application Form, quoting the serial number of the Application Form and the Bank's branch where the application has been submitted, at the office of the Registrars to the Issue after submission of the Application Form to the bankers to the issue or any of the designated branches as mentioned on the reverse of the Application Form, failing which the applications are liable to be rejected. Such authority received by the Registrars to the Issue more than 10 days after closure of the subscription list may not be considered.

Mode of Subscription/ How to Apply

This being a Private Placement Offer, Investors who are established/ resident in India and who have been addressed through this communication directly, only are eligible to apply. All Application Forms, duly completed, together with cheque/ demand draft for the amount payable on application must be delivered before the closing of the issue to the specified branches of State Bank of India named herein or to the Lead Arrangers to the Issue.

Applications should be for a minimum of 50 Bonds and in multiples of 1 Bond thereafter. All cheques/ demand drafts should be in favour of “**State Bank of India A/c – Tier-II Subordinated Bond Issue: 2008-09 Tranche V**” and crossed “**Account Payee Only**”. The entire amount of Rs. 10 lakh (Rs. Ten Lakh only) per Bond is payable on application. Alternatively, investors can remit their application money by way of electronic transfer of funds through RTGS mechanism for credit in the Account of “**State Bank of India**”, Account No. “**30693930103**”, Branch: “**Capital Market (11777) Branch**”, IFSC Code: “**SBIN0011777**”.

Applications for the Bonds must be in the prescribed form (enclosed) and completed in BLOCK LETTERS in English and as per the instructions contained therein.

Applications complete in all respects (along with all necessary documents as detailed in this Disclosure Document) must be submitted before the last date indicated in the issue time table or such extended time as decided by the Bank, at any of the designated collection centre, accompanied by the subscription amount by way of cheque(s)/ demand draft(s) drawn on any bank including a co-operative bank which is situated at and is a member of the Bankers' clearing house located at a place where the application form is submitted. Outstation cheque(s)/ Bank draft(s) drawn on Bank(s) not participating in the clearing process at the designated clearing centres will not be accepted. Money orders/ postal orders will also not be accepted. The Bank assumes no responsibility for any applications/ cheques/ demand drafts lost in mail.

No separate receipt will be issued for the application money. However, the Bank's designated collection branches or Lead Arranger(s) receiving the duly completed Application Form will acknowledge receipt of the application by stamping and returning to the applicant the Acknowledgment Slip at the bottom of the each Application Form.

As a matter of precaution against possible fraudulent encashment of interest warrants/ cheques due to loss/ misplacement, the applicant should furnish the full particulars of his or her bank account (i.e. Account Number, name of the bank and branch) at the appropriate place in the Application Form. Interest warrants will then be made out in favour of the bank for credit to his/ her account so specified and dispatched to the investors, who may deposit the same in the said bank.

Right to Accept or Reject Applications

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

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

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

PAN/GIR Number

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

Signatures

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

Nomination Facility

As per Section 109 A of the Companies Act, 1956, only individuals applying as sole applicant/Joint Applicant can nominate, in the prescribed manner, a person to whom his Bonds shall vest in the event of his death. Non-individuals including holders of Power of Attorney can not nominate.

Bondholder not a Shareholder

The bondholders will not be entitled to any of the rights and privileges available to the shareholders. If, however, any resolution affecting the rights attached to the Bonds is placed before the members of the Bank, such resolution will first be placed before the bondholders for their consideration.

Modification of Rights

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

Future Borrowings

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

Bond Redemption Reserve

The Government of India, Ministry of Company Affairs has vide General Circular No. 9/2002 No.6/3/2001-CL.V dated April 18, 2002 clarified that Banks need not create Debenture Redemption Reserve as specified under section 117C of the Companies Act, 1956.

Notices

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

All notices required to be given by the Bondholder(s), including notices referred to under "Payment of Interest" and "Call Option/ Option for Early Redemption" shall be sent by registered post or by hand delivery to the Bank or to such persons at such address as may be notified by the Bank from time to time.

Tax Benefits to the Bondholders of the Bank

The holder(s) of the Bonds are advised to consider in their own case, the tax implications in respect of subscription to the Bonds after consulting their own tax advisor/ counsel.

Disputes & Governing Law

The Bonds are governed by and shall be construed in accordance with the Indian Laws. The District Courts in Mumbai, Maharashtra State alone shall have the jurisdiction in connection with any matter arising under these precincts.