

Annual Report 2011-2012



INDIAN INSTITUTE
OF BANKING & FINANCE

(ISO 9001: 2008 Certified)



Mr. N. Vaghul, former Chairman of ICICI Bank delivering the 5th R.K. Talwar Memorial Lecture on 7th September 2011 at State Bank of India Auditorium, Mumbai.



Dr. Andrew Sheng, Chief Advisor, China Banking Regulatory Commission, China, delivering the 28th Sir Purshotamdas Thakurdas Memorial Lecture on 16th November 2011 at State Bank of India, Auditorium, Mumbai 400 021.

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& CEO
YES Bank



Shri Ananthakrishna
Chairman
Karnataka Bank Ltd.



Shri S. K. Banerji
Managing Director
The Saraswat Co-op.
Bank Ltd.

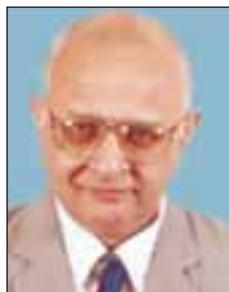


Shri T.M. Bhasin
Chairman &
Managing Director
Indian Bank



Smt. A. Bhattacharya
Dy. Managing Director
State Bank of India

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Prof. Y. K. Bhushan
Vice Chancellor
ICFAI University,
Meghalaya



Shri J. P. Dua
Chairman &
Managing Director
Allahabad Bank



Shri Pratip Chaudhuri
Chairman
State Bank of India



Shri S. Karuppasamy
Executive Director
Reserve Bank of
India



Shri Arun Kaul
Chairman &
Managing Director
UCO Bank



Shri A. K. Misra
Chairman &
Managing Director
Bank of India



Dr. K. Ramakrishnan
Chief Executive
Indian Banks'
Association



Shri S. Raman
Chairman & Managing
Director, Canara Bank



Shri M. Narendra
Chairman & Managing
Director, Indian Overseas Bank



Shri M. Balachandran
Director,
Institute of Banking
Personnel Selection



Prof H Krishnamurthy
Chief Research Scientist,
Indian Institute of
Science



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Bank of India



M.V. Tanksale
Chairman & Managing
Director, Central Bank of
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Allen C.A. Pereira
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National Institute of Bank
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Dr. R. Bhaskaran
Chief Executive Officer
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N. S. Kujur
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P. Balachandran

Auditors : M. M. Chitale & Co.
Bankers : State Bank of India
Solicitors : Girish & Dave & Co.
Registered Office : Indian Institute of Banking & Finance
Kohinoor City, Commercial II,
Tower I, 2nd Floor, Kirol Road,
Kurla (West), Mumbai 400 070

ANNUAL REPORT

2011-12

Dear Members,

Your council has pleasure in presenting the 85th Annual report of the Institute, including the Audited Statement of Accounts for the year ended March 31, 2012.

Macroeconomic and banking developments during- 2011-12

The Indian economy returned to a stable growth path in 2011-12. However, challenges emerged as the year ended. First, investment activity slowed in the first half of the year as business confidence was impacted by high commodity prices, tight monetary policy, political factors and execution issues. Second, while headline fiscal numbers improved during the year, the improvement was led by cyclical and one off factor, leaving its sustainability in question. Third, though monetary policy tightened throughout the year, inflation remained sticky on the back of new pressures. It also turned broad-based in the later part of the year with cost-push and demand-pull factors feeding into producer prices. This prompted the Reserve Bank to take aggressive policy actions during May-July 2011. It hiked the rate by 50 bps in May, 25 bps in June and again by 50 bps in July. With this, operational policy rate has been raised by 3.75 bps in less than 17 months since March 2010. Monetary transmission improved considerably in the latter half of the year 2010-11 after sustained tight liquidity which prompted banks to raise deposit and lending rates. It continued in 2011-12 helping avert inflation gathering further momentum amidst high inflation expectations and persistence of pricing power of the producers, reflecting strong demand.

The global economy, remained moderate in 2011-2012. Euro area is entering into a mild recession, while growth and employment conditions in United States of America are improving. Growth in emerging markets, especially China and India is slowing down than what was earlier anticipated. In spite of a dip in growth, the world economy is unlikely to lapse into another recession.

No doubt, macroeconomic challenges in Indian economy warrant careful calibration of monetary policy which Reserve Bank is efficiently and effectively managing. Policy makers are optimistic about the fact that growth is likely to improve moderately in 2012-13. While inflation has moderated, risks to inflation are still on the upside. Accordingly, monetary policy needs to support growth by fuelling demand and keeping a check on inflation and external imbalances. Similarly, Fiscal Policy has a key role to play in expediting public investment while ensuring Fiscal Consolidation.

The Business Expectation Index (BEI), a composite indicator based on several business related parameters for the assessment and expectations quarters, shows an increase for the last quarter in 2011-12 and a marginal decline for the quarter ahead. Global uncertainties and domestic cyclical and structural factors lowered the growth to below seven percent in 2011-12. The Reserve Bank's own assessment of leading indicators suggests that the growth during 2012-2013 may be normal. Revival in the industrial sector hinges on the impetus to ease supply-side constraints, especially in the energy and mineral sector. Government initiatives to revive the power sector would be helpful in reviving the growth momentum. As regards external sector, export growth may weaken despite continued trade diversification as growth in emerging and developing economies slows down. Finally, Balance of Payment risks in respect of Indian economy may accentuate and warrant caution.

Banking Developments:

During the last two decades, banking industry worldwide has undergone phenomenal transformation. The transformation has been partly policy driven and partly facilitated by the developments in information and communication technology. In India, financial sector reforms during this period were additional key drivers for this transformation. As the centre of economic gravity shifts towards Asia, Indian financial sector has to gear up to fully exploit this opportunity.

It is very critical to keep the credit lines flowing especially during a crisis when typically banks could become risk averse and would prefer to sit on cash rather than lend. During the post-Lehman phase when there was a credit freeze in the market, Central Banks stepped in and provided backstop lending facilities in multiple currencies in a coordinated manner. This brought back confidence in the market. In this context, a counter cyclical buffer for capital has been mandated for the banks under Basel III.

Bank Deposits/GDP rose from 40.3% in 1990-91 to 73% in 2010-11. Bank Credit/GDP increased from 24.3% to 54.5% over the same period. No sign of disintermediation post reforms was seen. This has helped net interest margin. With respect to strengths on the liability side, overwhelming proportion of liabilities (around 80%) were accounted for by deposits of which one third are low-cost deposits (CASA).

Going forward, as the Indian economy has the potential to grow at 8-10 percent per annum in the medium term; one can see the financial sector also expanding. To support this growth trajectory, credit growth of banking sector in India needs to increase at 18-20 percent per year in the next 10 years. With this, India's banking sector is expected to become ₹ 200 trillion industry by 2020 as projected by a leading Consulting Group recently, from ₹ 40 trillion today. This will see demand for financial products soaring, and therefore, the prospects for the banking sector look promising. At the same time, banks need to focus on driving down costs, leveraging technology, focusing on alternative delivery channels and providing effective logistics for cash management to tap the rural population. The challenge ahead for banks will be to achieve the stringent targets for capital set for them. Considering the resilience shown by the Indian banks over the years, one can confidently hope that they will be able to measure up to the expectations of the regulator as they have done in the past.

Review of Institute's performance during the year

The Institute is involved in offering examinations, training, research and consultancy towards professionalizing the executives of banking and finance sector. In this regard, during the year under review, the Institute has performed quite well in all these aspects. The following is the review of Institute's performance during the year.

I. MEMBERSHIP

Individual Members:

The Institute's main focus is on individual members. The number of individual members was 4,50,732 as of 31.3.2012 in comparison to 3,92,585 for the previous year (Table 1). The number of new members who joined the Institute during the year was above 58,000 and during the last five years, the number of new members has gone up by nearly 2 lakh. This growth can be attributed to the current phase of recruitments in the banking sector.

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Table 1 : Details of Membership

Category	Total number as on 31/3/2011	New & renewals during the year 2011-12	Total Members as of 31/3/2012
Fellows	236	—	236
Associates	406	12	418
Ordinary Members	392585	*58147	450732
Institutions	670	7	677

*Includes 629 renewals.

Associate and Fellow Membership: Criteria are as under:

Associate and Fellow members have voting powers. During the year, the Council has revised the criteria for election of Associate and Fellow members. The details are as under:

To become an Associate Member, an applicant should:

- have completed CAIIB examination and be a life member of the Institute;
- be in the Senior Management position of Chief Manager and above in Public Sector Banks/ Financial Institutions or its equivalent and above; and
- Submit his/her application duly approved by the HR Head of the Bank / Financial Institutes who are institutional members of the Institute.

To become a Fellow Member, an applicant should:

- have completed CAIIB Examination and be a life member of the Institute;
- have completed minimum of two years as an Associate Member;
- be in the position of Deputy General Manager and above in Public Sector Banks/Financial Institution or its equivalent and above; and
- submit his/her application duly approved by the Chairman or the Chief Executive of the bank/Financial Institutes who are institutional members of the Institute.

As per these norms, the Institute elected 12 new Associate Members during the year.

II. EXAMINATIONS

The Institute offers Associate Examinations to its members.¹ A number of Diploma and Certificate examinations are also on offer. In addition, the Institute has diversified its activities to build capacity for employees working in firms which are in the banking domain. The list of institutions whose employees appear for the Institute's examination is as under:

Reserve Bank of India
Banks: Public Sector, Private Sector, Foreign, Cooperative and RRBs
Financial Institutions: SIDBI, NABARD, IDFC, EXIM Bank, ECGC etc.
Micro Finance Institutions
NBFCs
Mutual Funds
Business Correspondents
I T & BPO Companies
Debt Recovery Agencies
Home Loan Advisors
Financial / Wealth Management Advisors

¹ JAIB, CAIIB and DB&F are classified as associate examinations.

The performance of the Institute in various examinations is as under:

1. Associate Examinations and DB&F

Table 2 : Particulars of candidates under flagship/associate examinations

2010-11			Examination	2011-12		
Enrolled	Appeared	Passed		Enrolled	Appeared	Passed
118882	96349	13830	JAIIB	138412	108894	18858
35705	28262	8314	CAIIB	8052	6356	1751
4427	3814	625	Diploma in Banking & Finance	5820	4458	716
10199	8787	1798	CAIIB (revised)	39189	32755	7540
169213	137212	24567	TOTAL	191473	152463	28865

The number of candidates enrolling² for the JAIIB examination has gone up by nearly 20,000 during the year. This increase is primarily due to the recruitment of staff by both public and private sector banks. In order that all the new personnel of banks become its members, the Institute has been reaching out to various branches and training centers to meet and request the staff to become members of the Institute. It is indeed a matter of pride that most banks advise the new employees to become members of the Institute, as soon as they join the banks.

CAIIB has recorded an increase of 1337 candidates. DB&F has recorded an increase of about 1400 candidates. The Institute will take concerted efforts to increase the enrollment in these two exams.

DB&F is slowly gaining acceptance as an entry point qualification. The Institute will enter into more focused MOUs with colleges to increase the acceptability of DB&F.

In addition, candidates who have completed CAIIB appeared for some of the elective subjects as a Continuous Professional Development programme.

Choice of Electives - CAIIB - 2011

The revised CAIIB has two compulsory papers and one elective. The choice of CAIIB elective papers among the candidates during 2011 exams was as under:

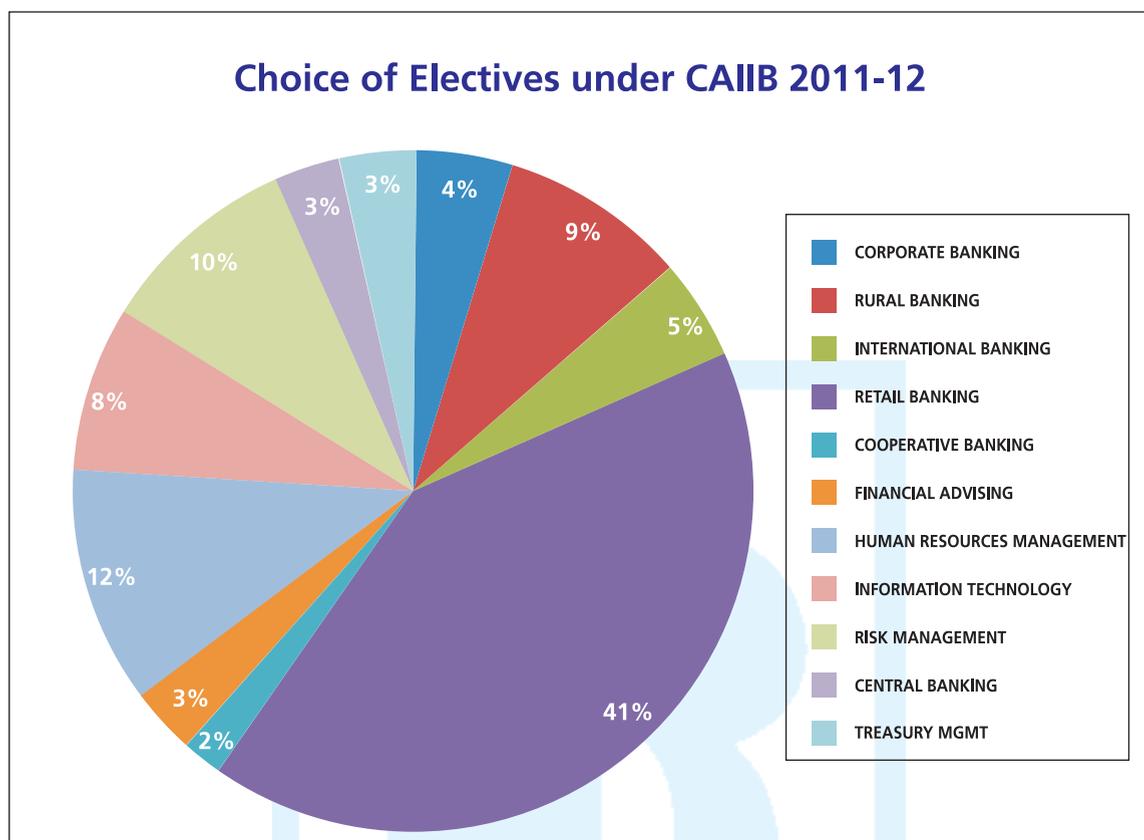
Table 3 : Choice of Electives in CAIIB

Subject	May-11	Nov-11	Total
Corporate Banking	519	667	1186
Rural Banking	1193	1230	2423
International Banking	698	691	1389
Retail Banking	4348	6818	11166
Cooperative Banking	239	284	523
Financial Advising	376	488	864
Human Resources Management	1485	1669	3154
Information Technology	975	1277	2252
Risk Management	1200	1396	2596
Central Banking	396	432	828
Treasury Management	433	498	931
Total	11862	15450	27312

² The term 'enrolled' used in this and other tables will include candidates joining the course for the first time, re-enrolling after exhausting previous attempts, and those who have attempts remaining. The Institute conducts exams twice.

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Among the electives, Retail Banking was the most preferred choice followed by HRM and Rural Banking. Graphically, the position was as under:



The details of candidates enrolling and appearing for Diploma and Certificate exams are given below:

Table 4 : Number of Candidates for Diploma Examinations of the Institute

2010-11			Diploma Examinations	2011-12		
Enrolled	Appeared	Passed		Enrolled	Appeared	Passed
155	62	26	Banking Technology	90	36	13
927	473	29	International Banking & Finance	771	382	66
656	398	141	Treasury Investment and Risk Management	511	368	101
2094	932	504	Advanced Diploma in Wealth Management	982	722	260
128	113	74	Advanced Diploma In Co-op / Urban Co-op Banking	172	157	98
363	289	138	Micro Finance	224	150	113
65	35	13	Commodity Derivatives for Bankers	60	28	3
199	173	167	Diploma in Home Loan Advising	249	207	194
4587	2475	1092	TOTAL	3059	2050	848

Table 5: Candidates for various certificate examinations of the Institute

2010-11			Certificate Examinations	2011-12		
Enrolled	Appeared	Passed		Enrolled	Appeared	Passed
54	24	9	Banking Oriented Paper in Hindi	304	167	64
3271	2906	2108	Trade Finance	2883	2496	1749
5770	5115	4607	AML & KYC	4182	3751	3050
424	332	63	Information System Banker	602	498	112
136	97	92	Project Finance Course	84	72	69
291	209	200	Treasury for RBI employees	-	-	-
186	140	74	Quantitative Methods	203	149	81
605	549	478	Customer Service & Banking Codes & Standards	1599	1370	1181
3401	2962	2813	SME	3153	2701	2525
338	299	286	Credit Card For Bankers	315	267	250
30666	27683	20958	Debt Recovery Agents	15668	14103	10479
2362	2204	2084	DRA – Tele Callers	795	689	625
1940	409	391	Financial Inclusion	18400 ³	14900 ⁴	14892
			Certificate Examinations to BPO/IT Companies			
578	560	373	Basics of Banking	1493	1367	767
32	31	30	Credit Card Operations	61	55	53
50054	43520	34566	TOTAL	49742	42585	35897

It can be seen that some of the diploma and certificate examinations have witnessed a decline in the number of candidates enrolled for the courses concerned.

The reasons for this could be:

- i. The P.G. Diploma in Financial Advising has witnessed a high decline. It may be added that this course was rechristened as Advanced Wealth Management course in order to avoid the usage of the word P.G. The removal of the prefix P.G. has, possibly impacted the enrollment.
- ii. The Institute has revised its CAIIB examination. In terms of the revision, eleven elective papers covering different facets of banking and finance are being offered. Some of these electives are in the areas of Financial Advising, Retail Banking, Treasury Management, Risk Management, International Banking etc. Candidates who have cleared their CAIIB exams are also taking these electives. Some of the candidates prefer taking these electives rather than appear for the diploma and certificate exams. This may be a factor for decline in the number of candidates appearing for certain diploma / certificate courses like International Banking & Finance, Trade Finance, Treasury Management, etc.
- iii. The reduced number of candidates for Debt Recovery Agents examination is on account of the DRA work coming down due to reduced emphasis on retail loans.

The Institute will be introducing new courses in IT, Cyber Crime, RRBs, FEMA and ALM. These new courses which have been designed and developed based on the suggestions /

³ Number of candidates enrolled is based on requests from banks for batches to be created 10 days in advance of commencement of training.

⁴ Actual number of candidates reported for training.

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recommendations received from Indian Banks' Association and bankers are expected to increase the number of candidates appearing for the diploma / certificate courses offered by the Institute.

Non-member candidates

Generally, the Institute's examinations are open to its members only. As banking and finance knowledge is needed by some of the service providers of the banking sector, some of the exams of the Institute were opened to IT/BPO companies, NBFCs, DRAs etc. To accommodate employees of such organizations, some examinations of the Institute, other than the flagship examinations, are open to non-members too. It can be seen from the table below that the number of candidates taking the examinations from the non-banking sector is on the rise in respect of some examinations. Management graduates are taking the examinations as an 'add on' qualification while pursuing their main courses.

Table 6 : Number of Non-Member Candidates for various examinations.

Examination	Total Enrolled 2010-11	Non-Members 2010-11	Total Enrolled 2011-12	Non-Members 2011-12
Diploma in Banking Technology	155	64	90	29
Diploma in International Banking	927	194	771	167
Diploma in Treasury Investment & Risk Management	656	146	511	90
Advanced Diploma in Wealth Management	2094	210	982	161
Advanced Diploma In Co-op. Banking / Urban Co-op. Banking	128	13	172	6
Micro Finance	363	237	224	120
Diploma in Commodity Derivatives	65	12	60	5
Diploma in Home Loan Advising	199	13	249	35
Certificate in Trade Finance	3271	321	2883	363
Certificate in AML & KYC	5770	447	4182	329
Certified Information System Banker	424	22	602	23
Project Finance Course	136	61	84	30
Quantitative Methods For Bankers	186	27	203	36
Customer Service & Banking Codes & Standards	605	174	1599	322
SME	3401	100	3153	92
Credit Card	338	93	315	91
Employees of BPO/IT Companies	610	610	1554	1554
TOTAL	19328	2744	17634	3453

Pass Percentages

In most of its examinations, the Institute adopts multiple choice questions. Only four diplomas are conducted on descriptive pattern. The following table gives the pass percentages.

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	
	2010-11	2011-12	2010-11	2011-12
Associate Examination				
JAIIB	81.05	78.67	14.35	17.32
CAIIB	79.15	78.94	29.42	27.55
Diploma in Banking & Finance	86.15	76.60	16.39	16.06
CAIIB(revised)	86.16	83.58	20.46	23.02
Diploma Examinations				
Banking Technology	40.00	40.00	41.94	36.11
International Banking & Finance	51.02	49.55	6.13	17.28
Treasury Investment and Risk Management	60.67	72.02	35.43	27.45
Advanced Diploma in Wealth Management	44.51	73.52	54.08	36.01
Advanced Diploma In Co-op./Urban Co-op. Banking	88.28	91.28	65.49	62.42
Micro Finance Professionals	79.61	66.96	47.75	75.33
Commodity Derivatives for Bankers	53.85	46.67	37.14	10.71
Diploma in Home Loan Advising	86.93	83.13	96.53	93.72
Certificate Examinations				
Banking Oriented Paper in Hindi	44.44	54.93	37.50	38.32
Trade Finance	88.84	86.58	72.54	70.07
AML & KYC	88.65	89.69	90.07	81.31
Information System Banker	78.30	82.72	18.98	22.49
Project Finance Course	71.32	85.71	94.85	95.83
Treasury for RBI employees	71.82	–	95.69	–
Quantitative Methods	75.27	73.40	52.86	54.36
Customer Service & Banking Codes & Standards	90.74	85.66	87.07	86.20
SME	87.09	85.71	94.97	93.48
Credit Card For Bankers	88.46	84.76	95.65	93.63
Debt Recovery Agents	90.27	90.01	75.71	74.30
DRA - TELE CALLERS	93.31	86.67	94.56	90.71
Financial Inclusion	21.08	80.97	95.60	99.95
Basics of Banking	96.89	91.56	66.61	56.11
Credit Card Operations	96.88	90.16	96.77	96.36

The pass percentage indicates a mixed trend, though over all, position looks quite comparable with the previous year. The Institute has taken many steps by way of academic support to help the candidates to prepare well for the examinations, details of which are given separately in this report.

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CAIIB electives for Continuing Professional Development

The Institute offers the elective papers of CAIIB as part of the Continuing Professional Development for the candidates who have already passed CAIIB. The following table gives the details of the number of candidates opting for different electives. With the exception of Cooperative Banking, in respect of all the other electives, there has been an increase in the number of enrolled candidates. The increase, albeit small, is encouraging. Some banks have also issued guidelines to their staff to take up these electives as part of their CPD.

Table 8: Number of candidates who had taken CAIIB electives for Continuous Professional Development

2010-11			Elective Subjects for Examinations - CPD	2011-12		
Enrolled	Appeared	Passed		Enrolled	Appeared	Passed
86	66	44	Corporate Banking	144	118	99
48	39	33	Rural Banking	65	51	43
79	71	50	International Banking	162	135	104
130	104	100	Retail Banking	166	149	138
22	21	19	Cooperative Banking	18	17	11
71	59	57	Financial Advising	104	87	72
61	52	48	Human Resource Management	86	73	69
28	20	12	Information Technology	61	51	35
41	29	28	Risk Management	80	60	32
13	10	10	Central Banking	42	36	33
72	58	36	Treasury Management	138	110	46
651	529	437	Total	1066	887	682

It can be seen that Retail Banking was the most sought after elective followed by International Banking and Corporate Banking.

Examination at Overseas Centers

The Institute has conducted JAIB and CAIIB examinations at Dubai centre during the year, details of which are given in Table 9.

Table 9: Overseas centre – Dubai : No. of candidates

Year	JAIB	CAIIB
Nov-Dec2011	34	8

Advanced Management Programme

The Institute has been offering the Advanced Management Programme in Banking and Finance in collaboration with leading B-Schools. During the year 2011-12, Welingkar Institute of Management Development & Research had completed its 3rd batch of AMP and 17 candidates successfully completed the programme. SIESCOM, Nerul also completed their 3rd batch of the AMP programme, which was attended by 18 bankers. The first batch of the AMP was also

completed by IPE, Hyderabad which was attended by 13 candidates. With this, eight batches of AMP have been successfully completed across the country in the last four years. Both Welinkar and SIESCOM have commenced their next batches of AMP.

Certificate course in Project Finance in collaboration with IFMR, Chennai

The Institute offers a Certificate course in Project Finance in collaboration with Institute for Financial Management and Research (IFMR), Chennai. During the financial year 2011-12, 3 batches of Project Finance course were organized, between 2nd May to 7th May 2011, 21st August to 27th August 2011 and 21st November to 26th November 2011. So far, the Institute had organized 17 batches of the Project Finance course. In all, 371 candidates have enrolled for the course; out of which, 233 were from the banking sector. 351 candidates have successfully completed the course.

Certificate examination for Business Correspondents/Business Facilitators (BC/BF)

The Institute has been offering a training cum examination oriented Certificate Course in Business Correspondents/Facilitators (BC/BFs) wherein, the training is given by the Accredited Training Institutions. The training and test is being conducted for more than two years now. This is a unique course, designed and developed by the Institute where the examination is offered in 10 languages. The Institute has adopted technology to deliver the course at various parts of the country at very short notice.

The course aims to provide basic knowledge in banking operations and helps the candidate in developing an overall understanding of the role and functions of banks, basics of banking operations and procedures, role and functions of BC/BFs, financial advising / counseling and various forms / documents used in banks.

Salient features of the examination:

- This examination has been launched after taking the feedback of the stakeholders' viz. bankers, accredited institutions, technology vendors and target group.
- Five days of structured training is offered to all candidates.
- On completion of training, the candidate appears for examination conducted by the Institute. The test is an objective type one and conducted off-line.
- Examination has two components-internal assessment for 40 marks by accredited training bodies and external assessment by the Institute for 60 marks.
- The examination is conducted on the 5th day of the training at the same venue of training.
- The examination is being conducted in different languages like Hindi, English, Tamil, Malayalam, Telugu, Kannada, Marathi, Bengali, Oriya and Assamese. All question papers are in bilingual form.
- The courseware, which has been brought out in multiple languages, aims at building up the capability, competence and confidence of CSPs for delivering bank products.
- The faculty of accredited training institutions and trainers of banks, are given exclusive "Train the Trainers' Programmes (TTPs) on Financial Inclusion" by the Institute, and are also provided with detailed Training Kit to conduct the 5 days programme.
- During the year, the Institute has trained about 15,000 candidates in 341 training programmes so far, through the accredited institutions.

Table 10: BC/BF - number of training programmes organised

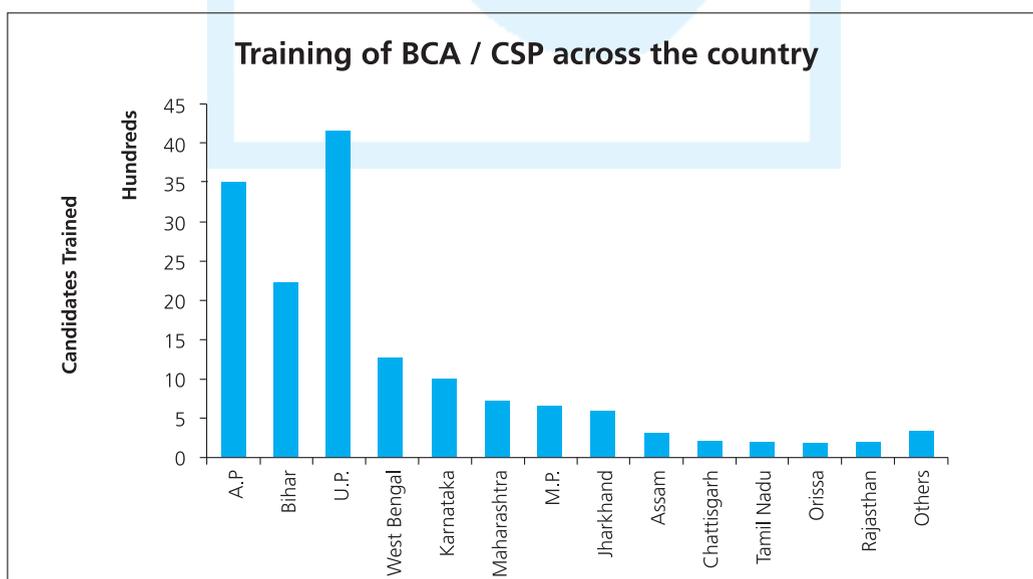
Name of the state	No. of Programmes	Name of the state	No. of Programmes
1. Andhra Pradesh	68	11. Madhya Pradesh	20
2. Assam	3	12. Maharashtra	20
3. Bihar	71	13. Orissa	6
4. Chhattisgarh	7	14. Rajasthan	5
5. Delhi	1	15. Tamil Nadu	6
6. Haryana	4	16. Uttarkhand	3
7. Himachal Pradesh	3	17. Uttar Pradesh	73
8. Jharkhand	9	18. West Bengal	19
9. Karnataka	20	TOTAL	341
10. Kerala	3		

- The Institute has brought out books in 10 languages with support from authors across the country and the publisher.
- Indian Banks' Association (IBA) has asked banks to take advantage of the TTP offered by the Institute for training their faculty on BC/BF training. The Institute has conducted a few TTPs in Mumbai and at other locations as requested by banks and RUDSETIs.

Table 11 : Financial Inclusion – State-wise No. of BC/BFs (CSP/BCA) trained

The cumulative number of Business Correspondents and Business Facilitators trained; state-wise are given below.

State	Total Trained	State	Total Trained
1. Andhra Pradesh	3486	11. Madhya Pradesh	634
2. Assam	305	12. Maharashtra	704
3. Bihar	2213	13. Orissa	169
4. Chattisgarh	197	14. Rajasthan	168
5. Delhi	26	15. Tamil Nadu	175
6. Haryana	97	16. Uttar Pradesh	4131
7. Himachal Pradesh	47	17. Uttarkhand	78
8. Jharkhand	578	18. West Bengal	1248
9. Karnataka	986	TOTAL	15309
10. Kerala	67		



As can be seen, the majority number of BCs / BFs trained has been from North India.

III. ACADEMIC ACTIVITIES

III.1. New Courses/programmes

Over the last few years, the Institute has been designing new courses/examinations. During the year, the Institute worked in the following new areas:

(i) Certificate course on Foreign Exchange Facilities

RBI had constituted a committee to review the facilities for individuals under Foreign Exchange Management Act (FEMA) 1999. The committee observed that many of the branch personnel were not aware of the facilities available for individuals which resulted in customers being denied the service. The committee has, inter-alia, recommended that the 'Indian Institute of Banking & Finance' may offer a certificate course on Foreign Exchange facilities for individuals and conduct an on-line examination.

The Institute has worked in close co-ordination with FEDAI and developed appropriate syllabus and courseware. Foreign Exchange Dealers' Association of India (FEDAI) opined that the course be christened as "Foreign Exchange Facilities for Individuals under FEMA 1999". The courseware has been prepared and the first examination will be held in December, 2012.

(ii) Certified Bank Trainer Programme

Banks are seized of the necessity to improve their market share, for which, their need for trained professionals is on the rise. Also due to the expansion in the banking space and developments in the banking sector, the skill sets of the staff need constant up-gradation. This continuous need for upgrading the skill sets of the personnel warrants that banks devote more time and financial resources in training their employees. Banks have their own training colleges but the faculty turnover, on account of job rotation and transfers, is high. Banks need trainers who have good training skills, experience and knowledge of banking activities to impart the needed training to their employees. Additionally, due to intense recruitment drive by commercial banks in our country, there is an urgent need for imparting training to these new recruits at both induction and advanced levels. This would result in an increasing demand for trained/qualified trainers in the banking domain.

Banks do not recruit trainers but deploy the available staff to perform the role as trainers. These staff are well versed in banking but not experienced in the delivery of training. The Institute, recognizing the need to develop bank faculty plans to offer a "Certified Bank Trainer Programme". This need for qualified trainers is not restricted to our country and situation is same in almost all the developing countries where SME banking and Financial Inclusion are getting the much needed thrust. The Institute can, therefore, expect response for this programme from other countries also.

(iii) Certificate courses in IT Security and Cyber Frauds

In the wake of implementing the Gopalkrishnan Committee's (RBI) recommendations on electronic banking, the Indian Banks' Association had formed a Sub-Group to look into the need for certification courses in IT Security, Information Technology and related issues. The sub group members were as under:

Dr. R. Bhaskaran, CEO, IIBF - Convener

Prof. H. Krishnamurthy, IISC, Bangalore

Mr. Pravir Vohra, GM, ICICI Bank

Mr. Vikram Asnani, DSCI

Mr. M.V. Sivakumar, IDRBT

Mr. Ajay Kumar Misra, GM, PNB

Mr. P.K. Malhotra, PNBIIIT

Dr A.M. Padgoankar, Sr.Advisor, Banking Technology, IBA

The group has, *inter alia*, recommended the following courses for bankers:

1. Introduction of a certificate course on "IT Security".

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2. Introduction of a certificate course on “Cyber Crimes and Fraud Management”.
3. Training program for IT Supervisors (at all levels of IT Heads) on IT Security, Cyber Crimes & Fraud Management for three/four days.
4. Since the training mentioned at 3 above is important and needs to be given to all banks, the Institute may introduce a Trainers’ Training Program (TTP) on “IT Security, Cyber Crimes & Fraud Management”.

The Institute has completed preparation of the courseware and the first two courses will be offered from December, 2012.

(iv) RRB Course:

The Institute had met the Chairmen of many RRBs in a series of meetings held in the second half of 2010. Based on the consensus in the meetings, the Institute has prepared an exclusive courseware on banking operations in RRBs. The Institute will be offering this course for the employees of Regional Rural Banks from December 2012.

(v) Certificate Examination in Asset Liability Management

A certificate examination in Asset Liability Management will be launched in 2012-2013.

III.2 E-Training

The Institute has developed e-lessons for all the three papers of JAIB and 2 compulsory papers of CAIB. The e-lessons for the electives of CAIB are under preparation. On the strength of these e-lessons, the Institute introduced an e-training program for the direct recruits (Officers/Clerks) of banks in 2011.

The objective of this programme is to make available structured, quality inputs to the new recruits in the form of e-learning and make them job ready within a short period, preferably from the day they join banks. The training provides e-learning on banking, e-learning on CBS followed by an online exit test. The enrolled candidates will get an overview of the banking job, even before they join a bank or immediately on joining the bank. This will result in reducing the induction training period and efforts in banks and thereby reduce the initial training cost to new recruits. The on-line test will also make the new recruits learn the subjects more closely. E-Training is offered to candidates who are shortlisted for the job or as soon as they join the bank such that they become job ready quickly. Bank-wise, the number of candidates who took the course during this year is listed below.

Table 12: Details of banks and number of new recruits in the E-Training

Sr. No.	Bank Name	No. of Candidates
1.	State Bank of Travancore	203
2.	IDBI Bank	606
3.	Citi Bank	69
4.	Bank of Maharashtra	807
5.	Syndicate Bank	106
6.	Oriental Bank of Commerce	681
7.	Union Bank of India	517
8.	Punjab & Sindh Bank	161
9.	Indian Bank	578
10.	Corporation Bank	545
11.	HDFC Bank	1474
12.	Bank of India	194
13.	Indian Overseas Bank	1012
14.	UCO Bank	464
	Total	7417

E-training of direct/new recruits has good scope and can be taken up by all banks on a continuous basis. The benefits to the banks in terms of reducing cost of training is an added advantage. The e-lessons come with Hindi Voice over. The Institute will market the training to all banks during 2012-13.

III.3 Other academic initiatives

E-Learning

The Institute has provided e-learning facility to all the candidates of JAIIB/CAIIB/DB&F in 2011-12. E-learning is available for all the 3 subjects of JAIIB/DB&F and two compulsory papers of CAIIB examinations. During the year, 78,403 login ids were issued to JAIIB candidates, 22,537 login ids were issued for CAIIB candidates and 3,418 login ids were issued to DB&F candidates.

Webex classes:

The Institute has started Web Classes with effect from April 2011 for JAIIB/CAIIB and DB&F examinations. All the enrolled candidates are given access to the web classes. The Institute has, with the help of subject matter experts developed tutorial lectures for each of the papers. These lectures were recorded and provided in the form of web classes. On an average, each module is covered in 7 to 8 hours of talk/lecture and the full subject in 25-30 hours. The SMEs' have covered the essentials of each unit in such a manner that candidates could easily grasp the subject. The candidate will benefit by listening to the lectures and thereafter, if he/she refers to the courseware, it will be easy to grasp the finer points covered therein. Web classes will help the candidate to master the subject in an easy and self paced manner.

The web classes complete the set of study support initiatives of the Institute which includes other measures such as dedicated courseware, workbooks, E-learning, and contact classes. The Institute has given login ids for web classes to all the enrolled candidates, whose emails are registered with the Institute.

It may be added that the number of candidates making full use of the e-learning and web classes is not high. The Institute is taking steps to popularize these initiatives among candidates.

E learning for DTIRM, AML/KYC, Customer Service & Banking Codes and Standards

The Institute has also been offering E-learning for the Diploma in Treasury and certificate courses in AML/KYC and Customer Service. All the enrolled candidates have been given with login ids for the e-learning course.

Class room support for examinations

Class room based DB&F: It was envisaged that once the Institute moves into the new premises, it will start offering class room based DB&F from the December 2011 examination. However, due to delay in augmenting the faculty strength, such classes could not commence as planned. The Institute has taken up preparation of teaching notes and structuring the course for class room delivery and DB&F classes will be launched for December 2012 examination.

Campus based courses:

The Governing Council had approved a proposal that the Institute may offer, in addition to DB&F, some of its existing certificate courses as short term class room based courses in the new premises. The identified areas are Retail Banking, SME, Wealth Management, Trade Finance, Risk Management, Compliance etc. The Retail Banking, Wealth Management, Trade Finance and Risk Management courses will be launched in the second half of 2012.

IV. TRAINING AT THE LEADERSHIP CENTRE, KURLA

The Institute has created a state of the art training infrastructure at its new campus which is christened as the Leadership Centre. The infrastructure includes two class rooms, three discussion (breakaway) rooms, one auditorium, and a well equipped library. All other training logistics are also in place.

The training function will primarily focus on areas incidental to the courses offered by the Institute wherein, banks desire that the candidates could be trained as a part of the certification process. Some of the training courses could focus on meeting local needs and customized to meet the needs of banks. The Institute will be in a position to offer high quality/renowned courses, due to its ability to attract more candidates from various banks, and offer courses at relatively low/competitive prices.

Some of the training programmes which have been offered recently are:

Branch Manager Leadership Programme

During the year 2011, the Institute offered four leadership programmes. Two programmes were in association with AIM Western Australia, one programme with DDI (Development Dimension International), USA and one programme with Ninth House PDI, USA. The collaborating partners brought experts and certified trainers to conduct the programmes. These programmes were well received and details of these courses are given separately in this report.

The Institute intends to repeat some of these programmes during the year 2012-13.

Details of trainings conducted at the Leadership Centre, from August 2011 to March, 2012 are as under:

Table 13: Training Programs organized during 2011-12

Sr. No.	Training program	Duration	Number of Participants	Participants from
1	Financing of MSME sector	One week	14	Different banks in Egypt
2	Financing of MSME sector	One week	11	Different banks in Egypt
3	Leadership Program (AIM,WA)	29 th to 31 st Aug 11	23	15 Banks in India
4	Leadership Program. (AIM,WA)	1 st Sept to 3 rd Sept 11	23	14 Banks in India
5	TOPSIM Universal Banking Simulation Program	20 th to 21 st Oct 11	23	10 Banks in India
6	Leadership Program- DDI	20 th to 23 rd Nov 11	14	8 Banks in India
7	TTP Financial Inclusion	28 th to 30 th Nov 11	40	17 Banks in India
8	Leadership Program- PDI	15 th to 17 th Dec 11	20	12 Banks in India
9	International Trainers Training Program	23 rd to 28 th Jan 12	23	8 international and others local
10	Trainers Training Programme (Financial Inclusion)	17 th and 18 th Feb 12	27	Syndicate Bank Staff College, Manipal
11	TOPSIM Universal Banking Simulation Program	27 th and 28 th Feb 12	17	11 Banks in India

Details of Leadership Programmes:

- **Leadership programme in collaboration with Australian Institute of Management, Western Australia**

Applied Leadership Development Program (ALDP) is a dynamic 3 days' learning and development experience for branch managers. The program is offered by the Australian Institute of

Management, Western Australia (AIM WA) whose focus is on becoming recognized as a leader in the delivery of world class programs throughout the South East Asian region.

The program embraces the concept of value driven organizations, and contains a wide selection of leadership development content delivered via interactive workshops, relevant case studies, and self reflection. The ALDP takes a holistic view of the leadership role and the competencies related to strategy, innovation, change management as well as the development of organizational, team and individual capabilities.

This approach to the program brings a diverse range of topics into a coherent framework that is easily understood by participants. These vital general management skills provide a breadth of understanding through the use of the continuous interactive case studies. With contemporary program content and multi-mode learning approach, this program offers an outstanding development opportunity for branch managers.

- **Leadership programme in collaboration with Development Dimensions International (DDI), USA**

The Manager Ready programme, which is part of this programme, is a dynamic 3 ½ days' learning and development experience for branch managers. The program is offered in collaboration with the Development Dimensions International Institute, USA which has more than four decades of experience and is specialized in assessing the leadership requirements of various types of organizations and training for talent management for improving performance and bringing about organizational change.

The program commences with a 3 ½ hour assessment of the individual participants about their manager readiness using computer simulation of real life situations. This assessment tests nine critical competencies for a manager. Subsequent three days of actual training focuses on coaching the participants in all aspects of branch management to improve their effectiveness.

- **Leadership programme in collaboration with Personnel Decisions International (PDI), Ninth House, USA**

The objective of Powering Leadership Programme is to equip managers with essential insights, knowledge and skills to directly improve their effectiveness. This dynamic programme is built on the research and the leadership success factors defined in the Successful Managers' Handbook, developed by Personnel Decisions International. This programme is adaptive, research-based and provides comprehensive leadership training that focuses on what it takes to be a successful and effective leader in today's workplace. The results of the programme promise to be immediate and significant.

Training of Trainers' Programmes (TTP)

TTP on Financial Inclusion

The Institute had organized a three days Training of Trainers' Programme (TTP) on Financial Inclusion during the period from 28th November to 30th November 2011. The programme was held at the Leadership Centre of the Institute at Mumbai. The participants were the Trainers from different banks and Accredited Training Institutions. These trainers will impart training to the personnel involved in the process of Financial Inclusion through Business Correspondents / Business Facilitators for the smooth implementation of the Financial Inclusion Plan of banks. The programme which included discussions with BCs/BFs, role play and videos was attended by 40 participants. The Institute has been offering a certificate course in BC/BF through Accredited Training Institutions (ATIs). Many RUDSETIs of banks have also been accredited by the Institute. The Institute has also been conducting Training of Trainers' Programme (TTP) for the faculty of the

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ATIs. The second program on the subject was conducted for the officers of Syndicate Bank during the period from 17th to 18th February 2012.

The Indian Banks' Association has, vide its circular no. SB/Cir/BC-BF/3901 dated 26th August 2011, urged upon banks to have their faculty complete the Train the Trainers Program in BC/ BF conducted by IIBF, so that the final training imparted to potential BCs / BFs conforms to a stipulated standard. Earlier, at the request of some of the banks, the Institute has conducted customized programmes at some of the banks' training centres at New Delhi, Ahmedabad and Bangalore.

International programme on Training the Trainers

The Institute had organized an international programme on training the trainers from 23rd to 28th of January 2012. The same was attended by 23 participants. The participants included eight members from abroad (four from Nepal, two from PNG, one each from Botswana and Malaysia).

TOPSIM – Universal Banking in collaboration with Tata Interactive Systems

In the past the Institute had offered a Bank Financial Management simulation programme obtained from the Canadian Institute of Bankers. The cost was prohibitive for banks to adopt the same. Later, the Institute had offered this training to the UCBs, Short Term Cooperatives and RRBs in association with NABARD and GTZ. Here again, the price was high. The Institute learnt that TATA Interactive Systems offers TOPSIM which is similar to Bank Financial Management. The Institute had therefore negotiated with TIS and now offers the TOPSIM at very affordable prices.

TOPSIM the Universal Banking Simulation forms a bridge between banking theory and practical experience. The simulation helps participants recognize, analyze, and judge critical decision making situations and understand the consequences of their decisions. TOPSIM simulations allow one to learn by making decisions and mistakes leading to better understanding of managing risks. These simulations are advanced and comprehensive models that simulate operating environments, for instance, of a start-up, of the marketing function within a company, of the overall management, of global markets or the macro economics of a country among others. The simulation is a reproduction of a medium-size universal bank and offers participants the opportunity to gain experience in banking in a risk-free environment.

Two TOPSIM programs were held during the year. While, the first program was held from 20th October to 21st October 2011, the second program was held during the period from 27th February to 28th February 2012. There were 23 participants for the first program and 17 participants for the second program.

Training cum study tour by Bankers from Egypt on SME Finance

The Institute had conducted a five days training programme on "Financing of MSME Sector in India" jointly with Egyptian Banking Institute from 20th to 24th June 2011. 14 commercial bankers from Egypt participated in the programme. This was the first commercial programme done at the Leadership Development Centre.

The Egyptian Banking Institute is an organ of the Central Bank of that country and they desired to conduct a study tour of SME financing in our country. For this purpose, they sought Institute's assistance, in meeting various commercial banks and Principal Development bank and also the Central Bank of our country namely Reserve Bank of India. The purpose of their study tour was to understand the best practices in our country in financing the SME sector to enable them to adopt some of them in their country. Egypt currently does not have any institutional mechanism for developing and monitoring the growth of SME sector despite the fact that SME sector is the back bone of that country.

The Institute had arranged for detailed deliberations with Reserve Bank of India, SIDBI, Bank of India, ICICI Bank, Bank of Baroda and Union Bank of India and also arranged for a visit of a functioning SME unit that was financed by Union Bank of India.

The team from Egypt headed by Dr. Mohamed Zakaria, the SME head of EBI included members from their Central Bank, Development Finance bank and commercial banks among others. They were very focused in their deliberations and were very much satisfied with the inputs they received from various banks and the lecture sessions. They were very appreciative of the fact that India has a separate and focused approach for financing agriculture. They were impressed by the institutional framework India has for SMEs with Central Government, RBI, various state level and district level organizations actively associated with the development of SME sector. Only desire of theirs which could not be fulfilled due to paucity of time, was a meeting with the Ministry of SME at New Delhi to understand the policy perspectives.

The Institute had organized the second 5 days programme on MSME financing for bankers from Egypt from July 25th to 29th 2011. The programme was attended by 12 delegates including 11 bankers from major banks in Egypt and one representative from the Egyptian Banking Institute.

The 5 days programme covered various topics including a historical perspective of growth of MSME sector in India, various policy initiatives by GOI and RBI, banking facilities & products available to SMEs and special features, best practices of SME financing in 3 major public sector banks (Union Bank of India, Bank of India and Bank of Baroda) and their products, role of Small Industries Development Bank of India (SIDBI) in development of SMEs, role and activities of SME rating agency (SMERA), practical aspects of Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE) functioning and role of Export-Import Bank of India (EXIM Bank). In addition to these topics, the programme also included separate sessions on soft skills needed in SME financing, appraisal of SME proposals, monitoring and recovery of Non-Performing Loans (NPLs), rehabilitation and nursing of Sick SME units and concessions to SMEs, interaction with a successful SME women entrepreneur. The delegates were taken to visit a functioning SME unit to get the field experience.

The feedback of the participants for various programmes is encouraging. The details are given in Table 14.

Table 14: Training Feedback

Training programme	Financing MSME for bankers in Egypt	Trainers training programme on Financial inclusion	TOPSIM programme	International Trainers training programme	Leadership Development programmes
No. of participants	25	67	40	23	80
Excellent Rating	3	32	20	12	43
Very Good Rating	19	25	18	6	37
Good Rating	3	10	2	5	–

V. SEMINARS

The Institute organizes a number of seminars for the benefit of its members. These come under member education initiatives of the Institute. The seminars are offered free of cost and organized

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in various centres across the country. The following seminars were organized during the year.

- i) A Half day Seminar on Information Technology and Cyber Crime was organized by the Institute at the Leadership centre on 20th August 2011. 14 senior bankers (heads of IT department) attended the seminar.
- ii) The Institute organized a seminar on 'Customer Service' at Ahmedabad on 28th February 2012. The programme was inaugurated by Shri Sudarshan Sen, Regional Director, RBI and the key note address was delivered by Mr. A. C. Mahajan, Chairman, BCSBI. The seminar was attended by 120 participants.
- iii) The Institute organized its 2nd seminar on 'Customer Service' at Chennai on 5th March 2012. The key note address was delivered by Mr. Vishwanathan, Regional Director, Reserve Bank of India and valedictory speech was given by Mr. Narayan Raja, Chief Executive Officer, BCSBI. The seminar was attended by 80 participants.

VI. ANNUAL LECTURES AND CONFERENCES

The Institute organises a number of annual lectures. The details are as under.

a) 5th R.K. Talwar Memorial Lecture – 2011

The 5th Shri R.K. Talwar Memorial Lecture was held on 7th September 2011 at State Bank of India Auditorium, Nariman Point, Mumbai 400 021. The Lecture was delivered by Mr. N. Vaghul, former Chairman of ICICI Bank on "The Future of Finance in India". During his speech, Mr. Vaghul traced the development of the Indian financial system and visualized the future of finance in India on important issues viz., the need for large banks, achieving this through organic growth, facilitating regulatory environment, development of financial markets, good legal framework for consumer protection, financial inclusion through encouragement to evolve innovative local institutions (with multiple products and technology) subject to a strong prudential regulation. More than 200 persons attended the lecture.

b) 28th Sir Purushothamdas Thakurdas Memorial Lecture – 2011

The Institute organized 28th Sir Purshotamdas Thakurdas Memorial Lecture on 16th November 2011 at Mumbai. The Lecture was delivered by Dr. Andrew Sheng, Chief Advisor, China Banking Regulatory Commission, China on the topic "Systemic Thoughts on the International Monetary System". According to the speaker, global current account imbalances is one of the key macroeconomic imbalances that underlie the global financial crisis. Global imbalances stem from the famous 'Triffin Dilemma or paradox', which is basically inconsistency between the domestic needs of the currency and the external needs of the world that uses the reserve currency. Hence, it was felt that International Monetary System must be reformed to create a global reserve currency, where the Net Current Account Balance of the world would be zero. Having explained relevant concepts of possible global credit glut, asset bubbles, shadow banking system and regulatory arbitrage, quantitative easing and zero interest policies, Dr. Sheng finally suggested that a globally uniform financial turnover tax (Tobin Tax) and modular currency arrangement will be the more appropriate remedies for economic disorder than a single unipolar currency arrangement. More than 300 persons attended the lecture.

c) First IGNOU-IIBF Endowment Chair lecture-2012

The Institute has instituted a Chair at IGNOU. First endowment lecture under the auspices of the IIBF Chair instituted at IGNOU was organized on 1st March 2012, New Delhi.

Dr. M Veerappa Moily, Union Cabinet Minister for Corporate Affairs, Govt. of India delivered the first IGNOU-IIBF endowment chair lecture on the topic "The New Companies Act: Relevance for

Good Corporate Governance". Dr Moily in his speech highlighted the various provisions proposed in the new Companies Act and expressed the hope that once the Act is passed, the current problem with regard to corporate governance and corporate social responsibility will be properly addressed. In this connection, he also added that the legal and judiciary process is robust in the country and well appreciated even by FDIs. Though there is a feeling that there is some type of policy paralysis within the country, he said that it was not borne out from the growth registered by various sectors over decades and also the desires shown by FDIs to invest in the country. He added that some 90% of the companies represented at the recent Davos conference showed keen interest to invest in India. He sought the co-operation and suggestions from all sectors of society to ensure introduction of appropriate policies in the country and in this connection, among other things, he requested bodies like IGNOU, ICSI, etc., even to redefine the aspect of patriotism. He said that the country, according to a Citibank study report, is slated to become the No.1 country in 2050 in terms of GDP followed by China and USA. He expressed his hope that the country and its people will do the needful to reach this high expectation.

This was followed by a panel discussion on the subject "Good Corporate Governance: Issues and Practices." The panel consisted of Dr. R Bhaskaran, CEO, IIBF, Mr. A C Chug, General Manager, PNB, Mr. CS Naseer Ahmed, President, ICSI and Prof Khanna, SOMs, IGNOU. The panel discussion was moderated by Prof S Narayanan, IGNOU-IIBF Endowment Chair. The panel discussed this subject threadbare throwing lights on the various dimensions of Corporate Governance.

d) 11th Bank HR Conference held at Kenya

The Institute has been holding the annual Bank Education Conference. This annual conference is organised by the Institute to reach out to the HR personnel of various banks, to seek their inputs on the contemporary developments in the banking sector in the span of a year. The objective is to provide a platform for HR personnel of banks to interact with each other as well as experts in the banking sector and provide a road map for the Institute.

Every alternate year, these conferences are organized in foreign locations. The themes for such conferences are chosen based on current interest to banks, especially the HR personnel.

The Institute organised the 11th Bank HR conference between 28th April and 1st May 2011 at Nairobi, Kenya for HR executives of banks working in India. The theme of the Conference was **'Managing Transformation for Achieving Growth'**. Twenty five executives attended the conference. The Conference was inaugurated by Prof.Njuguna Ndung'u, Governor of Central Bank of Kenya. The Governor, Central Bank of Kenya spoke on the topic 'Transformation of Banks in Kenya'. In his speech, he shared as to how the Central Bank of Kenya has facilitated transformation of banking sector in their country in line with the development goals. He highlighted certain key approaches through which, the transformation was pursued in the banking sector viz., expansion of bank branch networks to remote and low income areas, facilitating mobile banking, introduction of agent banking, setting up of Credit Reference Bureaus, expansion of currency centres beyond Central Bank branch network, permitting deposit taking by Microfinance Institutions, capacity building initiatives etc. While explaining the important capacity building initiatives, he emphasized the need for partnership with the Indian Institute of Banking & Finance for the development of new programs and new initiatives. Shri M.V. Nair, Vice President of the Institute and Chairman, Union Bank of India delivered a keynote address on the "Transformation Journey of Union Bank of India".

e) General Managers' Meet

The Institute organized annual meeting of the Chiefs' of HR / Training Heads of Banks at the Leadership Development Centre of the Institute on 3rd December 2011 to discuss the recent initiatives of IIBF. The meeting was attended by 31 senior executives from PSU banks, Private Banks and National Housing Bank.

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The CEO, IIBF made a very detailed presentation explaining the various steps initiated by the Institute for the benefit of the candidates appearing for the different examinations of the Institute and covered the following:

1. Overview of IIBF's activities
2. New initiatives of the Institute: Courses and e-training
3. Webex/Mock Test/E-learning : Content and the response of the candidates
4. Leadership Programmes
5. Workshop on Universal Banking : TOPSIM
6. Train the Trainers' Programme (TTP) for Faculty
7. Revised guidelines for Fellows/Associates
8. Theme/Venue for 12th Bank HR conference – 2012

The HR heads had made the following suggestions:

- Inclusion of topics on credit appraisal in the JAIB examination itself rather than covering it in CAIB.
- Introduce structured specific programme for the senior executives of the banking industry.
- Study the effectiveness of the various examinations of the Institute in the actual work place.
- Make the E-learning and web classes popular among candidates.
- Consider hosting of the e-learning developed for both JAIB and CAIB examinations on the intranet of individual banks at an appropriate price as currently, the usage of the e-learning facility is not to the desired extent.
- Consider customizing the new entrants-direct recruits training to meet the specific requirements of individual banks.
- Consider offering leadership programme at the head quarters of banks Staff Training Colleges needing specific programmes.
- Restrict the centre for the examination to the actual place of work or nearer to work place of the candidate in order to tighten the conduct of examinations of the Institute.
- Continue with descriptive mode in respect of diploma examinations.
- Encourage senior bankers to become Fellow/ Associates of the Institute.

VII. PUBLICATIONS

IIBF Vision

All the 12 issues of the IIBF vision, the monthly news letter of the Institute were brought on time during the year. This monthly newsletter provides recent developments in the field of banking and finance and serves as a reference material to bankers in various parts of the country. The monthly newsletter is compiled by sourcing material from financial dailies and websites of regulators etc. Thus, the news letter contains the latest development in the banking sector and therefore, a few questions for JAIB, CAIB and other examinations are developed based on the coverage in IIBF Vision to test the awareness of the candidates on current developments.

Bank Quest

Bank Quest carries thematic articles. The articles are invited from subject matter experts and senior banking and finance professionals. Hence, the contents are topical, authentic and rich. The articles are vetted by subject matter experts both within and outside the Institute before they are carried in the journal. The feedback on articles has been encouraging over the years.

Bank Quest topics for the year 2011-12 were as under.

- | | |
|-------------------------|---|
| 1. April - June 2011 | Inauguration of New Premises, New Strategies for IIBF |
| 2. July -September 2011 | Transformation in Banks |
| 3. Oct - Dec 2011 | Customer Service |
| 4. Jan- March 2012 | Micro Research Papers |

Fin@quest

The Institute continues to publish the e-magazine Fin@quest. This e-newsletter is mailed to the subscribers on a daily basis. The newsletter gives a bird's eye view of developments in the financial sector. This will be a ready reference for the bank executives.

Books and Courseware



Photograph taken at the occasion of Book release on Inclusive Growth through Business Correspondents and Business Facilitators in Assamese language on 15th February 2012. (Seen are Dr. R. Bhaskaran, CEO, IIBF, Smt. Surekha Marandi - Regional Director, RBI, Guwhati).

The Institute launched the revised format of the CAIIB Examination with 2 compulsory papers and 11 elective papers with effect from January 2011. During 2010-11, the Institute published courseware for the two compulsory papers and 9 electives. The courseware for the remaining two elective papers viz. Central Banking and Corporate Banking were published during the year.

Further the book 'Inclusive Growth' was published in 3 more languages taking the total languages in which the book has been published to 10. These three books were released in functions organized in the respective states (Table 15).

Table 15 : Release of "Inclusive Growth" book in vernacular language

Book Titled	Language	Released by
Inclusive Growth thro' BCs / BFs	Tamil	Shri M. Narendra, Chairman & Managing Director of Indian Overseas Bank in the presence of Shri Sandeep Saxena, Agricultural Production Commissioner cum Principal Secretary of Govt. of Tamil Nadu at SLBC meeting held on 7 th December 2011 at Chennai.
	Assamese	Smt. Surekha Marandi, Regional Director, Reserve Bank of India, Guwahati at SLBC meeting held at Guwahati on 15 th February 2012.
	Gujarati	Shri Sudershan Sen, Regional Director, RBI, on 1 st May 2012 at a well attended function held at the Regional Office of NABARD, Ahmedabad.

Exam Updates

In order to keep candidates updated about latest developments in the banking and finance space, regular updates on different subjects are being uploaded on the Institute's website.

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Condensed Master Circulars

Every year, Reserve Bank of India brings out Master Circulars on different subjects. As these circulars indicate the various policy guidelines of the Central Bank and are very rich source of information, the Institute has taken steps to bring out the salient features of the Master Circulars brought out by RBI.

The Institute has put the salient features of the Master Circulars on different topics issued by RBI on its website and a few questions in Institute's examinations have also been asked from the contents of the Master Circulars.

Table 16 : List of Master Circulars placed on the website

Subject of Master Circular	
1. Micro Credit	17. Prudential Norms on IRAC and Provisioning pertaining to Advances
2. Credit Card Operations of banks	18. Prudential Guidelines of Capital Adequacy & Market Discipline, New Capital Adequacy Framework(NCAF)
3. Housing Finance	19. Customer Service in Banks
4. Loans & Advances – Statutory & Other Restrictions	20. External Commercial Borrowings
5. Financial Intelligence Unit – India (FIU-IND)	21. CRR and SLR
6. Lending to Priority Sector	22. NRE & NRO Accounts
7. Import of Goods and Services	23. Interest Rates on Advances
8. Rupee/Foreign Currency Export Credit & Customer Service to Exporters	24. Para Banking
9. KYC norms / Anti Money Laundering (AML)/ Combating of Terrorism (CFT)/ PMLA -2002	25. Prudential norms on investment portfolio by banks
10. Export Credit Refinance Facility	26. Disclosure of Financial Statements
11. Guarantees and Co-acceptances	27. Branch Licensing –RRBs
12. Exposure Norms	28. Management of Advances – UCBS
13. FCNR (B) Accounts	29. Bank Finance to NBFC
14. Lending to Micro Small Medium Enterprises Sector	30. Maintenance of Deposit Accounts-UCBS
15. Willful Defaulters	31. Exports of Goods & Services
16. Remittance from NRI/PIO/FN	32. Fraud - Classification & Reporting

Revising courseware

Apart from uploading important updates on the website, the Institute also updates its courseware for different subjects. Courseware currently being updated are mentioned below:

Table 17 : Revision of courseware

Sr. No.	Name of the examination	Name of the book being updated
1	Certified Information System Banker	Information System for Banks
2	Certificate Examination in SME Finance for Bankers	Small and Medium Enterprises in India

Further revisions in JAIB

During the year 2012-13, the Institute will take up the work of examining the revisions required in the syllabus / courseware for its JAIB examination. For this purpose, a committee has been constituted to review the syllabus for the JAIB examination. The committee has been requested to submit its recommendations within 3 months. Mr. V. Sridar, former CMD, UCO Bank has consented to be the Chairman of the Committee. The CAIB examination was reviewed recently and the new structure was started only from 2011 onwards.

VIII. RESEARCH INITIATIVES

a) Macro Research

Since 2003, the Institute has been funding research studies on selected areas in banking and finance, which is known as the 'Macro Research'. Under this initiative, the Institute invites every year, proposals from research scholars from universities, colleges and banks to take up research in identified areas. The proposals are approved by the Research Advisory Committee (RAC) of the Institute comprising eminent bankers and economists. Up to the year 2011, 27 studies on different topics have been undertaken by the research scholars. The first 10 project reports have been printed as books and circulated to banks. The remaining reports are under print.

During the year, the Institute had called for research proposals vide its advertisement in the Economic and Political Weekly (July 2011) and also on the Institute's website in the following areas:

1. Role of UID in Banking
2. Real Estate Financing
3. BASEL III and Indian Banking
4. Issues in SME Financing
5. Financing of Agri-Business
6. Study of Transaction Cost in Banks
7. Study of Customer Service in Banks

The Institute had received 32 Marco Research proposals. The Research Advisory Committee of the Institute shortlisted 11 proposals and invited the researchers for presentation at the Institute. The Research Advisory Committee had selected the following five researchers for award of research fellowship for conducting Macro Research projects for the year 2011-12.

1. Dr. Ram Jass Yadav, Chief Manager, Bank of Baroda, Staff College, Ahmedabad
Topic: Issues in SME Financing
2. Dr. G.V. Joshi, Project Director, Justice K S Hegde Institute of Management, Udupi, Karnataka.
Topic: Bank Finance for Agro-Business: A Case Study in Dakshina Kannada
3. Dr. Vighneswara Swamy, IBS, Hyderabad.
Topic: Basel III: Implications for Indian Banking
4. Dr. Bijay Kumar Swain, Professor & Head, National Institute of Rural Development, Hyderabad.

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Topic: Measuring Customer Services through Customer Satisfaction Index

5. Dr. Manasa Nagabhushanam, CEO & Lead Researcher, Analyz Research Solutions Pvt. Ltd., Bangalore

Topic: A Study on Quality of Customer Service in Banks in India

b) Micro Research

The Institute also encourages micro research by offering cash awards to prize winning micro research papers. The Institute had received 50 Micro Research Papers in response to advertisement on its website during the year. The research papers were evaluated by the resource persons of the Institute and the Research Advisory Committee of the Institute had selected 6 essays for award of prizes. The winners of the Micro Research competition for the year 2011-12 were:

1. Dr. Suresh Chandra Bihari, IBS, Hyderabad - **First Prize**
Topic: Financial Literacy: The Key to Inclusive Growth
2. Mr. Raghvendra Mandavalli, Yes Bank Ltd., Hyderabad - **Second Prize**
Topic: Rural Banking and Innovative Banking Technology & Models of Inclusive Growth
3. Mr. Kalpesh K Kulkarni, State Bank of India, Nagpur - **Third Prize**
Topic: Smiley customer service is one of the mantras to retain the customer for lifetime with a bank.

The following candidates have been offered consolation prizes:

1. Dr. Narinder Kumar Bhasin, Axis Bank, New Delhi
Topic: Impact of Technology on Banking & Payment System
2. Mr. Amit Roy, Reserve Bank of India, Lucknow
Topic: Financial Literacy in India
3. Mr. Rahul Singh, IDBI, Varanasi
Topic: Performance related pay/incentive vis-à-vis employee satisfaction in public sector in India.

c) Diamond Jubilee and CH Bhabha Banking Overseas Research Fellowship (DJCHBBORF)

The Institute has recently modified the fellowship scheme. This modification was warranted as quality research proposals were not received in the last few years resulting in non-award of the fellowship. In order to improve the quality of proposals and final report, it has been decided that all the proposals should be vetted by subject matter experts working in B-Schools before submission to the Institute for its consideration and the recommending person could also be associated while finalizing the report. It is hoped that with these changes, the Institute will be able to get quality research proposals and reports in the future years.

IX. AWARDS

Achiever of Excellence Award to Dr. R. Bhaskaran, CEO, IIBF

Dr. R Bhaskaran, CEO, IIBF was conferred with the Achiever of Excellence award instituted by Bombay Management Association, in association with IBS, Powai, on **5th August 2011** at IBS campus, Powai. In a well attended function, the award was conferred by Prof. Y K Bhushan,

Senior Advisor of IBS, for excellence achieved by Dr. Bhaskaran in changing the profile of the IIBF in recent years. Dr. Bhaskaran was lauded by the organizing committee for the substantial transformation/visibility he brought about in the activities of the Institute, particularly the range of examinations, publications, research projects, conferences/seminars and consultancy assignments from local and international bodies.

Award for the Best Educational Institute by the World Education Congress, Dubai

The World Education Congress has conferred the award for the Best Educational Institute in Banking and Finance for the current year to the Institute at a glittering function at **Dubai on 25th September 2011**. Dr. R. Bhaskaran, Chief Executive Officer of the Institute received the award on behalf of the Institute. This award is given world over to institutions and individuals who have achieved excellence in different fields of education.



Dr. R. Bhaskaran, CEO, IIBF, received the award for the best Educational Institute given by the World Education Congress, Dubai on 25th September 2011.

X. COLLABORATIONS / CONSULTANCIES

(i) International Collaborations

Consultancy with PNG Institute of Banking & Business Management Inc, (IBBM) Papua New Guinea

The PNG Institute of Banking & Business Management Inc, (IBBM), Papua New Guinea had awarded a technical assistance consultancy to IIBF for a complete revision of their existing diploma course. IBBM, PNG awarded the consultancy work to the Institute on April 11, 2011. IBBM had asked the Institute to redesign and develop its banking diploma on the basis of international best practices.

The team of IIBF was led by Dr. R. Bhaskaran, CEO, IIBF. For the purpose of developing the diploma, officials from the Institute visited PNG twice. During the visit, the IIBF team had met the ED of PNG IBBM, Faculty, a number of bank executives, HR department heads, past students of the diploma and ascertained their views on the existing diploma. The meetings were also helpful in doing a TNA for the purpose of developing the diploma. The team had also met the regulators.

Subject Matter Experts from PNG helped in understanding the PNG banking space. The team also studied the material available on the websites of the banks of PNG. The existing course material used by IBBM and the material prepared by a New Zealand University for the candidates who have completed the diploma course was also perused.

The consultancy work has since been completed and the Institute has developed and delivered customized Courseware and Training Notes on the following subjects to IBBM.

1. Basics of Business Mathematics and Accountancy
2. Lending and Securities
3. International Business
4. Marketing Sales and Customer Service

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5. Small and Medium Enterprises
6. PNG Financial System and Central Banking
7. Commercial Law and Banking Operations
8. Fundamentals of Banking
9. Banking Technology
10. Business Communication.

The IBBM PNG had commenced the first batch of training cum certification leading to the award of Diploma in Banking & Finance in the month of March 2012.

Technical Assistance to the National Banking Training Institute, Nepal

In terms of an MOU entered into with the National Banking Training Institute, Nepal (NBTI), the Indian Institute of Banking & Finance (IIBF) has agreed to render technical assistance for capacity building with NBTI, leading to the launch of a professional banking qualification in Nepal. In this connection, during the period from 18th March 2012 to 20th March 2012, a two member team of IIBF led by the CEO undertook a Training Need Assessment (TNA) of the banking personnel employed in different banks in Nepal. The TNA covered a cross section of bankers and attempted to understand the present knowledge level with the banking personnel, the training presently imparted by the banks through their own training initiatives, the training programmes being conducted by NBTI and to identify the training gaps. The team visited the corporate offices and branches of different banks and held extensive discussions with senior and operating personnel of the banks.

The training needs have been identified and the detailed report incorporating several recommendations has been forwarded to NBTI for their perusal.

MOU with Zambia Institute of Banking & Financial Services (ZIBFS)

The Institute had, previously entered into a MOU with Zambia Institute of Banking & Financial Services (ZIBFS). According to the collaboration arrangement, JAIB examination of the Institute has been customized to meet Zambian requirements and offered as a Professional Diploma in Banking & Financial Services (PDBFS). As a part of the agreement, the Institute has, during the year prepared mock test papers and final question papers for the two examinations held in the first and second half of the year. The Technical Assistance is ongoing and the Institute will work closely with ZIBFS in developing level 2 (equal to CAIB) material.

MOU with Botswana Institute of Bankers (BIOB)

The Institute has entered into an MOU with Botswana Institute of Bankers. The activities involved will be to:

- i. scrutinize the question papers set (in English language) by BIOB, check whether the questions are relevant, topical, clear and cover the course contents and achieve the objectives of the examinations.
- ii. confirm whether the questions set can be answered within the time stipulated by an average candidate.
- iii. assess the pattern of awarding marks followed by the Institute.
- iv. suggest improvements on any other related functions - primary or incidental based on the first-hand perusal of question papers/ answer books received.

The Institute has reviewed 17 question papers of the professional exam of BIOB and the observations / suggestions have been forwarded to the Institute.

(ii) Local Collaborations:

MOU with Symbiosis International University, Pune

The Institute had entered into an MOU with the Symbiosis International University, Pune on 6th December 2011 for offering the Advanced Management Programme at Pune. The MOU was signed in the presence of the Chancellor of SIU, Padmasree Dr. Mujumdar and the function was attended by a large number of bankers and faculty of the University.

Scheme for RBI Young Scholar Award

The Institute has, as in previous years, extended academic support during this year also for conducting the RBI Young Scholar Award examination. For this purpose, the Institute arranged to prepare and supply questions papers in the following languages viz. Marathi, Gujarati, Kannada, Malayalam, Telugu, Tamil, Oriya, Bengali, Assamese, Urdu, Punjabi and Hindi in addition to English language.

Mobile Enabled KCC Project

Dr. R. Bhaskaran, CEO, IIBF with the help of a team of senior officers of NABARD conducted a study on Mobile enabled KCC project (MKCC) piloted by NABARD and Indian Bank in Pallavan Gramin Bank in Villupuram district of Tamil Nadu. The study recommended the replication of MKCC in other banks. The in depth analytical study and findings have been appreciated.

XI. WORKING OF ZONAL OFFICES

1. Bankers' Meet



Participants at the Bankers Meet at Karur

The Zonal Offices arrange meetings of the bankers to create awareness in regard to the courses offered by the Institute and also market various educational products. During the year, Zonal Offices of the Institute conducted such meetings at 22 places. Dr. R. Bhaskaran, CEO of the Institute participated in a number of these meetings and made presentations about the Institute.

2. Exam Centre Superintendents Meet

Zonal Offices of the Institute had organized meetings of the Examination Centre

Superintendents at various parts of the country to brief them about the process of conducting examinations. These meetings have helped to interact with the officials conducting the examinations at various centers and also to impress upon the Centre Superintendents about the rigour expected while conducting examinations. These meetings were held at 10 centers namely Ahmedabad, Bellary, Bhopal, Chandigarh, Guwahati, Karur, Kolkata, Lucknow, Patna and Rajahmundry. These meetings have also helped the Institute to get valuable feedback



Shri M Narendra, CMD, IOB presenting the award to one of the prize winners of the Institute's Examinations.

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about the examinations from the ECS based on their past experiences in conducting the examinations and their interactions with candidates at centers.

3. Information Centres

The Zonal Offices also put up information centre/stalls in various centres/Head Offices of banks. During the year, information desks were placed at 16 centres viz. Ahmedabad, Aurangabad, Baroda, Chennai, Coimbatore, Guna, Gwalior, Hyderabad, Khandwa, Kozhikode, Mumbai, Nagpur, Nashik, Pune, Thirunelveli and Thiruvananthapuram to create the awareness of new courses/courseware of the Institute.

4. Contact Classes

During the year, Zonal Offices of Institute organized contact classes of one day duration for each paper of JAIIB/CAIIB & DB&F at 12 major centres viz. Ahmedabad, Bangalore, Bhopal, Chennai, Hyderabad Kolkata, Lucknow, Ludhiana, Mumbai, New Delhi, Navi Mumbai and Patna for the benefit of candidates appearing for these examinations. Nearly, 6,000 candidates attended the classes. These classes are facilitated by faculty members, who have attended the Train The Trainers' Programme organized by the Institute from time to time.

5. Special Contact Program

The Western Zonal Office and the Southern Zonal Office of the Institute have also arranged contact programmes especially for some of the certificate examinations viz. Certificate in Trade Finance and AML/KYC.

XII. OTHERS

Visitors to the Institute:

The following executives visited the Institute during the year.

(a) Institute of Company Secretaries of India, New Delhi

1. Mr. Anil Murarka, President, ICSI, New Delhi.
2. Mr. N.K. Jain, Secretary & Chief Executive Officer, ICSI, New Delhi.
3. Mr. Nesar Ahmad, Vice-President, ICSI, New Delhi.
4. Mr. Gopal Chalam, Dean, Centre for Corporate Governance Research & Training (CCGRT), ICSI, Mumbai.
5. Mr. Atul H Mehta, Council Member, ICSI, Mumbai.
6. Mr. Sanjay Grover, Council Member, ICSI, Delhi.

Based on the discussions with the team, the Institute will be helping ICSI to develop a banking paper for candidates taking ICSI examination. Also ICSI passed candidates will be offered a special certificate course on Risk and Compliance so as to enhance their employability.

(b) Asian Institute of Finance (AIF)

Dr. Amat Taap Bin Manshor, Senior Director and Mr. Mohamed Firdaus B Kader Mohideen, General Manager, Programme Development, Centre of Excellence, Asian Institute of Finance, Kuala Lumpur, Malaysia visited the Institute for discussions on collaborations.

(c) Center for Regional Economic Studies, Korea

Mr. Woong Lee, Associate Research Fellow, South East & South Asia Team, Center for Regional Economic Studies, Korea Institute for International Economic Policy and Mr. Choi Ho Sang, Research Fellow, Research & Analysis Dept., Korean Center for International Finance, Korea, visited the Institute for understanding the capacity building in the area of banking and finance.

(d) Association of Certified Anti-Money Laundering Specialists (ACAMS), New York

Mr. Ted Weissberg, CEO of Association of Certified Anti-Money Laundering Specialists (ACAMS), New York, USA called on the Institute for collaborating on the offer of AML courses.

(e) LSA Group of Companies, Zambia

Mr. Lawrence Sikutwa, Group Chairman, Lawrence Sikutwa & Associates (LSA), LSA Group of Companies and Mr. Derrick Ngubai, Group Human Resource Manager, Lawrence Sikutwa & Associates, Lusaka Zambia visited the Institute to seek support in capacity building for Madison Finance Co. Ltd., which is planning to transform into a Commercial Bank. Based on the discussion, Dr. R. Bhaskaran, CEO of the Institute and an H.R. expert had visited the company in Zambia, studied the issues and sent a recommendatory report.

(f) Chartered Institute of Bankers of Nigeria

Officials of the Chartered Institute of Bankers of Nigeria visited IIBF to study the various initiatives and identify areas of collaboration. The team consisted of the following officials:

1. Dr. Uju M Ogubunka, Registrar/Chief Executive, The Chartered Institute of Bankers of Nigeria.
2. Mr. Seye Awojobi, Principal Manager (Education), The Chartered Institute of Bankers of Nigeria.
3. Mr. Laoye Jaiyeola, President/Chairman of Council, The Chartered Institute of Bankers of Nigeria and Managing Director & Chief Executive Officer, Kakawa Discount House Ltd., Lagos.
4. Mr. Abdulrahman Yinusa, Member, Governing Council, The Chartered Institute of Bankers of Nigeria.
5. Mr. Barr. Deji Olanrewaju, Member, Governing Council, The Chartered Institute of Bankers of Nigeria.
6. Mr. Abdulrahman Yinusa, Executive Director/CFO, Diamond Bank, Lekki, Lagos.

XIII. STAFF & PERSONNEL

During the year, the Institute appointed 11 officers, 6 at Corporate Office, 2 each at Northern Zonal office and Southern Zonal office and 1 at Eastern Zonal Office. One officer resigned from the services of the Institute. After taking into consideration the appointments and resignation, the staff strength of the Institute as of 31st March 2012 stood at 105 as against 97 on 31st March 2011.

Training/Workshop for the Development of Human Resources

As a part of Human Resource Development, the Institute had arranged a training program on "Skill Enhancement" for officers of the Institute. In order to improve the quality of the work and to minimize errors, a 6-Sigma Yellow Belt Training was also arranged for the staff of the Institute. An ISO awareness Program was arranged to sharpen the awareness as Institute is ISO 9001-2008 certified. The Institute also continued to depute its officers to various training programs conducted by various management institutions in India and abroad.

XIV. GOVERNING COUNCIL:

(i) New Members:

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

- (a) Shri Pratip Choudhuri
- (b) Shri S Karuppasamy
- (c) Shri M Narendra
- (d) Shri M Balachandran
- (e) Mr. Allen C A Pereira

(ii) Cessation of Members:

The following members ceased to be members of the Council during the year:

- (a) Shri O P Bhatt
- (b) Shri C Krishnan
- (c) Shri S Sridhar
- (d) Shri Ramnath Pradeep
- (e) Dr. Asish Saha
- (f) Shri Y H Malegam
- (g) Shri Gunith Chadha

(iii) Governing Council Members with materially significant related party transaction, pecuniary or business relationship with the Institute:

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

(iv) Remuneration of Council Members: Sitting Fees, Salary, Perquisites and Commissions:

The amount of sitting fees paid, during the year, to some of the non-executive Council Members amounted to ₹ 1,65,000.

(v) 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	:	4
• Examination Committee	:	2
• Committee on Education & Training	:	2

(vi) Information supplied to the Governing Council:

Information under the following heads was presented to the Council:

- Action taken report on the decisions of Council.
- Minutes/ Decisions of different Committees.
- Income- Expenditure of the Institute.
- Recommendations of Sub-groups
- Status of Academic Activities of the Institute

- Status Report of General Administration.
- Periodical updates on the Strategies Action Plan
- Collaboration of the Institute with Foreign Institutes

XV. FINANCIAL POSITION

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

During the year, the Institute earned examination fees of ₹ 28.84 crore (₹ 25.27 crore in 2010-11) and a total income of ₹ 42.20 crore (₹ 36.41 crore in 2010-11). The increase in income was on account of more candidates enrolling for Institute's examinations.

The total expenditure of the Institute, during the year was ₹ 34.34 crore (₹ 29.91 crore in 2010-11) resulting in surplus of ₹ 7.86 crore (₹ 6.5 crore in 2010-11). In addition to this the Institute has gained ₹ 35.67 crore on account of disposal of its lease hold property at World Trade Centre, Mumbai.

As on 31st March 2012, the Institute had total assets of ₹ 208.49 crore and Reserve and Surplus of ₹ 176.43 crore. The income from investment helps the Institute to maintain a low fee structure.

Auditors have invited attention of members to Note 23 and 31.1 of notes to accounts about demand from Income Tax Department. The department has been raising demand on the Institute due to omission of Section 10(22) from the Income Tax Act since 1999. The Institute has sought exemption under Section 10 (23 C) (vi). The Institute has been contesting the demand since 1999 and has gone on appeal with ITAT and also filed writs in the High Court. The notes to accounts contain the full details of the issue. The Institute is constantly monitoring the issue and will take necessary steps to comply with the court verdict or Departmental views as the case may be.

XVI. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, Governing Council of the Institute 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 had 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 2011-12 and of the Income and Expenditure of the Institute for that period;
3. The Council had taken proper and sufficient care to the best of its 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 had 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 considerably in its operations.

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The foreign exchange earnings and outgo of the company, during the period under review is as follows:

- | | |
|------------------------------|-------------|
| 1. Foreign Exchange Earnings | ₹ 56,39,379 |
| 2. Foreign Exchange Outgo | ₹ 39,80,272 |

Particulars of Employees

There are no employees drawing remuneration in excess of ₹ 60,00,000/- for the whole year or in excess of ₹ 5,00,000/- per month, where they were employed for a part of the year, and hence the provision of Section 217(2A) of the Companies Act, 1956 are not applicable.

XVII. FUTURE PERSPECTIVES

Forming of a new international body for banking institutes for developing standards for Banking Institutes

The idea of developing education & training standards/benchmarks for all banking Institutes as also recognition of qualifications of the Institutes by one another was moved in the previous World Congress of Banking Institutes. This was further discussed at a meeting in Kuala Lumpur in 2011. CEOs from Scotland, Malaysia Bahrain, Dubai, EBTN, Hongkong, Nigeria, Pakistan, Netherlands, India and Portugal Institutes participated in the deliberations. Based on the discussions and follow up, it has been now decided to form a Global Banking Education Standards Board as under:-

The Global Banking Education Standards Board (GBESB), a voluntary, industry-led initiative will be founded by world's leading banking institutes which will develop clear, internationally agreed standards for the professional education of bankers and facilitate sharing of global best practices between banking institutes and regulators. The Board will provide, via its standards, foundations on which the global banking industry can rebuild and sustain human capital, on which a successful and sustainable banking industry is based. The Board's aim, quite simply, will be to enhance ethics and professionalism in banking worldwide.

The proposed initiative will be an important, global initiative designed to enhance and sustain customer-focused, ethical professionalism around the world. The following benefits will accrue:

1. Customers, policy-makers and regulators will be reassured by the demonstration of the banking industry's determination to develop agreed, industry-wide standards of ethical professionalism. This will help build, over time, greater confidence and trust in banks and bankers;
2. Banks will benefit from the development of clear, international benchmarks for professionalism that will help with international recruitments, retention and succession planning. They may use the GBESB's standards as a basis to help enshrine a culture of professional development and continuous improvement.

Proposed Activities

The Board will undertake a variety of activities viz :

- I. Developing and publishing global education standards for bankers;
- II. Promoting and disseminating global education standards for bankers;
- III. Facilitating the sharing of global best practice in banking education between banking institutes, regulators and other stakeholders; and
- IV. Educational research into topics relevant to global education standards for bankers.

Standards Development

Among the proposed activities to be undertaken by the Board under this heading are:

- a) Identifying areas for standards development based on requests / recommendations from stakeholders or through other means in the context of developments taking place in the banking industry;
- b) Developing, co-coordinating and publishing standards on professional banking education intended to establish a set of voluntary industry benchmarks that may over time gain the support of international and national policy-makers and regulators;
- c) Establishing and developing ethical standards and guidance for use by member bodies in their education programmes for banking professionals;
- d) Facilitating the recognition of the standards by banking institutes, banking institutions and regulators worldwide;
- e) Guiding and shaping members bodies' professional standards and education programmes; and
- f) Identifying and developing partnerships with other organizations with an interest in the professional education and training of bankers (e.g. the World bank, IMF, Financial Stability Forum, European Banking Authority, Bank for International Settlements) and building links with leading academic institutions with expertise in the field.

Facilitating the Sharing of Global Best Practice

Among the proposed activities that may be undertaken by the Board under this heading are:

- I. Providing a permanent organizing body for the World Congress of Banking Institutes, and other world-class conferences and seminars for discussion on banking education, the development of the banking profession, and related topics;
- II. Organizing regular meetings for member bodies and others to discuss and revise the GBESB's standards and guidance;
- III. Sharing ideas and lessons for enhancing and advancing the banking profession with educators, policy-makers, regulators, banking associations and others through networking and partnerships;

Educational Research

- Exploring and encouraging research into the impacts and implications of global banking developments and trends that will shape the professional education and training of bankers;
- Conducting and commissioning research on developments in professional education standards and practice, including the development of standards, guidance and curricula designed to develop ethical awareness and decision-making skills; and
- Driving the research activities that may shape the future agenda of the development of the banking profession, involving multi-disciplinary research through close collaboration and partnership with banking institutes, universities, regulators and other key stakeholders.

The Governing Council has approved that IIBF will be one of the founding members of the proposed global Board.

XVIII. APPRECIATION AND ACKNOWLEDGEMENTS

The Council is grateful to the Institutional Members for their continued support and advice. The

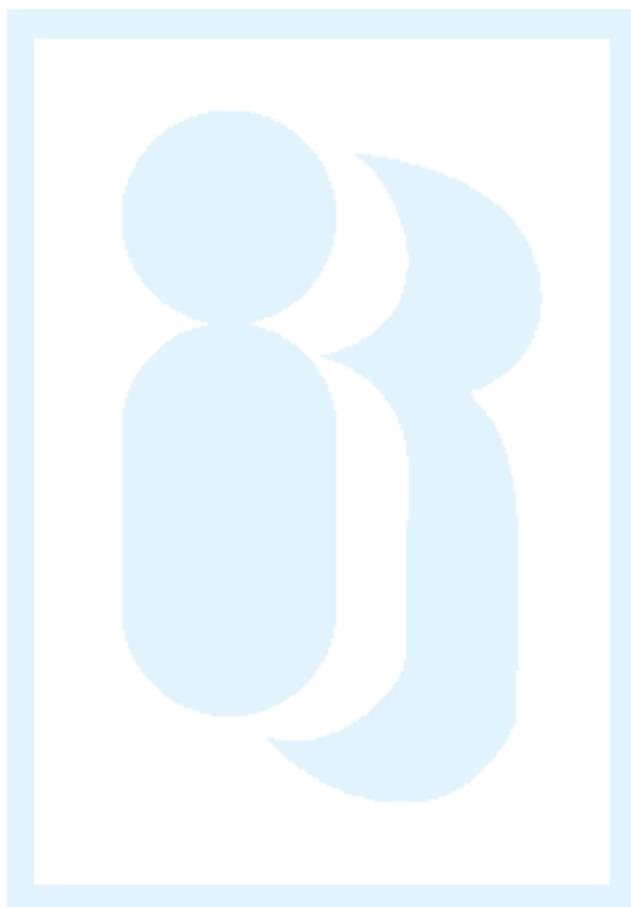
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Council would also like to take this opportunity to express sincere thanks to its valued members, resource persons and collaborators for their continued co-operation and patronage. The Institute places on record its deep appreciation for the contribution made by the outgoing President Mr. M.D. Mallya, Chairman & Managing Director, Bank of Baroda for the growth of the Institute. The Council also takes this opportunity to thank all employees for rendering valuable services to every constituent of the Institute.

On behalf of the Governing Council

Mumbai, Date: 17.07.2012

President



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 and Finance as at 31st March, 2012 and also the Statement of Income and Expenditure 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. Attention is invited to Note No. 23 and Note No. 31.1, pertaining to Institute's application for exemption from tax and the status of Income Tax matters for various assessment years for which no provision for taxation has been made in the accounts.
5. 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 the Statement of Income and Expenditure dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet and the Statement of Income and Expenditure 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, 2012, and taken on record by the Governing Council, we report that none of the directors is disqualified as on 31st March, 2012 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, 2012; and
 - (b) in the case of the Statement of Income and Expenditure, 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 : July 17, 2012

Annual Report 2011-12

BALANCE SHEET AS AT 31ST MARCH 2012

Particulars	Note No.	Figures as at 31.03.2012 (₹)	Figures as at 31.03.2011 (₹)
I FUNDS AND LIABILITIES			
(1) Own Funds			
(a) Reserves and Surplus	2	1,764,256,838	1,255,234,655
(2) Non-Current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities(net)		-	-
(c) Other Long term liabilities	3	672,085	932,815
(d) Long-term provisions	4	45,203,536	41,238,010
(3) Current Liabilities			
(a) Trade Payables	5	17,821,208	19,175,493
(b) Other Current Liabilities	6	249,303,303	185,767,127
(c) Short-Term Provisions	7	7,601,569	4,360,817
TOTAL		2,084,858,539	1,506,708,917
II ASSETS			
(1) Non-current assets			
(a) Fixed Assets	8		
(i) Tangible assets		568,838,891	543,228,857
(ii) Intangible assets		4,375,994	4,428,412
(iii) Capital work in progress		352,000	47,286,120
(iv) Intangible Assets under Development		-	-
(b) Non-current Investments	9	550,293,142	416,119,865
(c) Long-term Loans and Advances	10	53,170,963	57,862,637
(d) Other Non-current assets	11	49,079,651	43,425,750
(2) Current assets			
(a) Current Investments	9	-	28,096,062
(b) Inventories		-	-
(c) Trade receivables	12	12,603,201	11,463,344
(d) Cash and Cash Equivalents	13	804,233,078	319,113,043
(e) Short-term Loans and Advances	14	5,852,351	10,088,376
(f) Other Current Assets	15	36,059,268	25,596,451
TOTAL		2,084,858,539	1,506,708,917

The Notes to Account and Significant Accounting Policies form integral part of Balance Sheet

As per our Report of even date

For **MUKUND M CHITALE & CO.**
Chartered Accountants
Firm Regn. No. 106655W

R. Bhaskaran
Chief Executive Officer

M.D. Mallya
President

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

P. Balachandran
Deputy Chief Executive Officer

Dr. K. Ramakrishnan
Council Member

Place : Mumbai
Dated : July 17, 2012

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST MARCH 2012

Particulars	Note No.	For the year ended	
		31.03.2012 (₹)	31.03.2011 (₹)
I Revenue from Operations	16	337,904,727	285,645,766
II Other Income	17	84,059,082	78,565,422
III Total Income (I+II)		421,963,809	364,211,188
IV Expenses			
Examination Expenses		111,503,055	103,824,249
Employee Benefits Expense	18	68,803,844	66,984,751
Educational expenses	19	30,614,306	20,888,043
Administration expenses	20	78,899,757	66,087,410
Training Expenses		2,149,958	–
Amortisation of premium - Govt. Securities / Bonds / Debentures		2,423,284	2,962,483
Depreciation and Amortisation	21	48,760,138	35,405,344
Other Expenses	22	231,978	3,131,017
Total Expenses		343,386,320	299,283,297
V Excess of Income over Expenditure before Tax and exceptional items (III-IV)		78,577,489	64,927,891
VI Exceptional Items	36	356,724,568	–
VII Excess of Income over Expenditure before Tax (V+VI)		435,302,057	64,927,891
VIII Tax Expenses			
(i) Current Tax		–	–
(ii) Deferred Tax		–	–
		–	–
IX Excess of Income over Expenditure for the year from continuing operations carried forward to Balance Sheet (VII-VIII) [Surplus]		435,302,057	64,927,891

The Notes to Account and Significant Accounting Policies form integral part of Statement of Income & Expenditure

As per our Report of even date

For **MUKUND M CHITALE & CO.**
Chartered Accountants
Firm Regn. No. 106655W

R. Bhaskaran
Chief Executive Officer

M.D. Mallya
President

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

P. Balachandran
Deputy Chief Executive Officer

Dr. K. Ramakrishnan
Council Member

Place : Mumbai
Dated : July 17, 2012

NOTE 1 - 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.
- 1.3 During the year ended 31st March 2012, the Revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company, for preparation and presentation of its Financial Statements. Pursuant to applicability of Revised Schedule VI on presentation of Financial Statements, the Company has classified all its assets/liabilities into current/non-current portion based on the time frame of 12 months from the date of Financial Statements. Accordingly, assets/liabilities expected to be realized/settled within 12 months from the date of financial statements are classified as current and other assets/liabilities are classified as non-current.

2. FIXED ASSETS / DEPRECIATION AND AMORTISATION

- 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.

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.

- 4.2 Provident Fund/Superannuation Fund:

Employees receive benefit from the provident/Superannuation fund under a defined contribution plan. The employee and employer make a monthly contribution to the provident fund plan equal

to 12% of the covered employee salary. The contribution of Provident Fund is made to the trust managed by the Institute and contribution of Superannuation Fund is made to LIC. During the year, the Company has recognized charge of Rs. 53,07,291/- (Previous year Rs. 43,40,381/-) towards provident fund and Rs. 6,15,151/- (Previous year Rs. Nil) towards Superannuation fund contribution in the Statement of Income and Expenditure.

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. 1,25,31,946/- (Previous year Rs. 94,68,011/-) 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, except for Staff Welfare Fund) 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.

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NOTE 2 - RESERVES AND SURPLUS

	As at 1st April 2011	Additions	Transfer from Surplus in Income & Expenditure	Transfer from General Reserve Account	Utilisation / Transfer during the year	As at 31 st March 2012
	₹	₹	₹	₹	₹	₹
Prize funds	5,569,185 (5,369,185)	- (200,000)	- -	- -	- -	5,569,185 (5,569,185)
R.K. Talwar Memorial Lecture fund	3,000,000 (3,000,000)	- -	- -	- -	- -	3,000,000 (3,000,000)
Staff welfare fund	8,041,456 (7,720,843)	- -	728,038 (715,351)	- -	895,639 (394,738)	7,873,855 (8,041,456)
Life membership fund	442,357,872 (386,142,683)	87,147,711 (65,683,200)	- -	- -	12,531,946 (9,468,011)	516,973,637 (442,357,872)
General Reserve	796,266,142 (732,053,602)	- -	434,574,019 (64,212,540)	- -	- -	1,230,840,161 (796,266,142)
Surplus as per Statement of Income & Expenditure	- -	435,302,057 (64,927,891)	- -	- -	435,302,057 (64,927,891)	- -
TOTAL	1,255,234,655 (1,134,286,313)	522,449,768 (955,309)	435,302,057 (64,927,891)	- -	448,729,642 (74,790,640)	1,764,256,838 (1,255,234,655)

Figures in brackets indicate corresponding figures for the previous year.

NOTE 3 - OTHER LONG TERM LIABILITIES

	31.03.2012 ₹	31.03.2011 ₹
Examination fees received in Advance	667,375	917,000
Subscription received in Advance	4,710	15,815
TOTAL	672,085	932,815

NOTE 4 - LONG TERM PROVISIONS

Provision for Employee Benefits - Gratuity & Leave Encashment	45,203,536	41,238,010
TOTAL	45,203,536	41,238,010

NOTE 5 - TRADE PAYABLES

Sundry Creditors*	17,821,208	19,175,493
TOTAL	17,821,208	19,175,493

* There are no amounts due to suppliers as defined under the 'Micro, Small & Medium Enterprises Development Act, 2006.

NOTE 6 - OTHER CURRENT LIABILITIES

	31.03.2012	31.03.2011
	₹	₹
Examination fees received in Advance	230,556,719	145,302,743
Excess examination fees received	737,467	648,589
Subscription received in Advance	53,420	91,496
Statutory Liabilities	776,308	1,498,070
Retention/Earnest Money Deposit	4,000,605	28,395,950
Liability for Expenses / Other Liabilities	13,178,784	9,830,279
TOTAL	249,303,303	185,767,127

NOTE 7 - SHORT TERM PROVISIONS

Provision for Employee Benefits - Gratuity & Leave Encashment	7,601,569	4,360,817
TOTAL	7,601,569	4,360,817

NOTE 8 - FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK		
	As at 01.04.2011 ₹	Additions ₹	Deductions ₹	As at 01.04.2011 ₹	For the year ₹	On Deductions ₹	As at 31.03.2012 ₹	As at 31.03.2012 ₹	As at 31.03.2011 ₹
TANGIBLE ASSETS									
Office Premises #	550,940,672	-	-	44,170,775	25,338,494	-	69,509,269	481,431,403	506,769,897
Leasehold Premises	2,977,281	-	2,977,281	1,690,627	-	1,690,627	-	-	1,286,654
Residential Flats *	40,166,455	-	-	15,119,762	1,252,336	-	16,372,098	23,794,357	25,046,693
Room Air Conditioners	3,035,997	8,398,892	405,600	2,185,146	1,277,289	338,375	3,124,060	7,905,229	850,851
Furniture, Fittings and Office Equipment	23,455,514	43,497,468	16,824,517	18,898,342	8,828,476	15,271,079	12,455,739	37,672,726	4,557,172
Electrical Installations	3,480,648	11,434,943	3,111,278	2,830,671	1,662,116	2,669,997	1,822,790	9,981,523	649,977
Motor Cars	2,397,372	1,066,391	779,842	1,567,918	457,385	650,641	1,374,662	1,309,259	829,454
Data Processing Systems-Hardware	37,774,061	8,024,059	957,974	34,535,902	4,500,207	940,357	38,095,752	6,744,394	3,238,159
TOTAL - TANGIBLE ASSETS	664,228,000	72,421,753	25,056,492	120,999,143	43,316,303	21,561,076	142,754,370	568,838,891	543,228,857
PREVIOUS YEAR	139,384,393	527,869,668	3,026,061	92,204,310	31,758,647	2,963,814	120,999,143	543,228,857	-
INTANGIBLE ASSETS									
Computer Software	33,314,213	5,391,417	-	28,902,467	5,427,169	-	34,329,636	4,375,994	4,411,746
Trade Mark	50,000	-	-	33,334	16,666	-	50,000	-	16,666
TOTAL - INTANGIBLE ASSETS	33,364,213	5,391,417	-	28,935,801	5,443,835	-	34,379,636	4,375,994	4,428,412
PREVIOUS YEAR	31,019,064	2,345,149	-	25,289,104	3,646,697	-	28,935,801	4,428,412	-
TOTAL	697,592,213	77,813,170	25,056,492	149,934,944	48,760,138	21,561,076	177,134,006	573,214,885	547,657,269
Capital Work in Progress	-	-	-	-	-	-	-	352,000	47,286,120
Intangible Assets under development	-	-	-	-	-	-	-	-	-
GRAND TOTAL	697,592,213	77,813,170	25,056,492	149,934,944	48,760,138	21,561,076	177,134,006	573,566,885	594,943,389

Office Premises includes Rs. 702/- being the cost of shares of Office Premises at Kohinoor City.

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

NOTE 9 - INVESTMENTS - CURRENT AND NON-CURRENT INVESTMENTS

	As at 31/03/2012 ₹	As at 31/03/2011 ₹
[A] INVESTMENTS - CURRENT* :		
I] Investment in Bonds	-	-
II] Investment in Debentures	-	-
III] Investment in Government Securities	-	28,096,062
TOTAL	-	28,096,062
[B] INVESTMENTS - NON-CURRENT*		
I] Investment in Bonds	246,910,812	181,705,535
II] Investment in Debentures	70,292,914	-
III] Investment in Government Securities	233,089,416	234,414,330
TOTAL	550,293,142	416,119,865
GRAND TOTAL	550,293,142	444,215,927

* Classification as per Revised Schedule VI requirements.

	Book Value ₹	Market Value ₹
Aggregate Quoted Investments	-	-
Previous Year	-	-
Aggregate of Investments listed but not quoted	550,293,142	-
Previous Year	444,215,927	-
Aggregate of Unquoted Investments	-	-
Previous Year	-	-
	550,293,142	-
Previous Year	444,215,927	-

(I) INVESTMENT IN BONDS (FULLY PAID UP)

-- NON-CURRENT

-- INVESTMENTS - NON TRADE

Name of the Company	Quantity	Face Value	Nominal Value	Book Value	Nominal Value	Book Value
		₹	₹	31.03.2012 ₹	₹	31.03.2011 ₹
10.65% Bank of Maharashtra Bonds	2	1,000,000	2,000,000	2,063,317	2,000,000	2,075,187
9.92% HDFC Bank Ltd. Bonds	5	1,000,000	5,000,000	5,024,368	5,000,000	5,029,856
11.05% Indian Overseas Bank Bonds	6	1,000,000	6,000,000	6,652,430	6,000,000	6,753,336
8.64% Indian Railway Bonds	15	1,000,000	15,000,000	15,082,339	15,000,000	15,091,359
8.80% State Bank of India Bonds	11	1,000,000	11,000,000	11,000,000	11,000,000	11,000,000
9.95% State Bank of Hyderabad Bonds	12	1,000,000	12,000,000	12,734,066	12,000,000	12,856,411
9.40% Syndicate Bank Bonds	6	1,000,000	6,000,000	6,091,243	6,000,000	6,104,688
9.45% Union Bank of India Bonds	8	1,000,000	8,000,000	8,031,051	8,000,000	8,037,907

NOTE 9 - INVESTMENTS - CURRENT AND NON-CURRENT INVESTMENTS

Name of the Company	Quantity	Face Value	Nominal Value	Book Value	Nominal Value	Book Value
		₹	₹	31.03.2012	₹	31.03.2011
9.28% UCO Bank Bonds	5	1,000,000	5,000,000	5,045,489	5,000,000	5,056,174
9.50% UCO Bank Bonds	4	1,000,000	4,000,000	4,000,000	4,000,000	4,000,000
9.50% Andhra Bank Bonds	3	1,000,000	3,000,000	3,047,648	3,000,000	3,054,704
9.20% Allahabad Bank Bonds	27	1,000,000	27,000,000	27,618,854	27,000,000	27,707,296
9.95% State Bank of Travancore Bonds	51	1,000,000	51,000,000	54,375,957	51,000,000	54,938,617
9% IFCI Ltd Bonds	200	100,000	20,000,000	20,000,000	20,000,000	20,000,000
9.95% State Bank of India LT2 2026 Bonds	2500	10,000	25,000,000	26,045,255	-	-
9.50% PNB Housing Finance Ltd. Bonds	15	1,000,000	15,000,000	15,149,295	-	-
9.22% SBI Global Factors Bonds	25	1,000,000	25,000,000	24,949,500	-	-
			240,000,000	246,910,812	175,000,000	181,705,535
TOTAL OF INVESTMENT IN BONDS				246,910,812		181,705,535

(II) INVESTMENT IN DEBENTURE (FULLY PAID UP)

-- NON-CURRENT

-- INVESTMENTS - NON TRADE

Name of the Company	Quantity	Face Value	Nominal Value	Book Value	Nominal Value	Book Value
		₹	₹	31.03.2012	₹	31.03.2011
9.65% HDFC Ltd. NCD	20	1,000,000	20,000,000	19,904,000	-	-
9.90% HDFC Ltd. NCD	30	1,000,000	30,000,000	30,359,607	-	-
9.45% HDFC Ltd. NCD	20	1,000,000	20,000,000	20,029,307	-	-
				70,292,914		-

(III) (A) INVESTMENT IN GOVT. SECURITIES (FULLY PAID UP)

- NON CURRENT

- INVESTMENTS - NON TRADE

Name of the Company	Quantity	Face Value	Nominal Value	Book Value	Nominal Value	Book Value
		₹	₹	31.03.2012	₹	31.03.2011
11.50% Government of India Loan 2015	405000	100	40,500,000	44,143,466	40,500,000	45,301,885
8.30% Government of India Spl.Fertiliser Bonds - 2023	370000	100	37,000,000	38,945,950	37,000,000	39,112,445
Investment in Government of India 8% Savings (Taxable)	150000	1,000	150,000,000	150,000,000	150,000,000	150,000,000
			227,500,000	233,089,416	227,500,000	234,414,330

NOTE 9 - INVESTMENTS - CURRENT AND NON-CURRENT INVESTMENTS

(III) (B) INVESTMENT IN GOVT. SECURITIES (FULLY PAID UP)
– CURRENT [CURRENT PORTION OF LONG TERM INVESTMENTS]
– INVESTMENTS - NON TRADE

Name of the Company	Quantity	Face Value	Nominal Value	Book Value	Nominal Value	Book Value
		₹	₹	31.03.2012	₹	31.03.2011
11.50% Government of India Loan 2011*	4000	1,000	–	–	4,000,000	4,096,062
Investment in Government of India 8% Savings (Taxable) *	24000	1,000	–	–	24,000,000	24,000,000
			–	–	28,000,000	28,096,062
Total of Investment in Govt. Securities				233,089,416		262,510,392

* These investments are of long term nature in accordance with categorisation as per AS-13, however these have been reflected under Current Investments (in accordance with Revised Schedule VI) as they are due for maturity within a period of one year as at year end.

NOTE 10 - LONG TERM LOANS AND ADVANCES

	31.03.2012	31.03.2011
	₹	₹
LOANS & ADVANCES: (Unsecured, Considered good, unless otherwise stated)		
Secured Loans to Employees *	7,130,672	8,177,694
Security Deposits	5,617,854	5,580,869
Capital Advance	–	7,288,938
Advance Recoverable in cash or in kind or for value to be received		
Advance Taxes (including Income Tax Deducted at Source)	40,400,144	34,565,718
Prepaid Expenses	22,293	2,249,418
TOTAL	53,170,963	57,862,637

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

NOTE 11 - OTHER NON CURRENT ASSETS

(Unsecured, Considered good, unless otherwise stated)

	31.03.2012	31.03.2011
	₹	₹
Interest accrued on :		
Staff loans *	8,050,869	7,567,015
Bank deposits	4,232,006	13,154,616
Investments	36,796,776	49,079,651
	22,704,119	43,425,750
TOTAL	49,079,651	43,425,750

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

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	31.03.2012	31.03.2011
	₹	₹

NOTE 12 - TRADE RECEIVABLES*

(Unsecured, Considered good, unless otherwise stated)

Royalty Receivable	12,603,201	10,271,375
Other Receivable	–	1,191,969
TOTAL	<u>12,603,201</u>	<u>11,463,344</u>

* these receivables are outstanding for less than six months.

NOTE 13 - CASH AND CASH EQUIVALENTS

– Cash in hand	12,663	21,371
– Cheques / Demand Drafts in hand	3,001,061	3,013,724
Bank Balance with Scheduled Banks		4,860,812
in Current accounts	28,291,620	16,780,239
in Savings accounts	227,734	250,621
in Fixed deposit accounts #	772,700,000	297,200,000
TOTAL	<u>804,233,078</u>	<u>319,113,043</u>

Out of the above Fixed Deposits amounting to ₹ 42,71,00,000 (Previous Year ₹ 6,27,00,000) are due to maturity for more than one year as at year end.

Further includes Fixed Deposits amounting to ₹ 30,00,000/- (Previous Year ₹ 30,00,000/-) which have been earmarked towards specific Funds.

NOTE 14 - SHORT TERM LOANS AND ADVANCES

LOANS & ADVANCES:

(Unsecured, Considered good, unless otherwise stated)

Secured Loans to Employees *	1,253,422	1,299,976
Staff Advances	461,810	202,700
Advance for Expenses	380,850	1,485,583
Prepaid expenses	3,482,990	6,823,471
Security Deposits	273,279	276,646
TOTAL	<u>5,852,351</u>	<u>10,088,376</u>

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

NOTE - 15: OTHER CURRENT ASSETS

(Unsecured, Considered good, unless otherwise stated)

Interest accrued on :

Staff loans *	365,919	306,969
Bank deposits	21,684,430	10,804,959
Investments	13,551,896	35,602,245
Other Receivables	455,003	14,015,569
Inter Office Balances	2,020	25,127,497
TOTAL	<u>36,059,268</u>	<u>25,596,451</u>

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

	For the year ended	
	31.03.2012	31.03.2011
	₹	₹

NOTE 16 - REVENUE FROM OPERATIONS

Examination fees		288,465,898		252,686,587
Other Operating Revenue				
Educational income	1,247,809			320,995
Tutorial class/Seminar fees	7,162,033			3,591,986
Training Income	4,378,166			–
Royalty on Publications	14,003,558		11,412,641	
Subscription	7,610,250			8,095,400
Life Membership fees (write back from Life Membership Fund)	12,531,946			9,468,011
Others	2,505,067	49,438,829	70,146	32,959,179
TOTAL		337,904,727		285,645,766

NOTE 17 - OTHER INCOME

Interest on Investments - Non Trade & Long Term		44,966,184		53,779,989
Interest on Bank Deposits		35,690,656		21,991,552
Interest on Staff Loans		887,217		971,447
Miscellaneous Income		2,515,025		1,822,434
TOTAL		84,059,082		78,565,422

NOTE 18 - EMPLOYEE BENEFITS EXPENSE

Salaries and Other Benefits		49,181,566		47,484,566
Contribution to Provident and Pension fund*		5,922,441		4,340,381
Staff recruitment/training/other related expenses		315,433		852,032
Staff benefits - Leave Salary/ Gratuity		9,623,519		8,737,076
Staff welfare expenses		3,760,885		3,798,904
PF Administration Charges		–		1,771,792
TOTAL		68,803,844		66,984,751

* includes ₹ 5,41,668/- (P.Y. ₹ Nil) paid on account of shortfall in interest earned by The Employees Provident Fund Trust.

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	For the year ended	
	31.03.2012	31.03.2011
	₹	₹

NOTE 19 - EDUCATIONAL EXPENSES

Tutorial class/Seminar expenses/		
Research fellowship expenses	16,679,673	9,705,947
Sir Purshotamdas Thakurdas memorial lecture expenses	521,663	652,563
Diamond Jubilee Research Fellowship Expenses	6,000	–
Prizes awarded	548,500	222,500
Journal expenses	735,348	808,402
Honorarium to Local Hon. Secretaries	142,200	143,600
Newsletter expenses [Vision]	11,980,922	9,355,031
TOTAL	30,614,306	20,888,043

NOTE 20 - ADMINISTRATION EXPENSES

Printing and stationery	8,234,828	6,447,430
Postages, telephone and telegram expenses	10,813,541	9,323,997
Web Portal expenses	2,863,092	2,799,796
Software Development and Maintenance Charges	8,690,679	7,534,133
Insurance	172,273	86,023
Repairs :		
Building	649,180	918,534
Machinery	2,542,642	2,597,211
Others	2,690,965	1,686,628
Travelling expenses	6,279,400	4,449,270
Conveyance	677,785	572,306
Motor car expenses	1,011,383	988,982
Advertisement expenses	839,423	1,034,401
Corporate Development Expenses	851,316	1,703,307
Auditors' remuneration :		
Audit fees	730,340	730,186
Out of Pocket Expenses	15,442	–
Legal & Professional charges	5,560,316	6,727,815
Premises Expenses -		
Rent	6,766,476	6,110,249
Electricity charges	4,476,847	2,995,529
Outgoings in respect of premises		
Ground Rent	233,048	283,691
Rates and taxes	296,138	336,524
Others	9,811,473	5,813,200
Bank Charges	2,507,186	1,171,170
Sundry expenses	2,185,984	1,777,028
TOTAL	78,899,757	66,087,410

	For the year ended	
	31.03.2012	31.03.2011
	₹	₹

NOTE 21: DEPRECIATION AND AMORTISATION

Depreciation on Tangible Assets	43,316,303	31,758,647
Amortisation on Intangible Assets	5,443,835	3,646,697
TOTAL	48,760,138	35,405,344

NOTE 22: OTHER EXPENSES

Library Books Expenses -				
Library books	83,736		119,216	
Subscription to papers & periodicals	142,618	226,354	261,532	380,748
Loss on Sale of Fixed Assets		5,624		18,947
Loss on sale of Investments		-		2,731,322
TOTAL		231,978		3,131,017

23: NOTES TO ACCOUNTS:

- 23.1 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 2011-2012 under the amended provisions of Section 10(23C)(vi) of the Act. This exemption application for assessment years 2008-2009, 2009-2010 and 2010-11 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 2012. The Institute is in the process of applying for exemption under section 10(23C)(vi) of the Act for assessment year 2012-2013. 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. However the registration of the Institute under Section 12A has been cancelled by the department during the year, against which the Institute has filed an appeal.
- 23.2 Based on status of income-tax matters pending as above and based on legal advice sought by the Institute, no provision for taxation has been made by the Institute for current year as well as for earlier years. The total demands raised by Income Tax department amounts to ₹ 28,51,26,759/- for which assessment orders have been received by the Institute. The matter is being contested at various levels, hence demands for certain years where assessment is pending and demand for interest/penalty, etc presently not determinable has not been mentioned hereinabove.
24. 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 1 (sub note 3), amounting to ₹ 24,23,284/- (Previous year ₹ 29,62,483/-) has been amortized during the year.
25. The Institute has appropriated ₹ 7,28,038/- (Previous year ₹ 7,15,351/-) to Staff Welfare Fund consisting of ₹ 1,00,000/- (Previous year ₹ 1,00,000/-) as the annual contribution and ₹ 6,28,038/- (Previous year ₹ 6,15,351/-) as interest earned on investments. An amount of ₹ 4,45,639/- (Previous year ₹ 3,94,738/-) spent towards staff welfare and ₹ 4,50,000/- (Previous Year ₹ Nil) contributed towards Pension Annuity Scheme, has been shown as utilization from Staff Welfare Fund during the year.

26. EMPLOYEE BENEFITS

26.1 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, 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.

26.2 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 employees are also entitled to sick leaves, which they can carry forward and offset the same in future periods against leave taken in those period(s). The Institute recognizes an obligation for compensated absence and sick leave in the period in which the employee renders the services that increase this entitlement. The Institute measures the expected cost of the same as the additional amount that the Institute expects to incur as a result of the unused entitlement that has accumulated at the Balance Sheet date based on actuarial valuations.

26.3 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	
		2011-12 ₹	2010-11 ₹
1.	Present value of projected benefit obligations as at 1 st April, 2011	2,85,39,688	2,72,69,554
2.	Service Cost	9,70,357	10,45,890
3.	Interest Cost	22,72,783	20,28,685
4.	Actuarial (Gains) / Losses	13,15,147	18,24,906
5.	Past Service Cost	–	(1,26,833)
6.	Benefits paid	(12,06,441)	(35,02,514)
7.	Present value of projected benefit obligations as on 31 st March, 2012 - [A]	3,18,91,534	2,85,39,688

Sr. No.	Particulars	Leave Liability	
		2011-12 ₹	2010-11 ₹
1.	Earned Leave Liability recognized in Balance Sheet - [B]	1,81,00,505	1,42,79,216
2.	Sick Leave liability recognized in Balance Sheet – [C]	28,13,066	27,79,923
Total Employee Benefit Liability * [A+B+C]		5,28,05,105	4,55,98,827
	Current Portion	76,01,569	46,74,266
	Non-Current Portion	4,52,03,537	4,09,24,561
Total Employee Benefit Liability		5,28,05,105	4,55,98,827

* The entire liability of the Institute is unfunded.

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

Sr. No.	Particulars	Gratuity	
		2011-12 ₹	2010-11 ₹
1.	Service Cost	9,70,357	10,45,890
2.	Interest Cost	22,72,783	20,28,685
3.	Actuarial (Gains) / Losses	13,15,147	18,24,906
4.	Past Service Cost	–	(1,26,833)
5.	Total – [D]	45,58,287	47,72,648

Sr. No.	Particulars	Leave Expenditure	
		2011-12 ₹	2010-11 ₹
1.	Earned Leave Liability charge / (write back) for the year – [E]	50,32,089	33,87,853
2.	Sick Leave Liability charge for the year – [F]	33,143	5,76,575
	Total Employee Benefit Charge for the year [D+E+F]	96,23,519	87,37,076

c) Amounts recognized in current year and previous four years:

Year	Defined Benefit Obligation	Experience adjustments on plan liabilities* [Loss/ (Gain)]
2011-12	3,18,91,534	26,42,422
2010-11	2,85,39,688	22,58,603
2009-10	2,72,69,554	1,42,241
2008-09	2,04,24,147	6,08,755
2007-08	1,61,99,955	(2,82,164)

* based on actuarial report.

d) Actuarial assumptions:

Sr. No.	Particulars	2011-12	2010-11
1.	Discount Rate p.a.	8.60%	8.00%
2.	Salary Escalation Rate	6.00%	6.00%
3.	Retirement Age	60 years	60 years
4.	Mortality rates	As per LIC (1994-96) mortality tables	As per LIC (1994-96) mortality tables
5.	Rate of leaving service :		
	21 - 44 years	2%	2%
	45 - 59 years	1%	1%

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27. Income in foreign currency:

	2011-12 ₹	2010-11 ₹
Life Membership Fees	–	24,000
Examination Fees	6,59,125	63,700
Seminar Fees	–	7,13,580
Course Development Fee (including Professional Charges)	36,14,234	-
Sundry Receipts	–	1,93,160
Re-imbusement of Travelling & Other Expenses	5,36,046	–
Subscription to Journals	445	–
Training Fees	8,29,529	–

28. Expenditure in foreign currency

Educational expenses/ Training/Tutorial Expenses	25,18,810	19,82,866
Travelling/Training expenses	13,75,212	5,21,096
Software Maintenance & Development	–	7,397
Subscription to Other Bodies	–	53,669
Legal & Professional Charges	56,250	–
Honorarium Expenses	30,000	–

29. Disclosure related to Managerial Remuneration/payment to Council Members:

29.1 Managerial Remuneration paid/payable to the Chief Executive Officer (CEO) during the year (excluding contribution to gratuity fund and provision for leave encashment on retirement):

	2011-12 ₹	2010-11 ₹
Salary	22,91,749	23,19,095
Perquisites	3,89,312	3,53,639
Contribution to Provident Fund	2,12,119	1,78,691
Total	28,93,180	28,51,425

29.2 Sitting fees to Council Members **1,65,000** 1,06,000

30. In the opinion of the Institute, there is no impairment of assets (to which Accounting Standard 28 applies) as at March 31, 2012 requiring recognition in terms of the said standard.

31. Contingent Liability:

31.1 Income Tax Matters:

Sr. No.	Asst. year	Gross Demand	Status
1.	1996-1997, 1997-1998, 1998-1999	5,52,04,320	Income Tax department had rejected Institute's application for exemption under Section 10(23C)(vi) of the Income Tax Act, 1961. The Institute's appeal for A.Y. 1997-1998 was upheld by the Tribunal. For remaining two A.Y.'s the matter was before Bombay High Court, and the High Court has dismissed the department's appeal for A.Y. 1996-1997 and for A.Y. 1998-1999, the matter is still pending for hearing.
2.	1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004 2004-2005, 2005-2006, 2006-2007, 2007-2008	14,94,99,128	Income Tax department has assessed the income of the Institute under Section 143(3) of the Income Tax Act, 1961, against which the Institute had filed an appeal for exemption before CIT (Appeal). The exemption claim has been rejected by CIT (A) against which the Institute has filed appeal before ITAT - Mumbai Bench. The Hon'ble Tribunal has granted stay for these A.Y.'s, (except for A.Y. 1999-00, 2000-01 and 2002-03 which have been time barred), until such time the application u/s 10(23C)(vi) is disposed off. Further the department has raised a recovery order demanding the amounts due for all these years, against which the Institute has filed stay petition before the Hon'ble Tribunal, which is pending for disposal.
3.	2008-2009, 2009-2010 2010-2011	8,04,23,311	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. Income Tax Dept. has completed assessment of A.Y. 2008-09 and has passed an order u/s 143 (3), against which the institute has filed an appeal with CIT(A). In addition to this Institute's exemption u/s 12A has been withdrawn for A.Y 2009-10, against which an appeal has been filed before ITAT.
4.	2011-2012	–	The Institute has filed application under section 10 (23C) (vi) of the Income Tax Act, 1961 for exemption.

The matter is being contested at various levels, hence demands for certain years where assessment is pending and demand for interest/penalty, etc presently not determinable has not been mentioned hereinabove.

31.2 TDS Matters: ₹ 4,52,340/- (Previous Year ₹ Nil) is demanded by the department for A. Y's 2007-08, 2008-09 and 2011-12. The said matter is presently under dispute.

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31.3 Claims against the Institute not acknowledged as debts:

Particulars	2011-12	2010-11
Matters pending before consumer forums	4,30,000	4,30,000

31.4 During the previous year, the Institute has made payment of arrears to staff. The revised scale of payment is as per the policy formulated by the Institute. The employees of the Institute had a discussion with the Institute in relation to modifications made to the scale of payment. However as estimated/determined by the Institute, no liability is likely to arise as a result of such discussions and hence no provision for the same is required as on 31st March 2012.

31.5 Future cash outflows, if any, in respect of point no. 31.1 to 31.4 above is dependent upon the outcome of judgements/decisions, etc.

32. Estimated amount of contracts remaining to be executed on capital account and not provided as at 31.03.2012 ₹ 63,750/- (Previous year 1,49,22,312/-).

33. The Company has not received any intimation from “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year-end together with interest paid or payable as required under the said Act have been given as Nil.

Particulars	As at 31.03.2012	As at 31.03.2011
a) i) Principal amount remaining unpaid to supplier under the MSMED Act 2006	Nil	Nil
ii) Interest on a) (i) above	Nil	Nil
b) i) Amount of Principal paid beyond the appointed Date	Nil	Nil
ii) Amount of interest paid beyond the appointed date (as per Section 16 of the said Act)	Nil	Nil
c) Amount of Interest due and payable for the period of delay in making payment, but without adding the interest specified under section 16 of the said Act	Nil	Nil
d) Amount of Interest accrued and due	Nil	Nil
e) Amount of further interest remaining due and payable Even in succeeding years	Nil	Nil

34. 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 ₹ 67,66,476/- (Previous year 61,10,249/-) are charged as rent under Note 20.

35. 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.

36. During the year the Company has sold off Leasehold Property (including other assets lying over there) to Union Bank of India for a total consideration of ₹ 36,00,00,000/-. Profit arising out of sale of leasehold property amounting to ₹ 35,67,24,568/- has been credited to Statement of Income and Expenditure as “Exceptional Items”.

37. The Financial Statements for the year ended 31st March 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the Financial Statements for the year ended 31st March, 2012 are prepared as per Revised Schedule VI. Accordingly the previous year figures have been reclassified to conform to this year's classification.

Signatures to Notes 1 to 37

MUKUND M. CHITALE & CO.
Chartered Accountants
Firm Reg. No. 106655W

R. BHASKARAN
Chief Executive Officer

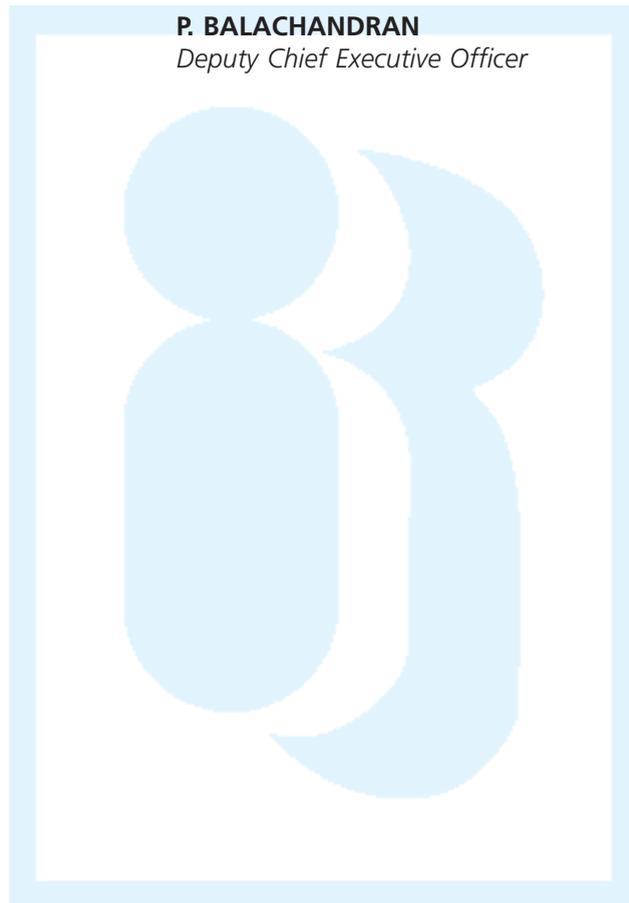
M.D. MALLYA
President

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

P. BALACHANDRAN
Deputy Chief Executive Officer

DR. K RAMAKRISHNAN
Council Member

Place : Mumbai
Date : July 17, 2012



Notice of the 85th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 85th Annual General Meeting of the members of the Indian Institute of Banking & Finance will be held at 4.00 P.M. on Wednesday, the 12th September 2012, in IIBF seminar hall, Kohinoor City, Commercial II, Tower I, 3rd Floor, Kirod Road, Kurla (West) Mumbai 400 070 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, 2012, 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 S. Raman, 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 Shri Ananthkrishna, 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 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.
5. 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.
6. To elect a member of the Council in place of Shri Arun Kaul, 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. Tanksale 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 T. M. Bhasin, 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 ₹ 7,50,000/- 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 the following with or without modification, as a Special Resolution:**
"RESOLVED THAT, pursuant to the provisions of Section 198, 269, 302, 309, 310 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 required, and in consonance with the resolution passed at the Annual General Meeting of the Members on 24th September 2010, the consent of the Members be and is hereby sought to be accorded to the revision/increase in the remuneration payable to Dr. R. Bhaskaran, Chief

Executive Officer, of the Institute for the remaining tenure of his appointment, as per the terms and conditions as specified in the Explanatory Statement attached to this Notice.”

“FURTHER RESOLVED THAT, the Governing Council be and is hereby authorized to increase or amend the remuneration, including the perquisites and other additions payable to Dr. R. Bhaskaran, CEO, during his current tenure subject to the maximum permissible limits as stated in the Companies Act, 1956, along with the Schedules thereof, read with the Articles of Association of the Institute and in the event of any absence of inadequacy of surplus, the limits as stated under the Schedule XIII will be applicable to the remuneration limits payable to him.”

“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.”

11. To consider, and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

To appoint Shri M. D. Mallya as the President of the Institute from the conclusion of 85th Annual General Meeting to the conclusion of the 86th Annual General Meeting in terms of Article 69 of the Articles of Association of the Institute.

Place : Mumbai
Date : July 17, 2012

By Order of the Council

(R. Bhaskaran)
Chief Executive Officer

Registered Office:

Indian Institute of Banking & Finance
Kohinoor City, Commercial II,
Tower I, 2nd Floor, Kirod Road,
Kurla (West), Mumbai 400 070

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 9,10 and 11 above will be open for inspection by the members from 10.30 hours to 12.30 hours on any working day at the Registered Office of the Institute.
- (e) The members are informed that, in accordance with the Circulars 17/2011 dated 21st April 2011 and 18/2011 dated 29th April 2011 issued by the Ministry of Corporate Affairs, Government of India, henceforth, the Institute is proposing to send documents like notice of the general body meetings, audited financial statements, Directors Report, Auditors Report and other documents/ communications to the members in the electronic form by email. The members are requested to intimate the Institute with their e-mail addresses, their membership number and the organization they represent (if any) and type of membership, if they wish to receive the reports in the electronic form. The members may intimate this information to the Institute by an email

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to memcom@iibf.org.in or by writing a letter to the Registered Office of the Institute. The letter should be addressed to The Joint Director, membership services. The entire text of the Annual Report will also be available on the website of the Institute at www.iibf.org.in before the AGM.

ANNEXURE TO THE NOTICE

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

Resolution No 10:

The Members of the Institute in the Annual General Meeting held on 24th September 2010 had approved the appointment of Dr. R. Bhaskaran as the CEO of the Institute with effect from 18th October 2009 for tenure of 5 years on the terms and conditions as stated in the Explanatory Statement to the Notice of the said AGM.

The Governing Council, in its Meeting held on 14th February 2012 has revised the remuneration of Mr. R. Bhaskaran for the remaining period of his tenure.

In that Council meeting the remuneration was revised on the same lines as that of the officers of the Institute with effect from November 2011 as under:

1. Basic Salary: Increase of 15% in the basic pay as of November 2011.
2. Pay scale: ₹ 100000 – 5000 / 3 – 115000
3. Dearness allowance: The Dearness Allowance with effect from November 2011 will be revised and fixed at 60.15% of the basic in line with the officers of the Institute.
4. All other terms of CEO's pay package will remain unchanged.

The said revisions in his remuneration will be subject to the applicable limits of 5% as calculated under the provisions of Section 309 of the Companies Act, 1956. The Governing Council has been given powers to increase or amend the remuneration payable to Dr. R. Bhaskaran subject to the permissible limits as stated under Section 198 and 309 and any other applicable Section, if any of the Companies Act, 1956.

In the event of absence or inadequacy of surplus, the maximum remuneration payable to Dr. R. Bhaskaran will be subject to the limits as specified in Schedule XIII to the Companies Act, 1956.

The above terms and conditions and this explanatory statement may be considered to be an abstract of the resolution proposed by the Governing Council under the provisions of Section 302 of the Companies Act, 1956.

None of the Directors of the Council are interested in the resolution, other than Dr. R. Bhaskaran.

Resolution No.11

The Council has decided to propose the name of Shri M. D. Mallya 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.11 be approved.

Shri M D Mallya may be deemed to be concerned or interested in the Resolution at Item No.11.

By order of the Council

Place : Mumbai
Date : July 17, 2012

R. Bhaskaran
Chief Executive Officer

Dear Members,

As a responsible corporate citizen, your Institute welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India, vide its Circular nos. 17/2011 dated 21st April, 2011 and 18/2011 dated 29th April, 2011 by virtue of which companies/institutes are now permitted to send the documents, such as Notices convening General Meetings, Audited Financial Statements, Directors' Report, Auditors' Report. etc. through electronic mode on the e-mail address of the shareholders/members.

Accordingly, we would like to take this opportunity to inform you of this recently introduced MCA initiative called the 'Green Initiative'. As per this initiative, Companies/Institutes are permitted to send Annual Reports, Balance Sheets and other related documents to their Members through the electronic mode on their e-mail addresses as registered with the Institute. Pursuant to the same, your Institute proposes to send the documents including Annual Report (from 2011-12 onwards) in electronic form at their e-mail addresses. We hereby request the Members to inform about their e-mail addresses or any changes in their already registered e-mail addresses with the Institute. The Institute will continue to provide an option to the Members to continue to receive physical copies of the relevant documents/Annual Report, provided a specific request/response is received from them to that effect.

Members, who have not registered their e-mail addresses so far, are requested to register their e-mail addresses as under:

E-MAIL REGISTRATION

To

Indian Institute of Banking & Finance

Kohinoor City, Commercial II,
Tower I, 2nd Floor, Kiroli Road,
Kurla (West), Mumbai 400 070

Dear Sir/s,

Registration of E-mail address for the MCA Green Initiative:

Name :

Membership No :

Typar of Member : Ordinary Fellow Associate Institutional
(Strike whichever is not applicable)

Address :
.....
.....

Pin Code :

E-mail ID (to be registered) :

Contact Tel. Nos. : Mobile :
Landline :

I would like to register myself for the Green Initiative of the Institute. I request the Institute to provide me with the Annual Reports and other corporate communications, as permitted by the MCA and the Act to my above registered e-mail address.

Date:

Signature of Member.....

To,

Indian Institute of Banking & Finance

Kohinoor City, Commercial II,
Tower I, 2nd Floor, Kiroli Road,
Kurla (West), Mumbai 400 070

PROXY FORM

Indian Institute of Banking & Finance

Registered Office:

Kohinoor City, Commercial II, Tower I, 2nd Floor, Kirod Road,
Kurla (West), Mumbai 400 070

I/We _____ of _____

being a Fellow / Associate (strike whichever is not applicable) Member / Members of **INDIAN**

INSTITUTE OF BANKING & FINANCE here appoint _____

_____ of _____ or failing

him / her _____ of _____

as my / our proxy to attend and vote for me / us and on my / our behalf at the 85th Annual
General Meeting of the Council to be held on day,

September, 2012 at p.m. at the Registered Office of the Council.

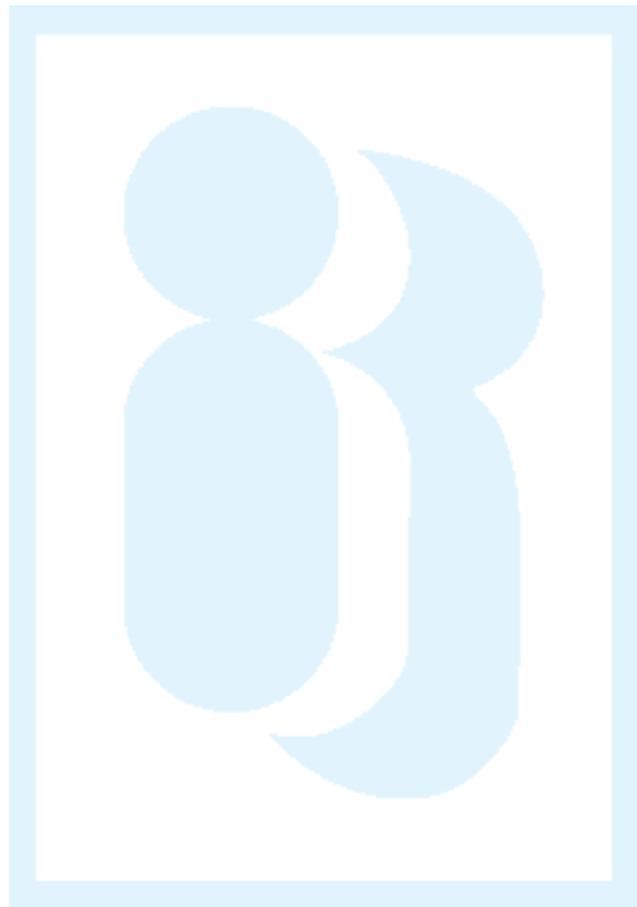
Signed this day of 2012

Signature(s) of the Member(s)

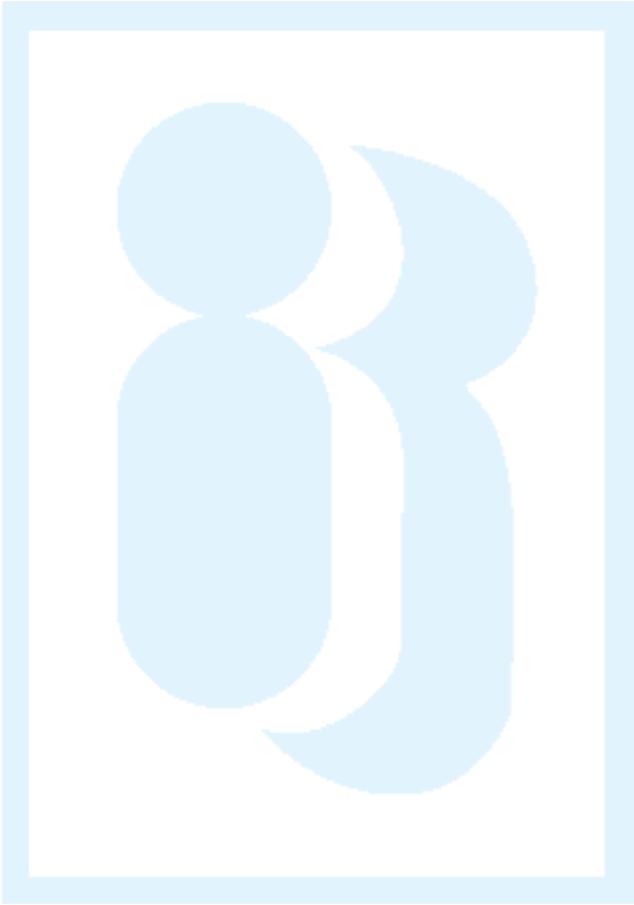
Affix
Rupee
Revenue
Stamp

For a proxy to be effective, the instrument appointing the proxy should be deposited at the registered office not less than 48 hours before the time for holding of the meeting at which the person named in the instrument proposes to vote.

NOTES



NOTES





Dr. M. Veerappa Moily, Union Cabinet Minister of Corporate Affairs, Government of India, New Delhi, delivering the first IGNOU–IIBF Endowment Lecture on 1st March 2012 at New Delhi



Dr. R. Bhaskaran, CEO, IIBF received the Achiever of Excellence award instituted by Bombay Management Association, in association with IBS, Powai, on 5th August 2011 from Prof. Y. K. Bhushan, Senior Advisor, IBS, Powai, Mumbai.



INDIAN INSTITUTE OF BANKING & FINANCE

(ISO 9001: 2008 Certified)

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