

**INDIAN  
INSTITUTE  
OF  
BANKING  
&  
FINANCE**

(An ISO 9001: 2008 Certified Organisation)

Annual Report  
2010-2011





His Excellency, Governor of Maharashtra delivering the address after inaugurating the new building of the Institute



Mr. M.V. Nair - CMD - Union Bank of India, felicitating the Institute on the inauguration of the new building

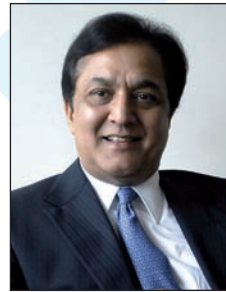
## GOVERNING COUNCIL



**President**  
**Shri M. D. Mallya**  
Chairman & Managing Director  
Bank of Baroda



**Vice President**  
**Shri M. V. Nair**  
Chairman &  
Managing Director  
Union Bank of India



**Vice President**  
**Dr. Rana Kapoor**  
Managing Director  
& CEO  
YES Bank



**Shri Ananthakrishna**  
Chairman  
Karnataka Bank Ltd.



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



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



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

# Annual Report 2010-11



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



**Shri Gunit Chadha**  
Chief Executive Officer – India  
Deutsche Bank AG



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



**Shri Pratip Chaudhuri**  
Chairman  
State Bank of India



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



**Shri Karuppasamy**  
Executive Director  
Reserve Bank of  
India



**Shri Arun Kaul**  
Chairman &  
Managing Director  
UCO Bank



**Shri Y. H. Malegam**  
Former Managing Partner  
S.B. Billimoria & Co.  
Chartered Accountants



**Shri Dilip Mavinkurve**  
Managing Director  
State Bank of Mysore



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



**Dr. K. Ramakrishnan**  
Chief Executive  
Indian Banks'  
Association



**Shri S. Raman**  
Chairman & Managing  
Director, Canara Bank



**Shri Ramnath Pradeep**  
Chairman & Managing  
Director, Corporation Bank



**Shri T. C. A. Ranganathan**  
Chairman & Managing  
Director, Exim Bank



**Dr. Asish Saha**  
Director  
National Institute of  
Bank Management



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

## Executive Committee

M. V. Nair : Chairman

Y. H. Malegam

Y. K. Bhushan

S. K. Banerji

S. Karuppasamy

T.C.A. Ranganathan

Dr. R. Bhaskaran

## Examination Committee

Y. K. Bhushan : Chairman

Dr. D.M. Nachane

S.K. Banerji

Dr. Sanjay Kaptan

Dr. K. Ramakrishnan

A. Bhattacharya

Dr. R. Bhaskaran

A. R. Barve

## Education & Training Committee

Y. H. Malegam : Chairman

Dr. K. Ramakrishnan

Gunit Chadha

S. K. Banerji

Dr (Mrs.) Bindi Mehta

Siddartha Roy

A. K. Garg

Sandip Ghose

Dr. Bhaskaran

P. Balachandran

**Auditors** : M. M. Chitale & Co.

**Bankers** : State Bank of India

**Solicitors** : Girish & Dave & Co.

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

# ANNUAL REPORT

## 2010-2011

Dear Members,

Your council has pleasure in presenting the 84<sup>th</sup> Annual report of the Institute, including the Audited Statement of Accounts for the year ended March 31, 2011.

### Macroeconomic and banking developments 2010-11

The 'advanced estimates' of the Central Statistics Office (CSO) released in February 2011 has indicated that the turnaround of the Indian economy (with a growth of 8.6 per cent during 2010-11) has been fast and strong. Agriculture has, following a good monsoon, recorded a growth rate which is above trend. The Index of Industrial Production (IIP), which grew by 10.4 per cent during the first half of 2010-11, moderated subsequently, bringing down the overall growth for April-February 2010-11 to 7.8 per cent. This decline was mainly due to deceleration in the capital goods sector. The other economic indicators such as tax collections, corporate sales and earnings growth, credit off-take by industry (other than infrastructure) and export performance suggest that economic activity was strong during the year.

Inflation continued to be the primary macroeconomic concern throughout 2010-11. It was driven by a combination of factors, both structural and transitory. The trend of moderating inflation and consolidating growth in the second and third quarters of 2010-11 justified the calibrated policy approach of the Reserve Bank. However, the resurgence of inflation in the last quarter of 2010-11 was a matter of concern. The IMF forecast (as per the January 2011 World Economic Outlook) indicated the likely continuance of high consumer price inflation for emerging & developing economies due to continued robust demand and a sluggish supply response to tightening market conditions.

In the beginning of the year 2010-11, uncertainty about the shape and pace of global recovery persisted. The crude oil price increased from an average of US\$ 75 a barrel during May-September 2010 to US\$ 123 a barrel by April 2011. Initially, oil prices were buoyed by strong global demand and excess liquidity. Since February 2011, oil prices have come under further pressure on account of apprehensions about supply disruptions due to political developments in the Middle East and North African (MENA) region and expected additional demand from Japan on account of the possibility of substituting some of its shut-in nuclear power capacity with oil-based generation, combined with higher energy usage once reconstruction gets underway. In the recent period, commodity prices have been under pressure due to strong demand from emerging market economies (EMEs) and the financialisation of commodity markets.

Indian exports have been expanding since October 2009, a trend that is expected to continue. During the fourth quarter of 2010-11, exports grew at a robust pace of 46.6 per cent, while growth in imports decelerated to 22.8 per cent.

The Reserve Bank's forward looking Industrial Outlook Survey (IOS) showed a decline in the business expectations index for January-March 2011 after two quarters of increase. Leading indicators of services sector suggest continuing growth momentum. Credit to the services sector grew by 24 per cent in 2010-11 as compared with 12.5 per cent in the previous year.

### **Banking Developments:**

During 2010-11 credit started picking up in a strong way from early June 2010 and since then the growth in bank credit has shown a continuous increasing trend. The Reserve Bank's estimates show

that the total flow of financial resources from banks, domestic non bank and external sources to the commercial sector during 2010-11, at Rs.12,00,000 Crore was 12.3 per cent higher than that in the previous year. There was a decline in non-bank sources of funds in 2010-11 as compared with that in the previous year. The decline was particularly noticeable in foreign direct investment. However, this was more than offset by the higher flow of funds from the banking sector.

The sectoral deployment of bank credit showed significant increases in credit flow to industry and services. Within industry, credit growth to infrastructure was robust. Credit flows improved in respect of metals, textiles, engineering, food processing, and gems and jewellery, among others. Credit growth accelerated to commercial real estate and non-banking financial companies. Housing and vehicle loans recovered in 2010-11.

The Base Rate system replaced the Benchmark Prime Lending Rate (BPLR) system with effect from July 1, 2010. There was greater convergence in Base Rates announced by major banks towards March 2011 and the Base Rate system has improved the transmission of the policy rates to banks' lending rates.

All banks have prepared and submitted their Financial Inclusion Plans (FIPs) containing targets for March 2011, 2012 and 2013, to the Reserve Bank. These plans broadly include self-set targets in respect of brick and mortar branches to be opened at rural centres; business correspondents (BCs) to be employed; coverage of unbanked villages with population above 2,000 as also other unbanked villages with population below 2,000 through branches/BCs/other modes; no-frill accounts to be opened including through BC-ICT; issue of Kisan Credit Cards (KCCs) and General Credit Cards (GCCs) issued; and other specific products designed by them to cater to the financially excluded segments. Implementation of these plans is being closely monitored by the Reserve Bank.

During the period April 2010 to March 2011, banks opened 5,214 new branches, deployed 25,403 BCs/Customer Service Providers (CSPs) and provided banking services additionally in 43,337 villages. Out of these, 525 villages were covered through rural brick and mortar branches, 42,506 villages through BCs and 306 villages through other modes such as ATMs and mobile vans. It is important to note that banks covered 24,066 villages with population above 2,000, in addition to covering 19,271 villages with population below 2,000.

In the wake of the Andhra Pradesh micro finance crisis in 2010, a Sub-Committee of the Central Board of the Reserve Bank was constituted under the chairmanship of Shri Y. H. Malegam to study issues and concerns in the MFI sector. The Committee submitted its report in January 2011 and its implementation has implication for the bank lending to microfinance sector. Customer service in Banks is another area of concern and RBI has constituted a committee on customer service to look into banking services rendered to retail and small customers including pensioners.

Various policy issues like licensing of new banks, presence of foreign banks through branch or wholly owned subsidiary (WOS), implementation of advanced approaches under Basel II framework, redefining of priority sector, changes in payment & settlement system are having bearing on the working of banks in India.

In this background the Institute is continuously changing itself to cater to the educational and capacity building needs and demands of the Indian banking sector and offering a number of Diploma and Certificate courses over and above the JAIIB and CAIIB examinations. It is worth mentioning that in order to support the financial inclusion agenda; the Institute has started a course on Business Facilitators/ Business Correspondents which has gained momentum during the year. Further in association with BCSBI, the Institute has launched a course on customer service during the year.

Over the last few years the Institute has gradually improved its role as an education and training Institute. The Institute has adopted technology to offer quality study support in the form of e-learning and web classes. The e-learning programme and WebEx classes introduced by the

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Institute for different courses are gaining popularity among new recruits as well as others. Also the Institute is taking steps to provide, to a limited extent, class room support to its varied examinations. A review of various initiatives of the Institute is given below.

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

The Institute has performed exceptionally well in all aspects of its activities. Highlights of the various activities are given below:

#### I. MEMBERSHIP

The number of individual members was 3, 92,585 as on 31<sup>st</sup> March 2011 (Table 1)

**Table 1. Details of Membership: (Number)**

Category	As on 31/3/10	Addition during the year 2010-11	Members as of 31/3/2011
Fellows	233	9	236
Associates	398	8	406
Ordinary Members	348833	43752 *	392585
Institutions	662	8	670

The number of individual members of the Institute has been showing steady growth over the years. One of the reasons for this phenomenon is the large scale recruitment by the banking sector, especially the public sector banks. The Institute has also spared no efforts to enroll as many bankers as possible through concerted publicity efforts and contact programmes. In this connection, the zonal offices have been regularly setting up information stalls at the head offices, training centres and other offices of banks to reach the bankers. These efforts have been successful in augmenting the membership base. It is noteworthy that in the last five years about 1.32 Lakh individual members have joined the Institute.

#### II. EXAMINATIONS

The Institute is currently catering to the educational and capacity building needs of the employees of the following organizations/ segments (Table 2).

**Table 2. List of Institutions whose employees taking IIBF examinations**

<b>Banks</b>
<b>Reserve Bank of India</b>
<b>Financial Institutions</b>
<b>Mutual Funds</b>
<b>IT/BPO companies</b>
<b>Business Correspondents (financial inclusion)</b>
<b>Micro Finance Institutions</b>
<b>Financial Advisors/Wealth Managers</b>
<b>Debt Recovery Agencies</b>
<b>Home Loan Companies</b>
<b>Non-Bank Finance Companies</b>

In addition, the DB&F examination is offered to 12th pass students undergoing college education and some of the diploma courses are taken by B-School students as value addition.

\* Including renewal of membership by 1653 persons.



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

The number of candidates enrolling and appearing for the JAIIB examination has shown a substantial increase during the year. Overall, in the three examinations namely JAIIB, CAIIB and DB&F, (Table 3) the institute has recorded an addition of nearly 43,000 candidates (two examinations) during the year. The percentage of pass in the individual papers and over all examinations has been somewhat uneven. In this connection it is worth mentioning that the Institute has been continuously increasing the study support to the candidates which is elaborated elsewhere in the report.

**Table 3: Particulars of candidates under flagship/Associate examinations**

2009-10			Name of the examination	2010-11		
Enrolled	Appeared	Passed		Enrolled	Appeared	Passed
87321	69684	16497	JAIIB	118882	96349	13830
34896	27660	8189	CAIIB	35705	28262	8314
4216	3445	754	Diploma in Banking & Finance	4427	3814	625
–	–	–	CAIIB (Revised)	10199	8787	1798
126433	100789	25440		169213	137212	24567

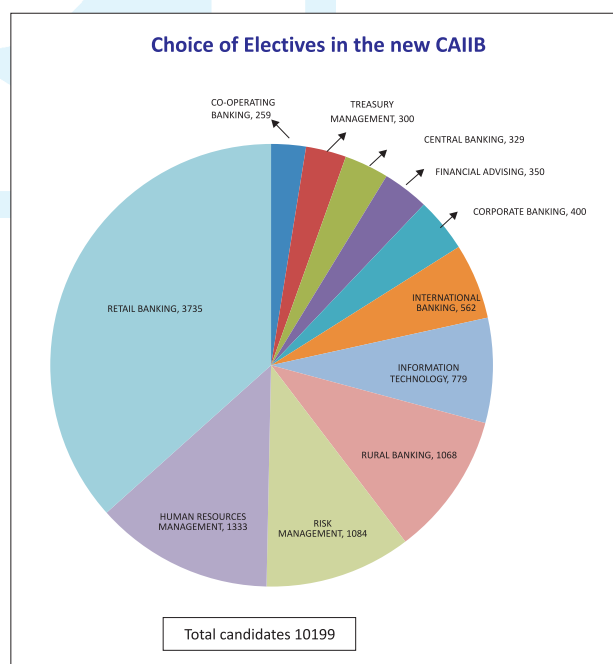
During the year, the Institute flagged off the new CAIIB exam with two compulsory papers and one elective paper. The candidates to the CAIIB examinations can select any one of the 11 electives which are offered. The choice of the elective by the candidates is given in chart 1 below. It can be seen that retail banking, HRM, risk management, IT and rural banking had attracted more than 75% of the total candidates (10199) who had taken the new CAIIB.

The pass in the revised syllabus of CAIIB has been better than the previous syllabus. The elective, being one paper, needing intense approach has produced better results. Generally, accounting and finance related subjects have seen lower pass rates. The Institute will take steps to augment the study support for these subjects.

**Chart 1: The choice of candidates for various electives is given in the following graph**

In addition, as a measure of continuous professional development, candidates who have completed CAIIB in the earlier version/s are offered an opportunity to choose any one of the electives as a CPD effort. In all 651 CAIIB holders had enrolled for various electives during the February 2011 examination. Retail Banking, Corporate Banking, International Banking and Financial Advising accounted for more than 50% of the enrolment. It is heartening to note that many banks have taken a decision to incentivize this CPD efforts and it is hoped that these examinations will attract more candidates in future.

During the year, the Institute was able to publish books for the two compulsory papers and 9 electives of the revised CAIIB. For the remaining subjects the Institute had



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recommended certain text books available in the market. For the May/June 2011 examination the text book on “Corporate Banking” has also been published. Though the courseware for Central Banking was ready by May 2011 it could not be published and therefore the enrolled candidates were given the courseware in the form of a CD.

### II.2 Diploma Courses/Examinations

The Institute offers eight diploma courses. The Institute has prepared dedicated courseware for these diplomas. Four of the diploma examinations are descriptive in nature while the remaining four are held in objective pattern. Among the objective pattern examinations, in the case of the Microfinance diploma, in view of the fact that not all the candidates are graduates and that they transact business in local languages, the examination is conducted in paper and pencil mode and in 8 local vernaculars in addition to English and Hindi. Microfinance and Home Loan Diplomas are of two papers each. The remaining diplomas are of three papers each. PG diploma in financial advising, which has now been renamed as “Advanced Diploma in Wealth Management”, is of six papers.

The performance of the candidates in these examinations is given in Table 4

**Table 4. Candidates for Diploma Examinations (Number)**

2009-10			Diploma Examination	2010-11		
Enrolled	Appeared	Passed		Enrolled	Appeared	Passed
128	50	18	Banking Technology	155	62	26
875	358	55	International Banking & Finance	927	473	29
613	335	87	Treasury, Investment & Risk Management	656	398	141
1167	844	375	Advanced Diploma in Wealth Management	2094	932	504
130	118	65	Advanced Diploma in Co-op / Urban Co-op Banking	128	113	74
288	247	151	Micro Finance Professionals	363	289	138
26	13	12	Commodity Derivatives	65	35	13
128	103	92	Home Loan Advising	199	173	167
<b>3355</b>	<b>2068</b>	<b>855</b>	<b>Total</b>	<b>4587</b>	<b>2475</b>	<b>1092</b>

It can be seen from the table above that the diplomas have also recorded a higher number of candidates enrolling for the same.

### II.3 Certificate Examinations:

Details of the candidates appearing for the various certificate examinations of the Institute are as under (Table 5). The certificate examinations have over the years received good response from the banking fraternity.

**Table 5. Candidates for Certificate Examinations**

2009-10			Examination	2010-11		
Enrolled	Appeared	Passed		Enrolled	Appeared	Passed
33	18	9	Banking Oriented Paper in Hindi	54	24	9
1500	1377	1110	Trade Finance	3271	2906	2108
4903	4476	3781	AML & KYC	5770	5115	4607
402	345	122	Information System Banker	424	332	63
85	75	74	Project Finance Course	136	97	92
–	–	–	Treasury for RBI employees	291	209	200
106	79	29	Quantitative Methods	186	140	74
–	–	–	Customer Service & Banking Codes & Standards	605	549	478
1845	1590	1518	SME	3401	2962	2813
202	184	168	Credit Cards for Bankers	338	299	286
29338	26893	20561	Debt Recovery Agents	30666	27683	20958
–	–	–	DRA- Tele callers	2362	2204	2084
241	218	175	Financial Inclusion	1940	409	391
<b>Certificate Examinations to BPO/IT Companies</b>						
669	602	398	Basics of Banking	578	560	373
61	58	57	Credit Card Operations	32	31	30
<b>39385</b>	<b>35915</b>	<b>28002</b>	<b>TOTAL</b>	<b>50054</b>	<b>43520</b>	<b>32566</b>

The DRA and Financial Inclusion examinations are held in many vernacular languages, but only for non-members. Some of the other examinations are open to non members also. It can be inferred from the data (Table 6) that majority of the candidates to the examinations come from those who are employed in the banking and finance sector and the response to various certificate and diploma examinations is a pointer towards the emerging training and knowledge needs of the sector.

**Table 6. Examination wise non-member candidates (Number)**

Name of the Examination	Total 2009-10	Non Members 2009-10	Total 2010-11	Non Members 2010-11
Diploma in Banking Technology	128	40	155	64
Diploma in International Banking	875	129	927	194
Diploma in Treasury Investment & Risk Management	613	113	656	146
Advanced Diploma in Wealth Management	1167	116	2094	210
Advanced Diploma in Co-op/Urban Co-op Banking	130	33	128	13
Diploma for Micro Finance Professionals	288	153	363	237
Diploma in Commodity Derivatives	26	6	65	12
Diploma in Home Loan Advising	128	9	199	13
Certificate in Trade Finance	1500	222	3271	321

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Name of the Examination	Total 2009-10	Non Members 2009-10	Total 2010-11	Non Members 2010-11
Certificate in AML & KYC	4903	1067	5770	447
Certified Information System Banker	402	15	424	22
Project Finance Course	85	35	136	61
Quantitative Methods for Bankers	106	23	186	27
Customer Service & Banking Codes & Standards	–	–	605	174
SME	1845	107	3401	100
Credit Card	202	51	338	93
Employees of BPO/IT Companies.	730	621	610	610

The percentage of candidates passing the flagship examinations is given below (Table 7). The lower level in candidate completing the course is on account of the candidates taking one paper at a time and also somewhat poor performance of the candidates in accounting and finance related papers. The Institute is endeavoring to provide additional academic support in the form of e-learning and WebEx classes to candidates spread all over the country.

**Table 7. Percentage of candidates appearing and passing**

Associate Examinations				
Name of the Examination	Candidates appeared as a % to those enrolled		Candidates passed as a % to those appeared	
	2009-10	2010-11	2009-10	2010-11
JAIIB	79.80	81.05	23.67	14.35
CAIIB	79.26	79.15	29.61	29.42
Diploma in Banking & Finance	81.71	86.15	21.89	16.39
Revised CAIIB	N.A.	86.16	N.A.	20.46
Diploma Examination				
Name of the Examination	Candidates appeared as a % to those enrolled		Candidates passed as a % to those appeared	
	2009-10	2010-11	2009-10	2010-11
Diploma in Banking Technology	39.06	40.00	36.00	41.94
Diploma in International Banking	40.91	51.02	15.36	6.13
Diploma in Treasury, Investment & Risk Management	54.65	60.67	25.97	35.43
Advanced Diploma in Wealth Management	72.32	44.51	44.43	54.08
Advanced Diploma in Co-op Banking	88.24	77.78	46.67	14.29
Advanced Diploma in Urban Co-op Banking	91.67	89.08	57.95	68.87
Diploma for Micro Finance Professionals	85.76	79.61	61.13	47.75
Diploma in Commodity Derivatives	50	53.85	92.31	37.14
Diploma in Home Loan Advising	80.47	86.93	89.32	96.53

Certificate Examinations				
Name of the Examination	Candidates appeared as a % to those enrolled		Candidates passed as a % to those appeared	
	2009-10	2010-11	2009-10	2010-11
Banking Oriented Paper In Hindi	54.55	44.44	50.00	37.50
Certificate in Trade Finance	91.80	88.84	80.61	72.54
Certificate in AML & KYC	91.29	88.65	84.47	90.07
Certified Information System Banker	85.82	78.30	35.36	18.98
Certificate Course in Project Finance	88.24	71.32	98.67	94.85
Quantitative Methods for Bankers	74.53	75.27	36.71	52.86
Certificate in Treasury, Investment & Risk Management for RBI- employees	–	71.82	–	95.69
Customer Service & Banking Codes & Standards	–	90.74	–	87.07
SME	86.18	87.09	95.47	94.97
Credit Cards for Bankers	91.09	88.46	91.30	95.65
Debt Recovery Agents DRA	91.67	90.27	76.45	75.71
DRA – Tele callers	93.31	94.56	–	–
BC / BF	90.46	21.08	80.28	95.60
Basics of Banking	89.99	96.89	66.11	66.61
Credit Card Operations	95.08	96.88	98.28	96.77

#### II.4 Exam at Overseas centre:

Institute has conducted JAIB examination at Dubai Centre. The details are given in Table 8:

**Table 8. Overseas Centres**

JAIB Examination	Candidates
May / June 2010	8
Nov / Dec. 2010	17

#### II.5 AMP Programme

Institute has been offering the Advanced Management Programme in Banking and Finance in collaboration with leading B Schools. During the year 2010-11 SIES College of Management Studies (SIESCOMS) had enrolled 15 candidates for the third programme in its campus and Welinkar Institute of Management Development and Research had taken 20 Candidates for its third programme. Institute of Public Enterprise (Hyderabad) had commenced its first batch of AMP from October 4<sup>th</sup> 2010 with 15 Candidates. The feedback from the candidates for the programme has been highly encouraging. It is hoped that more and more bankers will take advantage of this tie up with B Schools as the course is not only contemporary in nature but also very cost effective.



Mr. Raja, DMD, State Bank of India addressing the recipients of the AMP Certificate at the IIBF Auditorium, Maker Towers, Mumbai.

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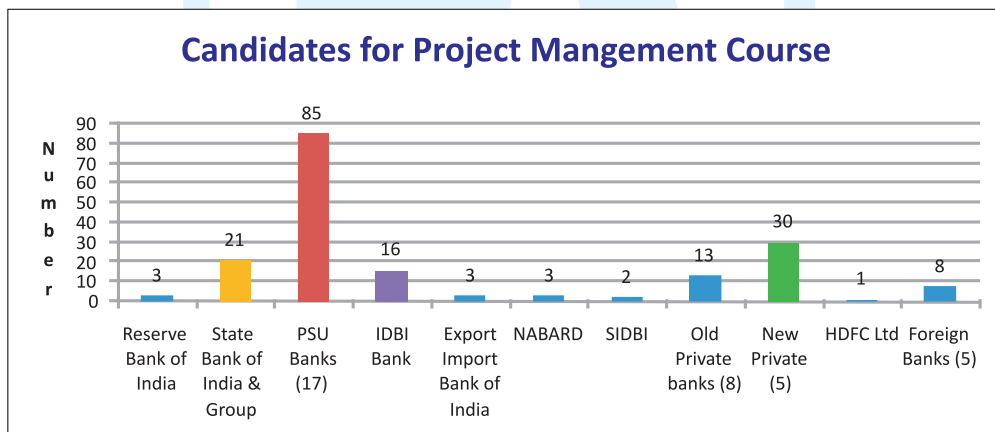
## II.6 IGNOU tie up- CAIIB linked MBA

Institute has been offering the CAIIB linked MBA to bankers for over a decade. The MBA programme has been revamped very recently with contemporary subjects. This course has attracted over 13000 members so far and it is understood from IGNOU that over 1200 persons have successfully completed the course so far. This course has thrown open an opportunity to bankers located in various parts of the country to acquire an MBA qualification for their career progression and self actualization.

## II.7 Certificate course in Project Finance in collaboration with IFMR, Chennai

Project financing has become one of the core activities of banks in the recent years. With the growth in the economy and the revival in the industrial sector coupled with the increasing role of private players in the field of infrastructure, more and more banks are entering into the project finance area. Institute offers a Certificate course in Project Finance in collaboration with Institute for Financial Management and Research, Chennai. During the financial year 2010-11, 4 batches of Project Finance course were organized, between 10<sup>th</sup> to 15<sup>th</sup> May 2010, between 21<sup>st</sup> to 28<sup>th</sup> August 2010, between 22<sup>nd</sup> to 27<sup>th</sup> November 2010, and between 21<sup>st</sup> to 26<sup>th</sup> February 2011. In all 97 candidates participated in the above mentioned batches, out of which 55 were from the banking sector.

So far, Institute has organized 13 batches of Project Finance course. In all 299 candidates participated in the course, out of which 185 were from the banking sector. 282 candidates have successfully completed the course. The bank group wise break up of candidates is given in the chart. It is worth mentioning that the Institute does not advertise the course and the course attracts candidates based on the feedback and recommendation of earlier participants.



## II.8 Certificate examination for Business Correspondents/Business Facilitators (BC/BF)

The Institute is keen to work in the area of financial inclusion as a provider of education and certification agency. An innovative training cum certification course for the employees of BC companies and individual BC/BF was launched on 23<sup>rd</sup> April, 2009 and a modest beginning was made with the enrolment of 278 candidates in 2009-10. Recognizing the language constraints of the candidates the Institute is offering the course, in addition to English & Hindi, in different vernacular languages such as Telugu, Marathi, Kannada, Assamese, Bengali etc at different places of the country. Also the courseware viz. 'Inclusive Growth Thro' Business Correspondent/Facilitator has been published in different languages.

The Institute is training the Business Correspondents/Business Facilitators (BC/BF) through its accredited Institutions under this scheme. This certificate examination has 2 components viz. a) Training cum Internal Assessment: An accredited Institution will conduct the training on BC/BF

course as prescribed by the Institute for 5 days and will also make an internal assessment for 40 marks as per the guidelines of the Institute and b) Testing by IIBF: The Institute will conduct an Examination (objective type with multiple choice questions) for 60 marks.

During the year ending March 2011, the Institute has trained 1043 Business Correspondents/ Business Facilitators (BC/BF) of various banks through its accredited Institutes. The training Institute wise trained candidate's details are as follows (Table 9):

**Table 9. Details of candidates for BC/BF training cum certification: (Number)**

Training Institute	Candidates trained during the year (2010-11)	Cumulative no. of candidates trained
Crux Management	483	538
BASIX Academy	31	197
Genesis	222	243
PNB	157	193
UBI RDSETI	80	80
MITCON	28	28
IIBM	24	24
NIS Sparta	18	18
<b>Total</b>	<b>1043</b>	<b>1321</b>

These examinations were held at different places across the country as and when trainings were completed. The details of places where these examinations were held during the year 2010-11 are furnished below:

**Table 10. Details of examination held for BC/BF (Number)**

State	Place of Examination	Candidates	Medium of Examination
<b>West Bengal</b>	Kolkata (5 batches), Birbhum	150	Bengali
<b>Bihar</b>	Patna	125	Hindi
<b>Punjab &amp; Haryana</b>	Ambala Cantt	18	Hindi
<b>Maharashtra</b>	Kolhapur, Sangli, Alibaug, Mumbai, Pune, Latur and Shahpur	281	Marathi
<b>Assam</b>	Guwahati	24	Assamese
<b>Andhra Pradesh</b>	Karimnagar, Hyderabad, Mehaboobnagar, Adilabad, Ananthapur, and Medak	222	Telugu

The fee in respect of candidates, who have successfully completed the course, has been met by NABARD to the extent of 100% in case of 256 financially excluded districts and 75% in case of other districts.

### Examination Centre Superintendents (ECS) Meet

Meetings of the Examination Centre Superintendents are held to brief the In - Charge of examination centers about the conduct of the examination. These are held at regular intervals to brief them about the expectations of the Institute while conducting the examinations. Southern

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Zone meet was held at Chennai on 21<sup>st</sup> April 2010. Western Zonal Office conducted a meet at Mumbai on 19<sup>th</sup> April 2010 and Eastern Zonal office held the meet at Kolkata on 29<sup>th</sup> April 2010. Nearly 150 examination superintendents of various centers attended these meets.

### III. ACADEMIC ACTIVITIES

#### III.1 New Courses/programmes

##### (a) Revised CAIB

The revised CAIB examination, which was announced during last year, was implemented during the year. In order that the persons who have passed only one or two papers are not affected, it was stipulated that the old syllabus will be running concurrently for next three examinations. Candidates who have not passed any paper but had remaining attempts in the old syllabus were encouraged to switch over to the new syllabus.

##### (b) Course on Customer Service & Banking Codes and Standards

Institute has launched a course on "Customer Service & Banking Codes and Standards" on 12<sup>th</sup> November, 2010, in association with the Banking Codes and Standards Board of India (BCSBI). The objective of the course is to educate and certify bank employees on various aspects of customer service and to test them on customer service and banking standards and codes. The courseware includes a specially developed book and a computer based on-line simulation on customer service. In the simulation, the candidates can test their customer service skills in terms of dealing with nine different types of customers. At the end of the simulation, the candidates are provided with a feedback on their customer service attitude and aptitude.

##### (c) Direct Recruits E-Training:

Once a candidate is selected for a job by a bank, he/she undergoes intensive training/probation with the bank. This probation period is generally for a year though it could be for two years in some banks. During this period, candidates are trained on various aspects of banking. It is however a fact that on account of large scale recruitment, banks are not able to train candidates immediately on recruitment. It is also seen that a substantial time of the training is devoted to teaching basics of banking. Further, the practice of bringing all the newly recruited staff to a central point or the training centers located at various parts of the country after their joining and thereafter spending a mandatory time on training causes delay and increased costs to banks concerned. The Institute studied this issue and developed an E-Course/E-Training for direct recruits to impart common denominator knowledge to new recruits such that the training cost and time of the recruiting banks could be reduced considerably.

The Institute has introduced this novel e-training programme to provide structured, quality inputs to the new recruits, as soon as they are shortlisted or as soon as they join a bank, in the form of e-learning and make them job ready within a short time. This programme will result in reducing the training time and cost to banks. This e-learning is backed by testing arrangements so that performance of candidates could be monitored. Further, testing could also be customized to meet needs of individual banks.

#### **The components of the E-learning package include:**

1. *E-Book on Basics of Banking:* This E-book contains 17 chapters on various aspects of banking and a glossary.
2. *E-Learning on Introduction to Banking:* This e-learning on introduction to banking contains 31 units on various aspects of banking.



3. *E-Learning on Core Banking*: This is an exclusive e-learning on Core Banking developed by the Institute. This is a 5 to 6 hour long e-learning and teaches core banking on a 'learn and try' basis simulation. This provides a complete insight into the banking business under CBS banking application environment
4. *Testing*: At the end of e-learning and class room training if needed, the Institute will conduct an on-line objective type test for candidates as per the needs of banks. The study period before the test could vary from one month to six months depending on the requirement of the bank. This on-line test is aimed to assess the level of understanding of candidates. The candidate and the bank are provided with the marks scored by the candidate. The candidate can appear for the test for a second time if the bank feels that the marks scored is not up to the threshold stipulated by the bank. Institute is in a position to customize the examination such that some bank specific questions could be added in the test.

The objective of the e-training is to provide familiarity about (a) the basics of banking, and (b) the CBS environment at the entry level itself which will reduce the time of on the job training to such candidates.

The E training has been taken by Bank of Maharashtra, Citibank, Yes Bank, Syndicate Bank, and State Bank of Travancore. The Institute will be approaching all the banks such that in the next few years, this could be a regular course offered by the Institute to all the new recruits, both clerks and officers.

### III.2 Other academic initiatives

#### a) Web Classes for JAIIB/CAIIB examinations

Institute has been, over the past few years, increasing the number of study support services extended to candidates. Currently, the support services include Courseware, Work Book, Contact Classes (at Select Centres), E-learning (JAIIB/DB&F, Treasury, ALM) and Portal Updates for Examinations. E learning was introduced for all the three papers of the JAIIB and DB&F examinations for the December 2010 examinations and log-ins were given to over 50,000 candidates, who have registered their emails with the Institute.

As a further measure, the Institute has started providing web classes from the May 2011 examination. For this purpose, the Institute has with the help of subject matter experts (SMEs'), developed tutorials (web classes) for three papers of JAIIB and two compulsory papers of CAIIB. On an average, each module is covered in 7 to 8 hours and the full subject in 25-30 hours. The SMEs' have covered the essentials of each unit in such a manner that candidates could easily grasp the subject. The student will benefit immensely by listening to the lectures and thereafter, if he/she refers to the courseware, it will be easy for him/her to grasp the finer points covered therein. Hence, web classes will help the candidate to master the subject in an easy and self paced manner. The candidate can access these lessons at his convenience and from his place of choice. This is akin to having a private tutor by each candidate provided he/she has access to a computer with net facility.

The technology partners are using the cloud computing technology to give access to over 60,000 candidates concurrently. This is a major initiative to make available recorded classes to all the candidates enrolling for the examinations of the Institute. The Institute has plans to provide live classes using the same platform for its various examinations in due course.

#### b) E-learning for the certificate course in Anti-Money Laundering & Know Your Customer

The Institute has started offering an e-learning programme for the candidates enrolling for the above course since January 2011 in collaboration with Kesdee International.

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The six courses in the e-learning are as under:

1. What is Money Laundering?
2. International Initiatives
3. Customer Identification Process
4. USA Patriot Act
5. Wolfsberg Principles on Correspondent Banking
6. Terrorist Related Issues

The package has one exclusive lesson on “Know Your Customer (RBI Guidelines)”. On completion of this course, a candidate will be able to:

- State the importance of KYC policy in the Indian Banking scenario.
- Identify the elements of KYC policy.
- Recognize the risks that are associated while implementing KYC policy.
- The process of Money Laundering, measures against money laundering and initiatives taken by various organizations to combat terrorism.
- Comprehend the implications of offshore financial centers and non-cooperative countries on Money Laundering.
- Understand the implications and penalties for non-compliance with Anti-Money Laundering legislations.
- Due diligence measures undertaken by financial institutions to deter money laundering and terrorist financing.
- Regulations applicable to banks.
- Principles that are to be adopted by banks to guard against money laundering.

This AML/KYC course has come in for praise from the FIU, Government of India recently and they have opined that the course should be taken preferably by all the branch staff in order to improve the KYC/AML scrutiny.

### Contact Classes

Contact classes are of one day duration for each paper of JAIIB/CAIIB. Zonal offices organised Contact Classes at 17 centres viz. Bengaluru, Chennai, Hyderabad, Mumbai, Nagpur, Bhopal, Indore, Pune, Navi Mumbai, Ahmedabad, Kolkata, Patna, Guwahati, Ranchi, Lucknow, Ludhiana and New Delhi for the benefit of candidates taking up the JAIIB/CAIIB/ DB&F examinations during the year 2010. Nearly 6000 candidates participated in such classes. These classes are held by faculty members, who have attended the Train the Trainers Programme organized by the Institute from time to time. The TTP is organized by the Institute to ensure standardized delivery of courses across the country.

### III.3 Training Activities

#### a) Trainers’ Training Programme (TTP)

1. The Institute had organized a two day Trainers’ Training Programme (TTP) for Nodal Officers of Syndicate Bank at Bengaluru for implementing Financial Inclusion at Regional Offices, Directors from National Academy of Rural Development & Self Employment Training Institute (RUDSETIs) & Syndicate Institute of Rural Entrepreneurial Development (SIRDs), who in turn will conduct the training programmes to Business Correspondents and Branch Managers implementing Financial Inclusion. The TTP was organized on 6<sup>th</sup> & 7<sup>th</sup> September 2010 at Bengaluru.

2. The Institute had organized at Ahmedabad on 20<sup>th</sup> & 21<sup>st</sup> September 2010, a two day Trainers' Training Programme for the Regional Managers/Lead District Managers/Agricultural Officers of Dena Bank, who will, in turn, impart training to the officials involved in the process of Financial Inclusion through Business Correspondents for smooth implementation of the Financial Inclusion Plan of their banks. 51 officers participated in the training.
3. The Institute had organised a two day Trainers programme in BC/BF for Bank of Maharashtra at their Staff Training College, Pune on 6<sup>th</sup> and 7<sup>th</sup> December 2010. The programme was inaugurated by the Executive Director, Bank of Maharashtra. The number of participants in the programme was 43.
4. A two day Trainers' Training Programme was held on 17<sup>th</sup> and 18<sup>th</sup> January 2011 at Kolkata for Allahabad Bank Officers. The programme was inaugurated by the General Manager, Allahabad Bank. 26 officers attended the training.
5. BC/BF Trainers' Training Programme was held at Kolkata for UCO Bank Officers on 19<sup>th</sup> and 20<sup>th</sup> January 2011. The programme was inaugurated by the Deputy General Manager of UCO Bank. 47 officers attended the programme.

All the programmes were well received by the participants and the feedback was encouraging.

### b) Workshop on "Risk Intelligence" at Kolkata

The Institute had conducted a workshop on "Risk Intelligence" in association with Deloitte for the bank executives of United Bank of India on **20<sup>th</sup> August 2010** at **Kolkata**. The programme was inaugurated by Shri Bhaskar Sen, Chairman & Managing Director of United Bank of India. 20 senior executives of the bank participated in the programme.

The Risk Intelligence program organized in the form of Deloitte premium league, a simulation, is intended to serve as a useful guide on the journey towards Risk Intelligence by helping personnel, in all functions of an organization, to broaden their perspective on risk and improve their ability to execute their risk related responsibilities. The Risk Intelligence Map could be used in various ways, including the following -

- Spur discussions about risk management topics including risk identification, prioritization and measurement
- Facilitate the connection of risk management silos
- Identify redundant efforts in place to manage risk
- Improve efficiency in compliance and risk management efforts
- Develop risk event scenarios that require integrated responses

This program was of one day duration from 9 a.m. to 5 p.m. and covered areas like Governance, Strategy and Planning, Operations/Infrastructure, Compliance and Reporting. Earlier the Institute had organised a similar program for the Executives of Central Bank of India. Both the programmes came in for good appreciation from the senior bankers who attended the same.



Dr. R Bhaskaran welcoming Mr. Bhaskar Sen, CMD, United Bank of India and other Senior Executives for the seminar on "Risk Management" at Kolkata.

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### c) Workshop on “Compliance” at New Delhi & Bengaluru

The Institute had organized two back to back workshops of two days each on Compliance at New Delhi and Bengaluru between 20<sup>th</sup> and 23<sup>rd</sup> October 2010 in co-ordination with International Compliance Association, London, wherein about 48 senior executives of the public sector/private sector & foreign banks including Reserve Bank of India participated. The program at Delhi was inaugurated by Mr. T Y Prabhu, the then Chairman and Managing Director of Oriental Bank of Commerce, who briefly reviewed the banking scene and stated that compared to the large amount of compliance stipulations these days, the only compliance during the seventies was the Compliance to the CAS-Credit Authorization Scheme. He however opined that the compliance issue is gaining importance because of the complexities of banking business currently faced and due to the regulatory focus and the increased risk perceptions in the banking business. Mr. Jonathan Bowdler, Consultant, International Compliance Association, London was the course Director.



Dr. R. Bhaskaran, CEO, IIBF welcoming and introducing the Chief Guest, Mr. T.Y. Prabhu, CMD, Oriental Bank of Commerce, and the delegates of the Compliance Workshop held at New Delhi.

The following topics were discussed elaborately:

- Understanding the Regulatory Environment
- Role of the Regulator
- Role and Skills of the Compliance Officer
- Effective Compliance Risk Management
- Managing The Risk of Money Laundering and Terrorist Financing
- Financial Crime Prevention
- Corporate Governance, Ethics and the Benefits of Compliance

Some of the important points which emerged from the feedback of the participants are:

- There is a need for a Chief Compliance Officer in each bank who should be in the rank of Deputy General Manager or General Manager.
- As regards the structure of the organization, while some opined that the compliance function should be at Head Office and Zonal Office level, some others were of the opinion that there should be compliance officers at the branch level too.
- All the participants appreciated the importance of the compliance function.
- Technology should be leveraged for ensuring that an efficient compliance system is put in place.

The Institute is in discussion with subject matter experts on the scope of introducing a certificate examination on compliance keeping in view the importance of this subject

## IV. ANNUAL LECTURES/CONFERENCES AND WORKSHOPS

### i) 4<sup>th</sup> R.K. Talwar Memorial Lecture – 2010

The 4<sup>th</sup> R.K. Talwar Lecture was delivered by Dr. Rakesh Mohan, Chairman, National Transport Development Committee Planning Commission, Government of India, on ‘The Future of Financial Regulation: Some Reflections’ on 28<sup>th</sup> July 2010 at State Bank of India auditorium, Mumbai.

### ii) 27<sup>th</sup> Sir Purushothamdas Thakurdas Memorial Lecture – 2010

The 27<sup>th</sup> Sir Purushothamdas Thakurdas Memorial lecture was delivered by Mr. Nandan Nilekani, Chairman, Unique Identification Authority of India on the topic “The Goal of Financial Inclusion – Have We Reached Tipping Point?” on 9<sup>th</sup> December 2010 at State Bank of India auditorium, Mumbai.

## V. PUBLICATIONS

### a. IIBF Vision

Institute has brought out on time all the issues of the IIBF Vision, the monthly news bulletin on the current developments in the banking and finance sector. This publication is sent free of charge to all the life members of the Institute. The news letter is well received and the coverage is appreciated by bankers, especially, those who prepare for their promotion examinations. In order to test the candidate’s knowledge on latest developments, a few questions for the Institute’s examinations are based on the information in IIBF vision; hence it is a tool for continuing professional development of the members of the Institute. As per the request of bankers, especially from the RRBs, the Vision is also brought out in Hindi version, which is put on the portal of the Institute for free down loading.

### b. Bank Quest

The Institute has brought out quarterly issues of the Bank Quest as per schedule and they were on the themes as shown below:

1. Banking Technology ( April – June 2010)
2. HRM in banks (July – September 2010)
3. Aadhaar (October – December 2010)
4. CEOs Speak (January – March 2011).

Apart from articles of high quality on the themes mentioned, the issues also covered other topics of current relevance. Bank Quest has received considerable appreciation from its readers. This is now a priced publication; however the same is also put on the portal of the Institute for free down loading. The CEO speak issue is a regular feature, wherein the Institute calls for the opinions of the Chairman and Managing Directors of banks on issues of current and future relevance. The comments of these bank leaders throw open new vistas of knowledge to bankers and researchers alike. Institute is grateful to all the CMDs, who have responded to make the CEO speak issue a great success year after year.

### c) Fin@quest

Fin@quest is a daily e news letter put on the portal of the Institute. Institute has given free access to the GM-HR of banks and also to others who have subscribed for the same at a nominal fee of Rs. 200/- per year. This is a miniature news paper on financial matters and helps the reader to get the essential developments at a glance first thing in the morning.

### d) Books and Courseware

The Institute has launched the revised format of the CAIIB Examination with 2 compulsory papers and 11 elective papers with effect from January 2011. During the year, the Institute published books as courseware for the two compulsory papers and 9 electives through Macmillan India Limited, New Delhi. For remaining two elective papers viz. Central Banking and Corporate Banking, the Institute had, for the December 2010 examination, recommended books available

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in the market. The Corporate Banking book was published before March 2011 examination. The Central Banking book will be published shortly. The Institute will also bring out publications in Hindi Medium.

### Publications in local languages

As indicated earlier, the Institute had, during the previous year, launched a certificate course for the newly-emerging cadre of financial intermediaries called Business Facilitators and Business Correspondents (BF/BCs). The objective of the course is to expose the individual BF/BC or employees of BF/BC firms to current developments in the field of banking/rural banking and to upgrade their skill-sets so as to enable them to relate better with rural people. The book titled **“Inclusive Growth thro’ Business Correspondent”** is the courseware for the said certificate examination. In order that the courseware is relevant to the people who may lack proficiency in English, the Institute has taken steps to publish this book in vernacular languages. During the year the said book was published in **Bengali, Malayalam, Marathi, Kannada & Telugu** and launched at Bankers Meet / State Level Bankers’ Committee Meet as under:

1. The Malayalam version of the book ‘Inclusive Growth through BC/BF’ was released by Shri P Pradeep Kumar, Managing Director, State Bank of Travancore on 8<sup>th</sup> November 2010 at the Bankers’ Meet at Trivandrum.
2. The Marathi version of the book was released at the State Level Bankers



Release of the book on Inclusive Growth in Kannada by Mr. S. V. Ranganath, Chief Secretary, Government of Karnataka on 28.3.2011 at the SLBC Meeting at Bangalore.



Release of the book on Inclusive Growth in Malayalam by Shri Pradeep Kumar, Managing Director, State Bank of Travancore on 8.11.2010 at Thiruvananthapuram at the Bankers’ Meet.

4. Kannada edition of the book was released by the Chief Secretary of Karnataka at the State Level Bankers Committee, Karnataka at a meeting held on 28<sup>th</sup> March 2011 at Bengaluru.
5. The Telugu version of the book was released by the Hon’ble Chief Minister of Andhra Pradesh at the SLBC meeting held on 30<sup>th</sup> March 2011.

Committee meet held at Varsha, Malabar Hill, Mumbai by Shri A. S. Bhattacharya, Chairman & Managing Director of Bank of Maharashtra on 23<sup>rd</sup> December 2010.

3. The Bengali version of the book was released by Dr. Asim Dasgupta, Hon’ble Finance Minister of West Bengal on 28<sup>th</sup> December 2010 at Kolkata during the State Level Bankers Committee Meet.



Release of the book on Inclusive Growth in Telugu by Honourable Chief Minister of Andhra Pradesh Shri N. Kiran Kumar Reddy on 30.3.2011 at the SLBC Meeting at Hyderabad.

The translation of the book in Tamil and Gujarati languages is complete. These books will be published shortly.

## VI. RESEARCH INITIATIVES

### Macro Research activities of the Institute

Every year, the Institute invites proposals for Macro research through advertisements in the Economic and Political Weekly and its Portal. The shortlisted candidates are called for a presentation before the Research Advisory Committee and the recommendations of the Committee are sent to the President of the Institute for final approval. Once selected, the researchers carry out full-fledged research for a period of 4 months.

The Institute awards a grant of Rs.1,50,000/- per project for undertaking the project. The researchers are required to send mid-term reports about their progress, which again are vetted by the RAC members. An advance of 25% of the grant is given to the researchers. In case they fail to complete the work, they are required to refund the same with interest. No such occasions have arisen in the past. So far, 22 research projects have been completed. The Institute has published the initial 10 research works in two volumes and copies given to banks for wider dissemination of the findings.

### Research projects of 2010-2011:

During the year, Institute had called for research proposals vide its advertisement in the Economic and Political Weekly (May 2010) and also on Institute's portal in the following areas:

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

In response to the advertisement, the Institute had received **20** proposals. Out of 20 proposals, the Research Advisory Committee had short listed **9** proposals for presentation. Based on the presentations made by the researchers, Macro research papers have been awarded as under:

- a) Dr Upendra Rao and others of State Bank of India, Staff College, Hyderabad for the research titled an **Evaluation of the BC/BF Model**
- b) Dr. A. Kanagaraj, Professor, Indian Institute of Management, Indore, M.P. for a research titled **Emerging Challenges of Financial Regulation**
- c) Dr. Prakash Singh, Professor, Indian Institute of Management, Lucknow, U.P. for a research titled **Measuring effectiveness of Microfinance institutions in achieving financial inclusion, developing model for valuation and suggesting a regulatory framework**
- d) Dr. S. Renuga Devi, Prof. & Head, PG & Research Dept. of International Business, SNR Sons College, Coimbatore for a research titled **Role of Rating in Motivating Retail investors with special reference to Coimbatore Dist.**

### Micro Research

The Institute encourages its members to take up Micro research on topics of contemporary interest. Under this scheme, they are required to send a paper of 5000 words on topics of their interest. These are evaluated by leading economists/bankers and their recommendation is placed before the RAC for its approval. The candidates who have written the first three selected articles are given cash prizes of Rs.10,000, Rs.5,000 and Rs.3,000/- respectively.

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During the year, Institute had received **28** essays for the Micro Research Competition conducted by the Institute. The essays were evaluated by the resource persons of the Institute and The Research Advisory Committee selected **6** essays of the following candidates for award of prizes. The winners of the Micro Research Competition for 2010-11 were:

**1st Prize:** Dr. Firdos T. Shroff, Chetana's R.K. Institute of Management & Research, Mumbai.

**Title:** Impact of Technology on Banking in Public Sector Banks – An Empirical Study

**2nd Prize:** Mr. N.D.S.V. Nageswara Rao, Chief Manager (Research), State Bank Institute of Rural Development, Hyderabad

**Title:** Financial Inclusion – Banker's Perspective

**3rd Prize:** Dr. Suresh Chandra Bihari, Faculty Member, IBS Hyderabad

**Title:** Financial Literacy – The Key to Financial Deepening

**Consolation Prize:** Mr. Ravi Kumar Sharma, Manager (Marketing), Punjab National Bank, New Delhi

**Title:** Rebranding and Product Branding in Indian Banks – A Study

**Consolation Prize:** Dr. K. Narayana, (Ex-Faculty, Syndicate Bank), Mangalore

**Title:** Work Life Balance – Dilemma of Indian Bank Manager

**Consolation Prize:** Mr. Sachin Joseph, The South Indian Bank Ltd., Ernakulam

**Title:** Financial Inclusion: Involving the uninvolved through product, channel and marketing innovations

### Diamond Jubilee C H Bhabha Overseas Research Fellowship

The Institute has been awarding the Diamond Jubilee Fellowship since 1988. Recently C.H.Bhabha Scholarship was also added to the Diamond Jubilee Fellowship. In order to improve the quality of the research proposals under the scheme, certain modifications as given below have been approved.

Institute will be involving the B schools with proven expertise in research while selecting the candidates and the following roles are envisaged for them:

#### 1. Proposed role of B-Schools/Academic Institutions - Pre-selection

Management institutes/B-Schools/ Research Institutions will be involved in the pre-selection as well as the post-selection process. At the time of submission of the research proposal, interested candidate will be directed to the nearest Institution to seek the guide's support to finalize the hypothesis, research topic, session plan and sharpen the objectives.

#### 2. Post Selection role of B-Schools/Academic Institutions

In case the candidate who has been guided by the B-School's faculty gets selected for receiving the Diamond Jubilee Award (to be selected by a panel set up by the Institute), the Institution/B-School should take the selected Fellow under its wings and guide him/her in carrying out the research keeping in check the quality as well as the deadline for submission. The B-School will offer library support to the candidate, to complete the project.

In addition, the following conditions will also apply for the award of scholarship.



1. Age limit for the candidates is enhanced to 50 years.
2. Those who have applied/awarded the fellowship earlier are not eligible to apply for the scholarship
3. The candidate applying for the scholarship should be a life member of the Institute and his/her application should be recommended by the employer, which should be an Institutional member of the Institute.

The Institute is in the process of identifying suitable B Schools to implement the modified scheme.

## VII. INDUSTRY INTERACTION

### **CEO's Presentation to Indian Banks' Association**

The CEO of the Institute made a presentation before the Managing Committee members of Indian Banks' Association and provided details about the various initiatives, examinations, research activities, CPD efforts and collaboration arrangements of the Institute. It was highlighted that in the case of diploma, certificate and e-learning, the endeavour of the Institute is to supplement the efforts of banking and financial institutions and the training system in banks so that the efforts are not duplicated and at the same time, common denominator knowledge could be made available in a cost effective manner. The presentation covered the following areas-

- **Training of direct recruits through e-learning and testing:** The Institute has introduced this novel e-training programme to provide structured, quality inputs to the new recruits, as soon as they are shortlisted or as soon as they join the bank in the form of e-learning and make them job ready within a short time. This programme will result in reducing the training time and cost to banks.
- **Training and certification of BC/BF:** The Institute is training the Business Correspondents/ Business Facilitators (BC/BF) through its accredited Institutions under this scheme. This certificate examination has 2 components viz. a) Training cum Internal Assessment: An accredited Institution will conduct the training on BC/BF course as prescribed by the Institute for 5 days and will also make an internal assessment for 40 marks as per the guidelines of the Institute and b) Testing by IIBF: The Institute will conduct an Examination (objective type with multiple choice questions) for 60 marks.
- **Continuing Professional Development and new CAIIB:** Under the new guidelines, candidates who have completed the CAIIB earlier can appear for one paper of elective subjects at a time. The institute is offering 11 electives. Banks are being approached to incentivize the successful candidates who take up the electives and treat it as a continuous professional development effort.
- **Diploma in Banking & Finance:** The idea behind the diploma is that eventually it should be the only entry point qualification as the diploma is currently equal to JAIB and has a core banking e-learning module which makes candidates job ready from the day of joining the bank.

The Management Committee of IBA had appreciated the various steps taken by the Institute and assured support for its activities. Further, it suggested the following -

- 1) IIBF may consider opening up the Diploma in Banking & Finance qualification to 12<sup>th</sup> passed candidates;
- 2) IIBF may reach out to more colleges across the country and emphasize that the qualification was recognized as a desirable qualification by IBA for the purpose of recruitment and;

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- 3) IIBF may engage closely with the HR departments of banks to disseminate the efforts of the Institute for mutual benefit.

The Institute has since decided to implement the above suggestions with immediate effect.

### General Managers' Meet

Institute had organised a meeting of HR Chiefs and Training Chiefs of banks with the objective of briefing them about the recent initiatives of the Institute on Friday, the 3rd December 2010 at Cuffe Parade, Mumbai with special focus on enhancing the professional competence of bankers more particularly on the following:

- Revised format for CAIIB Examination and support for CPD Programme
- Training cum certification for Business Correspondents /Business Facilitators.
- Advanced Management Programme
- Diploma in Banking & Finance
- Certificate course on Customer Service & Banking Codes & Standards
- Direct recruits training on Banking
- Leadership programme for Bank Managers
- Certified Trainers' Programme
- Induction of new members
- Other initiatives on the anvil.

Thirty-nine executives holding the posts of General Managers/Deputy General Managers/ Assistant General Managers (HRD & Training) of Public/Private Sector Banks and RBI attended the meeting and expressed their views on the activities of the Institute and gave feedback for further improvements. They were of the view that the Institute may provide hand holding to the candidates for some of its examinations in the form of class room training, video conferencing etc. as the candidates may not be able to comprehend the contents on their own. They have indicated the need for short duration regular course in the area of Retail Banking, Risk Management, Compliance etc.

### Meeting of senior bankers

As part of the interface with the industry experts, the Institute had arranged a meet of senior bankers who have been associated with the Institute as council members, fellows, associates and resource persons, to seek their perceptions about the role the IIBF should assume in the years to come keeping in view its origin, activities, institutional base, membership background and professional status/recognition, on 7th May, 2010 in the council room of the Institute. Nineteen bankers attended, including a few retired CMDs and former council members of the Institute.

The objective of the meeting was to seek their views regarding the developments seen in regard to regulatory stipulations on professional examinations offered in recent years. All such developments necessitate the Institute to have a re-look into its activities and the stand it has to take in the banking education and examination front. Even though its qualifications have no statutory backing since beginning, these qualifications have been accorded due recognition, importance and support by banks, other stake holders and IBA. As the rules in regard to educational bodies are continuously evolving with stringent provisions, a revisit to the mission, vision and functioning of the Institute was found relevant.

The meeting provided an opportunity to know the perceptions of the senior bankers. Many of them opined that the growth achieved by the Institute is commendable and worthy of emulation

by similar Institutes in other parts of the world. They appreciated the strides made by the Institute in the area of new examinations, e-learning, research, publications, collaboration, consultancy engagements and continuing professional developments. Further they suggested that there is no need to change the basic tenets of the Institute and approach. They agreed with the view point that the Institute should move into a larger campus to provide class room and video conference facilities to help the students to prepare well for its examinations.

### **VIII. COLLABORATIONS / CONSULTANCIES**

#### **1. MOU with National Banking Training Institute, Nepal**

The Institute has entered into a MOU with National Banking Training Institute(NBTI), Nepal for collaborating in the area of banking education and examination.

The MoU was signed on 19.12.2010 at Kathmandu between the Institutes. Prior to that, the CEO had met the Governor of Nepal Rashtriya Bank, the Central Bank of Nepal, who was very supportive of this initiative. The CEO also met the Executive Director, Training wing of the Nepal Rashtriya Bank. He also made a detailed presentation to the training and HR heads of local banks on IIBF's activities.

The MOU was preceded by a brief presentation on Indian Banking and the role of IIBF by the CEO. The function was well attended and the participants hoped that the other initiatives will follow suit urgently to meet local needs.

The proposed collaboration arrangements, with NBTI in the area of training and development are as under.

IIBF to offer Technical Assistance (consultancy) to NBTI for development and offering of appropriate training based certification. The Technical Assistance will involve:

- Training need assessment
- Sharing of courseware with appropriate modifications
- Train the trainer programme
- Support for the preparation of question papers and conduct of certification examinations.
- Co-operation on establishment of Banking Diploma Programme

As part of the assignment, the Institute will be conducting a Training need assessment for the Nepalese Bankers. Similarly at the request of NBTI, the Institute organised a two day workshop on Asset Liability Management at Kathmandu for which resource persons were deputed from India.

#### **2. MOU with Zambia Institute of Banking & Financial Services (ZIBFS)**

Previously, the Institute had entered into a MOU with Zambia Institute of Banking & Financial Services (ZIBFS). According to the collaboration arrangement, JAIB examination of the Institute has been customised to meet Zambian requirements and offered as Professional Diploma in Banking & Financial Services (PDBFS). The PDBFA course was officially launched on 18th February 2011 at Lusaka by Dr. Tukiya Kankasa Mabula, Deputy Governor, Bank of Zambia. Prior to the launch, IIBF had conducted a Train the Trainer workshop for the faculty members of ZIBFS, who would be associating with the Tutorial classes to be conducted by the Zambian Institute. This was attended by 40 trainers during 13<sup>th</sup> to 17<sup>th</sup> February 2011. The first PDBFS examination was held in July 2011.

The mock test papers and final question papers were sent from the Institute to conduct the first examination. As per the arrangements, IIBF will be helping the ZIBFS to conduct the examinations for the first two years.

## Annual Report 2010-11

### 3. Moderation Assistance to the AAIOB: (Consultancy)

The Institute has extended moderation support to the examinations conducted by the members of the Alliance of African Institutes of Bankers (AAIOB). The Institute's Technical Assistance covers following Institutes.

1. Botswana Institute of Bankers
2. Chartered Institute of Bankers (Ghana)
3. The Kenya Institute of Bankers
4. The Institute of Bankers in Namibia
5. The Institute of Bankers in South Africa
6. The Institute of Bankers in Zimbabwe
7. The Chartered Institute of Bankers of Nigeria
8. Instituto de Formacao Bancaria de Mocambique
9. The Tanzanian Institute of Bankers
10. The Uganda Institute of Bankers
11. The Zambia Institute of Bankers
12. The Institute of Bankers of Malawi

As per this agreement the Institute had agreed to carry out a one time assignment covering the following:

- Scrutinize and moderate examination system followed by each of the twelve Institutes in conducting the examinations in all the 12 subjects of the associate exam.
- Verify the relevancy and topical nature of the questions in each of the question papers
- Verify the clarity, coverage of syllabus in the question paper
- Verify the adequacy of the time to enable an average student to answer the paper
- Pattern of awarding marks
- Uniformity in the pattern of assessment by all the Institutes and each Institute in all the subjects
- Suggest improvements in the examination system on any other related functions
- Suggest improvements in the assessment system.

During December 2009/January 2010, IIBF had carried out monitoring of two papers from the Chartered Institute of Bankers, Ghana on a pilot basis.

The Institute has subsequently received the full set of papers from the Ghana, Nigeria, Uganda, Kenya, Malawi, Tanzania, Zambia and Zimbabwe Institutes. The faculties of the Institute have completed the moderation of the papers received from these Institutes. The papers from the remaining four Institutes are awaited.

### 4. Technical Assistance - PNG Institute of Banking and Business Management Inc.,

The Institute has been awarded a consultancy assignment to revamp the diploma examinations of the Papua New Guinea Institute of Banking and Business Management Inc., including the revision of the banking course ware of PNGIBBM. The assignment is for a total of 120 man days and the scope of the assignment is as under –

- Review of the current Diploma in Banking modules content, length, materials, facilitation, methodology, assignments and assessment etc. The review should encompass a summary of how the Diploma compares to others available globally.
- Modify and improve these modules introducing competency based approaches

PNG Institute will be providing the logistical support in their country to complete the assignment on time. The final deliverables by the Institute under this assignment will be -

- Revised, updated and fully documented Diploma of Banking Courseware facilitation plans, case studies, assessment etc. in accordance with best practice methods and style incorporating as appropriate IBBM's existing materials and approaches.

Including the Sri Lanka MOU that came to a close during the year, this is the fourth overseas consultancy/collaboration assignment received by the IIBF. It is expected that request for collaboration/consultancy will come from the African and Asian region. The role and respect earned by IIBF in recent years have facilitated such assignments being offered to it.

### Local Consultancy

The Institute has extended consultancy assistance to KVIC. Govt. of India had constituted a High Power Committee under the Chairmanship of the then Prime Minister, Late P. V. Narasimha Rao to study the KVI sector and to suggest measures for its overall development. One of the recommendations of the High Power Committee was that development of Khadi should be assigned top priority by KVIC. As a sequel to this, a financial package was announced on 15th March 1995 with an outlay of Rs.1000 crore under a Consortium based Bank Credit (CBC). SBI was identified as the leader of the consortium. However over time, most of the units financed under CBC had not been able to perform satisfactorily due to huge stocks of unsold goods, severe liquidity crunch and were thus unable to generate sufficient cash flows for meeting their liability under CBC.

In order to recommend a rehabilitation package, KVIC had asked the Institute to study the issue and formulate a suitable OTS package in respect of the outstanding by Khadi and Village Industries to KVIC under CBC. An in-depth and analytical study was undertaken by the CEO and two faculties and the report was submitted to the KVIC authorities. The Report was highly appreciated by KVIC Chairperson and other officials.

### Local Collaborations:

The other area of collaboration is in the case of DB&F. These collaborative arrangements are entered into with colleges such that the candidates for DB&F examination get tutorial support from the colleges. The collaborations entered into during this year are as under.

#### 1. MOU with S.L. College of Science, Madurai

The Institute had entered in to MOU with S L College of Science, an autonomous college in Madurai, Tamil Nadu on 15.6.2010 to offer various courses of the Institute more particularly the Diploma in Banking & Finance to the students of the college. The MOU was signed by Dr. R. Bhaskaran, Chief Executive Officer on behalf of the Institute.

#### 2. MOU with Vasantrya Naik Mahavidyalaya, Aurangabad for DB&F

MOU was entered into with Vasantrya Naik Mahavidyalaya, Aurangabad for Diploma in Banking & Finance on 22<sup>nd</sup> June 2010. In this function dignitaries from banks, university and around 200 students were present. Mr. D. R. Wazkar, Director of Administration and Dr. Rekha Rani Singh, Zonal Head, Western Zone had attended the program.

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### 3. MOU with Thakur College of Science and Commerce, Kandivili, Mumbai

A MOU was entered with Thakur College of Science and Commerce at Kandivili, Mumbai for Diploma in Banking & Finance at College on 7<sup>th</sup> July 2010. In the function dignitaries from banks, university and students were present. Dr. R. Bhaskaran had addressed the participants and Zonal Head Dr. Rekha Rani Singh had given the Presentation on DB&F. The program was well received by the participants.

### 4. MOU with Karmaveer Bhaurao Patil Collage, Vashi, Navi Mumbai

A MOU was entered with Karmaveer Bhaurao Patil College at Vashi, Navi Mumbai for Diploma in Banking & Finance on 14<sup>th</sup> December 2010 at College. Around 200 students and faculties of college attended the program Dr. R. Bhaskaran, CEO had addressed the participants.



Signing of MOU with Karmaveer Bhaurao Patil College, Vashi for Diploma in Banking & Finance Examination.

## IX. WORKING OF ZONAL OFFICES

The four zonal offices of the Institute are the vital links of the Institute in ensuring efficient last minute delivery to members. The zonal offices offer support services and play an active role in marketing for enrolment of both individual and institutional members and conduct of the examinations. Given below are the activities attended to by them during the year under reference.

### 1. Bankers' Meet

Zonal offices arrange meetings of the bankers at various parts of the country. These meetings have two fold objectives namely delivery of lecture by senior bankers on topical issues and presentation by IIBF on its activities followed by question answers or a FAQ session. The meetings are useful to get closer to the members/candidates as also market various educational products of the Institute. These meetings are attended by GM/DGM/AGM and other officers and staff of various banks. The bankers meet at various parts of the country under the auspices of the respective zonal offices have helped the Institute to reach out to the existing members and potential members and also to show case the examinations and other activities performed by the Institute. The CEO participated in a number of these meetings and made presentations about the Institute.

In addition to Bankers meet, the Zonal Offices arrange for presentation about the courses offered by IIBF in the training centers of banks.

### 2. Information Centres

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

### 3. Tutorial Classes

Tutorial Classes were conducted at **Madurai, Trivandurm & Trichur** for the May/June and November / December 2010 JAIIB/CAIIB examinations.



Dr. R Bhaskaran addressing the Bankers' Meet held at Delhi.

### 4. **Special Contact Program for Certificate Examination:**

The Zonal office, Western Zone particularly has also arranged Contact Programmes especially for some of the certificate examinations viz.. CTF, Quantitative Methods for Banking & Finance AML&KYC, SME which were attended by some 600 candidates.

### 5. **Train the Trainers Programme:**

A two day TTP was conducted by the Zonal Office i.e. on 11<sup>th</sup> & 12<sup>th</sup> for the Diploma in Banking & Finance course at the S L College of Science & Management, Madurai.

## **X. OTHERS**

### **Scheme for RBI Young Scholar Award**

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

### **Class Room facility at the Zonal Office**

In order to conduct Lecture/ Workshop on contemporary topics at the Zonal headquarters periodically as part of member's education a class room was set up at the Southern Zonal Office of the Institute at Chennai. The class room was inaugurated by Dr R Bhaskaran, CEO, IIBF on 27<sup>th</sup> March 2011. Institute is planning to set up similar class room facility at all the other zones also.

### **Visitors to the Institute**

1. Dr. Andrew Simpson, Director of Executive Programmes and Mrs. Sharmishta Chatterjee-Banerjee, International Business Development Manager, Business School, New Castle University, United Kingdom had visited the Institute on 22<sup>nd</sup> July 2010 for exploring educational tie up with the Institute.
2. Mr. Sanjib Subba, Chief Executive Officer, National Banking Training Institute, "The Banking Academy of Nepal", Kathmandu, Nepal had visited the Institute on 4<sup>th</sup> August 2010 for discussion and the Institute has entered into an MOU with National Banking Training Institute, Nepal for collaborating in the area of banking education and examination. The MOU was signed on 19<sup>th</sup> December 2010 at Kathmandu between the Institutes.
3. Mr. Patrick Cullen, Executive Director, Australian Institute of Management visited the new campus of the Institute on 13.5.2011 and discussed the possibilities of entering into long term collaboration arrangements. Mr. Cullen appreciated the world class training infrastructure built by the Institute.

## **XI. FUTURE PERSPECTIVES:**

### **Certificate course for the employees of Regional Rural Banks**

The Institute will be introducing a new certificate examination exclusively for the employees of Regional Rural Banks. The certificate examination would address the contemporary needs of RRBs. The course will stress on the social importance of RRBs and the need to provide credit to the excluded segment of the population. The syllabus has been drawn taking into consideration the feedback from the Chairmen of RRBs and people who had first hand experience of working in such institutions. The course ware for the new examination is under preparation.

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### Certificate Examination in Asset Liability Management

The structure of the certificate examination in Asset Liability Management has been already approved. Institute has also caused the preparation of the courseware. The examination will be launched in 2011-2012.

### New activities/programmes on the anvil at the Kurla Training campus

The Institute has shifted its office to the new campus located at Kohinoor city, Kurla and the campus has two floors of which one floor of the new campus has been exclusively earmarked for academic and training purposes. State of the art training infrastructure has been created to provide class room training for the examinations of the Institute and also in niche areas. Institute has also created classroom infrastructure at its zonal centers. The class rooms in Mumbai will be linked with the class rooms at Zonal Offices through own video conferencing or Virtual classes.

Institute is currently offering 27 examinations on distance learning mode. Feedback received from candidates and banks from time to time show that for some of the courses, some amount of classroom teaching will be useful, while preparing for the examinations. The Institute has examined the feedback and it is proposed that in respect of the following examinations the Institute may offer intensive class room teaching to start with in Mumbai. The courses identified for classroom training are:

1. Diploma in Banking & Finance – 3 papers
2. Diploma in Treasury, Investment and Risk Management – 3 papers
3. Diploma in International Banking – 3 papers

In addition, the Institute may also offer 2-4 weeks intensive class room based certification for the following subjects/areas.

1. Certificate in Trade Finance
2. Certificate in Retail Banking
3. Certificate in risk Management

The detailed rules & regulations for the certificate courses are under finalization.

Two specialised programmes viz. Leadership programme for branch managers and Certified Bank Trainer programme are being planned with the help of outside experts both national and international. The Institute has been in negotiation with external bodies having requisite expertise to partner with it for offering such programmes.

Institute would be endeavoring to conduct and offer programmes in areas that would be of use to the bankers such that there is no duplication of efforts and at the same time the needs are met to mutual advantage. In this regard, Institute would collaborate with national and international bodies of repute to bring world class programmes and courses.

## XII. STAFF & PERSONNEL

During the year, the Institute appointed 3 officers, two at Corporate Office and one at Northern Zonal Office. 2 sub-staff were promoted as clerks. 4 officers and one clerk retired and two officers resigned from the services of the Institute. After taking in to consideration the appointment, retirement and resignation of the staff members, the staff strength of the Institute as of 31st March 2011 stood at 97 as against 101 as of 31st March 2010.



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

As a part of the Human Resource Development, the Institute had arranged a training program on 'Personality Development and Leadership Quality' to the staff of the Institute which was conducted by SPBT College. The Institute also continued to depute its Officers to various training programs conducted by various Management Institutions in India and abroad.

### **XIII. GOVERNING COUNCIL:**

#### **(i) New Members:**

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

- (a) Shri J P Dua
- (b) Shri Arun Kaul
- (c) Shri S Raman
- (d) Shri Ramnath Pradeep
- (e) Dr. Rana Kapoor
- (f) Shri T C A Ranganathan
- (g) Shri T M Bhasin
- (h) Shri Dilip Mavinkurve
- (i) Smt. A Bhattacharya

#### **(ii) Resignation of Members:**

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

- (a) Shri Yogesh Agarwal
- (b) Shri M S Sundara Rajan
- (c) Shri M Venugopalan
- (d) Shri J M Garg
- (e) Shri A C Mahajan
- (f) Shri Narayanan Raja
- (g) Shri U C Sarangi

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

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

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

The amount of sitting fee paid, during the year, to some of the non-executive Council Members amounted to Rs.1,12,000/-.

## Annual Report 2010-11

### (v) Frequency of Governing Council and Standing Committee Meetings:

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

- Governing Council – 4
- Executive Committee – 3
- Examination Committee – 2
- Committee on Education & Training – 1

### (vi) Information supplied to the Governing Council:

Information under the following heads was presented to the Council:

- Action taken report of the decision of Council.
- Minutes / Decisions of different Committees.
- Income - Expenditure of the Institute.
- 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

## **XIV. FINANCIAL POSITION**

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

During the year, the Institute earned examination fee of Rs. 25.27 crore (Rs. 18.92 crore in 2009-10) and a total income of Rs.36.41 crore (Rs. 33.25 crore in 2009-10). The increase in income has come on account of more candidates taking Institute's examinations.

The total expenditure of the Institute, during the year was Rs. 29.91 crore (Rs. 25.11 crore in 2009-10) resulting in surplus of 6.5 crore (Rs. 8.14 crore in 2009-10).

As on 31<sup>st</sup> Mach 2011, the Institute had a total asset of Rs. 150.67 crore and Reserves and Surplus of Rs. 125.52 crore. The income from investment helps the Institute to maintain a low fee structure.

## **XV. 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 2010-11 and of the Income and Expenditure of the Institute for that period;
3. The Council had taken proper and sufficient care to the best of its knowledge and ability for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Institute and for preventing and detecting fraud and other irregularities; and
4. The Council had prepared the annual accounts on a going concern basis.

**XVI. STATEMENT CONTAINING PARTICULARS PURSUANT TO COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988**

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

The Institute has, however, used information technology considerably in its operations.

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

	<b>Rs. in lakhs</b>	
1. Foreign Exchange Earnings	Rs	9,94,440
2. Foreign Exchange Outgo	Rs	30,16,720

**(B) Particulars of Employees**

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

**XVII. CHANGE OF REGISTERED OFFICE**

During the year with effect from 11<sup>th</sup> May, 2011 the registered office of the Company shifted to Kohinoor City, Commercial II, Tower 1, 2nd Floor, Kirol Road, Off LBS Marg, Kurla (West), Mumbai 400 070 from The Arcade, World Trade Centre, 2nd Floor, Cuffe Parade, Mumbai 400 005.

**XVIII. 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 Institute places on record its deep appreciation for the contribution made by the outgoing President Mr. O P Bhatt, Chairman of State Bank of India for the growth of the Institute. The Council also takes this opportunity to thank all employees for rendering valuable services to every constituent of the Institute.

On behalf of the Governing Council

Mumbai, Date: 28.07.2011

*President*

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

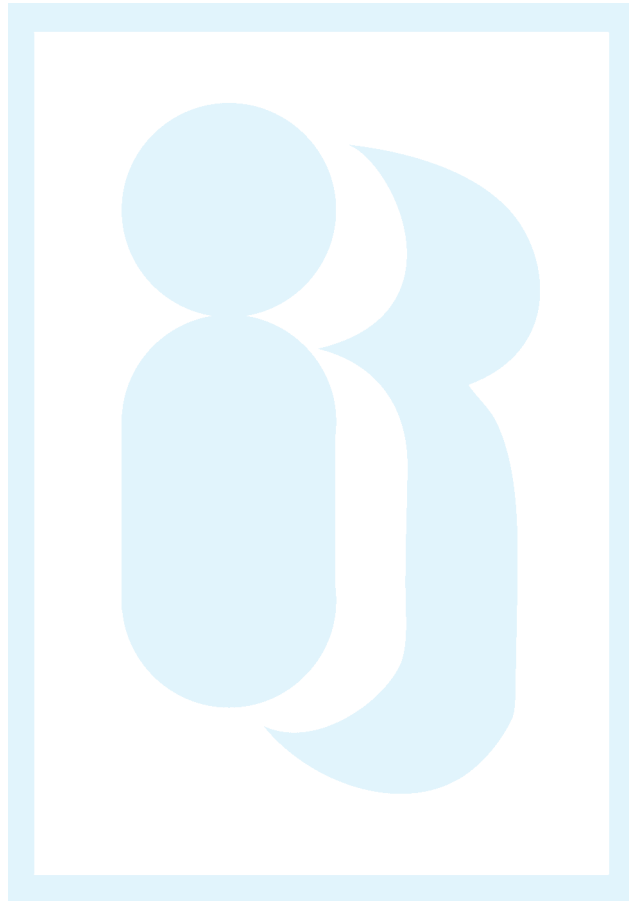
1. We have audited the attached Balance Sheet of Indian Institute of Banking and Finance as at 31<sup>st</sup> March, 2011 and also the Income and Expenditure Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, is not applicable to Companies licensed to operate under Section 26 of the Indian Companies Act, 1913, no report has been made on the matters specified therein.
4. We report that:
  - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) in our opinion, proper books of account as required by law have been kept by the Institute so far as appears from our examination of those books, and proper returns adequate for the purposes of our audit have been received from the sub-centers not visited by us;
  - (iii) the Balance Sheet and Income and Expenditure Account dealt with by this report are in agreement with the books of account;
  - (iv) in our opinion, the Balance Sheet and Income and Expenditure Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (v) on the basis of written 85 representations received from the Members of the Governing Council (Directors) as on 31<sup>st</sup> March, 2011, and taken on record by the Governing Council, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

## Indian Institute of Banking & Finance

- (a) in the case of the Balance Sheet, of the state of affairs of the Institute as at 31<sup>st</sup> March, 2011; and
- (b) in the case of the Income and Expenditure Account, of the surplus for the year ended on that date.

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

Place : Mumbai  
Date : July 28, 2011



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

## Balance Sheet as

31st March 2010 Rs.	LIABILITIES	Schedule	31st March, 2011 Rs.
1,134,286,313	Reserves and Surplus	1	1,255,234,655
188,430,896	Current Liabilities and Provisions	2	251,474,262
1,322,717,209	<b>TOTAL</b>		1,506,708,917

Significant Accounting Policies - Schedule 14.

Notes to accounts - Schedule 15.

As per our report attached

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

**(S. M. Chitale)**

Partner

M. No. 111383

Place : Mumbai

Date : July 28, 2011

at 31st March, 2011

31st March 2010 Rs.	ASSETS	Schedule	31st March, 2011 Rs.
58,929,191	Fixed Assets	3	602,232,326
758,363,531	Investments	4	444,215,928
505,424,487	Current Assets, Loans and Advances	5	460,260,663
<u>1,322,717,209</u>	<b>TOTAL</b>		<u>1,506,708,917</u>

**R. Bhaskaran**  
Chief Executive Officer

**M D Mallya**  
President

**P Balachandran**  
Deputy Chief Executive Officer

**Dr. K Ramakrishnan**  
Council Member

Place : Mumbai  
Date : July 28, 2011

## Income and Expenditure Account

31st March, 2010 Rs.	EXPENDITURE	Schedule	31st March, 2011 Rs.
62,996,408	Staff expenses	6	66,984,751
12,597,335	Premises expenses	7	15,464,692
49,914,281	Administration expenses	8	50,691,817
79,873,473	Examination expenses		103,824,249
31,801,114	Educational expenses	9	20,521,943
316,768	Library books expenses	10	380,748
126,204	Loss on Sale of Fixed Assets		18,947
9,598,935	Depreciation/Amortisation		35,405,344
3,604,111	Amortisation of Premium on Investments		2,962,483
287,500	Prizes awarded		222,500
—	Loss on sale of Investments		2,731,322
	Surplus carried down to Income and Expenditure appropriation account		64,927,891
81,355,689			
332,471,818	<b>TOTAL</b>		<b>364,136,687</b>

## Income and Expenditure Appropriation Account

31st March, 2010 Rs.		31st March, 2011 Rs.
	Transfers to :	
778,158	Staff Welfare fund	715,351
80,577,531	General Reserve	64,212,540
81,355,689	<b>TOTAL</b>	<b>64,927,891</b>

Significant Accounting Policies - Schedule 14.

Notes to accounts - Schedule 15.

As per our report attached

For **Mukund M Chitale & Co.**

Chartered Accountants

Firm Reg. No. 106655W

**(S. M. Chitale)**

Partner

M. No. 111383

Place : Mumbai

Date : July 28, 2011



## for the year ended 31st March, 2011

31st March 2010 Rs.	INCOME	Schedule	31st March, 2011 Rs.
8,693,540	Subscription	11	8,095,400
189,239,867	Examination fees		252,686,587
91,460,151	Income from Investments, etc.	12	76,742,988
1,162,525	Educational income		320,995
19,196,376	Tutorial class/Seminar fees		3,591,986
8,751,748	Royalty on Publications		11,412,641
5,533,263	Miscellaneous income		1,818,079
8,434,348	Credit Balances written back	13	9,468,011
<b>332,471,818</b>	<b>TOTAL</b>		<b>364,136,687</b>

## for the year ended 31st March, 2011

31st March, 2010 Rs.		31st March, 2011 Rs.
81,355,689	Surplus brought forward from Income and Expenditure account	64,927,891
<b>81,355,689</b>	<b>TOTAL</b>	<b>64,927,891</b>

**R. Bhaskaran**  
Chief Executive Officer

**M D Mallya**  
President

**P Balachandran**  
Deputy Chief Executive Officer

**Dr. K Ramakrishnan**  
Council Member

Place : Mumbai  
Date : July 28, 2011

## Annual Report 2010-11

### Schedules Annexed to and Forming Part of the Balance Sheet as at 31st March, 2011

#### SCHEDULE 1 - RESERVES AND SURPLUS

	As at 1st April, 2010	Additions	Transfer from Income & Expenditure Account	Transfer from General Reserve Account	Utilisation / Transfer during the year	As at 31st March, 2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Prize funds	<b>5,369,185</b> (4,869,185)	<b>200,000</b> (500,000)	- (-)	- (-)	- (-)	<b>5,569,185</b> (5,369,185)
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>7,720,843</b> (7,260,791)	- (-)	<b>715,351</b> (778,158)	- (-)	<b>394,738</b> (318,106)	<b>8,041,456</b> (7,720,843)
Life membership fund	<b>386,142,683</b> (330,461,539)	<b>65,683,200</b> (64,115,492)	- (-)	- (-)	<b>9,468,011</b> (8,434,348)	<b>442,357,872</b> (386,142,683)
General Reserve	<b>732,053,602</b> (651,476,071)	- (-)	<b>64,212,540</b> (80,577,531)	- (-)	- (-)	<b>796,266,142</b> (732,053,602)
<b>TOTAL</b>	<b>1,134,286,313</b> (997,067,586)	<b>65,883,200</b> (64,615,492)	<b>64,927,891</b> (81,355,689)	- (-)	<b>9,862,749</b> (8,752,454)	<b>1,255,234,655</b> (1,134,286,313)

Figures in brackets indicate corresponding figures for the previous year.

#### SCHEDULE 2 - CURRENT LIABILITIES AND PROVISIONS

31st March, 2010 Rs.		31st March, 2011 Rs.	Rs.
	<b>A. CURRENT LIABILITIES</b>		
30,956,084	Sundry creditors (No amount due to Micro, Small and Medium Enterprises)	<b>29,005,772</b>	
518,899	Excess examination fees received	<b>648,589</b>	
131,006	Subscription received in Advance	<b>107,311</b>	
113,304,663	Examination fees received in Advance	<b>146,219,743</b>	
230,850	Retention/Earnest Money Deposit	<b>28,395,950</b>	
748,260	Other Liabilities	<b>1,498,070</b>	
145,889,762			<b>205,875,435</b>
	<b>B. PROVISIONS</b>		
42,541,134	Staff retirement benefits	<b>45,598,827</b>	
42,541,134			<b>45,598,827</b>
<b>188,430,896</b>	<b>TOTAL</b>		<b>251,474,262</b>

Schedules Annexed to and Forming Part of the Balance Sheet as at 31st March, 2011

**SCHEDULE 3 – FIXED ASSETS**

Particulars	GROSS BLOCK		DEPRECIATION / AMORTISATION				NET BLOCK			
	As at 01.04.2010 Rs.	Additions Rs.	Deductions Rs.	As at 31.03.2011 Rs.	As at 01.04.2010 Rs.	For the year Rs.	On dedu- ctions Rs.	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.	
<b>TANGIBLE ASSETS</b>										
Office Premises #	24,757,940	526,182,732	-	550,940,672	17,498,675	26,672,100	-	44,170,775	506,769,897	7,259,265
Leasehold Premises	2,977,281	-	-	2,977,281	1,641,140	49,487	-	1,690,627	1,286,654	1,336,141
Residential Flats *	40,166,455	-	-	40,166,455	13,801,515	1,318,247	-	15,119,762	25,046,693	26,364,940
Room Air Conditioners	2,868,132	167,865	-	3,035,997	2,047,670	137,476	-	2,185,146	850,851	820,462
Furniture, Fittings and										
Office Equipment	22,627,186	1,049,376	221,048	23,455,514	18,057,156	1,019,678	178,492	18,898,342	4,557,172	4,570,030
Electrical Installations	3,449,514	31,134	-	3,480,648	2,717,551	113,120	-	2,830,671	649,977	731,963
Motor Cars	2,397,372	-	-	2,397,372	1,278,152	289,766	-	1,567,918	829,454	1,119,220
Data Processing Systems										
- Hardware	40,140,513	438,561	2,805,013	37,774,061	35,162,451	2,158,773	2,785,322	34,535,902	3,238,159	4,978,062
<b>SUB TOTAL – TANGIBLE ASSETS</b>	<b>139,384,393</b>	<b>527,869,668</b>	<b>3,026,061</b>	<b>664,228,000</b>	<b>92,204,310</b>	<b>31,758,647</b>	<b>2,963,814</b>	<b>120,999,143</b>	<b>543,228,857</b>	<b>47,180,083</b>
<b>INTANGIBLE ASSETS</b>										
Computer Software	30,969,064	2,345,149	-	33,314,213	25,272,437	3,630,030	-	28,902,467	4,411,746	5,696,627
Trade Mark	50,000	-	-	50,000	16,667	16,667	-	33,334	16,666	33,333
<b>SUB TOTAL – INTANGIBLE ASSETS</b>	<b>31,019,064</b>	<b>2,345,149</b>	<b>-</b>	<b>33,364,213</b>	<b>25,289,104</b>	<b>3,646,697</b>	<b>-</b>	<b>28,935,801</b>	<b>4,428,412</b>	<b>5,729,960</b>
<b>TOTAL</b>	<b>170,403,457</b>	<b>530,214,817</b>	<b>3,026,061</b>	<b>697,592,213</b>	<b>117,493,414</b>	<b>35,405,344</b>	<b>2,963,814</b>	<b>149,934,944</b>	<b>547,657,269</b>	<b>52,910,043</b>
Capital Work in Progress (Including Advances on Capital Account)	6,019,148	53,327,227	4,771,318	54,575,057	-	-	-	-	54,575,057	6,019,148
<b>GRAND TOTAL</b>	<b>176,422,605</b>	<b>583,542,044</b>	<b>7,797,379</b>	<b>752,167,270</b>	<b>117,493,414</b>	<b>35,405,344</b>	<b>2,963,814</b>	<b>149,934,944</b>	<b>602,232,326</b>	<b>58,929,191</b>
Previous Year	158,822,932	21,500,536	3,900,863	176,422,605	110,711,452	9,598,936	2,816,974	117,493,414	58,929,191	-

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

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

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### Schedules Annexed to and Forming Part of the Balance Sheet as at 31st March, 2011

#### SCHEDULE 4 – INVESTMENTS (At cost, long term and non trade; Unquoted unless otherwise stated)

31st March, 2010		PARTICULARS	31st March 2011	
Face value Rs.	Book Value Rs.		Face value Rs.	Book Value Rs.
<b>Bonds :</b>				
2,000,000	2,087,057	10.65% Bank of Maharashtra Bonds 2 bonds (P.Y. 2 bonds) of Rs.10,00,000/- each	<b>2,000,000</b>	<b>2,075,187</b>
5,000,000	5,035,343	9.92% HDFC Bank Ltd. Bonds 5 bonds (P.Y. 5 bonds) of Rs.10,00,000/- each	<b>5,000,000</b>	<b>5,029,856</b>
12,000,000	12,114,891	10.10% ICICI Bonds (P.Y. 12 bonds) of Rs.10,00,000/- each	–	–
31,000,000	32,520,625	9.98% ICICI Bonds (P.Y. 31 bonds) of Rs.10,00,000/- each	–	–
25,000,000	25,246,916	9.20% Indian Overseas Bank Bonds (P.Y. 25 bonds) of Rs.10,00,000/- each	–	–
6,000,000	6,854,241	11.05% Indian Overseas Bank Bonds 6 bonds (P.Y. 6 bonds) of Rs.10,00,000/- each	<b>6,000,000</b>	<b>6,753,336</b>
15,000,000	15,100,379	8.64% Indian Railway Bonds 15 bonds (P.Y. 15 bonds) of Rs.10,00,000/- each	<b>15,000,000</b>	<b>15,091,359</b>
11,000,000	11,000,000	8.80% State Bank of India Bonds 11 bonds (P.Y. 11 bonds) of Rs.10,00,000/- each	<b>11,000,000</b>	<b>11,000,000</b>
22,000,000	24,456,701	10.10% State Bank of India Bonds (P.Y. 22 bonds) of Rs.10,00,000/- each	–	–
55,000,000	59,485,960	9.95% State Bank of Hyderabad Bonds 12 bonds (P.Y. 55 bonds) of Rs.10,00,000/- each	<b>12,000,000</b>	<b>12,856,411</b>
3,000,000	3,034,898	9.35% Syndicate Bank Bonds (P.Y. 3 bonds) of Rs.10,00,000/- each	–	–
6,000,000	6,118,133	9.40% Syndicate Bank Bonds 6 bonds (P.Y. 6 bonds) of Rs.10,00,000/- each	<b>6,000,000</b>	<b>6,104,688</b>
8,000,000	8,044,764	9.45% Union Bank of India Bonds 8 bonds (P.Y. 8 bonds) of Rs.10,00,000/- each	<b>8,000,000</b>	<b>8,037,907</b>
5,000,000	5,066,858	9.28% UCO Bank Bonds 5 bonds (P.Y. 5 bonds) of Rs.10,00,000/- each	<b>5,000,000</b>	<b>5,056,174</b>
4,000,000	4,000,000	9.50% UCO Bank Bonds 4 bonds (P.Y. 4 bonds) of Rs.10,00,000/- each	<b>4,000,000</b>	<b>4,000,000</b>
3,000,000	3,061,759	9.50% Andhra Bank Bonds 3 bonds (P.Y. 3 bonds) of Rs.10,00,000/- each	<b>3,000,000</b>	<b>3,054,704</b>
27,000,000	27,795,738	9.20% Allahabad Bank Bonds 27 bonds (P.Y. 27 bonds) of Rs.10,00,000/- each	<b>27,000,000</b>	<b>27,707,296</b>

Schedules Annexed to and Forming Part of the Balance Sheet  
as at 31st March, 2011

**SCHEDULE 4 – INVESTMENTS (Contd.)**

31st March, 2010		PARTICULARS	31st March 2011	
Face value Rs.	Book Value Rs.		Face value Rs.	Book Value Rs.
51,000,000	55,501,276	9.95% State Bank of Travancore Bonds 51 bonds (P.Y. 51 bonds) of Rs.10,00,000/- each	<b>51,000,000</b>	<b>54,938,617</b>
20,000,000	20,000,000	9% IFCI Ltd Bonds 200 bonds (P.Y. 200 bonds) of Rs.100,000/- each	<b>20,000,000</b>	<b>20,000,000</b>
		<b>Debentures:</b>		
44,000,000	45,451,950	10.35% HDFC LTD. NCD (P.Y. 44 Debentures) of Rs.10,00,000/- each	–	–
11,000,000	11,304,404	10.10% HDFC LTD. NCD (P.Y. 11 Debentures) of Rs.10,00,000/- each	–	–
5,000,000	5,081,518	10.25% LIC Housing Finance Ltd NCD (P.Y. 5 Debentures) of Rs.10,00,000/- each	–	–
23,000,000	23,866,014	9.14% LIC Housing Finance Ltd NCD (P.Y. 23 Debentures) of Rs.10,00,000/- each	–	–
		<b>Investment in Government Securities :</b>		
10,000,000	10,080,496	11.30% Government of India Loan 2010	–	–
4,000,000	4,243,386	11.50% Government of India Loan 2011	<b>4,000,000</b>	<b>4,096,063</b>
40,500,000	46,460,304	11.50% Government of India Loan 2015	<b>40,500,000</b>	<b>45,301,885</b>
11,600,000	12,070,979	12.32% Government of India Loan 2011	–	–
37,000,000	39,278,941	8.30% Government of India Spl. Fertiliser Bonds – 2023 370,000 bonds (P.Y. 370,000 bonds) of Rs.100/- each	<b>37,000,000</b>	<b>39,112,445</b>
234,000,000	234,000,000	Investment in Government of India 8% Savings (Taxable) Bonds – 2003 174,000 bonds (P.Y. 234,000 bonds) of Rs.1,000/- each	<b>174,000,000</b>	<b>174,000,000</b>
<b>731,100,000</b>	<b>758,363,531</b>	<b>TOTAL</b>	<b>430,500,000</b>	<b>444,215,928</b>

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## Schedules Annexed to and Forming Part of the Balance Sheet as at 31st March, 2011

### SCHEDULE 5 - CURRENT ASSETS, LOANS AND ADVANCES

31st March, 2010		31st March, 2011	
Rs.		Rs.	Rs.
	<b>A. CURRENT ASSETS</b> (Unsecured, considered good, unless otherwise stated)		
	Interest accrued on :		
8,258,854	Staff loans *	7,873,984	
18,900,932	Bank deposits	23,959,575	
33,234,170	Investments	36,719,688	
<u>60,393,956</u>		<u>68,553,247</u>	
	Sundry debtors (Unsecured, considered good, unless otherwise stated)		
7,932,710	Outstanding for less than six months	11,639,907	
192,982	Others	290,371	
25,900	Cash on hand	21,371	
4,209,127	Cheques / drafts on hand	4,860,812	
	Balances with scheduled banks :		
53,535,555	On current accounts	16,780,239	
183,340	On savings accounts	250,621	
332,400,000	On fixed deposit accounts #	297,200,000	
	(Includes deposits amounting to Rs.214,500,000/- (P.Y. Rs. 98,000,000/-) maturing within a period of 1 year)		
<u>398,479,614</u>		<u>331,043,321</u>	
458,873,570			399,596,568
	<b>B. LOANS AND ADVANCES</b> (Unsecured, considered good, unless otherwise stated)		
	Advances recoverable in cash or in kind or for value to be received :		
9,681,701	Secured loans to employees *	9,477,670	
30,275,962	Income Tax (including tax deducted at source) (includes Rs. 2,500,000 paid under protest in earlier years)	34,565,718	
208,900	Staff Advances	202,700	
4,715,754	Security Deposits	5,857,515	
1,051,390	Prepaid expenses	9,072,889	
607,361	Advance For Expenses	1,485,583	
9,849	Inter Office Balances	2,020	
<u>46,550,917</u>		<u>60,664,095</u>	
505,424,487	<b>TOTAL</b>	<u>460,260,663</u>	

# Includes deposits amounting to Rs.4,700,000/- (P.Y. Rs.4,700,000/-) earmarked against R. K. Talwar Memorial Leture Fund and Prize Funds.

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

Schedules Annexed To and Forming Part of the Income and Expenditure Account for the year ended 31st March, 2011

31st March, 2010		31st March, 2011	
Rs.		Rs.	Rs.
<b>SCHEDULE 6 - STAFF EXPENSES</b>			
44,435,566	Salaries and Other Benefits		49,661,435
4,216,066	Contribution to Provident and Pension fund		4,340,381
877,718	Staff recruitment/training/other related expenses		852,032
9,538,336	Staff retirement benefits		6,560,207
3,233,649	Staff welfare expenses		3,798,904
695,073	PF Administration Charges		1,771,792
62,996,408	<b>TOTAL</b>		<b>66,984,751</b>
<b>SCHEDULE 7 - PREMISES EXPENSES</b>			
5,686,480	Rent		6,110,249
3,240,724	Electricity charges		2,995,529
	Outgoings in respect of premises		
131,172	Ground Rent	283,691	
408,876	Rates and taxes	336,524	
3,130,083	Others	5,738,699	
3,670,131			<b>6,358,914</b>
12,597,335	<b>TOTAL</b>		<b>15,464,692</b>
<b>SCHEDULE 8 - ADMINISTRATION EXPENSES</b>			
6,389,541	Printing and stationery		6,447,430
7,629,233	Postages, telephone and telegram expenses		9,323,997
2,575,962	Web Portal expenses		2,799,796
7,131,241	Software Development and Maintenance Charges		7,534,133
89,497	Insurance		86,023
	Repairs :		
871,218	Building	918,534	
2,527,528	Machinery	2,597,211	
1,225,005	Others	1,686,628	
4,623,751			<b>5,202,373</b>
3,418,165	Travelling expenses		4,449,270
492,740	Conveyance		572,306
936,935	Motor car expenses		988,982
4,889,515	Advertisement expenses		1,034,401
3,457,561	Corporate Development Expenses		1,703,307
195,996	Honorarium to Local Hon. Secretaries		143,600
	Auditors' remuneration :		
619,886	Audit fees		730,186
4,766,081	Legal & Professional charges		6,727,815
910,321	Bank Charges		1,171,170
1,787,856	Sundry expenses		1,777,028
49,914,281	<b>TOTAL</b>		<b>50,691,817</b>

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### Schedules Annexed To and Forming Part of the Income and Expenditure Account for the year ended 31st March, 2011

31st March, 2010 Rs.		31st March, 2011 Rs.
<b>SCHEDULE 9 - EDUCATIONAL EXPENSES</b>		
22,075,479	Tutorial class/Seminar expenses/ Research fellowship expenses	9,705,947
692,569	Sir Purshotamdas Thakurdas memorial lecture expenses	652,563
26,000	Diamond Jubilee Research Fellowship Expenses	-
22,794,048		10,358,510
865,148	Journal expenses	808,402
8,141,918	Vision expenses	9,355,031
<b>31,801,114</b>	<b>TOTAL</b>	<b>20,521,943</b>
<b>SCHEDULE 10 - LIBRARY BOOKS EXPENSES</b>		
89,896	Library books	119,216
226,872	Subscription to papers & periodicals	261,532
<b>316,768</b>	<b>TOTAL</b>	<b>380,748</b>
<b>SCHEDULE 11 - SUBSCRIPTION</b>		
	Annual subscription :	
8,693,540	Institutional members	8,095,400
<b>8,693,540</b>	<b>TOTAL</b>	<b>8,095,400</b>
<b>SCHEDULE 12 - INCOME FROM INVESTMENTS, ETC.</b>		
60,616,906	Interest on Investments (TDS Rs. 599,333/- (P.Y. Rs. 12,046,966/-))	53,779,989
29,939,467	Interest on Bank Deposits (TDS Rs. 2,360,298/- (P.Y. Rs. 1,373,108/-))	21,991,552
903,778	Interest on Staff Loans	971,447
<b>91,460,151</b>	<b>TOTAL</b>	<b>76,742,988</b>
<b>SCHEDULE 13 - CREDIT BALANCES WRITTEN BACK</b>		
8,434,348	Life Membership Fees (write back from Life Membership Fund)	9,468,011
<b>8,434,348</b>	<b>TOTAL</b>	<b>9,468,011</b>



Schedules Annexed to and Forming Part of the Balance Sheet as at 31st March, 2011 and the Income and Expenditure Account for the year ended on that date

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**SCHEDULE 14 - SIGNIFICANT ACCOUNTING POLICIES**

**1. ACCOUNTING CONVENTION:**

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

**2. FIXED ASSETS / DEPRECIATION AND AMORTISATION**

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

**3. INVESTMENTS**

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

**4. RETIREMENT BENEFITS :**

- 4.1 Gratuity and Leave Encashment :  
Provision for gratuity and leave encashment benefits payable to staff is made on the basis of actuarial valuations as at the balance sheet date. The Gratuity Valuation has been carried out using the Projected Unit Credit Method and Leave encashment valuation has been carried out using the Projected Accrued Benefit Method.
- 4.2 Provident Fund:  
Employees receive benefit from the provident fund under a defined contribution plan. The employee and employer make a monthly contribution to the plan equal to 12% of the covered employee salary. The Contribution is made to the Employees Provident Fund Organization from the employer's contribution for each employee. During the year, the Company has recognized

## Annual Report 2010-11

### Schedules Annexed to and Forming Part of the Balance Sheet as at 31st March, 2011 and the Income and Expenditure Account for the year ended on that date

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charge of Rs. 43,40,381/- (Previous year Rs. 42,16,066/-) towards provident fund and pension fund contributions in the Income and Expenditure Account.

#### 5. REVENUE RECOGNITION

- 5.1 Membership subscriptions are accounted for as income when received. With effect from 1st April, 2005, Life Membership Fees received from members, which hitherto was credited directly to "Life Membership Fund" infinitely, continues to be credited to "Life Membership Fund" and is written back as income in the Income and Expenditure Account upon completion of specified life membership period as decided in the resolution passed by the Annual General Meeting dated 26th August, 2005. Accordingly, a sum of Rs. 94,68,011/- (Previous year Rs. 84,34,348/-) is written back from Life Membership Fund to the Income and Expenditure Account, during the current year.
- 5.2 Examination fees collected in advance for a block of consecutive attempts are accounted for under the proportionate completion method in accordance with the rules framed. The balance of such fees is treated as 'Advance Examination Fees'.
- 5.3 Interest on Investments is booked on a time proportion basis taking into account the amount invested and the rate of interest. Dividend Income on Investment is accounted when the right to receive payment is established.
- 5.4 Income from Investment (including from investment earmarked for funds) is credited to the Income and Expenditure Account and utilized for the general / prizes / fellowship expenses incurred during the year.
- 5.5 The company receives the Royalty from certain publishers which is on the basis of Books sold by them during the year. Royalty is accounted for on an accrual basis based on sales made by the publishers during the year.

#### SCHEDULE – 15

##### NOTES TO ACCOUNTS:

- 1) In view of the omission of Section 10(22) of the Income Tax Act, 1961 (Act) with effect from the financial year ended 31.3.1999 (under which the Institute was exempt from income tax), the Institute has applied for exemption in respect of the assessment years 1999-2000 to 2010-2011 under the amended provisions of Section 10(23C)(vi) of the Act. This exemption application for assessment years 2008-2009 and 2009-2010 has been rejected by the Income Tax authorities against which the Institute has filed appeal with the honorable Bombay High Court, verdict of which is awaited as at 31st March 2011. The Institute is in the process of applying for exemption under section 10(23C)(vi) of the Act for assessment year 2011-2012. The Institute is also registered under Section 12A of the Act, whereby its income, subject to compliance of conditions laid down, is exempt from income tax. Accordingly, the Institute intends to comply with the necessary conditions laid down and thus no provision for taxation has been made in the accounts for the year ended 31st March, 2011.
- 2) In respect of Investments the difference between the cost price (being higher) and the face value of such investments (where maturity date is fixed) as referred to in note 3 on schedule 14, amounting to Rs.29,62,483/- (Previous year Rs.36,04,111/-) has been amortized during the year.
- 3) The Institute has appropriated Rs.7,15,351/- (Previous year Rs. 7,78,158/-) to Staff Welfare Fund consisting of Rs.1,00,000/- (Previous year Rs.1,00,000/-) as the annual contribution and Rs.6,15,351/- (Previous year Rs. 6,78,158/-) as interest earned on investments. An amount of Rs 3,94,738/- (Previous year Rs. 3,18,106/-) spent towards staff welfare has been shown as utilization from Staff Welfare Fund during the year.

Schedules Annexed to and Forming Part of the Balance Sheet as at 31st March, 2011 and the Income and Expenditure Account for the year ended on that date

4) Employee Benefits

4.1 Gratuity

The Institute provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service as per Payment of Gratuity Act, 1972. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the Balance Sheet date.

4.2 Leave Encashment

The employees of the Institute are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence for a maximum of 240 days. The 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.

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

a) Amounts recognized in Balance Sheet:

Sr. No.	Particulars	Gratuity (Rs.)	
		2010-11	2009-10
1.	Present value of projected benefit obligations as at 1st April, 2010	2,72,69,554	2,04,24,147
2.	Service Cost	10,45,890	4,00,483
3.	Interest Cost	20,28,685	13,89,704
4.	Actuarial (Gains) / Losses	18,24,906	(14,67,797)
5.	Past Service Cost	(1,26,833)	74,04,619
6.	Benefits paid	(35,02,514)	(8,81,602)
7.	Present value of projected benefit obligations as on 31st March, 2011 - [A]	2,85,39,688	2,72,69,554
Sr. No.	Particulars	Leave Liability (Rs.)	
		2010-11	2009-10
1.	Earned Leave Liability recognized in Balance Sheet - [B]	1,42,79,216	1,30,68,232
2.	Sick Leave liability recognized in Balance Sheet – [C]	27,79,923	22,03,348
<b>Total Employee Benefit Liability * [A+B+C]</b>		<b>4,55,98,827</b>	<b>4,25,41,134</b>

\* The entire liability of the Institute is unfunded.

## Annual Report 2010-11

### Schedules Annexed to and Forming Part of the Balance Sheet as at 31st March, 2011 and the Income and Expenditure Account for the year ended on that date

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

Sr. No.	Particulars	Gratuity (Rs.)	
		2010-11	2009-10
1.	Service Cost	10,45,890	4,00,483
2.	Interest Cost	20,28,685	13,89,704
3.	Actuarial (Gains) / Losses	18,24,906	(14,67,797)
4.	Past Service Cost	(1,26,833)	74,04,619
5.	Total – [D]	47,72,648	77,27,009

Sr. No.	Particulars	Leave Expenditure (Rs.)	
		2010-11	2009-10
1.	Earned Leave Liability charge / (write back) for the year – [E]	12,10,984	(3,92,021)
2.	Sick Leave Liability charge for the year – [F]	5,76,575	22,03,348
<b>Total Employee Benefit Charge for the year [D+E+F]</b>		<b>65,60,207</b>	<b>95,38,336</b>

c) Actuarial assumptions:

Sr.No.	Particulars	2010-11	2009-10
1.	Discount Rate p.a.	8.00%	7.80%
2.	Salary Escalation Rate	6.00%	6.00%
3.	Retirement Age	60 years	60 years
4.	Mortality rates	As per LIC (1994-96) mortality tables	As per LIC 1994-96 mortality tables
5.	Rate of leaving service :		
	21 - 44 years	2%	2%
	45 - 59 years	1%	1%

5) Income in foreign currency:

	2010-11 Rs.	2009-10 Rs.
Life Membership Fees	24,000	–
Examination Fees	63,700	–
Seminar Fees	7,13,580	–
Sundry Receipts	1,93,160	–
Fees for designing & development of courseware	–	1,88,115
Sale of Study kit	–	1,36,812
Fees for participation in International Banking Summer School Event	–	59,87,650

Schedules Annexed to and Forming Part of the Balance Sheet as at 31st March, 2011 and the Income and Expenditure Account for the year ended on that date

6) Expenditure in foreign currency

	2010-11 Rs.	2009-10 Rs.
Educational expenses	<b>19,16,998</b>	19,82,866
Traveling/Training expenses	<b>10,46,036</b>	5,21,096
Software Maintenance & Development	–	7,397
Subscription to Other Bodies	<b>53,686</b>	53,669

7) Disclosure related to Managerial Remuneration/payment to Council Members:

7.1 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):

	2010-11 Rs.	2009-10 Rs.
Salary	<b>23,19,095</b>	25,00,259
Perquisites	<b>3,53,639</b>	3,40,314
Contribution to Provident Fund	1,78,691	1,71,392
Total	<b>28,51,425</b>	30,11,965
7.2 Sitting fees to Council Members	<b>1,06,000</b>	1,56,000

8) In the opinion of the Institute, there is no impairment of assets (to which Accounting Standard 28 applies) as at March 31, 2011 requiring recognition in terms of the said standard.

## Annual Report 2010-11

Schedules Annexed to and Forming Part of the Balance Sheet as at 31st March, 2011 and the Income and Expenditure Account for the year ended on that date

### 9) Movement in Investments during the year 2010-2011

Sr. No.	Name of Bond / Debenture / Government Securities	Balance as at 1st April, 2010		Purchase during the year		Redemption / Maturity during the year		Balance as at 31st March, 2011	
		No. of Units	Face Value (Book Value)	No. of Units	Face Value (Book Value)	No. of Units	Face Value (Book Value)	No. of Units	Face Value (Book Value)
1	10.65% Bank of Maharashtra Bonds	2	2,000,000.00 (2,087,057.00)	-	-	-	-	2	2,000,000.00 (2,075,187.00)
2	9.92% HDFC Bank Ltd Bonds	5	5,000,000.00 (5,035,343.00)	-	-	-	-	5	5,000,000.00 (5,029,856.00)
3	10.35% HDFC Bank Ltd. Debentures	44	44,000,000.00 (45,451,950.00)	-	-	44	44,000,000.00 (45,451,950.00)	-	-
4	10.10% HDFC Bank Ltd. Debentures	11	11,000,000.00 (11,304,404.00)	-	-	11	11,000,000.00 (11,304,404.00)	-	-
5	10.10% ICICI Bonds	12	12,000,000.00 (12,114,891.00)	-	-	12	12,000,000.00 (12,114,891.00)	-	-
6	9.98% ICICI Bonds	31	31,000,000.00 (32,520,625.00)	-	-	31	31,000,000.00 (32,520,625.00)	-	-
7	9.20% Indian Overseas Bank Bonds	25	25,000,000.00 (25,246,916.00)	-	-	25	25,000,000.00 (25,246,916.00)	-	-
8	11.05% Indian Overseas Bank Bonds	6	6,000,000.00 (6,854,241.00)	-	-	-	-	6	6,000,000.00 (6,753,336.00)
9	8.64% Indian Railway Bonds	15	15,000,000.00 (15,100,379.00)	-	-	-	-	15	15,000,000.00 (15,091,359.00)
10	10.25% LIC Housing Finance Ltd NCD	5	5,000,000.00 (5,081,518.00)	-	-	5	5,000,000.00 (5,081,518.00)	-	-
11	9.14% LIC Housing Finance Ltd NCD	23	23,000,000.00 (23,866,014.00)	-	-	23	23,000,000.00 (23,866,014.00)	-	-
12	8.80% State Bank of India Bonds	11	11,000,000.00 (11,000,000.00)	-	-	-	-	11	11,000,000.00 (11,000,000.00)
13	10.10% State Bank of India Bonds	22	22,000,000.00 (24,456,701.00)	-	-	22	22,000,000.00 (24,456,701.00)	-	-
14	9.95% State Bank of Hyderabad Bonds	55	55,000,000.00 (59,485,960.00)	-	-	43	43,000,000.00 (46,507,205.00)	12	12,000,000.00 (12,856,411.00)
15	9.35% Syndicate Bank Bonds	3	3,000,000.00 (3,034,898.00)	-	-	3	3,000,000.00 (3,034,898.00)	-	-

Schedules Annexed to and Forming Part of the Balance Sheet as at 31st March, 2011 and the Income and Expenditure Account for the year ended on that date

Sr. No.	Name of Bond / Debenture / Government Securities	Balance as at 1st April, 2010		Purchase during the year		Redemption / Maturity during the year		Balance as at 31st March, 2011	
		No. of Units	Face Value (Book Value)	No. of Units	Face Value (Book Value)	No. of Units	Face Value (Book Value)	No. of Units	Face Value (Book Value)
16	9.40% Syndicate Bank Bonds	6	6,000,000.00 (6,118,133.00)	-	-	-	-	6	6,000,000.00 (6,104,688.00)
17	9.45% Union Bank of India Bonds	8	8,000,000.00 (8,044,764.00)	-	-	-	-	8	8,000,000.00 (8,037,907.00)
18	9.28% UCO Bank Bonds	5	5,000,000.00 (5,066,858.00)	-	-	-	-	5	5,000,000.00 (5,056,174.00)
19	9.50% UCO Bank Bonds	4	4,000,000.00 (4,000,000.00)	-	-	-	-	4	4,000,000.00 (4,000,000.00)
20	9% IFCI Ltd Bonds	200	20,000,000.00 (20,000,000.00)	-	-	-	-	200	20,000,000.00 (20,000,000.00)
21	11.30% Government of India Loan 2010	100000	10,000,000.00 (10,080,496.00)	-	-	100000	10,000,000.00 (10,080,496.00)	-	-
22	11.50% Government of India Loan 2011	40000	4,000,000.00 (4,243,386.00)	-	-	-	-	40000	4,000,000.00 (4,096,063.00)
23	11.50% Government of India Loan 2015	405000	40,500,000.00 (46,460,304.00)	-	-	-	-	405000	40,500,000.00 (45,301,885.00)
24	12.32% Government of India Loan 2011	116000	11,600,000.00 (12,070,979.00)	-	-	116000	11,600,000.00 (12,070,979.00)	-	-
25	8% GOI Saving Bonds (Taxable)	234000	234,000,000.00 (234,000,000.00)	-	-	60000	60,000,000.00 (60,000,000.00)	174000	174,000,000.00 (174,000,000.00)
26	9.95% State Bank of Travancore Bonds	51	51,000,000.00 (55,501,276.00)	-	-	-	-	51	51,000,000.00 (54,938,617.00)
27	9.20% Allahabad Bank Bonds	27	27,000,000.00 (27,795,738.00)	-	-	-	-	27	27,000,000.00 (27,707,296.00)
28	9.50% Andhra Bank Bonds	3	3,000,000.00 (3,061,759.00)	-	-	-	-	3	3,000,000.00 (30,54,704.00)
29	8.30% GOI Fertilizer Bonds 2023	370000	37,000,000.00 (39,278,941.00)	-	-	-	-	370000	37,000,000.00 (39,112,445.00)
	<b>Total</b>		<b>731,100,000.00 (758,363,531.00)</b>				<b>300,600,000.00 (311,736,597.00)</b>		<b>430,500,000.00 (444,215,928.00)</b>

## Annual Report 2010-11

### Schedules Annexed to and Forming Part of the Balance Sheet as at 31st March, 2011 and the Income and Expenditure Account for the year ended on that date

#### 10) Contingent Liability:

##### 10.1 Income Tax Matters:

Sr. No.	Asst. year	Gross Demand	Status
1.	1996-1997, 1997-1998, 1998-1999	5,52,04,320	Income Tax department had rejected Institute's application for exemption under Section 10(23C)(vi) of the Income Tax Act, 1961. The Institute's appeal for A.Y. 1997-1998 was upheld by the Tribunal. For remaining two A.Y.'s the matter was before Bombay High Court, and the High Court has dismissed the department's appeal for A.Y. 1996-1997 and for A.Y. 1998-1999, the matter is still pending for hearing.
2.	1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004 2004-2005, 2005-2006, 2006-2007, 2007-2008	14,94,99,128	Income Tax department has assessed the income of the Institute under Section 143(3) of the Income Tax Act, 1961, against which the Institute had filed an appeal for exemption before CIT (Appeal). The exemption claim has been rejected by CIT (A) against which the Institute has filed appeal before ITAT - Mumbai Bench. The appeal is pending for hearing. In addition to above, the Institute's application for exemption under Section 10(23C)(vi) of the Income Tax Act, 1961 is pending before CCIT(Mumbai). Further the department has raised a recovery order demanding the amounts due for all these years, against which the Institute has filed stay petition before the Hon'ble Tribunal, which is pending for disposal.
3.	2008-2009, 2009-2010	3,81,93,111	The Institute's application under section 10 (23C) (vi) of the Income Tax Act, 1961 for exemption has been rejected by the income tax authorities, against which the Institute has filed appeal with honorable Bombay High Court, verdict of which is awaited. Income Tax Dept. has completed assessment of A.Y. 2008-09 and has passed an order u/s 143 (3), against which the institute has filed an appeal with CIT(A).
4.	2010-2011	-	The Institute has filed application under section 10 (23c)(vi) of the Income Tax Act, 1961 for exemption.

##### 10.2 Claims against the Institute not acknowledged as debts:

Particulars	2010-11	2009-10
Matters pending before consumer forums	4,30,000	1,00,000

##### 10.3 During the year, the Institute has made payment of arrears to sub-staff with effect from January 2008. The revised scale of payment is as per the policy formulated by the Institute. The employees of the Institute had a discussion with the Institute in relation to modifications made to the scale of payment. However as estimated/determined by the Institute, no liability is likely



Schedules Annexed to and Forming Part of the Balance Sheet as at 31st March, 2011 and the Income and Expenditure Account for the year ended on that date

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to arise as a result of such discussions and hence no provision for the same is required as on 31st March 2011.

- 10.4 Future cash outflows, if any, in respect of point no. 10.1 to 10.3 above is dependent upon the outcome of judgements/decisions, etc.
- 11) Estimated amount of contracts remaining to be executed on capital account and not provided as at 31.03.2011 Rs. 1,49,22,312/- (Previous year Rs. 2,20,000/-).
- 12) 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 not been given.
- 13) 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 of Rs. 61,10,249/- (Previous year Rs. 56,86,480/-) are charged as rent under Schedule 7.
- 14) 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.
- 15) Previous year's figures have been regrouped/restated wherever necessary.

Signatures to Schedules 1 to 15

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

**R. Bhaskaran**  
*Chief Executive Officer*

**M. D. Mallya**  
*President*

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

**P. Balachandran**  
*Deputy Chief Executive Officer*

**Dr. K Ramakrishnan**  
*Council Member*

Place : Mumbai  
Date : July 28, 2011

# Annual Report 2010-11

## Balance Sheet Abstract and Company's General Business Profile

### I. Registration Details

Registration No.	1391	State Code	11
Balance Sheet Date	31.03.2011		

II. Capital raised during the year (Amount in Rs Thousands) Not Applicable

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

Total liabilities	1,506,709	Total Assets	1,506,709
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#### Sources of Funds

Paid- up Capital	Nil	Reserves & Surplus	1,255,234
Secured Loans	Nil	Unsecured Loans	Nil

#### Application of funds

Net Fixed Assets	602,232	Investments	444,216
Net Current Assets	208,786	Misc Expenditure	—
Accumulated Losses	Nil		

### IV. Performance of the Company (Amount in Rs Thousands)

Turnover & Other Inc.	364,137	Total Expenditure	299,209
Surplus	64,928		

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

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

**R. Bhaskaran**  
Chief Executive Officer

**M D Mallya**  
President

**P. Balachandran**  
Deputy Chief Executive Officer

**Dr. K. Ramakrishnan**  
Council Member

Place : Mumbai  
Date : July 28, 2011

## Notice of the 84th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 84<sup>th</sup> Annual General Meeting of the members of the Indian Institute of Banking & Finance will be held at 4 P.M. on Thursday, the 29<sup>th</sup> September 2011, in IIBF Seminar Hall, Kohinoor City, Commercial II, Tower I, 3<sup>rd</sup> Floor, Kiroil Road, Kurla (West), Mumbai 400 070 to transact the following business:

### Ordinary Business:

1. To receive and adopt the Income and Expenditure Accounts of the Institute for the financial year ended on March 31, 2011, 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 M D Mallya, who retires by rotation under Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
3. To elect a member of the Council in place of Prof Y K Bhushan, who retires by rotation under Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
4. To elect a member of the Council in place of, Shri K R Kamath who retires by rotation under Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
5. To elect a member of the Council in place of Dr. Asish Saha , who retires by rotation under Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
6. To elect a member of the Council in place of Shri S Karuppasamy, who retires by rotation under Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
7. To elect a member of the Council in place of Shri Pratip Chaudhuri who retires by rotation under Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
8. To elect a member of the Council in place of Shri S K Banerji, who retires by rotation under Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
9. To elect a member of the Council in place of Shri J P Dua, who retires by rotation under Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
10. To consider and, if thought fit, to pass with or without modification, the following resolution:

“RESOLVED THAT pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s.Mukund M. Chitale & Co., Chartered Accountants, Mumbai, be and are hereby appointed as Auditors of the Institute from the conclusion of this meeting till the conclusion of the next Annual General Meeting and that their remuneration be and is hereby fixed at Rs.6,50,000/- apart from service tax and reimbursement of out-of-pocket and actual travelling expenses incurred by them for the purpose of audit”.

## Annual Report 2010-11

### Special Business:

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

To appoint Shri M D Mallya as the President of the Institute from the conclusion of 84<sup>th</sup> Annual General Meeting to the conclusion of the 85<sup>th</sup> Annual General Meeting in terms of Article 69 of the Articles of Association of the Institute.

Place : Mumbai

By Order of the Council

Date : July 28, 2011

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

### Registered Office:

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

### NOTES:

- (a) Individual Members who are Fellows and Associates and Institutional Members are entitled to attend and vote at the General Meetings. Certificated Associates and Ordinary Members are entitled to attend all General Meetings but are not entitled to vote thereat. Persons who attend and vote at the meetings on behalf of the Institutional Members will have to produce a proper authorization from such members.
- (b) Associate and Fellow members entitled to attend and vote are also entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member. For a proxy to be effective, the instrument appointing the proxy should be deposited at the registered office not less than 48 hours before the time for holding of the meeting at which the person named in the instrument proposes to vote. No proxy will be entitled to vote except at the particular meeting as stated in the proxy.
- (c) The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
- (d) A copy of the Memorandum and Articles of Association referred to in Item Nos. 2 to 10 above will be open for inspection by the members from 10.30 hours to 12.30 hours on any working day at the Registered Office of the Institute.
- (e) The members are informed that, in accordance with the Circulars 17/2011 dated 21<sup>st</sup> April 2011 and 18/2011 dated 29<sup>th</sup> April 2011 issued by the Ministry of Corporate Affairs, Government of India, henceforth, the Institute is proposing to send documents like notice of the general body meetings, audited financial statements, Directors Report, Auditors Report and other documents/ communications to the members in the electronic form by email. The members are requested to intimate the Institute with their e-mail addresses, their membership number and the organization they represent (if any) and type of membership, if they wish to receive the reports in the electronic form. The members may intimate this

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

## **ANNEXURE TO THE NOTICE**

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

### **Resolution No.11**

The Council has decided to propose the name of Shri M D Mallya as the President of the Institute under Article 69 of the Articles of Association and he has kindly consented to act as the President of the Institute from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting.

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

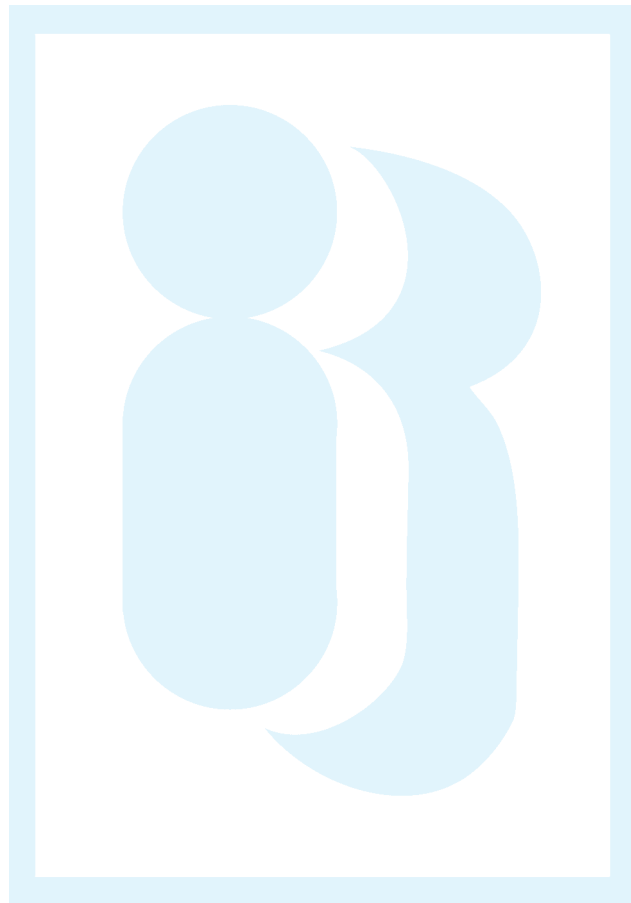
Shri M D Mallya may be deemed to be concerned or interested in the Resolution at Item No.11.

Place : Mumbai  
Date : July 28, 2011

By Order of the Council

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

NOTES



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

Dear Sir/s,

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

Name : .....

Membership No : .....

Typers 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 Member.....

To,

**Indian Institute of Banking & Finance**

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



**PROXY FORM**

**INDIAN INSTITUTE OF BANKING AND FINANCE**

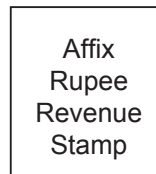
**Registered Office**

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

I/We \_\_\_\_\_ of \_\_\_\_\_  
being a Fellow / Associate (strike whichever is not applicable) Member / Members of INDIAN  
INSTITUTE OF BANKING AND FINANCE hereby appoint \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_ or failing  
him \_\_\_\_\_ of \_\_\_\_\_  
as my / our proxy to attend and vote for me / us and on my / our behalf at the  
84<sup>th</sup> Annual General Meeting of the Council to be held on ..... day, .....  
September, 2011 at ..... p.m. at the Registered Office of the Council.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

\_\_\_\_\_  
Signature(s) of the Member(s)



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



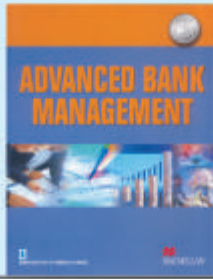


Dr. Rakesh Mohan delivering the R. K. Talwar Memorial Lecture - 2010 at Mumbai



Mr. Nandan Nilekani delivering the Sir Purshotamdas Thakurdas Memorial Lecture - 2010 at Mumbai.

BOOK - POST



**INDIAN INSTITUTE OF BANKING & FINANCE**

(An ISO 9001: 2008 Certified Organisation)

Kohinoor City, Commercial - II, Tower - I, Kirod 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)