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Auditors : M. M. Chitale & Co.

Bankers : State Bank of India

Registered Office : Indian Institute of Banking & Finance,
The Arcade, Tower 4,
2nd Floor, World Trade Centre,
Cuffe Parade, Mumbai – 400 005

ANNUAL REPORT 2009-2010

Dear Members,

Your Council has pleasure in presenting the 83rd Annual Report of the Institute, including the Audited Statement of Accounts for the year ended March 31, 2010.

Macroeconomic and banking developments 2009-10

Macroeconomic developments

The recent assessment by the Reserve Bank of India gives the indication that the outlook in the financial sector is optimistic in the global and Indian scene. Recovery in the global economy had picked up momentum in the fourth quarter of 2009. The speed of recovery, however, remains significantly divergent. The projections for global output for 2010 generally point to consolidating recovery, led by the Emerging Market Economies (EMEs). The WTO projects world trade to stage a strong recovery in 2010. The risks to the overall global macroeconomic environment have, however, increased because of large public debt in advanced economies, on the back of concerns relating to reduction in potential output, high unemployment rates, impaired financial systems and premature exit from the policy stimulus.

Global financial markets exhibited significant stabilization during 2009, despite the drag from the global financial crisis. However, volatility increased in the beginning of 2010 due to concerns about unsustainable fiscal positions, as reflected in sovereign risks. Episodes such as the Dubai World debt standstill and the sovereign debt problems in Greece and East European countries pose a major risk to the stability of financial markets going forward.

The improvement in global macroeconomic conditions is reflected in the turnaround in India's exports and the return of capital flows. With stronger recovery in EMEs driven largely by domestic demand, improving exports and return of capital flows, EMEs face the risks of inflation and asset price build up momentum. India's external sector position improved alongside the recovery in the global economy. After declining for 12 consecutive months, country's exports recovered in October 2009. During 2009-10, foreign exchange reserves increased by US\$ 27.1 billion, mainly on account of increase in gold holdings, SDRs and foreign currency assets. Like other EMEs, however, higher capital inflows could influence asset prices, domestic liquidity conditions and the exchange rate.

With market activity returning to the pre-global crisis level, volatility in the domestic financial markets was much lower during 2009-10 than in the year before, when the crisis erupted. Despite considerable stability and the commencement of exit, markets faced concerns emerging from large government borrowings and the increase in inflation.

In the emerging macroeconomic scenario, monetary policy management will be dominated by the challenge of moderating inflation and anchoring inflation expectations, while remaining supportive of growth impulses. The policy stance therefore, can be expected to be consolidation of the gains and calibrated expansionary measures. Tightening of the interest rates could also be expected in the year ahead due to the inflationary pressures witnessed in the country. In spite of the uncertainties all around in the macroeconomic scene, the average GDP growth in India is projected to be around 8.5% over the next three years which will be among the highest globally.

Banking Developments

With all the banks in the country showing sizeable growth in their business during the year and their profitability position showing healthy trends, the banking sector in India continues to record growth despite the hangover of global melt down in other parts of the world. One of the reasons for this is the sizeable credit off take in the non-food sectors like retail, infrastructure, corporate borrowings etc. Significantly higher growth is expected in the infrastructure sector leading to a higher increase in term loans as compared to working capital loans. Though banks have shown increase of 30% in net profit in the current year, the growing NPAs in some of the banks have been an area of concern to the policy makers. The gross NPA for the banking system are estimated to be 3.5% for the 2011 fiscal. Sectors such as real estates, textiles and export oriented SMEs are likely to contribute to the NPAs. With concerted efforts, banks will be able to post good result in the coming year also going by the current business trends.

Estimates by reputed consultants indicate that nearly 3.5 lakh persons will be retiring from the banking services in the next few years. It is for this reason that the banks have been recruiting massive number of people. The situation is reminiscent of the late seventies and early eighties when the recruitment was at its peak. It is estimated that nearly 60000 persons have joined the banking industry during the year 2009-10. The recruitment process continues to be that of an examination followed by interview and the number of people who apply for the post are very high compared to the number of vacancies. Banks have also recruited specialists and persons on contract. The immediate requirement of the banks will be to impart necessary skills for the new recruits. Banks are also faced with another important HR issue of developing leadership skills to fill up the vacancies that occur in the senior management.

The Institute is aware of the crucial role it has to play in imparting latest banking knowledge among the new recruits while it has to upgrade the skill sets of existing staff. The endeavour of the Institute is to develop the courseware and delivery processes in such a way that learning will be a rewarding experience. The Institute has also spent considerable efforts in developing e-learning programs such that the lessons can be accessed in the PC of the candidates.

Review of Institute's performance during the year

The Institute has performed exceptionally well in all aspects of its activities. A brief review of the activities is given below:

I. MEMBERSHIP

The number of new individual members enrolled during the year 2009-10 and the total number of active members of the Institute as of 31st March, 2009 and 31st March, 2010 are given (Table 1) below:

a. Details of Members:

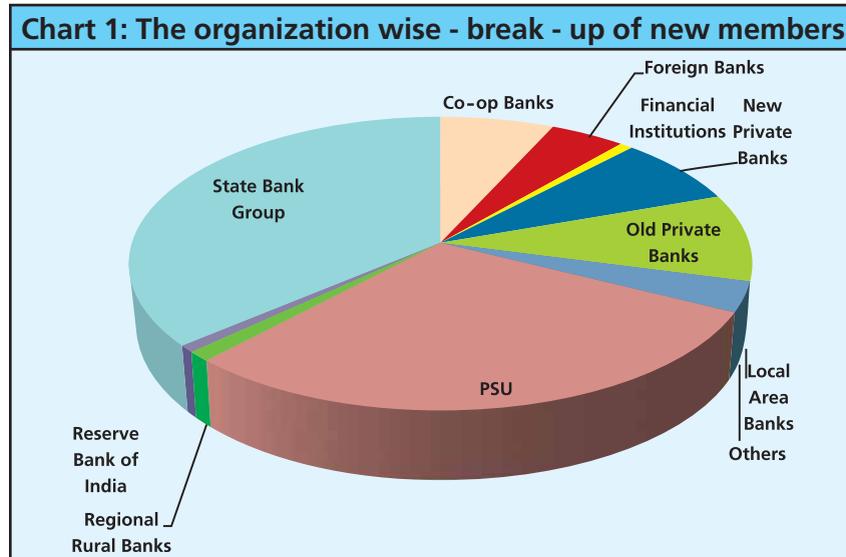
Table 1: Details of Members			
Category	Total members As of 31.3.2009	New & renewals During the year	Total members As of 31.3.2010
Fellows	230	3 (6)	233
Associates	395	3	398
Ordinary Members	306127	42706 ¹ (30712)	348833 ²
Institutions	665	2	662 ³

¹ Includes 1695 renewals • ² Includes 3901 life members who had completed 35 years. • ³ After merger of 5 banks

Fig. in parenthesis indicates last year's figure.

b. Individual (Ordinary) Members:

During the year, 41011 new individual members have joined the Institute as against 29100 members in the previous year. In the years 2005-06 to 2009-2010 about 89000 persons have taken up the individual membership of the Institute. The growth in ordinary membership is due to the large recruitment taking place in the banking sector, especially in the PSU banks. The zonal offices of the Institute have been taking concerted efforts to reach out to the new recruits and making them members of the Institute by visiting the head offices of banks, staff training centers of the banks where induction trainings are conducted and also appealing to the HR departments of banks to disseminate information about the Institute.



The number of ordinary members which had reached plateau around 260000 in the recent past has shown a positive growth in the last two years as can be seen from the table below:

Year	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Members	253843	260006	261472	260444	275415	306127	348833

The new members have come from all the segments of banks namely PSU banks, Foreign Banks, Private Sector Banks and Cooperative banks.

c. Associate and Fellow Members:

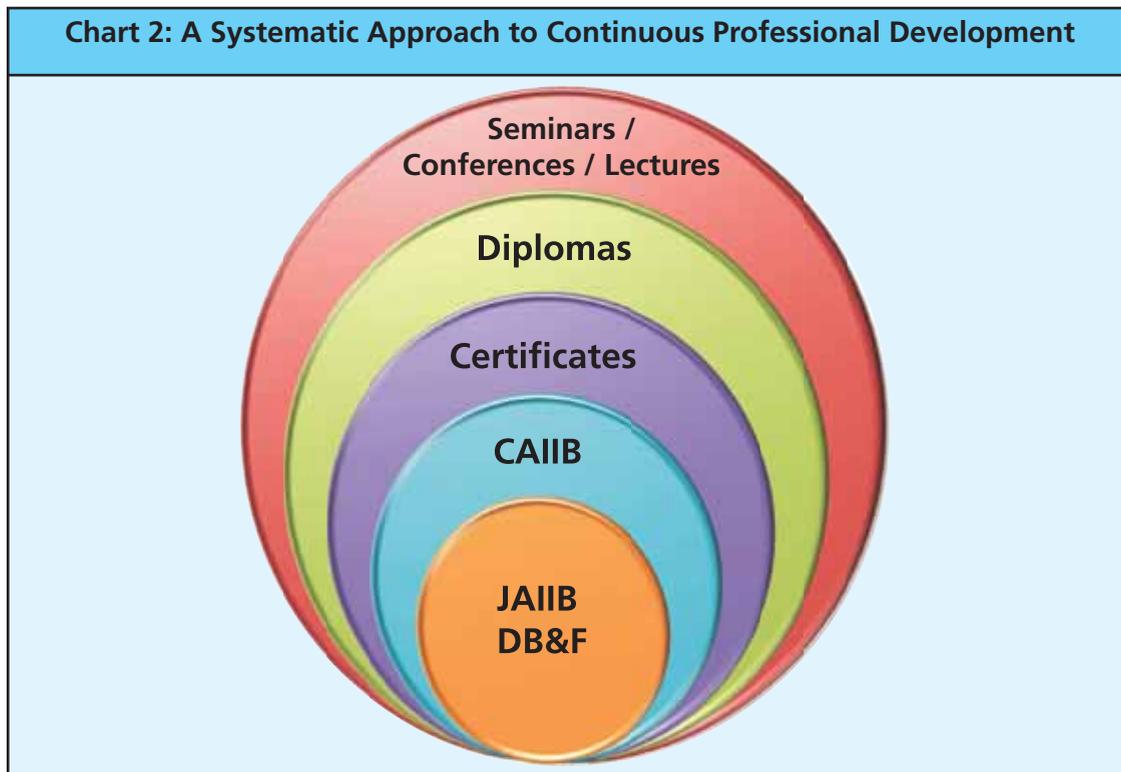
The addition to the list of Associate and Fellow members during the current year is low because the rules in regard to admission/election of associate and fellow members are under revision.

d. Institutional Members:

The number of Institutional members remains at the same level in the last few years. During the year 2009-10, the Institute had received a sum of Rs.81 lakh from the institutional members.

II. EXAMINATIONS:

The Institute has been conducting the examinations for JAIB, CAIB, Diploma, Certificate and Management Programs.



There is appreciable increase in the number of candidates for the Diploma and Certificate examinations. But the major examinations of the Institute continue to be JAIB and CAIIB with three papers each.

The number of candidates taking up JAIB and CAIIB examinations has registered considerable growth during the year, mainly on account of large scale recruitment of staff by banks. It is the endeavour of the Institute that all the eligible employees of the banks and financial institutions join the Institute as individual members and take up JAIB and CAIIB examinations. The Institute has been continuously approaching banks to motivate their employees to take up the examinations. The efforts of the Institute to popularize these examinations through concerted marketing efforts, by visiting banks, putting stalls in educational seminars, through portal etc., have yielded good results. Many banks have issued internal circulars exhorting their employees to take up the various examinations offered by the Institute. All these efforts have helped in augmenting the number of candidates taking these examinations over the years and more so during this year.

In general, the examinations of the Institute are conducted twice a year. However, in case of certificate examinations for Debt Recovery Agents, BC/BF, employees of BPO/IT Companies and Project Finance courses, the examinations are conducted at shorter intervals. DRA examinations are conducted at monthly intervals. Candidates who have registered with the Institute after completing the 100 hours training are allowed to appear for the examination. The BC/BFs examination contributes to the efforts on financial inclusion and is conducted after the candidates have gone through the five days training. The Institute co-ordinates with banks and ensures that examinations are conducted as and when the training is complete. Hitherto, the Institute was offering the examinations in English and Hindi. In view of the fact that candidates' taking up DRA and BC/BF examinations may not be matriculates and not proficient in English it was necessary that these examinations are offered in local languages also so that not being conversant with English language does not constrain candidates in passing these examinations. Therefore, the Micro Finance, DRA and BC/BF examinations are offered in English, Hindi and eight local languages namely Bengali, Gujarati, Kannada, Marathi, Malayalam, Oriya, Tamil and Telugu.

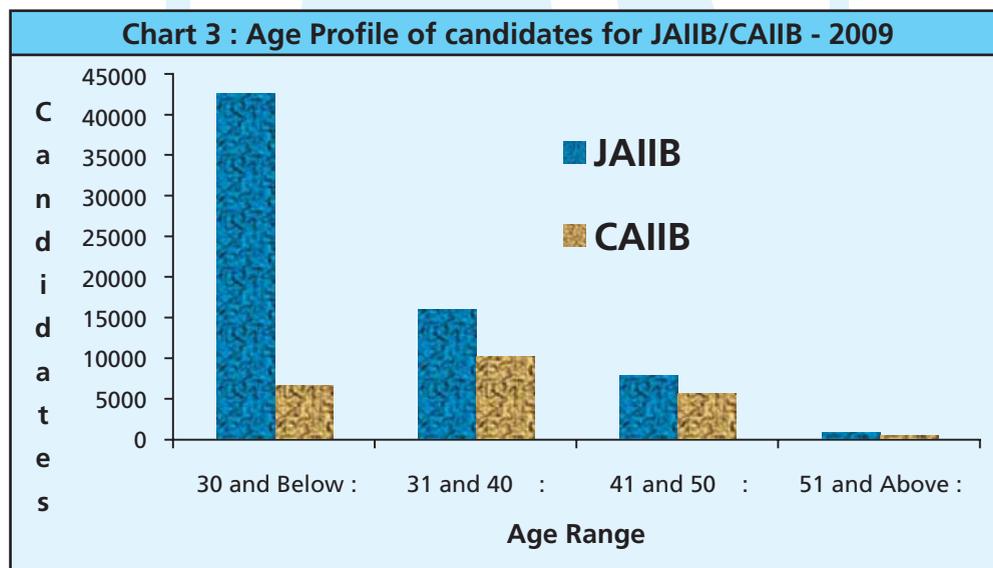
A. Examination details

The details of various examinations conducted by the Institute and details of candidates taking up examination during the year are as under:

Table 3: Particulars of candidates under flagship examinations						
2008-09			Name of the Examination	2009-10		
Enrolled	Appeared	Passed		Enrolled	Appeared	Passed
57751	42738	5579	JAIIB	87321	69684	16497
36635	27241	7192	CAIIB	34896	27660	8189
2149	1834	223	Diploma in Banking & Finance	4216	3445	754

i) JAIIB

The number of candidates enrolled for JAIIB examination has gone up by 51% from 57751 during the year 2008-09 to 87321 during the current year showing an increase of 29570 candidates. The increase in the corresponding period of 2008-09 over 2007-08 was only 2258. This growth in numbers is on account of the efforts made by the Institute to reach out to all new employees joining the banking sector. The Institute collects data on the names and place of posting of staff from the controlling offices and approaches new entrants through direct mails and also through the staff training centers of banks. It was stated previously that, in the recent years nearly 89000 new members have joined the Institute. It is seen that a number of these members have not yet applied for the JAIIB examination. It is expected that these members will take the JAIIB examination in the coming year.



ii) CAIIB

The number of candidates for CAIIB is continuously increasing. Yet, the number of candidates for CAIIB could have been higher. One of the reasons for some of the candidates not taking up the CAIIB during the year could be the announcement that the Institute has made about the proposed changes in the design of CAIIB. The Institute has addressed letters to those candidates who have not taken up CAIIB or have not re-registered for the examinations urging them to join. The Institute has also brought this aspect to the notice of the HR departments of banks for their appropriate action in the matter. The CAIIB syllabus has been redesigned and updated. The new pattern will be launched in the year 2010-11.

Indian Institute of Banking & Finance

iii) Diploma in Banking & Finance

As reported in the previous year, the Diploma in Banking & Finance qualification is being offered to students in the final year of graduate studies to enable them to pursue a career in the banking field⁴. The Indian Banks Association has recognized this as a desirable qualification for bank jobs. There is a healthy growth in number of candidates taking the Diploma in Banking & Finance examination. During the year, 4216 candidates enrolled for the examination as against 2149 new candidates during the previous year. Efforts have been made to popularize the course among college students by organizing seminars, talks and putting up stalls in educational institutions across the country. Zonal offices have taken special efforts to reach more and more educational bodies/organizations.

The Institute is proposing that the Diploma in Banking & Finance examination could be an entry point qualification for the Banking and Finance sector. This will be advantageous to the banking sector as they will get new employees with knowledge of banking and exposure to core banking solutions. To make the DB&F a widely accepted examination and that the students have access to, in case of need, class room teaching the Institute has entered into a MoU with many reputed colleges which will offer tutorials to their students. During the year, the Institute entered into MoU with 17 leading colleges and accredited 14 educational Institutes to offer tutorial support to the candidates appearing for the examination. The MoU is for the purpose of imparting quality education to the candidates and is not a revenue sharing arrangement. More colleges/institutions are showing interest to become accredited agencies to provide educational support to Diploma in Banking & Finance candidates. It is hoped, that in due course of time, this qualification will emerge as the entry point banking qualification/score in the country.

Many of the successful candidates of Diploma in Banking & Finance have been able to join the banking and finance sector. The candidates who pass the Diploma in Banking & Finance and join the banks can become members of the Institute. At that point, the DB&F is recognized as equivalent to JAIIB and the candidates are allowed to appear for CAIIB examination. 128 candidates who have passed the diploma and who have been employed by the banks have become members of the Institute.

iv) Diploma Examinations

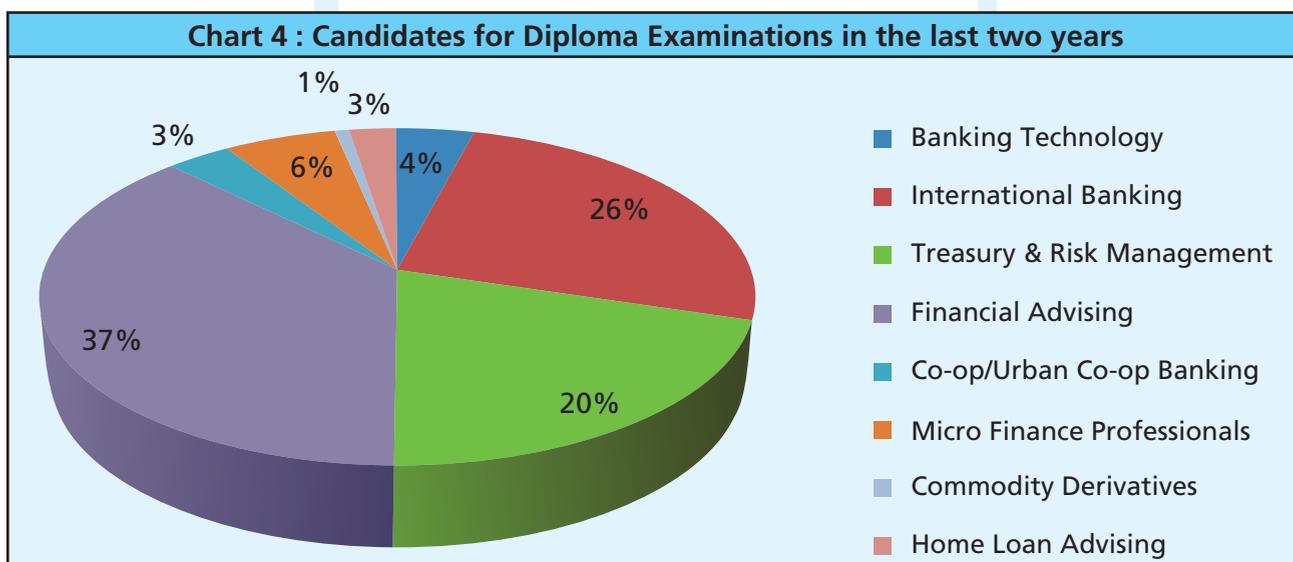
The response to various Diploma Examinations during the year has remained (Table 4) more or less the same like the previous year. Most of these diplomas have been developed keeping in mind the knowledge needs of people working in banks and financial institutions. However, some of the candidates appearing for the examinations come from other walks of life also.

2008-09			Examination	2009-10		
Enrolled	Appeared	Passed		Enrolled	Appeared	Passed
140	36	12	Diploma in Banking Technology	128	50	18
780	304	125	Diploma in International Banking	875	358	55
714	350	197	Diploma in Treasury Investment & Risk Management	613	335	87
1242	945	472	Post Graduate Diploma in Financial Advising	1167	844	375

⁴The Indian Banks Association has recognized the diploma as a desirable qualification for banking and financial institutions. The Diploma is not recognized by Government or other authorities for employment in the Government or elsewhere.

88	83	58	Advanced Diploma in Co-op/ Urban Co-op Banking	130	118	65
107	101	89	Diploma for Micro Finance Professionals	288	247	151
10	8	3	Diploma in Commodity Derivatives	26	13	12
46	42	35	Diploma in Home Loan Advising	128	103	92
3127	1869	991	Total	3355	2068	855

The Institute has taken steps to reach HR heads of various banks informing them about the usefulness of these examinations so that they may consider sponsoring candidates to these courses to augment the skill sets of employees of the concerned departments as part of their HRD efforts.



v) Certificate Courses/Examinations

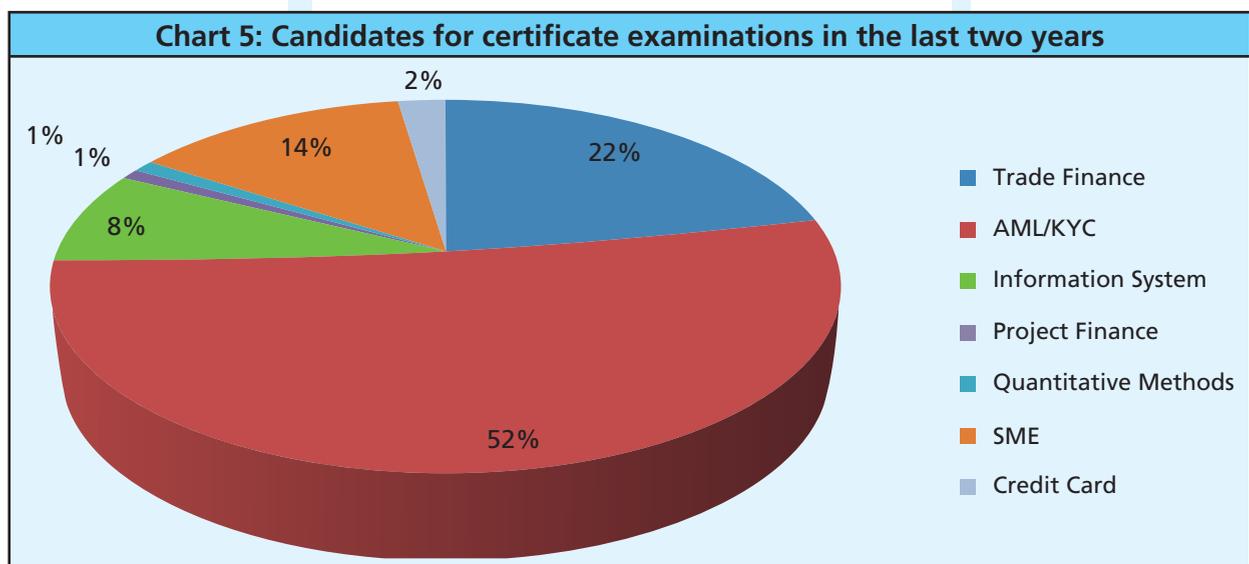
Table 5: Candidates for Certificate Examinations						
2008-09			Examination	2009-10		
Enrolled	Appeared	Passed		Enrolled	Appeared	Passed
34	17	5	Banking in Hindi	33	18	9
1906	1686	1368	Certificate in Trade Finance	1500	1377	1110
3080	2691	2456	Certificate in AML & KYC	4903	4476	3781
842	701	178	Certified Information System Banker	402	345	122
64	64	64	Project Finance Course ⁵	85	75	74
32	26	13	Quantitative Methods for Banking & Finance	106	79	29
253	218	195	SME	1845	1590	1518
145	135	129	Credit Card	202	184	168
6356	5538	4408	Total	9076	8144	6811

⁵In association with IFMR, Chennai – blended course- three batches during the year

Indian Institute of Banking & Finance

10683	10013	6252	Debt Recovery Agents	29338	26893	20561
Not offered			Financial Inclusion	241	218	175
Certificate Examinations to BPO/IT Companies						
1344	1221	786	Basics of Banking	669	602	398
24	23	22	Card Operations	61	58	57

The overall performance under various Certificate examinations (Table 5) has shown a marked increase during the year. Here again the number of candidates who have enrolled has shown a 50% increase over the previous year. The Diploma and Certificate examinations, together (other than DRA and BC/BF) have attracted more than 12000 candidates during the year. This is an important development as it shows the acceptability of the courses/examinations by the candidates. It may be added that a few years back this number was less than 1000 per year.



Special mention needs to be made of certificate examinations on AML & KYC, Trade Finance and SME which have attracted many candidates. The Certificate Examinations are developed with the objective of meeting skill gap in the new areas of business among the employees of banks. These examinations are mostly taken by the employees of banks and financial institutions, based on their own interest, even without any specific incentives. However, wherever banks have given some incentives, the response has been found to be encouraging. In regard to AML /KYC some of the banks have made it a policy to ensure that at least one officer from each branch completes the course. Such initiative has resulted in appreciable increase in the number of enrollment during the year.

The DRAs examination is being conducted on account of the mandate received from Indian Banks' Association. BC/BF program which was launched during the year is aimed at educating the cadre of people who will work as Customer Service Persons in the BC/BF firms or individuals who work as BC/BF. This is supported by NABARD. Whereas the Debt collection agents undergo 100 hours training from accredited Institutes and training centre of banks, the 5 days training to the CSP employees of BC/BFs firms is conducted by MFIs, Rudseti's, and banks training centers. In order that the quality and standard of training across the geography is maintained, the Institute offers trainers training programme to the faculty who handle the training to DRAs and BC/BFs. The Institute also monitors/inspects the training periodically.

The number of candidates taking up DRA examination has shown marked increase during the year as the Reserve Bank of India guidelines have indicated that all the DRAs should be certified before 30th April, 2010.

The 100 hours training has been done at more than 60 locations in the country by banks and accredited institutions.

The candidates for the DRA and BC/BF examinations, mostly, possess a 10th pass as qualification. Not all of them will be able to comprehend the questions in English and Hindi. Therefore, the Institute is currently offering the DRA examinations in English, Hindi and 8 local languages viz. Bengali, Gujarati, Kannada, Marathi, Malayalam, Oriya, Tamil and Telugu which has made the examination more convenient to the candidates.

vi) Member and Non-Member response for the courses/examinations:

Till recently the courses and examinations of the Institute were open to its members subject to them being employed by Institutional members of the Institute. This resulted in certain constraints (a) to those who were individual members but their employers were not Institutional members (b) those who were in the banking sector earlier but have moved out and (c) employees of service providers, NBFC, BPO/IT companies, DRAs etc. all of whom desired to acquire some of the qualifications of the Institute. It is for this reason that the Institute started allowing non-members to take up some of the examinations. It is however, ensured that these candidates are employed by firms which offer service or support to banking and finance sector. The details of non-members taking up the examinations are given in Table-6.

Table 6: Examination-wise non-member candidates

Name of the Examination	Total No. of candidates Enrolled 2008-09	Non-members	Total No. of candidates Enrolled 2009-10	Non-Members
Diploma in Banking Technology	140	23	128	40
Diploma in International Banking	780	136	875	129
Diploma in Treasury Investment & Risk Management	714	142	613	113
Post Graduate Diploma in Financial Advising	1242	245	1167	116
Advanced Diploma in Co-op /Urban Coop Banking	88	52	120	33
Diploma for Micro Finance Professionals	107	40	288	153
Diploma in Commodity Derivatives	10	1	26	6
Diploma in Home Loan Advising	46	4	128	9
Certificate in Trade Finance	1906	216	1500	222
Certificate in AML/KYC	3080	315	4903	1067
Certified Information System Banker	842	16	402	15
Project Finance	64	48	85	35
Quantitative Methods for Banking & Finance	32	4	106	23
SME Finance of Bankers	253	6	1845	107
Credit Card for Bankers	145	37	202	51

Indian Institute of Banking & Finance

Certificate Examination to BPO/IT Companies. Basics of Banking/Card Operations	1368	1303	730	621
Total	10817	2588	13118	2740

Certificate courses for the DRAs and BC/BFs are offered only to non-members. In the case of other examinations, the number of non members who enrolled for examinations of the Institute was 2588 during the previous year which has gone up to 2740 in the current year. This shows that the Institute's examinations are valued by persons outside the formal banking and finance fold also. However, it cannot be said that all non-members are not bankers as some of the bank employees do not take up the membership of the Institute. Currently, except the JAIB and CAIB examination, all other examinations of the Institute are open to non-members also.

vii) Performance of candidates in the examinations:

The Institute offers professional qualifications and the quality of the examinations has to be kept high. One of the indicator for the quality of the examinations is the percentage of candidates passing examinations. The Institute does not target any percentage of pass. The questions are parameterized such that a candidate should be well versed with the subject and will be tested in all aspects of the subject. The details of candidates appearing and passing various examinations of the Institute, conducted during the year 2009-10 are given in Table 7.

Table 7 : Percentage of candidates appearing and passing

Name of the Examination	Candidates appeared as a % to those enrolled		Candidates passed as a % to those appeared	
	2008-09	2009-10	2008-09	2009-10
Associate Examinations				
JAIB	74.00	79.80	13.05	23.67
CAIB	74.36	79.26	26.40	29.61
Diploma in Banking & Finance	85.34	81.71	12.16	21.89
Diploma Examinations				
Diploma in Banking Technology	25.71	39.06	33.33	36.00
Diploma in International Banking & Finance	38.97	40.91	41.12	15.36
Diploma in Treasury Investment & Risk Management	49.02	54.6 5	56.29	25.97
Post Graduate Diploma in Financial Advising	76.09	72.32	49.95	44.43
Advanced Diploma in Co-op. Banking	92.31	88.24	62.50	46.67
Advanced Diploma in Urban Co-op Banking	97.22	91.67	80.00	57.95
Diploma in Commodity Derivatives	80.00	50.00	37.5	92.31
Diploma in Micro Finance Professionals	94.39	85.76	88.12	61.13
Diploma in Home Loan Advising	91.30	80.47	83.33	89.32
Certificate Examinations				
Banking Oriented Paper in Hindi	50.00	54.55	29.41	50.00
Certificate in Trade Finance	88.46	91.8	81.14	80.61
Certificate in AML & KYC	87.37	91.29	91.27	84.47

Certified Information System Banker	83.25	85.82	25.39	35.36
Project Finance	100.00	88.24	100.00	98.67
Quantitative Methods for Banking & Finance	81.25	74.53	50.00	36.71
SME for Bankers	86.17	86.18	89.45	95.47
Credit Card for Bankers	93.10	91.09	95.56	91.30
Training and Certification IBA/NABARD Supported				
Debt Recovery Agents	93.73	91.67	62.44	76.45
Business Correspondents/ Business Facilitators	100.00	90.46	100.00	80.28
BPO/IT Companies				
Basic of Banking	90.85	89.99	64.37	66.11
Card Operations	95.83	95.08	95.65	98.28

The table above depicts the pass percentages for various examinations conducted by the Institute. The overall pass percentage in all the three professional examinations hover around 25%. The pass percentage in individual subject is however higher. The pass percentage being lower in professional examinations may discourage the candidates and therefore, in order to professionally improve the quality of performance in the examination the endeavor of the Institute is to provide high quality educational support to the candidates in the form of e-learning, latest information, courseware, updates, contact classes etc., so that the bankers and others can take up the examination successfully. A write up on the academic support extended by the Institute is given separately.

viii) Advanced Management Programme

The 2nd Advanced Management Programme in association with SIES College of Management Studies, Nerul and Welingkar Institute of Management Studies were successfully completed during the year. In all 67 candidates (41 candidates from SIES College of Management Studies and 26 candidates from Welingkar Institute of Management Studies) received the Advanced Management Programme certificates during the year.

ix) Customized courses/examinations:

The Institute has conducted the following customized courses and examinations during the year:

1. Second examination for Certificate course on Treasury and Risk Management - preliminary for RBI officers – level I was conducted in May 2009. Around 650 officers took the examination. The examination is supported by an e-learning of the Institute.
2. Certificate course on 'Treasury and Risk Management - Advanced' for RBI officers – level II - 291 candidates had taken the examination. The examination is supported by an e-learning of the Institute.
3. IIBF has developed an E-learning for the employees of National Housing Bank customized to meet its requirements. The e-learning is made available to all their employees directly. There is, as per scheme, an examination at the end of the e-learning. However, no examination has been conducted so far.

Wherever the Institute has offered the e-learning, there is a provision to provide faculty support to enrolled candidates through the e-mail. Candidates are given an opportunity to clarify their doubts through email and the same are attended by the faculty of the Institute.

x) Certificate course in "Project Finance" in collaboration with IFMR, Chennai:

The Institute continues to offer the blended course on Project Finance in association with Institute for Financial

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Management and Research, Chennai. Three batches were conducted during the year, between 3rd and 8th August, 2009, between 23rd and 28th November, 2009 and between 15th and 20th February, 2010. In all 85 participants attended the course.

The Project Finance course is unique and has been well appreciated by the participants. A notable feature is that nearly half of the recent participants to the programme are from non-banking sector. A couple of candidates have come from Middle-East countries to attend the programme. Another feature of this course is that it is being recommended by the participants and the response to the course comes without any advertisement effort on the part of the Institute. This course has a specific courseware, e-learning of 8 weeks followed by 6 days campus training at IFMR. At the end of the training, both internal and external test is done to award certificates to the successful candidates.

B. Improving the Examinations

The Institute is committed to offer professionally conducted examinations. Therefore, there is constant endeavour to improve the examination. Some of the steps that have been taken to improve the conduct of the examinations of the Institute are listed below:

i) Examination Survey/ Feedback

The Institute has provided different avenues for the members to give their feedback about the Institutes examinations and activities. Through the Journal, Bank Quest and newsletter IIBF Vision, the Institute regularly invites the members to express their views for improvement in the Institute's activities. The portal is another method of accessing member's views. The Institute holds meetings at various parts of the country wherein members are invited to participate and share their views. One of the objectives of the half yearly meetings with the HR chiefs is to get a feedback from the banks on the Institutes activities. In addition, during the year the Institute had carried out an exclusive survey through its portal to seek the views of candidates on the JAIIB and CAIIB examinations conducted by the Institute. Around 200 candidates have responded to the survey giving variety of suggestions and observations as under:

- Institute may consider conducting tutorial classes at all sub-centers of the Institute. *The Institute is not able to conduct tutorial classes in all centers because qualified faculties are not available. It is for this reason that the Institute has developed an exclusive e-learning covering all the lessons of JAIIB. A similar e-learning for CAIIB is being prepared.*
- The duration of the examination may be increased from the existing 120 minutes, with the same number of questions. *Most of the candidates are able to attempt all questions in the present duration of 120 minutes of the examination.*
- Candidates may be given more attempts to pass the examination. (Currently four consecutive attempts are given beyond which the candidate has to take fresh registration). *This issue is under review. While the number of attempts may not be increased, the time for completing the attempts may be extended.*
- Giving credit to the subjects passed in the previous four attempts even if a candidate is required to re-register. *This has not been accepted.*
- Reduced cut off for pass may be introduced. *This has not been accepted.*
- Supply of past papers with suggested answers. *Since the question papers are on objective pattern this may not be possible.*
- Mock test for CAIIB and pre-examination tests may be organized. *The portal contains more finance Quotient tests.*

- Increasing the frequency of examinations by making them quarterly. *This issue is being considered.*
- Mentioning in the certificate in the case of a deserving candidate that he/she passed with distinction instead of a simple pass.
- Permitting change of centers of candidates who are transferred. *The change of center is allowed. However, no change of center is permitted if the candidate does not apply 45 days before the examination. This is because the Institute prints and dispatches question papers to each center well in advance. Sending extra question sets is considered not safe from the angle of security.*

The Institute has taken note of the suggestions and steps have been taken to study and implement the suggestions to improve the examinations/activities wherever warranted.

ii) Examination Centre Superintendents Meet

The Institute has organised meetings of Examination Centre Superintendents at various centres like Bangalore, Bhopal, Chennai, Kolkata, Mumbai, New Delhi and Thiruvananthapuram to which all the examination superintendents were invited for briefing / interaction about the conduct of examinations. These meetings have helped to interact with the officials conducting the examinations at various centres and also to impress upon the Centre Superintendents about the rigour expected while conducting the examinations. At most of the centres, senior local bankers have been helping the Institute in conducting examinations. Due to their co-operation and support the conduct of the examinations has been smooth and error free. These meetings have now become annual events and help the Institute to gather firsthand the details of the problems faced by them and to brief them about the Institute's expectations. These meetings have also helped the Institute to get valuable feedback about the examinations from the ECS based on their experience in conducting the examinations and their interactions with the candidates at various test venues.

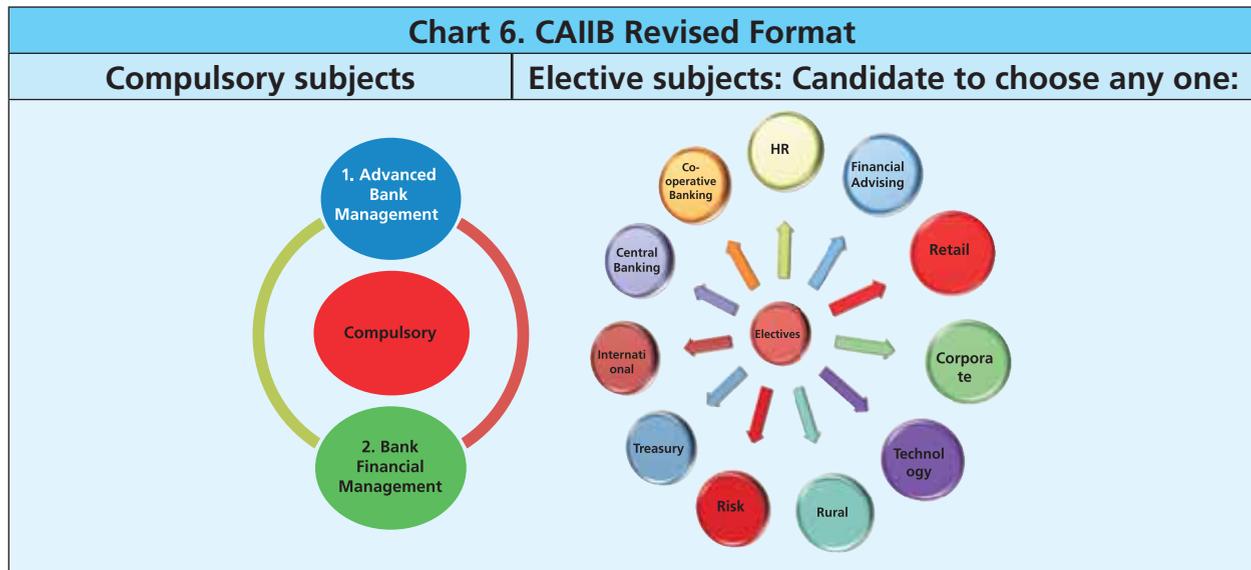
iii) Question papers

The Institute has been conducting examinations in Multiple Choice Questions pattern for majority of its examinations. Here, the challenge lies in being able to come up with new questions for various examinations because the courseware is limited in size and scope. The Institute has been able to generate new sets of questions with the help of the resources support available to the Institute. The Institute has also been providing updates on recent developments to enrolled candidates through its portal, publications and even by email. During the year, the Institute strengthened its question paper preparation set up by introducing more resource faculty and adding one more tier of vetting of question papers. As a policy and because of the multiple choice type of questions the Institute does not publish suggested answers for questions asked in examinations.

iv) Revision of CAIIB: Design and Syllabus

As announced previously, the CAIIB structure is being revised from the December 2010 examination onwards. The Institute is in the process of preparing the courseware for all the identified subjects - two compulsory papers viz., Advanced Bank Management and Bank Financial Management and 11 electives as announced. It is possible to add more elective papers in due course. Candidates who possess CAIIB qualification can write the electives separately and get a certificate which will add to their continuous professional development efforts. The Institute will approach banks to seek recognition of CPD efforts.

The Institute had placed the syllabus of the revised CAIIB subjects on its portal as directed by the Committee on Education and Training. The Institute had received a few responses from the members and other well wishers and the same have been taken into account while finalizing the syllabus.



The courseware for compulsory papers and most of the elective papers are ready and will be published by July 2010. However, in respect of Central Banking and Corporate Banking since the books are not fully ready, the Institute will recommend books available in the market. In due course the Institute will publish the courseware for these subjects also.

As approved by the Council, the Institute will be launching the revised CAIIB examination from December 2010 onwards. The dates for the Examinations under Revised Syllabus (2010) have been announced.

III. ACADEMIC ACTIVITIES:

a) New Courses

i) Certificate course for Business Correspondents/Business Facilitators

The Institute is working in the area of financial inclusion as a provider of education. It is our firm belief that financial literacy among the borrowers and the service providers will not only pave the way for faster financial inclusion but also make way for quality inclusion. It is for this purpose that the Institute offers a new examination known as 'Certificate course for BC/BFs'.

The certificate course for BC/BFs was launched on 23rd April, 2009 at New Delhi in the hands of Dr. K. C. Chakravathy, Deputy Governor, who was the then CMD of Punjab National Bank. A modest beginning has been made in this regard and 241 candidates enrolled for the programme during the year.

Reserve Bank of India had permitted banks to use intermediaries such as BC/BFs to reach out to the rural population. The Business Correspondent/Business Facilitator (BC/BFs) model will offer an effective way, for the banks, to reach the un-reached population at large, customers and intermediaries alike. The persons involved in the process are people who may have no prior knowledge of banking. The certificate course, with structured training and class room support is followed by an examination. The highlight of the programme is that NABARD supports the course by way of full/partial reimbursement of the course fee to the successful candidates to the extent of Rs.4,000/- per candidate. NABARD is supporting the capacity building of BCs / BFs through this certification course as using Business Correspondents (BCs) and Business Facilitators (BFs) will be an effective method to speed up the process of financial inclusion.

This course is aimed at providing the knowledge inputs and skill sets to Business Correspondents/Business Facilitators. The objective of the course is to provide basic knowledge in banking operations and help the candidates in developing an overall understanding of the following aspects:

- the role/functions of banks
- the basics of banking operations and procedures
- role and function of Business Correspondents/Business Facilitators
- financial advising and counselling
- various forms/documents used in banks.

The course design encompasses a self study of the courseware and undergoing five days compulsory training offered by the Institute through the selected accredited institutions across the country. On completion of the training, the candidates have to take an objective pattern examination conducted by the Institute. During the year, the Institute has conducted BC/BF examination at Ajmer, Bangalore, Bharatpur, Dhaulpur, Hyderabad, Jaipur, Kota, Kolkata and Mumbai (9 locations in the country) in 6 languages viz. Bengali, English, Hindi, Kannada, Marathi and Telugu.

ii) Certificate course for ITeS/BPO (Banking)

A new course called Certificate in ITeS - BPO (Banking), for 12th passed candidates, was launched on 19th September, 2009 at Aurangabad. This course is offered by Department of Electronics Accreditation Computer Courses (DOEACC), a wing of the Dept. of Information and Technology, Government of India in association with Indian Institute of Banking & Finance. The Institute is the academic partner in the area of Banking for the course and has supplied the courseware and a work book for the course. The Institute is providing the question paper for the said examination apart from educational support desired by DOEACC as per the MoU already entered into with them on 20th January 2009. This is the first major tie-up with a Government Body by the Institute to offer a joint course.



Launching the course certificate in ITeS-BPO (Banking) and releasing the courseware by Shri N. Ravishankar IAS and Shri R. Bhaskaran, CEO, IIBF.

Box 1: The alliance with DOEACC

The country is faced with a challenge to provide employment to a large number of non-science school drop outs and undergraduates, particularly in rural India. To overcome these challenges, DOEACC and IIBF have joined hands to collectively contribute to sustenance and further strengthening of the country's leadership in outsourcing industry by creating quality curriculum and learning material to develop industry-ready human resource, that is, generating knowledge-based skilled workers through the focused training initiative. In order to bridge the gaps in skills imparted by formal education and those required by the ITeS-BPO industry, DOEACC and IIBF under the guidance of the sub-committee of DOEACC Standing Syllabus Committee for working out Course Curricula have conceptualized and launched a value-added Level-I course - "Foundation Course in ITeS-BPO (Banking)" for 10+2 qualified and undergraduate students. The course will fulfill the industry requirement of basic IT skills, Soft skills and English Communication in addition to banking domain knowledge.

This Level-I course for ITeS-BPO (Banking) is for 400 hours with up to 50% of this effort devoted to practice. The course material consists of three books - Book I on English Skills, Book-II on IT Skills and Soft Skills and Book-III on Banking & Finance. This course material is aimed at entry level employees of ITeS - BPO industry, targeted at Level I - BPO Executives, undertaking front-end jobs. The IT skills module

has been designed to expose the candidates to basic Computer skills for improving their efficiency. The “Basics of Banking & Finance” module has been designed to introduce the candidates to banking sector operations to enhance their employability in the BPO companies handling Banking Operations. A practical approach has been introduced with concepts of Front Office, Collection, Statement of Accounts, Ledger Analysis, Expense Analysis, Service Tax, Fund Management etc. Course material for English skills development has emphasis on grammar and communication, thereby easing stress on 10+2 level students in becoming at-par with others. The English course material includes examples and frequently-used words and phrases in ITeS-BPO industry. It is hoped that the qualification will open up employment potential to rural and semi-urban based people.

Mr. N Ravishankar, IAS, Joint Secretary, DIT, Government of India launched the course and in his address, lauded the role of IIBF in the certification process and congratulated the Institute for its contribution in the area of banking education to bankers and others in the country.

iii) Improvements in the examinations:

(a) Diploma Examination for Micro Finance Professionals

This course was launched in the previous year. A strong feedback from the sector was that the candidates prefer to write this examination in local languages. Accordingly the Institute has introduced the option of writing this examination in English, Hindi and 8 local languages viz. Bengali, Gujarati, Kannada, Malayalam, Marathi, Oriya, Tamil and Telugu.

(b) Revision of Courseware

Consistent with the policy of the Institute to revise/update the courseware for its various examinations, the Institute has commissioned the revision work for the PGDFA, AML, Trade Finance and CeISB courseware. The updates have since been received and the Institute would be coming out with revised books shortly.

IV. EDUCATIONAL SUPPORT TO THE CANDIDATES

a. Contact Classes for JAIIB/CAIIB

The Institute has conducted contact classes of one day each for one subject for the candidates appearing for its examinations to clarify their residual doubts. As the candidates are already exposed to the courseware which is prepared on a self study pattern, the contact classes complete the learning process by affording a chance to the candidates to clarify their doubts and focus on the examination. The Institute has been organizing such classes at various centers. During the year the Institute held such classes twice (for May/June and Nov/Dec Examinations) in 21 centres viz. Ahmedabad, Bangalore, Bhopal, Chennai, Hyderabad, Indore, Jaipur, Kolkata, Lucknow, Ludhiana, Madurai, Mumbai, Nagpur, Navi Mumbai, New Delhi, Patna, Pune, Ranchi, Trichur, Trivandrum and Vapi.

i) The number of candidates who attended the classes is as follows:

	JAIIB	CAIIB
May 2009 examination	1834	1170
December 2009	2772	1468

Contact classes were also conducted for Diploma in Banking & Finance examination at Mumbai and Vapi centers. 49 candidates attended the classes for May 2009 and 69 candidates for December 2009. 42 candidates attended contact classes for Certificate examination in AML/KYC, at Mumbai centre.

b. Virtual classes

To supplement the efforts of candidates, who are preparing for the JAIIB/CAIIB/ Diploma in Banking & Finance

examinations, the Institute is conducting virtual classes apart from contact classes. Normally, the classes are for twenty hours for three subjects. The Accounting & Finance for Bankers paper in the case of JAIIB and General Bank Management paper in the case of CAIIB is taken for 8 hours each. In the virtual classes candidates can get clarifications on the doubts through direct interactions, through web, with subject matter experts. Candidates can access virtual classroom from any corner of the country with broadband internet connectivity. 404 candidates availed this facility during the year 2009-2010 from 40 locations (as under) across the country.

Box 2: Centers where the virtual classes was accessed by students

Ahmedabad, Anand, Anantapur, Balasore, Bangalore, Bhubaneshwar, Chandigarh, Chennai, Coimbatore, Davangere, Dehradun, Dibrugarh, Dindigul, Erode, Firozpur, Guntur, Hooghly, Hyderabad, Jaipur, Jamshedpur, Jhansi, Kanyakumari, Kolar, Kozhikode, Ludhiana, Mohali, Mumbai, Nagpur, Navi Mumbai, New Delhi, Panipat, Rohtak, Salem, Thiruchirapalli, Thrissur, Trivandrum, Vadodara, Virudhunagar, Visakhapatnam and Warangal.

i) The number of candidates who attended the virtual classes offered by the Institute is given in Table 8:

Examination	JAIIB	CAIIB	Total
May/June-09	79	90	169
Nov/Dec-09	104	131	235

The response from the candidates for virtual classes, despite the praise and appreciation received from those who attend the classes is not encouraging. Currently, these classes are subsidized by the Institute.

c. Talks/Presentations

In addition to the above initiatives, the Institute's zonal office had organized talks on Micro-Finance, Career Opportunities in Banking & Finance, Diploma in Banking & Finance, Home Loan Advising etc. during the year at Aurangabad, Jamnagar, Mumbai and Nagpur etc.

Date	Place	Topic	Attended
31.6.2009	Vapi	Diploma in Banking & Finance	100
10.9.2009	Jamnagar	Diploma in Banking & Finance	100
22.9.2009	Mumbai	Career Opportunities in Banking & Finance	35
22.9.2009	Mumbai	Technology Innovations in Banking	35
4.2.2010	Aurangabad	Diploma in Banking & Finance	80
6.2.2010	Mumbai	Home Loan Advising	58
22.2.2010	Mumbai	Career in Banking & Finance	39
22.2.2010	Mumbai	Achieving Professional Excellence in Banking and Finance	39
6.3.2010	Nagpur	Micro Finance	85
20.3.2010	Mumbai	Credit Card Frauds and Security	15

These meets help to bring focussed attention to new courses launched by the Institute.

d. Information Centres

In order to create awareness amongst bankers, zonal offices of the Institute had set up information centre in various parts of the country. Such centres have helped the Institute in identifying prospective members and

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inducting them into the Institute after disseminating information on various courses/examinations.

Box 3: Places where information centres were set up as part of marketing efforts by Southern Zonal Office

Anantapur, Chennai, Coimbatore, Cuddapah, Ernakulam, Erode, Guntur, Hyderabad, Karur, Kollam, Kottayam, Kurnool, Nellore, Pondicherry, Salem, Thanjavur, Thiruchirapalli, Thirunelveli, Thiruvalla, Trivandrum, Vellore.

e. E-learning support

The Institute has been offering e-learning program for DTIRM and Project Finance course. In addition the website of the Institute hosts 15 finance quotients and a learning vault. Seminar and other meeting presentations are also available for the candidates.

The Institute has been working on an e-learning package for JAIIB and CAIIB for some time now. The Institute had awarded a turnkey contract of developing, hosting and managing the e-learning for the following three subjects for JAIIB examination. Tata Interactive Services has been engaged by the Institute for developing a full e-learning package for JAIIB. The e-learning covers (i) Principles & Practices of Banking (ii) Accounting & Finance for Bankers and (iii) Legal & Regulatory Aspects of Banking. The contents of the text books of the above subjects have been comprehensively converted into the e-learning package. The e-learning contents also contain Multiple Choice Questions and Answers to check the progress in each and every unit. At the end of each group of lesson's a summary and glossary of terms are provided to enhance the learning outcome. The e-learning content is developed on flash based screens and is audio enabled.

The e-learning for JAIIB was launched by Shri O.P. Bhatt, Chairman, State Bank of India on 20th February, 2010. The Institute has made available the e-learning package to all the JAIIB/ DB&F candidates as an additional educational support service. So far over 57300 logins have been given for the May 2010 examination. This is possibly the largest e-learning initiative in the country.

The e-learning has opened up new avenues for teaching and banks have evinced interest in using the e-learning material for their in-house trainings as well. The e-learning for CAIIB is being developed. *The Institute will also offer e-learning for the proposed ALM course and the Customer Service Course.*



Shri O.P. Bhatt, Chairman, SBI, Launching the E-Learning for JAIIB.

f. Training of Trainers' Programme (TTP)

There is growing demand from candidates for class room teaching for various examinations of the Institute. The Institute has accredited a few institutions, after due diligence, to impart training to enrolled candidates on the given subjects. Efforts are being made to ensure that the faculties chosen by the accredited Institutes confirm to the prescribed norms and they possess adequate training capabilities. In order that certain standard delivery of classes take place, the Institute conducts 'Training of Trainers' (TOT) programme to improve the quality of the trainers handling training to different target groups. During the year following TOTs were conducted:

1. Four 'Train the Trainers' Programmes for Business Correspondent/Business Facilitator course were held at (a) Mumbai during 20th and 21st November, 2009 wherein 33 trainers from accredited institutions participated, (b) Kolkata on 24th and 25th November, 2009 at where in 18 trainers from RRBs, and NABARD participated, (c) New Delhi on 11th and 12th January, 2010 at Punjab National Bank Staff college wherein

22 trainers of PNB participated and (d) Madurai on 21st and 22nd January, 2010 at Dhan Foundation, wherein 25 trainers participated.

2. A 'Training of Trainers' Programme was organized for the trainers of Indusind bank for the Debt Recovery Agents' course. 25 trainers attended the course.

3. Train the Trainers Programme (TTP) of faculty for CAIIB and JAIIB:

Zonal offices of the Institute conduct special TT programme for the faculty associated with them to enable them to know the latest developments such that they impart latest knowledge to the students who attend the Institutes contact and virtual classes. Accordingly Western Zonal office organized two Trainers Training Programme in Mumbai for the faculty members who are engaged for Contact Classes at various centres of zone so that the input to the students will be uniform and comprehensive. 28 faculty members attended the programme.

g. BC/BF Training cum certification programme

The Institute organized five-days training cum certificate programme for the BCs/BFs of Union Bank of India, at Bangalore, for Crux Management (an accredited Institute), Hyderabad and Genesis Institute of Management, Thane. In these three programs, 77 BCs/BFs were trained and issued certificates.

h. Certificate in Continuing Professional Development (CPD) – A Tool for Career Management

The Institute offers continuous professional development opportunities to the candidates in the form of opportunity to attend lectures, seminars, contribution to magazines etc.

The CPD program is designed to impart benefits to its members. It provides a framework for professional and personal development of members. It is designed to suit the members' individual situation and allows one to structure one's developmental activities according to their current and future career needs. The members have to secure a total of 15 credits from the approved programs /activities sponsored by the IIBF during the period of 24 months after registration for award of CPD certification. During the year, 93 candidates were registered for the certificate in Continuing Professional Development (CPD).

i. Annual lectures

i) R.K. Talwar Memorial Lecture

The 3rd R.K. Talwar Memorial lecture was delivered by Smt. Elaben Bhatt, Founder of the Self Employed Women's Association (SEWA) on "Capital and Citizenship: Challenges and Opportunities before Financial Inclusion" on 23.07.2009 at State Bank of India Auditorium, Mumbai.

ii) Purushotamdas Thakurdas Memorial Lecture

The 26th Purushotamdas Thakurdas Memorial Lecture was delivered by Dr. Vijay Kelkar, Chairman, India Development Foundation, on 29th January, 2010 on the topic "On Strategies for Disinvestment and Privatization" at State Bank of India Auditorium, Mumbai.

Both the lectures were well attended. The Institute has carried the speeches on its portal. The lectures were also published in the Bank Quest and copies of the lecture were sent to all the institutional members.

V. CONFERENCES

a. International Banking Summer School

The 62nd International Banking Summer School (IBSS) was held between 30th August and 10th September, 2009 in New Delhi and Agra. The theme for the school was 'Coping Strategies in an Era of Turbulence and the Changing Contours of Banking'. The School was organised by the Institute along with the European

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Bank Training Network (EBTN) with the support of the Indian Banks' Association. The School was guided by a Steering Committee comprising the following persons:

1. Ms. Shyamala Gopinath, Deputy Governor, Reserve Bank of India (Chairperson)
2. Mr. Gunit Chadha, CEO- India, Deutsche Bank, AG
3. Dr. Asish Saha, Director, NIBM
4. Mr. Luis Vilhena da Cunha, The Portuguese Bank Training Institute
5. Mr. Aditya Puri, Managing Director, HDFC Bank
6. Mr. S.K. Bhattacharyya, Managing Director and CCRO, State Bank of India
7. Dr. K. Ramakrishnan, Chief Executive, Indian Banks' Association
8. Prof. Mario Spotafora, President, EBTN
9. Mr. R. Bhaskaran, CEO, IIBF

Initially, the steering committee was chaired by Dr. Rakesh Mohan, former Deputy Governor, Reserve Bank of India. Dr. K. C. Chakrabarty, former CMD of Punjab National Bank was also a member of the steering committee till the time he moved to the Reserve Bank of India as Deputy Governor.

The School had 46 participants who came from 16 countries around the world including India representing commercial banks, co-operative banks, banking associations, central banks and banking education institutions. The Institute had brought out two publications as background reading materials for the participants viz. (1) compendium of CEO speak culled out of the special issues of the Bank Quest (2) Financial Reforms in India, an edited volume of speeches culled out of the Sir PTM Lectures organised by the Institute. The Institute gave additional reading material downloaded from the internet etc., on the areas covered in the School. Many video films were shown during the School to enhance the learning from the sessions.



Dr. K. C. Chakrabarty, Dy. Governor, RBI, delivering inaugural speech at the 62nd IBSS.



Mr. M.V. Nair, CMD, Union Bank of India & Vice President IIBF speaking at the 62nd IBSS.

The speakers of the School were high profile professionals drawn from India and different parts of the world including Europe, Australia and Asia and comprised CMDs of banks, senior bankers, central bankers, IT professionals, micro finance professionals and academicians.

The school was inaugurated by Dr. K.C. Chakrabarty, Deputy Governor, Reserve Bank of India in the presence of Mr. M.V. Nair, Chairman and Managing Director, Union Bank of India and Vice President of Indian Institute of Banking & Finance. The sessions, were in the form of lectures, case studies, panel discussion and a CEO forum. Besides the sessions there were two field visits also. The themes for the sessions were broadly divided into risk

management, regulation, information technology and financial inclusion. The topics within risk management ranged from pricing of risk to its distributive aspects to risk management practices across banks and financial institutions around the world and governance aspects in risk management. In IT, the topics ranged from IT as a business strategy to IT in risk management. The visit to the outsourcing unit was a part of theme on IT. Classroom sessions in financial inclusion included a presentation on an overview of financial inclusion in India and the role of information, communication and technology (ICT) in financial inclusion. Besides these, there were sessions on credit rating, IFRS covenants, regulation and financial stability, talent management, an overview of the Indian economy, etc. The final day of the School, day 10, was the CEO Round table discussion on 'Coping Strategies for the Era of Turbulence and the Changing Contours of Banking'. The CEOs in this panel were Mr. Shrinath Bolluju, Managing Director of Deutsche Bank, Mr. Mark Robinson, Country Head, Citibank, Mr. S. Sridhar, Chairman and Managing Director of Central Bank of India, Dr. V.A. Joseph, Chairman & CEO of South Indian Bank and Mr. Gautam Vir, Chief Executive Officer, State Bank of Mauritius. The panel was moderated by Mr. R. Bhaskaran, Chief Executive Officer of Indian Institute of Banking & Finance. Mr. Bhaskaran posed certain questions to which the panel responded. On the question on how the crisis has impacted their banks, the CEOs from India said that they were largely insulated from the crisis thanks to the tight regulatory norms prescribed by RBI and diligently followed by the banks. They faced some liquidity issues which too were taken care of because of good liquidity management by RBI. The CEOs of the foreign banks spoke about the need to bolster capital adequacy, reducing leverage in their balance sheet and going back to basics of banking. The session provided some crystal gazing on post crisis what the future of banks would look like.



Mr. Shrinath Bolluju, Managing Director of Deutsche Bank, Mr. Mark Robinson, Country Head, Citibank, Mr. S. Sridhar, Chairman and Managing Director of Central Bank of India, Dr. V.A. Joseph, Chairman & CEO of South Indian Bank and Mr. Gautam Vir, Chief Executive Officer, State Bank of Mauritius at CEO Round table discussion in the IBSS.

In all five case studies were presented in the School. These were in the areas of (1) cost optimisation of bank branches, (2) the reasons why big institutions such as, Lehman and Northern Rock failed, (3) asset liability management, (4) Risk score of organisations and (5) credit risk management.

The participants rated this IBSS as one of the best in recent years and appreciated the effort of the Institute in organising the programme especially in a very difficult year for all the countries due to the global melt down and financial crisis.

b. Bank HR Conference

The 10th Bank HR Conference was held in Mauritius between 15th and 18th February, 2010. The theme for the conference was 'Talent Management and HR Practices for Contemporary Banking'. The inaugural address was given by Ms. Aisha Timol, Chief Executive, Mauritius Bankers' Association and the valedictory address was made by Mr. Gautam Vir, CEO, State Bank of Mauritius. 28 senior executives from HR departments of various banks in India attended the conference.



Mr. R. Bhaskaran, CEO, IIBF, Speaking on Talent Management, at the 10th Bank HR Conference held at Mauritius.

Box 4: Talent Management and HR Practices for Contemporary Banking

The theme of the conference was 'Talent Management and HR Practices for Contemporary Banking'. The topics ranged from talent management in banks to 360° degrees appraisal to developing and measuring leadership. The participants held discussions, in groups on what should be the HR practices for emerging needs in banks in India.

Mr. M. Balachandran, Director of Institute of Banking Personnel Selection (IBPS), Prof. Y.K. Bhushan, Member of the Institute's Governing Council and Mr. R. Bhaskaran, CEO, Indian Institute of Banking and Finance spoke on various challenges facing human resources departments of banks in India. They indicated that the next couple of years are likely to be periods of challenge not only because the banking industry will need more manpower but it will need manpower across various functional areas and scales. Therefore, attracting, training and designing appropriate remuneration packages will all be equally important for HR executives in banks. Mr. Bhaskaran made a focussed presentation on the 360° appraisal system and how it can be useful for evaluating senior executives, especially leaders.

The Conference had a workshop on Developing and Measuring Leadership conducted by Accenture which not only provided perspectives on how to develop and measure leadership but also gave examples of software tools that can be used to measure competencies and leadership and aid the HR departments in assessing and grooming leaders.

The Conference also had a group activity for the participants in which all participants were divided into 4 groups and were given the task of discussing talent management, HR practices, training challenges and use of psychometric tools for testing and selection. The groups discussed the topics in length and came up with innovative ideas which can be implemented across banks in India.

In his valedictory note, Gautam Vir, CEO, State Bank of Mauritius spoke of the two most important aspects of a senior position or a leader viz., people management and selling skills. The leader must concentrate on employees who will take care of customers who in turn will take care of shareholders. He said that everything depends on leadership.

VI. RESEARCH INITIATIVES

Research is one of the important activities of the Institute. Research helps the Institute to learn in depth about an issue or an area and later work with focus on that issue or area for education. The Institute has adopted three major research initiatives viz, Micro Research, Macro Research and C H Bhabha and Diamond Jubilee Research Scholarship. The details of these researches for the year are given below:

a. Micro Research

Under micro research the Institute seeks well written, original research articles from its members. These articles are evaluated by the Research Advisory Committee of the Institute and best essays/articles are awarded prizes. During the year, the Institute had received 26 micro-research papers in response to the advertisement, out of which the Research Advisory Committee selected 5 papers of the following candidates for award of prizes (first, second, third and one consolation prize). The winners of the Micro Research Programme for 2009-10 were:

1st Prize: Mr. Dev Raj, Reserve Bank of India for 'The Progress of Banking in Eastern Region' and Mr. Rohit Gupta, Reserve Bank of India for 'Role of Credit Default Swaps'

2nd Prize: Mr. Pankaj Kumar, State Bank of India for 'Operational Risk Modeling and Analysis: An AMA Approach'

3rd Prize: Mr. Ramesh Kumar Moolchandani, Reserve Bank of India for 'Basel II: Capital Requirement for Operational Risk: Issues and Challenges'

Consolation prize: Ms. Nidhi Choudhry, Reserve Bank of India for 'Technology in Indian Banking Sector.'

b. Macro Research

Under Macro Research the Institute invites scholars and researchers to undertake research in areas identified by the Research Advisory Committee. The proposals received by the Institute are considered and the research is awarded for those whose approach and ideas are accepted by the RAC. The researchers are paid Rs.1.5 lakh grant for carrying on the research. The researchers are given 4 months to complete the research. Once accepted the research reports are published by the Institute.

During the year, the Institute had announced the following topics for macro research viz.

1. Methodology for deciding a benchmark lending rate in India, 2. Credit risk mitigation techniques for Indian banks in the present NPA cycle 3. Financial literacy: the approach of the Indian banks, 4. Corporate bond markets, 5. Third party sales and incentive structure in banks: the role of regulation, HR compensation and other factors, 6. Size bias in Indian banking: how it compares internationally?, 7. Empirical studies on microfinance and 8. Supply chain financing in agriculture.

The Institute had received Macro proposals from 15 candidates, of which 7 were shortlisted for final position and the Research Advisory Committee had selected the following two researchers and awarded them research grant under Macro Research Programme 2009-10 are:

- Dr. S.C. Bihari, Kaushik Bhattacharya and Sanjit Roy of ICFAI Business School, Hyderabad for 'Customer Satisfaction in Local Area Microfinance Banks'
- Dr. A.N. Abhyankar, Akola Urban Co-operative Bank for 'Financial Literacy in India: The Approach of Indian Banks'

The Institute has announced the following four topics for Macro research for the year 2010-11 viz.

1. Implications of the Sovereign Debt crisis for the Indian Financial Sector, 2. Evaluation of the BC/BF model, 3. Emerging Challenges of Financial Regulation and 4. Role of Credit Rating in Financial Markets with special reference to India.

c. Diamond Jubilee CH Bhabha Overseas Banking Research Fellowship

The Institute offers the Diamond Jubilee CH Bhabha Overseas Banking Research Fellowship to senior bankers to pursue limited research in any area of their choice in contemporary banking. The Fellowship was started to commemorate the Diamond Jubilee of the Institute in 1988. The Fellowship, which includes the option to visit any university abroad for 6 weeks, is worth Rs.10 lakhs. Over the years the Institute has offered 20 Fellowships under this programme and has been trying different ways to improve the quality of the research output.

The Institute had received seven applications for the award of Diamond Jubilee Overseas Banking Research Fellowship (DJCHBORF) for the year 2009, out of which three candidates were selected for the interview as per the selection criteria approved by the Committee on Education and Training. Selection committee that was set up for the Diamond Jubilee CH Bhabha Overseas Research Fellowship (DJCHBORF) on at least two previous occasions could not select a suitable candidate for the award of the Fellowship as the quality of the proposals did not meet their approval. To improve the quality of proposals the scholarship has been modified as under:

1. The Institute would tie up with leading Institutes such as International Management Institute (IMI), New Delhi, Institute of Public Enterprises (IPE), Hyderabad, Indian Institute of Social Welfare and

Indian Institute of Banking & Finance

Business Management (IISWM), Kolkata, Institute for Financial Management and Research (IFMR), Chennai, WeSchool, Mumbai and Institute for Development and Research in Banking Technology (IDBRT), Hyderabad to get quality output from researchers under guidance from a faculty member of the partner Institute.

2. This tie-up would be clubbed with a structured offer of scholarship.
3. The Institute would split the scholarship into two or more parts, encourage research locally and offer cash incentives to scholars at the end of a successful tenure of fellowship.
4. Given the amount spent on one Fellowship annually, more than three candidates could be accommodated if the research work is done in India.
5. One of the scholarships would be reserved for the Associates and Fellows of the Institute.

d. Scheme for RBI Young Scholar Award

As reported in the last year's report, the Institute is associated with the above scheme of RBI to encourage learning about RBI amongst the youth of the country and to expose them to an actual central banking environment. Like the previous year, this year also the Institute has provided academic support in the form of questions, in many vernaculars, for the competitive test.

VII. PUBLICATIONS

a. IIBF Vision

The Institute brought out 12 issues of the monthly newsletter IIBF Vision in the year 2009-10. This has been mailed to all the members.

The newsletter covers various dimensions/developments in banking, finance and economics under the following titles:

Top stories, Commodity Markets, Co-operative Banks, Insurance, International News, Micro Finance, Mutual Funds, Products & Alliances, Regulators Speak, Speech Corner, Spotlight, Financial Basics, Glossary, News from the Institute and Markets Roundup.

b. Bank Quest

The Institute brought out four issues of the quarterly journal Bank Quest. The themes for the four issues were:

- i. Trade Finance (April - June 2009)
- ii. Microfinance (July - September 2009)
- iii. Micro Research Papers (October – December 2009)
- iv. SME Financing (January - March 2010)

Of the above, the issue on Trade Finance was brought out with the help of the EXIM Bank and SME Financing was brought out with the help of SIDBI.

Both IIBF Vision and Bank Quest are available on the portal of the Institute for free download.

c. Books and Courseware

During the year, the Institute published the following books/courseware:

(i) Courseware for the Certificate course for Business Correspondents/Business Facilitators

The Institute published a book titled as "Inclusive Growth Thro' Business Correspondent" in English & Hindi for the Certificate course for Business Correspondent/Business Facilitators examination conducted by the Institute.

(ii) Publications in local languages

Apart from English and Hindi some of the examinations of the Institute are now offered in many vernaculars. For instance the Certificate for Debt Recovery Agents and Diploma examination for Micro Finance Professionals are now offered in languages like Bengali, Gujarati, Kannada, Malayalam, Oriya, Tamil and Telugu. To meet the requirements of the candidates from such regions, the Institute has also brought out its courseware in the vernacular medium.

VIII. COLLABORATIONS

a. MoUs/Collaborations

The Institute has entered into tie-up with leading academic institutions to offer educational support services to its members. During the year MoUs were signed with the following institutions in this regard.

1. KBS College of Commerce, Vapi on 30th June, 2009 to offer classroom teaching to students opting for the Institute's Diploma in Banking & Finance.
2. Bharatiya Vidya Bhavan's Centre for Inter Disciplinary Studies (BCIDS) set up under the academic guidance of S P Jain Institute of Management and Research, Mumbai on 8th July, 2009, primarily to offer the Diploma in Banking & Finance to their students.
3. Vasavi College, Hyderabad on 15th July, 2009 to offer teaching support to students appearing for the Institute's Diploma in Banking & Finance.

b. Other Collaborations

(i) Collaborating with Academy of German Co-operatives ADG, Germany and GTZ, Germany, Rural Financial Institutions Programme partner with NABARD

An MoU has been signed for Collaborating with Academy of German Co-operatives ADG, Germany and GTZ, Germany, Rural Financial Institutions Programme partner with NABARD in November 2009 to offer high ended training and certification programmes to the co-operative sector in the country. As a first step the German Co-operatives ADG, Germany and GTZ, Germany in association with the Institute conducted four days BOSS programme (simulation game on the Balance Sheet Management of Banks) at BIRD, Lucknow during March 2010 which was attended by 18 participants from the RRBs, Co-operative banks, NABARD etc.

(ii) Moderation support to the examinations conducted by the members of the Alliance of African Institutes of Bankers

The Institute had taken up the work of moderation with the Alliance of African Institute of Bankers on a pilot basis for the Chartered Institute of bankers, Ghana for two subjects viz. Law Relating to Banking, and Economics in Banking. Along with the question papers they had sent the related syllabus, courseware, Chief Examiners' guidelines, marking pattern, model answers and answer books for our review. Institute had completed the exercise within the time span of one month from the receipt of the papers. Thereafter, the Alliance had requested moderation support for their member institutions namely, Botswana Institute of Bankers, The Chartered Institute of Bankers (Ghana), The Kenya Institute of Bankers, The Institute of Bankers in Namibia, The Institute of Bankers in South Africa. The Chartered Institute of Bankers of Nigeria Instituto de Formacao Bancaria de Mocambique, The Institute of Bankers in Zimbabwe, The Tanzania Institute of Bankers, The Uganda Institute of Bankers, The Zambia Institute of Bankers. Hence, the Institute has entered into an MoU with the Alliance of African Institute of Bankers in March 2010 offering moderating support.

(iii) Collaboration with Zambia Institute of Banking & Financial Services (ZIBFS)

A MoU with the Zambia Institute of Banking & Financial Services (ZIBFS) has been entered into in July 2009

Indian Institute of Banking & Finance

to offer Institute's examinations for Zambian bankers as adapted by them to meet the local requirements. To start with the Zambian Institute has taken the decision to offer the three papers of our JAIB examination as their first level examination by paying a token royalty. They have since customized the books to suit the local needs and the first examination is slated for June 2011 for which the Institute would be providing assistance in framing of question papers and evaluation of the answer sheets.

(iv) Collaboration with International Compliance Association, London

The Institute will be entering into collaboration with the International Compliance Association, ICA, London, a professional not for profit awarding body with global membership for offering joint certification in the area of Anti-Money Laundering, Compliance and Financial Crime Prevention. ICA was established to provide an international benchmark for excellence in those 3 areas. The ICA is the government appointed lead provider of Financial Industry Competence Standard, accredited training and assessment training in the field of compliance in Singapore. This initiative will result in awarding of certificate course in AML Compliance to start with in the current year itself.

IX. INDUSTRY INTERACTION

To interact with the industry and get inputs from them on the Institute's programmes as well as to provide updated information on the Institute's activities, the Institute held the following meetings:

a. General Managers' Meet

Around 26 General Managers/Dy. General Managers (HRD/Training) of various banks attended the GMs' meet for the year 2009-10 held on 4th August, 2009 to discuss the status on International Banking Summer School- (IBSS-2009), give inputs on the proposed revised format of CAIB, suggest improvement in the examination system-academic support, inputs for Certificate for BC/BFs, Certificate in Compliance etc., The Institute sought their support for Advanced Management Program, examination feedback and inputs on the quality of DRA Training Centres and the revised training stipulations. The Institute also sought their support for the Diploma in Banking & Finance and other matters.

b. RRBs' Chairmen's meet

In order to understand the education needs of the employees of regional rural banks and their expectations from the Institute, meetings with Chairmen of various RRBs were held at various places. The meeting was held region wise i.e., Western region - Bhopal on 29th October, 2009, Northern region - Lucknow on 6th November, 2009, Southern region - Hyderabad on 13th November, 2009, Eastern region - Kolkata on 23rd November, 2009. The Institute had invited 83 RRBs from all over India of which 54 participated in the meetings.

Some of the suggestions put forth by RRBs include, Finance Quotient for RRBs. IIBF Vision to be brought out in Hindi, possibility of bi-lingual portal, Special Certification course for Branch Managers of RRBs, Certificate course in Treasury & Risk Management for RRBs, Regular seminars for RRBs, NPA management program for RRBs, Training on Fund Management for RRBs, Customized training for RRBs on leadership, team building, etc.

c. Business Facilitators/Business Correspondents meet for seeking partners for training

The Institute offered for the first time a certificate course for BC/BFs with funding support extended by NABARD. In order to accredit training partners across the country to extend the mandatory training programme, a meeting was held on 26.6.2009 at Mumbai. This was attended by participants from 23 institutions. This meet was addressed by Mr. Srivastava, Chief General Manager, NABARD on the importance of the proposed course and the support extended by NABARD for making the programme a success. The Institute has thereafter accredited 13 institutions to provide BC/BF training in the country after completing due diligence.

d. Bankers' Meet

All the zonal offices of the Institute had organized bankers meet at various parts of the country to create awareness about the new activities of the Institute and reach out to the new members. Such meets have been conducted over the years to increase the membership base of the Institute and also to reach bankers who have not been utilizing the services of the Institute. Bankers' meets were held at Allahabad, Amritsar, Belgaum, Bhopal, Bhubaneswar, Burdwan, Chandigarh, Guwahati, Hubli, Indore, Jagdalpur, Jaipur, Jamnagar, Kanpur, Kolkata, Lucknow, Ludhiana, Nashik, Raipur, Rajkot, Shimla, Siliguri, Tinsukia, Trichur, Varanasi and Visakhapatnam.

X. OTHERS

a. Visitors to the Institute

The following persons visited the Institute during the year to discuss on possible areas of co-operation and collaboration.

- Mr. Kaitano Chungu, CEO, Zambia Institute of Banking & Financial Services (ZIBFS)
- Ms. Helen Langton, Sales and Marketing Director, International Compliance Association, New Delhi for collaboration in offering compliance related courses.
- Mr. Mohamed Idris Saban, Consul General, Djibouti and Mr. Aden Ali Abdi, Financial Counsellor, attached to their consulate in India to learn about the banking and financial education for sharing with that country.
- Prof. Gonzales Count d'Alcantra, Ph.D. in Economics, who had visited India as part of the Belgium delegation to India in March 2010 called on the Institute to explore the possibilities of co-operation between the two countries in the area of banking education.
- Mr. Zalmei Sherzad, Central Bank of Afghanistan called on the Institute at Delhi seeking consultancy support to establish an Institute of Bankers in Afghanistan on 17th August 2009.

b. Staff & Personnel

During the year, the Institute appointed 4 officers, one at the Corporate Office; one at the Eastern Zonal Office and 2 at the Southern Zonal Office. 2 clerks were promoted as officers. One officer retired and one officer resigned from the services of the Institute. After taking in to consideration the appointment, retirement and resignation of the staff members, the strength of the Institute as of 31st March 2010, stood at 101 as against 96 as of 31st March 2009.

c. Training/Workshop for the development of Human Resources

As a part of its Human Resource Development, the Institute arranged a lecture program on Soft Skills and Work Life Balance for its staff. The Institute also continued to depute its officers to various training programs conducted by various management institutions.

XI. GOVERNING COUNCIL

a. New Members

During the year, the Council appointed the following executives of Banks as Members of the Council in the casual vacancies:

- (1) Shri Arun Shandilya
- (2) Shri S. Sridhar
- (3) Shri Naraynan Raja

Indian Institute of Banking & Finance

b. Resignation of Members

The following members have resigned from the membership of the Council during the year:

- (1) Shri T.S. Narayanasami
- (2) Dr. K.C. Chakrabarty
- (3) Shri Arun Shandilya

c. Governing Council members with materially significant related party transaction, pecuniary or business relationship with Institute

There have been no materially significant related party transactions, pecuniary transactions or relationship between Institute and its Council Members that may have potential conflict with the interest of the Institute at large.

d. Remuneration of Council Members: Sitting Fees, Salary, Perquisites and Commissions

The amount of sitting fee paid, during the year, to some of the non-executive Council Members amounted to Rs. 2,23,000/-.

e. Frequency of Governing Council and Standing Committee Meetings

The number of meetings of the Governing Council and the three Standing Committees of the Council held during the year was as follows:

Governing Council	-	4
Executive Committee	-	1
Examination Committee	-	1
Committee on Education & Training	-	2

f. Information supplied to Governing Council

Information under the following heads was presented to the Council:

- Action taken report of the decision of the Council
- Minutes/Decisions of different Committees
- Income-Expenditure of the Institute
- Status of Academic and Examination activities of the Institute
- Status Report of General Administration
- Membership related issues
- Periodical updates on the status of Strategy Action Plan
- Collaboration of the Institute with Foreign Institutes
- Income tax exemption matters

XII. FINANCIAL POSITION

M/s. Chitale & Co., auditors have completed the audit of the Institute and have given an unconditional report.

During the year, the Institute earned examination fee income of Rs. 18.92 crore (Rs. 14.5 crore in 2008-09) and a total income of Rs. 33.25 crore (Rs. 26.42 crore in 2008-09). The increase in income has come on account of more candidates taking Institute's examinations and a good volume in the certificate examination

for debt recovery agents that the Institute organized during the year.

The total expenditure of the Institute, during the year was Rs. 25.11 crore (Rs. 20.96 crore in 2008-09), resulting in a surplus of Rs. 8.14 crore (Rs. 5.46 crore in 2008-09). The surplus has come despite a steep reduction in the institutional subscription.

As on 31st March 2010 the Institute had a total asset of Rs. 132.27 crore and Reserves and Surplus of Rs. 113.43 crore. The income from investments helps the Institute to maintain a low fee structure.

XIII. FUTURE PERSPECTIVES

New courses/examinations

The following examinations are being planned and will be launched during 2011-12 to meet the specific needs of the banking sector:

i) Certificate Examination in Asset Liability Management (ALM)

The issue of Asset - Liability Management has assumed greater significance due to the financial crisis and also on account of changing banking environment. A new Certificate examination to enhance the knowledge of banking professionals in the specialized field of ALM and to fulfill the increasing need of such professionals has been approved by the Governing Council. This course is being launched for the December 2010 examination.

ii) Certificate in Banking Codes and Customer Service

The Institute intends to launch a Certificate Examination in Banking Codes and Customer Service in association with Banking Codes and Standards Board of India. Even though the aspect of customer service has been receiving attention at the highest level and the importance is highlighted at various forums, the customer service needs further improvements going by the complaints before the Banking Ombudsman, Consumer Forum etc. The Certificate Course is intended to increase the awareness on this vital subject. This examination will also be launched by December 2010.

iii) Certificate course in Compliance

Another new Examination will be the Certificate course on Compliance. This will be in the form of (a) improving the existing AML/KYC in collaboration with the International Compliance Association and (b) offering an Advanced Course on Compliance for Compliance officers.

iv) Certificate Course for Regional Rural Banks

The Institute had organized four regional level meetings of the Chairmen of the RRBs. Based on the discussions and recommendations of the Chairmen of the RRBs, the Institute will introduce an exclusive programme for the officials working in Regional Rural Banks, keeping in view their specific operational requirements. The syllabus for the proposed course has been sent to RRBs for their comments.

v) Special programme on Risk Intelligence for Central Bank of India

The Institute conducted a programme on "Risk Intelligence" in association with Deloitte for the Senior Executives of Central Bank of India on 24th April 2010 at SPBT College, Vile Parle, Mumbai, which was attended by 6 General Managers and 9 Deputy General Managers. The programme was aimed to provide an insight into various dimensions of risk faced by banks. The programme covered areas such as identification of risk, phrasing of risk, aggregating them, understanding the impact, vulnerability and also the speed of onset of risks. Finally, the programme helps the participants to apply risk intelligence concepts to their work situation. The highlight of the programme is providing an insight into the Risk Intelligence map, a unique tool developed by Deloitte to understand and cope with the emerging risks. The Risk Intelligence maps the risk faced by an organization into 5 broad areas viz. governance, strategy / planning, operations/ infrastructure,

Indian Institute of Banking & Finance

compliance and reporting. The Risk Intelligence map provides an unique view on the pervasive, evolving and interconnected nature of risk that executives and managers may find useful in identifying risk that apply to their organizations. The Institute intends to organize similar bank specific programme on zonal basis in the current year so that more bankers will be able to get benefit from the programme.

XIV. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Governing Council, based on the representations received from the management, confirms that:

1. In the preparation of Annual Accounts, the applicable accounting standards have been followed and there has been no material departure;
2. The Council has selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Institute at the end of the Financial Year 2009-10 and of the Income and Expenditure of the Institute for that period;
3. The Council has taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Institute and for preventing and detecting fraud and other irregularities; and
4. The Council has prepared the annual accounts on going concern basis.

Statement containing particulars pursuant to Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988

The provisions of Section 217(1) (e) of the Act relating to Conservation of energy and technology absorption do not apply to the Institute.

The Institute has, however, used information technology to a considerable the extent in its operations.

The Foreign Exchange Earnings and outgo of the Institute, during the period under review is as follows:

	Rs.
1. Foreign Exchange Earnings	63,12,577
2. Foreign Exchange Outgo	25,65,028

Particulars of Employees

A statement of particulars of employee pursuant to the provisions of Section 217 (A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule, 1975 and forming part of the Directors Report for the year ended 31st March, 2010

Sr. No	Name	Designation/ Nature of duties	Qualification and Experience	Total Remuneration (in Rs.)	Date of Appointment	Age (Yrs.)	Particulars of last employment
1	Mr. R. Bhaskaran	Chief Executive Officer	M.Com, PGDFM, CTM, CAIIB	Rs.30,11,965/	18-12-2004	58 Years	NABARD

Notes:

1. Gross remuneration shown above is subject to tax and comprises salary (including arrears), allowances, rent, medical reimbursement, leave travel benefits and contribution to provident fund.
2. In addition to the above, employee is entitled to gratuity benefits as per Institute's rules.
3. The above mentioned employee has adequate experience to discharge the responsibilities assigned to him.
4. The above mentioned employee is not a relative of any director.
5. The nature of employment is on Regular basis.

Appreciation and Acknowledgements

The Council is grateful to the Institutional Members for their continued support and advice. The Council would like to take this opportunity to express sincere thanks to its valued members, resource persons and collaborators for their continued co-operation and patronage. The Council also takes this opportunity to thank all employees for rendering valuable services to every constituent of the Institute.

Place: Mumbai

Date: July 02, 2010

On behalf of the Governing Council

PRESIDENT

Indian Institute of Banking & Finance

Auditors' Report to the Members of Indian Institute of Banking and Finance

1. We have audited the attached Balance Sheet of Indian Institute of Banking & Finance as at 31st March, 2010 and also the Income and Expenditure Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. 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.
3. As the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, is not applicable to Companies licensed to operate under Section 26 of the Indian Companies Act, 1913, no report has been made on the matters specified therein.
4. We report that:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Institute so far as appears from our examination of those books, and proper returns adequate for the purposes of our audit have been received from the sub-centers not visited by us;
 - (iii) the Balance Sheet and Income and Expenditure Account dealt with by this report are in agreement with books of account;
 - (iv) in our opinion, the Balance Sheet and Income and Expenditure Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) on the basis of written representations received from the Members of the Governing Council (Directors) as on 31st March, 2010, and taken on record by the Governing Council, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Institute as at 31st March, 2010, and
 - (b) in the case of the Income and Expenditure Account, of the surplus for the year ended on that date.

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm Reg. No. 106655W

(S. M. Chitale)
Partner
M.No. 111383

Place : Mumbai
Date : 02.07.2010

BALANCE SHEET AS

31st March 2009 Rs.	LIABILITIES	SCHEDULE	31st March 2010 Rs.
997,067,586	RESERVES AND SURPLUS	1	1,134,286,313
128,524,035	CURRENT LIABILITIES AND PROVISIONS	2	188,428,876
<u>1,125,591,621</u>	TOTAL RUPEES		<u>1,322,715,189</u>

Significant Accounting Policies-Schedule 14.

Notes to accounts-Schedule 15.

As Per our report attached.

For **MUKUND M CHTALE & CO.**
Chartered Accountants
Firm Reg. No. 106655W

(S. M. CHITALE)
Partner
M. No. 111383

Place: Mumbai

Date: JULY 2, 2010

AT 31ST MARCH 2010

31st March 2009 Rs.	ASSETS	SCHEDULE	31st March 2010 Rs.
48,111,479	FIXED ASSETS	3	58,929,191
551,957,641	INVESTMENTS	4	758,363,531
525,522,501	CURRENT ASSETS, LOANS AND ADVANCES	5	505,422,467
<u>1,125,591,621</u>	TOTAL RUPEES		<u>1,322,715,189</u>

R. BHASKARAN
Chief Executive Officer

P. BALACHANDRAN
Deputy Chief Executive Officer

O. P. BHATT
President

Dr. K. RAMAKRISHNAN
Member of the Council

Place: Mumbai
Date: JULY 2, 2010

INCOME AND EXPENDITURE ACCOUNT

31st March 2009 Rs.	EXPENDITURE	SCHEDULE	31st March 2010 Rs.
56,701,403	Staff expenses	6	63,115,667
14,374,617	Premises expenses	7	12,597,335
52,114,755	Administration expenses	8	49,345,007
56,546,778	Examination expenses		79,873,473
18,325,496	Educational expenses	9	32,372,267
178,587	Library books expenses	10	195,629
956,301	Loss on sale/write off of fixed assets		165,386
5,609,159	Depreciation/amortisation		9,598,936
3,120,123	Amortisation of premium on Investments		3,604,111
141,000	Prizes awarded		287,500
1,512,688	Debit Balances written off.		-
54,620,712	Surplus carried down to Income and Expenditure appropriation account		81,355,689
264,201,619	TOTAL RUPEES		332,511,000

INCOME AND EXPENDITURE APPROPRIATION ACCOUNT

31st March 2009 Rs.		31st March 2010 Rs.
	Transfers to :	
799,503	Staff welfare fund	778,158
53,821,209	General Reserve	80,577,531
54,620,712	TOTAL RUPEES	81,355,689

Significant Accounting Policies-Schedule 14.

Notes to accounts-Schedule 15.

As Per our report attached.

For **MUKUND M CHTALE & CO.**

Chartered Accountants

Firm Reg. No. 106655W

(S. M. CHITALE)

Partner

M. No. 111383

Place: Mumbai

Date: JULY 2, 2010

FOR THE YEAR ENDED 31ST MARCH 2010

31st March 2009 Rs.	INCOME	SCHEDULE	31st March 2010 Rs.
8,174,000	Subscription	11	8,098,000
144,969,328	Examination fees		189,239,867
85,288,179	Income from Investments, etc.	12	91,460,151
2,060,736	Educational income		1,220,136
1,945,158	Tutorial class/Seminar fees		19,140,965
5,706,386	Royalty on Publications		8,751,748
4,491,097	Miscellaneous income		6,126,602
11,566,735	Credit Balances written back	13	8,434,348
-	Profit on sale of fixed assets		39183
264,201,619	TOTAL RUPEES		332,511,000

FOR THE YEAR ENDED 31ST MARCH 2010

31st March 2009 Rs.		31st March 2010 Rs.
54,620,712	Surplus brought forward from income and expenditure account	81,355,689
54,620,712	TOTAL RUPEES	81,355,689

R. BHASKARAN
Chief Executive Officer

P BALACHANDRAN
Deputy Chief Executive Officer

O. P. BHATT
President

Dr. K. RAMAKRISHNAN
Member of the Council

Place: Mumbai
Date: JULY 2, 2010

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010

SCHEDULE 1 - RESERVES AND SURPLUS

	As at 1st April 2009	Additions	Transfer from Income & Expenditure Account	Transfer from General Reserve Account	Utilisation / Transfer during the year	As at 31st March 2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Prize funds	4,869,185 (2,549,650)	500,000 (1,700,000)	- (-)	- (1,000,000)	- (380,465)	5,369,185 (4,869,185)
R.K. Talwar Memorial Lecture fund	3,000,000 (2,600,000)	- (400,000)	- (-)	- (-)	- (-)	3,000,000 (3,000,000)
Staff welfare fund	7,260,791 (6,884,870)	- (-)	778,158 (799,503)	- (-)	318,106 (423,582)	7,720,843 (7,260,791)
Life membership fund	330,461,539 (290,370,439)	64,115,492 (46,157,100)	- (-)	- (-)	8,434,348 (6,066,000)	386,142,683 (330,461,539)
General Reserve	651,476,071 (598,654,862)	- (-)	80,577,531 (53,821,209)	- (-)	- (1,000,000)	732,053,602 (651,476,071)
TOTAL	997,067,586 (901,059,821)	64,615,492 (48,257,100)	81,355,689 (54,620,712)	- (1,000,000)	8,752,454 (7,870,047)	1,134,286,313 (997,067,586)

Figures in brackets indicate corresponding figures for the previous year.

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH 2010

SCHEDULE 2 - CURRENT LIABILITIES AND PROVISIONS

31st March 2009		31st March 2010	
Rs.		Rs.	Rs.
	A. CURRENT LIABILITIES		
	Sundry creditors		
	(No amount due to small scale		
16,966,989	Industrial undertakings)	31,285,020	
625,781	Excess examination fees received	518,899	
319,253	Advance Subscription	131,006	
76,343,037	Examination fees received in Advance	113,206,307	
384,575	Other Liabilities	746,510	
94,639,635			145,887,742
	B. PROVISIONS		
33,884,400	Staff retirement benefits	42,541,134	
33,884,400			42,541,134
128,524,035	TOTAL RUPEES		188,428,876

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010

SCHEDULE 3 - FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at	Additions	Deductions	As at	As at	For the	On dedu-	As at	As at	As at
	01.04.2009	Rs.	Rs.	Rs.	01.04.2009	year	ctions	31.03.2010	31.03.2010	31.03.2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TANGIBLE ASSETS										
Office premises	24,757,940	-	-	24,757,940	17,116,608	382,067	-	17,498,675	7,259,265	7,641,332
Leasehold premises	2,977,281	-	-	2,977,281	1,591,653	49,487	-	1,641,140	1,336,141	1,385,628
Residential flats *	40,166,455	-	-	40,166,455	12,413,887	1,387,628	-	13,801,515	26,364,940	27,752,568
Room air conditioners	2,868,132	-	-	2,868,132	1,915,103	132,567	-	2,047,670	820,462	953,029
Furniture, fittings and office equipment	22,304,747	508,951	186,512	22,627,186	17,324,804	876,859	144,507	18,057,156	4,570,030	4,979,943
Electrical installations	3,449,514	-	-	3,449,514	2,599,284	118,267	-	2,717,551	731,963	850,230
Motor cars	2,836,140	609,812	1,048,580	2,397,372	1,475,405	390,994	588,247	1,278,152	1,119,220	1,360,735
Data processing systems-Hardware	36,486,818	5,767,686	2,113,991	40,140,513	33,850,585	3,396,086	2,084,220	35,162,451	4,978,062	2,636,234
SUB TOTAL - TANGIBLE ASSETS	135,847,027	6,886,449	3,349,083	139,384,393	88,287,329	6,733,955	2,816,974	92,204,310	47,180,083	47,559,699
INTANGIBLE ASSETS										
Computer Software	22,424,123	8,544,941	-	30,969,064	22,424,123	2,848,314	-	25,272,437	5,696,627	-
Trade Mark	-	50,000	-	50,000	-	16,667	-	16,667	33,333	-
SUB TOTAL - INTANGIBLE ASSETS	22,424,123	8,594,941	-	31,019,064	22,424,123	2,864,981	-	25,289,104	5,729,960	-
TOTAL RUPEES	158,271,150	15,481,390	3,349,083	170,403,457	110,711,452	9,598,936	2,816,974	117,493,414	52,910,043	47,559,699
31.03.2009	158,001,665	4,365,674	4,096,189	158,271,150	108,024,907	5,609,159	2,922,613	110,711,452	47,559,699	-
Advances on Capital Account and Capital work in progress at cost									6,019,148	551,780
									58,929,191	48,111,479

* Residential flats includes Rs 5,750/- being the cost of shares in Co-operative Housing societies

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010

SCHEDULE 4 - INVESTMENTS (At cost, long term and non trade; Quoted unless otherwise stated)

31st March 2009		PARTICULARS	31st March 2010		
Face value Rs.	Book Value Rs.		Face value Rs.	Rs.	Book Value Rs.
		Bonds :			
2,000,000	2,098,927	10.65% Bank of Maharashtra Bonds 2 bonds of Rs.10,00,000/- each	2,000,000		2,087,057
5,000,000	5,040,830	9.92% HDFC Bank Ltd. Bonds 5 bonds of Rs.10,00,000/- each	5,000,000		5,035,343
12,000,000	12,132,958	10.10% ICICI Bonds 12 bonds of Rs.10,00,000/-each	12,000,000		12,114,891
-	-	9.98% ICICI Bonds 31 bonds of Rs.10,00,000/-each	31,000,000		32,520,625
25,000,000	25,284,895	9.20% Indian Overseas Bank Bonds 25 bonds of Rs.10,00,000/-each	25,000,000		25,246,916
-	-	11.05% Indian Overseas Bank Bonds 6 bonds of Rs.10,00,000/-each	6,000,000		6,854,241
15,000,000	15,109,399	8.64% Indian Railway Bonds 15 bonds of Rs.10,00,000/-each	15,000,000		15,100,379
11,000,000	11,000,000	8.80% State Bank of India Bonds 11 bonds of Rs.10,00,000/-each	11,000,000		11,000,000
-	-	10.10% State Bank of India Bonds 22 bonds of Rs.10,00,000/-each	22,000,000		24,456,701
4,000,000	4,045,246	9.95% State Bank of Hyderabad Bonds 55 bonds of Rs.10,00,000/-each	55,000,000		59,485,960
3,000,000	3,040,417	9.35% Syndicate Bank Bonds 3 bonds of Rs.10,00,000/-each	3,000,000		3,034,898
-	-	9.40% Syndicate Bank Bonds 6 bonds of Rs.10,00,000/-each	6,000,000		6,118,133
8,000,000	8,051,620	9.45% Union Bank of India Bonds 8 bonds of Rs.10,00,000/-each	8,000,000		8,044,764
5,000,000	5,077,544	9.28% UCO Bank Bonds 5 bonds of Rs.10,00,000/-each	5,000,000		5,066,858
4,000,000	4,000,000	9.50% UCO Bank Bonds 4 bonds of Rs.10,00,000/-each	4,000,000		4,000,000
-	-	9.50% Andhra Bank Bonds 3 bonds of Rs.10,00,000/-each	3,000,000		3,061,759
-	-	9.20% Allahabad Bank Bonds 27 bonds of Rs.10,00,000/-each	27,000,000		27,795,738
-	-	9.95% State Bank of Travancore Bonds 51 bonds of Rs.10,00,000/-each	51,000,000		55,501,276
20,000,000	20,000,000	9% IFCI Ltd Bonds (Unquoted) 200 bonds of Rs.100,000/- each	20,000,000		20,000,000

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010

		Debtures:		
		10.35% HDFC LTD. NCD		
44,000,000	45,654,569	44 Debtures of Rs.10,00,000/- each	44,000,000	45,451,950
		10.10% HDFC LTD. NCD		
11,000,000	11,345,246	11 Debtures of Rs.10,00,000/- each	11,000,000	11,304,404
		10.25% LIC Housing Finance Ltd NCD		
5,000,000	5,092,964	5 Debtures of Rs.10,00,000/-each	5,000,000	5,081,518
		9.14% LIC Housing Finance Ltd NCD		
-	-	23 Debtures of Rs.10,00,000/-each	23,000,000	23,866,014
		Investment in Government Securities :		
20,000,000	20,009,734	11.99% Government of India Loan 2009	-	-
10,000,000	10,327,397	11.30% Government of India Loan 2010	10,000,000	10,080,496
4,000,000	4,390,708	11.50% Government of India Loan 2011	4,000,000	4,243,386
40,500,000	47,618,724	11.50% Government of India Loan 2015	40,500,000	46,460,304
11,600,000	12,636,463	12.32% Government of India Loan 2011	11,600,000	12,070,979
-	-	8.30% Government of India Spl.Fertiliser Bonds - 2023	37,000,000	39,278,941
		Investment in Government of India 8% Savings (Taxable) Bonds - 2003 (Unquoted)		
280,000,000	280,000,000	234,000 bonds of Rs. 1,000/- each	234,000,000	234,000,000
<u>366,100,000</u>	<u>374,983,027</u>			346,134,106
<u>540,100,000</u>	<u>551,957,641</u>	TOTAL RUPEES	731,100,000	758,363,531
	251,957,641	Aggregate cost of quoted investments [Aggregate market value of quoted investments is Rs. 501,331,218 (as at 31.03.2009 : Rs. 275,753,933)]		504,363,531
	300,000,000	Aggregate cost of unquoted investments		254,000,000
	551,957,641	TOTAL RUPEES		758,363,531

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010

SCHEDULE 5 - CURRENT ASSETS, LOANS AND ADVANCES

31st March 2009		31st March 2010	
Rs.		Rs.	Rs.
	A. CURRENT ASSETS (Unsecured, considered good, unless otherwise stated)		
	Interest accrued on :		
7,621,838	Staff loans *	8,258,855	
10,790,836	Bank deposits	18,900,932	
106,656,831	Investments	33,234,170	
<u>125,069,505</u>		<u>60,393,957</u>	
	Sundry debtors (Unsecured, considered good, unless otherwise stated)		
5,294,669	Outstanding less than six months	8,006,749	
-	Outstanding for more than six months	-	
27,072	Cash on hand	25,900	
368,898	Cheques on hand	4,209,127	
	Balances with scheduled banks :		
40,575,703	On current accounts	53,535,556	
342,198	On savings accounts	183,341	
315,542,958	On fixed deposit accounts	332,400,000	
<u>362,151,498</u>		<u>398,360,673</u>	458,754,630
487,221,003			
	B. LOANS AND ADVANCES (Unsecured, considered good, unless otherwise stated)		
	Advances recoverable in cash or in kind or for value to be received :		
9,603,195	Secured loans to employees *	9,681,701	
15,173,866	Income tax paid (includes paid under protest Rs.2,500,000)	30,275,961	
	Unsecured advances recoverable in cash or kind or for value to be received		
4,839,358	Deposits with the parties	4,715,754	
827,039	Prepaid expenses	1,051,390	
5,219,677	Advance For Expenses	355,001	
922,000	Inter Office Balances	9,849	
1,716,363	Others	578,181	
<u>38,301,498</u>			46,667,837
525,522,501	TOTAL RUPEES		505,422,467

*Secured by hypothecation/mortgage of house/domestic appliances/vehicles/computers etc.

SCHEDULES ANNEXED TO AND FORMING PART OF THE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

31st March 2009		31st March 2010	
Rs.		Rs.	Rs.
SCHEDULE 6 - STAFF EXPENSES			
30,871,880	Salaries		42,369,182
3,619,863	Contribution to provident and pension fund		4,911,139
6,581,301	Staff recruitment/ training/other related expenses		3,063,360
7,303,759	Provision for staff retirement benefits		9,538,336
3,647,617	Staff welfare expenses		3,233,650
3,503,007	Arrears of Provident and Pension fund Contribution		-
1,173,976	Arrears of Administration Charges contribution		-
56,701,403	TOTAL RUPEES		63,115,667
SCHEDULE 7 - PREMISES EXPENSES			
5,908,509	Rent		5,686,480
3,113,537	Electricity charges		3,240,724
	Outgoings in respect of premises		
188,246	Ground Rent	131,172	
236,523	Rates and taxes	408,876	
4,927,802	Others	3,130,083	
5,352,571			3,670,131
14,374,617	TOTAL RUPEES		12,597,335
SCHEDULE 8 - ADMINISTRATION EXPENSES			
4,970,462	Printing and stationery		6,389,541
6,118,485	Postages, telephone and telegram expenses		7,629,233
2,753,906	Web Portal expenses		2,575,962
9,121,828	Software Development and Maintenance Charges		7,131,241
69,607	Insurance		89,497
	Repairs :		
3,701,518	Building	871,218	
3,583,493	Machinery	2,527,527	
1,786,487	Others	1,213,805	
9,071,498			4,612,550
5,215,472	Travelling expenses		3,418,165
960,504	Conveyance		492,740
1,131,363	Motor car expenses		936,935
2,123,580	Sundry expenses		2,711,256
671,921	Advertisement expenses		4,889,515
6,754,869	Corporate Development Expenses		2,886,409
183,400	Honorarium to Local Hon. Secretaries		195,996
	Auditors' remuneration :		
620,133	Audit fees	619,886	
-	Taxation matters	-	
-	Other matters	-	
620,133			619,886
2,347,726	Legal & professional charges		4,766,081
52,114,754	TOTAL RUPEES		49,345,007

Indian Institute of Banking & Finance

SCHEDULES ANNEXED TO AND FORMING PART OF THE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

31st March 2009		31st March 2010	
Rs.		Rs.	Rs.
SCHEDULE 9 - EDUCATIONAL EXPENSES			
9,863,198	Tutorial class/Seminar expenses		22,601,132
	research fellowship expenses		
653,108	Sir Purshotamdas Thakurdas memorial		692,569
	lecture expenses		
-	Diamond Jubilee Research Fellowship Expenses		26,000
<u>10,516,306</u>			<u>23,319,701</u>
1,431,634	Journal expenses		910,648
6,377,556	Vision expenses		8,141,918
18,325,496	TOTAL RUPEES		32,372,267
SCHEDULE 10 - LIBRARY BOOKS EXPENSES			
68,315	Library books		89,896
110,272	Subscription to papers & periodicals		105,733
178,587	TOTAL RUPEES		195,629
SCHEDULE 11 - SUBSCRIPTION			
	Annual subscription :		
8,174,000	Institutional members		8,098,000
8,174,000	TOTAL RUPEES		8,098,000
SCHEDULE 12 - INCOME FROM INVESTMENTS, ETC.			
84,397,412	Interest and dividend on Investments/Fixed deposits		90,556,373
890,767	Interest on staff loans		903,778
85,288,179	TOTAL RUPEES		91,460,151
SCHEDULE 13 - CREDIT BALANCES WRITTEN BACK			
628,152	Excess Fees Written back		-
54,586	Provision for expenses written back		-
124,500	Advance Institutional Membership written back		-
6,066,000	Life Membership Fees written back		8,434,348
4,693,497	Creditors written back		-
11,566,735	TOTAL RUPEES		8,434,348

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010 AND THE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 14 - SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION:

- 1.1 The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, mandatory Accounting Standards notified by the Companies (Accounting Standards) Rule, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under historical cost convention on accrual basis of accounting unless specified otherwise. The accounting policies followed by the Company are consistent with those used in the previous year, except for changes in accounting policy mentioned separately if any.
- 1.2 In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognized in the period the same is determined.

2. FIXED ASSETS / DEPRECIATION

- 2.1 Tangible/Intangible fixed assets are stated at cost less depreciation/amortization.
- 2.2 Depreciation on Tangible assets is provided on the written down value method at the rates specified in Schedule XIV to the Companies Act, 1956. Leasehold premises are amortized over the period of lease. Intangible assets are amortized over the period of 3 years on a straight line basis.
- 2.3 Additions to Tangible / Intangible fixed assets are depreciated / amortized for the full year in the year of addition. No depreciation is charged on assets sold during the year.
- 2.4 Fixed Asset costing less than Rs. 5000/- are depreciated / amortized fully in the year of addition.

3. INVESTMENTS

All investments are treated as long term and stated at cost. Provision is made for diminution to recognize a decline, other than temporary, where required, in the value of each investment. With effect from 1st April, 2005, the difference between the cost price (being higher) and the face value of such investments (where maturity date is fixed) is amortized over the remaining period upto the date of maturity or date of disposal, whichever is earlier.

4. RETIREMENT BENEFITS :

4.1 Gratuity and Leave Encashment :

Provision for gratuity and leave encashment benefits payable to staff is made on the basis of actuarial valuations as at the balance sheet date. The Gratuity Valuation has been carried out using the Projected Unit Credit Method and Leave encashment valuation has been carried out using the Projected Accrued Benefit Method. The discount rate used for Gratuity and Leave Encashment valuation is 7.80% p.a. which is based on prevailing market yield of government securities as on the valuation date for the estimated terms of obligation. The salary escalation rate used for Gratuity and Leave Encashment valuation is 6% p.a. which is the estimate of the future salary increases taking into account the inflation, seniority promotion and other relevant factors. The employees of the company are assumed to retire at the age of 60 Years.

4.2 Provident Fund :

Employees receive benefit from the provident fund under a defined contribution plan. The employee and employer make a monthly contribution to the plan equal to 12% of the covered employee salary. The Contribution is made to the Employees Provident Fund Organization from the employer's contribution for each employee. The Company recognized Rs. 49,11,139/- (Previous year Rs. 36,19,863/-) for provident fund and pension fund contributions in the profit and loss account.

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010 AND THE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED ON THAT DATE

5. REVENUE RECOGNITION

- 5.1 Membership subscriptions are accounted for as income when received. With effect from 1st April, 2005, Life Membership Fees received from members, which hitherto was credited directly to "Life Membership Fund" infinitely, continues to be credited to "Life Membership Fund" and is written back as income in the Income and Expenditure Account upon completion of specified life membership period as decided in the resolution passed by the Annual General Meeting dated 26th August, 2005. Accordingly, a sum of Rs. 84,34,348/- (Previous year Rs. 60,66,000/-) is written back from Life Membership Fund to the Income and Expenditure Account, during the current year.
- 5.2 Examination fees collected in advance for a block of consecutive attempts are accounted for under the proportionate completion method in accordance with the rules framed. The balance of such fees is treated as 'Advance Examination Fees'.
- 5.3 Interest on Investments is booked on a time proportion basis taking into account the amount invested and the rate of interest. Dividend Income on Investment is accounted when the right to receive payment is established.
- 5.4 Income from Investment (including from investment earmarked for funds) is credited to the Income and Expenditure Account and utilized for the general / prizes / fellowship expenses incurred during the year.
- 5.5 The company receives the Royalty from certain publishers which is on the basis of Books sold by them during the year. Royalty is accounted for on an accrual basis based on sales made by the publishers during the year.

SCHEDULE – 15

NOTES TO ACCOUNTS:

- 1) In view of the omission of Section 10(22) of the Income Tax Act, 1961 (Act) with effect from the financial year ended 31.3.1999 (under which the Institute was exempt from income tax), the Institute has applied for exemption in respect of the assessment years 1999-2000 to 2009-2010 under the amended provisions of Section 10(23C)(vi) of the Act. This exemption application for assessment years 2008-2009 and 2009-2010 has been rejected by the Income Tax authorities against which the Institute has filed appeal with the honorable Bombay High Court, verdict of which is awaited as at 31st March 2010. The Institute is in the process of applying for exemption under section 10(23C)(vi) of the Act for assessment year 2010-2011. The Institute is also registered under Section 12A of the Act, whereby its income, subject to compliance of conditions laid down, is exempt from income tax. Accordingly, the Institute intends to comply with the necessary conditions laid down and thus no provision for taxation has been made in the accounts for the year ended 31st March, 2010.
- 2) In respect of Investments the difference between the cost price (being higher) and the face value of such investments (where maturity date is fixed) as referred to in note 3 on schedule 14, amounting to Rs. 36,04,111/- (Previous year Rs. 31,20,123/-) has been amortized during the year.
- 3) The Institute has appropriated Rs. 7,78,158/- (Previous year Rs. 7,99,503/-) to Staff Welfare Fund consisting of Rs. 1,00,000/- (Previous year Rs. 1,00,000/-) as the annual contribution and Rs. 6,78,158/- (Previous year Rs. 6,99,503/-) as interest earned on investments held for this purpose. An amount of Rs 3,18,106/- (Previous year Rs. 4,23,582/-) spent towards staff welfare has been shown as utilization during the year.
- 4) Employee Benefits
 - 4.1 Gratuity

The Institute provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement,

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010 AND THE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED ON THAT DATE

death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service as per Payment of Gratuity Act, 1972. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the Balance Sheet date.

4.2 Leave Encashment

The employees of the Institute are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence for a maximum of 240 days. The Institute records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Institute measures the expected cost of compensated absence as the additional amount that the Institute expects to pay as a result of the unused entitlement that has accumulated at the Balance Sheet date based on actuarial valuations.

4.3 Sick Leave

A sum of Rs. 22,03,348/- has been provided towards the above liabilities in accordance with Accounting Standard (AS) – 15 (revised) based on actuarial valuation.

4.4 Other disclosures, as required under Accounting Standard (AS) – 15 (revised) on 'Employee Benefits', in respect of defined benefit obligations are :

a) Amounts recognized in Balance Sheet:

Sr. no	Particulars	Gratuity (Rs.)	
		2009-10	2008-09
1.	Present value of projected benefit obligations as at 1st April, 2009	2,04,24,147	1,61,99,955
2.	Service Cost	4,00,483	4,04,773
3.	Interest Cost	13,89,704	13,61,640
4.	Actuarial (Gains) / Losses	(14,67,797)	26,65,747
5.	Past Service Cost	74,04,619	-
6.	Benefits paid	(8,81,602)	(2,07,968)
7.	Present value of projected benefit obligations as on 31st March, 2010 - [A]	2,72,69,554	2,04,24,147

Sr. no	Particulars	Leave Liability (Rs.)	
		2009-10	2008-09
1.	Earned Leave Liability recognized in Balance Sheet - [B]	1,30,68,232	1,34,60,253
2.	Sick Leave liability recognized in Balance Sheet – [C]	22,03,348	-
Total Employee Benefit Liability * [A+B+C]		4,25,41,134	3,38,84,400

* The entire liability of the Institute is unfunded.

b) Expenses recognized in the Statement of Profit & Loss Account:

Sr. no	Particulars	Gratuity (Rs.)	
		2009-10	2008-09
1.	Service Cost	4,00,483	4,04,773
2.	Interest Cost	13,89,704	13,61,640

Indian Institute of Banking & Finance

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010 AND THE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED ON THAT DATE

3.	Actuarial (Gains) / Losses	(14,67,797)	26,65,747
4.	Past Service Cost	74,04,619	-
5.	Total – [C]	77,27,009	44,32,160
Sr. No.	Particulars	Leave Expenditure (Rs.)	
		2009-10	2008-09
1.	Earned Leave Liability charge / (write back) for the year – [D]	(3,92,021)	28,71,599
2.	Sick Leave Liability charge for the year – [E]	22,03,348	-
	Total Employee Benefit Charge for the year [C+D+E]	95,38,336	73,03,759
5)	Income in foreign currency:		
		2009-10	2008-09
		Rs.	Rs.
	Fees for designing & development of courseware	1,88,115	42,025
	Sale of Study kit	1,36,812	-
	Fees for participation in International Banking Summer School Event	59,87,650	-
6)	Expenditure in foreign currency		
		2009-10	2008-09
		Rs.	Rs.
	Educational expenses	19,82,866	15,53,367
	Traveling / Training expenses	5,21,096	18,03,267
	Honorarium	-	10,766
	Software Maintenance & Development	7,397	-
	Subscription to Other Bodies	53,669	53,633
	DJCHB Overseas Research Fellowship	-	380,465
7)	Managerial Remuneration		
7.1	Paid/payable to the Chief Executive Officer (CEO) during the year (excluding contribution to gratuity fund and provision for leave encashment on retirement):		
		2009-10	2008-09
		Rs.	Rs.
	Salary	25,00,259	13,53,130
	Perquisites	3,40,314	82,960
	Contribution to Provident Fund	1,71,392	1,09,066
	Total	30,11,965	15,45,156
7.2	Sitting fees to Council Members	1,56,000	1,39,000
8)	In the opinion of the Institute, there is no impairment of assets (to which Accounting Standard 28 applies) as at March 31, 2010 requiring recognition in terms of the said standard.		

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010 AND THE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED ON THAT DATE

9) Movement in Investments during the year 2009-2010

Sr. No.	Name of Bond / Debenture / Government Securities	Balance as at 1st April 2009		Purchase during the year		Redemption / Maturity during the year		Balance as at 31st March 2010	
		No. of Units	Face Value	No. of Units	Face Value	No. of Units	Face Value	No. of Units	Face Value
1	10.65% Bank of Maharashtra Bonds	2	2,000,000.00					2	2,000,000.00
2	9.92 %HDFC Bank Ltd Bonds	5	5,000,000.00					5	5,000,000.00
3	10.35% HDFC Bank Ltd. Debentures	44	44,000,000.00					44	44,000,000.00
4	10.10% HDFC Bank Ltd. Debentures	11	11,000,000.00					11	11,000,000.00
5	10.10% ICICI Bonds	12	12,000,000.00					12	12,000,000.00
6	9.98% ICICI Bonds			31	31,000,000.00			31	31,000,000.00
7	9.20% Indian Overseas Bank Bonds	25	25,000,000.00					25	25,000,000.00
8	11.05% Indian Overseas Bank Bonds			6	6,000,000.00			6	6,000,000.00
9	8.64% Indian Railway Bonds	15	15,000,000.00					15	15,000,000.00
10	10.25% LIC Housing Finance Ltd NCD	5	5,000,000.00					5	5,000,000.00
11	9.14% LIC Housing Finance Ltd NCD			23	23,000,000.00			23	23,000,000.00
12	8.80% State Bank of India Bonds	11	11,000,000.00					11	11,000,000.00
13	10.10% State Bank of India Bonds			22	22,000,000.00			22	22,000,000.00
14	9.95% State Bank of Hyderabad Bonds	4	4,000,000.00	51	51,000,000.00			55	55,000,000.00
15	9.35% Syndicate Bank Bonds	3	3,000,000.00					3	3,000,000.00

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010 AND THE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED ON THAT DATE

16	9.40% Syndicate Bank Bonds			6	6,000,000.00					6	6,000,000.00
17	9.45% Union Bank of India Bonds	8	8,000,000.00							8	8,000,000.00
18	9.28% UCO Bank Bonds	5	5,000,000.00							5	5,000,000.00
19	9.50% UCO Bank Bonds	4	4,000,000.00							4	4,000,000.00
20	9% IFCI Ltd Bonds	200	20,000,000.00							200	20,000,000.00
21	11.99% Government of India Loan 2009	200000	20,000,000.00			200000	20,000,000.00			0	-
22	11.30% Government of India Loan 2010	100000	10,000,000.00							100000	10,000,000.00
23	11.50% Government of India Loan 2011	40000	4,000,000.00							40000	4,000,000.00
24	11.50% Government of India Loan 2015	405000	40,500,000.00							405000	40,500,000.00
25	12.32% Government of India Loan 2011	116000	11,600,000.00							116000	11,600,000.00
26	8% GOI Saving Bonds (Taxable)	280000	280,000,000.00	150000	150,000,000.00	196000	196,000,000.00			234000	234,000,000.00
27	9.95% State Bank of Travancore Bonds			51	51,000,000.00					51	51,000,000.00
28	9.20% Allahabad Bank Bonds			27	27,000,000.00					27	27,000,000.00
29	9.50% Andhra Bank Bonds			3	3,000,000.00					3	3,000,000.00
30	8.30% GOI Fertilizer Bonds 2023			370000	37,000,000.00					370000	37,000,000.00
	Total		540,100,000.00		407,000,000.00		216,000,000.00				731,100,000.00

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010 AND THE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED ON THAT DATE

10) Contingent Liability

a) Income Tax Matters:

Sr. No.	Asst. year	Gross Demand	Status
1.	1996-1997, 1997-1998, 1998-1999	5,52,04,320	Income Tax Department has rejected Institute's application for exemption under section 10 (23 C) (vi) of the Income Tax Act, 1961 and the said matter is pending before Bombay High Court.
2.	2001-2002, 2003-2004	6,94,83,238	ITAT has referred the matter back to A.O. and order from A.O. is pending.
3.	2004-2005, 2005-2006, 2006-2007, 2007-2008	24,69,91,485	Income tax department has assessed income of the institute under section 143(3) of the Income Tax Act, 1961, against which the institute has filed an appeal which is pending before CIT (Appeals).
4.	2008-2009, 2009-2010	-	The Institute's application under section 10 (23C) (vi) of the Income Tax Act, 1961 for exemption has been rejected by the income tax authorities, against which the Institute has filed appeal with honorable Bombay High Court, verdict of which is awaited.

b) Employees Wage Revision :

The amounts that would be payable to employees on account of revision of pay scales and consequential benefits that would become due when the governing council decides on this matter – amount not quantifiable.

- 11) Estimated amount of contracts remaining to be executed on capital account and not provided as at 31.03.2010 Rs.2,20,000/-(Previous year 35,220/-).
- 12) The Company's significant leasing arrangements are in respect of operating leases for residential/office premises. These leasing arrangements which are not non-cancellable range between 11 months and 3 years. The aggregate lease rentals Rs.56,86,480/- (Previous year Rs. 59,08,509/-) are charged as rent under Schedule 7.

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010 AND THE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED ON THAT DATE

- 13) Accounting Standard (AS) 22-“Accounting for Taxes on Income” applicable to the Institute for the accounting periods commencing on or after 01-04-2002 has not been applied in accounting for taxes on income. The Institute is of the opinion that there is no deferred tax liability as the institute is not liable to pay Income tax and thus AS 22 would not apply to the Institute.
- 14) Pending finalization of wage agreement and subsequent approval by the Governing council, an ad-hoc provision of Rs. 23,21,000/- has been made towards the revision in employee costs and other benefits on the basis of the estimate made by the management. The exact amount of wage revision will be determined and the impact thereof ascertained in the year of approval / decision made by Governing Council.
- 15) Previous year’s figures have been regrouped/restated wherever necessary.

Signatures to Schedules 1 to 15

MUKUND M. CHITALE & CO.

Chartered Accountants
Firm Reg. No. 106655W

(S.M. Chitale)

Partner
M.No. 111383

Place: Mumbai

Date: July 2, 2010

R. BHASKARAN

Chief Executive Officer

P. BALACHANDRAN

Deputy Chief Executive Officer

O. P. BHATT

President

Dr. K. RAMAKRISHNAN

Member of the Council

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**I Registration Details**

Registration No.	1391	State Code	11
Balance Sheet Date	31.03.2010		

II Capital raised during the year (Amount in Rs Thousands)

Not Applicable

III Position of Mobilisation and Deployment of Funds (Amount in Rs Thousands)

Total liabilities	1,322,715	Total Assets	1,322,715
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Sources of Funds

Paid-up Capital	Nil	Reserves & Surplus	1,134,286
Secured Loans	Nil	Unsecured Loans	Nil

Application of funds

Net Fixed Assets	58,929	Investments	758,364
Net Current Assets	316,994	Misc Expenditure	-
Accumulated Losses	Nil		

IV Performance of the Company (Amount in Rs Thousands)

Turnover & Other Inc.	332,511	Total Expenditure	251,155
Surplus	81,356		

V Generic Names of the three Principal / Services of the Company (as per monetary terms)

Item Code No(ITC Code)	—
Service Description	Education and conduct of examinations in banking and related subjects

R. BHASKARAN
Chief Executive Officer

O. P. BHATT
President

Place: Mumbai
Date: JULY 2, 2010

P. BALACHANDRAN
Deputy Chief Executive Officer

Dr. K. RAMAKRISHNAN
Member of the Council

Notice of the 83rd Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 83rd Annual General Meeting of the members of the Indian Institute of Banking & Finance will be held at 4.30 pm on Friday, the 24th September 2010, in Seminar Hall I & II, Centre I, 31st Floor, World Trade Centre, Cuffe Parade, Mumbai 400 005 to transact the following business:

Ordinary Business:

1. To receive and adopt the Income and Expenditure Accounts of the Institute for the financial year ended on March 31, 2010, the Balance Sheet as on that date and Reports of the Governing Council and the Auditors.
2. To elect a member of the Council in place of Shri A. K. Misra, who retires by rotation under Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
3. To elect a member of the Council in place of Dr. K Ramakrishnan, who retires by rotation under Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
4. To elect a member of the Council in place of, Shri U C Sarangi who retires by rotation under Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
5. To elect a member of the Council in place of Shri Narayanan Raja, who retires by rotation under Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
6. To elect a member of the Council in place of Shri Ananthakrishna, who retires by rotation under Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
7. To elect a member of the Council in place of Shri M V Nair who retires by rotation under Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
8. To elect a member of the Council in place of Shri S. Sridhar, who retires by rotation under Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
9. To consider and, if thought fit, to pass with or without modification, the following resolution:
“RESOLVED THAT pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s.Mukund M. Chitale & Co., Chartered Accountants, Mumbai, be and are hereby appointed as Auditors of the Institute from the conclusion of this meeting till the conclusion of the next Annual General Meeting and that their remuneration be and is hereby fixed at Rs.6,50,000/- apart from service tax and reimbursement of out-of-pocket and actual travelling expenses incurred by them for the purpose of audit”.

Special Business:

10. To consider, and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:
To appoint Shri O P Bhatt, as the President of the Institute from the conclusion of 83rd Annual General Meeting to the conclusion of the 84th Annual General Meeting in terms of Article 69 of the Articles of Association of the Institute.

Place : Mumbai
Date : July 02, 2010

By Order of the Council

(R. Bhaskaran)

Chief Executive Officer

Registered Office:

Indian Institute of Banking & Finance
“The Arcade”, Tower 4, 2nd Floor
World Trade Centre, Cuffe Parade
Mumbai 400 005

NOTES:

- (a) Individual Members who are Fellows and Associates and Institutional Members are entitled to attend and vote at the General Meetings. Certificated Associates and Ordinary Members are entitled to attend all General Meetings but are not entitled to vote thereat. Persons who attend and vote at the meetings on behalf of the Institutional Members will have to produce a proper authorization from such members.
- (b) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.
- (c) The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 is annexed hereto.
- (d) A copy of the Memorandum and Articles of Association referred to in Item Nos.2 to 8 and 10 above will be open for inspection by the members from 1030 hours to 1230 hours on any working day at the Registered Office of the Institute.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Resolution No.10

The Council has decided to propose the name of Shri O P Bhatt as the President of the Institute under Article 69 of the Articles of Association and he has kindly consented to be elected as the President of the Institute from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting.

The Council recommends that the proposal at Item No.10 be approved.

Shri O P Bhatt may be deemed to be concerned or interested in the Resolution at Item No.10.

ADDENDUM TO THE NOTICE FOR THE ANNUAL GENERAL MEETING [continuation of the notice which is scheduled to be held on Friday, 24th September 2010 at 4.30 p.m.]

Item No 11: Re-appointment of Chief Executive Officer

To consider, and if thought fit, to pass the following with or without modification, as a **Special Resolution**:

“RESOLVED THAT, pursuant to the provisions of Section 269, 302, 309 of Companies Act and other applicable provisions of the Companies Act, 1956, approval of the Governing Council at its Meeting and Article 76A of the Articles of Association of the Institute, and subject to the approval of the Central Government, or any other Statutory Authority, as may be if required, the consent of the Members be and is hereby given for the re-appointment of **Shri. R. Bhaskaran** as the Chief Executive Officer (CEO) of the Institute, for tenure of five years, with effect from **18th December 2009**, on the terms and conditions, as stated in the Explanatory Statement attached to this Notice.”

“FURTHER RESOLVED THAT, the Governing Council be and is hereby authorised to undertake all the necessary steps, for the purpose of giving effect to the said Resolution and to alter the terms and conditions, as may be required, under the law.”

By order of the Council

Place: Mumbai
Date: July 2, 2010

R. Bhaskaran
Chief Executive Officer

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Resolution No: 11

The Council, in its meeting held on 9th July 2009 had confirmed the re-appointment of Shri R. Bhaskaran for a period of five years as the Chief Executive Officer of the Institute with effect from 18th December 2009. Shri R. Bhaskaran was originally appointed as the CEO of the Institute w.e.f 18th December 2004 for a period of five years.

Attention of the members is invited to sub-section (1) of Section 269 of Companies Act which clearly mentions that a public company or a private company which is a subsidiary of a public company having a paid up share capital of such sum as may be prescribed shall have a Managing Director or a Manager. The Institute has been advised that a Company not having any paid up share capital need not have any Managing Director or Manager and that all the other sub-sections would not, therefore, apply in respect of the appointment of the Chief Executive Officer, including making an application to the Central Government. The Institute has been advised that the Institute is entitled to appoint the Chief Executive Officer on such terms and conditions as it may decide and also such appointment will not require approval of the Central Government under Section 269.

Attention of the Members is also invited to the proviso to sub-section (3) of Section 309 of the Act which states that the remuneration payable to the Managing Director/ Manager of the Company cannot, individually be paid in excess of 5% of the Net Profits of the Company, without obtaining prior Central Government Approval.

In the circumstances, the Institute has, in terms of Section 309 of the Companies Act, 1956, decided to seek the approval of the members for the said appointment and remuneration by resolution at the General Meeting and accordingly, the Resolution at Item No. 11 is being placed for the approval of

the members of the Institute. Since the terms of appointment and remuneration payable to the CEO are subject to your approval, and since the principal terms of appointment and remuneration are being set out for your approval, the terms as given in the Explanatory Statement may be considered to be an abstract of the terms of appointment as required under Section 3 02(2).

The following are the principal terms and conditions of his appointment and the remuneration is within 5% ceiling stated above.

(1) Pay Scale: Rs. 74,000 - 2,000 - 84,000

(2) Dearness Allowance: Linked to Consumer Price Index

(3) Provident Fund: Institute shall contribute monthly to his Provident Fund account a sum equal to 12% of his basic pay + D. A. provided that he subscribes an amount not less than 12% of his basic pay + D. A. Withdrawals, both refundable and non-refundable, shall be governed by the Provident Fund rules of the Institute.

(4) Gratuity: He will be entitled to gratuity at the rate of one month's pay for every year of completed service or more than six months of service. Where the service is less than six months, he will be entitled to fifteen days pay as Gratuity. Gratuity is calculated on the basic pay last drawn at the time of his retirement from service.

(5) Perquisites:

(a) Housing: A house not exceeding a floor area of 1,500 sq. ft. will be provided with necessary furniture items. The cost of furniture items shall not exceed Rs. 3,50,000/- including Refrigerator and Air-conditioners. This will be valued as per Income Tax prevailing from time to time. He will have to pay 4% of the basic pay in the starting stage of the scale as house rent and 1.5% as rent for furniture. The charges for water, electricity and fuel consumed shall be borne by him.

(b) Conveyance: He will be provided with an air-conditioned Car. He will be entitled to free use of the car for office uses. If the car is used for personal uses a sum of Rs. 600/- shall be recoverable from him, upto 1,000 Km. per month and for every Km. in excess thereof shall be charged appropriately based on the running cost that may be decided by the Institute. The Institute will also provide a Driver. In case he does not avail of the services of the Institute's driver, he will be eligible for reimbursement of Rs. 4000/- per month towards driver's salary. Car and driver facility will be valued as per Income Tax for valuation of perquisites.

(c) Mode of Travel: He will be entitled to travel, on official work, by Air (Business Class); by train/ Steamer in the highest class, including air-conditioned class and by air-conditioned car wherever necessary.

(d) Halting Allowance: He will be entitled to Hotel accommodation in Hotel other than five star hotels while on tour on official purposes. The lodging rate shall not exceed the rate charged by a four star hotel owned by ITDC. In case where the accommodation in a hotel of the entitled class is not available or where such accommodation, although available is considered unsuitable, for his stay in terms of location, reputation etc. he may stay in a five star hotel and the entire expenses shall be borne by the Institute. In addition, the Institute may incur an expenditure on his boarding at a maximum rate of Rs. 1200/- per diem. Where he avails of the lodging and boarding facility, he will be entitled to 25% of the eligible per diem for meeting incidentals.

(e) Visits Abroad: He will be entitled for Diem Allowance of US\$ 500 while on visit to countries outside India for official purposes. In addition he will also be entitled to draw a lump sum of US\$

Indian Institute of Banking & Finance

500 on official work for the purpose of meeting the expenses on account of entertaining the official guests.

(f) Medical reimbursement: He will be entitled for reimbursement of all medical expenses both for hospitalization as well as private consultations as per the scheme approved by the Council.

(g) Leave Travel Concession: He will be entitled to Rs. 1,50,000 (Rupees One Lakh Fifty Thousand) per annum.

(h) Reimbursement of Tea, Lunch expenses: He will be entitled for reimbursement of expenditure incurred on any working day, towards the cost of lunch and tea subject to a maximum of Rs. 50/- per day.

(i) Entertainment Allowance: He will be entitled for reimbursement of actual entertainment expenses by the Institute subject to a ceiling of Rs. 50,000/- per annum.

(j) Communication Facilities: He will be entitled for reimbursement of monthly rental as well as call charges for a residential telephone.

(k) Club Membership: He will be entitled for reimbursement of membership fee for clubs of professional nature subject to a maximum of Rs. 5,000/- per annum.

(l) Residence Office: A portion of the residence will be furnished as residence office to facilitate carrying out the duties and responsibilities of the CEO after office hours. Cost of such furnishing should not exceed Rs. 50,000/-. In the residence office a PC, Modem and Fax may be provided, the cost of which will not be included in the above ceiling.

(m) Retirement Travel Concession: He will be entitled to draw all the benefits under the Institute's transfer rules as amended from time to time, on retirement for the purpose of moving his family to the place where he intends to settle down.

(n) Other benefits on Retirement: He will be entitled to buy the furniture including refrigerator and air-conditioners provided in the official residence at the book value or at 10% of the cost price, whichever is more.

(o) Entitlement of perquisite and other benefits during leave availed after retirement: He shall not be entitled to any facilities, except the following, during the leave period:

(i) He may continue to occupy the designated accommodation provided by the institute, rent-free for a maximum period of two months only. However, where the Institute is not in immediate need of the designated accommodation, he may, at the discretion of the Institute, continue to occupy the designated accommodation beyond the period of two months, but not exceeding the period of leave, subject to a maximum of total eight months.

(ii) The benefit of Provident Fund contributions as indicated in Item No. 3

(iii) Medical benefits as indicated in Item No. 5(f).

(iv) Use of Institute's Car, provided that the total expenditure incurred shall be limited to Rs.350/- per month and only expenditure excess of this amount shall be borne by him.

(v) The use of telephone provided by the Institute at the residence. All charges on account of local calls in excess of the free limit of local calls as well as on account of trunk calls/STD/ISD calls, etc., shall, however, be borne by him.

(p) Entitlement of perquisites and other benefits when leave is encashed on retirement: He may continue to occupy the designated accommodation provided by the Institute for a maximum period of two months only after retirement on payment of 10% of pay. He will not be entitled to any other facilities as indicated in item No.5(o) above

(8) Leave: He will be entitled to Casual Leave, Earned Leave and Sick Leave entitled to Officers of the Institute from time to time. The present entitlements are as under:

(a) Casual Leave: He will be entitled for twelve days of casual leave in a calendar year. In case he did not avail Casual Leave to the full extent in a calendar year, the same may be credited to his earned leave account in succeeding year.

(b) Earned Leave: He will be entitled for one day's earned leave for every eleven days. He will be permitted to accumulate the earned leave upto a maximum of 300 days. The accumulated leave could be availed of in instalments or at a time. Un-availed earned leave at the time of his retirement from service can either be availed partly and partly encashed or fully encashed. The leave encashment will be calculated on the basis of the last drawn pay plus allowances.

(c) Sick Leave: He will be entitled for sick leave on production of certificate from medical practitioner at the rate of 30 days per year. During the period of sick leave, he will be entitled to draw half the last drawn pay. The sick leave could also be commuted into leave with full pay by debiting twice the number of days on which he is absent from duty.

(9) Advances:

(a) Motor Car Advances: He will be entitled to avail of an advance for purchase of a motor car subject to the maximum of 90% of the cost with a ceiling of Rs.3,50,000/- at an interest rate not less than the PLR of the State Bank of India.

(b) House Building Advance: He will be entitled to an advance of Rs.7,50,000/- for acquiring a house subject to the terms and conditions contained in the Institute's Housing Loan Scheme.

(10) Residuary Matters: Any matter not covered by the above terms and conditions shall be decided by the Chairman of the Executive Committee subject to ratification by the Governing Council.

(11) Explanation: Perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such Rule, perquisites shall be evaluated at actual cost.

(12) Overall Remuneration: The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed from time to time under section 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may from the time being be in force.

(13) Termination Of Service: The contract may be terminated by giving three months notice in writing or by paying three months emoluments in lieu thereof, by either side.

The Council recommends that the proposal of Item No. 11 be approved.

Shri R. Bhaskaran may be considered to be interested in the Item No.11

Important Notice to the Candidates for the CAIB Examination

The Institute will be launching the modified structure for CAIB examination from December, 2010 onwards. For this purpose the Institute has completely revised and restructured the syllabus for the CAIB Examination in consultation with all its stake holders.

Revised (2010) Syllabus

Candidates to the new CAIB examination will have to write two compulsory papers and one optional paper. The list of compulsory papers and elective papers are given below. Among the eleven elective papers the candidate will have chose one elective paper.

I COMPULSORY PAPERS

1. Advanced Bank Management
2. Bank Financial Management

II. OPTIONAL PAPERS (Select one)

1. Corporate Banking
2. Rural Banking
3. International Banking
4. Retail Banking
5. Co-operative Banking
6. Financial Advising
7. Human Resources Management
8. Information Technology
9. Risk Management
10. Central Banking
11. Treasury Management

The course content has been carefully developed so as to be relevant to the modern banking workspace and SBUs of the banks particularly in an era of vertical based banking operations.

The details of the syllabus and course content, examination rules can be viewed at <http://www.iibf.org.in>

Coursewares for the compulsory and elective subjects are under print and will be published by end of July 2010. The translation of the courseware in Hindi is underway and in due course the candidate should be able to download the same from the Institute's portal.

January 2011 Exam

The revised syllabus is being introduced from Dec 2010/Jan2011 examination.

Therefore both (a) Candidates enrolling first time for the CAIB examination and (b) candidates who desire to re-enroll for CAIB examination i.e. after having availed four (4) permissible consecutive attempts and not completing examination will have to submit their applications under the revised (2010) Syllabus. These candidates cannot apply for the examination under previous syllabus. In fact the institute will not accept any new application under the old pattern. Accordingly the old pattern examination will cease to exist after Dec 2011.

It is recommended that candidates who had enrolled for CAIIB for December 2009 examination and have completed two attempts in the CAIIB examination as of June 2010 without passing any paper so far may consider applying under the new syllabus instead of enrolling for 2nd block of 2 attempts under the old syllabus.

For Candidates already enrolled for CAIIB examination under old syllabus:

- The present time limit of four consecutive attempts for passing the examination will continue.
- Candidates can however move to the Revised Syllabus even before availing all four (4) permissible consecutive attempts.
- Candidates will not get credit for subject/s passed, if any, under the old syllabus as the course has been completely revamped and re-structured.
- **No new candidate for the old syllabus will be enrolled effective from November 2010. New candidates necessarily need to enroll for revised syllabus only.**

For those who have already passed CAIIB.

In order to address the needs of continuous professional developments, candidates, who are already CAIIB, can appear for elective subjects of their choice. On passing the same the candidate will be given a certificate on the given elective as a post CAIIB qualification. However as the Examination of all elective papers will be conducted simultaneously, candidates can apply for only one elective paper at a time. In due course the institute will link such additional qualifications for the award of its Associate Membership to the candidates.

For details of syllabus, application forms and dates of examination etc., visit <http://www.iibf.org.in>

Revision in Exam Fees for JAIIB and CAIIB Examination

With effect from December 2010 examination the fees for the JAIIB and CAIIB have been revised as under:

JAIIB Rs. 1800 for 1st block of 2 attempts
 Rs. 1800 for 2nd block of 2 attempts

CAIIB Rs. 2100 for 1st block of 2 attempts
 Rs. 2100 for 2nd block of 2 attempts
