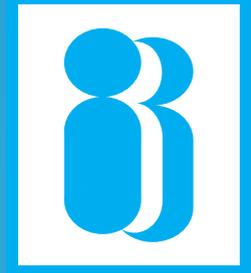


Annual Report 2012-13



INDIAN INSTITUTE OF BANKING & FINANCE

(ISO 9001: 2008 Certified)





Mr. Saumitra Chaudhuri, Member, Planning Commission, Government of India, delivering the 29th Sir Purushotamdas Thakurdas Memorial Lecture for the year 2012 on 28th January, 2013.



Dr. K.C. Chakrabarty, DG, RBI, delivering the inaugural address while launching the new specialized certificate courses on Certified Banking Compliance Professionals and Certified Bank Trainer on 12th July, 2013 at Leadership Centre, IIBF, Kohinoor City, Kurla, Mumbai

GOVERNING COUNCIL

President

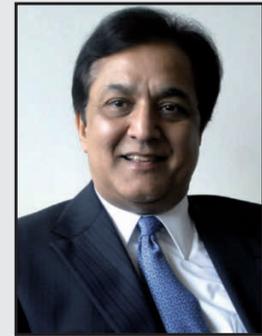


Shri K. R. Kamath,
Chairman & Managing Director,
Punjab National Bank

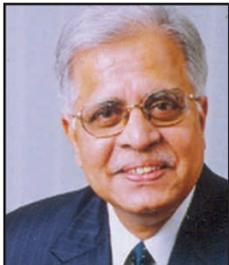
Vice Presidents



Shri M. V. Tanksale,
Chairman &
Managing Director,
Central Bank of India



Shri Rana Kapoor,
Managing Director &
Chief Executive Officer,
YES Bank



Shri Ananthkrishna
Chairman,
Karnataka Bank Ltd.



Shri Allen C. A. Pereira
Director,
National Institute of Bank
Management (NIBM)



Shri Arun Kaul
Chairman &
Managing Director,
UCO Bank



Shri Ashwani Kumar
Chairman &
Managing Director,
Dena Bank



Shri A. S. Bhattacharya
Director,
Institute of Banking
Personnel & Selection



Shri B. A. Prabhakar
Chairman &
Managing Director,
Andhra Bank



Shri B. Sambamurthy
Director, Institute for
Development and Research in
Banking Technology



Shri B. V. Chaubal
Deputy Managing
Director & CDO,
State Bank of India

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Prof H Krishnamurthy
Chief Research Scientist,
Indian Institute of Science



Dr. K. Ramakrishnan
Chief Executive,
Indian Banks'
Association (IBA)



Shri M. Bhagavantha Rao
Managing Director,
State Bank of Hyderabad



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



Shri Pratip Chaudhuri
Chairman,
State Bank of India



Shri S. Karuppasamy
Executive Director,
Reserve Bank of India



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



Mr. Stuart Milne
Chief Executive Officer – India,
The Hong Kong & Shanghai
Banking Corporation Ltd



Smt. S. Panse
Chairperson &
Managing Director,
Allahabad Bank



Shri T. C. A. Ranganathan
Chairman &
Managing Director,
Export-Import Bank of India



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



Smt. V. Iyer
Chairperson &
Managing Director
Bank of India



Prof. Y. K. Bhushan
Senior Advisor,
ICFAI Business School



Dr. R. Bhaskaran
Chief Executive Officer
Indian Institute of
Banking & Finance

Executive Committee

M. V. Tanksale : Chairman
Y. K. Bhushan
S. K. Banerji
S. Karuppasamy
T.C.A. Ranganathan
V. R. Iyer
Dr. R. Bhaskaran
A. S. Bhattacharya

Examination Committee

Y. K. Bhushan : Chairman
Dr. D.M. Nachane
S.K. Banerji
Dr. Sanjay Kaptan
B. V.Choubal
Allen C.A. Pereira
A. S. Bhattacharya
Dr. R. Bhaskaran
A. R. Barve

Education & Training Committee

Dr. K. Ramakrishnan : Chairman
Allen C.A. Pereira
S. K. Banerji
Dr. (Mrs.) Bindi Mehta
Siddartha Roy
Ranji K Goswami
U. S. Paliwal
Dr. R. Bhaskaran
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

2012-13

Dear Members,

Your council has pleasure in presenting the 86th Annual Report of the Institute, including the Audited Statement of Accounts for the year ended 31st March 2013.

Macroeconomic and banking developments during- 2012-13

The Indian economy remained sluggish in 2012-13 especially in third quarter, with slowdown pervasive across most sectors. The deceleration in the growth of services sector, which has been the mainstay of high growth in the recent period, had dragged down overall economic activity and employment creation. The agriculture output was adversely affected by deficient rainfall that had impacted kharif crop. Domestic policy uncertainties, governance concerns, the impact of earlier monetary tightening and the slacking of external demand continue to adversely impact growth.

A cursory glance on the global economic conditions reveals that global growth turned weaker in 2012 and is expected to stay faltering in 2013 as fiscal adjustments drag growth in advanced economies and in turn, delay cyclical recovery in emerging market and developing economies (EMDEs). The International Monetary Fund (IMF) in its World Economic Outlook has forecast global growth to stay further flat at 3.3 per cent in 2013 before improving to 4.0 per cent in 2014.

While downside tail risks have reduced in early 2013 because of the supportive policy action in the euro area and the measures to tackle the fiscal cliff in the U.S., risks to global recovery have increased consequent to the Chinese economy slowing down. It is also predicted that global commodity price inflation is likely to remain soft, although with some risks from Quantitative Easing (QE). However, some optimism has been seen in global financial markets bolstered by policy actions aimed at reducing tail risks. Amidst this one noteworthy point is strong FII flows during the year augured well for the Indian rupee and equity markets.

To address macroeconomic challenges, monetary policy was eased during 2012-13 by Reserve Bank of India in response to some softening of inflation and significant moderation in growth. The impact of such measures in boosting GDP growth is contingent upon resolution of supply bottlenecks, governance issues impending investments and the government's efforts towards fiscal consolidation. Domestic energy price adjustments, inadequate supply response and sustained wage pressures on inflation are expected to drag down growth for some more time. These factors, coupled with subdued domestic business confidence, are likely to keep recovery modest in 2013-14. The challenge is to counter the growth slowdown by reviving investment while managing the trade-off between objectives of reviving demand and restraining the Current Account Deficit (CAD).

To boost aggregate demand in Indian economy, resolving structural bottlenecks and providing public investment stimulus is urgently needed. Similarly, in case of external sector, sustained efforts are needed to reduce the gap, though fall in global commodity prices brings temporary respite.

Considering the whole macroeconomic scenario, it can be said that slow paced recovery, range-bound inflation and macro-financial risks require a cautious monetary policy respite. At the same time, instead of focusing on predetermined fiscal targets that are unlikely to be realized, India's fiscal adjustment should be calibrated to the recovery and a rebalancing of demand from the public sector to the private. This is best done by targeting the structural rather than the cyclical fiscal deficit. There should also be a sharp shift in the composition of the deficit from consumption to addressing

supply-side bottlenecks through public investment in infrastructure. Unlike public consumption which can crowd out private demand, public infrastructure investment has higher fiscal multipliers and can crowd in private investment.

Banking Developments:

Indian banks, the dominant financial intermediaries in India, have made remarkable progress over the last five years, as is evident from several parameters, including annual credit growth, profitability and trend in gross non-performing assets (NPAs). While the annual rate of credit growth clocked 23%, profitability (average Return on Net Worth) maintained at around 15% and gross NPAs fell from 3.3% as on March 31, 2006 to 2.1% as on March 31, 2013.

Good internal capital generation, reasonably capital markets and governmental support ensured good capitalization for most banks with overall capital adequacy touching 15% as on March 31, 2013. At the same time, high levels of public deposit ensured that most banks had a comfortable liquidity profile.

During the last financial year, asset quality of banks was severely impaired, as revealed by the steep increase in non-performing assets of Scheduled Commercial Banks, particularly for public sector banks, owing to their significant exposure to troubled sectors such as power, aviation, real estate and telecom. There was a significant increase noted in the NPA levels. Gross NPAs value recorded a year on year growth of 45.3% and net NPAs registered a year on year growth of 55.6%. As per RBI, this increase was due to inadequate credit appraisal process coupled with unfavorable economic situation in the domestic as well as foreign market. Apart from this, the weakening asset quality trend was also apparent from the significant increase in restructured assets. However, with the strengthening of CDR mechanism and implementation of stringent policies, banks will be able to prevent a sharp deterioration in asset quality.

Traditionally, banks have derived limited income from fee based services such as wealth management, credit card services, treasury services, investment banking and advisory services. As with changing times, consumer needs have changed with various avenues of investment available. This is likely to increase banks' focus on offering fee based services as the earnings from such services are more stable than interest bearing products and it also helps in mitigating risk via diversification of products and services.

As per Census 2011, huge section of Indian population is still unbanked. The overall percentage of households availing of banking services in India stood at around 59% as on 2011, which means still over 40% of total households lacks access to formal banking services. RBI and Government of India in recent years have increased their focus on providing formal banking/financial services to the huge unbanked population. Banks have been advised to develop low cost products and services designed to suit the requirements of this group of population as a part of financial inclusion measure and to allocate minimum 25% of the total new branches in unbanked rural centers during a year. In the process, the number of banking outlets in villages with population above 2,000 and less than 2,000 witnessed a growth of 73.5% and 55.7% during the last Financial Year.

In August 2011, RBI drafted guidelines for licensing of new banks in the private sector. Thus, with the entry of new players in the market, competition among banks will increase. This will benefit the consumers in the long-run and banks will be engaged in devising new strategies to retain and attract customers and protect their market share. Also, passage of 'Banking Laws (Amendment) Bill will attract more and more foreign investments. Finally, "effective implementation of Basel III is going to make Indian banks stronger, more stable and sound so that they could deliver value to the real sectors of the economy" as opined by Governor, RBI.

Review of Institute's performance during the year

The Institute started as a certification body and over the years has diversified itself into a distance education cum certification body. Today, the Institute apart from conducting Associate (JAIIB & CAIIB) exams also offers diplomas and certificate courses covering various facets of banking and has reached out to non-members too. The Institute offers complete set of educational services including examinations, training, research & consultancy towards professionalizing the banking and financial sector cadre. Its services are also extended to service providers of the banking sector and overseas Institutes also. With the use of technology in the delivery of distance education and support from the banks and financial institutions, the Institute is on its way to become a Virtual Education Institute in the area of Banking & Finance.

The Institute is involved in offering professional education to bankers and all related activities as could be seen in Table 1 below.

Table 1:List of Institute's Activities

Qualifications / Activities	Details
Associate Qualifications	JAIIB, CAIIB
Entry Point Qualification	DB&F (Equivalent to JAIIB) Banks can use this to get job ready candidates
Diplomas	7 Diplomas. (4 Descriptive and 3 on-line objective type).
Certificates	12 Courses for Banks and 4 for others. All are one paper – on-line exam.
E-Training	Entry Point on boarding of direct recruits through E-Learning
Training	Customized and off the shelf programs offered in the Leadership Centre in Corporate Office: Project Financing, TTP, Retail Banking, AML, Credit Appraisal, SME Financing, Compliance, IT Security etc.
Seminars	(a) free seminars/lectures across the country (b) one day seminars/workshops in Mumbai (c) Annual Lectures
Publications	Courseware (published), IIBF Vision, Bank Quest and Research Reports.
Research	Grant funding of Macro and Micro Research
Consultancy	Capacity building of Institutes of Bankers in other countries on courses, exam etc. On Location International Seminars and Training Preparing courseware for other educational Institutions Financial literacy
Others	Offer question paper support to institutions for promotion and competency testing of bankers Conduct of customized on-line test for institutional members on request Offering infrastructure support for customized training of member institutions

The Institute continued to perform well in all aspects of its functioning as per details given below.

I. MEMBERSHIP

I.1. Individual Members:

The Institute's main focus is offering professional banking qualifications to individual members. This activity relates to admission of employees of banks and financial institutions as new individual members of the Institute. Membership of the Institute is essential for taking up the Associate Examinations

(JAIIB and CAIIB). During the year, the number of individual members increased from 450,732 to 501,095 (Table 2). The number of new members who have joined the Institute during the year was more than 50,000. The increase in the number of new members during the last 5-6 years is attributed to recruitments in the banking sector. It can be said that almost all new employees of banking sector take up the membership of the Institute.

Table 2: Details of Membership

Category	Total Members as on 31/3/2012	New & renewals during the year 2012-13	Total Members as of 31/3/2013
Fellows	236	2	238
Associates	418	23	441
Ordinary Members	450732	*50363	**501095
Institutions	677	28	***701

*Includes 264 renewals

** Includes 4306 life members who had completed 35 years

*** After merger of 4 banks

I.2. Associate and Fellow Members

Associate and Fellow members have voting powers. During the year, the number of Associate members increased by 23 and the Fellow members by 2.

I.3. Institutional Members

During the year, 28 new Institutions have taken the membership. As 4 banks were merged and the merged institution replaced the 4 institutions, the Institutional membership stood at 701.

II. EXAMINATIONS

The Institute offers Associate Examinations (JAIIB and CAIIB examinations) which is open only to its Members. Besides this, the Institute also offers a number of Diploma and Certificate examinations which is open to non-members as well. The current offerings of the Institute cater to the educational and capacity building needs of the following organizations/Individuals.

Table 3: Institutions/Sectors served by the Institute

Banks: Public Sector, Private Sector, Foreign, Co-operative and Regional Rural Banks
Reserve Bank of India
Financial Institutions: NABARD, SIDBI, IDFC, EXIM Bank, ECGC etc.
Micro Finance Institutions
Non-Banking Financial Companies
Mutual Funds
IT/BPO Companies
Business Correspondents/Business Facilitators (Individuals as well as BC agents)
Financial Advisors/Wealth Managers
Debt Recovery Agencies
Home Loan Advisors

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

II.1. Associate Examinations and DB&F

These exams/qualifications are the mainstay of the Institute. With the increase in number of individual members the candidates appearing for the associate examination has been on the increase.

Table 4: Particulars of candidates under flagship/associate examinations

2011-12			Examination	2012-13		
Enrolled	Appeared	Passed		Enrolled	Appeared	Passed
138412	108894	18858	JAIIB	180855	145085	21911
8052	6356	1751	CAIIB	-	-	-
5820	4458	716	Diploma in Banking & Finance	9967	7322	1108
39189	32755	7540	CAIIB(revised)	65568	54866	11065
191473	152463	28865	TOTAL	256390	207273	34084

The number of candidates enrolled and appeared for all the three examinations has shown a substantial increase during the year. In all the three examinations (JAIIB, CAIIB & DB& F) together, the increase in the number of candidates enrolled is nearly 65000 during the year.

The increase in the number of candidates enrolled for DB & F examination by nearly 4100 during the year (1400 in the previous year), clearly demonstrates the increasing acceptance of this as an entry point qualification for banking job.

II.2. Choice of Electives for CAIIB-2012

The revised CAIIB has two compulsory papers and one elective. The choice of CAIIB elective papers among the candidates during 2012 examinations was as under:

Table 5: Choice of Electives - CAIIB

Subject	No. of candidates chosen electives		
	May -12	Nov-12	Total ¹
Corporate Banking	841	875	1716
Rural Banking	1542	2044	3586
International Banking	851	771	1622
Retail Banking	9999	11275	21274
Cooperative Banking	378	469	847
Financial Advising	478	625	1103
Human Resource Management	1922	2016	3938
Information Technology	1231	1113	2344
Risk Management	1464	1411	2875
Central Banking	448	454	902
Treasury Management	606	482	1088
Total	19760	21535	41295

¹ The number of candidates for electives during the year is lower than the candidates for the other two exams as electives have a higher percentage of pass and many who are appearing for the other two papers have already cleared the electives.

Among the electives for CAIB examination in 2012-13, Retail Banking was the most preferred choice followed by Human Resource Management and Rural Banking. The electives such as Risk Management and Information Technology are also popular among candidates enrolling for CAIB.

II.3. Diploma and Certificate Courses/examinations

The details of candidates enrolled, appeared and passed in the Diploma and Certificate Courses/ examinations are presented below:

Table 6: Candidates for Diploma Examinations of the Institute

2011-12			Diploma Examinations	2012-13		
Enrolled	Appeared	Passed	Examination	Enrolled	Appeared	Passed
90	36	13	Banking Technology	71	41	*26
771	382	66	International Banking & Finance	907	474	100
511	368	101	Treasury Investment and Risk Management	600	456	162
982	722	260	Advanced Diploma in Wealth Management	1030	734	349
172	157	98	Advanced Diploma in Co-op./ Urban Co-op. Banking	331	285	112
224	150	113	Micro Finance Professionals**	13	10	8
60	28	3	Commodity Derivatives for Bankers	63	34	14
249	207	194	Diploma in Home Loan Advising	306	264	240
3059	2050	848	TOTAL	3321	2298	1011

*passed only theory papers completion of Diploma is subject to successful submission of project.

** This course was changed from diploma to certificate course from December 2012 exam onwards

Table 7: Candidates for various Certificate Examinations of the Institute

2011-12			Certificate Examinations	2012-13		
Enrolled	Appeared	Passed		Enrolled	Appeared	Passed
Exams for members and non-members						
304	167	64	Banking Oriented Paper in Hindi	168	126	53
2883	2496	1749	Trade Finance	2979	2633	1903
4182	3751	3050	AML & KYC	4765	4198	3427
602	498	112	Information System Banker	576	479	180
84	72	69	Project Finance Course	110	96	94
203	149	81	Quantitative Methods	194	137	88
1599	1370	1181	Customer Service & Banking Codes & Standards	1980	1707	1366
3153	2701	2525	SME	2977	2507	2280
315	267	250	Credit Card for Bankers	408	364	345

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2011-12			Certificate Examinations	2012-13		
Enrolled	Appeared	Passed		Enrolled	Appeared	Passed
			Microfinance	200	168	153
			IT Security	239	195	137
			Rural Banking Operations for RRB Staff	234	190	82
			Prevention of Cyber Crime & Fraud Management	277	229	217
			Foreign Exchange Facilities for Individuals	305	253	226
13325	11471	9081	Total	15412	13282	10559
Exams for only Non Members						
15668	14103	10479	Debt Recovery Agents	7464	6655	5407
795	689	625	DRA – Tele Callers	1174	1009	966
18400	14900	14892	Financial Inclusion	10856	10856	10313
1493	1367	767	BPO/IT employees : Basics of Banking & Functions of Banks	1387	1262	757
61	55	53	BPO/IT employees Credit Card Operations	46	43	43
36417	31114	26816	Total	20927	19825	17486
49742	42585	35897	Grand TOTAL	36339	33107	28045

The following important trends were observed in Diploma & Certificate examinations:

- i) During the year all the diploma examinations except Micro Finance and Banking Technology have witnessed an increase in the number of candidates enrolled/eligible.
- ii) The MF institutions have been adversely affected by the Micro Finance crisis (2010). The recovery of the industry is slow. The top NBFC companies have undergone CDR process and the business volumes have not yet built up. As such the response to the diploma course was found lackluster. Most MFIs also sought a certificate course. In view of this, the Institute has redesigned this diploma course as a certificate course from December 2012 examination. The fee for the course has also been reduced substantially. It is expected that the certificate exam will get more response than the diploma as can be inferred by the enrollment of 200 candidates in the very first examination.
- iii) The Institute had reported in the previous year of a decline in the number of DRA candidates. This trend continues. This is because banks are moving away from the concept of DSA, DRA etc. Yet the private banks and foreign banks continue to sponsor candidates for DRA Exam.
- iv) It is observed that there is a marginal decline in the number of candidates enrolled for examinations from IT/BPO sector during the year.
- v) The decline in the number of candidate enrollment to BC/BF certification course (financial inclusion) is on account of stoppage of reimbursement of course fee by NABARD w.e.f. May 2012. Institute is now approaching all the banks requesting them to consider insisting with the BC companies/firms that their employees involved in Financial Inclusion on behalf of the bank must be certified by IIBF and that in view of the importance of capacity building of BCA/CSP banks may come forward to fund the training cum certification. Some of the State Governments have approached the Institute to take up the training and certification of BCA/CSP and it is expected that this course will record more numbers in future.

vi) The Institute has introduced new Certificate courses in IT security, Cyber Crime, FEMA and RRBs and Microfinance from December 2012 examination. The first three have been introduced on the basis of recommendations of certain committees established by RBI. The response in terms of enrollment of candidates in these examinations is quite encouraging.

II.4. Non-member candidates.

The knowledge of banking and finance is needed by not only bankers but also some of the service providers of the banking sector. These service providers include IT/BPO companies, NBFCs, DRAs and MFIs etc. In order to accommodate employees of such organizations, some of the examinations of the Institute are open to non-members too. The details of non-members taking the Institute's examination are given below.

Table 8: Number of Non-Member Candidates for various examinations where both members and non members can enroll

Examination	Total Enrolled 2012-13	Non-Members 2012-13	% of NM to Total enrolled
Diploma in Banking Technology	71	25	35.21
Diploma in International Banking	907	269	29.66
Diploma in Treasury Investment & Risk Management	600	141	23.50
Advanced Diploma in Wealth Management	1030	208	20.19
Adv Diploma in Co-op. Banking/Urban Co-op. Banking	331	14	4.23
Micro Finance Professionals	213	25	11.74
Dip. in Commodity Derivatives	63	6	9.52
Diploma in Home Loan Advising	306	25	8.17
Certificate in Trade Finance	2979	395	13.26
Certificate in AML & KYC	4765	484	10.16
Certified Information System Banker	576	18	3.13
Project Finance Course	110	23	20.91
Quantitative Methods for Bankers	194	32	16.49
Customer Service & Banking Codes and Standards	1980	462	23.33
SME	2977	60	2.02
Credit Card	408	94	23.04
TOTAL	17510	2281	13.03

DB&F, DRA, BC/BF and BPO/IT examinations are open only to non-members. Employees of Banking and Financial institutions are not eligible for these courses. The candidates for these examinations aggregated to 30894.

Data in Table 8 shows that the ratio of non-members to total candidates was 13.03% in the examinations meant for banking and finance executives. It must be added here that many of these non-members were from foreign banks and private banks.

From Table 6 and 7 it can be seen that under Diplomas and Certificates there were 39660 candidates for various examinations during the year. Of this, 20927 candidates were non-members which is 52.77% . This high ratio is mainly due to the DRA and BC/BF exam which is meant for non-bankers and non-members. Over all the candidates for all the exams (including associate exams) were 296050. against this the ratio of non-members was 10.43%.

II.5. Analysis of performance of candidates (Pass Percentages) in Institute's Examinations

Over the years it has been observed that the pass percentage of all examinations show a mixed trend. Within this the JAIB and CAIB examination have lower pass percentages than the Certificate and Diploma examinations. It must be added that JAIB and CAIB are modular and each paper contains vast subject coverage. In view of this the Institute adopts a well structured question paper preparation. The Institute also ensures that the standard or level of questions does not vary from examination to examination. The examination committee of the Institute critically reviews this aspect in periodical meetings.

During the year, the average pass percentages in the case of Associate Examinations was about 17%. However in individual subjects the pass percentage was about 32%. Not all candidates appear for all the papers in a single examination and hence, the overall pass % is lower. In the case of Diploma examinations the average pass percentage is 44% and in the case of certificates 85%.

The DRA and Financial Inclusion certificates are offered in local vernaculars and the pass percentage is generally high. It may be added that the candidates for the Diploma and Certificate examinations are experienced in the given vertical and the courseware is also one paper one subject. As against this the associate examinations are modular, course coverage is exhaustive and most candidates are new recruits.

Table 9: Percentage of candidates appearing and passing

Name of the Examination	Candidates appeared as a % to those enrolled		Candidates passed as a % to those appeared	
	2011-12	2012-13	2011-12	2012-13
Associate Examinations				
JAIB	78.67	80.22	17.32	15.10
CAIB	78.94	-	27.55	-
Diploma in Banking & Finance	76.60	73.46	16.06	15.13
CAIB(revised)	83.58	83.68	23.02	20.17
Diploma Examinations				
Banking Technology	40.00	57.75	36.11	63.41
International Banking & Finance	49.55	52.26	17.28	21.10
Treasury Investment and Risk Management	72.02	76.00	27.45	35.53
Advanced Diploma in Wealth Management	73.52	71.26	36.01	47.55
Advanced Diploma in Co-op./Urban Co-op. Banking	91.28	86.10	62.42	39.30
Micro Finance	66.96	76.92	75.33	80.00
Commodity Derivatives for Bankers	46.67	53.97	10.71	41.18
Diploma in Home Loan Advising	83.13	86.27	93.72	90.91
Certificate Examinations				
Banking Oriented Paper in Hindi	54.93	75.00	38.32	42.06
Trade Finance	86.58	88.39	70.07	72.27
AML & KYC	89.69	88.10	81.31	81.63
Information System Banker	82.72	83.16	22.49	37.58
Project Finance Course	85.71	87.27	85.83	97.92
Quantitative Methods	73.40	70.62	54.36	64.23

Name of the Examination	Candidates appeared as a % to those enrolled		Candidates passed as a % to those appeared	
	2011-12	2012-13	2011-12	2012-13
Customer Service & Banking Codes & Standards	85.66	86.21	86.20	80.02
SME	85.71	84.21	93.48	90.95
Credit Card for Bankers	84.76	89.22	93.63	94.78
Debt Recovery Agents	90.01	89.16	74.30	81.25
DRA - TELE CALLERS	86.67	85.95	90.71	95.74
Financial Inclusion	80.97	100.00	99.95	95.00
Basics of Banking	91.56	90.90	56.11	59.89
Certification in Functions of Banks	-	-	100.00	69.23
Credit Card Operations	90.16	93.48	93.48	100.00
New Certificate Courses				
Microfinance		84.00		91.07
IT Security		81.59		70.26
Rural Banking Operations for RRB Staff		81.20		43.16
Prevention of Cyber Crime & Fraud Management		82.67		94.76
Foreign Exchange Facilities for Individuals		82.95		89.33

III. PROCESSES

In view of the large number of candidates appearing for the examination and as the examinations are conducted in many centers across the country the Institute is aware of the need for efficient delivery of examination more particularly in the areas of application for membership, examination, publication of results, answer paper evaluation, declaration of results etc. In this regard the Institute has adopted emerging technology to improve its processes. In the past the Institute had introduced publication of exam results in its portal, tracking of the status of the application for examination, uploading study material and e-learning in the portal etc. Adoption of technology is a continuous practice with the Institute. Accordingly, during the year, the following initiatives have been introduced.

III.1. Online Membership Enrollment

During the year, with effect from June 2012 the Institute has launched the online membership enrolment facility for all its aspiring members for taking up the Ordinary Life Membership of the Institute. The one time enrolment fee is Rs.1,500/- plus service tax. On-line enrolment is facilitated through the Institute's website (<http://www.iibf.org.in>). Candidates can use credit/debit card for on-line payment or make payment through internet account. On successful enrolment a member would get an instant e-mail and acknowledgement containing the membership number. With the introduction of online system, the earlier system of acceptance of Membership application along with DD has been discontinued.

III.2. On-line Payment of Fees

The Institute takes pride in the fact that as and when a new technology is stabilized it studies its application to the Institute's activities and adapts the same. In this regard, the Institute had, some years back tied up with a bank for on-line and cash receipt of fee. Subsequently it also entered into a tie up with SBI under Power Jyoti. However, the receipt of fee through DDs continued to be the

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most popular mode. In this connection, as the effort of the Institute in moving to on-line acceptance of membership application proved successful the Institute was encouraged to apply it to the exam (course) fee as well. The Institute therefore, introduced acceptance of fee through on-line modes for all its examinations. Initially, the facility was started for associate examinations. It has been later extended to all examinations in January, 2013. The payment gateway is through IIBF portal with Sify rendering technical assistance and payments being received through "Bill Desk". Now, the Institute accepts receipt of fee only through on-line mode and SBI Power Jyoti and receipt of fee through DD has been discontinued.

III.3. List of JAIIB/CAIIB passed candidates in the portal

In the past, when the results were announced, the Institute used to get queries seeking confirmation from members/banks about completion of the examination by their employees. The Institute is also committed to maintain a register of candidates completing CAIIB examination which should be accessible to members. Manually this process was cumbersome and resulted in delay and arrears. However, on account of availability of technological solution the Institute is able to address solutions to these issues. During the year, the Institute has started displaying on its portal the details of candidates who have completed various examinations. Currently list of candidates who have completed the JAIIB and CAIIB examination in the last 3 exams (Dec.2011, May-June 2012 and Dec.2012 exams) have been uploaded in the portal. The previous exam results will be added in due course. Banks as well as individual members can access this information without any difficulty.

III.4. JAIIB & CAIIB Completion Memorandum

Some time back the Institute had introduced 'online result advice' service, wherein the candidates who have passed JAIIB & CAIIB could download their advice from the Institute's website. Over and above this the Institute had the practice of sending the hardcopies of consolidated mark sheet cum completion memorandum from the corporate office. In order to ensure that the candidates have faster access to this document, from the May 2012 examinations, the respective zonal offices of the Institute have been authorized to issue the consolidated marks sheet cum completion memorandum to hasten the process of issuing the same.

IV. CONTINUING PROFESSIONAL DEVELOPMENT

Institute offers many certificate and diploma courses for CPD. Further, the candidates who have completed CAIIB in the past are offered an opportunity to choose any one elective under the current CAIIB as a CPD effort. Considering the number of bank employees who have completed CAIIB and the talent management needs of the sector, the response is not that positive. The Institute has approached the banks to encourage the certificate courses. The details of choice of candidates with CAIIB for CPD are presented below.

Table 10: The candidates choice of subject under Continuing Professional Development

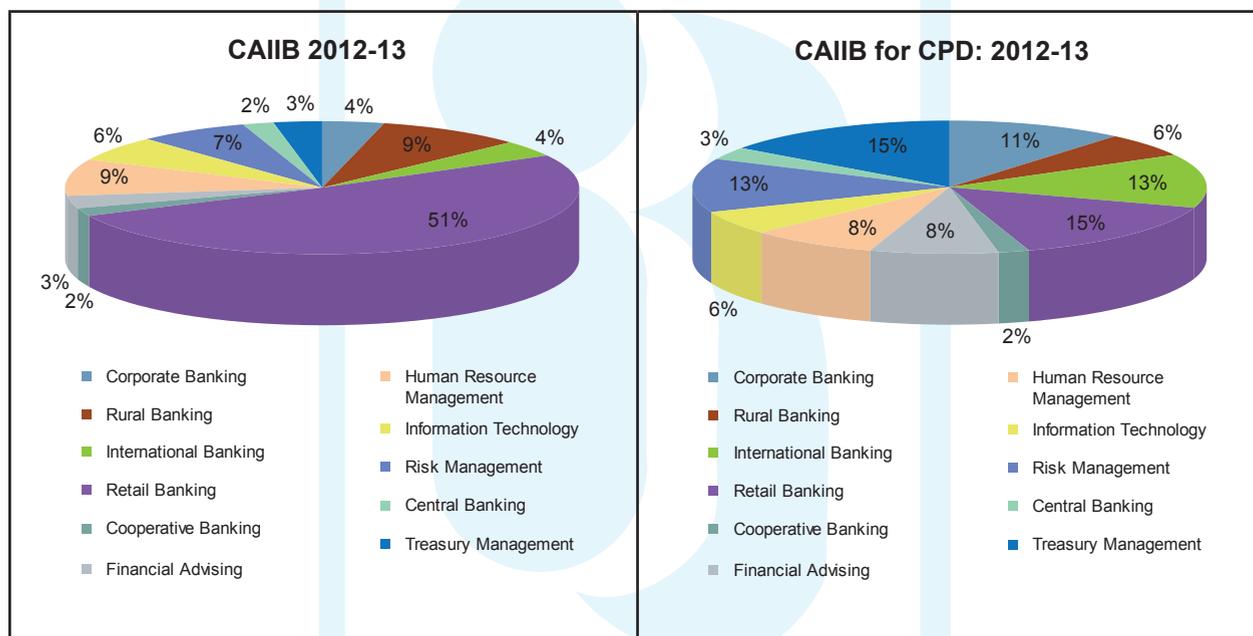
2011-12			Elective Subjects chosen for CPD	2012-13		
Enrolled	Appeared	Passed		Enrolled	Appeared	Passed
144	118	99	Corporate Banking	148	118	71
65	51	43	Rural Banking	87	68	43
162	135	104	International Banking	176	143	135
166	149	138	Retail Banking	200	174	169
18	17	11	Cooperative Banking	23	18	13
104	87	72	Financial Advising	111	98	29
86	73	69	Human Resource Management	109	88	82

2011-12			Elective Subjects chosen for CPD	2012-13		
Enrolled	Appeared	Passed		Enrolled	Appeared	Passed
61	51	35	Information Technology	79	61	45
80	60	32	Risk Management	168	129	54
42	36	33	Central Banking	39	35	22
138	110	46	Treasury Management	199	153	82
1066	887	682	Total	1339	1085	745

In all, 1339 CAIIB holders had enrolled for various electives during the year. It is observed that Retail Banking was the most sought after elective followed by Risk Management and International Banking for CPD purpose.

The choice of electives among those who are pursuing CAIIB and those who have completed CAIIB is not similar. The subject-wise choice of electives in CAIIB and CPD are given in the Charts below:

Chart 1: Choice of Electives



More than 50% of the candidates who are pursuing CAIIB have preferred Retail Banking as their choice of electives. This trend is not seen in case of choice of electives preferred by the candidates who have completed CAIIB and pursuing electives for CPD. No single subject has more than 15% of share in case of electives chosen for CPD. It appears that the choice of electives under CPD might be in tune with the candidates placement/career planning within the bank.

V. ACADEMIC ACTIVITIES

V.1. Launching of New Certificate Examinations and Courseware

The examinations and courseware for four new certificate courses in IT Security, Prevention of Cyber Crime & Fraud Management, Rural Banking Operations for RRB Staff and Foreign Exchange Facilities for Individuals were published during the year. These courses were launched at a well attended function held at the auditorium of the Leadership centre, IIBF on 14th Sept., 2012. The function started with a brief presentation by the CEO on the milestones achieved by the Institute in recent years and its plans to become a fully technology driven virtual institute at the earliest. Mr. K R Kamath, Chairman and Managing Director, PNB and President of the Institute released the courseware for the following

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three certificate courses. Mr. Kamath, appreciated the initiative taken by the Institute to launch these new courses which he stated that will help the bankers to update their professional knowledge.

- IT Security
- Prevention of Cyber Crime & Fraud Management
- Rural Banking Operations for RRB Staff.

Mr. G Padmanabhan, Executive Director, RBI also graced the function and released the courseware for the Certificate Examination in Foreign Exchange Facilities for Individuals. He emphasized the need for the bankers to remain up to date on the topics covered in the launch function and stated that there is need for working together to overcome the challenges of interoperability in many areas. He also complimented the IIBF for its timely action in launching such relevant examinations and courseware. Brief write up on the courses is given below.

(i) Certificate Examination in IT Security

Rapid advances in the information and telecommunication technology have made it possible to develop and implement exclusive solutions to make banking more customer-oriented. IT enabled initiatives have made banking more accessible and data maintenance a matter of routine. However, IT oriented systems have brought in some new risks. These risks have raised the security concerns with the banks. It is in this backdrop that the Goplakrishna Committee² had asked the banks to be more focused on IT Risk Management. Evidently bank staff must be educated on how to use technology and security aspects of IT banking. The recommendation of the said committee was considered by a committee of IBA which asked the sub-group headed by CEO IIBF to study the issue and come up with appropriate recommendations. The sub-group recommended the launch of two certificate courses and trainers training programme on IT issues. This recommendation was accepted by IBA and accordingly the course on IT security has been introduced by the Institute. The course is targeted at employees of Banks or Financial Institutions. The objective of the course is to make the bank employees aware of the IT security requirements and proper implementation thereof for protecting organizational interest. It is hoped that in each branch and office of the banks there will be at least one staff who has undergone this certificate course such that he/she can be a reference source for IT security in the branch/office.

ii) Certificate Examination in Prevention of Cyber Crimes and Fraud Management

This course is also recommended by the IBA committee mentioned above. At present, banks are providing banking services with the increased use of technology. There is a need to protect the bank and customer's interest from possible fraud and hacking etc. In this background banks have felt the need to educate the staff on various Cyber Crimes committed by fraudsters and how to identify these crimes, investigate them and take corrective measures. This will result in preventing the occurrence of frauds in future. The course aims to make the candidates familiar with different types of cyber crimes perpetuated across the globe and acquire necessary knowledge and skill to prevent the occurrence of such crimes in their organizations.

iii) Certificate Examination in Rural Banking Operations for RRB Staff

The Institute had arranged a meeting for the Chairmen of RRBs and also General Managers of sponsor banks to consider the need for introducing exclusive courses, if any for the RRB staff members. The feedback showed that though RRB staffs are taking up the various courses of the Institute there is a need for a structured course focused on RRB operations. The overall objective of the course is to strengthen the operational capacity of branch personnel in the nuances/specialties of rural banking.

² Working Group set up by RBI on Information Security, Electronic Banking, Technology Risk Management and Cyber Frauds.

iv) Certificate Examination in Foreign Exchange Facilities for Individuals

This course has been introduced pursuant to the recommendation of a committee of RBI³. The course has been designed in consultation with FEDAI and bankers. FEDAI has also allowed its material to be used in the courseware that has been developed with their support. The objective of the course is to make the bank's branch officials familiar with the FEMA provisions for individuals which will assist them in their work and improve customer service in the day to day functioning at the branch level.

v) Certificate Examination in Microfinance

The diploma examination in Microfinance introduced in association with Sa-Dhan, an industry association of microfinance institutions in 2008 had two papers (Perspectives and Operations). As against this, a Certificate examination has been introduced as a single paper covering select topics both Perspectives and Operations. The course is presently offered to graduates of any university. However, the minimum qualification could be relaxed for the candidates working in the microfinance/banking domain for not less than 3 years. The course is expected to provide thorough knowledge of the concept of microfinance and working of Micro Finance Institutions including the operational aspects of Self Help Groups/ Micro Finance Institutions.

V.2. E-Training

The Institute is offering E-Training on "Introduction to Bank Operations", "Basics of Banking" and on "Core Banking Solutions" to the direct recruits of Banks (Clerks and Officers).

In this training the following are provided:

1. E-Learning on "Introduction to Bank Operations "
2. E-Book on "Basics of Banking"
3. E-Learning on "Core Banking Solutions"
4. Academic Support from IIBF through e-mail
5. Testing

The cumulative number of candidates enrolled for the training and appeared for the test (including those enrolled for non-proctored online testing) upto 31st March 2013 was 8829. Institute has taken up with banks to consider offering the E-training to their new recruits as this will help them to reduce the onboarding cost of training at the initial stages. Further, it will also make the new entrants familiar with core banking and the essentials of banking at the time of joining itself. The test is similar to the exams conducted by the Institute in its other courses. As the candidates are undergoing probation they will be keen to pass the test. As such the above method of training not only ensures that they learn the lessons well but also makes them job ready. Institute has approached all the banks with a request to use this in their induction training such that the banks own training institutions are able to focus on making the new recruits job ready earlier by reducing the class room based training.

V.3. Study Support initiatives

E-Learning

The Institute has been offering E-Learning to all the candidates appearing for JAIIB/DB&F for the last three and half years and E-learning to all the candidates appearing for CAIIB for the last 2 years. The E-learning of JAIIB/DB&F cover all the three subjects (1) Principles and Practices of Banking (2) Accounting and Finance for Bankers (3) Legal and Regulatory Aspects of Banking. The e-learning of CAIIB covers the compulsory subjects (1) "Advanced Bank Management" and (2) "Bank Financial Management". All the candidates enrolled to these examinations can access e-learning within the fee

³ Committee to Review the Facilities for Individuals under Foreign Exchange Management Act (FEMA), 1999.

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collected for the exam and no additional fee is levied for e-learning. The login IDs and passwords are issued for those candidates who enroll freshly for each examination which is valid for 2 examinations. The details of fresh login IDs and passwords issued during the year are presented below:

Table 11: The details of login IDs and passwords issued during the year 2012-13

Sr. No.	Course Name	May/June – 12	Nov/Dec-12	Total No. of Logins Issued during the year
1	JAIIB	51366	51827	103193
2	CAIIB	18023	21320	39343
3	DB&F	2716	3071	5787
	TOTAL			148323

In addition to the above, the Institute has also been offering e-learning for Diploma in Treasury and certificate courses in Customer Service. All the enrolled candidates are provided with login IDs for the E-learning course. The number of candidates registered for DTIRM e-learning and customer service e-learning during the year were 365 and 1980 respectively.

Development of E-Learning for elective subjects under CAIIB:

The Institute has taken up the development of E-learning for the 11 electives under CAIIB. It is expected that the e-learning development will complete by the end of financial year 2013-14 and made available to all the candidates immediately thereafter.

E-Learning in Banks intranet

During the year, the Institute took a decision to place the e-learning in the intranet of all the banks such that candidates who are not pursuing JAIIB/CAIIB may also have access to the e-learning. This will also make available another access point for the candidates who are pursuing these examinations. The e-learning was placed in various banks intranet without charging any fee for the e-learning. The Institute is happy to note that many banks have uploaded the e-learning in their intranet.

Webex Classes:

The Institute has, with the help of Subject Matter Specialists (SMEs) had developed tutorials (web lectures) for each of the 3 papers of JAIIB and 2 compulsory papers of CAIIB. On an average each module is covered in 7 to 8 hours and the full paper in 25-30 hours. These lectures are placed in the portal of a service provider and candidates can access these lessons at their convenience and from their place of choice. This is akin to having a private tutor for each candidate provided he/she has access to a computer with net facility. In case of webex classes the login IDs and passwords are issued IDs on cumulative basis for all the candidates who are eligible for appearing each examination. The login IDs and passwords issued for web classes during the year are:

Table12: Details of login IDs and passwords issued for web classes during the year 2012-13

Sr.No	Course Name	May/June – 12	Nov/Dec-12	Total No. of Logins Issued during the year
1	JAIIB	84389	91109	175498
2	CAIIB	36044	32751	68795
3	DB&F	5744	5272	11016
	TOTAL	126177	129132	255309

Mock Test

Many candidates had asked the Institute to conduct mock tests. The Institute had therefore, made available a mock test through the portal of a technology company. The mock test is an effort to simulate exam conditions and also give a chance to the candidates to try a question paper which would be beneficial to the candidates. The Institute has been administering mock tests for all the 3 papers of JAIIB/DB & F and 2 papers for CAIIB. The total number of candidates who had registered for mock test during the year was 16550.

Subject Updates

In order to keep candidates informed about the latest developments in banking and finance area, regular updates on different topics are being uploaded on the Institute's website. This will enable the students to update their knowledge and prepare for the Institute's examinations. This is in addition to the updates conveyed to the candidates through the monthly publication of the Institute viz. IIBF Vision.

Condensed RBI 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 36 Master Circulars on different topics issued by RBI on its website.

The availability of the master circulars facilitates the bankers to be familiar with the RBI guidelines and also enable the candidates to update for their examination. The Institute has mentioned the relevance of various master circulars to different examinations of the Institute. In order that the candidates are tested on the latest in banking & finance a few questions in the examinations are based on the contents of the master circulars.

Library services

The Institute has a library at its corporate office with reading room facility. The present collection of books in the institute's library is over 2700 on various subjects mainly related to banking & finance. The total books added to the collection for the year 2012-2013 was 274. Apart from this, bound volumes of multiple sets of 21 study kits by IGNOU School of Management have been kept with the AMP collection. Copies of 31 macro research reports commissioned by the Institute are also available for reference in the library.

V.4. Revision of JAIIB syllabus/courseware

The syllabus for JAIIB and DB&F examinations needed revision owing to changes in the banking environment over time. The courseware on the subjects also needed to be updated. The Institute constituted a Syllabus Revision Committee under the chairmanship of Mr.V.Sridar, former CMD, UCO Bank. The other members of the committee are as under-

1. Shri R. Menon, Chief General Manager, Legal, Exim Bank
2. Shri S. K. Das, General Manger, HRM, Bank of Baroda
3. Shri M. Mehta, Chief Financial Officer, Union Bank of India
4. Dr. U. A. Balasubramanian, Principal, IMAGE, Chennai
5. Shri R. Padmanabhan, Sr. Vice President, HDFC Bank
6. Shri Ranjit Goswami, Chief General Manger, HRM, SBI (Special Invitee)
7. Dr. R. Bhaskaran, CEO of IIBF

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Terms of Reference

The Terms of Reference of the Committee are as follows:

- i. To review and revise the objectives, design, content and coverage of different subjects of JAIB.
- ii. To review and refine the syllabus of JAIB in view of new developments in the banking sector.
- iii. To identify new areas required for bankers at entry level and suggest appropriate syllabus.
- iv. To make any other recommendations to improve examination and educational support system and facilities provided by the Institute.
- v. Any other suggestions for overall improvement of the Institute's educational programmes.

The Committee, during the course of its meetings, considered several issues and has since finalized its recommendations (July 2013) on the syllabus and contents for the JAIB/DB&F examinations which will be, shortly presented to the Governing Council for its approval.

VI. PUBLICATIONS

IIBF Vision

The Institute publishes its newsletter "IIBF Vision" every month. The newsletter provides current developments in the Banking & Finance field to the bankers, in brief. The contents of the newsletter are compiled from financial news papers and websites of regulators etc. The information collected from different sources is classified under important headings viz. Top Stories, Banking Policies, Banking Developments, Regulator's Speak, Insurance, International News, Forex, Rural Banking, Micro Finance, Products & Alliances, Bank for International Settlements, Financial Basics, Glossary, Institute's Activities & News and Market Roundup etc. This has become a reference material for bankers from the angle of the Institute's examination and also while preparing for their promotions. In order to test the awareness of the candidates on the current developments in the subject, a few questions for JAIB, CAIB and other examinations are asked based on the coverage in IIBF Vision.

The Institute has published all the 12 issues of the IIBF Vision on time during the year. As per the request of bankers, the Vision is also brought out in Hindi version, which is put on the portal of the Institute for free downloading. IIBF Vision is sent free of cost to all the life members of the Institute.

Since October 2012, as part of green initiative, the Institute has started sending IIBF Vision by soft copy to the e-mail addresses registered with it for the purpose. Similarly, it is also proposed to send future annual reports to members through e-mails.

Bank Quest

'Bank Quest' is a quarterly journal published by the Institute. Each issue of Bank Quest focuses on an identified theme. The themes covered in the four issues of Bank Quest for the year 2012-13 were:

1. **Financial Inclusion** (April-June 2012)
2. **Risk Management** (July-September 2012)
3. **Central Banking** (October-December 2012)
4. **CEOspeak** (January-March 2013)

The themes for each issue of Bank Quest are decided sufficiently in advance and the articles are invited from senior practising/retired banking and finance professionals and other academicians. The articles are perused/vetted by experts on the subject within and outside the Institute before they are published in the journal. Each issue carries 4-5 articles on a particular theme in addition to articles on

other topics of current relevance, regular features such as book reviews, Hindi articles etc. It provides practical and in depth knowledge on a particular theme. The Journal is available on the portal of the Institute for free downloading.

The CEOspeak, a special issue of Bank Quest has become a regular feature, wherein, the Institute calls for the views of the CMDs/CEOs of Banks on issues of current and future relevance to Banking & Finance. The perspectives of these bank CEOs provides new outlook of knowledge to bankers and other readers. This year, the Institute brought out the fourth special issue of CEOspeak in which 20 CEOs/CMDs of Banks shared their views on 14 important and contemporary issues concerning the present day Indian Banking. In this issue, the Institute also shared the rationale for framing each of the questions. The feedback on the various issues of Bank Quest particularly the CEOspeak is encouraging.

Fin@quest

The Fin@quest is an e-news letter of the Institute and is mailed to the subscribers on a daily basis. The news letter provides information/news on developments in the banking & financial sector. The important news items are given in a nutshell and those who want to access the details can click on the news headings. The subscribers can access daily information on important developments.



Photograph taken at the Financial Inclusion through BC/IF Book in Odia Language release function held at Bhubaneswar on 27th February, 2013 at SLBC meeting.

VII. ANNUAL LECTURE/MEETING

29th Sir Purushotamdas Thakurdas Memorial Lecture (PTML) – 2012

The memorial lecture in honour of Sir Purushotamdas Thakurdas, a founding member of the Institute has become an important annual event of the Institute.

The 29th Sir Purushotamdas Thakurdas Memorial Lecture for the year 2012 was delivered by Mr. Saumitra Chaudhuri, Member, Planning Commission, Government of India on the topic “Restoring India to the Track of High Growth, Social & Economic Inclusion and Stability” on 28th January 2013 at Yashwantrao Chavan Pratishthan, Mumbai.

Mr. K. R. Kamath, Chairman & Managing Director, Punjab National Bank and President of Indian Institute of Banking & Finance (IIBF) presided over the lecture and welcomed the Chief Guest. The lecture was well attended by senior bankers, economists and others.

Joint meeting of IIBF, NIBM & IDRBT with HR/Training Chiefs of Banks - 2012



Meeting of the HR chiefs' organized jointly by IIBF, NIBM and IDRBT on 7.12.2012 at the Leadership Centre, IIBF.

The annual meeting that the Institute holds with the banks HR chiefs' was held as joint meeting organized by IIBF, NIBM and IDRBT on 7th December, 2012 with Heads of HR and Training function of banks with the objective of briefing them about the recent initiatives of these Institutes in enhancing the professional competence of bankers. Each institute made presentations about its activities and discussed about the future activities with the participants. This meeting was jointly conducted with the

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belief that this will help the institutes to avoid overlaps in the offering. In all, 41 senior executives of Public and Private Sector Banks attended the meeting.

One of the recommendations of the HR chiefs was the need to introduce a **Bank Executive Programme** for the middle/senior management personnel of banks. This programme aims at equipping senior bank executives (Senior Management Officers in Scale IV and Scale V or equivalent), with appropriate skill sets to lead the banks in due course. Accordingly, IIBF designed the programme which was accepted by the two institutes. The first BEP was jointly organized at IDRBT during 22nd to 27th April, 2013, which was attended by 36 bankers. Dr. R. Bhaskaran, CEO, IIBF took sessions on HR and Bank Strategies. IDRBT covered all sessions on technology and NIBM covered the risk aspects. CMDs and EDs were also involved in special lectures. Based on the excellent feedback from the participants it has been decided to continue with the programme and the 2nd BEP is scheduled in NIBM in September, 2013. IIBF will organize the 3rd BEP in Mumbai in the month of December 2013.

VIII. SEMINAR/CONFERENCE

Seminars on Customer Service



Shri Deepak Singhal, Regional Director, Reserve Bank of India, and Mr. A. C. Mahajan, Chairman, BCSBI listening to the questions from the audience during the valedictory session of the Customer Service seminar held at New Delhi on 23rd April, 2013.

The Institute has been conducting series of seminars on various subjects across the country. During the previous year, the Institute had organized seminars on customer service with Banking Codes and Standards Board of India (BCSBI). During the year 2012-13, three seminars on the subject were conducted as below:

Seminar	Dates	Place
3 rd seminar	18 th May 2012	Chandigarh
4 th Seminar	2 nd August 2012	Bhubaneswar
5 th Seminar	3 rd August 2012	Kolkata

Seminar on RBI Annual Report 2011-12

The Indian Institute of Banking & Finance (IIBF) and the Reserve Bank of India (RBI) organized a seminar on the RBI Annual Report, 2011-12 on 5th September 2012 at the Leadership centre of the Institute. The seminar was hosted by the IIBF as part of RBI's outreach programme to facilitate greater understanding of the policy issues and the research content of the Report as also to obtain the views of the different stakeholders on the same.

A five member team of RBI economists led by Dr. Mridul Sagar made the presentation on the highlights of the Report covering:

- (1) Macroeconomic assessment for 2011-12,
- (2) Outlook on growth, inflation and twin deficits for 2012-13,
- (3) Select medium-term structural issues,
- (4) Assessment on select issues relating to real sector, inflation, money, financial markets, Government finances and external sector,
- (5) Working and operations of RBI, such as monetary policy operations, regulation, supervision and financial stability, public debt management, etc. and
- (6) Financial accounts of Reserve Bank for 2011-12

Participants from banks, other financial institutions, financial markets, researchers, academics and professional economists interacted with the RBI team. Seminar was ended with a question and answers session.

Microfinance Conclave

The Institute in partnership with the ACCESS-ASSIST and the Small Industries Development Bank of India (SIDBI) organized a round table discussion on “Fund from Banks to the Microfinance Sector: Issues, Challenges and Way Forward” on 14th June 2012 at IIBF Leadership Centre, Mumbai. This meeting was organised for facilitating a dialogue between the banks and the MFIs, to discuss the issues and concerns of banks, and to strategize on possible interventions that could help in renewing fresh lending to MFIs. The meeting was attended by 32 participants including senior representatives from Public/Private Sector Banks, SIDBI, heads of MFIs. The meeting was also attended by a representative from RBI as observer. The Conclave discussed various issues and challenges and arrived at way forward to overcome the problems facing the sector.

IX. TRAINING

IX.1. Training programmes:

During the year, the Institute had conducted 31 training programmes and trained 696 participants as mentioned below:



A view of training session in progress at Leadership Centre, IIBF.

Table 12: Training programmes held from April 2012 to March 2013:

Sr. No.	Name of the Programme	No. of programmes conducted	Total no. of participants
1	Presentation skills for IBPS officers	1	22
2	Workshop on IT / Cyber security	2	29
3	Seminar on Corporate Social Responsibility	1	10
4	Leadership Development PDI	3	81
5	Master TTP	2	65
6	BC/BF TTP	1	16
7	Credit Appraisal	4	114
8	Financing SME	3	69
9	Treasury and Risk Management for Co-op. Banks	1	21
10	Financing and marketing of retail products	1	18
11	Workshop on Compliance Function	1	22
12	Trade Finance	1	16
13	Risk, Regulation and Compliance for Company secretaries	1	20
14	Managing stressed assets	1	19
15	TOPSIM	1	15
16	Marketing and customer care for officers of Bank of India	2	58
17	KYC / AML / CFT regulations and compliance	1	28
18	TTP on IT security / Cyber Crimes	1	8
19	International Trainers Training Programme	1	24
20	Risk based supervision / Risk based audit for officers of Abhyudaya Coop.Bank Ltd.	1	23
21	Housing Finance	1	18
	Total	31	696

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The feedback on the programs averaged above 4 on a scale of 5. Of late, there are requests for customized programs for banks. In addition to the above, the Institute also organized one microfinance conclave and workshop on FLCC.

Advanced Management Programme

Since 2006, the Institute has been offering an Advanced Management Programme (AMP) in Banking & Finance for middle/senior level bank officers/ executives in association with B-schools at Mumbai, Delhi, Kolkata, Bangalore, Hyderabad and Pune. The programme has received good response from the participants.

During the year the Institute decided to offer the Advanced Management programme at its Leadership Centre.

The AMP was inaugurated by Shri M.V. Tanksale, Chairman & Managing Director, Central Bank of India, on 5th January, 2013. The classes commenced on 6th January, 2013.

The programme is being delivered by its internal faculty, senior practising bankers and academicians. In total, 25 candidates from 11 banks have enrolled for this programme.

The specific Objectives and goals of the programme are:

- Develop a global strategic perspective among the middle/senior management Officers
- Inculcate advanced skills for handling emerging areas in banking & finance
- Develop leadership and team building attributes among middle/senior executives and equipping them with the latest tools and techniques to assume higher leadership position. Provoke thinking related to leadership styles and team building approaches
- Discuss framework of the national and international banking/finance industry and competitive analysis.
- Equip bankers with risk management tools/skills.
- Examine issues (using case analysis approach) relating to corporate governance, operational risks and other related concerns in global banking arena.
- Stimulate creative and lateral thinking with an aim to develop innovative financial products/ services.
- Hone communication and presentation skills of the participants and sharpen marketing skills.

Programme progress: The First Trimester has been completed as per envisaged timelines. The executive students have been given their project assignments. Mentors have been assigned to each student for guiding in the project work and for any general course related help. Project submission deadlines have also been intimated to the students so that the entire programme will be concluded within 11 months from the date of commencement.

Project Finance

During the year, the Institute in association with IFMR, Chennai has organised 4 programmes on project finance. Until now this programme was offered only in Chennai in association with IFMR, with e-learning module followed by campus based training. Out of 4 programmes conducted during the year, the last programme on Project Finance was offered at IIBF Leadership Centre, Mumbai on January 18th 2013. The programme was delivered by faculties from IFMR and IIBF.

With these initiatives the Institute begins its journey as a fully fledged professional institute in Banking & Finance offering courses (both class room based and distance learning), training, research and

consultancy. The Institute will focus on consolidating these initiatives and offer high quality service in all its products/services. The next few years, as the banks focus on talent management, the demand on the Institute for offering new courses and training will be high. The Institute will endeavor to maintain the best quality in whatever it does.

X. RESEARCH INITIATIVES

X.1. Macro Research

The Institute has been funding research studies on selected topics in banking and finance since 2003 known as the Macro Research. Under this initiative, the Institute invites every year, research proposals from scholars from Universities, Colleges, and Banks to undertake research in identified areas with the funding support from the Institute. The proposals are approved by the Research Advisory Committee of the Institute comprising of eminent bankers and academicians. During the year, it was decided to increase the project grant to Rs. 2, 50,000/- (Rupees two lakh and fifty thousand only). The identified researcher has to carry out a full-fledged research on the chosen topic for a period of 4 to 6 months. The researchers are required to submit mid-term reports about the progress of the work, which is reviewed by the RAC members. At the end of the work, the researcher has to submit a final report which will be vetted by the Research Advisory Committee.

Under the Macro Research competition of the Institute, so far 31 researchers/scholars have accomplished research projects on behalf of the Institute. The Institute had previously published 10 research reports in 2 volumes in the past. During the year, the Institute has come out with the 3rd volume containing 5 research reports and 4th volume containing the seven research reports. The Institute is in the process of publishing the 5th volume containing 9 research reports.

The copies of the published volume of research report has been circulated to all Public/Private Sector Banks, Co-operative Banks, Foreign Banks, Regional Rural Banks, B-Schools, IIMs, Research Institutes, major Universities and Accredited Institutions of the Institute.

During the year, the Institute had invited research proposals vide its advertisement in the Economic and Political Weekly (August 2012) and on the Institute's website. Institute has also approached major research Institutes, IIMs, IITs, B-Schools, Colleges/Universities, Staff Training centers of Banks etc. to undertake macro research on behalf of the Institute in any of the following areas.

1. Data Security Issues: Emerging Issues
2. Competition Issues & Policies in Banking: Need & Relevance for India
3. Gold Banking in India: Challenges and Prospects
4. Why Financial Inclusion not happened?
5. Lessons from Sovereign Debt Crisis for Banking
6. Optimal Regulation with multiple regulators: Lessons for India
7. Infrastructure Financing: Challenges of Restructuring

In response to the advertisement the Institute had received 31 proposals from academicians and bankers. The Committee had shortlisted 10 researchers and decided to call the researchers to make the presentation to the Research Advisory Committee. The RAC received the presentations and it recommended, the following proposals for award of research grant for the year 2012-13.

1. Dr. Tejinderpal Singh, Associate Professor, University Business School, Punjab University, Chandigarh on the topic "Security and Privacy Issues in Internet Banking: A Study of Online Banking Portals and Customer's Perspective".

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2. Dr. Debashis Acharya, Associate Professor, Dept.of Economics, University of Hyderabad on the topic "Financial Inclusion in India: Why not happened?"
3. Dr. Vikas Srivastava, Associate Professor, Indian Institute of Management, Ranchi, Jharkhand on the topic "Infrastructure Financing: Challenges of Restructuring".

X.2. Micro Research

Every year, the Institute conducts an essay competition for its members (bankers) in the identified topics in the area of banking and finance which is known as Micro Research. All the eligible essays received by the Institute for the competition are evaluated by a panel of experts. The winning essays are identified and approved by the Institute's Research Advisory Committee. Each prize winner is given cash award and a certificate.

The Institute had received 35 Micro Research proposals for the year 2012-13 .The Research Advisory Committee considered the following names for prizes:

- | | |
|---|---------------------|
| 1. Mr. C.A.Pankaj Chadha, National Housing Bank
Topic: Intellectual Capital Efficiency: A Comparative Study of listed Public and Private Sector Banks in India | First Prize |
| 2. Mr. Ravella Venkateshwara Rao, State Bank of India
Topic: Cluster Farming Finance | Second Prize |
| 3. Mr. Sunit K Pandey, IDBI Bank Ltd,
Topic: Utilization of IP Assets for Banking Business & Financial Instrumentation | Third Prize |

Consolation prizes:

4. Mr. Tamilenian D., Indian Overseas Bank
Topic: Contactless Payments Technology
5. Dr. S.V.S.Kishore Kumar, Andhra Bank.
Topic: Technology in Indian Banking-A Winning Tool
6. Ms. M.Vidyavathi, Andhra Bank
Topic: Banking in Rural India and Impact on Inclusive Growth

X.3. Diamond Jubilee & CH Bhabha Banking Overseas Research Fellowship (DJCHBBORF) 2011-12

The Institute has modified the scheme of Diamond Jubilee and CH Bhabha Banking Overseas Research Fellowship (DJCHBBORF). The Institute had placed an advertisement calling for proposals for the Fellowship on its portal and also wrote to the banks.

The Institute had received 4 proposals. The interview committee of the Institute had selected Dr. Narinder Kumar Bhasin, Vice President & Branch Head, Axis Bank, New Delhi out of the four scholars for the award of Diamond Jubilee & CH Bhabha Banking Overseas Research Fellowship (DJCHBBORF) for the year 2012 to carry out the study on "Impact of Electronic Payment Systems and Customer Services in Banks" on behalf of the Institute. He has carried out the research under the guidance of Dr.Subhash Sharma, Dean, Indus Business Academy, Bangalore & Academic Mentor, IBA, Greater Noida and submitted his report to the Institute.

XI. AWARDS

The Institute has been selected for the 20th Dewang Mehta Business School Award for the year 2012 for the **Business School with Best Academic input (syllabus) in Banking & Finance**. This is the third award the Institute has received in the last two years. Last year, the Institute received the World

Education Congress Asia Award, Dubai for Best Educational Institute in Banking and Finance and Achiever of Excellence Award was conferred on the CEO, IIBF by the Bombay Management Association.

XII. COLLABORATIONS / CONSULTANCIES

Institute offers consultancy in the area of capacity building and various aspects of the management of education and training institute for bankers.

(i) International Collaborations

a) BIOB External Moderation

The Institute has entered into a MOU with the Botswana Institute of Bankers (BIOB) for moderating the question papers, suggested solutions and answer sheets in respect of the examinations conducted by BIOB.

As per the MOU, the Institute reviewed the question papers / suggested solutions in respect of 17 subjects pertaining to April 2012 examination of Botswana Institute of Bankers (BIOB). The Institute also reviewed question papers of 17 subjects of October 2012 examination. The subjects were:

1. **Certificate in Banking:** Accounting –I, Principles of Law, Principles of Banking, Principles of Management, Introduction to Economics and Business Communication.
2. **Associate Diploma Stage-I:** Accounting – II, Law related to Banking, Management Practices, Introduction to Investments, Taxation and Statistics.
3. **Associate Diploma Stage-II:** International Trade Finance, Monetary and Financial System, Strategic Marketing Management and Investment Management

In addition to question papers, the Institute also moderated answer papers of 82 candidates for the October 2012 examination involving about 17 subjects.

BIOB has expressed full satisfaction with the moderation reports and efforts and has asked for more support from the Institute.

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

Previously, the Institute had entered into a MOU with Zambia Institute of Banking & Financial Services (ZIBFS). According to the collaboration arrangement, JAIB examination of the Institute had been customised to meet Zambian requirements and offered as a Professional Diploma in Banking & Financial Services (PDBFS). The Institute had set the question papers for the Diploma exam which were held twice during the previous financial year.

ZIBFS has also adopted the CAIB examination of the Institute as a Level II examination. As a part of this agreement, the two compulsory papers of the CAIB exam namely, Advanced Bank Management and Bank Financial Management will also be offered by ZIBFS. Additionally, two electives namely Risk Management and Retail Banking will be offered. The Institute has helped ZIBFS in customizing the courseware on the above subjects to suit the Zambian requirements. It is hoped that the second level will be introduced before the end of 2013 by ZIBFS.

c) Other International consultancies

The Institute has been approached by Botswana Institute of Bankers, Malaysian Institute of Bankers and Afghanistan Institute of Bankers for undertaking a TNA and developing customized courseware. The Institute is in correspondence with these Institutes for taking the issues forward.

(ii) Local Collaborations/Consultancies

a) Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, India

During the year, the Institute had undertaken the following consultancy contracts with GIZ, India.

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Preparation of Course material for Rural Co-operatives: As per the terms of consultancy, the Institute has prepared reading material kits for Rural Co-operatives in India in a self study format for the following subjects i) Indian Financial System and Co-operative Credit Structure ii) Bank Management iii) Business Management iv) Accounting and Audit v) Advanced Bank Management vi) Bank Financial Management vii) Organisational Behavior and Human Resource Management viii) Banking Technology and Management. The Institute has prepared all the 8 books well in time with help of subject matter specialists.

FLCC: The Institute has taken up a consultancy project to prepare 150-200 Frequently Asked Questions (FAQs) in English and Hindi for GIZ, India. As a part of this consultancy, the Institute has conducted one workshop with bankers and FLCC/FLC managers to finalize the list of relevant topics for FAQs. Based on this FAQs have been prepared and these FAQs have been translated in Hindi language. The FAQs so prepared are to be disseminated after conducting second workshop with the FLCC/FLC managers.

Workshop on FLCC

Banks have opened Financial Literacy Centres (FLCs) for spreading financial literacy. The counselors educate, guide and enable unbanked people to know the various facilities available from banks and Govt. departments. In order to help these counselors and those who are involved in financial literacy campaigns, the Institute had taken up the work of developing 'Frequently Asked Questions' to supplement the financial guides and other materials published by RBI/banks with financial support from GIZ. As a part of this work, the Institute has conducted a FLCC workshop on 11th January, 2013 at Leadership Centre, IIBF, Mumbai.



Participants at the Workshop on FLCC held on 11th January, 2013 at Leadership Centre, IIBF, Mumbai

The workshop was attended by 24 participants (in addition to IIBF faculty) with representatives from different banks, RBI, NABARD, GIZ, NGOs, and trainers. After a presentation by Dr. R. Bhaskaran, CEO, IIBF on the FLCC and the scope and content of work, the participants deliberated on various issues of FLCCs. The workshop has helped in identifying the needs of FLCCs for developing 'Frequently Asked Questions' and also various modes of delivery of financial literacy to the unbanked people.

b) MOU with Acharya Nagarjuna University

The Institute has entered into a Memorandum of Understanding (MOU) with the Acharya Nagarjuna University (ANU), Guntur, Andhra Pradesh to offer the Diploma in Banking & Finance course to University students as also to the students of 412 affiliated colleges of the University. The MOU was signed by Dr. R. Bhaskaran, Chief Executive Officer of IIBF and the Registrar of the University on 22nd January, 2013 at the University campus in the presence of Prof. K. Viyyanna Rao, Vice Chancellor, ANU and Shri B. A. Prabhakar, CMD, Andhra Bank



Exchanging of MOU between IIBF and Acharya Nagarjuna University, Guntur on 22nd January, 2013

and member of Institute's Governing Council. The MOU is unique that the University and its affiliated colleges will impart professional coaching to all the students enrolled for the Diploma in Banking & Finance (DB&F) course.

XIII. WORKING OF ZONAL OFFICES

The four zonal offices of the Institute are the vital links between the Institute and the Members. The zonal offices provide support services in conducting the examinations and play an active role in marketing for enrolment of both individual and institutional members and getting nominations for various training programmes of the Institute.

1. Visit to banks

The officials of the zonal offices met the Branch Managers, Principals of colleges and briefed them about Institute's new initiatives and also explained the details / advantages of the



Shri B Raj Kumar, ED, Indian Bank & Shri Dr J. Sadakkadulla, Principal, RBI Staff College presenting the award to the prize winner at zonal office , Chennai.

Diploma in Banking & Finance course to the students in the colleges. The important places visited by the officials of the zonal offices for this purpose are Delhi/NCR, Gurgaon, Anantapur, Bangalore, Bongaigaon, Burdwan, Chennai, Cuddapah, Dhubri, Erode, Hyderabad, Kurnool, Mahaboobnagar, Midnapore, Mumbai, Mysore, Nagercoil, Nellore, Salem, Sangli, Sasaram, Satara, Serampore, Siliguri, Tenali, Thutukudi, Tiruchrapalli and Tirunelveli,.

2. Bankers Meet

The Zonal Offices arrange meetings of the bankers in various parts of the country to create awareness in regard to the courses offered by the Institute and also market various educational products of the Institute. These meetings are attended by senior bankers as chief guest and other officers and staff of various banks. During the year, the zonal offices of the Institute organized bankers meet at various places including at Hissar, Barasat, Barrackpore, Bikaner, Dharampuri, Hissar, Howrah, Kolkata, Malda, Raipur and Sambalpur. In addition to respective zonal heads, Dr. R.Bhaskaran, CEO of the Institute participated in a number of these meetings and made presentations about courses of the Institute.

3. Presentations at Training Centres of Banks

In addition to Bankers meet, the zonal offices arrange for presentation about the courses offered by the Institute at the training centres of banks. The zonal offices of the Institute attended the induction programme of Banks Staff Training Centres viz., UCO Bank STC, UBI Staff Training College, Allahabad Bank STC, Punjab National Bank ZTC, Bank of India STC, State Bank Learning Centres and Syndicate Bank STC during the year.

4. Information centres

The Zonal office had also put up information/stalls in the controlling offices, major branches of banks.

5. Exam Centre Superintendents Meet

The Zonal Offices had organised meeting of the Examination Centre Superintendents at various parts of the country to brief them about the conduct of the examinations. These meetings have helped to interact with the officials conducting the examinations at various centres and also to impress upon the Centre superintendents about the rigour expected while conducting the examinations. These



Exam. Centre Superintendents' meet held at New Delhi on 18th October, 2012

meetings were organized at Amritsar, New Delhi, Chennai, Hyderabad Nagpur and Kolkata centres during the year. These meetings have also helped the Institute to get valuable feedback about the examinations from Examination Centre Superintendents based on their past experiences in conducting the examinations and their interactions with the candidates at various centres.

6. Contact Classes

During the year, Zonal offices of the Institute organized contact classes of one day duration for JAIIB & CAIIB at Mumbai, Indore, Pune, Kolkata, Patna, Chennai, Hyderabad, Bangalore, Mangalore, Vijayawada, Trichy, Salem, Coimbatore, Kollam, Pondicherry New Delhi, Lucknow and Ludhiana centres.

7. Tutorial Classes

The Institute also arranged Tutorial Classes at Trivandrum, Madurai and Trichur centres during 2012-13 for JAIIB / CAIIB examinations.

8. Special Contact Programme

The Northern Zonal Office had arranged contact programme for DCB employees in their New Delhi premises for Certificate in Trade Finance examination on 1st Dec. 2012. 17 candidates were present.

9. Special lectures

During the year, the eastern zonal office arranged lectures on Trade Finance, SME Finance and Accounting & Finance. The western zonal office had arranged two special talks during the year.

XIV. OTHERS

Visitors to the Institute:

The following executives visited the Institute during the year in order to explore areas of co-operation.

- Ms. Debra Wallace, Executive Director, Knowledge and Library Services, Harvard Business School, Baker Library, Bloomberg Center, Boston,
- Ms. Melissa Shaffer, Director, Information Management Services, Knowledge and Library Services, Harvard Business School, Baker Library, Bloomberg Center, Boston,
- Ms. Rachna Chawla, Assistant Director, Research Services, Harvard Business School, India Research Center, Mumbai
- Mr. Simon Culhane, Chief Executive, Chartered FCSI, Chartered Institute for Securities & Investment, London
- A team of 5 members of National Banking Institute (NBTI), Nepal including. Mr. Shashin Jashi,

Chairman, NBTI & CEO, NIC Bank, Mr. Ashwin Kumar Thakur, board member, NBTI and ED, NEPAL RASTRA BANK, Mr. Shankar Man Shrestha, board member, NBTI & CEO, RMDC, Mr. Sidhant Raj Pandey, board member, NBTI & CEO, Acc Development Bank and Mr. Sanjib Subba, CEO, NBTI had visited the Institute from 18th to 19th Sept., 2012 and interacted with the CEO, IIBF. The team viewed the demo of simulation & e-learning programme

XV. STAFF & PERSONNEL

Staff strength:

One officer retired from the services of the Institute. Another officer resigned from the services of the Institute. After taking in to consideration the retirement and the resignation, the staff strength of the Institute as of 31st March, 2013 stood at 99 as against 105 on 31st March, 2012.

Training/Workshops for Development of Human Resources

As a part of Human Resource Development, the Institute continued to depute its officers to various training programmes conducted by various management institutions in India and abroad.

XVI. GOVERNING COUNCIL:

(i) New Members:

During the year, the Council appointed the following Executives of Banks/Institutions as Members of the Council in casual vacancies:

- (a) Shri M V Tanksale
- (b) Dr. H Krishnamurthy
- (c) Shri M Bhagavantha Rao
- (d) Smt. V R Iyer
- (e) Smt. Subbalakshmi Panse
- (f) Shri B A Prabhakar
- (g) Shri B Sambamurthy
- (h) Shri A S Bhattacharya
- (i) Shri B V Chaubal
- (j) Shri Stuart Milne

(ii) Resignation of Members:

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

- (a) Shri M V Nair
- (b) Shri Dilip Mavinkurve
- (c) Shri M Balachandran
- (d) Shri S Raman
- (e) Shri A K Misra
- (f) Shri J P Dua
- (g) Smt. A Bhattacharya

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(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 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 fee paid, during the year, to some of the non-executive Council Members amounted to Rs. 2,03,000/-

(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 - 2
- 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 of the decision of Council.
- Minutes/ Decisions of different Committees.
- Income- Expenditure of the Institute.
- Status of Academic Activities of the Institute
- Status Report of General Administration.
- Periodical updates on the Strategy Action Plan- new plans
- Collaboration of Institute with Foreign Institutes

Financial Position

Directors' Responsibility Statement

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

1. In the preparation of Annual Accounts, the applicable accounting standards have been followed and there has been no material departure;
2. The Council had selected such accounting policies and applied them consistently and made judgments 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 2012-13 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 their knowledge and ability for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Institute and for preventing and detecting fraud and other irregularities; and

4. The Council had prepared the annual accounts on a 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.

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

- 1. Foreign Exchange Earnings Rs.16,28,144/
- 2. Foreign Exchange Outgo Rs.13,30,590/

Particulars of Employees

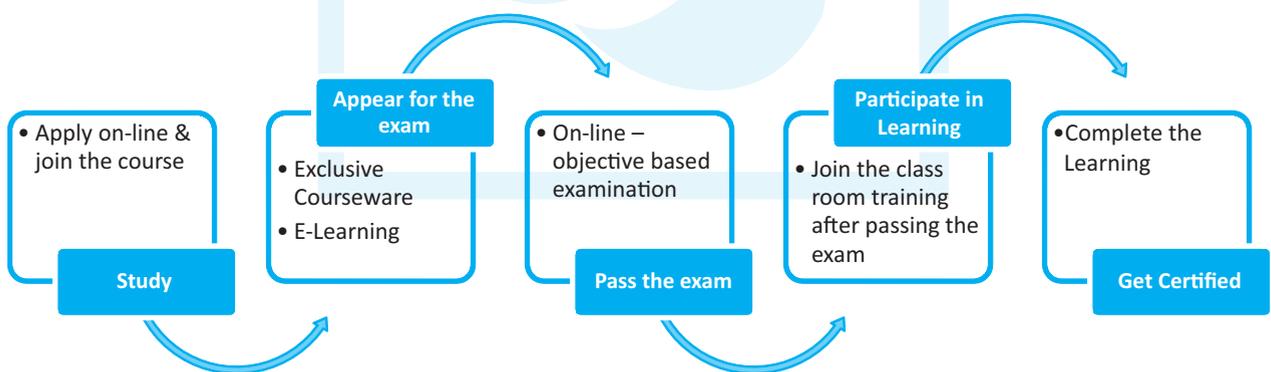
There are no employees drawing remuneration in excess of Rs. 60,00,000/- for the whole year or in excess of Rs.5,00,000/- per month, where they were employed for a part of the year, and hence the provision of Section 217(2A) of the Companies Act, 1956 are not applicable.

XVII. FUTURE PERSPECTIVE

Class room learning cum certification courses

During the year 2013-14, the Institute will start offering campus based certificate programmes on Credit Appraisal, Retail Banking, SME Finance, Risk Management and Trade Finance. These courses will be useful to the working executives as also those who seek employment in the banking and finance sector. The Institute is currently engaged in preparing the materials for these courses. The Institute also propose to launch advanced certificate courses in select areas. As per the methodology proposed for the advanced courses there will be two components viz. passing of online examination and attending of class room learning. In the proposed model depicted below the learning would be more efficient than the traditional model of examination.

The Advanced Courses: Flow Diagram



Under this methodology the Institute will offer 3 or 4 courses. To start with in the year 2013-14 the Institute will offer

(i) “Certified Bank Trainer” Programme jointly with National Institute of Bank Management, Pune

The Institute has taken initiatives to develop highly professional trainers for the training establishments

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at Banks, Bank's Institutes and Financial Institutions. This programme will impart the necessary set of training skills to enable them to be effective in their training function. The focus of the Programme is on Faculty Development, and aims to improve Presentation Skills, developing Comprehension, Conceptualization, Creativity and Conduct and Control over the class. This will be an advanced certificate course as mentioned above.

(ii) Certificate Course on Compliance

The Institute has started imparting training in niche areas. One of the areas selected for such intensive training is Compliance and Regulation. The Institute has organized a workshop on compliance function to banks on 24th August 2012. Further, the Institute also organized a training programme on 'Risk Regulation and Compliance' to the students of Institute of Company Secretaries of India (ICSI) from 27th to 29th September 2012. During the meet of the HR chiefs of banks held in the last year, they expressed a view that the Institute should consider launching suitable courses/training programmes in the area of compliance.

The Institute has entered into a MOU with Institute of Company Secretaries of India (ICSI), New Delhi to offer a joint programme on compliance. The course will have two papers viz. Risk Regulation and Governance and Compliance. The candidates passing the two paper online examination are required to attend 5 days of class room learning before being certified as Certified Banking Compliance Professional. First examination of the Certified Banking Compliance Professional Course will be conducted in December, 2013. This is also an advanced certificate course as mentioned above.

The Institute is also pursuing collaboration with International Institutions to add value to its educational efforts. In this regard, the following initiatives are under way.

(i) Certified Information System Audit Courses

Among others, currently, the Institute offers courses such as Diploma in Banking Technology (DBT), Certified Information System Banker (CeISB), Certificate in IT Security and Certificate in Cyber Crimes etc. Institute has also developed its own course materials for these technical courses to assist the candidates to prepare for these examinations. The Institute of Systems Audit and Control Association (ISACA), a global organization for information governance, control, and security and audit professionals also offers various certificate courses on Information System Audit. As the most of the curriculum of the CeISB, DBT, IT Security and Cyber Crimes matches with ISACA's certified courses, the Institute is exploring collaboration with ISACA to create a synergy to offer the state-of-the-art, qualitative and branded certificate programmes in Systems Audit, IT Security, Cyber Crimes. ISACA can add their brand value, the global standards, rich experience, best practices to these courses and IIBF can design the curriculum, method of delivery, testing & certification of these courses to suit Indian bankers.

(ii) MOU with Chartered Institute for Securities & Investment (CISI), United Kingdom

CISI has agreed to collaborate with the Institute to offer its Risk in Financial Services qualification. As per the MOU to be signed with CISI, the Institute will offer CISI's Risk in Financial Services qualification for bank employees as a stand-alone qualification. The Institute and CISI will also be able to offer a joint qualification in Risk Management, which would be achieved by successfully combining both the Institute's and CISI risk modules. This would give candidates a comprehensive understanding of both Indian and global markets. CISI will formally accredit IIBF as an Accredited Training Provider (ATP) for this purpose. The candidates taking the examinations will be offered a substantial fee concession by CISI.

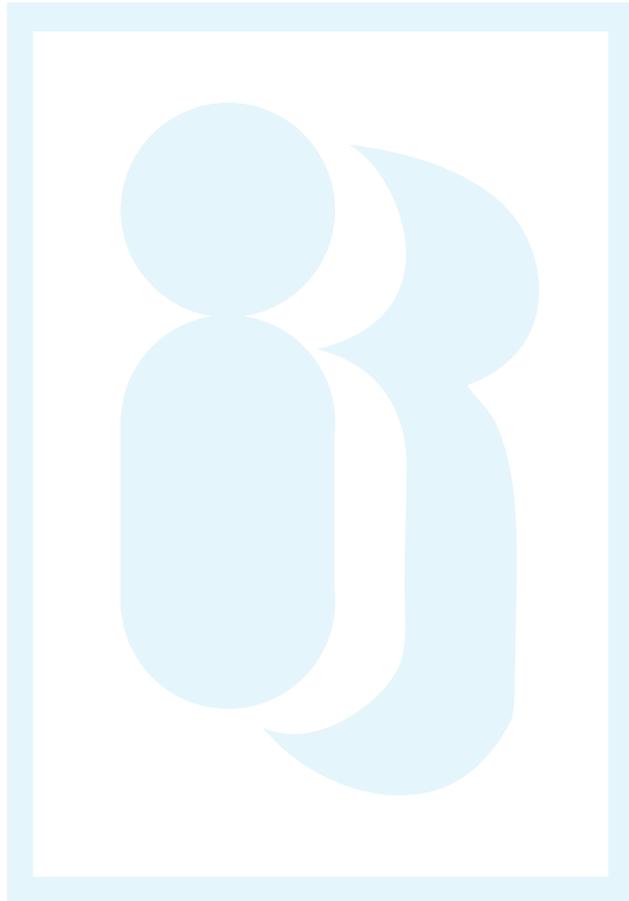
Appreciation and Acknowledgements:

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

Place: Mumbai
Date: August 12, 2013

President



Independent Auditor's Report

To the Members of Indian Institute of Banking and Finance

Report on the Financial Statements

We have audited the accompanying financial statements of Indian Institute of Banking & Finance ('the Company'), which comprises of Balance Sheet as at 31st March 2013, and the Statement of Income and Expenditure for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management of the Company is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Institute in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the financial statements 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 2013; and
- (b) in the case of Statement of Income and Expenditure, of the surplus for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, attention is invited to Note No. 23 and Note No. 31.1, pertaining to Institute's application for exemption from tax and status of Income Tax matters for various assessment years for which no provision for taxation has been made in the accounts.

Report on Other Legal and Regulatory Requirements

1. As the Companies (Auditor’s Report) Order, 2003 as amended by the Companies (Auditor’s Report)(Amendment) Order, 2004 (the “Order”), issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, is not applicable to Company licensed to operate under section 25 of the Companies Act, 1956 (erstwhile Sec 26 of the Companies Act, 1913), no report has been made on the matters specified therein.
2. As required by Section 227(3) of the Companies Act, 1956, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of accounts 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;
 - c) The Balance Sheet and the Statement of Income and Expenditure dealt with by this report are in agreement with the books of accounts;
 - d) In our opinion, the Balance Sheet and the Statement of Income and Expenditure dealt with by this report comply with the Accounting Standards as referred to in sub-section (3C) of section 211 of the Companies Act 1956 to the extent applicable;
 - e) On the basis of the written representations received from the Members of the Governing Council (Directors) as on 31st March, 2013 and taken on record by the Governing Council, we report that none of the directors of the Institute is disqualified as on 31st March 2013 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

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

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

Place : Mumbai
Date : August 12, 2013

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BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Note No.	Figures as at 31.03.2013 (₹)	Figures as at 31.03.2012 (₹)
I FUNDS AND LIABILITIES			
(1) Own Funds			
(a) Reserves and surplus	2	2,002,380,619	1,764,256,838
(2) Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities(net)		-	-
(c) Other Long term liabilities	3	677,812	672,085
(d) Long-term provisions	4	53,791,419	45,203,536
(3) Current Liabilities			
(a) Trade Payables	5	21,428,070	17,821,208
(b) Other Current Liabilities	6	270,193,224	249,303,303
(c) Short-Term Provisions	7	8,500,354	7,601,569
TOTAL		2,356,971,498	2,084,858,539
II ASSETS			
(1) Non-current assets			
(a) Fixed Assets	8		
(i) Tangible assets		535,335,438	568,838,891
(ii) Intangible assets		2,865,438	4,375,994
(iii) Capital work in progress		352,000	352,000
(iv) Intangible Assets under Development		-	-
(b) Non-current Investments	9	606,969,042	550,293,142
(c) Long-term Loans and Advances	10	259,328,449	53,170,963
(d) Other Non-current assets	11	249,378,370	476,179,651
(2) Current assets			
(a) Current Investments	9	20,000,000	-
(b) Inventories		-	-
(c) Trade receivables	12	12,680,766	12,603,201
(d) Cash and Cash Equivalents	13	613,004,801	377,133,078
(e) Short-term Loans and Advances	14	6,253,323	5,852,351
(f) Other Current Assets	15	50,803,871	36,059,268
TOTAL		2,356,971,498	2,084,858,539

The Notes to Account form integral part of Balance Sheet

As per our Report of even date

For **MUKUND M CHITALE & CO.**

Chartered Accountants

Firm Regn. No. 106655W

(S. M. Chitale)

Partner

M.No. 111383

R. BHASKARAN

Chief Executive Officer

K R KAMATH

President

Place : Mumbai

Dated : August 12, 2013

A R BARVE

Deputy Chief Executive Officer

T C A RANGANATHAN

Council Member

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Note No.	For the year ended	
		31.03.2013 (₹)	31.03.2012 (₹)
I INCOME			
Revenue from Operations	16	437,718,333	337,904,727
Other Income	17	130,453,258	84,059,082
Total Income		568,171,591	421,963,809
II EXPENSES			
Examination expenses		144,544,953	111,503,055
Employee Benefits expense	18	85,228,015	68,803,844
Educational expenses	19	22,862,581	30,614,306
Administration expenses	20	87,058,020	78,899,757
Training expenses		4,945,947	2,149,958
Amortisation of premium - Govt. Securities/Bonds		2,396,101	2,423,284
Depreciation and Amortisation	21	42,067,437	48,760,138
Other expenses	22	257,846	231,978
Total expenses		389,360,900	343,386,320
III Excess of Income over Expenditure before Tax and exceptional items (I-II)		178,810,691	78,577,489
IV Exceptional Items		-	356,724,568
V Excess of Income over Expenditure before Tax (III+IV)		178,810,691	435,302,057
VI Tax expenses			
(I) Current Tax		-	-
(II) Deferred Tax		-	-
		-	-
VII Excess of Income over Expenditure for the year from continuing operations carried forward to Balance Sheet (V-VI) [Surplus]		178,810,691	435,302,057

The Notes to Account 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

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

R. BHASKARAN
Chief Executive Officer

K R KAMATH
President

Place : Mumbai
Dated : August 12, 2013

A R BARVE
Deputy Chief Executive Officer

T C A RANGANATHAN
Council Member

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION

- 1.1 Indian Institute of Banking and Finance is a Company licensed to operate under Sec 25 of Companies Act, 1956 (erstwhile Sec 26 of the Companies Act, 1913). 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 in which the same is determined.
- 1.3 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 accumulated 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. The difference between the cost price (being higher) and the face value of such investments (where maturity date is fixed) is amortized over the remaining period upto the date of maturity or upto beginning of the year in which disposal takes place, whichever is earlier.

4. RETIREMENT BENEFITS

4.1 Gratuity and Leave Encashment :

Provision for gratuity and leave encashment benefits payable to staff is made on the basis of actuarial valuations as at the balance sheet date. The Gratuity Valuation has been carried out using the Projected Unit Credit Method and Leave encashment valuation has been carried out using the Projected Accrued Benefit Method.

4.2 Provident Fund:

Employees receive benefit from the provident fund under a defined contribution plan. The employee and employer make a monthly contribution to the plan equal to 12% of the covered employee salary. The contribution of Provident Fund is made to a Provident Fund trust managed by the Institute.

4.3 LIC Annuity Pension Fund:

Employees also receive benefit from the LIC Annuity pension fund which is managed by the LIC of India. The employee and employer make monthly contribution to the fund.

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" indefinitely, 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. 1,53,57,135 /- (Previous year Rs. 1,25,31,946/-) is written back from Life Membership Fund to the Statement of Income and Expenditure 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 R. K. Talwar Memorial Lecture Fund) is credited to the Statement of Income and Expenditure 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 2012	Additions	Transfer from Surplus in Income & Expenditure	Transfer from General Reserve Account	Utilisation / Transfer during the year	As at 31st March 2013
	₹	₹	₹	₹	₹	₹
Prize funds	5,569,185 (5,569,185)	-	-	-	-	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	7,873,855 (8,041,456)	-	979,119 (728,038)	-	627,380 (895,639)	8,225,594 (7,873,855)
Life membership fund	516,973,637 (442,357,872)	75,297,605 (87,147,711)	-	-	15,357,135 (12,531,946)	576,914,107 (516,973,637)
General Reserve	1,230,840,161 (796,266,142)	-	177,831,572 (434,574,019)	-	-	1,408,671,733 (1,230,840,161)
Surplus as per Statement of Income & Expenditure	-	178,810,691 (435,302,057)	-	-	178,810,691 (435,302,057)	-
TOTAL	1,764,256,838 (1,255,234,655)	254,108,296 (522,449,768)	178,810,691 (435,302,057)	-	194,795,206 (448,729,642)	2,002,380,619 (1,764,256,838)

Figures in brackets indicate corresponding figures for the previous year.

NOTE - 3 : OTHER LONG TERM LIABILITIES

	31.03.2013	31.03.2012
	₹	₹
Examination fees received in Advance	673,517	667,375
Subscription received in Advance	4,295	4,710
TOTAL	677,812	672,085

NOTE - 4 : LONG TERM PROVISIONS

Provision for Employee Benefits - Gratuity & Leave Encashment	53,791,419	45,203,536
TOTAL	53,791,419	45,203,536

NOTE - 5 : TRADE PAYABLES

Sundry Creditors*	21,428,070	17,821,208
TOTAL	21,428,070	17,821,208

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

NOTE - 6 : OTHER CURRENT LIABILITIES

	31.03.2013 ₹	31.03.2012 ₹
Examination fees received in Advance	249,912,140	230,556,719
Excess examination fees received	1,660,776	737,467
Subscription received in Advance	59,622	53,420
Statutory Liabilities	9,581,657	776,308
Retention/Earnest Money Deposit	991,793	4,000,605
Liability for Expenses / Other Liabilities	7,987,236	13,178,784
TOTAL	<u>270,193,224</u>	<u>249,303,303</u>

NOTE - 7 : SHORT TERM PROVISIONS

Provision for Employee Benefits - Gratuity & Leave Encashment	8,500,354	7,601,569
TOTAL	<u>8,500,354</u>	<u>7,601,569</u>

NOTE 8 - FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01.04.2012 ₹	Additions ₹	Deductions ₹	As at 31.03.2013 ₹	As at 01.04.2012 ₹	For the year ₹	On deductions ₹	As at 31.03.2013 ₹	As at 31.03.2012 ₹
TANGIBLE ASSETS									
Office Premises #	550,940,672	-	-	550,940,672	69,509,269	24,071,570	-	93,580,839	481,431,403
Residential Flats *	40,166,455	-	-	40,166,455	16,372,098	1,189,718	-	17,561,816	23,794,357
Room Air Conditioners	11,029,289	-	-	11,029,289	3,124,060	1,099,618	-	4,223,678	7,905,229
Furniture & Fittings	44,341,373	2,738,304	157,014	46,922,663	10,216,287	6,699,958	119,806	16,796,439	34,125,086
Office Equipments	5,787,092	322,910	26,105	6,083,897	2,239,452	580,249	3,632	2,816,069	3,547,640
Electrical Installations	11,804,313	105,833	-	11,910,146	1,822,790	1,403,151	-	3,225,941	9,981,523
Motor Cars	2,683,921	708,796	598,522	2,794,195	1,374,662	459,402	354,904	1,479,160	1,309,259
Data Processing Systems- Hardware	44,840,146	1,931,051	265,729	46,505,468	38,095,752	3,450,845	213,192	41,333,405	6,744,394
TOTAL - TANGIBLE ASSETS	711,593,261	5,806,894	1,047,370	716,352,785	142,754,370	38,954,511	691,534	181,017,347	568,838,891
PREVIOUS YEAR	664,228,000	72,421,753	25,056,492	711,593,261	120,999,143	43,316,303	21,561,076	142,754,370	568,838,891
INTANGIBLE ASSETS									
Computer Software	38,705,630	1,602,370	-	40,308,000	34,329,636	3,112,926	-	37,442,562	4,375,994
Trademark	50,000	-	-	50,000	50,000	-	-	50,000	-
TOTAL - INTANGIBLE ASSETS	38,755,630	1,602,370	-	40,358,000	34,379,636	3,112,926	-	37,492,562	4,375,994
PREVIOUS YEAR	33,364,213	5,391,417	-	38,755,630	28,935,801	5,443,835	-	34,379,636	4,375,994
TOTAL	750,348,891	7,409,264	1,047,370	756,710,785	177,134,006	42,067,437	691,534	218,509,909	573,214,885
Capital Work in Progress	-	-	-	-	-	-	-	-	352,000
Intangible Assets under Development	-	-	-	-	-	-	-	-	-
GRAND TOTAL	750,348,891	7,409,264	1,047,370	756,710,785	177,134,006	42,067,437	691,534	218,509,909	573,566,885

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

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

NOTE - 9 : CURRENT AND NON-CURRENT INVESTMENTS

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
[A] INVESTMENTS - CURRENT* :		
I] Investment in Bonds	20,000,000	
II] Investment in Government Securities	-	-
TOTAL	<u>20,000,000</u>	-
[B] INVESTMENTS - NON-CURRENT*		
I] Investment in Bonds	375,204,541	317,203,726
II] Investment in Government Securities	231,764,501	233,089,416
TOTAL	<u>606,969,042</u>	<u>550,293,142</u>
GRAND TOTAL	<u>626,969,042</u>	<u>550,293,142</u>

* Classification as per Revised Schedule VI requirements.

	Book Value ₹	Market Value ₹
Aggregate Quoted Investments	-	-
Previous Year	-	-
Aggregate of Investments listed but not quoted	626,969,042	
Previous Year	550,293,142	
Aggregate of Unquoted Investments	-	
Previous Year	-	
Total Current Year	<u>626,969,042</u>	
Total Previous Year	550,293,142	

(I) INVESTMENT IN BONDS (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
			31.03.2013	31.03.2013	31.03.2012	31.03.2012
		₹	₹	₹	₹	₹
9% IFCI Ltd Bonds	200	100,000	20,000,000	20,000,000	-	-
			<u>20,000,000</u>	<u>20,000,000</u>	-	-

-- NON-CURRENT

-- INVESTMENTS - NON TRADE

NAME OF THE COMPANY	QUANTITY	FACE VALUE	NOMINAL VALUE	BOOK VALUE	NOMINAL VALUE	BOOK VALUE
			31.03.2013	31.03.2013	31.03.2012	31.03.2012
		₹	₹	₹	₹	₹
10.65% Bank of Maharashtra Bonds	2	1,000,000	2,000,000	2,051,447	2,000,000	2,063,317
9.92% HDFC Bank Ltd. Bonds	5	1,000,000	5,000,000	5,018,881	5,000,000	5,024,368
11.05% Indian Overseas Bank Bonds	6	1,000,000	6,000,000	6,551,524	6,000,000	6,652,430
8.64% Indian Railway Bonds	15	1,000,000	15,000,000	15,073,319	15,000,000	15,082,339
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	12,611,722	12,000,000	12,734,066

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NAME OF THE COMPANY	QUANTITY	FACE VALUE	NOMINAL VALUE	BOOK VALUE	NOMINAL VALUE	BOOK VALUE
			31.03.2013	31.03.2013	31.03.2012	31.03.2012
		₹	₹	₹	₹	₹
9.40% Syndicate Bank Bonds	6	1,000,000	6,000,000	6,077,798	6,000,000	6,091,243
9.45% Union Bank of India Bonds	8	1,000,000	8,000,000	8,024,195	8,000,000	8,031,051
9.28% UCO Bank Bonds	5	1,000,000	5,000,000	5,034,805	5,000,000	5,045,489
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	3,040,593	3,000,000	3,047,648
9.20% Allahabad Bank Bonds	27	1,000,000	27,000,000	27,530,412	27,000,000	27,618,854
9.95% State Bank of Travancore Bonds	51	1,000,000	51,000,000	53,813,297	51,000,000	54,375,957
9% IFCI Ltd Bonds	200	100,000	-	-	20,000,000	20,000,000
9.95% State Bank of India LT2 2026 Bonds	2500	10,000	25,000,000	25,970,403	25,000,000	26,045,255
9.50% PNB Housing Finance Ltd. Bonds	15	1,000,000	15,000,000	15,133,282	15,000,000	15,149,295
9.22% SBI Global Factors Bonds	25	1,000,000	25,000,000	24,949,500	25,000,000	24,949,500
9.00% PNB Housing Finance Ltd 2022	30	1,000,000	30,000,000	30,218,201	-	-
8.95% Union Bank of India Bonds	10	1,000,000	10,000,000	10,017,807	-	-
9.65% HDFC Ltd. NCD	20	1,000,000	20,000,000	19,904,000	20,000,000	19,904,000
9.90% HDFC Ltd. NCD	30	1,000,000	30,000,000	30,322,223	30,000,000	30,359,607
9.45% HDFC Ltd. NCD	20	1,000,000	20,000,000	20,026,184	20,000,000	20,029,307
8.26% LIC Housing Fin.2015	30	1,000,000	30,000,000	28,824,000	-	-
8.95% LIC Housing Fin.2020	10	1,000,000	10,000,000	10,010,948	-	-
			<u>370,000,000</u>	<u>375,204,541</u>	<u>310,000,000</u>	<u>317,203,726</u>
TOTAL OF INVESTMENT IN BONDS				395,204,541		317,203,726

(II) 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
			31.03.2013	31.03.2013	31.03.2012	31.03.2012
		₹	₹	₹	₹	₹
11.50% Government of India Loan 2015	405000	100	40,500,000	42,985,047	40,500,000	44,143,466
8.30% Government of India Spl.Fertiliser Bonds - 2023	370000	100	37,000,000	38,779,454	37,000,000	38,945,950
Government of India 8% Savings (Taxable) Bonds	150000	1,000	150,000,000	150,000,000	150,000,000	150,000,000
			<u>227,500,000</u>	<u>231,764,501</u>	<u>227,500,000</u>	<u>233,089,416</u>
TOTAL OF INVESTMENT IN GOVT. SECURITIES				231,764,501		233,089,416

NOTE - 10: LONG TERM LOANS AND ADVANCES

	31.03.2013 ₹	31.03.2012 ₹
LOANS & ADVANCES:		
(Unsecured, Considered good, unless otherwise stated)		
Secured Loans to Employees *	5,570,473	7,130,672
Security Deposits	4,668,479	5,617,854
Advance Recoverable in cash or in kind or for value to be received		
Advance Taxes (including Income Tax Deducted at Source) @	248,947,656	40,400,144
Prepaid Expenses	141,841	22,293
TOTAL	259,328,449	53,170,963

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

@ Includes Income Tax (including Interest on Income Tax) paid under protest of Rs. 20,10,41,049 (Previous Year Rs. 25,00,000).

NOTE - 11: OTHER NON CURRENT ASSETS

(Unsecured, Considered good, unless otherwise stated)

	31.03.2013 ₹	31.03.2012 ₹
Interest accrued on :		
Staff loans*	7,345,688	8,050,869
Bank deposits	7,037,154	4,232,006
Investments	51,995,528	66,378,370
Fixed Deposits with Banks due for Maturity more than a year [Refer Note No. 13] #	183,000,000	427,100,000
TOTAL	249,378,370	476,179,651

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

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

NOTE - 12: TRADE RECEIVABLES*

	31.03.2013 ₹	31.03.2012 ₹
(Unsecured, Considered good, unless otherwise stated)		
Royalty Receivable	12,680,766	12,603,201
	12,680,766	12,603,201

* these receivables are outstanding for less than six months.

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NOTE - 13: CASH AND CASH EQUIVALENTS

	31.03.2013		31.03.2012	
	₹		₹	
- Cash in hand	8,838		12,663	
- Cheques / Demand Drafts in hand	456,524	465,362	3,001,061	3,013,724
Bank Balance with Scheduled Banks				
in Current Account	10,529,673			28,291,620
in Savings accounts	309,766			227,734
in Fixed deposit accounts	784,700,000		772,700,000	
Less: Fixed Deposits due for Maturity more than a year [Refer Note No.11]	183,000,000	601,700,000	427,100,000	345,600,000
TOTAL		613,004,801		377,133,078

NOTE - 14: SHORT TERM LOANS AND ADVANCES

LOANS & ADVANCES:

(Unsecured, Considered good, unless otherwise stated)

Secured Loans to Employees *	1,048,619		1,253,422	
Staff Advances	606,600		461,810	
Advance for expenses	287,340		380,850	
Prepaid expenses	4,011,805		3,482,990	
Security Deposits	298,959		273,279	
TOTAL		6,253,323		5,852,351

* 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 *	922,568		365,919	
Bank deposits	26,088,367		21,684,430	
Investments	22,003,974	49,014,909	13,551,896	35,602,245
Other Receivables	1,213,289			455,003
Cenvat Credit Receivable	524,185			-
Deferred Cenvat Credit Receivable	49,467			-
Inter Office Balances	2,021			2,020
TOTAL		50,803,871		36,059,268

* Secured by hypothecation / mortgage of House / Domestic Appliances / Vehicles / Computers / etc.

NOTE - 16 : REVENUE FROM OPERATIONS

	For the year ended	
	31.03.2013 ₹	31.03.2012 ₹
Examination fees	379,739,096	288,465,898
Other Operating Revenue		
Tutorial class/Seminar fees/etc	3,280,729	8,409,842
Training Income	13,357,924	4,378,166
Royalty on Publications	14,089,740	14,003,558
Subscription	8,924,658	7,610,250
Life Membership fees (write back from Life Membership Fund)	15,357,135	12,531,946
Others	2,969,051	2,505,067
TOTAL	437,718,333	337,904,727

NOTE - 17 : OTHER INCOME

Interest on Investments - Non Trade & Long Term	54,861,026	44,966,184
Interest on Bank Deposits	71,757,018	35,690,656
Interest on Staff Loans	730,815	887,217
Miscellaneous Income	3,075,553	2,515,025
Profit on sale of fixed assets	28,846	-
TOTAL	130,453,258	84,059,082

NOTE - 18: EMPLOYEE BENEFITS EXPENSE

Salaries and Other Benefits	59,433,912	49,181,566
Contribution to Provident and LIC Pension fund*	7,908,425	5,922,441
Staff recruitment/Training/Other related expenses	319,979	315,433
Staff benefits - Leave Salary/Gratuity	13,602,383	9,623,519
Staff welfare expenses	3,963,316	3,760,885
TOTAL	85,228,015	68,803,844

* includes NIL (P.Y. Rs. 5,41,668/-) paid on account of shortfall in interest earned by The Employees Provident Fund Trust. Further this includes amount of Rs. 20,66,925 (Previous year Rs.6,15,150) paid to LIC towards Annuity Pension fund.

NOTE - 19: EDUCATIONAL EXPENSES

Tutorial class/Seminar expenses/		
Research fellowship expenses	5,505,765	10,048,909
Web Classes expenses	4,574,567	6,169,415
Sir Purshotamdas Thakurdas memorial		
lecture expenses	561,952	521,663
Prizes awarded	360,000	548,500
Journal expenses	713,592	735,348
Honorarium to Local Hon. Secretaries/Authors	1,051,999	609,549
Newsletter expenses [Vision]	10,094,706	11,980,922
TOTAL	22,862,581	30,614,306

NOTE - 20: ADMINISTRATION EXPENSES

	For the year ended	
	31.03.2013 ₹	31.03.2012 ₹
Printing and stationery	9,515,692	8,234,828
Postages, telephone and telegram expenses	12,907,556	10,813,541
Web Portal expenses	2,646,576	2,863,092
Software Development and Maintenance Charges	7,820,164	8,690,679
Insurance	143,757	172,273
Repairs :		
Building	742,457	649,180
Machinery (Computer hardware/Office Equipment)	2,479,522	2,542,642
Others	3,523,620	2,690,965
Travelling expenses	3,784,851	6,279,400
Conveyance	500,432	677,785
Motor car expenses	1,036,378	1,011,383
Advertisement expenses	2,123,961	839,423
Corporate Development expenses	1,216,297	851,316
Auditors' remuneration :		
Audit fees	750,000	730,340
Out of Pocket expenses	15,999	15,442
Legal & Professional charges	8,877,205	5,560,316
Premises expenses -		
Rent	6,467,596	6,766,476
Electricity charges	5,000,180	4,476,847
Outgoings in respect of premises		
Ground Rent	218,316	233,048
Rates and taxes	854,255	296,138
Others	6,780,658	9,811,473
Bank Charges	182,618	2,507,186
Commission expenses - Maintenance of Online Portal for Receipt of Fees	7,486,434	-
Interest expenses - Service Tax & TDS	58,113	-
Sundry expenses	1,925,383	2,185,984
TOTAL	87,058,020	78,899,757

NOTE - 21: DEPRECIATION AND AMORTISATION

Depreciation on Tangible Assets	38,954,511	43,316,303
Amortisation on Intangible Assets	3,112,926	5,443,835
TOTAL	42,067,437	48,760,138

NOTE - 22: OTHER EXPENSES

	For the year ended			
	31.03.2013		31.03.2012	
	₹		₹	
LIBRARY BOOKS EXPENSES -				
Library books	163,751		83,736	
Subscription to papers & periodicals	94,095	257,846	142,618	226,354
Loss on Sale of Fixed Assets		-		5,624
TOTAL		257,846		231,978

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 2012-2013 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 2013. The Exemption application for A.Y 2011-12 has been rejected by the Income Tax authorities. The Institute has filed writ petition for A.Y. 2011-12. The Institute is in the process of applying for exemption under section 10(23C)(vi) of the Act for assessment year 2013-2014.

Department has issued Notices u/s 148 for A.Y. 2006-07, 2007-08, 2008-09 and 2009-10. The Institute has written to Department to intimate the reasons for re-opening the case, however no reasons have been intimated by the Department as on date.

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 in the previous year (FY 2011-12), against which the Institute has filed an appeal.

The Institute has paid Rs. 19,85,41,049/- during the current year and Rs. 25,00,000/- in the earlier years to the Income Tax Department for assessment years 2001-02, 2003-04 to 2009-10 under protest and the same is shown under Long Term Loans and Advances. [Refer Note No. 10].

23.2 Based on status of income-tax matters pending as above and based on legal advice obtained 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 Rs. 27,94,23,460/- 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 Rs. 23,96,101/- (Previous year Rs. 24,23,284/-) has been amortized during the year.

25. The Institute has appropriated Rs. 9,79,119/- (Previous year Rs. 7,28,038/-) to Staff Welfare Fund consisting of Rs. 2,50,000 (Previous year Rs. 1,00,000/-) as the annual contribution and Rs. 7,29,119/- (Previous year Rs. 6,28,038/-) as interest earned on investments. An amount of Rs 1,77,380/- (Previous year Rs. 4,45,639/-) spent towards staff welfare and Rs. 4,50,000/- (Previous Year Rs. 4,50,000) 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

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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	
		2012-13 ₹	2011-12 ₹
1.	Present value of projected benefit obligations as at 1st April, 2012	3,18,91,534	2,85,39,688
2.	Service Cost	7,47,293	9,70,357
3.	Interest Cost	26,55,443	22,72,783
4.	Actuarial (Gains) / Losses	33,16,085	13,15,147
5.	Past Service Cost	-	-
6.	Benefits paid	(21,45,411)	(12,06,441)
7.	Present value of projected benefit obligations as on 31st March, 2013 - [A]	3,64,64,944	3,18,91,534

Sr. No.	Particulars	Leave Liability	
		2012-13 ₹	2011-12 ₹
1.	Earned Leave Liability recognized in Balance Sheet - [B]	2,27,80,006	1,81,00,505
2.	Sick Leave liability recognized in Balance Sheet – [C]	30,46,823	28,13,066
Total Employee Benefit Liability * [A+B+C]		<u>6,22,91,773</u>	<u>5,28,05,105</u>
	Current Portion	85,00,354	76,01,569
	Non-Current Portion	5,37,91,419	4,52,03,536
Total Employee Benefit Liability		<u>6,22,91,773</u>	<u>5,28,05,105</u>

* The entire liability of the Institute is unfunded.

b) Expenses recognized in the Statement of Income and Expenditure:

Sr. No.	Particulars	Gratuity	
		2012-13 ₹	2011-12 ₹
1.	Service Cost	7,47,293	9,70,357
2.	Interest Cost	26,55,443	22,72,783
3.	Actuarial (Gains) / Losses	33,16,085	13,15,147
4.	Past Service Cost	-	-
Total – [D]		67,18,821	45,58,287

Sr. No.	Particulars	Leave Expenditure	
		2012-13 ₹	2011-12 ₹
1.	Earned Leave Liability charge / (write back) for the year – [E]	46,79,501	50,32,089
2.	Sick Leave Liability charge for the year – [F]	2,33,756	33,143
Total Employee Benefit Charge for the year [D+E+F]		1,16,32,078	96,23,519

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

Year	Defined Benefit Obligation	Experience adjustments on plan liabilities* [Loss/ (Gain)]
2012-13	3,64,64,944	19,13,290
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

* based on actuarial report.

d) Actuarial assumptions:

Sr. No.	Particulars	2012-13	2011-12
1.	Discount Rate p.a.	7.95%	8.60%
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:

Particulars	2012-13 ₹	2011-12 ₹
Examination Fees	3,45,392	6,59,125
Course Development Fee/Paper Preparation fee (including Professional Charges)	9,05,612	36,14,234
Re-imbusement of Travelling & Other expenses	1,07,351	5,36,046
Subscription to Journals	-	445
Training Fee	2,69,789	8,29,529

28. Expenditure in foreign currency

Particulars	2012-13 ₹	2011-12 ₹
Educational expenses/ Training/Tutorial expenses	4,52,250	25,18,810
Traveling/Training expenses	5,64,899	13,75,212
Legal & Professional charges	-	56,250
Exam expenses	2,67,758	-
Staff Training	45,683	-
Honorarium expenses	-	30,000

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

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

	2012-13 ₹	2011-12 ₹
Salary	25,37,203	22,91,749
Perquisites	4,38,859	3,89,212
Contribution to Provident Fund	2,80,467	2,12,119
Total	32,56,529	28,93,180

29.2 Sitting fees to Council Members

	2,03,000	1,65,000
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30. In the opinion of the Institute, there is no impairment of assets (to which Accounting Standard 28 applies) as at March 31, 2013 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 to 1998-99		- Income Tax department had rejected Company's application for exemption under Section 10(23C)(vi) of the Income Tax Act, 1961. The Company'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. The Company has paid an amount of Rs. 25,00,000 as demand under protest.
2.	1999-2000 to 2007-2008	14,94,99,128	Income Tax department has assessed the income of the Company 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 Company has filed stay petition before the Hon'ble Tribunal and has received stay order. The Company has paid the said demand under protest.
3.	2008-2009	3,00,41,920	The Company'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 Company has filed appeal with honorable Bombay High Court, verdict of which is awaited. Income Tax Department has completed assessment for A.Y. 2008-09 and has passed an order u/s 143 (3), against which the institute had filed an appeal with CIT(A). Pursuant to the order of the CIT (Appeals), the revised demand for the Asst. Year 2008-09 is Rs 3,00,41,920 which has been paid under protest. The Institute has filed a rectification application with the Tax authorities against the order passed by the Tax Department for giving effect to the CIT (A) order. However, the same has been rejected by the Department.

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4.	2009-10	4,22,30,200	The Company'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 Company has filed appeal with honorable Bombay High Court, verdict of which is awaited. Income Tax Dept. has completed assessment of A.Y. 2009-10 and has passed an order u/s 143 (3), against which the institute had filed an appeal with CIT(A). However no relief was provided by CIT (A). An appeal before Tribunal dated April 22, 2013 has been filed against the order of CIT(A). Meanwhile, the Company has paid Rs 1,90,00,000/- in F.Y. 2012-13 and Rs. 7,05,000/- in F.Y. 2013-14 under protest.
5.	2010-11	5,76,52,212	The Company'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 Company has filed appeal with honorable Bombay High Court, verdict of which is awaited. Income Tax Dept. has completed assessment of A.Y. 2010-11 and has passed an order u/s 143 (3), against which the Company had filed an appeal with CIT(A) and received stay order. The Institute has paid an amount of Rs 3,37,38,372 in F.Y. 2013-14 under protest.

31.2 TDS Matters: Rs. 5,89,811/- (Previous Year Rs. 4,52,340) is demanded by the department for A.Y's 2007-08, 2008-09 and 2011-12. The said matter is presently under dispute.

31.3 Claims against the Institute not acknowledged as debts:

Particulars	2012-13	2011-12
Matters pending before consumer forums/Other courts	4,30,000	4,30,000

31.4 The revised scale of Salary payment for Employees is presently as per the policy formulated by the Institute. The employees 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 2013.

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. The Institute does not expect any reimbursements in respect of above contingent liabilities.

32. Estimated amount of contracts remaining to be executed on capital account and not provided as at 31.03.2013 Rs. 50,12,813/- (Previous year 63,750/-).

33. 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.

34. 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 31.03.2013	As at 31.03.2012
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

35. The Company significant leasing arrangements are in respect of operating leases for residential/office premises. These leasing arrangements which are not non-cancellable range between 11 months and 3 years. The aggregate lease rentals Rs. 64,67,596/- (Previous year 67,66,476/-) are charged as rent under Note 20.

36. The services rendered by the Institute have been majorly covered under the provision of Service Tax from the current year onwards. Hence the Institute has started availing Cenvat Credit on Expenses and the same have been accordingly reduced from respective expenses. As a result of same, certain figures of previous year expenses are not comparable with current year figures.

37. Figures of Previous year have been regrouped and reclassified to confirm to current years classification.

Signatures to Notes 1 to 37

For **MUKUND M CHITALE & CO.**

Chartered Accountants
Firm Regn. No. 106655W

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

R. BHASKARAN
Chief Executive Officer

K R KAMATH
President

Place : Mumbai
Dated : August 12, 2013

A R BARVE
Deputy Chief Executive Officer

T C A RANGANATHAN
Council Member

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Notice of the 86th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 86th Annual General Meeting of the members of the Indian Institute of Banking & Finance will be held at 12.00 Noon on the 27th September 2013, in IIBF seminar hall, Kohinoor City, Commercial II, Tower I, 3rd Floor, Kirol Road, Kurla (West) Mumbai 400 070 to transact the following business:

Ordinary Business:

1. To receive and adopt the Statement of Income and Expenditure of the Institute for the financial year ended on March 31, 2013, 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 T C A Ranganathan, 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, Prof Y K Bhushan, 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 S K Banerji, who retires by rotation under Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
5. To elect a member of the Council in place of Shri S Karupphasamy, 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 K R Kamath 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 Narendra 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 Prof. H Krishnamurthy, 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 elect a member of the Council in place of Shri M Bhagavantha Rao, who retires by rotation under Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
10. To consider and, if thought fit, to pass with or without modification, the following resolution:
"RESOLVED THAT pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s.Mukund M. Chitale & Co., Chartered Accountants, Mumbai, be and are hereby appointed as Auditors of the Institute from the conclusion of this meeting till the conclusion of the next Annual General Meeting and that their remuneration be and is hereby fixed at Rs.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:

11. To consider, and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:
To appoint Shri K R Kamath as the President of the Institute from the conclusion of 86th Annual General Meeting to the conclusion of the 87th Annual General Meeting in terms of Article 69 of the Articles of Association of the Institute.

Place : Mumbai
Date : August 12, 2013

By Order of the Council

Registered Office:

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

R. Bhaskaran
Chief Executive Officer

Annual Report 2012-13

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 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 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.11

The Council has decided to propose the name of Shri K R Kamath 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 K R Kamath may be deemed to be concerned or interested in the Resolution at Item No.11.

By order of the Council

Place : Mumbai
Date : August 12, 2013

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, Kirod Road,
Kurla (West), Mumbai 400 070

Dear Sir/s,

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

Name :

Membership No :

Type 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, Kirol 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 86th Annual

General Meeting of the Council to be held on Friday, 27th September, 2013 at 12.00 Noon at the

Registered Office of the Institute.

Signed this day of 2013

Signature(s) of the Member(s)

Affix
Rupee
Revenue
Stamp

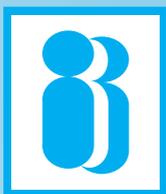
For a proxy to be effective, the instrument appointing the proxy should be deposited at the registered office not less than 48 hours before the time for holding of the meeting at which the person named in the instrument proposes to vote.



Mr. M.V. Tanksale, Chairman & Managing Director, Central Bank of India, delivering the keynote address during the launch of the first Advanced Management Programme at Leadership Centre, IIBF, on 5th January, 2013



Shri K.R. Kamath, CMD, Punjab National Bank and President of IIBF, Shri G. Padmanabhan, ED, Reserve Bank of India and Dr. R. Bhaskaran, CEO, IIBF releasing the courseware on IT Security, Prevention of Cyber Crime & Fraud Management and Rural Banking Operations for RRB Staff on 14th September, 2012 at Leadership Centre, IIBF



INDIAN INSTITUTE OF BANKING & FINANCE

(ISO 9001: 2008 Certified)

Kohinoor City,
Commercial - II, Tower - I, Kirod Road, Kurla (W),
Mumbai – 400 070, INDIA

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