

# INDIAN INSTITUTE OF BANKING & FINANCE

(ISO 9001: 2008 Certified)

## ANNUAL REPORT 2013-14

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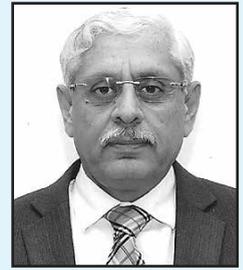
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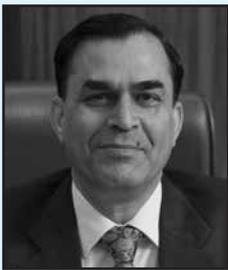
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**Shri Ashwani Kumar**  
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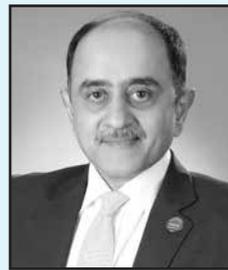
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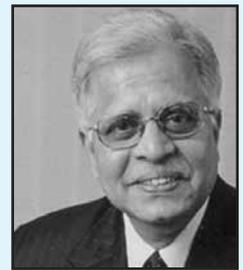
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National Bank for Agriculture  
& Rural Development



**Mr. Stuart Milne**  
Group General Manager &  
Chief Executive Officer-India,  
The Hong Kong  
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**Shri Shyam Srinivasan**  
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The Federal Bank Ltd



**Shri Ananthakrishna**  
Chairman,  
Karnataka Bank Ltd.



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



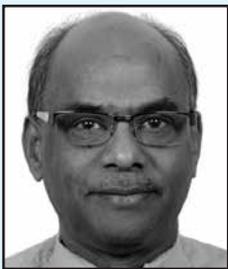
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ICFAI Business School



**Shri M. V. Tanksale**  
Chief Executive,  
Indian Banks' Association



**Prof. H. Krishnamurthy**  
Chief Research Scientist,  
Indian Institute of Science



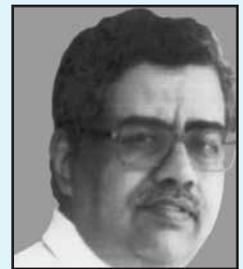
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and Research in  
Banking Technology



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



**Dr. Achintan Bhattacharya**  
Director,  
National Institute of  
Bank Management



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

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Ashwani Kumar

Prof. Y. K. Bhushan

S. K. Banerji

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M. V. Tanksale

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Dr. P. Balachandran

**Auditors** : Mukund 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, 2<sup>nd</sup> Floor, Kirol Road,  
Kurla (West), Mumbai 400 070

# ANNUAL REPORT

2013-14

Dear Members,

Your council has pleasure in presenting the 87<sup>th</sup> Annual Report of the Institute, including the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2014.

## Macroeconomic and banking developments during 2013-14

During the Financial Year 2013-14, Indian economy, in its battle to sustain its economic growth had to face various challenges such as uncooperative external environment, domestic structural constraints, slowdown and inflationary pressures. Although the recent market turmoil has been driven primarily by external factors, it has highlighted India's macroeconomic vulnerabilities.

Growth slowdown in India is broadly in sync with the trends in emerging economies. As such our Country has recorded, in the recent years, below-potential GDP growth on account of persistent slowdown in investment, high current account deficit with growing structural vulnerabilities, rising food and fuel prices and an improving but still elevated fiscal deficit. These have added to investor fears about the economy's ability to cope well with external shocks. The economic slowdown manifested in the decline in the growth of Gross Domestic Product from 8.9 per cent in 2010-11 to 6.7 per cent in 2011-12 and 4.5 per cent in 2012-13. With the economy projected to have registered a growth rate of 4.9 per cent in 2013-14, the declining trend in growth seems to have been arrested.

During the year, policy response of the Indian Government to the slowdown in growth was in the form of structural reforms aimed at reducing entry-barriers and boosting competition as well as productivity in various sectors; fiscal consolidation and reforms in administered prices; further strengthening of financial/banking sectors; introduction of instruments to encourage financial savings of households; measures to restart the investment cycle through support to infrastructure financing and encouragement to micro, small and medium enterprises (MSMEs); steps to stimulate growth in manufacturing and reforms in energy pricing. These policies have gone hand-in-hand with macroeconomic stabilization that has had to balance the concerns of inflation and growth recovery, while managing a volatile external situation characterized by a sharp depreciation of the Rupee witnessed till the second quarter (Q2) of 2013-14.

### **Banking Developments:**

With the total asset size of the Indian Banking Industry standing at Rs.108093 billion, as on 31<sup>st</sup> March, 2013, the banking sector today holds the central position in supporting the robust growth of Indian Economy.

Though the sector continues to be sound and healthy and holds a tremendous growth potential in the long run, currently, Indian Banks are faced with significant challenges like deteriorating asset quality, pressure on the net interest margins, increase in restructured loan accounts, expanding infrastructure loans and implementation of Basel-III etc.

During the financial year 2013-14, the Gross Non-Performing Assets of the banking sector have shown a significant increase and stood at a level of 4.2% of the total advances and the restructured loans during the same period rose to the level of 5.2% of the gross advances. Deterioration in the

asset quality continued to be the major factor impacting the profitability of banks. The Gross NPAs of the banks showed an increase of 38.11% during the FY 2013-14, vis-à-vis credit growth of 17.96%. The increase in the Gross NPAs of the Public Sector Banks was 41.41% while that of the Private Sector Banks was comparatively lower at 12.91%. During the year 2013-14, RBI had expressed its concern regarding the treatment of restructured assets. With an aim to strengthen the prudential regulations for banks' asset quality classification and concentration risks, RBI has announced that the Asset Classification provisioning relaxations in respect of restructured assets will be phased out by April 1, 2015. Banks were also advised to have capital and provisioning requirements for their exposure to entities with un-hedged foreign currency exposures.

The credit growth for the scheduled commercial banks in India declined to 14.1% for the FY 2013-14 as compared to 17% for the FY 2012-13. An increase in the overall risk aversion by the banks, due to rise in the quantum of bad debts and regulatory bottlenecks affecting infrastructure sector, led to the moderation in the credit growth. During the same period the growth in total deposits for the banks stood at 15.54% in FY 2013 compared to 15.25% in FY 2012.

As mandated by RBI, Indian Banks started computing and reporting Capital Adequacy Ratio (CAR) under Basel-III from the quarter ended June 30, 2013. Thus the median Tier- I CAR, under Basel III stood at 8.73% for the public sector banks and for the private sector banks was higher at 11.38%, as on September 30, 2013.

On 19<sup>th</sup> November, 2013, the country got its first all-women Bank, which is considered as an important step towards empowerment of Indian women. The Bharatiya Mahila Bank opened its operations with eight city branches across the country, including one at Mumbai.

RBI on 2<sup>nd</sup> April, 2014 granted two bank licences to IDFC Ltd. and Bandhan Financial Services, aiming to make a start of a cautious experiment for a sector, dominated by the state lenders. The central bank also emphasized on maintaining the requirements for the SCBs to open at least 25% of their branches in unbanked rural centers.

## **Review of Institute's performance during the year**

The Institute is involved in offering professional education and many related activities to bankers. Report on performance of the Institute and related activities during the year is presented under the following broad headings: Membership, Examinations, Support Services and processes, New Courses and Activities, Continuing Professional Development, Training, Management Courses, Research, Collaborations/ Consultancies, Awards/ Recognitions, Visitors, Staff and Personnel, Governing Council and Future Perspective.

### **I. MEMBERSHIP**

#### **I.1 Individual Members**

Membership of the Institute is essential for taking up the Associate Examinations (JAIIB and CAIIB). The Individual members (ordinary members) constitute the majority of Institute's membership. The number of individual members (ordinary members) was 575168 as on 31.3.2014 as compared to 501095 in the previous year (Table 1).

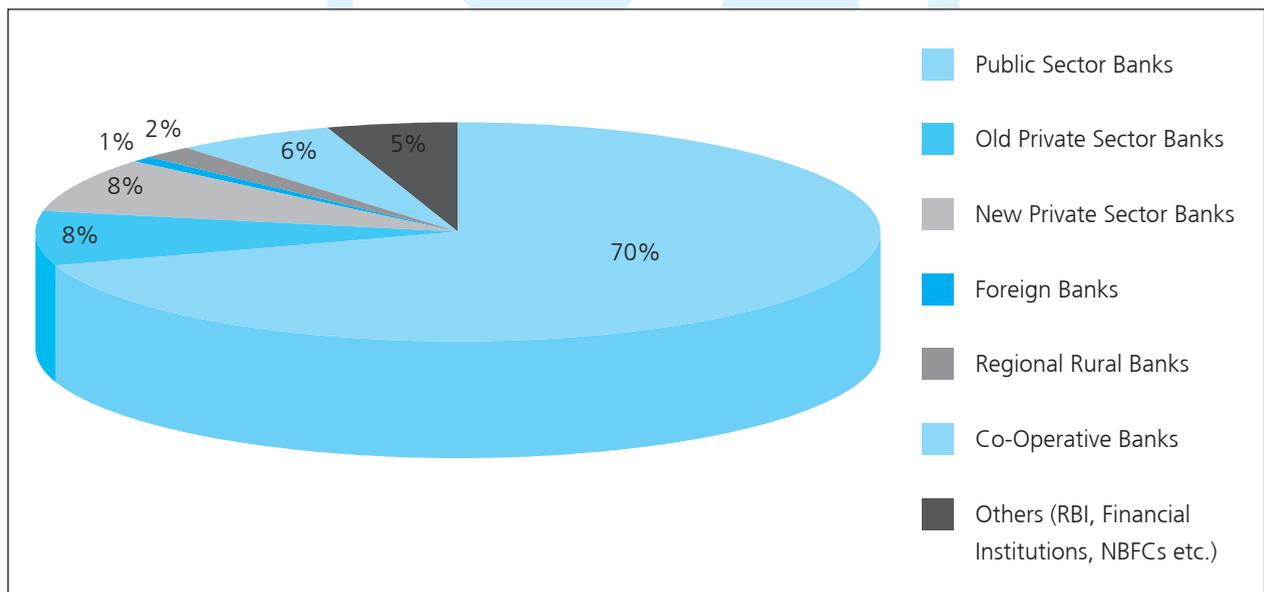
**Table 1. Details of Membership**

Category	Total members as on 31/3/2013	New & renewals during the year 2013-14	Total Members as on 31/3/2014
Fellows	238	2	240
Associates	441	11	452
Ordinary Members	501095	*74073	**575168
Institutions	701	14	715

\*Includes 284 renewals. \*\* Includes 5084 life members who have completed 35 years

The number of new members who joined the Institute during the year was 73789 and during the last five years, the number of new members joined was 268757(including new members joined during 2013-14). This growth is due to the current phase of recruitments in the banking sector, with PSU banks making heavy recruitments. The Individual members come from almost all constituents (Chart 1) of the financial sector.

**Chart 1. Bank group wise-new members of the Institute during the 2006-07 to 2013-14**



### I.2 Associate and Fellow Members

As on 31<sup>st</sup> March, 2014, the number of Associate members of the Institute increased to 452 and Fellow members to 240.

### I.3 Institutional Members

During the year, 14 new institutions have taken the membership of the Institute and as a result the total number of institutional membership increased to 715 as on 31<sup>st</sup> March, 2014.

## II. EXAMINATIONS

The Institute currently offers Associate qualifications, Certificate Courses, Advanced Certificate Courses and Diploma Courses. The Institute offers many levels of examinations aimed at building

various competency levels within the banks and financial institutions. The following table gives the approach of the Institute in offering various types of qualifications.

**Table 2. Approach of the Institute in offering various types of qualifications**

Sr. No.	Name of the Qualification	Process	Criteria of awarding Qualification	Appropriate for
1	Certificate Examinations	Self study of exclusive courseware Some courses supported by e-learning	One paper (MCQ) Examination Pass marks = 50	Front line staff in branches & junior staff in departments, who perform well-defined jobs under supervision. The course includes all relevant knowledge for the job. Courses include subjects such as Customer Service, Basics of Banking, IT Security, SME Banking etc.
2	Advanced Certificate Examinations	Self Study of Courseware, Supported by e-learning followed by Short Training/ Contact Classes	One paper (MCQ) Examination at the end of Training Pass Marks =50	Persons who perform functional management role at lower levels in a supervised environment with application of knowledge independently. Example Project Finance.
3	Diploma Examinations	Self Study Books/ Courseware	2 to 6 papers MCQ Examinations Pass marks= 50	Senior officials who perform roles independently and supervise others in important functional areas such as International Banking, Treasury, Banking Technology, Wealth Advisory etc.
4	Professional Certification	Books, E-Learning Candidates pass the exam and then attend training for 5 days	2 papers (MCQ) Examination Training performance evaluated separately	Officials who perform the role of compliance, risk, treasury, credit etc. and where there is not much supervision over the roles and where they have to take professional decisions. Critical functions which calls for in-depth knowledge and skill.
5	General Banking (Associate) Qualifications	Books, journals, web updates, E-learning, Video Lectures, Contact Classes	2 Levels 3 papers (MCQ) Examination Pass Marks= 50	All the bank staff for giving good foundation knowledge about banking, various products and functions.
6	Management Courses	Week end classes, Case Studies, Assignment	Internal Evaluation and Tests	Senior bank staff for building up leadership bench strength.

The above approach has helped the Institute to meet the certification requirements of diverse groups of employees working in various levels in the banking & financial sector.

The Institute offers Associate Examinations (JAIIB and CAIIB examinations) only to its Members. Besides these two, the Institute also offers a number of Diploma and Certificate examinations which are open to non-members as well. It is worth mentioning that the bankers today need blended learning i.e. a combination of class room learning and examinations. Such an approach will help to fill

the knowledge gap on the one side and help to acquire skill sets on the other. In order to meet this requirement, the Institute has introduced advanced certificate courses.

## II.1. Associate Examinations and DB & F

Over the years, with increase in number of individual members, candidates enrolling and appearing for the associate examinations are on the increase.

**Table 3. Particulars of candidates under flagship/associate examinations**

2012-13			Examinations	2013-14		
Enrolled	Appeared	Passed		Enrolled	Appeared	Passed
180855	145085	21911	JAIIB	204926	163531	27773
65568	54866	11065	CAIIB	73684	60378	15543
9967	7322	1108	Diploma in Banking & Finance	8109	5827	1740
<b>256390</b>	<b>207273</b>	<b>34084</b>	<b>TOTAL</b>	<b>286719</b>	<b>229736</b>	<b>45056</b>

The number of candidates enrolled and appeared for Associate Examinations (JAIIB and CAIIB) has shown a substantial increase during the year. The increase in the number of candidates enrolled for associate examinations is nearly 30000 during the year. This increase has come mainly from JAIIB enrollment. There is a marginal decline in the number of candidates enrolled and appeared for the DB & F.

## II.2 Choice of Electives for CAIIB

The CAIIB has two compulsory papers and one elective paper. A candidate has to choose one subject as an elective out of the eleven electives. The choice of elective paper exercised by the candidates for their CAIIB examination-2013 is presented below:

**Table 4. Choice of Electives - CAIIB**

Subject	No. of candidates	
	May Examination	Nov. Examination
Corporate Banking	922	943
Rural Banking	1494	1818
International Banking	720	778
Retail Banking	11210	15863
Cooperative Banking	344	277
Financial Advising	602	561
Human Resource Management	1653	1975
Information Technology	997	1015
Risk Management	1068	1034
Central Banking	434	573
Treasury Management	472	458
<b>Total</b>	<b>19916</b>	<b>25295</b>

Among the electives for CAIIB examination in 2013-14, Retail Banking was the most preferred choice followed by Human Resource Management and Rural Banking. The choice of electives by the candidates in 2013-14 is similar to that seen in previous year.

### II.3. Choice of Electives in CAIIB as CPD

The Institute offers an opportunity to the candidates who have passed CAIIB examination in the past to choose any one elective under the current CAIIB as a CPD effort. The details of choice of candidates for CPD are presented below.

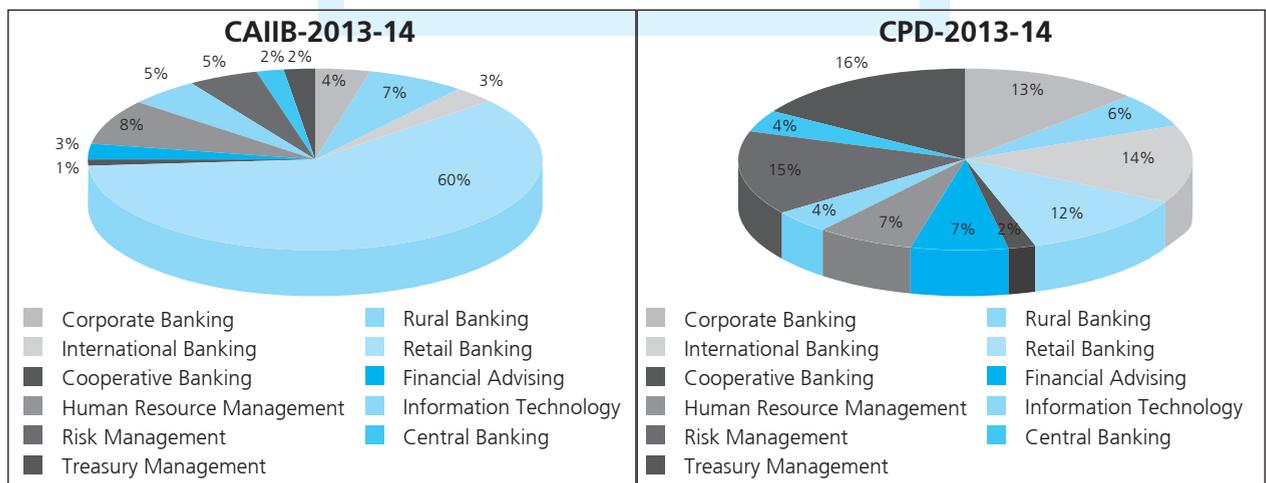
**Table 5. Choice of subjects under Continuing Professional Development**

2012-13			Elective Subjects chosen for CPD	2013-14		
Enrolled	Appeared	Passed		Enrolled	Appeared	Passed
148	118	71	Corporate Banking	175	133	45
87	68	43	Rural Banking	84	77	43
176	143	135	International Banking	191	159	147
200	174	169	Retail Banking	172	142	126
23	18	13	Cooperative Banking	33	32	27
111	98	29	Financial Advising	101	84	48
109	88	82	Human Resource Management	94	82	62
79	61	45	Information Technology	62	48	43
168	129	54	Risk Management	211	169	6
39	35	22	Central Banking	61	48	26
199	153	82	Treasury Management	221	179	84
<b>1339</b>	<b>1085</b>	<b>745</b>	<b>Total</b>	<b>1405</b>	<b>1153</b>	<b>657</b>

In all 1405 CAIIB holders had enrolled for various electives during the year. Though there is increase in the number of candidates enrolled for Corporate Banking, International Banking, Co-operative Banking, Risk Management, Central Banking and Treasury Management, there is decline in the number of candidates enrolled for Rural Banking, Retail Banking, Financial Advising, Human Resource Management and Information Technology in 2013-14. The most sought after elective is Treasury Management in 2013-14 as against Retail Banking in 2012-13. This was followed by Risk Management and International Banking for CPD purpose.

The choice of electives among those who are pursuing CAIIB and those who have already passed CAIIB is not similar. The subject-wise choice of electives in CAIIB and CPD is given in Chart 2.

**Chart 2. Choice of Electives in CAIIB/CPD-2013-14**



About 60% of the candidates who are pursuing CAIB have preferred Retail Banking as their choice of electives. As against this in the case of candidates who are pursuing electives for CPD no single subject has taken more than 16% of share. It appears that their choice of electives might be in tune with their placement/career planning within the bank.

#### II.4. Diploma and Certificate examinations

The performance of candidates under Diploma and Certificate examinations during the year is presented by classifying these examinations into examinations only for members, for both members and non-members and only for non-members. The details of candidates enrolled, appeared and passed in the Diploma and Certificate Courses/examinations are given below:

**Table 6. Number of Candidates for Diploma Examinations of the Institute**

2012-13			Diploma Examinations	2013-14		
Enrolled	Appeared	Passed		Enrolled	Appeared	Passed
<b>For both members and non-members</b>						
71	41	26	Banking Technology	128	71	*15
907	474	100	International Banking & Finance	783	402	75
600	456	162	Treasury, Investment and Risk Management	583	415	123
1030	734	349	Advanced Wealth Management Course	778	535	271
331	285	112	Advanced Diploma In Co-Op/Urban Co-op Banking	257	213	81
13	10	8	Micro Finance Professionals**	-	-	-
63	34	14	Commodity Derivatives for Bankers	52	27	5
306	264	240	Diploma in Home Loan Advising	465	390	359
<b>3321</b>	<b>2298</b>	<b>1011</b>	<b>TOTAL</b>	<b>3046</b>	<b>2053</b>	<b>929</b>

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

\*\* This course was changed from diploma to certificate course from December 2012 examination onwards (see under certificate courses)

**Table 7. Details of Candidates for various Certificate Examinations**

2012-13			Certificate Examinations	2013-14		
Enrolled	Appeared	Passed		Enrolled	Appeared	Passed
<b>For only members</b>						
			Certified Bank Trainer	120	101	92
<b>For both members and non-members</b>						
168	126	53	Banking Oriented Paper in Hindi	114	80	36
2979	2633	1903	Trade Finance	3466	2836	1600

2012-13			Certificate Examinations	2013-14		
Enrolled	Appeared	Passed		Enrolled	Appeared	Passed
4765	4198	3427	AML & KYC	10873	9180	7762
576	479	180	Information System Banker	630	477	136
110	96	94	Project Finance Course	29	27	27
194	137	88	Quantitative Methods	330	242	148
1980	1707	1366	Customer Service & Banking Codes & Standards	1799	1631	1249
2977	2507	2280	SME	3343	2743	2188
408	364	345	Credit Card For Bankers	557	469	454
200	168	153	Microfinance	1749	1456	1206
239	195	137	IT Security	741	619	419
234	190	82	Rural Banking Operations for RRB Staff	162	131	95
277	229	217	Prevention of Cyber Crime & Fraud Management	1042	865	782
305	253	226	Foreign Exchange Facilities for Individuals	1094	854	398
			Certified Banking Compliance Professional	350	289	133
15412	13282	10559	Total	26279	21899	16633
<b>For only Non- Members</b>						
7464	6655	5407	Debt Recovery Agents	9911	8798	6791
1174	1009	966	DRA – Tele Callers	1666	1458	1256
10856	10856	10313	Financial Inclusion: BC/BF course	827	825	806
			Combined BC/BF & DRA Course	40	40	39
1387	1262	757	BPO/IT employees : Basics of Banking & Functions of Banks	411	368	205
46	43	43	BPO/IT employees Credit Card Operations	67	59	55
20927	19825	17486	Total	12922	11548	9152
<b>36339</b>	<b>33107</b>	<b>28045</b>	<b>Grand TOTAL</b>	<b>39321</b>	<b>33548</b>	<b>25877</b>

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

A. *Examinations for both Members and non-members*

- i) The number of candidates enrolled for Diploma examinations has declined except for a marginal increase observed in case of Banking Technology and Home Loan Advising Examinations. As the Institute has redesigned diploma course for Microfinance Professionals as a certificate course from December 2012, Diploma examination in Microfinance was not held during 2013-14.

- ii) The overall enrollment of candidates for certificate examinations offered for both members and non-members increased substantially (more than 10000 candidates) during the year. This increase is mainly contributed by the number of candidates enrolled for AML & KYC examination. During the year, 4294 candidates enrolled for AML/KYC examination from a private sector bank. Besides this, there is increase in number of candidates enrolled for Trade finance, Quantitative Methods, SME and Credit Card for Bankers examinations also.
- iii) During the previous year, 5 new Certificate Examinations viz., IT security, Prevention of Cyber Crimes, FEMA, RRBs and Microfinance were introduced. All these 5 certificate courses with the exception of the course for RRB Staff have shown increasing number of enrollments.
- iv) The enrollment for Certificate Examination in Microfinance has increased by more than 1500 candidates. The re-designed certificate course is gaining momentum during the recovery phase of Microfinance sector.

*B. Examinations only for Members*

Two advanced certificate examinations viz., the Certified Bank Trainer and the Certified Banking Compliance Professional were introduced during the year. While the Certified Bank Trainer Course was offered only for members of the Institute, the Certified Banking Compliance Professional Course was offered for both members as well as non-members (Company Secretaries). The enrollment to these two advanced courses was encouraging in the very first examination itself.

*C. Examinations only for Non-Members*

- i) The overall enrollment of candidates for certificate examinations offered only for non-members has declined during the year even though there is increase in number of candidates for DRA Course. NABARD supported BC/BF certification course (financial inclusion) was operative in the 1<sup>st</sup> quarter of 2012-13 and there were more than 10000 candidates under this course. On account of the stoppage of reimbursement of course fee by NABARD, the enrollment for this certificate course has almost come to a halt. In order to increase the BC/BF certification the Institute has approached banks requesting them to train their BC/BFs by designing a combined BC/BF & DRA course. Recently some of the banks have come forward to take this combined course. This revised course is expected to gain momentum in the year 2014-15. The Institute has been working closely with some of the State Governments for training and certification of their sponsored candidates under this course. These efforts are expected to bear fruit in 2014-15. One of the State Governments has already trained many women under this new course and such developments may give boost to this course and record more numbers in future.
- ii) The Institute had reported in the previous years of a decline in the number of DRA candidates. This trend is reversed during the current year and the number of candidates enrolled for DRA as well as DRA-Tele Callers examinations has increased.
- iii) It is observed that there is a decline in the number of candidates enrolled for examinations from IT/BPO sector during the year.

**II. 5. Non-member candidates.**

Considering the need for knowledge of banking & finance by the service providers of the banking sector, the Institute started offering some of the examinations of the Institute to non-members also. These service providers may include IT/BPO companies, NBFCs, DRAs, BC/BFs and MFIs, etc. Some of the Institute's courses are open to both members & non-members and some courses are open only to members or non-members. The examinations offered only to non-members include DB&F, DRA, BC/BF and BPO/IT examinations. Candidates for these examinations aggregate to 21031 in 2013-14 as

against 30894 in the previous year. The decline of around 10000 candidates is mainly on account of decline seen in the number of candidates taking BC/BF course.

The details of non-members taking the Institute’s examination are given below (where both members and non-members are eligible to enroll).

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

<b>Examination</b>	<b>Total Enrolled 2013-14</b>	<b>Non-Members 2013-14</b>	<b>% of Non-members to Total enrolled</b>
Diploma in Banking Technology	128	35	27.34
Diploma in International Banking	783	119	15.20
Diploma in Treasury Investment & Risk Management	583	88	15.09
Advanced Wealth Management Course	778	138	17.74
Advanced Diploma in Co-Op Banking/Urban Co-op Banking	257	15	5.84
Diploma in Commodity Derivatives	52	2	3.85
Diploma in Home Loan Advising	465	24	5.16
Certificate in Trade Finance	3466	484	13.96
Certificate in AML & KYC	10873	5479	50.39
Certified Information System Banker	630	21	3.33
Project Finance Course	29	4	13.79
Quantitative Methods For Bankers	330	34	10.30
Customer Service & Banking Codes & Standards	1799	127	7.06
SME	3343	65	1.94
Credit Card	557	149	26.75
Microfinance	1749	323	18.47
IT Security	741	44	5.94
Rural Banking Operations for RRB Staff	162	7	4.32
Prevention of Cyber Crime & Fraud Management	1042	57	5.47
Foreign Exchange Facilities for Individuals	1094	34	3.11
Certified Banking Compliance Professional	350	48	13.71
<b>TOTAL</b>	<b>29211</b>	<b>7297</b>	<b>24.98</b>

It is observed (Table 8) that the ratio of non-members to total candidates was 24.98% in the examinations meant for banking and finance executives. This ratio for the previous year was only 13.03%. The higher ratio of non-members to total candidates is mainly contributed by courses such as AML & KYC, Microfinance and Certified Banking Compliance Professional. It must be added here that many of these non-members are employees of foreign banks and private banks. As such all non members are not necessarily from outside banking sector. SME course is offered to both non-member and members, and less than 2% of candidates enrolled for this course are non-members.

**II.6. Performance of candidates (Pass Percentages) in Examinations**

The pass percentage of all Associate Examinations showed an increasing trend during the year. The average pass percentage in the case of Associate Examinations in 2013-14 was about 20% as against

17% in the previous year. Within Associate Examinations, while there is only marginal increase in pass percentage of JAIB, there is substantial improvement in the pass percentage of CAIB and DB & F.

In the case of Diploma examinations the average pass percentage is 45% and in the case of certificates, it is 77%. The average pass percentage in case of Diploma and Certificate Examinations remained more or less same as in the previous year. However, the individual Diploma/Certificate Examination shows a mixed trend. In case of Diploma examinations like Wealth management and Home Loan Advising, there is improvement in the pass percentage. The Certificate Examinations such as AML/KYC, Credit Card for Bankers, Project Finance, Banking Oriented Paper in Hindi and Rural Banking Operations for RRB Staff have also recorded improvement in pass percentages. The DRA and Financial Inclusion certificates are offered in many vernaculars and the pass percentage is generally high.

The pass percentage for Certified Banking Compliance Professional Examination is low as compared to that for Certified Bank Trainer Examination. The Certified Banking Compliance Professional Examination is offered to both members and non-members. The Certified Bank Trainer Examination is offered only to members of the Institute.

**Table 9. Percentage of candidates appearing and passing the examinations**

Name of the Examination	Candidates appeared as a % to those enrolled		Candidates passed as a % to those appeared	
	2012-13	2013-14	2012-13	2013-14
Associate Examinations				
JAIB	80.22	79.80	15.10	16.98
CAIB	83.68	81.94	20.17	25.74
Diploma in Banking & Finance	73.46	71.86	15.13	29.86
Diploma Examinations				
Banking Technology	57.75	55.47	63.41	21.13
International Banking & Finance	52.26	51.34	21.10	18.66
Treasury Investment and Risk Management	76.00	71.18	35.53	29.64
Advanced Wealth Management Course	71.26	68.77	47.55	50.65
Advanced Diploma in Co-Op/Urban Co-op Banking	86.10	82.88	39.30	38.03
Micro Finance	76.92	-	80.00	-
Commodity Derivatives for Bankers	53.97	51.92	41.18	18.52
Diploma in Home Loan Advising	86.27	83.87	90.91	92.05
Certificate Examinations				
Banking Oriented Paper in Hindi	75.00	70.18	42.06	45.00
Trade Finance	88.39	81.82	72.27	56.42
AML & KYC	88.10	84.43	81.63	84.55
Information System Banker	83.16	75.71	37.58	28.51
Project Finance Course	87.27	93.10	97.92	100.00
Quantitative Methods	70.62	73.33	64.23	61.16
Customer Service & Banking Codes & Standards	86.21	90.66	80.02	76.58

Name of the Examination	Candidates appeared as a % to those enrolled		Candidates passed as a % to those appeared	
	2012-13	2013-14	2012-13	2013-14
SME	84.21	82.05	90.95	79.77
Credit Card For Bankers	89.22	84.20	94.78	96.80
Debt Recovery Agents	89.16	88.77	81.25	77.19
DRA–Tele Callers	85.95	87.52	95.74	86.15
Financial Inclusion: BC/BF course	100.00	99.76	95.00	97.70
Combined BC/BF & DRA Course		100.00	-	97.50
Basics of Banking	90.90	90.81	59.89	56.65
Certification in Functions of Banks	-	73.33	69.23	40.91
Credit Card Operations	93.48	88.06	100.00	93.22
Microfinance	84.00	83.25	91.07	82.83
IT Security	81.59	83.54	70.26	67.69
Rural Banking Operations for RRB Staff	81.20	80.86	43.16	72.52
Prevention of Cyber Crime & Fraud Management	82.67	83.01	94.76	90.40
Foreign Exchange Facilities for Individuals	82.95	78.06	89.33	46.60
Advanced Certificate courses				
Certified Bank Trainer		84.17		91.09
Certified Banking Compliance Professional		82.57		46.02

## II.7. Introduction of online mode for the CAIB examinations from May, 2014

Technology has helped the Institute to scale up its activities and maintain good quality over the years. In this regard, even though the Institute is the pioneer in online examinations, it had not expanded online examinations beyond a point. But a time has come to move forward in the direction of going fully online for all examinations.

The Institute has been offering the JAIB examinations on online and paper & pencil mode for the past many years. There have been requests to offer CAIB examination also on the online mode from the members. The Institute has been working with technology partners involved in online testing and has been able to develop an online testing system appropriate for CAIB too. Further, the Institute was also not sure earlier whether the CAIB examination, which has case based questions, could be amenable for the online mode. Hence, the Institute carried out pilot tests to satisfy itself that the online mode is feasible for the case based CAIB examination also. Accordingly, a few faculty members of IIBF and resource persons associated with the Institute took the online pilot tests. These pilot tests showed that the online testing is feasible and student friendly even for situation based/problem oriented questions.

In view of this, it has been decided to offer CAIB examination on the online mode at as many centres as available/possible through any one or all of the technology partners. Detailed studies have shown that the Institute would be able to offer online examinations in a large number of locations which will substantially bring down the necessity to print/ handle question papers to conduct paper and pencil examinations.

At the same time, the Institute has to necessarily offer the paper and pencil mode in some locations as the internet penetration is not adequate to offer online examination.

### II.8. Expanding on-line examinations to more centers.

The Institute has decided that the JAIIB and CAIIB examinations will be offered only on on-line mode in 236 centers from the May/June 2014 examinations. This leaves about 35 centers which will continue on paper and pencil mode for May/June 2014 exam. Some of these centers will also become on-line centers from Nov/Dec 2014. In view of this the 4 diplomas which were in descriptive mode will also be offered in on-line mode from May/June 2014. It is indeed a matter of pride that more than 120000 candidates working in more than 650 institutions have taken on-line JAIIB examination in May/June 2014 in 236 centers which is a kind of record in the on-line examination system.

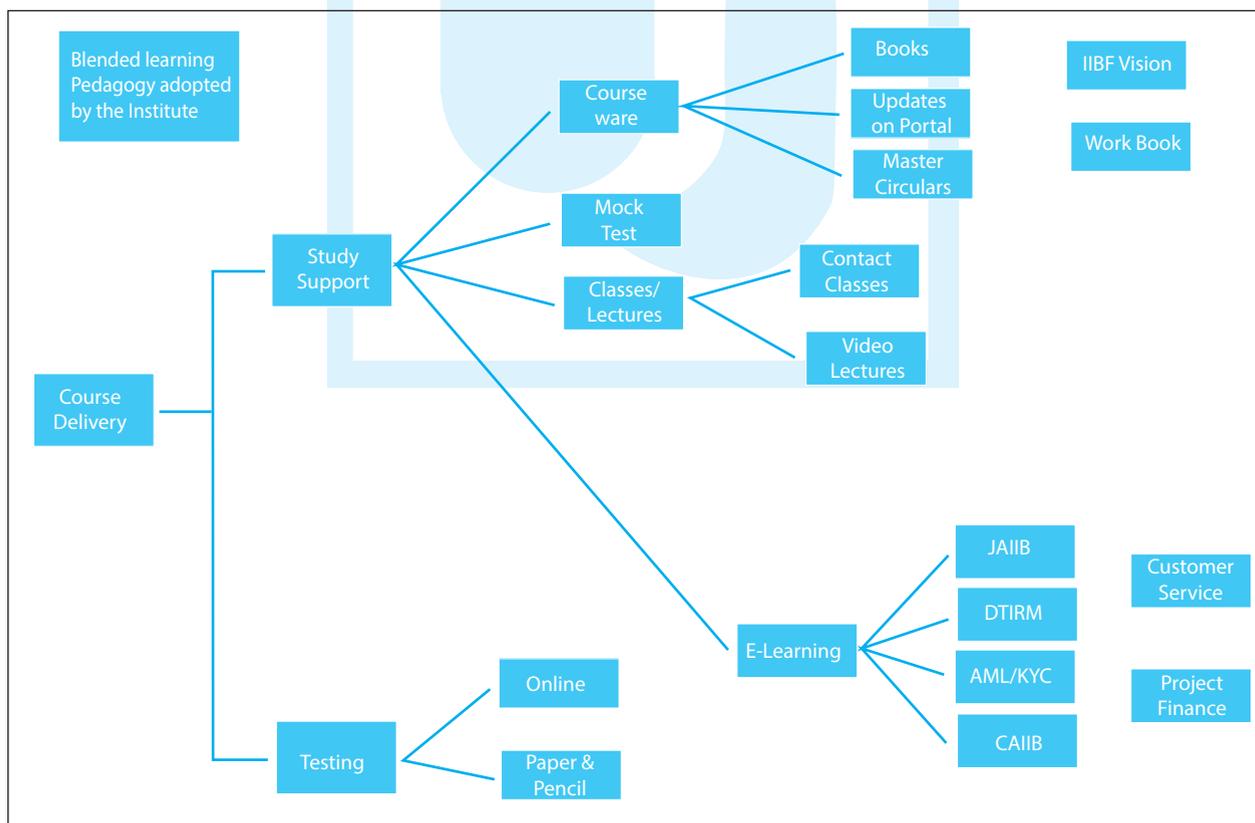
### III. SUPPORT SERVICES AND PROCESSES

Currently, the Institute provides the following educational support services to candidates preparing for the Institute's examinations.

1. Dedicated courseware for all its courses and examinations
2. Work book for DB&F, JAIIB and CAIIB
3. Contact classes at select centers
4. E-learning for DB&F, JAIIB, CAIIB, Project Finance, DTIRM, Customer Service and AML / KYC.
5. Video lectures for DB&F, JAIIB and CAIIB.

The following chart depicts the pedagogy adopted by the Institute while delivering the courses, which makes it possible to offer common denominator knowledge to all enrolled candidates across the country.

Chart 3. Pedagogy



## Academic Support Services

### III.1. Subject updates

#### (i) Portal updates

Apart from publishing the courseware, the Institute puts on its portal, periodical subject updates for various examinations and candidates are encouraged to peruse them before the examinations. A few questions in the examinations are asked from those updates. The updates help in testing the candidates on the latest developments in banking and finance sector.

#### (ii) Condensed RBI Master Circulars

Reserve Bank of India brings out Master Circulars on different subjects in the month of July every year. The salient features of 38 Master Circulars on different topics have been developed by the Institute and placed in the website. These condensed matter on the various policy guidelines of Reserve Bank of India are very important sources of information from banking operations and examination angle to candidates. The Institute has mentioned the relevance of various master circulars to different examinations of the Institute. Needless to say, a few questions are asked on the contents of the circulars in various examinations.

#### (iii) Journals and News letters

The Institute brings out a monthly newsletter containing all developments in the financial sector during the previous month known as 'IIBF Vision' (all members get a free copy) and a quarterly (subscription based) journal 'Bank Quest' covering expert articles on subjects of current importance. Candidates are tested on the contents of the newsletter through a few questions from the IIBF Vision. The Institute is also bringing out an e-news letter since 2003, a priced publication to provide information to candidates. The previous issues of both the Bank Quest journal and IIBF Vision are available on the portal of the Institute for free downloading.

#### (iv) Library Services

The Institute has a well-stocked library at its corporate office with a reading room facility. The present collection in the Institute's library is 3,347 books and during the year, the Institute has added 106 books on various subjects mainly related to banking & finance. Apart from this, bound volumes of multiple sets of 21 study kits published by School of Management, IGNOU have been kept with the AMP collection and copies of 34 macro research reports commissioned by the Institute are also available for reference in the library.

### III.2 Contact Classes and Learning support

The Institute arranges contact classes of one day duration for all subjects of JAIIB and compulsory subjects of CAIIB with the help of subject matter experts/resource persons. In these contact classes, the resource persons clarify and guide the candidates on a particular subject from the examination point of view. These contact classes are normally conducted one month prior to May/June and November/December examinations. During the year, contact classes were organized at the following places.

**Table 10. Details of contact classes**

Sr. No.	Zone	Places
1	Northern Zone	New Delhi, Lucknow and Chandigarh
2	Western Zone	Mumbai, Indore, Bhopal and Jaipur
3	Southern Zone	Bengaluru, Chennai, Coimbatore, Ernakulum, Puducherry, Salem, Trichy and Vijayawada
4	Eastern Zone	Kolkata, Patna, Ranchi, Bhubaneswar and Guwahati.

### **III.3. E- Training**

The Institute has been offering E-training to the direct recruits of banks (clerks and officers). This training includes the following components:

1. E-learning on Introduction to Banking
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 e-training helps banks to reduce the on boarding 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 on-line test is similar to the examination conducted by the Institute for its other courses.

The Institute has approached all 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 within a short period by reducing the class room based training.

### **III.4. E-Learning**

The Institute has been offering E-learning for the JAIIB/DB&F examinations and also for the two compulsory subjects of CAIIB since the last two years.

#### **(i) E-learning in various banks,, intranet**

The Institute has made arrangements with most banks to place its e-learning material in their intranet such that candidates who are pursuing JAIIB/CAIIB and others can also have access to the e-learning in their work place. They can also access the e-learning through the Institute's portal. It is a matter of pride for the Institute that banks have found the e-learning to be of good quality and many banks have uploaded the e-learning in their intranet.

#### **(ii) CAIIB E-Learning for Electives**

During the year, the Institute has completed the development of the e-learning for all the eleven elective subjects of CAIIB viz., Treasury Management, Risk Management, Retail Banking, Corporate Banking, International Banking, Central Banking, Rural Banking, Human Resource Management, Financial Advising, Co-operative Banking and Information Technology. This e-learning course is made up of about 130 hours of learning contents (12 hours approximately for each subject for 11 electives of CAIIB), covering 44 modules (4 modules in 11 subjects) with 4-5 lessons in each module. This e-learning has been uploaded in the portal for the benefit of candidates appearing from the May/ June 2014 examination onwards.

Every half year, the E-learning is offered to more than 1.5 lac candidates taking the JAIIB/DB& F and CAIIB.

With the above, the Institute has been able to create subject-wise e-learning contents on contemporary banking topics for the use of bankers spread across the country. These courses help the bankers not only to prepare for the various examinations but also to update themselves on banking topics for their day to day operations. The details of fresh logins issued course wise during the year are given below:

**Table 11. Details of login IDs and passwords issued for e-learning during the year 2013-14**

Sr. No	Course Name	Examinations-No. of logins issued	
		May/June-13	Nov/Dec-13
1	JAIIB	49098	72431
2	CAIIB	18025	24306
3	DB&F	2233	2008

Besides the above, the Institute has also been offering e-learning for Diploma in Treasury, Investment & Risk Management and Certificate Course in Customer Service & Banking Codes and Standards. All the enrolled candidates have been given login IDs for the E-learning course. The number of candidates registered for DTIRM e-learning and Customer Service e-learning during the year was 235 and 1807 respectively.

### III.5. Mock Test

The Institute makes available a mock test through the portal of a technology company. The mock test is an effort to simulate examination conditions and also give an opportunity to candidates to familiarise with the pattern of on-line examinations. The Institute has been administering mock test for all the 3 papers of JAIIB/DB & F and 2 papers for CAIIB. The total number of candidates who availed of the mock test facility during the year was 22,815.

#### Box 1. A feedback on online learning and Mock test:

"I have properly utilized e-learning portal provided by IIBF and cleared JAIIB within a year in July-13 and CAIIB in a single attempt in Feb-14. Especially online mock test and e-learning program launched by IIBF, gave me lot of confidence for successful completion of professional qualifications i.e. JAIIB and CAIIB. Now I can proudly say that being a banker I have completed JAIIB and CAIIB and holding the professional qualification certificate given by the India's premier educational institute in banking and finance i.e. IIBF, that too at the age of 50 plus. For me it is a great achievement. For me, JAIIB and CAIIB qualifications are greater than promotions. Online mock test as well as e-learning program helped me a lot to fulfill my dream. It brought me lot of satisfaction. So I remain grateful to IIBF for its added support and greater contribution in our overall success. The learning methodology introduced by IIBF is the most interesting one. Also most effective and most useful modern device for distance learning, It is most convenient and also well adopted educational platform to choose our own time place and learn at our own pace." Sidharth Manvi, Membership no.4789101.

### III.6. Video lectures on JAIIB/CAIIB subjects

Previously the Institute had arranged satellite based classes for JAIIB and CAIIB. As this method had certain limitations the Institute started offering Web Classes with effect from April 2011 for JAIIB/CAIIB and DB&F examinations. During the year, the Institute moved over to Video Lectures.

The Institute has prepared video lectures on all 3 subjects of JAIIB viz., Principles & Practices of Banking, Legal and Regulatory Aspects of Banking and Accounting & Finance for Bankers and 2 compulsory subjects of CAIIB viz., Bank Financial Management and Advanced Bank Management. The recorded lectures for about 115 hours on 197 topics pertaining to 20 modules (4 modules in 5 subjects) were

delivered by 20 senior bankers/ subject matter experts and reviewed by faculties /subject matter experts. These recorded video lectures were made available to the candidates appearing for May/ June, 2014 examinations.

The number of login IDs issued course-wise is given as under:

**Table 12. Details of login IDs and passwords issued for Video lectures during the year 2013-14**

Sr. No	Course Name	Examinations-No. of logins issued	
		May/June-13	Nov/Dec-13
1	JAIIB	65536	111247
2	CAIIB	34706	38816
3	DB&F	4873	2946

### **III.7. Pattern of Examination system**

Since 2005, the Institute has introduced the MCQ-Multiple Choice Question-based question papers. Under this 100 questions, including questions based on case study/case-lets to test the comprehensive knowledge level of the CAIIB candidates carrying 100 marks, were asked in the examination. The questions cover the entire syllabus and are so framed to ensure that the successful candidates have gone through the entire syllabus comprehensively. Feedback on the new system indicates that the bankers have welcomed the pattern and many of the seniors, who had given up on CAIIB have come back to complete the examination.

The USP of the Institute is in devising very penetrative and high quality MCQs to cover the entire syllabus and test the knowledge and analytical skill of the candidates. Persons who have perused the question papers, both candidates and outside experts have appreciated the quality and standard of the questions given in the examinations. Recently the JAIIB Syllabus Revision Committee also favourably commented on the QPs given in the said examination.

The effort of the Institute is to provide the current/relevant information to the candidates and also to conduct examinations on the latest information so that the students passing the examinations will be up to date for tackling their contemporary job requirements.

### **III.8. Exam Centre Superintendents Meet**

The zonal offices had organized 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 to impress upon the Centre Superintendents about the rigour expected while conducting the examinations. 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. These meetings were organized at Ahmedabad, Bhopal, Chandigarh, Chennai, Hyderabad, Jalandhar, Kolkata and New Delhi.

## **IV. NEW COURSES AND ACTIVITIES**

### **IV. 1. Launching of New Certificate Courses**

#### **Launch of certificate programs on Compliance and Training**

The Institute had launched two specialized Certificate Courses viz. Certified Bank Trainer (jointly with NIBM, Pune) and Certified Banking Compliance Professional (jointly with ICSI, New Delhi) on

12<sup>th</sup> July, 2013. Dr. K. C. Chakrabarty, the then Deputy Governor, Reserve Bank of India had delivered the inaugural address and launched these certificate programmes. These specialized courses have two components viz., passing of online examination and attending class room learning. Candidates who pass the examination alone can attend the class room learning. This two level approach helps candidates in better learning and acquiring of skills.

#### **(i) Certified Bank Trainer (jointly with NIBM)**

Trainers are needed in all banks and financial institutions to help them to translate their vision and mission into reality. More people are expected to join the banking sector in the coming years, calling for a massive thrust on training to onboard the large number of new recruits and also to reorient the existing personnel to take up new assignments to meet the ever increasing challenges in the banking field. The Institute has taken an initiative along with NIBM to develop highly professional trainers for training establishments at banks, bank training institutes and financial institutions. This course will impart the necessary set of training skills to trainers enabling them to be effective in their training function. The focus of the course is on faculty development which includes presentation skills, comprehension ability, conceptualization, creativity, conduct and control over the class. The Course includes two online papers on Human Resource Management and Training and five days of classroom learning to those who have passed the examination. This approach ensured that training is more focused and is of a higher level as the candidates are well informed of the subjects. The first examination for this new course was conducted in January, 2014. In order to assist the candidates appearing for the examination, the Institute had organized half-a-day's workshop at seven places across the country during October-November, 2013.

#### **(ii) Certified Banking Compliance Professional (jointly with ICSI)**

The course on compliance in banks has been developed based on the suggestions made by the Governing Council members of the Institute. The Institute pursued the suggestion by organizing workshops in collaboration with International Compliance Association (ICA), London. As compliance function primarily deals with local laws and regulations, the Institute decided to develop the courseware internally and seek collaboration for offering a certification course. The Institute of Company Secretaries of India (ICSI), New Delhi came forward for offering a joint certification with the Institute to their members as also the CAIB holders to make available well qualified candidates to work in the compliance department in banks. The course broadly covers Risk Management in banking and financial institutions covering inter-alia Credit Risk Management, Operational Risk Management, Market Risk, organization of risk function in Banks, Legal and Regulatory Aspects of Risk, Governance and Compliance function - Roles and Responsibilities. The first examination of this new course was conducted in January, 2014. In order to assist the candidates appearing for the examination, the Institute had organized half-a-day's workshop at seven places across the country during October-November, 2013.

#### *Code of conduct*

For the first time the Institute has decided that for all the advanced blended courses, the Institute would recommend a code of conduct to all the successful candidates in consultation with the collaborating institutions.

#### **(iii) Launch of New Certificate course for Treasury Dealers**

The Institute has been offering a three paper diploma viz. Diploma in Treasury, Investment and Risk Management jointly with FIMMDA since 2006. It has an e-learning component also. This course has generated much interest among the bankers and 2272 persons have enrolled for the same over the years. In addition, the Institute has introduced modules on Treasury Management and Risk

Management in the compulsory paper in CAIB followed by electives on these two subjects separately. Hence, the subjects of Treasury, Risk Management and Investment Management are given sufficient importance in the examinations offered by the Institute.

The possibility of offering a joint certification cum training programme for dealers working in banks and financial Institutions was discussed with FIMMDA and FEDAI. Currently, the dealers are provided with hands on training within the organization followed by bourse programmes conducted by training bodies. There is no formal qualification offered by any banking institution in the country. It was felt necessary to launch a blended certificate programme in this area which will address the issues related to dealing comprehensively and helps to bring about standardization and uniformity among the market players. It is also noticed that in the absence of an appropriate course, the competence level of the dealers vary significantly which at times impact the overall dealing functioning in the financial sector.

The objective of the course is to create a cadre of well trained dealers to handle front office operations in integrated dealing rooms in banks/financial institutions. The target group for the course is newly posted officers in the dealing room, persons identified for posting in dealing room and also people aspiring to become dealers in future. The course will cover dealing functions in detail under six modules viz. Overview of Financial Markets, Role of Treasury, Money Market Operations, Investments, Forex Dealings and Derivatives and Commodities.

The course will have two components viz. an examination for 100 marks based on a specially prepared courseware on the subject, followed by a classroom learning of 3 days in Mumbai. The Examination will have 100 MCQs – including case based questions spread across all modules in the courseware.

The Passing Criteria will be minimum 50% marks in the online examination with two attempts to complete the examination. Candidate has to obtain 25 marks out of 50 marks in classroom learning for being declared as successful.

Candidates who pass the examination will have to attend a classroom learning of 3 days covering mock dealing sessions on forex and Fixed Income bonds, exercises, case studies to evaluate the understanding and application of concepts covered in the written examinations. Inputs on various trading techniques, Technical Analysis by industry experts, Interpretation of market/economic data, Fundamental Analysis and Technical Analysis will be covered.

A Certificate will be issued to the candidate on successful completion of both written examination and classroom learning. This will be awarded by IIBF & FIMMDA jointly.

#### **IV.2. Other Courseware**

(a) Anti-Money Laundering & Know Your Customer Courseware in Hindi

The Institute had introduced the certificate examination in AML & KYC in 2006. The courseware on Anti-Money Laundering & Know Your Customer was published in English. The book has been now published in Hindi and the examination will be offered in Hindi also from December, 2014. This is expected to be a great fillip to the AML/KYC compliance.

(b) Microfinance: Perspectives and Operations

The Institute had published a book/courseware 'Microfinance: Perspectives and Operations' in 2008 for the candidates who take the Institute's Diploma examination in Microfinance. The diploma examination in Microfinance had two papers (Perspectives and Operations separately). In 2012, the

Institute has introduced a Certificate examination in place of Diploma Examination with a single paper covering select topics on both Perspectives and Operations. During the year, the Institute has revised and published (second edition) the book 'Microfinance: Perspectives and Operations' as a courseware for its Certificate examination in Microfinance.

c) BC/BF Certification

The Institute has designed a 12 days customized training exclusively for women SHG members of Tamilnadu Corporation for Development of Women on Business Correspondents/Business Facilitators. The contents of the training included the syllabus of both BC/BF & DRA courses. The Indian Banks' Association has approved that those candidates who have undergone this training and passed the examination can be permitted to work as BC/BF as well as DRA after certification by the Institute. This will help in financial inclusion as well as recovery efforts of banks in rural areas. Under this programme, the Institute has certified 39 women SHG members of Tamilnadu Corporation for Development of Women. These trained BC/BFs are engaged by a public sector bank in Tamil Nadu.

As in the previous years, the Institute has trained and certified 5 batches of BC/BF through an Accredited Training Institution. The ATI has trained 148 BCAs in 5 batches. Further, the Institute continues to train the bank faculty for taking up BC/BF training. In October, 2013, the Institute had trained 31 directors of R-SETIs/RUDSETIs and trainers of Canara Bank. These trainers in turn trained 679 Business Correspondent Agents (BCAs) in 18 batches across the country during the year.

### IV.3. Revision of JAIIB Syllabus/Courseware

The Institute is committed to update/revise the courseware once in 3 years. In view of this, the Governing Council had constituted a Syllabus Revision Committee in 2012 under the Chairmanship of Mr M.V. Sridar, former CMD, UCO Bank to have a comprehensive look into the existing syllabus and course coverage for the JAIIB examination and suggest measures to address the changes that have happened in the banking and finance space since the last revision. The members of the committee are:

#### Members

1. **Shri C. P. Ravindranath Menon**, Chief General Manager, Legal, Exim Bank
2. **Shri S. K. Das**, Chief General Manager, HRM, Bank of Baroda
3. **Shri Mayank 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 Manager, HRM, SBI (Special Invitee)

#### Convener Member

7. **Dr. R. Bhaskaran**, CEO, IIBF

#### Terms of Reference

The Terms of Reference of the Committee were as follows:

- i. To review and revise the objectives, design, content and coverage of different subjects of JAIIB.
- ii. To review and refine the syllabus of JAIIB in view of new developments in the banking sector.

- iii. To identify new competencies and knowledge inputs 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 having examined the issues concerned and discussed at length the various issues has made recommendations regard to the revisions required in the JAIIB syllabus. One of the major recommendations is that there has to be larger coverage of banking operations and back office functions in the form of exclusive module on these aspects.

This report was considered by the Examination committee which made specific recommendations to the Governing Council.

The Governing Council approved that :-

1. The revised syllabus as suggested by the syllabus revision committee and Examination Committee be implemented from November/December, 2014 examination onwards
2. The revised syllabus to be extended to DB & F examination also.

The Institute has already started preparing new/updated courseware based on the revised syllabus.

#### **IV.4. Joint Meet of HR /training heads**

The Institute has been organising a meeting of the HR chiefs and training heads every year for over a decade now. These meetings help to gauge the expectations of banks and financial institutions from the Institute. It is a matter of record that many new courses/ programmes have been introduced based on such feedback over the years.

The second joint meet was held on 6<sup>th</sup> December, 2013 at leadership centre, IIBF, Mumbai and 33 HR/ training heads attended the meeting. Dr. R.Bhaskaran, CEO, IIBF, Mr. Allen Pereira, Director, NIBM and Mr. B Sambamurthy, Director, IDRBT gave detailed presentations on their respective institutions. In addition faculty from NIBM and IDRBT also gave presentations on their institutes' initiatives.

The suggestions received from the delegates are under the consideration of the three institutions and suitable action points will be presented to the appropriate internal committee for approval and implementation.

#### **V. CONTINUING PROFESSIONAL DEVELOPMENT**

The Institute offers continuing professional development to its members through certification, annual lectures, regional seminars, monthly and quarterly publications etc. The activities during the year are listed below:

##### **V.1.Certification**

The Institute offers a CPD certification programme. It is a system of certification, which recognises the efforts of bankers who are endeavouring to build their professional development. It aims at enhancing the professional competence through involvement in formal, structural and verifiable activities of the Institute. Under this a certificate is issued to candidates based on their performance by passing new examinations, writing papers in journals of repute, passing the Finance Quotients(FQs) given

on IIBF portal, attending training etc. The candidate can register with the Institute for Continuing Professional certification with a nominal fee of Rs.100/-. Though 1017 candidates have enrolled for the CPD certification, only 74 candidates have actually completed the CPD certification. This may be due to the fact that there is neither any compulsion to complete nor any incentive on successful completion. The Institute will work closely with IBA to introduce a vibrant CPD.

The Institute has placed 15 FQs-Financial Quotient- on variety of topics on its portal that could help the bankers to test their domain knowledge in different segments. Based on their own assessment, they can take any of the certificate courses or diploma courses offered by the Institute to augment their domain knowledge in their chosen areas. In this connection the Institute offers many certificates and electives under CAIB as CPD efforts. A number of candidates pursue these qualifications for their knowledge and career growth.

## V.2. Periodical Publications

### (i) IIBF Vision

IIBF Vision is a monthly newsletter sent free of cost to members and on subscription basis to others. The newsletter provides current developments in the banking & finance field to the bankers in brief. The news items/information on important topics on banking & finance appearing in various financial dailies/newspapers during the entire month are collected and classified under various headings like top stories, banking policies, banking developments, Insurance, forex, international news, rural banking, economy and microfinance/financial inclusion and published in the subsequent month. Further, banks' tie up with other organisations, new appointments are also listed in the newsletter. An update on 'Basel-III' is being published every month.

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. Both Hindi and English versions of IIBF Vision are available on the portal of the Institute for free downloading.

### (ii) Bank Quest

'Bank Quest' is a quarterly journal published by the Institute. The Institute has an Editorial Committee comprising of eminent bankers to provide overall insights and guidance to the Internal Editorial Team. The Editorial Committee met at the beginning of the financial year, reviewed the periodical publications of the Institute such as IIBF Vision, Fin@quest and Bank Quest and provided its insights and suggestions to improve the quality of these publications. As per the suggestion by the Editorial Committee, the Institute has introduced a new feature/section in the Bank Quest during the year and some of the topics covered under this section were Anti-Money Laundering/Combating Financing of Terrorism/Know Your Customer and Banking Technology Products.

Each issue of Bank Quest focuses on an identified theme. The feedback on the thematic Bank Quest has been quite encouraging in the past and the Institute continued to focus on the thematic Bank Quest during the year. The themes covered in the four issues of Bank Quest for the year 2013-14 were:

1. **Micro Research Papers** (April-June 2013)
2. **Banking Technology** (July-September 2013)
3. **Microfinance** (October-December 2013)
4. **Payment & Settlement System in India** (January-March 2014)

Each Bank Quest carries 4-5 articles on a particular theme and one or two articles on other topics of current relevance and regular features such as book reviews. The first issue during the year (April-June 2013) focused on micro research articles covering topics on Intellectual Capital Efficiency, Cluster farming finance and Intellectual Property Assets. In addition to these topics, the issues also covered extracts of speech on 'Customer Service' by Mr. R.K Dubey, CMD, Canara Bank and full text of the 29<sup>th</sup> Sir PTML by Mr. Saumita Chaudhuri, Member, Planning Commission on 'Restoring growth, inclusion and stability' In addition to technology related topics the issue on 'Banking Technology' carried the extracts of speech delivered by Dr. K.C. Chakrabarty, the then Deputy Governor, RBI on compliance function in Banks, issues and challenges of small private sector banks and rupee dollar dynamics. In addition to microfinance related articles, the October-December 2013 issue covered 30<sup>th</sup> Sir PTML by Dr. Subir Gokarn, Director of Research, Brookings India. The last issue of the financial year carried besides articles on payment & settlement system in India, the extracts of the AMP convocation speech by Mr. R.K Dubey, CMD, Canara Bank and also the extracts of the inaugural address given by Mr.S.S.Mundra, Chairman and Managing Director, Bank of Baroda at the second Bank Executive Programme. The Bank Quest is also available in the portal of the Institute.

### **(iii) Fin@quest**

The Fin@quest is an e-news letter of the Institute and is mailed to the subscribers on a daily basis and provides information/news on developments in the banking & financial sector. The subscribers can access daily information on important developments at the beginning of the day compiled from variety of sources. This serves the purpose of a financial e-daily to subscribers.

## **V.3. Annual Lectures/Meetings**

### **(i) 30<sup>th</sup> Sir Purushotamdas Thakurdas Memorial Lecture (PTML) fi 2013**

The Institute has been organizing an annual lecture in memory of Sir Purushotamdas Thakurdas, a very distinguished and eminent businessman of India, who was actively associated with the formation of the Indian Institute of Banking & Finance (Formerly known Indian Institute of Bankers) as its founding member and served on the Council of the Institute till his death on 4<sup>th</sup> July, 1961. Since 1981, this lecture has become an important annual event of the banking sector.

The 30<sup>th</sup> Sir Purushotamdas Thakurdas Memorial Lecture for the year 2013 was delivered by Dr. Subir Gokarn, Director-Research, Brookings India on the topic "Finance and Sustainability: Regulatory and Strategic Dimensions" on 3<sup>rd</sup> December 2013 at State Bank of India Auditorium, Mumbai. The full text of the lecture has been placed on the portal of the Institute for wider dissemination and also published in the Bank Quest October-December 2013 issue of the journal. Mr. K. R. Kamath, Chairman & Managing Director, Punjab National Bank and President of Indian Institute of Banking & Finance (IIBF) welcomed the Chief Guest and the lecture ended with a vote of thanks by Dr. R. Bhaskaran, Chief Executive Officer of the Institute. The lecture was well attended by senior bankers, economists and others.

**Box 2. Gist of 30<sup>th</sup> Sir PTM Lecture**

Dr. Gokarn explained the framework of link between finance and sustainability from the perspective of different groups of stakeholders. The lecture explored some of the links in terms of the benefits or trade-offs that will materialize when sustainability considerations are brought into financial decisions. He emphasized the need for the sustainability agenda at the micro level, to place a pragmatic framework to guide companies and financial entities to balance between sustainability and financial returns.

According to Dr. Gokarn sustainable development will not be achieved unless the people who actually produce and consume goods and services do so in a sustainable way. He added that in furthering the sustainability agenda both the government and the corporate leaderships have important roles to play and stressed the need for continuous monitoring. From the government perspective, there is a need to think as to how to reduce the costs of compliance with laws and regulations promoting sustainability, incentivizing SMEs to adopt the agenda and, in the immediate context, effectively leveraging the CSR mandate to obtain the maximum benefit. From the corporate angle, the corporate leaderships need to articulate and champion sustainability agendas and emphasize areas in which sustainability and financial performance are most compatible. As a result an alignment between the interests of companies and their investors and lenders can be brought about.

Dr. Gokarn added that the sustainability has to be looked as a process rather than an outcome. This process will bring alignment of multiple stakeholders' interests and hence, it has to be continuously monitored and compliance to be rewarded and non-compliance to be reversed.



*Dr. Subir Gokarn, Director-Research, Brookings India delivering the 30<sup>th</sup> Sir Purushotamdass Thakurdass Memorial Lecture.*

**(ii) 2<sup>nd</sup> IGNOU-IIBF endowment Lecture**

The 2<sup>nd</sup> IGNOU-IIBF endowment Lecture was delivered by Mr. K.R. Kamath, President, IIBF and CMD, Punjab National Bank on 30<sup>th</sup> October, 2013 at India International Centre, New Delhi on

**“Indian Banking-Retrospect and Prospect”.** This is an annual lecture organized under the auspices of the IIBF endowment Chair sponsored by the Institute. The lecture was attended by a large number of academicians, bankers and students from the University.

### Box 3. Gist of 2<sup>nd</sup> IGNOU-IIBF endowment Lecture

Mr. K. R. Kamath, in his address talked about the genesis of banking in the country stretching back to the latter half of the 17<sup>th</sup> century and a quick fast forward to the current state of banking developments in the country. He cited the banking sector reform and the advent of Pvt. Sector banks which started *ab initio* with computerization and officers staff as the catalysts for the changes that one witnesses these days. The successful experiment of the Pvt. Sector banks, and the IT advancements prompted other banks in the country to adopt similar measures and within a short period of 5 – 7 years the public sector banks and the old generation Private Sector Banks have also put in place more or less similar products and services offered by new generation Private Sector Banks and foreign banks in the country. With the result, Mr.Kamath added, the banking sector changed dramatically for the better.

He touched on important current issues like Financial Inclusion, cyber crimes, HR challenges, BASEL challenges, Risk Management in Banks, NPA Management, CDR and Industrial Growth etc. He talked about the role of different types of banks in the growth of the economy. He emphasized that banks in the country especially Public Sector Banks have been bestowed with roles which are often beyond commercial objectives and hence their performance will have to be judged from angles other than profit and rate of return. Mr.Kamath ended the lecture on a positive note stating that banking in the country is quite safe and robust and the banks will be able to meet the projected challenges in an able and effective manner in the days ahead.

### V.4. Regional seminars/conferences

The Institute organizes theme based regional seminars every year across the country and the theme for the year 2013-14 was **„Customer Service,,**. In this series of Seminars, the Institute organized four seminars on “Customer Service and Banking Codes and Standards” and the details are as given below:

Date/Place	Inaugurated by	Valediction by	No. of Participants
22 <sup>nd</sup> April, 2013 Lucknow	Mr. A. C. Mahajan, Chairman, Banking Codes and Standards Board of India (BCSBI)	Ms. Shikhi Sharma, General Manager, Reserve Bank of India (RBI), Lucknow	110
23 <sup>rd</sup> April, 2013 New Delhi	Mr. A. C Mahajan, Chairman, BCSBI	Mr. Deepak Singhal, Regional Director, RBI, New Delhi.	129
10 <sup>th</sup> June, 2013 Guwahati	Mr. A. C Mahajan, Chairman, BCSBI	Mr. P. K. Jena, Regional Director, RBI	76
21 <sup>st</sup> June, 2013 Bengaluru	Mr. R. K. Dubey, Chairman & Managing Director, Canara Bank	Mr. M. Palanisamy, Banking Ombudsman, Karnataka, RBI	121

The seminars included panel discussions by General Managers/Deputy General Managers of 3 leading PSU/PVT banks on the subject.

## V.5. Presentations to Banks by Zonal Offices

In addition to the Bankers meet, the zonal offices arranged presentations about the courses offered by the Institute at the training centres of banks. During the year, zonal offices made such presentations to Allahabad Bank, Andhra Bank, Axis Bank, Bank of Baroda, Bank of India, Canara Bank, Central Bank of India Corporation Bank, Federal Bank, HDFC Bank, IDBI Bank, Indian Bank, Indian Overseas Bank, Oriental Bank of Commerce, Punjab National Bank, Reserve Bank of India, State Bank of India, State Bank of Patiala, Syndicate Bank, UCO Bank, Union Bank of India, United Bank of India, and Vijaya Bank.

## VI. TRAINING

### 1. Training Division

In tune with the vision and mission of the Institute, the Training Division commenced full fledged training activities from 2012. The setting up of the Leadership Centre with all its state of art facilities and a conducive learning ambience, marked the launch of regular training programmes. The training programmes are conducted as per the overall banking system's contemporary requirements and in house programmes as per individual Banks' and Financial Institutions' specific training needs. The subjects, contents chosen and delivery of training are fine tuned to meet the present challenges for employees of Banks and Financial Institutions. Focus is on situation relevant methods, tools and techniques, making the training totally trainee oriented. To enhance the trainee experience, the Leadership Centre of the Institute has well designed classrooms, group breakout rooms, seminar hall and a rich library. The ambience is conducive for learning and it will enable the participants to absorb the training inputs very effectively. The faculty is drawn from bankers and domain experts to ensure that the coverage of subjects is contemporary and useful for the day to day banking operations.

A proper and systematic training need analysis is carried out before each programme is announced to make the trainings more relevant and meaningful. The most appropriate and relevant methods and tools are used in training, keeping in view the level of the participants, the programme contents and learning objectives. At the end of each programme training evaluation is carried out through feedbacks, to ascertain whether the participants' feel empowered and better to handle their assignments more successfully.

#### 2.1 Training programmes

Sr. No.	Programme Name	No. of programmes	No. of participants
1.	Programme on KYC/AML/CFT	9	264
2.	Workshop on IT & Cyber Security	3	46
3.	Workshop on Compliance Function	2	35
4.	Credit Appraisal Programme (Industrial and Commercial Advances)	9	242
5.	Housing Finance	3	47
6.	Financing SMEs	2	24
7.	Programme on Marketing and Customer Care	4	50
8.	TOPSIM Programme -Balance Sheet Simulation	2	25
9.	Management Development Programme	8	223
10.	Bank Executive Programme for senior executives	1	29
11.	Workshop on financing agriculture	1	29
12.	International Trainers' Training Programme	1	33

In addition the Institute conducted 7 induction programmes for 199 new recruits of banks. These programmes are conducted based on banks' requests. Going forward the Institute may undertake the induction training across the country through franchisee model. The Institute has agreed with a foreign bank to train their forex relationship managers. During the year the first programme under this MOU was organized for 18 forex relationship managers.

Besides the above, the Institute had conducted 9 other programmes including subjects like Trade finance, Treasury Management for Cooperative banks and RRBs, Retail Banking and Leadership. The total number of participants trained in all the training programmes (both in-house and customized programmes) together was 1,414 during the year.

**2.2** Overall feedback on core programmes between April 2013 and March 2014 was **4.32** on a rating scale of: Excellent 5; Very Good 4; Good 3; Fair 2; Poor 1.

### 2.3 Training highlights during the year:

Many banks / organizations asked the Institute to conduct customized, in house programmes for them. Some of these programmes are as under.

i) TJSB Sahakari Bank Ltd., Mumbai:

The Institute has conducted 20 customized training programmes to the staff of TJSB Bank as per their specific request.

The feedback given by the participants and TJSB Bank has been very encouraging.

ii) Abhyudaya Cooperative Bank Ltd. Mumbai:

The Institute had conducted an Induction programme for 30 new recruits of their Bank.

iii) Dena Bank:

The Institute conducted a programme on credit appraisal for 27 officers of their bank, after understanding bank specific training needs in the subject. Case studies from the bank were obtained and discussed in classes. The feedback was very good.

iv) Indian Bank:

The Institute conducted an on-location programme at Chennai on credit appraisal for 29 officers of their bank, after taking their bank specific training needs in the subject.

v) Bharatiya Mahila Bank (BMB):

The Institute had received a project from BMB for conducting 3 Induction programmes for their direct recruit officers and a programme for their Managers/Assistant Managers of their Branches.

The Institute had trained 90 newly recruited officers under Induction Programmes and 13 officers under one Branch Management programme.

vi) Bank of India:

The Institute had conducted two programmes on marketing and customer care for 38 managers of the bank.

vii) HUDCO:

At the request of HUDCO, the Institute had conducted an in-house programme on Credit appraisal for 30 executives at New Delhi. The focus of the programme was on project financing.

ix) DBS Bank Ltd:

The latest initiative has been to conduct training in forex operations for officers of DBS Bank Ltd., Singapore. The programme was customised as per DBS Bank's requirements and 18 officers participated in the programme.

## 2.4 International Trainers Training Programme

The Institute had organized two International Trainers Training programmes in the previous years which have been highly successful. The third International Trainers Training Programme was conducted at the Leadership Center from 10<sup>th</sup> to 15<sup>th</sup> February 2014. 16 participants from 9 overseas institutions and 17 participants from 7 domestic banks / institutions attended the programme. The response from the participants was very encouraging and overall rating / feedback given by them was very motivating.

## 2.5 Executive Development Programme jointly offered by IDRBT, IIBF and NIBM\_

An outcome of the 1<sup>st</sup> joint meet of the HR chiefs of Banks held at the Institute attended by 41 bank HR chiefs/representatives, is the Bank Executive Development programme. Based on the discussions and felt needs IIBF designed the BEP. It was decided that the Bank Executive Programme (BEP) will be organized jointly by NIBM, IDRBT and IIBF. It aims at equipping bank executives (Senior Management Officers in Scale IV and Scale V or equivalent), with appropriate skill sets to succeed in the emerging competitive global market place. Eventually this will help banks in having enough bench strength of future leaders. BEP is being conducted in rotation by all the three Institutes.

The first BEP was held between 22<sup>nd</sup> to 27<sup>th</sup> April, 2013 at IDRBT, Hyderabad. The second BEP was organized at the Institute from 9<sup>th</sup> to 14<sup>th</sup> December, 2013. 29 senior functionaries from 19 Banks / Institutions participated in the programme. The programme was inaugurated by Mr. S.S.Mundra, CMD, Bank of Baroda, on 9<sup>th</sup> December, 2013. Other speakers of eminence like the former Chairman of Andhra Bank Mr.B.A.Prabhakar, shared their insights with them. The panel discussion speakers were Mr.Malay Mukherjee, Managing Director and Chief Executive Officer, IFCI, Mr.B. Sambamurthy, Director, Institute for Development and Research in Banking Technology and Mr.B.V.Chaubal, Deputy Managing Director & Group Executive Global Markets, State Bank of India.

## 2.6 Data Quality Management for Banks in India:



*Welcoming Shri G Padmanabhan, Executive Director, RBI to the Conference on Data Quality held on 18/10/2013*

One day conference on “DATA QUALITY MANAGEMENT FOR BANKS IN INDIA” was conducted in association with Ixight Technologies Pvt. Ltd, on 18<sup>th</sup> October, 2013 for DGMs/AGMs handling Data/IT in banks and Retail Banking. The objective was to make bankers aware about the importance of Data Quality for banks. The programme was inaugurated and Key Note Address delivered by Shri G. Padmanabhan, Executive Director, Reserve Bank of India.

## 2.7. Financing agriculture:

A workshop on Financing agriculture was conducted on 9<sup>th</sup> and 10<sup>th</sup> January, 2014, specially for officials from foreign banks and new generation private sector banks. 29 participants from 8 banks / organizations attended the programme. The programme was the first of its kind and was well received by the participants. Eminent speakers from different Banks / organizations shared their insights with the participants.

## 2.8. Project Finance

The Institute in association with IFMR, Chennai had organised 2 programmes on Project Finance during the year. This is an initiative continuing for some time now and until now, 496 candidates have completed the programme.

## VII. ADVANCED MANAGEMENT PROGRAMME (AMP)

### 1<sup>st</sup> AMP



*Shri R K Dubey, CMD, Canara Bank and a participant at AMP-I Convocation function held on 10<sup>th</sup> March, 2014*

The convocation function for the successful participants of AMP-I was held at the Leadership Centre, Kurla on 10<sup>th</sup> March, 2014. The function was presided over by Mr.R.K.Dubey, Chairman and Managing Director, Canara Bank, who addressed and shared his insights with the participants.

#### **Box 4. Gist of AMP Convocation Address**

Mr.R.K.Dubey, in his convocation address, congratulated the candidates who have successfully completed the AMP, got the certificates and appreciated their efforts. He presented his views on the present state of banking and the challenges ahead.

He explained common problems and issues facing banks all over the world such as Capital Infusion under Basel III, Liquidity management, Credit Risk management, Cyber crimes, Terrorist financing /AML /KYC, Human Capital Management and Compliance issue. He said the AMP course helps bankers in the context of multiple opportunities and options before the banks to reach out to the customers calling for new skill sets among employees to tap the new technology/channels successfully. He mentioned that credit expansion, risk management, IT management, NPA management, compliance and talent management are some of the areas deserving immediate attention of the bankers.

He highlighted some of the areas which bankers must keep track in their day to day dealings. The areas of concern facing the today's banking included the need to make use of huge file of customer information, limited use of mobile banking, need to meet simultaneously the aspirations of the Gen Y customers and also the clientele under the financial inclusion fold, human capital management more particularly retaining the Gen Y employees, the challenge of understanding the needs of the customers and come out with innovative products, the potentiality of using social media for bank marketing, educating and sensitizing the work force on the compliance front, addressing competition for business and talents due to the entry of few more banks. He felt that the workforce of banks needs to upgrade their knowledge and skill continuously to cope with the new challenges. In this context, he said the AMP course assumes great importance. He emphasized for the continuity of academic pursuits by quoting Dr. Stephen Covey's words "sharpen the saw continuously" as the need to learn is much more now than ever before.

### 2<sup>nd</sup> AMP

The 2<sup>nd</sup> Advanced Management Programme was launched on 10<sup>th</sup> November, 2013 at the Leadership Centre, IIBF, Kurla by Mr. R. Gandhi, Executive Director (present Deputy Governor), Reserve Bank of India, Mumbai. Dr. R. Bhaskaran, CEO, IIBF gave a brief about the genesis of AMP Programme, past association with B-Schools for offering the programme and the decision of the Governing Council of

the Institute to start the programme at the Leadership Centre. He also informed the participants (AMP batch no.1 & 2) that over 200 bankers from 22 banks have attended the Advanced Management Programmes offered through B-Schools viz., Welingkar, SIES, IPE and IMI in 10 previous batches. 29 bank executives from 18 banks / institutions have enrolled for the second AMP.

### **Box 5. Gist of the AMP inaugural address**

Mr. Gandhi, in his inaugural address, complimented the candidates of both the batches of AMP for their decision to attend a weekend management programme run by the Institute. He expressed satisfaction over the feedback from 1<sup>st</sup> AMP batch and hoped that the new batch also will have similar feedback to give at the end of their programme.

He thereafter, dealt at length about the talent management efforts made by banks in recent years. In this connection, he stated as under:

- Everybody should be a leader
- Everybody can be leader
- However, in reality anybody can become a leader but everybody cannot become a leader.

He elaborated this by saying that the wish that everybody should become a leader and can be a leader is not realized unless efforts and grooming are put into become a leader in life. Hence, the importance of talent management in banks in identifying the skill gaps, potentialities in people and creating learning environment by banks for improving the talents of their employees. In this field some banks have been taking the help of assessment centers to assess the potentials of their employees in an unbiased and non-judgmental manner. He added that talent management primarily has three dimensions viz. evaluation of the existing capabilities/potentials, identification of competencies needed and creating appropriate opportunities for developing talents of the employees.

He also added the process involved in talent management namely planning, recruitment, on boarding, compensation, performance measurement, training and development, succession planning. In order to succeed in talent management in banks he cited the recent research findings with the following pre-requisites viz:

1. Commitment from top
2. Percolation of the vision to the lowest level
3. Training/Coaching
4. Job Shadowing
5. 360% feedback/evaluation
6. Leadership Development

Mr. Gandhi went on to add that the banking industry will be needing large number of leaders to fill the vacuum projected to be created due to massive retirement in the next few years. The current crop of managers will have to fill the vacuum within a short period of time. The time available at their disposal for leadership development will be much shorter compared to the past. Hence, they should make all efforts for competence building through self developmental efforts or by attending suitable programmes like AMP under reference.



*Welcoming Shri R Gandhi, Deputy Governor, RBI to Inaugural function of AMP II on 10/11/2013*

The launch function was also attended by the participants of the first batch of AMP, who gave a glowing account of the outcome of the programme.

## **VIII. RESEARCH**

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 the following bankers and academicians.

- Dr. Ajit Ranade, Chairman
- Dr. Brinda Jagirdar, Member
- Mr. Madan Sabnavis, Member
- Dr. Mridul Sagar, Member
- Dr.S.Sarkar, Member

The researchers are given a time frame of 4-6 months to complete the study for which the Institute awards Rupees two lakh and fifty thousand per project. So far, under the Macro Research, 34 researchers/scholars have completed research projects on behalf of the Institute. The Institute captures the highlights of the research reports and publishes the same for the benefit of banking sector. Thus the Institute has published 31 research reports in 5 volumes. These reports have been sent to banks, financial institutions and academic bodies for wider dissemination of research findings. The latest 21 research reports are available on the portal of the Institute for free downloading.

During the year, Institute had called for research proposals in the following areas:

- 1) Asset Quality: Private v/s Public Sector Banks
- 2) FSLRC(Financial Sector Legislative Reforms Commission)
- 3) Managing CAD: cross country experiences from developing countries
- 4) Gold & India's Monetary System.
- 5) Monetary Policy Transmission in India
- 6) Issues in Loan restructuring & provisioning (CDR)
- 7) Allowing CDS on bank assets-will it revive the market?

In response to the advertisement, the Institute had received 33 research proposals. The Research Advisory Committee selected four researchers for the award of research fellowship for conducting Macro Research projects for the year 2013-14.

**Box 6. List of award winners of Macro Research - 2013-14**

1. Prof. Partha Ray, Professor, Economics Group, IIM Calcutta, Joka, DH Road, Kolkata-700104  
Topic: Managing CAD: Cross Country Experience for Developing Countries
2. Dr. Rajendra Singh Chikara, Deputy General Manager, (Credit & International Banking) State Bank Academy, 77, Sector-18, Gurgaon-122015, Shri N D Dudeja, Shri P.C.Saboo & Shri Adarsh Sachdeva.  
Topic: Issues in loan restructuring & provisioning (CDR)
3. Prof. Arpita Ghosh, Assistant Professor, Finance and Control Group and Prof. Ashish K. Bhattacharyya, Professor, K-410, New Academic Block, Indian Institute of Management Calcutta, Joka, Kolkata-700104  
Topic: Asset Quality of banks: Evidence from India
4. Mr. Saibal Ghosh, Assistant Adviser, Department of Economic and Policy Research, Reserve Bank of India, Fort, Mumbai-400001  
Topic: The Trade Credit Channel of Monetary Transmission in India

**Micro Research**

The Institute conducts micro research competition for its members (bankers) on identified topics in the area of banking and finance. The Institute had received 19 Micro Research proposals for the year 2013-14. All the eligible essays received by the Institute for the competition were evaluated by a panel of experts. The winning essays were identified and approved by the Institute’s Research Advisory Committee. Each prize winner was given cash award and a certificate. In addition to 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> prizes, the committee had recommended to award 7 (seven) special jury prizes.

The following are the prize winners for the current year.

**Box 7. List of winners of Micro Research Paper Competition for the year 2013**

- |  |              |
|--|--------------|
| 1. Mr. Puneet Arora, ICICI Bank  | First Prize  |
| Topic: Consumer Behaviour in the credit card market: What influences the consumer to opt for credit card? Is it viewed as a status symbol? |              |
| 2. Mr. R.K.Arvind, National Housing Bank   | Second Prize |
| Topic: An approach towards financing Energy Efficient Housing in India and lessons from International experiences                          |              |
| 3. Mr. Harish.V., Bank of India  | Third Prize  |
| Topic: Best practices in customer services in banks  |              |
| 4. Mr. Balasunder.D., Indian Overseas Bank   | Third Prize  |
| Topic: Aadhaar and Inclusive Banking Issues  |              |
| 5. Mr. L.Srinivasan, Indian Overseas Bank  | Third Prize  |
| Topic: Empowering rural India through strategic bank financing   |              |

Special Jury Prizes –

1. Mr. Rahtash Kumar, Axis Bank  
Topic: Aadhaar and Inclusive Banking
2. Mr. Tapas Kumar Parida, State Bank of India  
Topic: Impact of Local Area Banks
3. Ms. Sheetal Deepak Rangsubhe, Thane Janata Sahakari Bank Ltd.  
Topic: Financial Literacy: Will it lead to informed financial decisions?
4. Ms. Rajarajeswari Arul Muruhan, Karur Vysya Bank Ltd  
Topic: Proposed new banks & their role
5. Mrs. Tania Saritova Rath, State Bank of India  
Topic: Bharatiya Mahila Bank: Prospects and Challenges
6. Mr. D.Ramakrishna Reddy, State Bank of India  
Topic: Proposed new banks & their role
7. Mr. Rahul Dixit, City Union Bank Ltd  
Topic: Proposed new banks & their role

**Diamond Jubilee & CH Bhabha Banking Overseas Research Fellowship 2012-13 (DJCHBBORF)**

The Institute had invited proposals for Diamond Jubilee & CH Bhabha Banking Overseas Research Fellowship for the year 2012-13. The Institute had received 9 proposals. The interview committee of the Institute had selected Mr. Vijay Singh Shekhawat, Deputy General Manager, Reserve Bank of India, Hyderabad to carry out the study on “Effect of International Clearing Unions on Trade and Reserves” under the guidance of Dr. Vinish Kathuria, Associate Professor, Shailesh J. Mehta School of Management, IIT, Mumbai. The Institute had permitted Mr. Shekhawat to visit Florence, Italy for 14 days for his research. Mr Shekhawat has completed the project and submitted the report to the Institute.

**IX. COLLABORATIONS/CONSULTANCIES**

**International Collaborations**

**(i) MOU with Bahrain Institute of Banking & Finance**

The Institute has entered into an MOU with Bahrain Institute of Banking & Finance on 21<sup>st</sup> February, 2014 at Mumbai in the areas of capacity building to improve the banking and finance education and examination in that country. The agreement was signed by Dr. R. Bhaskaran, CEO, of the Institute and Mr. Hassan Jarrar, Board of Director, BIBF. The MOU provides for the following important activities viz.

- Technical Assistance from IIBF for appropriate training based certification
- Preparation of new course ware on identified subjects
- Assist in organizing ‘Train the Trainers’ programme.
- Support in the area of examinations including the preparation of question papers and conduct of certification examinations.
- Help in organizing exposure visits to bankers from both the countries.
- At least one annual official delegation visit/conference of each other institution.

The activities of BIBF are similar to the activities currently pursued by the Institute and hence the MOU offers scope for mutual co-operation in the area of banking education, examination and training.

## (ii) BIOB External Moderation

The Institute continued to moderate the question papers, suggested solutions and answer sheets in respect of the examinations conducted by Botswana Institute of Bankers.

As per the MOU, the Institute reviewed the question papers / suggested solutions and answer sheets of candidates in respect of 17 subjects pertaining to April, 2013 and October, 2013 examinations of Botswana Institute of Bankers (BIOB). The subjects were:

1. **Certificate in Banking:** Accounting –I, Principles of Law, Elements 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:** Lending, International Trade Finance, Monetary and Financial System, Strategic Marketing Management and Investment Management.

The moderation exercise undertaken by the Institute has been appreciated by the Botswana Institute of Bankers.

## (iii) The Institute of Bankers Malaysia (IBBM)

The Institute has accepted an assignment with Institut Bank-Bank Malaysia (IBBM) to prepare question papers for certain modules of the Certified Credit Executive (CCE) programme conducted by IBBM. As per the assignment, there are four modules namely CCEs 1, 2, 3 & 4. While questions under CCEs 1, 2, 3 will be MCQs, questions under CCE4 will be a blend of MCQs and descriptive type of questions. Three sets of papers under each module need to be prepared as per the assignment. The Institute has already prepared questions and sent the same to IBBM. The efforts taken by the Institute has been appreciated by IBBM.

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

The Institute had entered into an MOU with Zambia Institute of Banking & Financial Services (ZIBFS) under which, the JAIIB 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 had also adopted the CAIIB examination of the Institute as a Level II examination. As a part of this agreement, the two compulsory papers of the CAIIB 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.

The first examination under Level II was held by ZIBFS during March, 2014. As a part of the agreement, the Institute had prepared the question papers for all the four papers.

## Local Collaborations/consultancies

### i) MOU with Institute of Company Secretaries of India

A Memorandum of Understanding has been signed between The Institute of Company Secretaries of India (ICSI) and Indian Institute of Banking & Finance on 16<sup>th</sup> June, 2013 at ICSI Centre for Corporate Governance Research and Training, Navi Mumbai. The objective of this MOU is to jointly design,

develop, deliver and offer a certification course namely 'Banking Compliance Professional' for the members of ICSI and CAIIB passed officers working in banks.

## **ii) GIZ, India**

Banks have opened Financial Literacy and Counselling Centres (FLCCs) 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 100 to 150 'Frequently Asked Questions' in English and Hindi to supplement the financial guides and other materials published by RBI/banks. This effort is under a consultancy for GIZ, India. As a part of this work, the Institute had conducted a FLCC workshop on 11<sup>th</sup> January, 2013 at Leadership Centre, IIBF, Mumbai to finalize the list of relevant topics for FAQs and seek banker's views. Based on the inputs received, FAQs have since been prepared and have been translated in Hindi language also. The booklet and CD containing the FAQs have been released and made available to banks for wider dissemination.

### **Case Studies for Cooperative Banks (Short-term structure)**

The Institute is currently undertaking a consultancy assignment from GIZ for preparing case studies covering the following topics.

1. Opening and servicing of deposit
2. Analysis and interpretation of financial statements
3. Profit Planning
4. Branch Profitability Analysis
5. Strategy for Financial Inclusion
6. Business Planning and Budgeting
7. SWOT Analysis and environment scanning for strategic business planning
8. Preparation of NPA statement as per RBI guidelines
9. Application of prudential accounting norms
10. Recovery planning
11. Analysing the causes of NPAs in bank

The case studies / exercises will be accompanied by a Trainers' Guide and Trainers' Notes for the use of the trainers. The work relating to the preparation of the cases is under process.

## **X. AWARDS/RECOGNITIONS**

### **1. e-India Award**

The Institute has won a Jury citation and trophy during the 9<sup>th</sup> e- India award held at Hyderabad on 23.7.2013 at the hands of Mr. Ponnala Lakshmaiah, Hon. Information and Technology Minister, Government of Andhra Pradesh. This award was given under the category of "Use of Assistive Technologies for Training and Assessment".

The Institute has been conducting the training cum certification for BC/BFs during last 3 years in multiple languages, which was originally funded by NABARD. This certification has 3 components viz.

1. Training by accredited Institutions,
2. Conduct of examinations by a technology partner at the venue of the training on the last day,
3. Ensuring question papers in local languages at the examination venue with in less than one week's notice by IIBF.

The Institute trained and certified 26526 candidates in less than 3 years under the scheme which has helped in the process of financial inclusion in the country. The technology support for the scheme was extended by Merit Track, who is one of the technology partners in conducting online examinations for the Institute.



Mr. Ponnala Lakshmaiah, Hon. Information and Technology Minister, Government of Andhra Pradesh presenting the award to Dr. R. Bhaskaran, CEO, IIBF

This is the first time an examination offered by the Institute has come in for specific award more so for its novelty, technological penetration and close working by three different set of organizations. Needless to say that this examination conducted in more than 10 languages in very remote centres in the country has attracted attention of authorities both at national and international levels. Some of the Institutes in other countries have taken the permission of the Institute to replicate this model in their countries.

### 2. Education Leadership Award

The Institute received another award i.e. "Education Leadership Award" from LOKMAT National Education Awards. This award was in recognition of the Institute's leadership, development, marketing and Industry interface under the category of Business School. This award was chosen by an independent jury and a panel of professionals. The award was received by the CEO on 13.2.2014 at a function held at Taj Lands End, Mumbai.

### XI. VISITORS

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

- Dr. Amat Tapp Manshor, Chief Executive Officer, Finance Accreditation Agency Malaysia on 17<sup>th</sup> February, 2014
- Mrs. Brenda Lloyd, Chief Executive Officer, The Botswana Institute of Bankers (BIOB) on 18<sup>th</sup> March, 2014
- Mr. Tay Kay Luan, Chief Executive Officer, The Institute of Bankers Malaysia (IBBM) along with a four member team on 18<sup>th</sup> & 19<sup>th</sup> June, 2013
- Mr. Ally K.Mleh, Training Manager, The Tanzania Institute of Bankers.
- Ms.M.R.Reverian, Director of Training, The Tanzania Institute of Bankers.

### Exploratory Tour

The Institute organized an exploratory tour for a team of bankers from Kenya from 12<sup>th</sup> to 19<sup>th</sup> October, 2013. The team consisting of officials of Bank of Kenya and Kenya School of Monetary Studies visited IIBF, Indian Banks' Association, Reserve Bank of India, National Payments Corporation of India, Management Development Institute of Bank of India (CBD Belapur), IDRBT (Hyderabad) and NIBM (Pune) to understand the working of these Institutes/organizations and also to explore the possibilities of collaboration. It is likely that IIBF will associate with the Kenyan School of Monetary Studies in offering some of its courses in Kenya.

### XII. PERSONNEL

#### Staff position

One Officer retired and three officers resigned from the services of the Institute. After taking into consideration the retirement and the resignation the staff strength of the Institute as of 31<sup>st</sup> March 2014 stood at 95 as against 99 on 31.3.2013.

#### Training /Workshop for development of Human Resources

In order to improve the computer skills of the staff members the Institute had arranged computer training to the staff members. The Institute continued to depute its officers to various training programmes conducted by various management training institutions in India.

In order to improve the customer service the Institute organised first level Six Sigma training to all its staff.

### XIII. 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) Smt A Bhattacharya
- (b) Dr. J N Misra
- (c) Shri R K Dubey
- (d) Shri S S Mundra
- (e) Shri Shyam Srinivasan
- (f) Shri M V Tanksale

#### (ii) Resignation of Members:

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

- (a) Shri Pratip Chaudhuri
- (b) Shri B V Chaubal
- (c) Shri B A Prabhakar
- (d) Dr. K Ramakrishnan
- (e) Shri Rana Kapoor
- (f) Shri S Karuppasamy
- (g) Shri T C A Ranganathan
- (h) Mr. Allen C A Pereira
- (i) Smt. S A Panse

(iii) The Governing Council consists of 24 Members, including 1 permanent Member. Pursuant to the provisions of Section 152 of the Companies Act, 2013, the following Council Members retire at the upcoming Annual General Meeting and being eligible offer themselves for re-appointment.

1. Shri T M Bhasin
2. Shri Arun Kaul
3. Shri Ananthkrishna
4. Shri A S Bhattacharya
5. Shri B Sambamurthy
6. Mr. Stuart Milne

The Governing Council recommends their re-appointment to the members of the Institute.

The following council members were appointed to the Council on account of the casual vacancy created on the Governing Council and their term expires at the upcoming 87<sup>th</sup> AGM.

1. Smt. Arundhati Bhattacharya
2. Shri Achintan Bhattacharya
3. Shri Ashwani Kumar
4. Shri Rajiv Kishore Dubey
5. Shri Jibendu Narayan Mishra
6. Shri Shyam Srinivasan
7. Shri S S Mundra

The Governing Council has not received Notices under section 160 of Companies Act, 2013 proposing their appointment in the AGM. The Members are requested to note the same. The Governing Council wishes to place on record its appreciation towards their services during their tenure on the Council.

**(iv) 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.

**(v) 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 1,96,000/-.

**(vi) 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                 | - 3 |
| • Executive Committee               | - 3 |
| • Examination Committee             | - 2 |
| • Committee on Education & Training | - 2 |

**(vii) 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.

- Recommendations of Sub-group
- Status of Academic Activities of the Institute
- Status Report of General Administration.
- Periodical updates on the Strategy Action Plan
- 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 2013-14 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 Companies Act, 1956 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. 1,572,815/ |
| 2. Foreign Exchange Outgo    | Rs. 3,724,362/ |

#### Particulars of Employees

There are no employees drawing remuneration in excess of Rs. 6,000,000/- for the whole year or in excess of Rs. 500,000/- per month, where they were employed for a part of the year, and hence the provisions of Section 217(2A) of the Companies Act, 1956 are not applicable.

## XIV. FUTURE PERSPECTIVE

### 1. Asia-Pacific Association of Banking Institutes,, (APABI) International Conference-2014

The Institute will be organising the Asia-Pacific Association of Banking Institutes' (APABI) International Conference-2014 and the Executive Meeting of APABI on 25<sup>th</sup> and 26<sup>th</sup> September, 2014, at Hotel Trident, Bandra Kurla Complex, Mumbai.

The Asia Pacific Association of Banking Institutes (APABI) is an association of Banking Institutes in the Asia Pacific Region. The Association was established in 1986 by 11 founding members. This Association has an important role in bringing together financial industry training institutes that share a common goal to equip banks and financial institutions with the capacity to deal with the transformational developments that are shaping the financial sector - by supporting the continued renewal of its most valuable asset, human capital. Currently, there are 17 member institutes in APABI.

The members of APABI meet once in two years along with a regional conference in one of the member countries. APABI has no membership fee or corpus. As such the members take responsibility for organizing meetings and conferences under APABI for two years on a rotation basis. The previous conferences were organized by Institute of Bankers Malaysia (IBBM) at Kuala Lumpur in 2012 and 2013. IIBF will be the host Institute for APABI for the years 2014 and 2015.

Under this initiative, a banking conference will be organized on 25<sup>th</sup> September, 2014 to provide an update on the recent developments and challenges in Talent Management from across the globe and their impact on local and emerging markets. The conference will bring together industry captains, policy makers, thought leaders and scholars to share their perspectives in a thought provoking environment. The conference will strive to provide meaningful coverage on current trends on people development perspectives across different economies. The conference is designed to raise awareness among diverse bankers from multi-disciplinary interests of the need to greater international dialogue, exchange and co-operation to strengthen the future shape of banking education and the protection of public interest.

This conference will also provide the opportunity to promote potential collaboration and networking opportunities among financial institutes across the economies. The Institute is expecting around 150 local participants including 40 international delegates from different member countries of APABI. Institute also expects participants from countries with which the Institute is currently having collaboration arrangements viz. Egypt, Bahrain, Zambia, Nigeria, Tanzania, Kenya, Botswana and Dubai. On Day 2 (26<sup>th</sup> September) the Institute will be also hosting the Executive Meeting of APABI at the Leadership Centre of the Institute. The 31<sup>st</sup> Sir Purushotamdas Thakurdas Memorial Lecture-2014 will be also organized along with the APABI conference.

The Governing Council of the Institute has set up a special taskforce under the Chairmanship of Mr. T.M. Bhasin, to guide the activities of APABI 2014. Mrs. V.R.Iyer, Mr.M.V Tanksale and Prof.H.Krishnamurthy are the members of the Committee.

### 2. Competency based certifications

As the banking sector adapts more I T based delivery channels it is expected that Mobile Banking and E-Banking will bring about substantial changes in the way banking is delivered. The staff of the bank will have to be adept in technology and be able to focus on customer satisfaction. It is important that the customer is fully apprised of the impact of his/her decisions in every transaction. It also seems that transaction banking will be an exclusive vehicle and different forms of banks such as payment bank, small bank etc. may adorn the banking landscape. In order to contribute to the capacity building needs of such varied set up the Institute will have to develop

more courses dovetailed to the competency needs of the banks. The Institute will therefore focus on developing more advanced certificates as also try to offer the training closer to the banks working place by having dedicated franchisee institutes.

The Institute will also take the next step in using technology and develop its own testing centre in Mumbai as also move towards (a) any time anywhere testing and (b) multiple choice questions where the answers could be graded. The latter will be useful in evaluating the answers for HR, Soft skills etc where there is a possibility of different approach for a given issue/problem.

### 3. Certified Credit Officer

The representatives of banks during the annual meet of the Heads of HR and training functions have suggested that the Institute may consider launching an exclusive certification and training programme in the area of credit management. They have also expressed time and again that banks are in short supply in regard to competent credit officers.

In order to provide a holistic insight into the subject of Credit, this course has been finalized in order to develop a cadre of credit officers in banks to handle different credit functions and to inculcate advanced skills for handling credit management issues. This will be another blended course with an online examination followed by interactive class room sessions, group discussions, case studies and practicals.

Broadly, the Programme will cover the following modules viz.

- Credit Management,
- Project/Term Lending,
- Working Capital Lending
- Credit Monitoring & Supervision and
- Management of Impaired assets.

At the end of the programme, the participants will be able to identify the characteristics of good loan proposals, appraise the proposals, identify gaps in the proposals, and guide the customers to convert projects into bankable propositions, effectively monitor advances and initiate timely follow up measures including legal measures. The Institute has developed appropriate courseware. The course will be offered from December, 2014.

### 4. Special course for the sub-ordinate staff in Banks

The number of subordinate staff working in banks is around two lacs. Many of them play a critical role in identification of customers and rendering customer service at branches. For example they guide the customers to appropriate counters, ensure speedy movement of cheques/papers /vouchers internally and also help in identification of well known personalities in the region, especially rural areas. Their involvement in all activities at the branch ensures a smooth business day at the branch. Their longer stay in the branch makes them an important contact point for the customers. Given the challenges in offering service to branch customers in general and rural people in particular, banks need to recognize the closeness of such staff to the customers and improve their job knowledge/ skills and motivate them to contribute for improving the customer service at the branches. It is therefore necessary to provide them an opportunity to update themselves and provide some inputs by way of training on the issues which are relevant to branch operations so that they can be more helpful on the branch floor.

In view of this, the Institute has decided to launch a course for sub staff with the objective of upgrading their job related knowledge so that they can play a bigger role in customer engagement. This course aims to groom/motivate them to contribute to the growth of the bank and to harness their local feel and skill for financial inclusion and customer service. This will be a blended course consisting of class room learning followed by written examination at the end of the training.

The course will broadly cover the basics of branch banking to enable the subordinate staff to be of help to customers. The Institute will make available course material in vernacular languages. The enrolled staff will be given time to study the course material and thereafter they will be called for a five day training wherein the theoretical banking concepts and the practical aspects will be explained. A test will be conducted at the end of the training programme.

#### **5. Development of study material on the ISACA model curricula for Institute's examinations**

The Institute is in the process of developing courseware on the lines of the Information Systems Audit and Control Association (ISACA) model curricula for the use of local bankers with support from IDRBT and the local chapter of ISACA in India. The Institute has identified authors for developing the courseware in the following domains:

1. The Process of Auditing Information Systems Domain
2. Governance and Management of IT Domain
3. Information Systems Acquisition, Development and Implementation Domain
4. Information Systems Operations, Maintenance and Support Domain
5. Protection of Information Assets Domain
6. Information Security Governance
7. Information Risk Management and Compliance
8. Information Security Program Development and Management
9. Information Security Incident Management

On an average, each domain will have 300 hours of learning which will be covered in some 300 to 350 printed pages. As far as the utilization of the material for Institute's examinations, a suitable decision will be taken in due course after getting necessary internal approvals in the matter. In the meantime, the material so developed will help the Institute to benchmark the material with the ISACA requirements in future. It is expected that the project will be completed by 31.8.2014.

#### **6. Language training**

A large number of people have been joining the banking sector in recent years and the trend is expected to continue in the future years too considering the mass retirement in banks and the expansion of the banking sector in the country. This has resulted in recruitment of people from various parts of the country and their posting to new areas outside the respective states. This has led to language barriers while dealing with local population. The Institute has been approached to address the issue of language training to such staff members in banks. The Institute is currently in discussion with agencies that would help to provide language training across different states. The Institute is also looking into the possibility of franchisee arrangements to address such training requirements. Currently the Institute is offering examinations in 11 languages for its

BC/BF examination. Similarly the Institute will endeavour to offer language training in different languages also from 2015 onwards through the franchisees.

### Appreciation and Acknowledgements

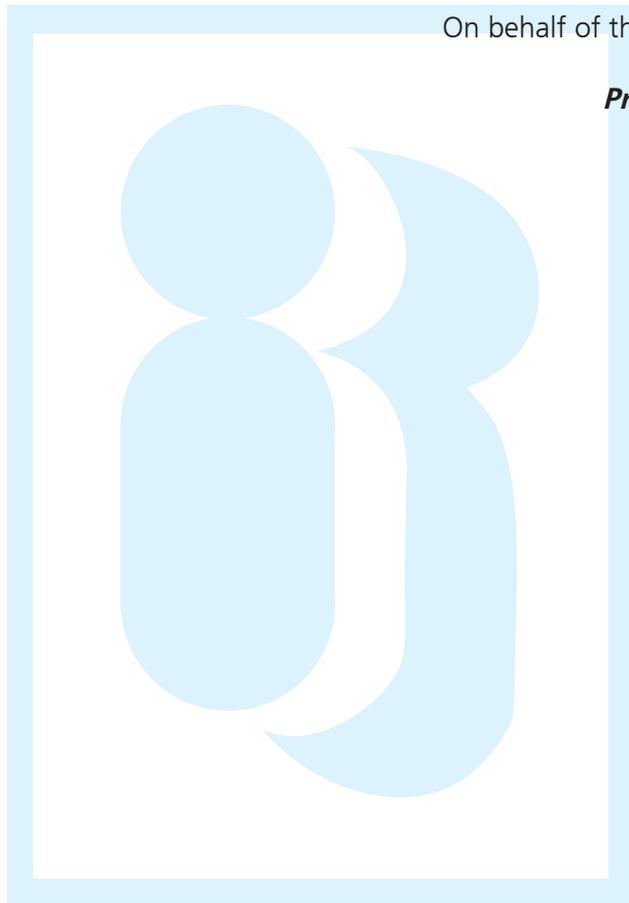
The Council is grateful to the Institutional Members for their continued support and advice.

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.

Place: Mumbai  
Date: July 28, 2014

On behalf of the Governing Council

***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 and Finance ('the Company'), which comprises of Balance Sheet as at 31<sup>st</sup> March, 2014, 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"), read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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 but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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 31<sup>st</sup> March, 2014; 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 read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 to the extent applicable;
  - e) On the basis of the written representations received from the Members of the Governing Council (Directors) as on 31<sup>st</sup> March, 2014 and taken on record by the Governing Council, we report that none of the directors of the Institute is disqualified as on 31<sup>st</sup> March, 2014 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

Place : Mumbai  
Date : July 28, 2014

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

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2014

Particulars	Note No.	Figures as at 31.03.2014 (₹)	Figures as at 31.03.2013 (₹)
<b>I FUNDS AND LIABILITIES</b>			
<b>(1) Own Funds</b>			
(a) Reserves and surplus	2	2,312,262,924	2,002,380,619
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities(net)		-	-
(c) Other Long term liabilities	3	7,208	677,812
(d) Long-term provisions	4	54,136,986	53,791,419
<b>(3) Current Liabilities</b>			
(a) Trade Payables	5	2,232,355	21,428,070
(b) Other Current Liabilities	6	327,536,807	270,193,224
(c) Short-Term Provisions	7	8,628,617	8,500,354
<b>TOTAL</b>		<b>2,704,804,897</b>	<b>2,356,971,498</b>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed Assets	8		
(i) Tangible assets		504,420,840	535,335,438
(ii) Intangible assets		10,714,799	2,865,438
(iii) Capital work in progress		4,726,005	352,000
(iv) Intangible Assets under Development		-	-
(b) Non-current Investments	9	780,237,417	606,969,042
(c) Long-term Loans and Advances	10	303,448,102	259,328,449
(d) Other Non-current assets	11	246,811,424	249,378,370
<b>(2) Current assets</b>			
(a) Current Investments	9	-	20,000,000
(b) Inventories		-	-
(c) Trade receivables	12	11,485,128	12,680,766
(d) Cash and Cash Equivalents	13	775,862,438	613,004,801
(e) Short-term Loans and Advances	14	4,533,895	6,253,323
(f) Other Current Assets	15	62,564,849	50,803,871
<b>TOTAL</b>		<b>2,704,804,897</b>	<b>2,356,971,498</b>

The Notes to Accounts 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 : July 28, 2014

**A R BARVE**

Deputy Chief Executive Officer

**V R IYER**

Vice President

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014

Particulars	Note No.	For the year ended	
		31.03.2014	31.03.2013
		(₹)	(₹)
<b>I INCOME</b>			
Revenue from Operations	16	516,411,301	437,718,333
Other Income	17	143,189,402	130,453,258
<b>Total Income</b>		<b>659,600,703</b>	<b>568,171,591</b>
<b>II EXPENSES</b>			
Examination expenses		194,183,130	144,544,953
Employee Benefits expense	18	83,533,027	85,228,015
Educational / Study support expenses	19	20,533,329	22,862,581
Administration expenses	20	89,600,467	87,058,020
Training expenses		6,459,653	4,945,947
Amortisation of premium - Govt. Securities/Bonds		2,449,122	2,396,101
Depreciation and Amortisation	21	44,260,146	42,067,437
Other expenses	22	113,895	257,846
<b>Total Expenses</b>		<b>441,132,769</b>	<b>389,360,900</b>
<b>III Excess of Income over Expenditure before Tax and exceptional items (I-II)</b>		<b>218,467,934</b>	178,810,691
<b>IV Exceptional Items</b>		-	-
<b>V Excess of Income over Expenditure before Tax (III+IV)</b>		<b>218,467,934</b>	178,810,691
<b>VI Tax Expenses</b>			
(I) Current Tax		-	-
(II) Deferred Tax		-	-
<b>VII Excess of Income over Expenditure for the year from continuing operations carried forward to Balance Sheet (V-VI) [Surplus]</b>		<b>218,467,934</b>	178,810,691

The Notes to Accounts form integral part of Statement of Income and 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 : July 28, 2014

**A R BARVE**  
Deputy Chief Executive Officer

**V R IYER**  
Vice President

## NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

### 1. ACCOUNTING CONVENTION:

- 1.1 The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, mandatory Accounting Standards notified by the Companies (Accounting Standards) Rule, 2006 and the relevant provisions of the Companies Act, 2013 (to the extent applicable) read with the general Circular No. 08/2014 date 4<sup>th</sup> April, 2014 issued by the Ministry of Corporate Affairs and the provisions of Companies Act, 1956 (to the extent applicable) as amended from time to time.

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 followed in the previous year, except for changes in accounting policy mentioned separately if any.

- 1.2 While 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 depreciation/amortization.
- 2.2 Depreciation on Tangible assets is provided on 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 a 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. 5,000/- 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/pension fund under a defined contribution plan. The employee and employer make a monthly contribution to the plan equal to 12% of the covered

employee wages. 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 Employer and Employee make contribution to the fund.

**5. REVENUE RECOGNITION:**

- 5.1 Membership subscriptions were accounted for as income when received. With effect from 1st April, 2005, Life Membership Fees received from members, which hitherto was credited directly to "Life Membership Fund" infinitely, continues to be credited to "Life Membership Fund" and is written back as income in the Income and Expenditure Account as per policy decided by the Annual General Meeting dated 26<sup>th</sup> August, 2005. Accordingly, a sum of Rs. 19,302,751/- (Previous year Rs. 15,357,136/-) is written back from Life Membership Fund to the Income and Expenditure Account, during the current year.
- 5.2 Examination fees collected in advance for a block of consecutive attempts are accounted for under the proportionate completion method in accordance with the rules framed. The balance of such fees is treated as 'Advance Examination Fees'.
- 5.3 Interest on Investments is booked on a time proportion basis taking into account the amount invested and the rate of interest. Dividend Income on Investment is accounted when the right to receive payment is established.
- 5.4 Income from investment (including from investment earmarked for funds, except for Staff Welfare Fund and R. K. Talwar Memorial Lecture Fund) is credited to the Income and Expenditure Account and utilized for the general / prizes / fellowship expenses incurred during the year.
- 5.5 The company receives 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.

**6. IMPAIRMENT OF ASSETS:**

- 6.1 Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount.

**7. PROVISIONS AND CONTINGENT LIABILITIES:**

- 7.1 Provisions are recognized for liabilities that can be measured only by using substantial degree of estimation. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. Contingent liability is disclosed in case of a possible obligation where the probability of outflow of resources is not certain.

**NOTE 2 - RESERVES AND SURPLUS**

	As at 1st April 2013	Additions	Transfer from Surplus in Income & Expenditure	Transfer from General Reserve Account	Utilisation / Transfer during the year	As at 31st March 2014
	₹	₹	₹	₹	₹	₹
Prize funds	<b>5,569,185</b> (5,569,185)	-	-	-	-	<b>5,569,185</b> (5,569,185)
R.K. Talwar Memorial Lecture fund	<b>3,000,000</b> (3,000,000)	-	-	-	-	<b>3,000,000</b> (3,000,000)
Staff welfare fund@	<b>8,225,594</b> (7,873,855)	<b>737,016</b> -	<b>250,000</b> (979,119)	-	<b>882,117</b> (627,380)	<b>8,330,493</b> (8,225,594)
Life membership fund	<b>576,914,107</b> (516,973,637)	<b>110,862,223</b> (75,297,605)	-	-	<b>19,302,751</b> (15,357,135)	<b>668,473,579</b> (576,914,107)
General Reserve#	<b>1,408,671,733</b> (1,230,840,161)	-	<b>218,217,934</b> (177,831,572)	-	-	<b>1,626,889,667</b> (1,408,671,733)
Surplus as per Statement of Income & Expenditure	-	<b>218,467,934</b> (178,810,691)	-	-	<b>218,467,934</b> (178,810,691)	-
<b>TOTAL</b>	<b>2,002,380,619</b> (1,764,256,838)	<b>330,067,173</b> (254,108,296)	<b>218,467,934</b> (178,810,691)	-	<b>238,652,802</b> (194,795,206)	<b>2,312,262,924</b> (2,002,380,619)

Figures in brackets indicate corresponding figures for the previous year.

@ Additions during the year represents Interest on Investments Earmarked during the year for Staff Welfare Fund.

# Transfer of Surplus as per Statement of Income & Expenditure to General Reserve of Rs. 218,217,934 (Previous Year Rs. 177,831,572) is after contribution of Rs. 250,000 (Previous year Rs. 979,119) to Staff Welfare Fund. Rs. 737,016/- being interest earned on earmarked investments have been directly credited to Staff Welfare Fund during the year.

**NOTE - 3 : OTHER LONG TERM LIABILITIES**

	31.03.2014	31.03.2013
	₹	₹
Examination fees received in Advance	-	673,517
Subscription received in Advance	<b>7,208</b>	4,295
<b>TOTAL</b>	<b>7,208</b>	<b>677,812</b>

**NOTE - 4 : LONG TERM PROVISIONS**

	31.03.2014	31.03.2013
	₹	₹
Provision for Employee Benefits -		
Gratuity & Leave Encashment	<b>54,136,986</b>	53,791,419
<b>TOTAL</b>	<b>54,136,986</b>	<b>53,791,419</b>

**NOTE - 5 : TRADE PAYABLES**

Sundry Creditors*	2,232,355	21,428,070
<b>TOTAL</b>	<b>2,232,355</b>	<b>21,428,070</b>

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

**NOTE - 6 : OTHER CURRENT LIABILITIES**

Examination fees received in Advance	<b>310,884,875</b>	249,912,140
Excess examination fees received	<b>1,243,756</b>	1,660,776
Subscription received in Advance	<b>86,592</b>	59,622
Statutory Liabilities	<b>857,884</b>	9,581,657
Retention/Earnest Money Deposit	<b>217,613</b>	991,793
Liability for Expenses / Other Liabilities	<b>14,084,979</b>	7,987,236
Book Overdraft	<b>161,108</b>	-
<b>TOTAL</b>	<b>327,536,807</b>	<b>270,193,224</b>

**NOTE - 7 : SHORT TERM PROVISIONS**

Provision for Employee Benefits -		
Gratuity & Leave Encashment	<b>8,628,617</b>	8,500,354
<b>TOTAL</b>	<b>8,628,617</b>	<b>8,500,354</b>

## NOTE 8 - FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01.04.2013	Additions	Deductions	As at 31.03.2014	For the year	On deductions	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>TANGIBLE ASSETS</b>									
Office Premises #	550,940,672	-	-	550,940,672	22,867,992	-	116,448,831	434,491,841	457,359,833
Residential Flats *	40,166,455	-	-	40,166,455	1,130,232	-	18,692,048	21,474,407	22,604,639
Room Air Conditioners	11,029,289	-	-	11,029,289	946,660	-	5,170,338	5,858,951	6,805,611
Furniture & Fittings	46,922,663	39,855	11,880	46,950,638	5,459,732	10,065	22,246,106	24,704,532	30,126,224
Office Equipments	6,083,897	142,063	158,550	6,067,410	472,784	94,002	3,194,851	2,872,559	3,267,828
Electrical Installations	11,910,146	30,565	-	11,940,711	1,213,043	-	4,438,984	7,501,727	8,684,205
Motor Cars	2,794,195	-	1,005,993	1,788,202	288,710	806,099	961,771	826,431	1,315,035
Data Processing Systems- Hardware	46,505,468	5,989,101	135,135	52,359,434	4,460,263	124,627	45,669,041	6,690,393	5,172,063
<b>TOTAL - TANGIBLE ASSETS</b>	<b>716,352,785</b>	<b>6,201,584</b>	<b>1,311,558</b>	<b>721,242,811</b>	<b>36,839,416</b>	<b>1,034,793</b>	<b>216,821,970</b>	<b>504,420,841</b>	<b>535,335,438</b>
PREVIOUS YEAR	711,593,261	5,806,894	1,047,370	716,352,785	38,954,511	691,534	181,017,347	535,335,438	-
<b>INTANGIBLE ASSETS</b>									
Computer Software	40,308,000	15,270,091	-	55,578,091	7,420,730	-	44,863,292	10,714,799	2,865,438
Trademark	50,000	-	-	50,000	-	-	50,000	-	-
<b>TOTAL - INTANGIBLE ASSETS</b>	<b>40,358,000</b>	<b>15,270,091</b>	<b>-</b>	<b>55,628,091</b>	<b>7,420,730</b>	<b>-</b>	<b>44,913,292</b>	<b>10,714,799</b>	<b>2,865,438</b>
PREVIOUS YEAR	38,755,630	1,602,370	-	40,358,000	3,112,926	-	37,492,562	2,865,438	-
<b>TOTAL</b>	<b>756,710,785</b>	<b>21,471,675</b>	<b>1,311,558</b>	<b>776,870,902</b>	<b>44,260,146</b>	<b>1,034,793</b>	<b>261,735,262</b>	<b>515,135,640</b>	<b>538,200,876</b>
Capital Work in Progress	-	-	-	-	-	-	-	4,726,005	352,000
Intangible Assets under Development	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL</b>	<b>756,710,785</b>	<b>21,471,675</b>	<b>1,311,558</b>	<b>776,870,902</b>	<b>44,260,146</b>	<b>1,034,793</b>	<b>261,735,262</b>	<b>519,861,645</b>	<b>538,552,876</b>

# 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 31.03.2014 ₹	As at 31.03.2013 ₹
<b>[A] INVESTMENTS - CURRENT* :</b>		
Investment in Bonds	-	20,000,000
<b>TOTAL</b>	<b>-</b>	<b>20,000,000</b>
<b>[B] INVESTMENTS - NON-CURRENT*</b>		
I] Investment in Bonds	<b>549,797,831</b>	375,204,541
II] Investment in Government Securities	<b>230,439,586</b>	231,764,501
<b>TOTAL</b>	<b>780,237,417</b>	<b>606,969,042</b>
<b>GRAND TOTAL (A+B)</b>	<b>780,237,417</b>	<b>626,969,042</b>

\* Classification as per Revised Schedule VI requirements.

	Book Value ₹	Market Value ₹
Aggregate Quoted Investments	-	-
Previous Year	-	-
Aggregate of Investments listed but not quoted	<b>780,237,417</b>	
Previous Year	626,969,042	
Aggregate of Unquoted Investments	-	
Previous Year	-	
<b>Total Current Year</b>	<b>780,237,417</b>	
<b>Total Previous Year</b>	626,969,042	

**(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
			31.03.2014	31.03.2014	31.03.2013	31.03.2013
		₹	₹	₹	₹	₹
9% IFCI Ltd Bonds	200	100,000	-	-	20,000,000	20,000,000
			-	-	<b>20,000,000</b>	<b>20,000,000</b>

**-- NON-CURRENT**

**-- INVESTMENTS - NON TRADE**

NAME OF THE COMPANY	QUANTITY	FACE VALUE	NOMINAL VALUE	BOOK VALUE	NOMINAL VALUE	BOOK VALUE
			31.03.2014	31.03.2014	31.03.2013	31.03.2013
		₹	₹	₹	₹	₹
10.65% Bank of Maharashtra Bonds	2	1,000,000	2,000,000	2,039,577	2,000,000	2,051,447
9.92% HDFC Bank Ltd. Bonds	5	1,000,000	5,000,000	5,013,394	5,000,000	5,018,881
11.05% Indian Overseas Bank Bonds	6	1,000,000	6,000,000	6,450,619	6,000,000	6,551,524
8.64% Indian Railway Bonds	15	1,000,000	15,000,000	15,064,299	15,000,000	15,073,319
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	12,489,377	12,000,000	12,611,722

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NAME OF THE COMPANY	QUANTITY	FACE VALUE	NOMINAL VALUE	BOOK VALUE	NOMINAL VALUE	BOOK VALUE
			31.03.2014	31.03.2014	31.03.2013	31.03.2013
		₹	₹	₹	₹	₹
9.40% Syndicate Bank Bonds	6	1,000,000	6,000,000	6,064,353	6,000,000	6,077,798
9.45% Union Bank of India Bonds	8	1,000,000	8,000,000	8,017,338	8,000,000	8,024,195
9.28% UCO Bank Bonds	5	1,000,000	5,000,000	5,024,120	5,000,000	5,034,805
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	3,033,537	3,000,000	3,040,593
9.20% Allahabad Bank Bonds	27	1,000,000	27,000,000	27,441,969	27,000,000	27,530,412
9.95% State Bank of Travancore Bonds	51	1,000,000	51,000,000	53,250,638	51,000,000	53,813,297
9.95% State Bank of India LT2 2026 Bonds	2500	10,000	25,000,000	25,895,552	25,000,000	25,970,403
9.50% PNB Housing Finance Ltd. Bonds	15	1,000,000	15,000,000	15,117,269	15,000,000	15,133,282
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	30,195,773	30,000,000	30,218,201
8.95% Union Bank of India Bonds	10	1,000,000	10,000,000	10,012,784	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	30,284,838	30,000,000	30,322,223
9.45% HDFC Ltd. NCD	20	1,000,000	20,000,000	20,023,061	20,000,000	20,026,184
8.26% LIC Housing Fin.2015	30	1,000,000	30,000,000	28,824,000	30,000,000	28,824,000
8.95% LIC Housing Fin.2020	10	1,000,000	10,000,000	10,009,481	10,000,000	10,010,948
8.46% Rural Elec. Corp Ltd. 2028 Tax Free	50	1,000,000	50,000,000	50,101,120	-	-
8.46% Power Finance Corporation 2028 Tax Free	25	1,000,000	25,000,000	25,050,560	-	-
8.48% India Infra. Fin. Co. Ltd. 2028 Tax Free	60	1,000,000	60,000,000	60,347,602	-	-
8.46% National Housing Bank 2028 Tax Free	40	1,000,000	40,000,000	40,193,069	-	-
			545,000,000	549,797,831	370,000,000	375,204,541
<b>TOTAL OF INVESTMENT IN BONDS</b>				<b>549,797,831</b>		<b>395,204,541</b>

**(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
			31.03.2014	31.03.2014	31.03.2013	31.03.2013
		₹	₹	₹	₹	₹
11.50% Government of India Loan 2015	405000	100	40,500,000	41,826,628	40,500,000	42,985,047
8.30% Government of India Spl.Fertiliser Bonds - 2023	370000	100	37,000,000	38,612,958	37,000,000	38,779,454
Government of India 8% Savings (Taxable) Bonds	150000	1,000	150,000,000	150,000,000	150,000,000	150,000,000
			227,500,000	230,439,586	227,500,000	231,764,501
<b>TOTAL OF INVESTMENT IN GOVT. SECURITIES</b>				<b>230,439,586</b>		<b>231,764,501</b>

**NOTE - 10: LONG TERM LOANS AND ADVANCES**

	31.03.2014 ₹	31.03.2013 ₹
<b>LOANS &amp; ADVANCES:</b>		
(Unsecured, Considered good, unless otherwise stated)		
Secured Loans to Employees *	4,279,324	5,570,473
Security Deposits	4,721,892	4,668,479
<b>Advance Recoverable in cash or in kind or for value to be received</b>		
Advance Taxes (including Income Tax Deducted at Source) @	294,392,694	248,947,656
Prepaid expenses	54,192	141,841
<b>TOTAL</b>	<b>303,448,102</b>	<b>259,328,449</b>

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

@ Includes Income Tax (including Interest on Income Tax) paid under protest of Rs. 235,484,420 (Previous Year Rs. 201,041,049).

**NOTE - 11: OTHER NON CURRENT ASSETS**

(Unsecured, Considered good, unless otherwise stated)

	31.03.2014 ₹	31.03.2013 ₹
Interest accrued on :		
Staff loans*	7,213,088	7,345,688
Bank deposits	4,919,973	7,037,154
Investments	68,478,363	80,611,424
Fixed Deposits with Banks due for Maturity more than a year [Refer Note No. 13] #	166,200,000	51,995,528
<b>TOTAL</b>	<b>246,811,424</b>	<b>249,378,370</b>

\* 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\***

	31.03.2014 ₹	31.03.2013 ₹
(Unsecured, Considered good, unless otherwise stated)		
Royalty Receivable	11,485,128	12,680,766
<b>TOTAL</b>	<b>11,485,128</b>	<b>12,680,766</b>

\* these receivables are outstanding for less than six months.

**NOTE - 13: CASH AND CASH EQUIVALENTS**

	31.03.2014 ₹	31.03.2013 ₹
- Cash in hand	16,540	8,838
- Cheques / Demand Drafts in hand	<u>52,742</u>	<u>456,524</u>
Bank Balance with Scheduled Banks		
in Current accounts	38,793,156	1,0529,673
in Savings accounts	-	309,766
in Fixed deposit accounts	903,200,000	784,700,000
Less: Fixed Deposits due for Maturity more than a year [Refer Note No. 11]	<u>166,200,000</u>	<u>183,000,000</u>
<b>TOTAL</b>	<b><u>775,862,438</u></b>	<b><u>613,004,801</u></b>

**NOTE - 14: SHORT TERM LOANS AND ADVANCES**

(Unsecured, Considered good, unless otherwise stated)

Secured Loans to Employees *	902,270	1,048,619
Staff Advances	562,700	606,600
Advance for Expenses	883,000	287,340
Prepaid expenses	1,820,395	4,011,805
Security Deposits	<u>365,530</u>	<u>298,959</u>
<b>TOTAL</b>	<b><u>4,533,895</u></b>	<b><u>6,253,323</u></b>

\* 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 *	561,078	922,568
Bank deposits	34,034,894	26,088,367
Investments	<u>23,081,844</u>	<u>22,003,974</u>
Other Receivables	3,682,312	1,213,289
Cenvat Credit Receivable	1,202,700	573,652
Inter Office Balances	<u>2,021</u>	<u>2,021</u>
<b>TOTAL</b>	<b><u>62,564,849</u></b>	<b><u>50,803,871</u></b>

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

**NOTE - 16 : REVENUE FROM OPERATIONS**

	For the year ended	
	31.03.2014 ₹	31.03.2013 ₹
Examination fees	<b>448,746,084</b>	379,739,096
Other Operating Revenue		
Educational / Study Support Income	<b>5,864,856</b>	3,280,729
Training Income	<b>18,518,531</b>	13,357,924
Royalty on Publications	<b>12,751,806</b>	14,089,740
Subscription	<b>8,581,062</b>	8,924,658
Life Membership fees (write back from Life Membership Fund)	<b>19,302,751</b>	15,357,135
Others	<b>2,646,211</b>	2,969,051
<b>TOTAL</b>	<b><u>516,411,301</u></b>	<b><u>437,718,333</u></b>

**NOTE - 17 : OTHER INCOME**

Interest on Investments - Non Trade & Long Term	<b>66,408,685</b>	54,861,026
Interest on Bank Deposits	<b>74,257,649</b>	71,757,018
Interest on Staff Loans	<b>542,739</b>	730,815
Miscellaneous Income	<b>1,835,761</b>	3,075,553
Profit on sale of fixed assets	<b>144,568</b>	28,846
<b>TOTAL</b>	<b><u>143,189,402</u></b>	<b><u>130,453,258</u></b>

**NOTE - 18: EMPLOYEE BENEFITS EXPENSE**

Salaries and Other Benefits	<b>63,777,967</b>	59,433,912
Contribution to Provident and LIC Pension fund*	<b>9,972,319</b>	7,908,425
Staff recruitment/Training/Other related expenses	<b>704,141</b>	319,979
Staff benefits - Leave Salary/ Gratuity	<b>5,299,441</b>	13,602,383
Staff welfare expenses	<b>3,779,159</b>	3,963,316
<b>TOTAL</b>	<b><u>83,533,027</u></b>	<b><u>85,228,015</u></b>

\* includes amount of Rs. 1,919,795/- (Previous year Rs.2,066,926/-) paid to LIC towards Annuity Pension fund.

**NOTE - 19: EDUCATIONAL / STUDY SUPPORT EXPENSES**

Tutorial class/Seminar expenses/		
Research fellowship expenses	<b>11,574,686</b>	5,505,765
Web Classes expenses	<b>1,035,407</b>	4,574,567
Sir Purshotamdas Thakurdas memorial		
lecture expenses	<b>480,851</b>	561,952
Prizes awarded	<b>266,000</b>	360,000
Journal expenses	<b>576,169</b>	713,592
Honorarium to Local Hon. Secretaries/Authors	<b>241,300</b>	1,051,999
Newsletter expenses [ Vision ]	<b>6,358,916</b>	10,094,706
<b>TOTAL</b>	<b><u>20,533,329</u></b>	<b><u>22,862,581</u></b>

**NOTE - 20: ADMINISTRATION EXPENSES**

	For the year ended	
	31.03.2014	31.03.2013
	₹	₹
Printing and Stationery	7,960,796	9,515,692
Postages, Telephone and Telegram expenses	11,629,997	12,907,556
Web Portal expenses	2,684,601	2,646,576
Software Development and Maintenance Charges	6,472,416	7,820,164
Insurance	139,866	143,757
Repairs :		
Building	496,013	742,457
Machinery (Computer Hardware/Office Equipments)	3,848,190	2,479,522
Others	1,641,345	2,673,761
Travelling expenses	4,436,679	3,784,851
Conveyance	554,086	500,432
Motor Car expenses	430,781	1,036,378
Advertisement expenses	157,639	2,123,961
Corporate Development expenses	345,693	1,216,297
Auditors' Remuneration :		
Audit Fees	7,50,000	7,50,000
Out of Pocket expenses	15,000	15,999
Legal & Professional Charges	9,085,779	8,877,205
Premises Expenses -		
Rent	6,788,211	6,467,596
Electricity charges	5,286,838	5,000,180
Outgoings in respect of premises(includes Ground Rent, Rates & Taxes)	8,198,229	7,853,229
Bank Charges	94,332	182,618
Commission expenses - Maintenance of Online Portal for Receipt of Fees	12,734,759	7,486,434
Interest expenses - PF, Service Tax & TDS	867,221	58,113
Sundry expenses	3,065,737	1,925,383
Security expenses	1,073,139	849,859
Service Tax expenses	843,120	-
<b>TOTAL</b>	<b>89,600,467</b>	<b>87,058,020</b>

**NOTE - 21: DEPRECIATION AND AMORTISATION**

Depreciation on Tangible Assets	36,839,416	38,954,511
Amortisation of Intangible Assets	7,420,730	3,112,926
<b>TOTAL</b>	<b>44,260,146</b>	<b>42,067,437</b>

**NOTE - 22: OTHER EXPENSES**

	For the year ended	
	31.03.2014 ₹	31.03.2013 ₹
Library Books	38,480	163,751
Subscription to Papers & Periodicals	75,415	94,095
<b>TOTAL</b>	<b>113,895</b>	<b>257,846</b>

**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 2013-2014 under the amended provisions of Section 10(23C)(vi) of the Act.

Exemption applications for assessment years 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13 have been rejected by the Income Tax authorities against which the Institute has filed appeal with the honorable Bombay High Court (except for A.Y.2012-13), verdict of which is awaited as at 31st March 2014. The Institute is in the process of applying for exemption under section 10(23C)(vi) of the Act for assessment year 2014-2015.

Department has issued Notices u/s 148 for A.Y. 2006-07 to 2009-10, and has increased the tax demand liability (for A.Y. 2006-07 and 2008-09), against which the Institute has filed appeal petition with CIT(A).

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 was cancelled by the department, against which the Institute filed an appeal with ITAT and the judgement has been awarded in the favour of the Institute vide ITAT Order dated 7th May, 2014.

The Institute has paid Rs. 235,484,420/- (Previous year Rs. 201,041,049/-) to the Income Tax Department for assessment years 2001-02, 2003-04 to 2010-11 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. 310,600,791/- (Previous year Rs. 279,423,460/-) 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. 2,449,122/- (Previous year Rs. 2,396,101/-) has been amortized during the year.

25. The Institute has appropriated Rs. 250,000/- (Previous year Rs. 979,119/-) to Staff Welfare Fund consisting of Rs. 250,000/- (Previous year Rs. 250,000/-) as the annual contribution and Rs. Nil (Previous year Rs. 729,119/-) as interest earned on investments. Rs. 737,016/- being interest earned on earmarked investments have been directly credited to Staff Welfare Fund during the year.

An amount of Rs 432,117/- (Previous year Rs. 177,380/-) spent towards staff welfare and Rs. 450,000/- (Previous Year Rs. 450,000/-) 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 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 privilege leaves. The employees can carry forward a portion of the unutilized accrued privilege leaves and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued privilege leaves 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 recognised in Balance Sheet :

Sr. No.	Particulars	Gratuity	
		2013-14 ₹	2012-13 ₹
1.	Present value of projected benefit obligations as at 1 <sup>st</sup> April, 2013	<b>36,464,944</b>	31,891,534
2.	Service Cost	<b>740,525</b>	747,293
3.	Interest Cost	<b>2,798,511</b>	2,655,443
4.	Actuarial (Gains) / Losses	<b>(1,478,718)</b>	3,316,085
5.	Past Service Cost	-	-
6.	Benefits paid	<b>(2,395,022)</b>	(2,145,411)
	Present value of projected benefit obligations as on 31 <sup>st</sup> March, 2014 - [A]	<b>36,130,240</b>	36,464,944

Sr. No.	Particulars	Leave Liability	
		2013-14 ₹	2012-13 ₹
1.	Earned Leave Liability recognized in Balance Sheet - [B]	<b>23,755,939</b>	22,780,006
2.	Sick Leave liability recognized in Balance Sheet – [C]	<b>2,879,424</b>	3,046,823
	<b>Total Employee Benefit Liability * [A+B+C]</b>	<b>62,765,603</b>	<b>62,291,773</b>
	Current Portion	<b>8,628,617</b>	8,500,354
	Non-Current Portion	<b>54,136,986</b>	53,791,419
	<b>Total Employee Benefit Liability</b>	<b>62,765,603</b>	<b>62,291,773</b>

\* The entire liability of the Institute is unfunded.

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

Sr. No.	Particulars	Gratuity	
		2013-14 ₹	2012-13 ₹
1.	Service Cost	740,525	747,293
2.	Interest Cost	2,798,511	2,655,443
3.	Actuarial (Gains) / Losses	(1,478,718)	3,316,085
4.	Past Service Cost	-	-
<b>Total [D]</b>		<b>2,060,318</b>	<b>6,718,821</b>

Sr. No.	Particulars	Leave Expenditure	
		2013-14 ₹	2012-13 ₹
1.	Earned Leave Liability charge / (write back) for the year – [E]	975,933	4,679,501
2.	Sick Leave Liability charge for the year – [F]	(167,398)	233,756
<b>Total Employee Benefit Charge for the year [D+E+F]</b>		<b>2,868,853</b>	<b>11,632,078</b>

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

Year	Defined Benefit Obligation	Experience adjustments on plan liabilities* [Loss/ (Gain)]
2013-14	36,130,240	1,440,884
2012-13	36,464,944	1,913,290
2011-12	31,891,534	2,642,422
2010-11	28,539,688	2,258,603
2009-10	27,269,554	142,241

\* based on actuarial report.

d) Actuarial assumptions:

Sr. No.	Particulars	2013-14	2012-13
1.	Discount Rate p.a.	9.35%	7.95%
2.	Salary Escalation Rate	6.00%	6.00%
3.	Retirement Age	60 Years	60 years
4.	Mortality rates	Published as per Indian Assured Lives Mortality (2006-08) Ult.	As per LIC (1994-96) mortality tables
5.	Rate of leaving service :		
	21 - 44 years	2%	2%
	45 - 59 years	1%	1%

**27. Income in foreign currency:**

Particulars	2013-14 ₹	2012-13 ₹
Examination Fees	<b>674,145</b>	345,392
Course Development Fee/Paper Preparation fee (including Professional Charges)	<b>749,221</b>	905,612
Re-imbursement of Travelling & Other expenses	-	107,351
Training Fee	<b>149,449</b>	269,789

**28. Expenditure in foreign currency:**

Particulars	2013-14 ₹	2012-13 ₹
Study Support/ Training/Tutorial expenses	<b>2,941,655</b>	452,250
Traveling/Training expenses	<b>561,572</b>	564,899
Staff Training expenses	-	45,683
Examination expenses	<b>221,135</b>	267,758

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

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

Particulars	2013-14 ₹	2012-13 ₹
Salary	<b>2,845,598</b>	2,537,203
Perquisites	<b>482,546</b>	438,859
Contribution to Provident Fund	<b>317,474</b>	280,467
<b>Total</b>	<b>3,645,618</b>	<b>3,256,529</b>

29.2 Sitting fees to Council Members **196,000** 203,000

**30.** In the opinion of the Institute, there is no impairment of assets (to which Accounting Standard 28 applies) as at March 31, 2014 requiring recognition in terms of the said standard.

## 31 Contingent Liability

### 31.1 Income Tax Matters:

Sr. No.	Assessment 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. 2,500,000 as demand under protest.
2.	1999-2000 to 2007-2008	178,034,277	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. For some of these A.Y.'s, the Department has reopened the case and has increased the Tax Demand liability, against which the Company has filed Appeal petition with CIT(A).  The Company has paid an amount of Rs. 149,499,128/- towards the said demand under protest.
3.	2008-2009	32,684,102	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). The Company has paid an amount of Rs. 30,041,920/- towards the said demand 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.  The Department has reopened the case and has increased the Tax Demand liability, against which the Company has filed Appeal petition with CIT(A).
4.	2009-10	42,230,200	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. 19,705,000/- under protest.
5.	2010-11	57,652,212
		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 has received stay order against it. The Institute has paid an amount of Rs. 33,738,372/- under protest.

31.2 TDS Matters: Rs. Nil (Previous Year Rs. 589,811/-) is demanded by the department for A.Y.'s 2007-08, 2008-09 and 2011-12.

31.3 Claims against the Institute not acknowledged as debts:

Particulars	2013-14 ₹	2012-13 ₹
Matters pending before consumer forums/ other courts	330,000	430,000

31.4 The revised scale of salary to workmen staff of the Institute is as per the policy formulated by the Institute. The workmen staff of the Institute had a discussion with the Institute in relation to revision made to the scale of salary, which is still under dispute. However as estimated/determined by the Institute, no liability is likely to arise and hence no provision for the same is required as on 31<sup>st</sup> March 2014. Further, the Institute is also contesting demand of Provident Fund liability relating to earlier years under Employees Provident Funds and Miscellaneous Provisions Act, 1952 and pending crystallization of the said matter, no provision for the same is made as on 31<sup>st</sup> March 2014.

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

**32.** Estimated amount of contracts remaining to be executed on capital account and not provided as at 31.03.2014 Rs. 2,850,000/- (Previous year Rs. 5,012,813/-).

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

Particulars	As at 31.03.2014	As at 31.03.2013
a) i) Principal amount remaining unpaid to supplier under the MSMED Act 2006	Nil	Nil
ii) Interest on a) (i) above	Nil	Nil
b) i) Amount of Principal paid beyond the appointed Date	Nil	Nil
ii) Amount of interest paid beyond the appointed date (as per Section 16 of the said Act)	Nil	Nil

c) Amount of Interest due and payable for the period of delay in making payment, but without adding the interest specified under section 16 of the said Act	Nil	Nil
d) Amount of Interest accrued and due	Nil	Nil
e) Amount of further interest remaining due and payable Even in succeeding years	Nil	Nil

**34.** The Company's significant leasing arrangements are in respect of operating leases for residential/office premises. These leasing arrangements which are not non-cancellable range between 11 months and 3 years. The aggregate lease rentals Rs. 6,788,211/- (Previous year 6,467,596/-) are charged as rent under Note 20.

**35.** Accounting Standard (AS) 22-"Accounting for Taxes on Income" applicable to the Institute for the accounting periods commencing on or after 01-04-2002 has not been applied in accounting for taxes on income. The Institute is of the opinion that there is no deferred tax liability as the institute is not liable to pay Income tax and thus AS 22 would not apply to the Institute.

Signatures to Notes 1 to 35

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

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

Place : Mumbai  
Dated : July 28, 2014

**R BHASKARAN**  
Chief Executive Officer

**K R KAMATH**  
President

**A R BARVE**  
Deputy Chief Executive Officer

**V R IYER**  
Vice President

## Notice of the 87<sup>th</sup> Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 87<sup>th</sup> Annual General Meeting of the members of the Indian Institute of Banking & Finance will be held on Monday, 15<sup>th</sup> September 2014 at 4.00 pm at IIBF Auditorium, Maker Tower 'F' Wing, 19<sup>th</sup> Floor, Cuffee Parade, Mumbai 400005 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, 2014, 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. M. Bhasin (DIN: 03091429) retires by rotation under the Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
3. To elect a member of the Council in place of Shri Arun Kaul, (DIN: 00038447) who retires by rotation under the 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 Ananthakrishna, (DIN: 00018423) who retires by rotation under the 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 A.S. Bhattacharya, (DIN: 02719232) who retires by rotation under the 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 B. Sambamurthy, (DIN: 00246211) who retires by rotation under the 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 Mr. Stuart Milne (DIN: 06577076), who retires by rotation under the Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
8. To consider and if thought fit, to pass the following, with or without modification, as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provision, if any, of the Companies Act, 2013 and rules framed there under, as amended from the time to time Mukund M. Chitale & Co., Chartered Accountants, (Firm Registration No.106655W), be and are hereby appointed as the Statutory Auditors of the Institute to hold office from conclusion of this Annual General Meeting (AGM) till the conclusion of 92<sup>nd</sup> Annual General Meeting to be held in the year, 2019 (subject to ratification of their appointment at every AGM) and that the Governing Council be and is hereby fixed at Rs.7,50,000 (Rupees seven lakh fifty thousand only) apart from service tax and reimbursement of out-of-pocket and Actual Travelling Expenses incurred by them for the purpose of audit”.

### Special Business:

9. To consider and if thought fit, to pass the following, with or without modification, as an Ordinary Resolution:  
“RESOLVED THAT, Shri T M Bhasin (DIN: 03091429) be and is hereby appointed as the President of

the Institute from the conclusion of 87<sup>th</sup> Annual General Meeting to the conclusion of the 88<sup>th</sup> Annual General Meeting in terms of Article 69 of the Articles of Association of the Institute.

Place : Mumbai  
Date : 28<sup>th</sup> July 2014

By Order of the Council

**Registered Office:**

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

**(R. Bhaskaran)**  
Chief Executive Officer

**NOTES:**

- (a) Individual Members who are Fellows and Associates and Institutional Members are entitled to attend and vote at the General Meetings. Certified 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 as per the provisions of Rule 19(1) of Companies (Management and Administration) Rules, 2014, a Member of a Company registered U/s 8 shall not be entitled to appoint any other person as his proxy unless such other person is also a member of such company. For a proxy to be effective, it must be registered with the Institute, at least 48 hours before the commencement of the AGM. The Proxy must be in Form MGT-11 attached herewith, duly signed and completed in all respects.
- (c) The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
- (d) A copy of the Memorandum and Articles of Association referred to in Item Nos. 2 to 9 above will be open for inspection by the members from 10.30 hours to 12.30 hours on any working day (Monday to Friday) at the Registered Office of the Institute.
- (e) The members are informed that, in accordance with the provision of the section 101 of the Companies Act, 2013, the Institute is proposing to send documents like notice of the General Body Meetings, audited financial statements, Directors Report, Auditors Report and other documents or 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](mailto: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](http://www.iibf.org.in) before the AGM.

## Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

### Item No. 8:

This Explanatory Statement for this item though not strictly required as per the provisions of the Act, is being provided for the understanding of the members.

M/s. Mukund M. Chitale & Co, Chartered Accountants, Mumbai [Firm Registration No: 106655W] are the current Statutory Auditors of the Institute, who hold office until the conclusion of the current AGM. The Governing Council proposes the appointment of M/s. Mukund M. Chitale & Co, Chartered Accountants, Mumbai as the Statutory Auditors for the Institute. M/s. Mukund M. Chitale & Co have given the required declarations as per the provisions of the Companies Act, 2013.

With the advent of Companies Act, 2013, all Companies registered under the erstwhile Companies Act are required to comply with the provisions stated in the new Act. As per the provisions of Section 139 of the Companies Act, 2013, every Company is required to appoint the Statutory Auditor at the first AGM of the commencement of the Act, who shall hold office till the conclusion of the Sixth consecutive AGM, subject to the ratification of the appointment of the Auditor at every AGM. Accordingly, the Statutory Auditors are proposed to be appointed from the conclusion of the 87<sup>th</sup> AGM till the conclusion of the 92<sup>nd</sup> AGM and that such appointment shall be subject to the ratification by the Members at every AGM.

The Governing Council recommends the resolution for the approval of the Members. None of the Members of the Council are interested in the resolution.

### Item No. 9

As per the provisions of Article 69 of the Articles of Association of the Institute, the members of the Institute are required to appoint a President from amongst the members of the Governing Council to preside over the meetings of the Institute and perform all the other activities as stated in the AoA therein. Shri K. R. Kamath was appointed as the President from the conclusion of the 86<sup>th</sup> AGM till the conclusion of the 87<sup>th</sup> AGM and thereby vacates office of President from the conclusion of this AGM.

The Governing Council recommends the appointment of Shri T M Bhasin as the President of the Institute from the conclusion of this AGM (87<sup>th</sup> AGM) till the conclusion of the 88<sup>th</sup> AGM. Shri T M Bhasin has consented to act as the President of the Institute.

The Governing Council recommends the resolution for the approval of the Members. None of the Members of the Council, except Shri T M Bhasin are interested in the resolution

By order of the Council

**R. Bhaskaran**

Chief Executive Officer

Place : Mumbai  
Date : 28<sup>th</sup> July 2014

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 21<sup>st</sup> April, 2011 and 18/2011 dated 29<sup>th</sup> 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, Kiroi 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.....

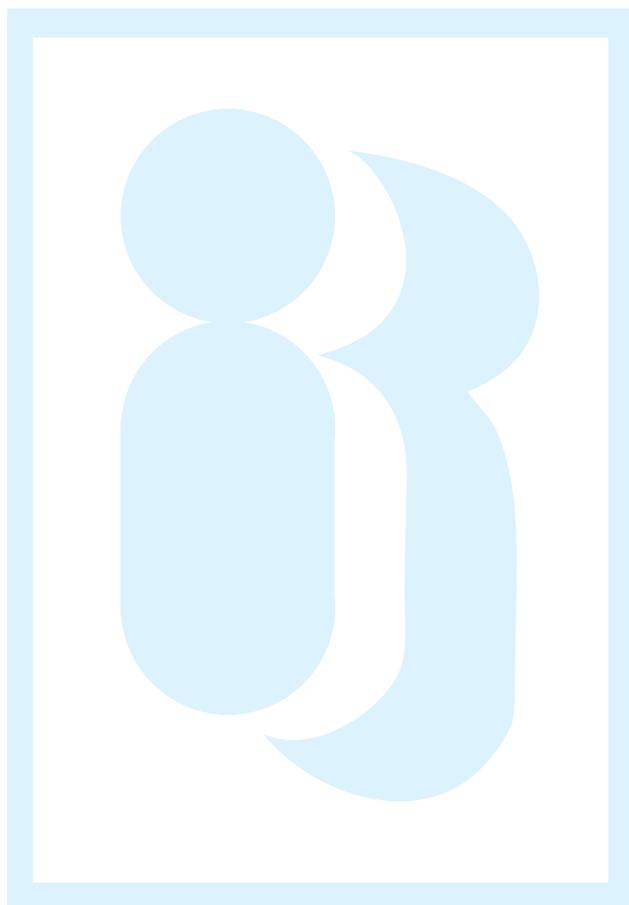
To,

**Indian Institute of Banking & Finance**

Kohinoor City, Commercial II,

Tower I, 2<sup>nd</sup> Floor, Kiroli Road,

Kurla (West), Mumbai 400 070



Form No. MGT -11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**CIN** U91110MH1928GAP001391  
**NAME OF THE COMPANY** Indian Institute of Banking and Finance  
**REGISTERED OFFICE** Kohinoor City, Commercial 11, Tower I, 2<sup>nd</sup> Floor, Kirod Road, Kurla (West), Mumbai 400070

Name of the Member (s):	
Registered Address:	
E-Mail Id:	
Folio No/Client Id:	
DP ID (if any required):	

I/We, being the member (s) of the above named company, hereby appoint

1 Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-Mail Id: \_\_\_\_\_  
 Signature: \_\_\_\_\_  
 (or failing him)

2 Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-Mail Id: \_\_\_\_\_  
 Signature: \_\_\_\_\_  
 (or failing him)

3 Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-Mail Id: \_\_\_\_\_  
 Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 87<sup>th</sup> Annual general meeting of the Institute, to be held on the 15<sup>th</sup> September 2014 at 4:00 P M at IIBF Auditorium, Maker Tower 'F' Wing, 19<sup>th</sup> Floor, Cuffee Parade, Mumbai 400005 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Adoption of Financial Statements as at 31<sup>st</sup> March, 2014
2. Re-appointment of Shri T. M. Bhasin who retires by rotation
3. Re-appointment of Shri Arun Kaul who retires by rotation
4. Re-appointment of Shri Ananthakrishna who retires by rotation
5. Re-appointment of Shri A. S. Bhattacharya who retires by rotation
6. Re-appointment of Shri B. Sambamurthy who retires by rotation
7. Re-appointment of Mr. Stuart Milne who retires by rotation
8. Appointment of M/s. Mukund M. Chitale & Co. as Statutory Auditors
9. Appointment of Shri T M Bhasin as the President of the Institute

Signed this ..... day of ..... 2014

Signature of Member

Signature of Proxy Holder(s)

Affix  
revenue  
stamp

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**



**Courses/ Examinations of the Institute**

Course	Target Employees/Target group	No. of Paper/s	Mode of Examination
JAIIB- For Members only	Bank & Finance Institutions	3	On-line & Paper and Pencil-MCQ
CAIIB (2 compulsory & 1 optional from 11 electives) - For Members only	JAIIB qualified	3	Paper & Pencil MCQ
Diploma in Banking & Finance (DB&F) equivalent to JAIIB)	College students 12 <sup>th</sup> Pass & above	3	Paper & Pencil MCQ

**Diplomas (for members and non members)**

Diploma in Banking Technology	Banks, FI, NBFC	3	On-line-MCQ
Diploma in Treasury/Investment/ Risk Management	Banks, FI, NBFC	3	On-line-MCQ
Diploma in International Banking	Banks, FI, NBFC	3	On-line-MCQ
Diploma in Commodity Derivatives	Banks, FI	3	On-line-MCQ
Diploma in Home Loans	Banks, FI, NBFC	2	On-line-MCQ
Advanced Diploma in UCB	UCBs	3	On-line-MCQ
Advanced Wealth Management Course (Previously PGDFA)	Banks, FI, NBFC, FAs	6	On-line-MCQ

**Certificates (for members and non members)**

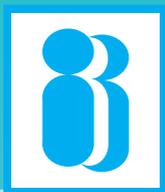
Trade Finance	Banks, FI, NBFC	1	On-line-MCQ
Project Finance	Banks, FI, NBFC	1	On-line-MCQ
Anti-Money Laundering/Know Your Customer	Banks, FI, NBFC	1	On-line-MCQ
Certified Information System Banker (CeISB)	Banks, FI, NBFC	1	On-line-MCQ
SME Finance for Bankers	Banks, FI, NBFC	1	On-line-MCQ
Credit Card for Bankers	Banks, FI	1	On-line-MCQ
Quantitative Methods for Banking & Finance	Banks, FI, NBFC	1	On-line-MCQ
Customer Service & Banking Codes and Standards	Banks	1	Simulation/On-line-MCQ
Certificate Examination in Micro Finance	Banks, MFIs	1	On-line-MCQ
Certificate Examination in IT Security	Banks	1	On-line-MCQ
Certificate Examination in Rural Banking Operations	RRB Staff	1	On-line-MCQ
Certificate Examination in Prevention of Cyber Crime	Banks	1	On-line-MCQ
Certificate Examination in Foreign Exchange Facilities for Individuals	Banks	1	On-line-MCQ

**Other Certificates (for non-members)**

Basics of Banking	IT & BPO Companies	1	On-line-MCQ
Functions of Banks	IT & BPO Companies	1	On-line-MCQ
Card Operations	IT & BPO Companies	1	On-line-MCQ
Debt Recovery Agents- <b>11 languages</b>	DR Agencies, Banks	1	On-line, Paper & Pencil - MCQ
Business Correspondents/Business Facilitators- <b>11 languages</b>	CSP of Banks, BC	1	Training and Examination

**Advanced certificate courses**

Certified Bank Trainer	Banks, FIs,	2	Examination and training
Certified Banking Compliance Professional	Banks, FIs,	2	Examination and training



**INDIAN INSTITUTE OF BANKING & FINANCE**

(ISO 9001: 2008 Certified)

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

Tel. : 91-022-2503 9604 / 9746 / 9907

Fax : 91-022-2503 7332

Web-site: [www.iibf.org.in](http://www.iibf.org.in)