

Though the Bank's Cost of Deposits increased to 7.42% from 7.20% in 2011-12, the Net Interest Income of the Bank increased to ₹ 5738 crore from ₹ 5169 crore in 2011-12 registering a growth of 11.01% Y-o-Y. The Other Income or Fee – based Income of the Bank has increased to ₹ 1667 crore from ₹ 1395 crore in 2011-12 registering a growth of 19.50% Y-o-Y.

Asset Quality has been the concern of the Bank for last couple of years. But due to improved recovery and rigorous NPA management, your Bank has been able to decrease the percentage of Gross NPA to Gross Advances to 4.80% from 4.83% in 2011-12 and percentage of Net NPA to Net Advances to 2.90% from 3.09 % in 2011-12. However, the level of Gross and Net NPA in absolute terms has increased. This is on account of slippage mainly in Small / Agricultural loans due to drought etc. and stress in some sectors like Pharmaceuticals, Telecommunication, Diamond, Infrastructure, Textiles and Real Estate. Your Bank has been proactive in respect of NPA Management and shall continue its effort to contain the percentage Gross NPA below 4% and Net NPA below 2.50% for FY 2013-14.

Your Bank has set up a “**Women Entrepreneurs Cell**” at our Central office with 77 Regional Coordinators for helping women entrepreneurs. The Bank has also introduced **Cent Kalyani** Scheme with CGTMSE coverage exclusively for women entrepreneurs on International Women's Day.

The Bank is fully engaged in inclusive growth through various Financial Inclusion initiatives to reach ‘the last mile’ of economy. The **Direct Benefit Transfer (DBT)** programme of the government is being implemented in identified 43 Districts in Phase I where our bank is Lead bank in 2 Districts and 78 Districts in phase II where our bank is Lead Bank in 6 Districts. Further progress in these districts and in new districts will be made during the FY-2013-14. This programme paves the way for the Bank to canvass more CASA Deposits and also for Credit Expansion.

A Bank with 4294 branches as on March 2013, of which 2/3 rd of the Branches are in rural and semi urban areas and 3612 Ultra Small Branches shall continue to position itself as a **Retail Bank**. Your Bank shall be ensuring that the retail and priority sector portfolios grow much faster than they have been so far. I am very fortunate to lead one of the banking behemoths of our country. I think I have genuine reasons to feel happy and gratified when I leave office on 31st July 2013, which will be the day of my superannuation. When I assumed the office on 29th June 2011, certain goals were set to enhance value of all stakeholders, which I hope, has been redeemed in some measure in improved financials. Various awards and accolades won by the Bank in the last two years highlight this achievement. During the year, Your Bank has been conferred with many prestigious awards such as *Golden Peacock HR Excellence Award-2012* for best HR practices, *Best HR strategies & innovation in Employee Retention Strategies* by Greentech Foundation, *Outstanding leadership award* at the Institute of Public Enterprise Banking Financial Services, Hyderabad, SKOCH GOLD Awards in *Innovative Urban Financial inclusion* & in *Reaching Last Mile*, *4th Best PSU Bank in India* under “Brand Equity-Top 100 Most Trusted Brand”, etc. Besides, Bank is discharging its responsibilities to society by actively engaging in Corporate Social Responsibilities focusing on Education, Healthcare and support to under privileged & challenged children and by adopting ‘Go-green Policy’ to save the environment. This could have not been possible without your unstinted support for which I express my sincere gratitude.

With best wishes,

Yours sincerely,

Sd/-

Mohan V Tanksale

Place : Mumbai

Date : May 31, 2013



NOTICE

Notice is hereby given that the Sixth Annual General Meeting of the shareholders of Central Bank of India will be held on Saturday, 29th June, 2013 at 11.00 A.M. at Sir Sorabji Pochkhanawala Banker's Training College, Near Cooper Hospital/ Reliance Energy Office, JVPD Scheme, Vile Parle (west), Mumbai, 400056 to transact the following business :

1. To discuss, approve and adopt the Audited Balance Sheet of the Bank as at 31st March 2013, Profit and Loss Account of the Bank for the year ended 31st March 2013, the report of the Board of Directors on the working and activities of the Bank for the period covered by the accounts and the Auditors' report on the Balance Sheet and Accounts.
2. To declare dividend for the financial year 2012-13.

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

A K DAS

Assistant General Manager-MBD/
Company Secretary

Place: Mumbai

Date: 10.05.2013

NOTES:

1. APPOINTMENT OF PROXY:

A SHAREHOLDER ELIGIBLE TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A SHAREHOLDER OF THE BANK.

The instrument appointing proxy should, however be deposited at the Head Office of the Bank situated at Chandermukhi, Nariman Point, Mumbai, 400021 not less than four days before the date fixed for the meeting i.e. on or before 5.00 PM on 24th June, 2013.

2. APPOINTMENT OF AN AUTHORISED REPRESENTATIVE:

No person shall be entitled to attend or vote at any meeting of the shareholders of Central Bank of India as the duly authorized representative of a company unless a copy of the resolution appointing him as a duly authorized representative, certified to be a true copy by the chairman of the meeting at which it was passed, has been deposited at the Head Office of the Bank situated at Chandermukhi, Nariman Point, Mumbai, 400021 not less than four days before the date fixed for the meeting i.e., on or before 5.00 PM on 24th June, 2013.

3. No officer or employee of the Bank shall be appointed as Authorised Representative or proxy of a shareholder.

4. ATTENDANCE SLIP-CUM-ENTRY PASS:

For the convenience of the shareholders, attendance slip-cum-entry pass is annexed to this notice. Shareholders/ proxy holders/representatives are requested to affix their signature at the space provided therein and surrender the same at the venue. Proxy holders / representatives should state on the attendance slip-cum-entry pass as "proxy or representative" as the case may be and should have proof of their identity by getting their signature attested by the shareholder.

5. CLOSURE OF REGISTER OF SHAREHOLDERS:

The Register of Shareholders and Share Transfer Books of the Bank will remain closed from 22nd June, 2013 (Saturday) to 29th June, 2013 (Saturday) (both days inclusive) for determining eligibility of shareholders for the purpose of dividend. Dividend will be paid to shareholders holding shares in electronic form as per the data provided by the Depositories on Friday, 21st June, 2013 and to the shareholders holding shares in physical form as per the list provided by the Registrar and Transfer Agent as on the date of the Annual General Meeting of the Bank. Dividend Warrant shall be mailed within one month from the date of the Meeting.

6. BANK MANDATE FOR DIVIDEND OR ELECTRONIC CLEARING SERVICE (ECS) :

SEBI has made it mandatory for all listed companies, including banks, to mention in the dividend warrant, the Bank Account details furnished by the shareholders, while distributing dividends as well as to use the Electronic Clearing Service (ECS) facility wherever available. Direct credit to the bank account of the shareholder is done through ECS/NECS as specified by the Reserve Bank of India. In the absence of ECS/NECS facility at certain centres and in the event of some shareholders not availing such facility, the Bank shall print the Bank details as available with it in the dividend warrants.

6.1 Shareholders holding shares in physical form:

As you may be aware that the shares cannot be traded in physical form and in order to impart liquidity to the shareholders, we request you to convert your shares into Dematerialised form. You may convert your shares into Demat by opening an Account with the nearest bank's branch providing Demat Service or contact directly at:

Capital Market Services Branch
Ground Floor, MMO Buildg.,
Fort, Mumbai – 400 001
E-mail : centraldemat@centralbank.co.in
Tel: 022 22623148
Fax: 022 22623150

There are various advantages associated with converting your shareholding in Demat form viz. avoidance of loss, bad deliveries, faster settlements, paperless trading, etc. Further, intimations regarding change of address, bank mandate, nomination and request for transaction are required to be given only at one place i.e. with the branch where you open your Demat Account even if you hold shares of more than one Company/entity.

However, if you are still interested in holding the shares in physical form and not opting for demat, please provide us with the following Bank details to enable us to credit your Account with the dividend (as and when declared) directly.

- Name of the Bank
- Address of the Branch
- Bank Account Number
- 9 digit MICR code of the branch
- IFSC code of the Branch

(preferably, send us a cancelled cheque/ copy of a cheque leaf).

Please note that the bank account should be in the name of the 1st holder of shares. In case of any change in address, shareholders are requested to intimate the same to Registrar and Share Transfer Agent of the Bank.

The above mentioned details should be furnished by the first / sole shareholder directly to the Registrar and Transfer Agent / DPs quoting the Folio No. or DP ID No. & Client ID No. and the number of shares held on or before 21.06.2013 for receiving dividend for FY 2012-13, if declared in the 6th Annual General Meeting scheduled to be held on Saturday 29th June, 2013.

6.2 Shareholders holding shares in dematerialised form:

It is our constant endeavor to provide the best services to our valued shareholders. We observe that there are some shareholders who are holding shares in demat form but have not registered/updated their Bank account details with their Depository Participants (DPs) for getting Dividend amount directly credited to their Bank accounts. Accordingly, Dividend declared earlier, was paid to them by sending Dividend Warrants (DWs) to the address maintained by them with Depositories.

It is worth noting that if such shareholders had registered / updated their Bank Account particulars with their DPs, the Dividend Amount would have been credited directly to their bank account thus, ensuring faster receipt of



Dividend right on due date, saving time spent on receiving dividend warrant by post, no requirement for visiting bank for depositing the Dividend Warrant, non-apprehension of loss / theft of dividend warrant in transit or the likelihood of fraudulent encashment thereof.

We accordingly suggest these shareholders to register/ update their Bank Account details i.e. Bank Name, Branch Address, Account No., Account Type, Nine Digit MICR Code Number as appearing on cheque issued by their banks, with their Depository Participant with whom they are maintaining their Demat Account, to facilitate credit of dividend amount directly to their Bank accounts right on due date. In addition to this, they may also send directly to the Bank or its RTA namely, Link Intime India Pvt. Limited abovesaid bank details with mandate to credit all future dividend amounts, refund amounts or other remittances, if any, to their bank accounts instead of sending any Dividend warrant, cheque, Demand Draft , etc.

In case of any change in address, shareholders are requested to update the same in records of their Depository Participants.

If shareholders choose not to register / update their Bank details as mentioned above, then Dividend Warrants will be printed based on bank mandate earlier received by the Registrar or data downloaded from NSDL / CDSL as on 21st June, 2013.

7. UNCLAIMED DIVIDEND, IF ANY

The shareholders who have not encashed their Dividend Warrants / or have not received dividend for any of the previous years are requested to contact the Registrar and Share Transfer Agent or the Bank for arranging payment thereof directly to their Bank A/c or for issue of duplicate dividend warrant.

As per Section 10B of The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government under Section 205C of The Companies Act, 1956 and **thereafter no claim for payment shall lie in respect thereof either to the Bank or to the IEPF.**

8. REQUEST TO SHAREHOLDERS:

Shareholders are requested to bring their copies of the Annual Report enclosed herewith.

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

A K DAS

Assistant General Manager-MBD/
Company Secretary

Place: Mumbai

Date: 10.05.2013

PERFORMANCE HIGHLIGHTS

Total Business

(₹. in Crore)

PARAMETERS	Mar'07	Mar'08	Mar'09	Mar'10	Mar'11	Mar'12	Mar'13
Total Business	1,36,265	1,84,607	2,18,012	2,69,225	3,10,763	3,46,898	4,02,272
YoY Growth		35.48%	18.10%	23.49%	15.43%	11.63%	15.96%
Total Deposits	82,776	1,10,320	1,31,272	1,62,107	1,79,356	1,96,173	2,26,038
YoY Growth		33.28%	18.99%	23.49%	10.64%	9.38%	15.22%
Total Loans and Advances	53,489	74,287	86,740	1,07,118	1,31,407	1,50,725	1,76,234
YoY Growth		38.88%	16.76%	23.49%	22.67%	14.70%	16.92%
Investments	29,037	32,646	44,445	52,008	54,847	59,577	72,662
YoY Growth		12.43%	36.14%	17.02%	5.46%	8.62%	21.96%
CD Ratio	64.62%	67.34%	66.08%	66.08%	73.27%	76.83	77.97
Return on Assets	0.62%	0.54%	0.45%	0.66%	0.70%	0.26%	0.44%

Profitability

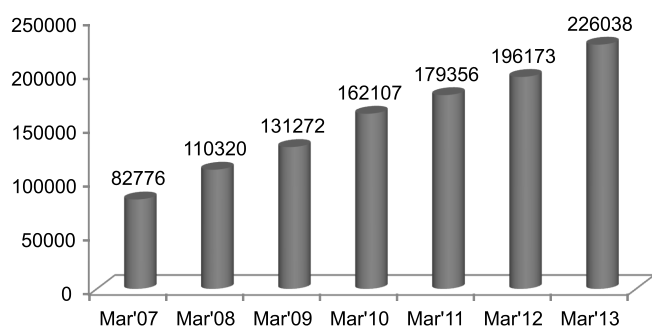
(₹. in Crore)

PARAMETERS	Mar'07	Mar'08	Mar'09	Mar'10	Mar'11	Mar'12	Mar'13
Gross Income	6,710	8,787	11,525	13,799	16,486	20,545	23,528
YoY Growth		30.94%	31.17%	19.73%	19.47%	24.62%	14.52%
Gross Expenses	5,444	7,518	10,088	11,741	13,895	17,730	20,355
YoY Growth		38.10%	34.18%	16.38%	18.35%	27.60%	14.81%
Operating Profit	1,266	1,268	1,437	2,058	2,591	2,815	3,173
YoY Growth		0.20%	13.28%	43.24%	25.90%	8.65%	12.72%
Net Profit	498	550	571	1,059	1,252	533	1,015
YoY Growth		10.47%	3.83%	85.36%	18.24%	(57.43%)	90.43%
NIM (%)	3.28	2.53	1.97	1.86	3.31%	2.78	2.65
Net Interest Income	2,474	2,223	2,228	2,545	5,326	5,169	5,738
YoY Growth		(10.16%)	0.22	14.23%	109.27%	(2.95%)	11.01%
Non Interest Income	476	791	1,070	1,735	1,265	1,395	1,667
YoY Growth		66.31%	35.26%	62.15%	(27.09%)	10.28%	19.50%

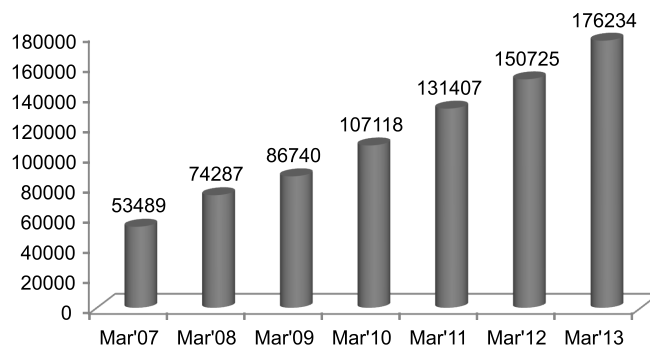


PERFORMANCE HIGHLIGHTS

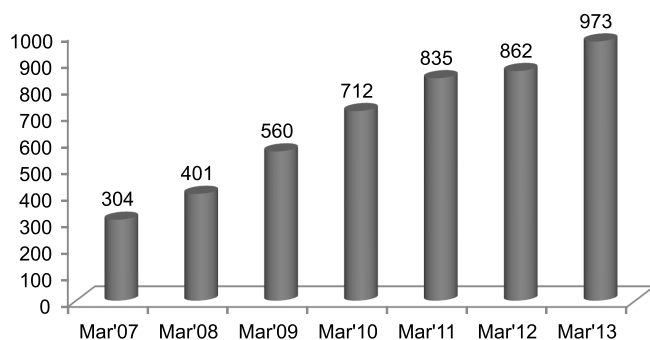
Deposits (₹ in crore)



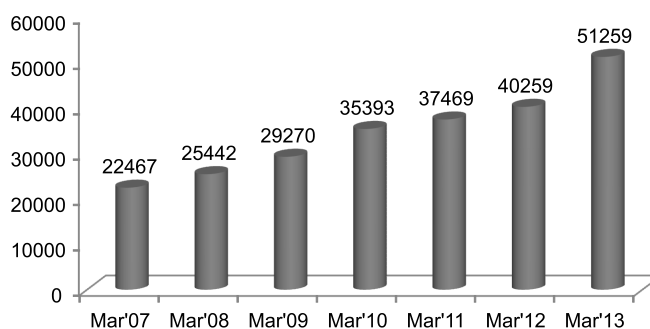
Net Advances (₹ in crore)



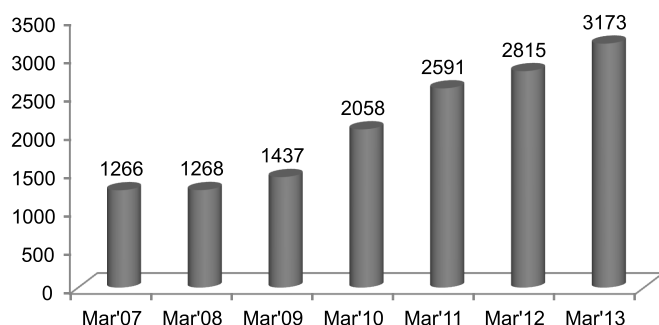
Business per Employee (₹ in lacs)



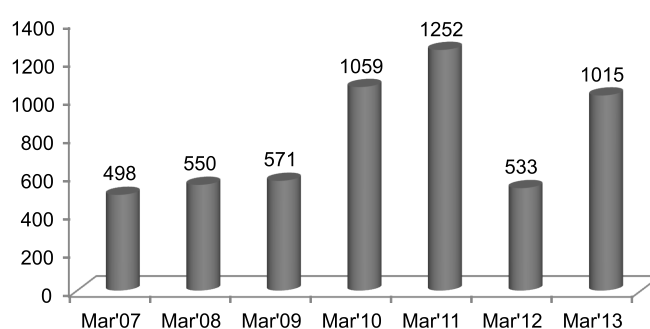
Priority Sector Credit (₹ in crore)



Operating Profit (₹ in crore)

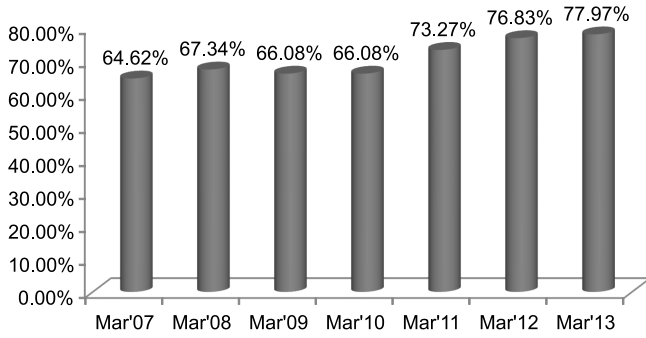


Net Profit (₹ in crore)

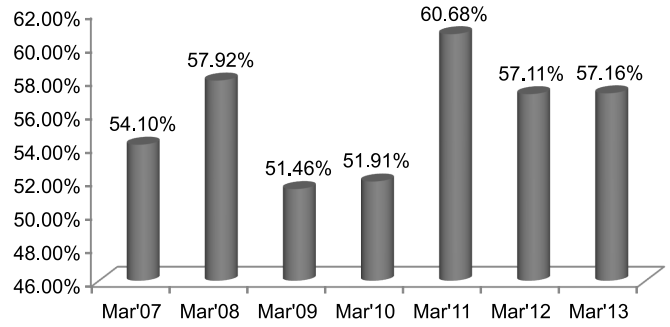


PERFORMANCE HIGHLIGHTS

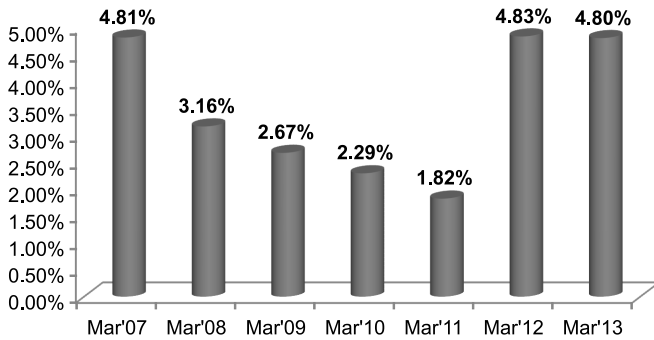
Credit Deposit Ratio (in %)



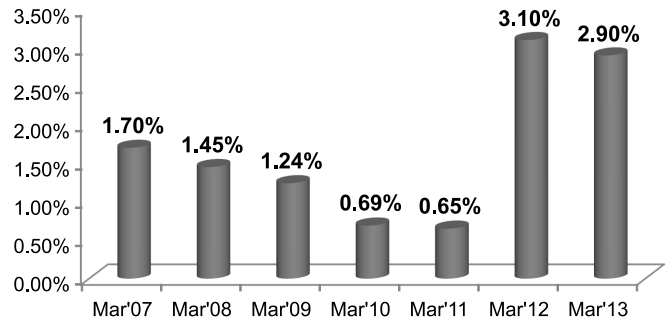
Cost to Income Ratio (in %)



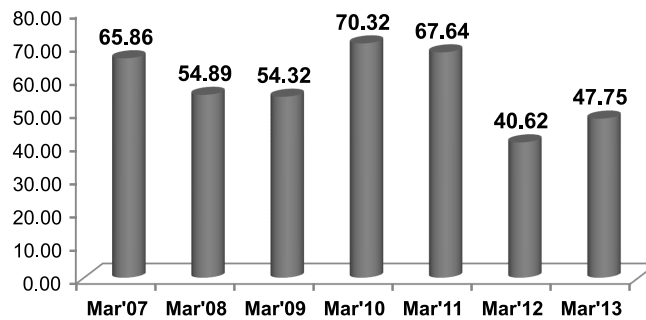
Gross NPA (in %)



Net NPAs (in %)



Provision Coverage Ratio (in %)





DIRECTORS' REPORT 2012-13

Your Directors have pleasure in presenting the Annual Report of the Bank along with the Audited statement of Accounts, the Profit and Loss accounts and the cash flow statement for the year ended March 31, 2013.

1. PERFORMANCE HIGHLIGHTS

- ❖ Total Business of the Bank increased by ₹55374 crore to ₹402272 crore from ₹ 346898 crore in previous year, registering y-o-y growth of 15.96 per cent.
- ❖ Total Deposits increased by ₹29865 crore to ₹226038 crore, registering y-o-y growth of 15.22 per cent.
- ❖ Gross Advance of the Bank grew by ₹25509 crore to ₹176234 crore, registering y-o-y growth of 16.92 per cent.
- ❖ Operating Profit increased to ₹3173 crore from ₹2815 crore in FY 2011-12, registering y-o-y growth of 12.72 per cent.
- ❖ Net Profit stood at ₹1015 crore in 2012-13 as against ₹533 crore in FY 2011-12, registering y-o-y of 90.43 per cent.
- ❖ Capital Adequacy Ratio (as per Basel-II) stood at 11.49 per cent as against 12.40 per cent in previous year.
- ❖ Net worth increased to ₹13443.12 crore from ₹10550.44 crore.
- ❖ Gross NPA of the Bank increased by ₹1183 crore to ₹8456 crore from ₹7273 crore in previous year. In percentage term Gross NPA reduced to 4.80 per cent in FY 2012-13 from 4.83 per cent in last year.
- ❖ Net NPA increased to ₹4988 crore from ₹4557 crore in previous year. Net NPA percentage decreased to 2.90 per cent from 3.10 per cent in previous year.
- ❖ Provision Coverage Ratio (PCR) increased to 47.75 per cent from 40.62 per cent in March 2012.
- ❖ Net Interest Margin (NIM) reduced to 2.65 per cent from 2.78 per cent in FY 2011-12.
- ❖ Average Business per Employee increased to ₹973 lakh from ₹862 lakh in previous year.
- ❖ Net Profit per Employee increased to ₹2.83 lakh from ₹1.51 lakh in March 2012.
- ❖ Return on Assets (ROA) improved to 0.44 per cent from 0.26 per cent in March 2012.
- ❖ Credit to Priority Sector increased to ₹51252 crore from ₹40259 crore in previous year, recording y-o-y growth of 27.31 per cent.
- ❖ Agriculture Advance of the Bank increased to ₹24660 crore from ₹18848 crore in FY 2011-12 registering y-o-y growth of 30.84 per cent.
- ❖ Under the micro credit & other (credit upto ₹50,000 per borrower), Bank has extended credit of ₹233 crore.
- ❖ Advances to Micro & Small Enterprises (MSE) increased to ₹17289 crore during the year under review from ₹13161 crore in previous year.
- ❖ During the year 13957 new Self Help Groups (SHGs) were formed, out of which 12397 SHGs have been credit-linked.
- ❖ Under the Government Sponsored Programmes, Bank has provided assistance to 15047 SGSY beneficiaries, 11384 SJSRY beneficiaries & 1302 PMEGP borrowers during the year 2012-13.
- ❖ Bank has extended loan of ₹15521 crore to the borrowers belonging to the weaker section of the society.
- ❖ Education Loan grew by 19.01 per cent during the year and the total loan reached to ₹2567 crore.
- ❖ Bank has established 46 Rural Self Employment and Training Institute (RSETI) across India.
- ❖ At the beginning of the year, the Bank had 7 sponsored Regional Rural Banks (RRBs) covering 57 Districts in 7 states with a network of 1806 Branches, out of which 2 RRBs were merged with other RRBs and 2 RRBs sponsored by other Banks merged with our Central Madhya Pradesh Gramin Bank. As on 31.03.2013, we had 5 RRBs spread over 54 districts in 5 states with network of 1799 branches.
- ❖ Bank was allotted 3728 villages with population above 2000. Bank has covered all these villages with 116 Branches and 3612 BC Agents. Bank has opened all its 3612 Ultra Small Branches.
- ❖ The corporate credit of the Bank increased to ₹120328 crore from ₹98960 crore in previous year registering y-o-y growth of 21.59%.

- ❖ The retail credit grew by 31.30% from ₹16915 crore in FY 2011-12 to ₹22209 crore in FY 2012-13.
- ❖ **“Cent Combo”** – A Combination of Home Loan & Vehicle Loan at attractive Rates and at affordable EMIs and Hassle Free Loan Sanction Process was introduced with lowest EMI of ₹ 896/- per Lakh for Home Loans upto 30 years and lowest EMI of ₹ 1673/- per Lakh for Vehicle Loans upto 84 months. The scheme has been designed keeping the corporate sector employees in view.
- ❖ During the year 2012-13, Bank has earned commission of ₹15.23 crore in life insurance and ₹9.02 crore in non-life insurance business.
- ❖ All 77 Regions have been declared as BIMA Region and 835 branches as BIMA Banks by LIC.
- ❖ As on 31st March 2013, Bank has a network of 4294 branches across the country. During the year 283 branches have been opened, which includes 13 extension counters converted to full-fledged branches.
- ❖ Bank has installed 2529 ATMs till 31st March 2013.
- ❖ Under the organizational re-structuring process, Bank has delegated more powers to the Regional Managers to ensure decision making faster and Zonal Managers will work as Business Facilitator for Regional Offices for achieving Corporate Goals.

2. INCOME & EXPENDITURE

Details of income and expenditure for the period 2012-13 are given hereunder:

		₹ in crore			
		31.03.2013	31.03.2012	Variation	%
1	INTEREST INCOME	21861	19150	2711	14.16
	-Advances	16922	14421	2501	17.34
	-Investments	4779	4347	432	9.94
	-Others	160	382	(222)	(58.12)
2	OTHER INCOME	1667	1395	272	19.50
	(Profit on Sale of Investments)				
3	TOTAL INCOME (1+2)	23528	20545	2983	14.52
4	INTEREST EXPENDED	16123	13981	2142	15.32
	-Deposits	14940	12996	1944	14.96
	-Others	1183	985	198	20.10
5	OPERATING EXPENSES	4232	3749	483	12.88
	-Establishment	2891	2506	385	15.36
	-others	1341	1243	98	7.88
6	TOTAL EXPENSES (4+5)	20355	17730	2625	14.81
7	SPREAD (1-4)	5738	5169	569	11.01
8	OPERATING PROFIT (3-6)	3173	2815	358	12.72
9	PROVISIONS-NPA/INVST./OTHERS	1853	2169	(316)	(14.57)
10	PROVISIONS FOR TAX	305	113	192	169.91
11	NET PROFIT	1015	533	482	90.43

- ❖ Interest Income grew by 14.16 per cent during the year
- ❖ Interest expenses on Deposits increased by 14.96 % to ₹14940 crore in March 2013 from ₹12996 crore in previous year.
- ❖ Expenses on employees increased by ₹385 crore during the year to ₹2891 crore from ₹2506 crore in previous year, due to provisioning requirement of ₹100 crore for expected Wage settlement.



3. PROVISIONS

Details of Total Provisions of ₹2158 crore charged to the Profit and Loss Account during the year 2012-13 vis-a-vis previous year are detailed as under:

	(₹ in crore)		
	31.03.2013	31.03.2012	Variation
Provisions for Standard Assets	91	54	37
Provisions for NPAs	1930	1962	(32)
Depreciation/Provision on Investments	(163)	151	(314)
Provisions for Taxes	305	113	192
Others	(5)	2	(7)
TOTAL	2158	2282	(124)

4. PROFITABILITY RATIO

	(In percentage)	
	31.03.2013	31.03.2012
Cost of Deposits	7.42	7.20
Cost of Funds	7.53	7.28
Yield on Advances	11.14	11.36
Yield on Investments	7.60	7.53
Net Interest Margin	2.65	2.78
Cost Income Ratio	57.16	57.11

- ❖ Cost of Deposits increased from 7.20 per cent in 2012 to 7.42 per cent in 2013.
- ❖ The yield on advances was 11.14 per cent in 2012-13 and yield on investments was 7.60 per cent against 7.53 per cent in 2011-12.
- ❖ Net Interest Margin reduced to 2.65 per cent from 2.78 per cent in previous year.
- ❖ Cost to Income Ratio increased from 57.11 per cent in 2012 to 57.16 per cent in the year under review.

5. BANKING RATIOS

	(In percentage)	
	2012-13	2011-12
Interest Income to Average Working Fund (AWF)	9.46	9.22
Non-Interest Income to AWF	0.72	0.67
Operating Profit to AWF	1.37	1.36
Return on Average Assets	0.44	0.26
Business Per Employee (₹ in lakh)	973	862
Net Profit per Employee (₹ in lakh)	2.83	1.51

6. CAPITAL TO RISK WEIGHTED ASSETS RATIO (CRAR)

The components of Capital Adequacy Ratio were as under:

	31.03.2013		31.03.2012	
	Basel-I	Basel-II	Basel-I	Basel-II
Risk Weighted Assets(₹ in crore)	18253035	17765807	147958	140823
Capital Funds (in percentage)				
Tier-I	7.95	8.09	7.50	7.79
Tier-II	3.38	3.40	4.46	4.61
Capital Adequacy Ratio	11.33	11.49	11.96	12.40

7. NET PROFIT & DIVIDEND

The Bank earned Net Profit of ₹1015 crore for the financial year 2012-13. The Board of Directors are pleased to recommend a dividend @ 25 per cent on the Equity Share Capital i.e. ₹2.50/- per equity share of ₹10/- each.

8. CHANGES IN THE BOARD DURING THE YEAR

During the year under review, the following changes took place in the Board of Directors of the Bank:

- ❖ Shri Malay Mukherjee was appointed as Executive Director of the Bank w.e.f 05.11.2012 in place of Smt V.R.Iyer who ceased as Executive Director on 05.11.2012.
- ❖ Shri R.K.Goyal was appointed as Executive Director of the Bank w.e.f 11.01.2013 in place of Shri R.K.Dubey who ceased as Executive Director on 11.01.2013.
- ❖ Shri Brijlal Kshatriya ceased to be the Shareholders' Director w.e.f 20.03.2013.
- ❖ Shri Romesh Sabharwal and Major (Retd) Ved Prakash, Part Time Non-Official Directors ceased to be the Directors of the bank w.e.f 06.10.2012 and 20.10.2012 respectively consequent upon expiry of their tenures.
- ❖ Shri M.P.Shorawala and Shri Krishan Sethi were appointed as Part Time Non-Official Directors of the Bank w.e.f 03.01.2013 and 28.02.2013 respectively.
- ❖ Shri B.S.Rambabu ceased to be the Workmen Employee Director of the Bank w.e.f 15.03.2013.

The Board places on record its appreciation of valuable contribution extended by Smt.V.R.Iyer, Shri R.K. Dubey, Shri Brijlal Kshatriya, Shri Romesh Sabharwal, Major (Retd) Ved Prakash and Shri B.S. Rambabu who ceased to be the directors of the Bank during Financial Year 2012-13.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that in the preparation of the annual accounts for the year ended March 31, 2013;

- ❖ The applicable accounting standards have been followed along with proper explanation relating to material departure, if any;
- ❖ The accounting policies framed in accordance with the guidelines of the Reserve Bank of India were consistently applied;
- ❖ Reasonable and prudent judgement and estimates were made so as to give a true and fair view of the state of affairs of the Bank at the end of the financial year and of the profit of the Bank for the year ended March 31,2013;
- ❖ Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the applicable laws governing banks in India ; and
- ❖ The accounts have been prepared on a going concern basis.

10. CORPORATE GOVERNANCE

The Board of the Bank is committed to adapt Corporate Governance practices in letter and spirit. The Bank has adopted well documented system and practice on Corporate Governance.

11. ACKNOWLEDGEMENT

The Board of Directors places on record its gratitude to the Government of India, Reserve Bank of India and the Security Exchange Board of India for their valuable guidance and support. The Board acknowledges with gratitude the unstinted support and faith of its customers and shareholders. The Board wishes to place on record its appreciation of the dedicated services and contribution made by members of staff for the overall performance of the Bank.

For and on behalf of the Board of Directors

Sd/-

Mohan V Tanksale

Chairman & Managing Director

Place : Mumbai
Date : May 31, 2013



MANAGEMENT DISCUSSION AND ANALYSIS

Part A – ECONOMIC SCENARIO

GLOBAL DEVELOPMENTS

- ❖ The International Monetary Fund (IMF) has estimated the growth of world output at 3.2% in 2012 and has forecasted the world output growth to be at 3.3% for 2013 and to reach 4.0% by 2014 on account of expected sharper recovery in the US. The growth in Emerging and Developing Economies (EDEs) has been estimated to grow by 5.1% in 2012 and is projected to reach 5.3% in 2013 and 5.7% in 2014, respectively.
- ❖ Steady monetary easing in the face of fiscal austerity measures in advanced economies boosted global investor sentiments since Q4 of 2012. International financial markets posted significant gains, especially in Japan following its recent policy stimulus and in the US on the back of improved economic data.
- ❖ The IMF's Global Financial Stability Report of April 2013 has mentioned that global financial market conditions have improved in the past six months due to monetary stimulus and liquidity support. The improvement in global financial conditions is supportive of global growth prospects for 2013.

DOMESTIC ECONOMY

1. GROSS DOMESTIC PRODUCT (GDP) GROWTH

During the year 2012-13 both domestic and global factors impacted Indian economy's growth. The economy faced multiple challenges like high inflation, rising fiscal deficit and widening Current Account Deficit (CAD).

- ❖ As per the Advance Estimates of the Central Statistical Organisation (CSO) India's GDP growth is estimated to be at 5% in FY 2012-13 as compared to 6.2% growth registered in 2011-12. The moderation in growth was seen across all the three major sectors; agriculture, industrial and services.
- ❖ The growth in agriculture and allied activities grew by 1.8% in 2012-13, compared to 2.8 % in 2011-12. The delayed monsoon impacted kharif production though rabi prospects seems to be better. As per the latest estimates, the food grain production is estimated at 250 million tones in 2012-13.
- ❖ For 2012-13, growth in the index of industrial production (IIP) slowed to 1% from 2.9% in the 2011-12 due to low performance of capital goods sector.
- ❖ The services sector (excluding construction sector) is likely to grow by 6.5% in 2012-13 against 8.5% last fiscal.

2. INFLATION

- ❖ Headline inflation, as measured by the wholesale price index (WPI), moderated to an average of 7.3 % in 2012-13 from 8.9 % in 2011-12.
- ❖ The food inflation which has a weightage of around 24% in the WPI remained high through the year on account of the delayed monsoon and the increase in the minimum support price (MSP) for paddy. Fuel inflation averaged in double during the year due to upward revision in administered prices and step wise increase in diesel prices.
- ❖ The retail inflation measured by CPI averaged 10.2% during 2012-13 largely driven by food inflation.

3. EXTERNAL SECTOR

- ❖ On external front, the merchandise exports in 2012-13 have declined by 2% amounting to US \$301 billion much below the indicative target of US \$350 billion. Imports on the other hand increased marginally by 0.44% amounting to \$491 billion, during the fiscal.
- ❖ This has resulted into widening of trade deficit and current account deficit (CAD). The CAD as a percentage of GDP stood at 5.4% for April-December 2012-13 as against 4.1% in the same period of 2011-12 owing to significant increase in imports (of oil and gold) at a time when exports remained subdued.
- ❖ In the current fiscal year, the exchange rate of the rupee against US\$ has witnessed high volatility. Overall, the rupee fell sharply against US\$ during the year 2012-13 as compared to the previous year. Subdued investment climate, high current account deficit and declining prospects of capital flows, have kept the rupee under continued pressure.

- ❖ Foreign direct investment (FDI) flows into India stood at US\$ 22.2 billion during April-December 2012, which is 22.1% lower than US\$ 28.5 billion during April-December 2011.

4. MONETARY DEVELOPMENTS

- ❖ The RBI's monetary policy stance during the year reflected a calibrated approach to balance growth and inflation dynamics. During 2012-13, the RBI reduced the repo rates 3 times by 100 bps.
- ❖ The overall liquidity position during the year remained under deficit mode. The average daily injection of liquidity through liquidity adjustment facility (LAF) window during 2012-13 was about Rs 81,678 crore, which was higher than the previous year's average of Rs 78,686 crore.
- ❖ In order to ease liquidity conditions, the RBI reduced the CRR of SCBs by 75 bps from 4.75% to 4.00% and the Statutory Liquidity Ratio (SLR) by 100 bps from 24% to 23% during the year. The broad money (M3) saw a marginal increase of 13.3% for FY-2012-13 from 13.2% in FY-2011-12.

5. DEVELOPMENTS IN BANKING INDUSTRY

- ❖ The aggregate deposits registered a growth of 13.5 % for FY 2012-13 as compare to 13.4% in FY-2011-12. The credit growth decelerated to 14.1% for FY-2012-13 as compare to 17% in FY-2011-12. The credit growth has decelerated mainly due to the sluggish investment demand and slowdown in the credit-intensive manufacturing sectors.
- ❖ The RBI has recently released final guidelines for the opening of new banks in India. At present the margins of the banking sector are under pressure due to challenges like increasing capital requirements, higher provisioning expenses and rising wage bill. The entry of new banks will further put pressure on the margin of Banks. Further, the banks will be facing the challenge on account of raising additional capital under the Basel III framework with higher and modified nature of capital requirements.

Part B – PERFORMANCE OF THE BANK

BUSINESS

As on 31st March 2013, the total business of the Bank was ₹402272 crore, registering a growth of 15.96 per cent from the previous year figure of ₹346898 crore. The operating profit reached to ₹3173 crore from previous year figure of ₹2815 crore, marking a growth of 12.72 per cent. The Bank has posted net profit of ₹1015 crore in 2012-13 as against ₹533 crore in previous year.

RESOURCE MOBILISATION

The total deposits as on March 31, 2013 stood at ₹226038 crore, registering a growth rate of 15.22 per cent over previous year. Savings Bank Deposits increased to ₹59090 crore in 2012-13 from ₹52595 crore in last year. Current Deposits increased to ₹14491 crore in 2012-13 from ₹12680 crore in 2012-13. The Share of CASA deposits to total deposits was 32.55 per cent. Term Deposits increased to ₹152457 crore in 2012-13 with y-o-y growth of 16.47 per cent from ₹130898 crore in 2011-12 whereas Core Term Deposits grew by 42.25 per cent to ₹97372 crore in 2012-13 from ₹68451 crore in 2011-12.

Various new products and initiatives were introduced to increase the Deposits of the Bank. Details thereof are as under:

1) NEW PRODUCTS-

- ❖ New premium variant of Savings account, "CENT PREMIUM" has been introduced alongwith new welcome kit for our premium customers.
- ❖ Premium variants of Current account "CENT SILVER", "CENT GOLD" & "CENT DIAMOND" have been introduced.
- ❖ A new cheque book design is being introduced to identify the premium variant customers.
- ❖ New variant of Flexi RDS scheme "CENT SWA SHAKTI" introduced for sustained growth in core deposit.
- ❖ RDS scheme has been repackaged by introducing variant "CENT LAKHPATI" to attract our rural & semi urban clientele.
- ❖ A short term deposit scheme "CENT 101" was introduced to tap short term deposit. Mopped ₹1500 Crores in one month before discontinuing the Scheme.



- ❖ “CENT SALARY” Savings Scheme has been introduced for Salaried class.
- ❖ Total revamp of Cent Samvidhi scheme done introducing daily sweep facility in CURRENT as well as SAVINGS account to attract big ticket accounts.

2) NEW INITIATIVES-

- ❖ Various CASA Campaigns & Contests organized through out the year resulting into average no. of opening of new saving accounts increasing to 3.62 accounts per branch per day from 2.54 accounts per branch per day.
- ❖ “CUSTOMER DELIGHT” programme launched for Cent Premium customers by handing them a flower bouquet on their birth days.

3) ON THE ANVIL-

- ❖ Rewards Point Programme is being introduced in SAVINGS account to improve our ON LINE banking transactions.
- ❖ ON LINE opening of savings account is being introduced to attract more & more net savvy customers.
- ❖ FRFD (Floating Rate Fixed Deposit) is being introduced shortly.

CREDIT

As of 31.03.2013, the gross credit of the Bank stood at ₹176234 crore as against ₹150725 crore in the previous year, registering y-o-y growth of 16.92 per cent. The growth in credit is diversified in all segments as under:

	As on 31.03.2012	As on 31.03.2013	Growth (%)
Corporate Credit	98960	120328	21.59
Agriculture	18848	24660	30.84
MSE	13161	17289	31.36
Retail Lending	16915	22209	31.30

Credit Monitoring Department

- ❖ Bank has introduced a well-defined Monitoring Policy, containing detailed guidelines on SMA (Special Mention Accounts) Management which encompasses all areas of SMA management, Early Warning Signals, Monitoring & Follow-up Measures and Reporting System.
- ❖ The policy was approved by the Board in May 2011 and implemented across the Bank with effect from 1st July 2011. The policy was reviewed in May 2012.
- ❖ An independent vertical under an independent charge of Chief General Manager/ General Manager has been created for Credit Monitoring w.e.f. 1st August 2011.
- ❖ As per Monitoring Policy guidelines, Monitoring Committee is formed at Central Office level as well as at the field level to review and monitor Standard irregular/ SMA accounts every month.
- ❖ Several workshops have been conducted for field functionaries including Regional Heads/Deputy Regional Managers/ Loan Review Officers with a view to develop monitoring skills/awareness.
- ❖ Locational Meetings were conducted at different Regional Offices/Zonal Offices and/or video conference held with the SMA borrowers to chalk out strategies for asset quality management of the stressed accounts.
- ❖ The Bank has also implemented Centralized Loan Appraisal System & Supervision (**CLASS**) software for monitoring Corporate, SME, Retail and Priority Sector advances on real-time basis.
- ❖ Steps have also been initiated for offsite monitoring surveillance mechanism to ensure intensive credit monitoring.
- ❖ Restructuring data has been captured in the CBS system in full.
- ❖ CIBIL consumer data acceptance level has improved from 23% to 70% during the year.
- ❖ The Bank has also submitted point-wise compliance to all the earlier Annual Financial Inspection (AFI) Reports and the AFI Reports up to 2011 are closed and all the observations of AFI 2012 have been replied to.

PRIORITY SECTOR CREDIT

Priority Sector (PS) Lending is the thrust area of the Bank and we have totally focused for the growth of PS Lending such as Agriculture, MSE and others .

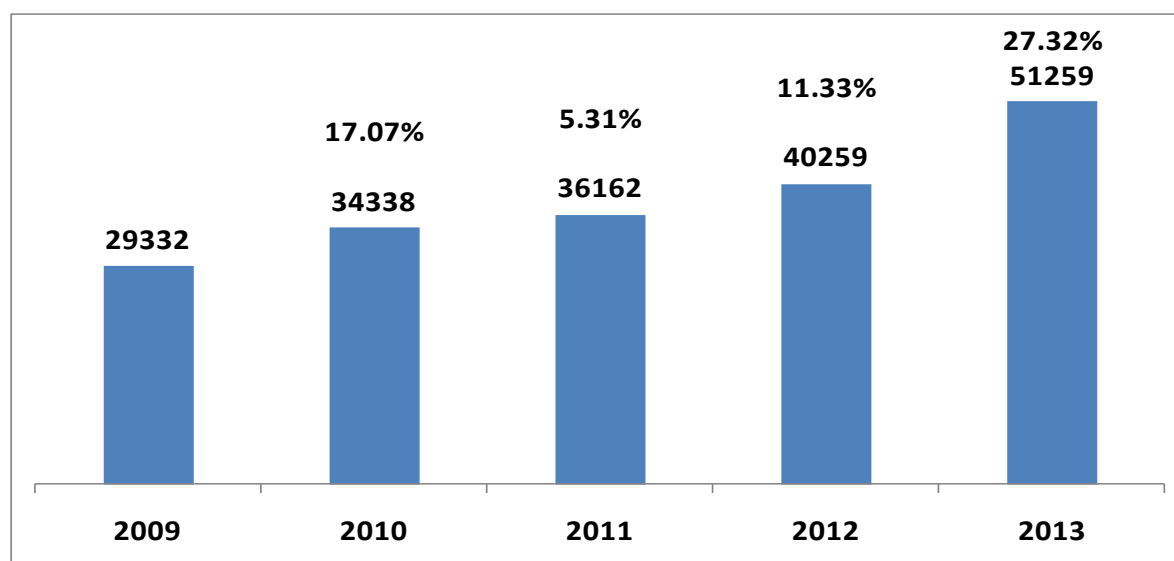
As a result, our growth in Priority Sector has been quite impressive.

The credit deployed under priority sector increased from ₹40259 crore to ₹51252 crore in 2012-13, recording a y-o-y growth of 27.31% . The performance recorded by the Bank under various segments of priority sector as on 31.03.2013 is as under:-

₹ In crore				
S No.	Particulars	March 2012	March 2013	Growth (%)
	Adjusted Net Bank Credit (ANBC)	131277	151116	
1	Priority Sector Advance Percent to ANBC	40259 30.67	51259 33.92	27.31
2	Total Agriculture Advance Percent to ANBC	18848 14.36	24660 16.32	30.84
3	Direct Agriculture Advances Percent to ANBC	15047 11.46	19850 13.14	31.92
4	Indirect Agricultural Advances Percent to ANBC	3801 2.90	4810 3.18	26.55
5	Micro & Small Enterprises	13161	17289	31.36
6	Education Loan	2057	2525	22.75
7	Housing Loan (upto ₹25.00 lacs)	5981	6545	9.43
8	Micro Cr. & other	212	233	9.91

PRIORITY SECTOR

(₹ in crore)

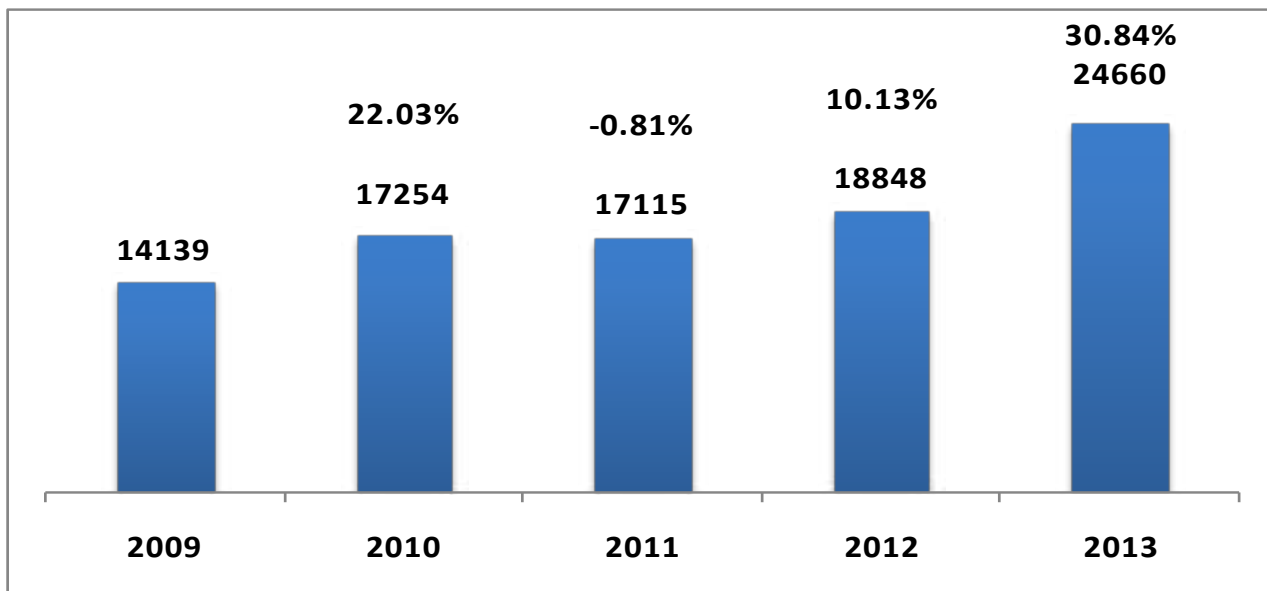




AGRICULTURE

Total Agriculture credit increased by 30.84% from a level of ₹18848 crore as on 31.3.2012 to ₹24660 crore as on 31.03.2013. The share to adjusted net bank credit (ANBC) increased from 14.36% to 16.32% .

(₹ in crore)



INITIATIVES TAKEN TO ACCELERATE FLOW OF CREDIT TO AGRICULTURAL:

Special Rural Credit campaigns:

- ❖ Calendar of Credit camps was conveyed to the Regions and Branches. In each month minimum one Mega Credit camp was organized by all the Rural and Semi Urban Branches.
- ❖ Special credit camp on 09.08.2012, the Birthday of our Founder Sir Sorabaji Pochkanwala was also organized by these Branches.
- ❖ During these credit camps total 90034 New beneficiaries to the extent of ₹866.73 crores loan has been sanctioned and disbursed.

New Products Launched:

- ❖ Scheme for Purchase of Estates Growing Traditional plantation Crops.
- ❖ Cent Kisan Tatkal scheme for Farmers.

Area Specific Schemes Introduced:

- ❖ Financing against Harvesting & transportation expenses to contractors of sugarcane industries of Maharashtra.
- ❖ Scheme for financing to commercial dairy Product under tie-up with Amul in the state of Gujarat.

Strategy for increasing advance against Warehouse Receipt:

- ❖ MoU has been executed with Collateral Managers viz., Star Agri-warehousing & Collateral Management Ltd (STARAGRI), NBHC, NCML and NCDEX for financing to farmers against warehouse receipt issued by them.
- ❖ Special targets have been allotted to Regions for financing against warehouse receipts.
- ❖ MoU with Central Warehousing Corporation, Maharashtra State Warehousing Corporation & National Collateral Management Services Limited for financing against their Warehouse Receipts is being finalized.
- ❖ On specific recommendation of Regions further concessions in interest and Charges are being allowed on case to case basis.
- ❖ Incentive Scheme for Staff at Branch, Region, Zone & at Central office for Best performance in agricultural growth

has been formulated to motivate the staff.

Additional Manpower Support:

- ❖ Process for recruitment of 400 Agriculture Finance Officers (AFOs) was initiated in FY 2012-13 out of which 368 officers reported to the Bank. Requirement of 650 AFOs has been assessed and process initiated during the current FY 2013-14.
- ❖ Provided Motorcycle to our Rural and Semi urban branches to mobilize new business.

Web Portal/Intranet Portal/Class Module

- ❖ An Agri banking portal was started in the Bank's Website incorporating all our Agriculture lending Schemes.
- ❖ Centralized Loan Appraisal Sanction & Supervision (CLASS) module has been made live for five agricultural products for smooth and fast disposal of Loan cases.
- ❖ All the Schemes have been updated and issued in the form of Master Circulars on 01.01.2013.

AGRICULTURAL DEBT WAIVER AND DEBT RELIEF SCHEME 2008

Submission of claim to RBI under Debt Waiver and Debt Relief Scheme-2008:

CAG had conducted performance audit of accounts under ADWDR -2008. In 417 accounts they have submitted report for our Bank.

As per the report, we have to extend the benefit in 59 accounts amounting ₹17.18 lacs and in 346 accounts ₹68.38 lacs is to be recovered from the borrowers as excess benefit extended. So far we have recovered ₹68.38 lacs and remitted to RBI on 12.03.2013. As per the instruction of DFS/RBI exercise of verification of Agriculture Account as on 29.02.2008, is going on through our internal auditor / Bank officials. So far, out of 10.33 lacs accounts 4.05 lacs accounts have been verified and the exercise is completed in 1384 branches. It is expected to be completed by the end of June 2013.

MICRO CREDIT

The Bank has extended credit of ₹233 crore to 60,025 beneficiaries where the loan amount does not exceed ₹50,000/- per borrower.

MICRO & SMALL ENTERPRISES (MSE)

MSE sector is the engine of inclusive growth. The sector employs about 60 million people spread over 26.1 million enterprises. The sector accounts for about 45% of the manufacturing output and 40% of the total export of the country. MSE sector contributes 8% to GDP, which is expected to rise to level of 10%.

- ❖ The Advances to Micro and Small Enterprises has registered a growth of 31.36% during the year. Total Advances to MSE has increased to ₹17289 Crore at the end of current year from ₹13161 crore. Advances to Medium Enterprises has increased to ₹2742 crore at the end of current year from ₹1837 crore with a growth of 49.26%
- ❖ Bank has designated 535 Specialised MSME Branches for giving focused attention to MSE and for adopting cluster based approach. Bank has also organized two days workshop for all the Branch Managers of these branches.
- ❖ Separate MSME Vertical is created with an objective of giving more thrust to MSMEs.
- ❖ Bank has set up a "Women Entrepreneurs Cell" at our Central Office with 77 regional Coordinators for helping women entrepreneurs.
- ❖ Bank has also introduced Cent Kalyani Scheme with CGTMSE coverage exclusively for women entrepreneurs on International Women's Day. Under the scheme Guarantee Fee for the 1st year will be borne by Bank.
- ❖ "CENT KALYANI" Exclusively for women beneficiaries, "CENT CONTRACTOR" for financing civil/construction contractors, "CENT FOOD PROCESSING PLUS" for financing food and agro based processing units, "CENT PROSPERITY" for minority community, "CENT PROTSAHAN" for Business promotion, "CENT CONSTRUCTION EQUIPMENT FINANCE", "CENT BUSINESS GOLD LOAN SCHEME" for business purpose, "CENT WEAVER CREDIT CARD" for weavers, "CENT LAGHU UDYAMI CREDIT CARD", SRTO scheme for transporter.
- ❖ Bank has also introduced many new schemes for specific Target Groups of MSMEs.



- ❖ Bank has also entered into Tie Up with many Corporates such as Bajaj Auto Finance Limited, TVS Motors, Ashok Leyland, Tata Motors etc.
- ❖ On line filing of MSE application is available on the Bank's website. Any MSE entrepreneurs can apply loan through website by filing on line application.

MSE PORTAL

Started on the Bank's website incorporating all our lending schemes and simplified Common Application Form.

SELF HELP GROUPS

During the year 13957 groups were formed under the scheme by the Bank. Out of which 12397 groups have been credit-linked. Since inception of the scheme the Bank has formed 166147 SHGs out of which 107364 groups are credit-linked with outstanding balance of ₹863.51 crore at the end of the year. Out of the credit-linked groups, 88267 are women SHGs with total sanctioned limits of ₹681.91 crore which comes to 82.21% of total credit linked groups. Even in those districts which face left wing extremism, the bank could form 2875 SHGs and extend credit linkage to 617 SHGS.

Performance under Lead Bank.

- ❖ We have the Lead Bank responsibility in 48 districts spreading in seven States viz. Madhya Pradesh(18), Bihar(10), Maharashtra(7), Uttar Pradesh(5), West Bengal(3), Rajasthan(3) and Chattishgarh(2). More than 50% and about 25% of our total branches are located in these States and Lead Districts respectively.
- ❖ For effective implementation of Lead Bank Scheme, the office of Lead District Managers has been sufficiently equipped and empowered with right kind of staffing supplement and infrastructure like independent/good premises, vehicle, computers/laptops (with skype installed) & printers, telephone, internet connections, e-mail id, mobile, fax, establishing websites.
- ❖ To make the public/masses aware of various products of bank, we have displayed some products relating to Kisan Credit Card, Central Artisan Credit Card, Swabhiman/Aadhar etc. relevant to the rural masses on the vehicle provided to LDMs.
- ❖ The overall achievement under Annual Credit Plan by our branches is 84% comparing to the achievement of 81% by all banks in Lead Districts. There is improvement in Market Share from 12.23% (Mar-12) to 14.74%(Mar-13) comparing to branch share of 13.45%(Mar-13). Similarly, there is improvement in CD Ratio in Lead District from 42% to 46%. The CD Ratio of all banks has improved from 49% to 50%.
- ❖ We also hold periodic Review Conference of LDMs at Central Office level to review the performance under various areas of functioning.
- ❖ We have started implementing a Special Incentive/Reward Scheme on Annual Performance basis, to reward the performing Lead District Managers every year by way of presenting trophy and cash incentive.
- ❖ Our bank has taken an unique initiative to conduct outreach visit programme in all 48 lead districts on single day by General Managers/Zonal Managers from Central Office and Zonal Office with a view to have close interaction with field functionaries and to have through assessment of Priority Sector/Financial Inclusion activities in the area.
- ❖ We have selected one village in each Lead District for inclusive growth through empowerment, training skill development of youth and credit linkages. All developmental activities like complete implementation of Financial Literacy/Financial Inclusion Programmes, Training unemployed rural youth in RSETIs, Formation of SHG/Farmers Club/JLG, Lending activities have been implemented to bring complete socio-economic change. This is being replicated in other selected villages also in lead districts.

State Level Bankers Committee:

- ❖ Our bank is the convener of SLBC in the State of Madhya Pradesh. During the year 2012-13, four regular SLBC meeting were held to review and monitor the progress made in the State under various parameters including Government sponsored programmes by different agencies.
- ❖ Our vision for the State is "An all-round and all-inclusive development of the State through which the life of citizens can become prosperous and they should have opportunities for putting in their best efforts according to their potential and contributing to the nation's development".

- ❖ Out of total 50 district with a network of 3377 branches (Commercial Banks and SBI Group) in the State, we have lead district responsibility in 18 districts with a network of 415 branches.
- ❖ We are the pioneer to hold Review Conference/Workshop of all Lead District Managers of the State to discuss various strategies to achieve the target of ACP, action plan relating to implementation of Financial Inclusion and integrating their roles & responsibilities in achieving the objectives.
- ❖ We are the first bank to enter in to MOU with State Govt. under Chief Minister Rural Housing Scheme.
- ❖ Despite various adversities in some of districts, the CD Ratio of the State has been above 60%.
- ❖ All sub service area allotted to the banks have been covered through a banking outlet like Branch, BCA or CSC.

GOVERNMENT SPONSORED PROGRAMME (2012-13)

During the year, the Bank has sanctioned loan under different Government sponsored programme as under :

(₹ in crore)

Sr.No.	Scheme	Disbursement during 2012-13	
		A/c.	Amount
1	SGSY	20394	199.25
2	SJSRY	47544	283.78
3	PMEGP	8441	140.84

ADVANCES TO WEAKER SECTIONS

During the year, the Bank has extended loans of ₹15521.36 crore to various categories of weaker sections which constitutes 10.27% of ANBC, which is above the target (10%) envisaged by Government.

ADVANCE TO MINORITY COMMUNITIES

Govt. of India in its new Prime Minister's 15 point programme for welfare of Minorities has envisaged a target of 15% of priority sector lending to minority communities. Bank has extended various loan facilities amounting to ₹7698.00 crore to 597781 beneficiaries, belonging to different Minority communities which accounts for 15.02% of Priority Sector lending as on 31.03.2013.

ADVANCES TO WOMEN BENEFICIARIES

Credit disbursement to women beneficiaries, has improved over the past year resulting in the outstanding credit to women as on 31st March 2013 is ₹7564.80 crore. This is 5.06 % of ANBC as against the stipulated RBI norms of 5% of ANBC.

DIFFERENTIAL RATE OF INTEREST (DRI)

Advances under DRI scheme were ₹39.89 crore on 31st March 2013.

CENTRAL KISAN CREDIT CARD (CKCC)

Bank has issued Kisan Credit Cards to 1619020 beneficiaries till 31st March 2013, amounting to ₹12594.71 crore. During the year 250595 new CKCC cards have been issued to the tune of ₹7095.39 crore. At present ,1038878 cards are operative.

RUPAY KCC DEBIT CARDS LAUNCHED:

On 21st December 2012, our first Rupay KCC card was launched by Hon'ble Finance Minister of India at New Delhi. Till 31st March 2013 67348 Rupay KCC debit Cards have been issued to the eligible CKCC account holders. We are targeting to issue the Rupay KCC debit cards in all the eligible accounts by 30th June 2013.

SOCIAL SECURITY SCHEMES

❖ RASHTRIYA KRISHI BIMA YOJANA

Under the scheme, cover is extended to the farmers for the losses due to non-preventable risks like natural calamities etc. The above scheme is available throughout the country for cereals, oilseeds in the notified states / areas.



❖ **RURAL GODOWNS AND WAREHOUSES / COLD STORAGEES**

As on March 2013 , Advances for construction of rural godowns and warehouses / cold storages to 2210 accounts amount is ₹450.72 crore so that farmers are not compelled to make distress sale of their produce during peak season. Bank has extended advance for warehouse and cold storage in various accounts and farmers are taking benefits of these schemes. Advance against warehouse receipt having ₹65.44 crore in 1928 accounts.

Financial Literacy and Credit Counselling Centre (FLCC)

- ❖ We have opened 50 FLCCs in 7 States viz. Madhya Pradesh(18), Bihar(10), Maharashtra(8), Uttar Pradesh(5), West Bengal(4), Rajasthan(3) and Chattisgarh(2).
- ❖ All these centres have conducted outdoor visits to 1664 villages extending literacy/counseling to 125619 persons. Both mass campaigning and individual counseling are being done.
- ❖ Bank is in process of providing them vehicle fitted with Public Address System and LCD for displaying various products/schemes being launched by banks for bringing awareness among the masses and opportunities to them for availing benefits to uplift their economic status and standard of living. Besides, we provide literacy material, kits, books etc while extending counselling as also visiting villages.

Rural Self Employment Training Institutes

- ❖ Bank has established 46 RSETIs in 9 States of the country viz. Madhya Pradesh(18), Bihar(9), Maharashtra(6), Uttar Pradesh(5), West Bengal(3), Chattisgarh(2), Rajasthan(1), Orissa(1) and Assam(1).
- ❖ During the year 2012-13, the RSETIs conducted 514 training programmes and imparted training to 16103 candidates. Out of this, 8696 (54%) trainees were linked to bank's credit. Our bank share in credit linkages has also improved from 55% (2011-12) to 74% (2012-13).
- ❖ The bank has been awarded "Centre of Excellence" by Ministry of Rural Development, Govt. of India for playing proactive role in establishing RSETIs in the country.
- ❖ On the eve of 102nd Foundation Day of our bank, we have initiated unique step and laid foundation stone of 21 RSETI centres to have our own Building for Training and Hostel for Rural entrepreneurs. Presently 24 sites are ready for building construction and are expected to be completed by the end of March 2014.

Other Initiatives

- ❖ Our bank has established one Society/Trust in the name of "Central Bank of India Samajik Utthan Avam Prashikshan Sansthan (CBI-SUAPS)" to control & supervise the operations and functioning of RSETIs and FLCCs.
- ❖ We have formed Governing Council at Apex Level with Chairman & Managing Director as Patron, Executive Director as President and General Managers as members for overall control and supervision of the affairs & functions of RSETIs and FLCCs.
- ❖ We have engaged a retired General Manager having vast experience and exposure in the Agriculture & Rural Development, to act as Chief Executive Officer-RSETI/FLCC at apex level.
- ❖ We have started engaging retired senior bank officials with requisite competencies to act as Director, RSETI and Counselor, FLCC with adequate man power support.
- ❖ Local Advisory Committee and Training Committee have been formed at District level with the representatives from all local development bodies.
- ❖ We have developed a model plan common to all 46 RSETI for construction of building. Process for creation of web based data of beneficiaries to keep track on the status of self employment of RSETI trainees.
- ❖ Regular Conclave of Directors being held for review as well as interacting with them for better functioning.

FINANCIAL INCLUSION (FI)

- ❖ Bank was allotted 3728 villages with population above 2000. Bank has covered all these villages with 116 Branches and 3612 BC Agents.
 1. Bank has opened all its 3612 Ultra Small Branches attached to 1482 Base Branches.
 2. Out of 1482 Base Branches, laptops with connectivity have been provided in 800 Base Branches

3. In addition to the above, Bank on its own came forward and covered 4956 additional villages. Total 8684 unbanked villages are covered by the Bank.
 4. We have opened 7 Urban Financial Inclusion centres in NCR region.
 5. Transactions in FI Accounts have increased to 17.11 lac in FY 2012-13 from 3.88 lac in FY 2011-12 while the number of cards issued have increased to 15.52 lac in FY 2012-13 from 11.94 Lac in FY 2011-12 in allotted villages with population more than 2000 , thus registering y-o-y growth of 341% and 30% respectively.
 6. Bank has opened 73.64 lacs Basic Saving Bank Deposit Account (BSBDA) accounts. Total balance in these accounts is 332.62 crores put together Branch and BC Outlets
 7. All our FI accounts have been migrated to Bank's CBS.
- ❖ We have devised all the five basic financial products stipulated by RBI for FI customers viz. Cent Bachat khata, Cent Vikas khata, Cent Smart Kisan Credit Card, Cent Smart General Credit Card, Cent Variable Recurring Deposit Scheme
 - ❖ Our Bank has been twice awarded the prestigious SKOCH Gold Award during the FY 2012-13. First award for "INNOVATIVE URBAN FINANCIAL INCLUSION IMPLEMENTATION MODEL" on 18 September 2012. Second award for "REACHING LAST MILE" on the Financial Inclusion Day 5 January 2013.

Direct Benefit Transfer

- ❖ Our Amravati district has been first to effect the Direct Benefit Transfer including the payments under the below schemes on 1.1.2013 itself.

1. Bal Shram Kamgar Yojna

2. Indira Gandhi Matritva Suraksha Yojna

- ❖ 235187 lacs accounts are seeded with Aadhaar in the Bank
- ❖ In 43 districts identified as pilot districts for DBT, 139435 accounts are seeded with Aadhaar. Out of 43 districts, the Bank is lead Bank in 2 districts viz. Amravati and Hoshangabad
- ❖ In 78 districts identified for the second phase of DBT, 27270 accounts are seeded with Aadhaar. Out of 78 districts Bank is lead Bank in 6 districts viz. Etawah, Jalgaon, Kota, Coochbehar, Koriya and Jabalpur

Financial Inclusion (FI) Initiatives

In an innovative way, Corporate office GMs and DGMs made Outreach Visit in Bank's 48 Lead Districts simultaneously on 8 and 9 September 2012. (On the basis of this, Department of Financial Services-Ministry of Finance, Government of India issued guidelines to other Public Sector Banks to undertake such type of Outreach visits.)

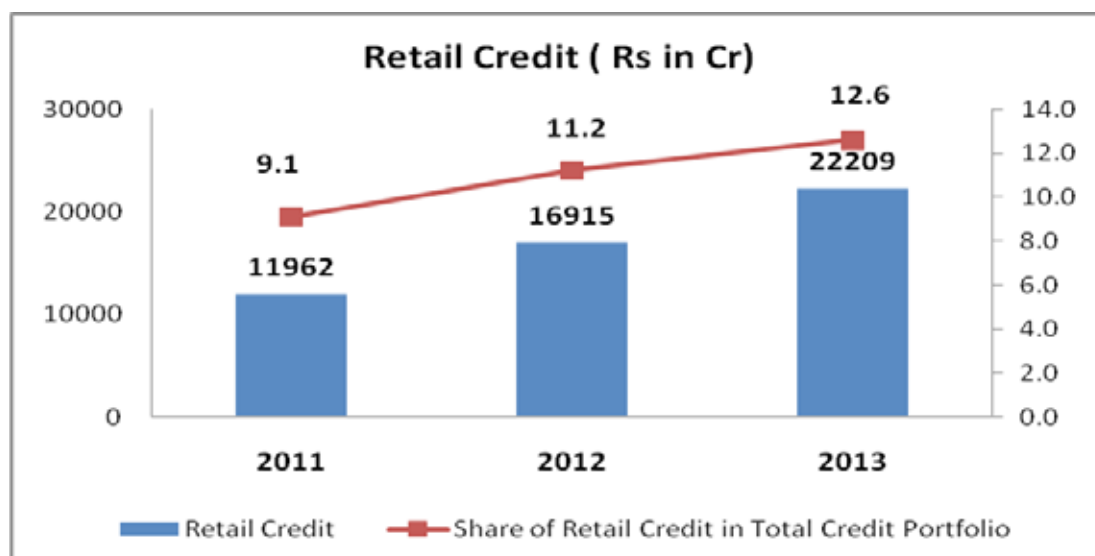
Aadhaar Payment Bridge System (APBS): Our Bank is APBS enabled. Direct Benefit Transfer will run mainly on APBS platform.

Aadhaar Enabled Payment System (AEPS): Two FI vendors have successfully implemented AEPS.

Kiosk based FI Model: A process for implementation of Kiosk FI Model is initiated by the Bank during 2012-13. This will provide our rural customer with services like Funds Transfer, Balance enquiry, Mini Statement, APBS, AEPS etc. The services will be initially provide through 50 Common Service Centres (CSC). This model would enable the Bank to weed out non functional BCs.

RETAIL CREDIT

Total outstanding under Retail Lending Schemes increased from ₹16915 crore as on 31.03.2012 to ₹22209 crore as on 31.03.2013, registering quantum growth of ₹5294 crore and percentage growth of 31.30% over March 2012. The retail portfolio of the Bank was 12.60 per cent of total advances.



New Products Introduced

In FY 2012-13, we have introduced several new schemes which are as under:

- ❖ **“Cent Combo”** – A Combination of Home Loan & Vehicle Loan at attractive Rates and at affordable EMIs and Hassle Free Loan Sanction Process. Lowest EMI of ₹ 896/- per Lakh for Home Loans upto 30 years, Lowest EMI of ₹ 1673/- per Lakh for Vehicle Loans upto 84 months. The scheme has been designed keeping the corporate sector employees in view.
- ❖ **“Cent Home - CRGFTLIH”** – Hassle free & collateral free home loans to the Economically Weaker Section of the society.
- ❖ **“Cent Home Swabhiman Plus”** – Special Reverse Mortgage Scheme for Senior citizens.
- ❖ **“Cent Vidyarthi – Vocational Education & Training”** – Scheme under IBA Model Education Scheme for financing vocational education and trainings.

Products/ Services

- ❖ Presently under retail lending our Bank is having 30 products/ schemes out of which the major products are Cent Home, Cent Vehicle, Cent Vidyarthi, Cent Mortgage, Cent Trade, Cent Sahyog, Cent Personal Gold Loans, Personal Loans, Reverse Mortgage products.
- ❖ To keep pace with the Industry standards and the peer Banks and to meet the diverse financial demand of the customers our Bank is continuously modifying and revamping the existing retail lending schemes like Cent Trade, Cent Mortgage, Cent Home, Education loan for Executive MBA, Cent Vidyarthi Scheme under revised IBA Model Education Loan Scheme, Cent Vehicle etc.
- ❖ To cater to the latent demand of our customers we have also introduced new schemes like Cent Combo, OD Facility under Loans to Pensioners and Cent Rental, CENT HOME-CRGFTLIH SCHEME, Vocational Education and Training scheme

Technological Initiatives :

a. CLASS Software:-

- ❖ Our Bank has introduced Centralized Loan Appraisal System & Supervision (CLASS) software, an automated, centralized, uniform loan appraisal and monitoring tool for qualitative appraisal in sanctioning of Retail Advances taking care of due steps of risk mitigation. It also helps in monitoring of accounts from the day one of the sanction and thus helps in reducing fresh slippages.
- ❖ This software has helped the field functionaries in appraising the loan proposals uniformly and in a systematic manner and also reduced turnaround time (TAT) for loan proposals to a great extent.

- ❖ All the Branches have been linked to the CLASS software and all retail products have been made live for operation.
- ❖ Total 21801 proposals have been processed during FY 2012-13 amounting to ₹ 1647.60 crores. Effective steps are being taken to achieve the usage of CLASS software upto 100%.

b. Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI)

- ❖ In our Bank we have successfully implemented the New version of Central Registry involving Maker-Checker concept and applying the concept of Digital Signature.
- ❖ All the Regional Offices are given digital signature certificates and the concerned officers are uploading the mortgage data on the CERSAI portal.
- ❖ We have also enabled Batch Upload facility on the CBS which will help the Branches to directly fill the mortgage details and at Regional Office level the Batch file containing 500 to 1000 entries for all the Branches in a particular region will be generated and will be uploaded at one go. It will reduce the efforts of physical filling of the Form 1 and delivering it to the ROs for uploading of mortgages on the CERSAI portal. The system is under testing and will be made operational shortly.

c. Credit Information Bureau India Limited (CIBIL)

- ❖ As per RBI directives, our Bank is submitting Credit Information relating to our existing borrowers' accounts (both Consumer and Commercial) to CIBIL.
- ❖ The data extraction at Bank level and uploading at CIBIL is done through automatic process.
- ❖ Simultaneously, sufficient user IDs have been provided to field functionaries for accessing the data of prospective borrowers from the data-base of CIBIL as a part of "Due Diligence" process.

d. Online Loan Application Facility

- ❖ Online loan application facility for all the retail lending products for increasing customer reach among the Gen Y customers.
- ❖ Tracking of online loan applications from the time of application to the sanction of loan applications.

Participation In Trades And Fairs

- ❖ To increase our presence and to market our products we have participated in World Dental Show, Dignity Foundation, Real Estate Expo, Dalit Entrepreneurs Trade Fair etc. conducted in Mumbai and other important centers in the country.
- ❖ In order to boost up the finance to Housing Sector our Bank decided to conduct Housing Expos' in various parts of the country. Accordingly, the first such Expo was conducted at Mumbai on a large scale wherein about 40 builders participated under one roof and our Bank was the only financier, being organizer of the Expo. Subsequently, we conducted 24 expos in major centers across India.

Tie Up Arrangements

- ❖ To give a boost to our retail credit we have tied up with more than 160 educational institutions, vehicle manufacturers namely TATA MOTORS, Maruti Suzuki and we are exploring the possibilities for tie up with Hyundai Motors also.
- ❖ To boost our Housing Loans we have tied up with reputed builders like Mahindra Life space Ltd., Godrej Group NYATI, MCHI, and LODHA etc at corporate level and many other reputed builders across the country at Regional Offices level.
- ❖ We also tied up with Indian Dental Association (IDA) to provide our Retail Advances to Dentists and their family members.
- ❖ We also tied up with Foreign Educational institutes such as Warwick University, UK to boost our Overseas Education Loan portfolio.
- ❖ We have tied up with Edwise Consultancy and SP Jain School of Global Management for providing Education Loans to the students pursuing studies abroad.
- ❖ We have tied up with reputed vehicle manufacturers namely TATA MOTORS, Maruti Suzuki, Mahindra & Mahindra, Bajaj Automobiles and TVS Motors etc.



- ❖ We have tied up with TVS Motors and Bajaj Auto Ltd. for financing three wheelers.

Initiatives

- ❖ Initially we started with 14 functional CCPCs in the FY 2010-11 and then we made functional second lot of 9 more CCPCs in the FY 2011-12 taking the total to 23 CCPCs.
- ❖ Further, in the month of December, 2011, we opened 54 CCPCs in all the ROs by obtaining RBI licences.
- ❖ Now we have planned to convert all existing CCPCs into Retail Asset Branches (RABs) taking the total to 79 RABs. Out of which 77 are regional centers and two others Ghaziabad and Jamshedpur.
- ❖ Till date we have made operational 21 RABs throughout India and shortly we will make other RABs functional.
- ❖ Our Bank has also prepared the Retail Loan policy upto 31/03/2013.
- ❖ Floated Festival Bonanza w.e.f 01/09/2012.
- ❖ To reduce the grievances under Education Loans and to ensure that no student is denied Education Loans without any proper genuine reason, we have nominated executives at Regional Offices and has set up a functional department Education Loans Grievances Redressal Cell which is being headed by AGM, Retail Banking Department.
- ❖ For enabling field functionaries to handle gold loan proposals without any difficulty we are imparting training on methods for appraising the quality and quantity of gold to the field functionaries at Institute of Gem and Jewellery, MIDC, Andheri, Mumbai which will boost the confidence of the Branch Managers while handling the gold loan proposals.

(₹ in crore)

FIVE YEARS PERSPECTIVE PLAN UPTO FY 2017-18

- ❖ We intend to grow the Retail Portfolio two times by Mar 2016 and almost four times by March 2018.

(₹ in crore)

	MAR'11	MAR'12	MAR'13	MAR'14	MAR'15	MAR'16	MAR'17	MAR'18
RETAIL CREDIT	11962	16915	22209	30000	39000	48000	58000	71000
% GROWTH (Y-O-Y)		41.41%	31.30%	35.08%	30.00%	23.08%	20.83%	22.41%

- ❖ We are committed to bring down the Gross NPA under Retail Lending to below 1.50% by March 2018.

(₹ in crore)

	MAR'11	MAR'12	MAR'13	MAR'14	MAR'15	MAR'16	MAR'17	MAR'18
O/S NPA	316	938	752	780	750	900	1000	1100
RETAIL CREDIT	11962	16915	22209	30000	39000	48000	58000	71000
% of NPA (Gross)	2.64%	5.55%	3.39%	2.60%	1.92%	1.88%	1.72%	1.55%

- ❖ We are also hopeful of increasing our customer base to 1 million.

STRATEGIES FOR INCREASING RETAIL CREDIT

1. Housing Loan :-

- ❖ To aggressively price our products to compete in the industry and to increase our market share under Home Loans.
- ❖ To improve the existing products and scheme and continuously reviewing and modifying the features of the products to suit best to the needs of the customers.
- ❖ Organizing Property Exhibition at Mumbai and other important centers such as Pune, Chennai, Thane, Bhubaneswar, Delhi, and Hyderabad, Kolkata etc. for increasing our visibility in Home Loans in the market and to bring the Builders and potential customers together under one roof.
- ❖ To study the diversified needs of the customers & to launch of new tailor made products.
- ❖ Tie up with reputed Builder associations such as MCHI and CREDAI and reputed builders such as NYATI, MCHI, LODHA, Hiranandani, Rustomjee, Hashmukhbhai Patel Group and Godrej Properties Ltd. etc. in Mumbai and other Tier I cities like Chennai, Hyderabad, Delhi, Kolkata etc.

2. Education Loans:-

- ❖ To aggressively position our Education Loan product as the most accepted across industry with lowest interest rates.
- ❖ Entering into tie up with Educational Institutes, Universities and education loan consultancies to give a boost to our Education Loan portfolio.
- ❖ Direct engagement, interaction and relationship building with the Educational institutes. Recently we have sponsored the student festivals of various IIMs and XLRI.
- ❖ Use of social media to reach the present age young techno savvy customers.

3. Personal Gold Loans :-

- ❖ Increasing our reach in the gold loan segment and to increase our market share under gold loans. Presently the majority of the gold loans are sanctioned in the southern states of India. To increase the portfolio in the other parts of the country we have advised RMs to appoint gold appraisers in all major centers to facilitate customers with early approval of loans against gold.
- ❖ To aggressively position our Gold Loan product as the most accepted across industry with lowest interest rates. The present ROI for Gold loans for personal purpose (Non Priority)
 - i. Overdraft: Base Rate+2.00 %
 - ii. Demand Loan: Base Rate+1.00 % with monthly rests.
- ❖ Enabling field functionaries to handle gold loan proposals without any difficulty. For this we are imparting training on methods for appraising the quality and quantity of gold to the field functionaries at Institute of Gem and Jewellery, MIDC, Andheri, Mumbai which will boost the confidence of the Branch Managers while handling the gold loan proposals.

4. Vehicle Loans:-

- ❖ To aggressively price our products to compete in the industry and to increase our market share under Vehicle Loans.
- ❖ Tie up with reputed vehicle manufacturers and dealers to increase the vehicle loan portfolio. Recently, we have tied up with reputed vehicle manufacturers namely TATA MOTORS, Maruti Suzuki, Mahindra & Mahindra, Bajaj Automobiles and TVS Motors etc.
- ❖ Participating in various Loan Mela and Auto Expos etc to increase our Bank's brand awareness and popularize our vehicle loan product in the market.
- ❖ Increased use of social media such as FACEBOOK, LinkedIn etc to popularize our vehicle loan product among the Gen Y customers

5. Cent Sahyog:-

- ❖ Increasing Priority Sector SME advances by Tie up with TVS Motors and Bajaj Auto Ltd. For financing three wheelers.
- ❖ Participating in various trade fairs, SME loan mela. Recently our Bank participated in Dignity Foundation for Dalit category.
- ❖ Modification in the scoring model for improving the eligibility condition of the borrowers.
- ❖ Simplification of process note for scientific sanctioning of the loan applications.

INTERNATIONAL DIVISION

- ❖ Foreign Exchange Business of the Bank is carried out through 112 Authorized Dealer Branches spread across the country. For operational efficiency, Bank has a centralized Dealing Room at Mumbai for attainment of better funds management and operational convenience.
- ❖ During the current Financial Year, the Export Credit portfolio of the Bank increased from ₹4262 crore as on 31.03.2012 to ₹5258 crore as on 31.03.2013. Our Export Credit turnover for FY-2012-13 was Rs16,500 crore as against ₹ 12,400 crore in previous FY.



- ❖ Total Turnover under foreign exchange business stood at ₹ 36,758 crore in FY 2012-13 as against ₹ 33,650 crore in FY 2011-12.
- ❖ Bank has opened specialized NRI Branches in Anand, Margao, Hyderabad and Bhuj to cater exclusively to the NRI clients.
- ❖ Bank has installed e-learning and decision making software “Instant NRI” and “Instant LC++” on its intranet for use across branches.
- ❖ Bank launched Gold Bullion sale and Gold metal loan scheme on 09.08.2012 from Capital market Service branch, Mumbai.
- ❖ In the Financial Year Bank has established representative office at Nairobi, Republic of Kenya on 22.02.2013. Approval of Reserve Bank of India for establishing representative office at Hongkong has been received and the same will be operational by July 2013.
- ❖ Bank also proposes to open branches in DIFC Dubai and Bharain in FY-2013-14. Bank further proposes to set up a Joint Venture Bank along with Punjab National Bank in Mozambique.

TREASURY, FUNDS AND INVESTMENT

- ❖ The investment portfolio of the Bank has increased to ₹72662 crore as on 31st March 2013 as against ₹59577 crore as on 31st March 2012 thereby recording an increase of 21.96% over the previous year. The ten year benchmark yield stood at 7.95% as on 31st March 2013 vis-à-vis 8.57% on 31.03.2012.
- ❖ In debt market, yields softened on account of consistent monetary intervention by RBI. RBI reduced Repo and Rev Repo rate to 7.50% and 6.50% respectively, to boost market sentiment, on the backdrop of easing inflation. During the period benchmark yield scaled down from 8.57% as on 31st March 2012 to 7.95% as on 31st March 2013.
- ❖ RBI injected liquidity worth ₹1,27,179 crore through Open Market Operations to ease mounting liquidity pressure in the system during the period from April 2012 to March 2013. RBI also cut CRR by 75 bps from 4.75 to 4.00 % during FY 2012-13.
- ❖ In the liquidity easing conditions and softening yield scenario, treasury recorded trading profit of ₹382.88 crore which is considerably higher as compared to previous year trading profit of ₹ 320.06 crore. This was achieved by strategic planning of resources and grabbing the market opportunities with proper analytical views. Investment increased by 21.96% and yield on investment increased from 7.53% to 7.60%.
- ❖ In compliance with the Reserve Bank of India guidelines, the Bank has transferred Govt. and State Govt. securities amounting to ₹2845.82 crore from AFS to HTM and booked depreciation of ₹91.83 crores. The composition of investment portfolio of the Bank as on 31st March 2013 is as under:

		(₹ in crore)	
Sr. No.	Composition	31.03.2012	31.03.2013
1.	SLR	50977.43	60172.25
2.	Non-SLR	8599.33	12489.37
	TOTAL	59576.76	72661.62

- ❖ During the year, Bank has recovered an amount of ₹18.80 crore in written off accounts.

DERIVATIVES

Bank has actively traded in both interest rate and currency derivatives. Among the Interest rate derivatives Bank has traded in Overnight Indexed Swaps. Bank also traded actively in currency futures and forwards in the currency derivative segment. Bank has also used derivatives for hedging purpose.

RISK MANAGEMENT

Risk Management System/Organizational Set Up

Risk Management systems are well established in the Bank. Risk Management Committee of the Board of Directors regularly oversees the Bank’s Risk Management policies/practices under Credit, Market and Operational risks. The Committee reviews the policies and procedures for pricing of products and assessing the risk models relative to market developments and also identifies and controls new risks. The committee also regularly monitors compliance of various risk parameters by the concerned departments at the corporate level.

Risk Management Structure

- ❖ At operational level, various Committees like Asset Liability Management Committee (ALCO) for Market Risk, Credit Risk Policy Committee (CRPC) for Credit Risk and Operational Risk Management Committee (ORCO) for Operational Risk have been constituted comprising of members from the top management team.
- ❖ These Committees meet at regular intervals throughout the year to assess and monitor the level of risk under various Bank operations and initiate appropriate mitigation measures wherever necessary.
- ❖ The Bank has identified officers in the rank of Senior Managers/Managers to act as 'Risk Managers' at all the Regional Offices. The Risk Managers act as the 'Extended Arms' of the Risk Management Department of the Central Office at the Regional Level. The Bank has also identified officers at the senior level in various functional departments of Central Office to act as 'Nodal Officers' in the matter of submission of data relating to Risk Management and support risk management in the Bank.

Market Risk Management

- ❖ The Mid Office reviews the market position, funding patterns and ensures compliance in terms of exposure, duration, counter party limits and various sensitive parameters and the reports are presented at regular intervals to the top management.
- ❖ The tools such as VAR and Duration analysis are used on an ongoing basis to measure and manage the risk to Bank's NII in the short run and equity value in the long run.
- ❖ A model to estimate Capital charge on trading portfolio on ongoing basis is developed by Tata Consultancy Services (TCS) which is being implemented as per the Basel II guidelines on the Market Risk.
- ❖ The Bank has reviewed the existing Investment and Market Risk Management Policy. Counter party limits for Forex dealings have been fixed / reviewed as per their latest standing and rating in the market.

Credit Risk Management

- ❖ Bank has a well-documented Credit Risk Management Policy, which was last reviewed/amended by the Board on 29.03.2012.
- ❖ The Bank has approved procurement of Facility Rating Module with Risk Adjusted Return on Capital (RAROC), Loss Given Default (LGD) and Exposure At Default (EAD) assessment tools from CRISIL Ltd. The Facility Rating Module is made in use from 01.04.2012.
- ❖ The Bank is also developing Portfolio Rating Models for grading retail loan portfolios where ratings of individual loan entities are not feasible on an on-going basis.
- ❖ The developments in credit risk management are being reported to and monitored by the Credit Risk Policy Committee headed by the Executive Director.
- ❖ As preparedness for moving to advanced approaches, bank is in the process of developing models for calculating PD, EAD & LGD for both Corporate & Retail portfolio.

CREDIT RISK PROFILE / RATING MIGRATION

The Credit Risk Profile of the Bank as of 31st of March 2013 is presented below in comparison to the previous year.

(Amt: ₹ in crore)

Risk Gradation	March 2012		March 2013	
	Exposure	% of Rated Exposure	Exposure-Amt	% of Rated Exposure
Low Risk	58640	62.87%	91451	56.14%
Medium Risk	33931	36.38%	66675	40.93%
High Risk	696	0.75%	4770	2.93%
Total of Rated Exposure	93267	100%	162896	100%
Unrated Exposure	50184	34.98%	4882	2.91%
Total Standard Advances	143451		167778	



- ❖ It may be observed that during the F.Y.2012-13, though there has been some migration of accounts from Low Risk to the Medium Risk category, the overall share of rated accounts has increased substantially with the component of unrated exposure reducing from 34.98% as of March 2012 to 2.91% as of March 2013. The unrated exposure comprises mainly loans to staff as well as those against term deposits and NSC/KVP/Insurance policies etc which are exempted from rating.
- ❖ Among all the eligible corporate borrowal accounts (with sanction limits of ₹ 5.00 crore and above) 50.39% amounting to ₹ 59,452 crores are externally rated and all these accounts are internally rated amounting to ₹ 1,17,983 crores.

Operational Risk Management

- ❖ The Operational Risk Management in the Bank is guided by a well laid down Operational Risk Management Policy.
- ❖ Operational Risk Management Committee (ORCO) reviews the risk profile of the Bank on quarterly intervals and the oversight by the Board of directors strengthens the qualitative aspects related to Operational Risk.
- ❖ Bank is developing models and building up qualitative and quantitative information for applying to RBI towards graduating to Advanced Measurement Approach. New Product Approval Policy Framework guides the Bank in mitigating the risks associated with new products or activities.

Capital Planning

Bank has a robust ICAAP (Internal Capital Adequacy Assessment Process) in place. Capital requirement for bank is drawn for a time horizon of 5 years. Capital requirement is seen in relation of maintaining minimum regulatory capital requirement. Review of the capital vis a vis the estimates are undertaken on a quarterly basis.

Asset & Liability Management Systems

- ❖ ALM mainly deals with measuring and managing the liquidity and Interest rate risk of the bank with an objective of profit maximization. ALCO (Asset & Liability Committee) met 19 times during the year to review the position of the bank with regard to liquidity and other related matters.
- ❖ Besides regulatory reporting, ALM is also engaged in Interest determination on Deposits as well as Base rate and BPLR fixation. During the year 2012-13, revision was made nine times in deposit interest rates and the Base Rate was revised twice.
- ❖ ALM department presents different analysis with regard to position of idle assets (Cash in hand, Balance with other banks etc.), rate of interest wise/ Base Rate/BPLR/ Fixed Rate wise classification of advances, comparative working results of peer banks vis-à-vis our bank etc. before top team for making meaningful decisions.

Implementation of Basel II Guidelines

- ❖ Reserve Bank of India has issued updated master circular on implementation of the New Capital Adequacy Framework in July 2012. As per the guidelines, the Bank has adopted Basel II norms with effect from 31st March 2009 and provided capital as per Standardized Approach for Credit Risk, Basic Indicator Approach for Operational Risk and Standardized Duration method for Market Risk.
- ❖ Bank has appointed a solution provider for implementation of the internationally reputed SAS Risk Management solution throughout the bank to meet Basel II norms. Reserve Bank of India has set out timelines to the commercial banks for graduation to advanced approaches.
- ❖ Banks were advised to undertake an internal assessment of their preparedness for migration to advanced approaches. Our Bank is the first among all commercial banks to have submitted its application to RBI for graduating to The Standardized Approach (TSA) under Operational Risk.
- ❖ The Bank has appointed a consultant to evaluate /assess the preparedness of the Bank for moving to advanced approaches in respect of all risks and to enhance / Strengthen existing Risk Management Systems, Policies, Procedures, Process, MIS, Analytics etc and also to implement integrated risk management system in the Bank.
- ❖ All necessary policies such as Credit Risk Management Policy, Operational Risk Management policy, Market Risk Management Policy, Credit Risk Mitigation and Collateral Management Policy, Market Discipline and Disclosures Policy, ICAAP etc are in place duly approved by the Board.
- ❖ Bank has applied to RBI for permission to graduate to FIRB (Foundation Internal Rating Based) Approach for which approval is awaited.

Our Bank's preparedness for Basel - III

RBI has come out with the final guidelines on Implementation of Basel III on 2nd May 2012; Bank is in the process of internal assessment of capital and requisite systems.

RECOVERY

The bank has a well-defined Recovery Policy containing detailed guidelines for NPA Management. It encompasses all areas of NPA Management, Monitoring and Follow-up measures, Compromise settlements, Staff Accountability, SARFAESI Act, appointment of Recovery/Enforcement Agencies, Sale of assets to ARCs, Willful Defaulters and MIS. The Policy is reviewed from time to time to incorporate the latest changes/developments in Economy and trends in NPA Resolution.

1. During the year 2012-13, the Bank has improved recovery performance, however, the NPA level has gone up mainly due to slippage of Small / Agricultural loans due to drought etc, change in economy with stress on certain sectors like Pharmaceuticals, Tele Communication, Diamond, Infrastructure, Textiles and Real Estates.

Although, the Bank had performed well during the year with Cash Recovery of ₹1581 crore, Upgradation of ₹1751 crore, and recovery in written off accounts of ₹263 crore, aggregating to ₹3595 crore the performance was impacted by the factor stated above coupled with some high ticket fresh accretion.

- ❖ Gross NPA level has gone up from ₹7273 crore to ₹8456 crore.
- ❖ Net NPA has increased from ₹ 4557 crore to ₹4988 crore.
- ❖ Gross NPA and Net NPA Ratios have decreased from 4.83% to 4.80% and 3.09 %to 2.90% respectively.
- ❖ Cash Recovery has increased from ₹754 crore to ₹1581 crore.(109.68%).

2. Under Special One Time Settlement (OTS) scheme for NPA accounts up to outstanding ₹1.00 lac. An amount of ₹127 crore has been sanctioned.
3. Under the simplified OTS Scheme for NPA accounts of outstanding above ₹1.00 lac up to ₹10 lac, Bank has sanctioned ₹114 crore during the year.
4. Under the Krishak Rahat Yojna for recovery in NPA of Tractor/Agriculture loans of sanctioned limit up to ₹10.00 lac, an amount of ₹149 crore has been sanctioned during the year.
5. Out of sanctioned amount of ₹390 core under the above three schemes, ₹352 crore recovered during the year. Besides this, 114 OTS proposals aggregating to ₹ 254 crore have been sanctioned at Central Office and against which, ₹ 99 crore has already been recovered during the FY 2012-13.
6. During the year Bank conducted one portfolio sale of NPA with realization of ₹ 50 cr from 9 accounts out of which ₹ 41 cr was in written-off accounts. Two a/cs are still under documentation where the value is ₹ 1.25 cr.
7. We had given a call for meeting all borrowers and preparing profile with recovery perspectives. In response to this field functionaries met maximum borrowers. This action has boosted the recovery so we are continuing this effort during current year also.
8. Senior Executives including CMD/EDs visited Zones/Regions where they met critical borrowers to discuss recovery prospects. Besides, executives were deputed in the field to participate in recovery camps. From November 2012 to March' 2013 they participated in camps in 54 Regions. Total 18156 accounts were settled for ₹ 198 cr out of which ₹ 102 cr recovered within March' 2013.
9. With an objective of regular follow up of DRT case, a dedicated portal has been created exclusively for reporting progress in DRT cases which is being updated on line. This has facilitated timely persuasion of DRT ases.
10. Out of NPA of ₹7273 crore as on 31.03.2012 with 439113 accounts, an amount of ₹1263 crore was recovered/upgraded in 116919 accounts, and Rs416 crore was reduced in other accounts. Out of fresh slippages of ₹5125 crore, amount of ₹1656 crore was recovered/upgraded. Thus total NPA recovery during 2012-13 was27%.

BANCASSURANCE

Insurance services are provided by our bank under corporate agency of LIC of India for life insurance and Chola MS General Insurance Company for non-life insurance products.



The performance highlights up to 31.03.2013 :

- ❖ Our Bank stood at second position in mobilizing insurance premium amongst all Bancassurance partners of LIC of India with Y-o-Y growth of 32%.
- ❖ Bank has canvassed 1,49,668 policies and mobilized premium of ₹238.00 Crore
- ❖ Bank has earned commission of ₹15.22 Crore.
- ❖ All Zones (16) and all Regions (77) of our bank has been declared as Bima Zones and Bima Regions by LIC of India. 902 branches has become Bima Banks during the year 2012-13.
- ❖ Under general insurance business , Bank has mobilized 1,89,956 policies with premium collection of ₹83 Crore with Y-o-Y growth of 38% and earned commission of ₹9.02 Crore.
- ❖ Under unique rural health insurance product (CHOLA AROGYA BIMA), bank has canvassed 2,59,952 policies.

DISTRIBUTION OF MUTUAL FUND PRODUCTS

Bank has tie up arrangement with 11 mutual fund houses for distribution of their products and earned brokerage of ₹0.48 Crore .

DEPOSITORY SERVICES

Bank is offering depository services through Nodal branch ,Capital Market Services Branch Mumbai and offering services through 133 service centres branches to 24000 demat account holders. Depository service is offered as a Depository participant under arrangement with Central Depository Services Ltd. (CDSL) through web-based solutions provided by CMC Ltd.

ON LINE TRADING

Bank is offering “three– in– one” “On-Line Trading” facility with Trade name “Cent –e-trade”. Customers maintaining bank account and Demat account with the bank are offered on-line-trading facility for trading in Equity Shares and Derivatives under arrangement with leading broking firm, M/s. Angel Broking Ltd. As on 31.03.2013, Bank is having 155 accounts for On-Line Trading.

Capital Market Services Branch opened in Mumbai for offering capital market facilities such as ASBA, Demat, Clearing Bank, Metal Gold Loans, Broker Loans etc. and is the controlling branch for on-line trading.

INFORMATION TECHNOLOGY

1. CORE BANKING SOLUTION:

- ❖ Bank achieved 100% coverage of branches under Centralised Banking Solution (CBS) in December 2010. The contract with System Integrator M/s TCS for Core Banking Solution has been renewed for 5 years starting from 1st October 2012 upto 30th September 2017.
- ❖ The CBS technical infrastructure is sized based on the business requirement of the Bank for the next 5 years taking into account further 1500 new branches. The new CBS infrastructure will process 8.5 million transactions per day and will service 125 million accounts.
- ❖ The Internet Banking solution will cater to the needs of around 10000 concurrent users from the present volume of 4400 concurrent users.
- ❖ **Bank has setup a Disaster Recovery Centre and is conducting regular DR Drills as per regulatory guidelines in line with Bank’s policy. Additionally, steps to ensure Business continuity with Zero Data loss is also initiated by establishing a Near Site.**

2. NETWORK & CONNECTIVITY

- ❖ Bank’s Corporate Network covers 4233 sites consisting of branches, extension counters, ARBs, Service Support Branches, Retail Asset Branches, Training Colleges etc.
- ❖ Constant monitoring and controls are introduced for maintaining almost 100% uptime during branch working hours.

3. INTERNET BANKING

- ❖ Internet banking facility with new look and feel has been extended for our customers at all the CBS branches offering a wide array of products and facilities. They include On line password generation for Retail customers, funds transfer, On line Tax credit view, Utility bill payments, On line Tax payment for various Govt., Airlines / Movie ticketing, shopping, temple donations, Prime Minister's National Relief fund donations, Fees collection for various Institutions/Universities, Govt. e-payments/receipts, customized account statements in addition to regular statement of account, Missed call alerts, On line time deposits including NRE/NRO deposit creation.
- ❖ IMPS transactions, IRCTC ticket booking, e-Freight for on-line Railway Freight booking by corporate customers etc. RTGS/NEFT facility is also available through Internet Banking and NEFT functionality is currently available 24*7 through INB.
- ❖ Bank has deployed entirely new module through Payment aggregator, for tax collection for Odisha and Bihar Govt. where customers of more than 40 banks can pay taxes. Bank has also implemented payment systems for Ministry of civil services, Food and other e-PAO's.
- ❖ Additional facility of customized statement of account for corporate customers is available. Facility for bulk upload through NEFT is also available under Corporate Internet Banking. Corporate customers can choose various options while availing Internet Banking as per the requirement of customer.

4. SMS BANKING:

- ❖ SMS banking provides account information to the customers with real-time alerts on business transactions carried out by them. Presently, SMS alerts are sent to customers in 15 different Indian languages as per their choice for the 1) Debit / Credit in account above ₹1000/- in saving account and ₹ 10,000/- in Current / OD accounts 2) clearing cheque is bounced. 3) account balance is below the prescribed minimum level 4) fixed deposit maturity before 7 days.
- ❖ SMS alerts are also sent for maintaining control and monitoring to branch managers and higher officials to enable them to monitor critical activities of branches for better housekeeping and maintenance of accounts including monitoring of NPA.

5. MOBILE BANKING:

- ❖ Mobile Banking is implemented using GPRS with enquiry and funds transfer options. The transaction done through Mobile Banking is secured with end to end encryption and two factor authentication features.
- ❖ Bank is planning to implement a new Mobile Banking solution with more functionality and greater customer reach.

6. PHONE BANKING:

Phone banking solution is implemented with voice recording in English and Hindi and the facility is available to all the customers of CBS branches.

7. MISSED CALL ALERTS:

This facility is available to our CASA customers, whereby customers can get balance and last three transactions free of cost by giving missed call to specific number. Bank is also in receipt of appreciation from Indian Bank's association for this new customer initiative.

8. APPLICATION SUPPORTED BY BLOCKED AMOUNT (ASBA):

Securities and Exchange Board of India has streamlined the existing process of Initial Public offer of shares by companies and introduced a supplementary process called as Application supported by Blocked amount (ASBA). We have launched the ASBA software to all our customers by which an investor can subscribe to public issues (IPO) through the Bank by authorizing the bank to block the application from his/her bank account and thereafter remit the allotment amount.

9. KIOSK BANKING:

E-Lobby / Kiosk have facilities of cash deposit, Cheque deposit, Passbook printing, Transaction Enquiry, Internet Banking. It has been deployed at four locations i.e. MMO, CBD Belapur, Pune Camp and Press Area Branch, Delhi and are working smoothly. Bank is in the process of installing 150 self service kiosk machines and also initiated a



process to deploy additional 1000 Kiosk during 2013-14.

10. WEB SITE:

Sensing the need of customers, look and feel of the website is undergoing constant change. Website also includes Grievances module for customers. Bank has taken all measures to ensure security on Internet Banking and Bank's official website. Security Audit is done on quarterly basis.

11. RBI PROJECTS:

- ❖ All CBS branches are enabled for RTGS and NEFT facility using the Straight through Processing (STP). As on 31st March 2013, 4418 branches/EC/NBOs/offices have been enabled for RTGS and 4417 Branches/ECs/NBOs/offices enabled for NEFT.
- ❖ RTGS/ NEFT facility is also available through Internet Banking System for Retail and Corporate Customers. RRBs have also been provided NEFT facility through our Bank's Payment Gateway. Additionally, we are in the process of on-boarding Co-operative Banks as Sub-members for NEFT/RTGS.

12. CHEQUE TRUNCATION SYSTEM (CTS)

- ❖ In line with the RBI guidelines, CTS is implemented in Southern Grid covering Chennai, Coimbatore, Madurai, Bangalore and Pondicherry using outsourced model. Chandigarh and Kolkatta are expected to join Southern Grid.
- ❖ CTS at NCR, Delhi are also being revamped.
- ❖ For the Western Grid, Bank has opted for common RFP with other banks floated by Dena Bank to select a system integrator for supply, install, integrate and implement a suitable CTS application across the public sector Banks for Western Grid. The process has been completed and Bank is initiating steps to implement the same.

13. CALL CENTRE

- ❖ Bank has established a Call Centre since July 6, 2011 and is functioning smoothly.
- ❖ Presently the Call Centre is offering various services like Information on Bank's products and services, Information on Branch/ ATM Location, Information on Interest Rates and Services Charges, Balance Enquiry, Transaction Enquiry, Enquiry on Cheque Number, Debit Card Hot-listing, Enquiry on Interest Earned / Interest Paid, TDS Enquiry, Transaction Details, Status of Cheque issued or deposited, CD/CC/OD limit and Interest enquiry, Recording of grievances and feeding it in Bank's Customer Grievances system for its redressal at an appropriate level.
- ❖ At the beginning of the year, the call volume was 18100 per day on an average whereas by the end of the year, it has gone upto 28367 per day.

14. SINGLE DATA REPOSITORY (SDR):

- ❖ Bank has launched an ambitious project to set up a Single Data Repository which will be the source to provide information/reports across the bank. This will ensure consistency in reporting maintaining single version of truth providing various Dashboards to Top Management thus enhancing the Decision Support System.
- ❖ This will be the Data Warehousing/data mining solution for the entire organization across applications. This will also facilitate Bank's Automated Data Flow, Corporate Performance Management solution, Asset Liability Management etc.
- ❖ Bank is also working towards data cleaning activity for providing quality reports.

15. HRMS:

Bank has implemented a State of the Art HRMS solution (SWADARPAN) from Peoplesoft, covering all functionalities such as Payroll processing, leave, medical reimbursements, On-line holiday home/ transit home booking facilities etc. The system is currently being revamped to cater to the increasing needs.

16. PAYMENT INTEGRATOR SOLUTION :

Bank has put in place a Payment Integrator solution (FTM) for effective functioning of various batch processing functionalities like Centralised Salary processing, Centralised Pension processing, NECS (inward) processing, Processing of speed Remittance transactions etc..

17. INHOUSE DEVELOPMENT :

Bank has a robust IT development Team which effectively handles software requirements of the Bank thus avoiding outsourcing of developmental activities wherever possible. Bank has developed a Centralised Pension module for Railway, Defense and Civil which is a major achievement of the team.

Some of the important developments are as under :

- ❖ Development for Telecom Pension module completed for rollout.
- ❖ Web portal for Updating information on Lease deed expiry , renewal etc for Regional / Central office was made live as per requirement of General Administration Department.
- ❖ Online Web portal for Gosh - Jillani report -Development has been completed for capturing data.
- ❖ Web portal for DRT has been deployed and 30 DRT's data have been migrated.
- ❖ Web portal on MIS reporting for currency chest is implemented in 5 Currency Chests.
- ❖ Development of MOC Online punching system for Balance Sheet Dept. is completed.

18. CASH MANAGEMENT SYSTEM (CMS) :

- ❖ Under CMS, we are providing Collection and Payment solutions to our customers with tailor-made schemes to suit their requirements.
- ❖ We have special scheme for Corporate customers. Our CMS Collection / Payments products are Quick Cheque Collection (CENT-QCC), CENTEXPRESS, CENTINSTANT, NON-QCC, Local Cheque Collection (LCC), Bulk Local Cheque Collection (BLCC), Centralized Clearing Services (CCS), Direct Debit Mandate (Auto Debit Mandate), Cash Collection Facility, Utility Bills Collection, Fees Collection, Demand Draft Drawing Arrangement, Payable At Par – DD (Pre-Funded), Cash Payout At Branches Linked To Currency Chests, At Par Payment of DW/IW Facility.
- ❖ We have served 85 Corporates a/cs like Tata Group, LIC, Railways, MTNL, Future Capital Holdings Ltd., Group Pharmaceuticals Ltd., GMR Group accounts Etc.

19. Door Step Banking Service (DSBS):

DSBS implemented in 71 ROs where we have currency chests. M/s Checkmate Services has been engaged for providing DSBS in our Bank on pan India level.

20. RRBs SPONSORED BY THE BANK:

- ❖ The bank has achieved 100% coverage of CBS at all RRBs. As per the Ministry guidelines Bank is in the process of amalgamating some of the RRBs of other Bank and assisting the process of amalgamating our RRBs with that of other Banks.
- ❖ All efforts are being taken to bring up the technology initiatives of RRBs at par with the initiatives undertaken in the Bank.

21. FINANCIAL INCLUSION INITIATIVES :

- ❖ **Aadhaar Payment Bridge System (APBS):** Direct Cash Transfer to beneficiary accounts based on Aadhaar number has been implemented.
- ❖ **Aadhaar Enabled Payment System (AEPS):** Two of our existing FI Vendor i.e M/s Integra & M/S. HCL have successfully completed the testing for AEPS.
- ❖ **Kiosk based FI Model:** A process for implementation of Kiosk FI Model is initiated by the Bank. This will provide our rural customer with services like Funds Transfer, Balance enquiry, Mini Statement, AEPS etc. The services will be provided through Common Service Centers (CSC) & the system provider is M/s TCS.
- ❖ **Roll out of Common BC based FI solution in the state of MP with Centralized Bio-metric Authentication:** Common FI Switch is being upgraded to cater to the emerging needs of on-line transactions using centralized biometric authentication. FI enrollment is initiated at field level and their account opening functionality is implemented through common BC based FI Solution.
- ❖ **Aadhaar seeding** and linking started with three options 1.) Branch CBS system 2) Bulk upload from branches. 3) Through centralized processing for Aadhaar number provided by UIDAI. At present bank has 2.50 lakh aadhaar



numbers seeded and linked in CBS and updated with NPCI mapper.

22. IT GOVERNANCE.

- ❖ The necessary structure for IT Governance in the bank has been set up with the formation of IT Strategy, IT Steering & IT Risk management committees in the Bank. Approval of IT policy and Hardware disposal policy for disposal of PC, Printers, ATM, etc was approved by the IT Steering Committee.
- ❖ Preparation and submission of Balanced scorecard is carried out on regular basis and Performance rating under various parameters of IT projects are being done as per the advice of IT Strategy committee. Internal Audit and Surveillance for ISO-27001 certification and BSMS-25999 certification was conducted.

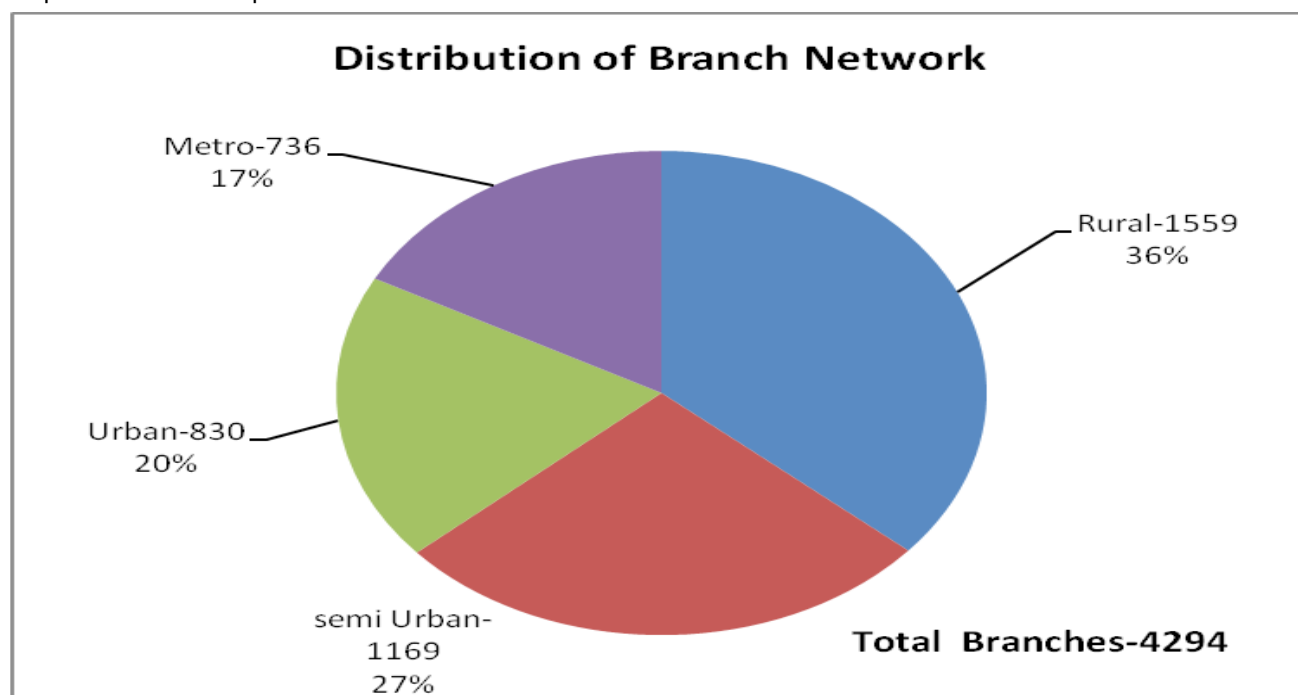
AUDIT AND INSPECTION

- ❖ The branches are subjected to Risk-Based Internal Audit and the rating was made stringent in 2012-13 which complemented a robust audit mechanism and improved the compliance culture. The audit risk ratings have improved considerably.
- ❖ There were 3449 Medium Risk & 390 Low Risk rated branches as on 31.03.2012. These have improved to 2481 Medium Risk and 1648 Low Risk with only 6 High Risk rated branches as on 31.03.2013.
- ❖ Management Audits were conducted at the controlling offices hitherto. Now they are subjected to Corporate Governance Review, which gives SWOT analysis, suggests policy initiatives and specific action points for improvement.
- ❖ Risk Based Concurrent Audit is introduced & technology is leveraged. 198 branches are added for concurrent audit by Chartered Accountant firms, increasing to 951 branches as on 31.03.2013, covering 63% of Deposits, 80% of Advances and 70.5% of total business. Concurrent Auditors' report independently & impartially, focusing on all credit exposures at branches. The CA firms apply on web-portal & appointments of Concurrent Auditors are communicated by emails promptly.

BRANCH EXPANSION

❖ As on 31st March 2013, Bank has network of 4294 branches, 3612 Ultra Small Branches, 2529 ATMs, 29 satellite offices and 5 Extension Counters. Bank is having pan India presence covering all 28 States, 6 out of 7 Union Territories, 561 District Head Quarters and 568 Districts out of 642 districts in the country.

❖ During the year 283 branches were opened including up gradation of 13 Extension Counters in to full-fledged branches, 5 specialized Mid Corporate Finance Branches and 20 Retail Asset Branches.



- ❖ To commemorate the Centenary Day, Bank opened 101 branches on 21st December 2012.

OPERATIONS

Customer Relationship Management (CRM)

Call Centre has started Customer Relationship Management (CRM) which provides following information of the customer at one place :-

- ❖ All personal information related to customer such as address, DOB, PAN detail, contact number, mail ID.
- ❖ The details of facility such as Net banking, Credit Card, Debit Card etc. availed by the customer.
- ❖ Details of all accounts such as SB/ CD/ OD/ Term Loan/Fixed Deposit and RD maintained by the customer.
- ❖ Last five transactions, Cheque status and request of "STOP PAYMENT" of cheques.

Bank has introduced following new concepts during this financial year for improving Customer Services.

- ❖ Deposit of cash in the account at Non-Home Branch made Free.
- ❖ No service charge for NEFT up to ₹1.00 lakh.
- ❖ Details of inoperative / unclaimed account displayed on Bank's Web site.
- ❖ A pensioner can submit Life certificate at any branch of the Bank. On line feeding facility of Life Certificate is available to all branches.
- ❖ The detail of the monthly pension paid to individual pensioners, which the pensioners would desire, is available in a secure domain for immediate retrieval at Branch level for the usage by the pensioner account holder .

Customer Grievances

Our Bank has started 24x7 hours Call Centre with Toll Free Number 1800 200 1911 for providing a better avenue for redressal of grievances to Customers. The Customer Grievances Redressal Mechanism has been made fully on-line for quick disposal of grievances. All grievances received are allotted a Unique Identification Number with tracking facility.

- ❖ At all 77 Regional Offices, an officer has been designated as "Nodal Officer for Customer Service and Grievance Redressal" The names of the Regional Nodal Officers have been displayed on Bank's website for quick redressal of grievances of the customers.
- ❖ Central Bank of India is the first PSB to appoint a Chief Customer Service Officer (CCSO) in terms of the recommendations of Damodaran Committee on Customer Service w.e.f. 21/08/2012. In case, grievances of the customer are not redressed by Bank within 30 days or the customer is not satisfied with the redressal, he may appeal to the CCSO.
- ❖ The average grievance redressal period is 14 days as of 31/03/2013 as comparison to 26 days as of 31/03/2012.

TRANSACTION BANKING

During the year Bank took the following initiatives to provide on-line payment solutions and other e-transaction facilities for its customers –

- ❖ PUN GRAIN Project – It is a project for online payment to Arhtias (middlemen) for grain procurement by Punjab State Government. Bank has issued Cards to Arhtias as well as installed POS machines to facilitate this initiative of the Government.
- ❖ ONLINE ticket booking - Bank has provided the facility of online ticket-booking for the customers of Karnataka State Road Transport Corporation.
- ❖ ONLINE bill payment facility for bank's Credit Card holders.
- ❖ ONLINE term deposit opening for Bank's Internet Banking customers.
- ❖ E-booking of Railway tickets on IRCTC platform for Bank's Internet Banking customers.
- ❖ Payment Gateway activation and enrolment of merchants.
- ❖ CASH NEFT project facilitating remittance for non-customers.



- ❖ Go Green project to reduce the use of paper in transaction as well as communication.
- ❖ Internet Banking Customers increased from 1.81 lacs to 6.02 lacs e-transactions% increased from 13.37 to 30%.

BUSINESS PROCESS RE-ENGINEERING

The major initiatives taken by BPR department during the year 2012-13.

- ❖ **PERSONALISED CHEQUE BOOKS:** Centralised cheques book issuance facility has been made available to all the branches to provide CTS-2010 STANDARD personalised cheques books.
- ❖ **CENT SUJHAV:** A separate web portal for “CENT-SUJHAV” in the Bank’s Intranet “For Staff Only” is designed with an objective to stimulate creativity and generate innovative ideas from staff members which will benefit the Bank in terms of Productivity, Performance and Profitability.
- ❖ **DESIGNING OF NEW DEPOSIT VARIANTS FOR CD & SB:** To identify potential customers from our huge customer base, offer them differentiated services, additional benefits and thereby make them feel privileged, Bank has designed the Saving Account variant- **Cent Premium** and Current Account variants in the names of **Cent Silver, Cent Gold and Cent Diamond**.
- ❖ **e-VOV (e-Verification of Vouchers):** Supplementary checking is very important check point to avert frauds in the branches. A program known as e-VOV (e-verification of vouchers) has been developed for on screen checking of supplementary in electronic form.
- ❖ **TRANSFORMATION OF BRANCHES AS CENT NAVCHETANA BRANCHES: REDESIGNED WORK PROCESS IN 101 BRANCHES-** Under this process there is segregation of branch functions as front office functions and back office functions. Accordingly most of the operational functions have been divided into two parts – Customer dealings are to be attended to by the front office and data entry to be done by back office.
- ❖ **CENT SUVIDHA POINTS:** A Cent Suvidha point will be a sort of fully automated mini (virtual) branch functioning 24x7. The Cent Suvidha point will contain the following machines so as to make available all the above mentioned banking facilities on a 24x7 basis.
 - ❖ ATM
 - ❖ Multipurpose kiosks with facility for Cheque deposit machine, Bulk cash deposit machine, pass book printing machine with bar code facility

RAJBHASHA

- ❖ Bank is honoured with ‘**Indira Gandhi Rajbhasha Shield**’ for the best implementation of Official Language Policy of Government by Official Language Department, Ministry of Home Affairs, Government of India during the financial year. The Shield was received by Shri Mohan V.Tanksale, Chairman and Managing Director from the Hon’ble President Shri Pranab Mukharjee in a glittering function organized at Vigyan Bhawan, New Delhi.
- ❖ Bank has also received **Reserve Bank of India Governor Shield** for the best Implementation of Official Language Policy in Linguistic Region ‘A’.
- ❖ Further, we have also received award for the best performance in implementation of Official Language Policy in the state of Maharashtra by Maharashtra State Level Bankers Committee and in the state of Gujarat by Gujarat State Level Bankers Committee.
- ❖ During this financial year, our 31 Zonal Offices/Regional Offices/Branches have received various prizes by various Town Official Language Implementation Committees (TOLICs) working under the Government of India, Ministry of Home Affairs, Official Language Department. We are convenor Bank for Town Official Language Implementation Committee, Bhopal and Town Official Language Implementation Committee Raipur and both these TOLICs have received awards from The Government of India, Ministry of Home Affairs, and Official Language Department.
- ❖ Parliamentary Committee on Official Languages inspected our Haridwar Branch (Dehradun RO) and Delhi Zonal Office to assess our performance in Implementation of Official Language Policy of the Government. The efforts and steps taken by our Bank for implementation of Official Language Policy were appreciated.
- ❖ Our Bank has also provided facilities to work in Hindi under Core Banking Solutions. We are providing passbooks, drafts, fixed deposit receipts and statements in Hindi to our customers. SMSs are being sent in Hindi as well as various Regional Languages to our customers.

- ❖ We have introduced an in house web portal “CENT QPR” for online submission of Quarterly Progress Reports regarding progressive use of Hindi.
- ❖ Rajbhasha Seminars in Delhi and CBD Belapur were organized during the year.
- ❖ We are in the process of bilingualisation of our HRMS portal.

CORPORATE COMMUNICATIONS

- ❖ During the year, under our Corporate Branding exercise we have reached to 15.41 crore readers of different national and regional newspapers. We have enhanced our reach with focus on popular magazines.
- ❖ Our Bank moved further on the enhanced brand equity and visibility created out of different activities/programmes conducted during the Centenary year across the country by our offices. With this leverage and the publicity during the year 2012-13 through Print, Electronic and Outdoor Media our endeavour was to convert it into real business; for that both budgeted and non-budgeted campaigns/publicity were carried out to achieve marketing and brand objectives.
- ❖ We have established our Bank’s Museum in Mumbai that was inaugurated in the presence of Shri V Leeladhar, Former Dy. Governor, RBI on 9th August, 2012 on the occasion of 131st Birth Anniversary of Founder.
- ❖ On the same day we organized third Sir Sorabji Pochkhanawala Memorial Lecture that was delivered by Former Chairman of SEBI Shri M Damodaran on topic “Public Sector Banks & The Indian Economy”.
- ❖ We have started to honour dignitaries with e-Certificate by planting trees in place of traditional bouquets through entering into an agreement with Grow-Trees.Com. We have opened bank of 3000 trees with the company.
- ❖ Under Staff Welfare measure of the Bank, initiative was taken to felicitate the meritorious SSC/HSC children of Centralites in a well organized ‘CENT STAR GAURAV’ function at Mumbai on 7th July 2012 and also at various centres all over India.
- ❖ Our Foundation Day was celebrated at all Offices throughout India with special programmes at Mumbai and Delhi. At Delhi, Foundation Day was celebrated on 21st December 2012 wherein Shri P Chidambaram, Hon’ble Minister of Finance, Government of India, Shri Namo Narain Meena, Hon’ble Minister of State (E&FS), Government of India, Shri D K Mittal, Secretary – Department of Financial Services, Ministry of Finance, Government of India have graced the function. At Mumbai, it was organized with a unique folk programme viz. TAAL India. On the occasion, eminent classical singer Dr. Prabha Atre who is also bank’s customer for several years, was honoured. Bank also released Cartoon film on children making them aware of importance of knowledge of banking on the same day.
- ❖ During the year we have taken many special initiatives, few are :
 - ❖ Thrust on Low Cost Advertising/Exploring new Low Cost avenues for advertising (like water sheds, autorickshaws/ shikaras /bus shelters/ buses/HPCL/petrol pumps / FCI Godown walls).
 - ❖ Uniform New Year wishes Card design to all Offices.
 - ❖ Branded C4C Lapel Pin for all staff members
 - ❖ Lapel pins/Broach for all officers
 - ❖ Celebration of Foundation Day of Branches & Bank
 - ❖ Gifting branded Roses to welcome passengers at all Airports/Railway Stations for new year and other occasions.
 - ❖ Branding of Lifts at Chander Mukhi, Zones.
 - ❖ To have a personal rapport with our VIP clients, personalized table calendars were presented, which have been widely appreciated by our customers & dignitaries.
- ❖ We have our presence on websites www.legalera.in for providing information on legal matters and on www.eclubdelhi.in information of various things in and around Delhi. We have advertised on different channels on the occasion of Foundation Day, Christmas and New year. For regular ads we have also selected different regional channels.
- ❖ These activities have enhanced our visibility.



- ❖ Our Bank has been recommended as 4th Best Public Sector Bank in India under “Brand Equity-Most Trusted Brands -2012”.
- ❖ Under “India’s Most Trusted Service Brands” category, the Bank has elevated to the 14th Position in 2012 as against 16th Position in 2011.

VIGILANCE

- ❖ During the period 2012-13 the vigilance cases as also complaints has been disposed off much faster. The cases outstanding beyond six months have been considerably reduced from 132 as on 31.03.2012 to 60 as on 31.03.2013. Invocation of OSR 20.3 (iii) of Officers’ Service Regulations has been very few. Further, the vigilance officers have been trained in CBS environment for effective and expeditious handling of matters.
- ❖ Fraud prevention committees are meeting every quarter at Zonal Offices to discuss preventive vigilance issues and effective measures to tackle the lacuna in the system. The committee comprises of Zonal Manager/Regional Manager /Vigilance Officers and one Branch Manager from Rural /Semi Urban/Urban Branches.
- ❖ Vigilance awareness week was celebrated throughout India with an aim to curb corruption. A “Cent Vigil” portal is online available for all the staff members who can act as whistle blowers to facilitate reporting of malpractices.
- ❖ Various New initiatives like checking daily transaction through E-VVR reports, biometric login systems and e-receipt voucher are being introduced to further strengthen the system.

HUMAN RESOURCE DEVELOPMENT

1. MANPOWER:

At the end of March 2013 the staff strength of the Bank stood at 37113 as against 35,901 in the previous year. The category-wise break-up of staff is given below:

Category	March 2013	March 2012
Officers	14043	12,375
Clerks	13475	15,167
Sub-staff	9595	8,359
Grand Total	37113	35,901

2. HUMAN RESOURCES DEVELOPMENT:

(i) Updated version of Central Bank of India (Officers) Service Regulations, 1979:

As a part of the on-going proactive initiatives of the Management in equipping the staff members with the changes/additions that are taking place in various HR policies, the Management has now come out with an updated version of ‘Central Bank of India (Officers’) Service Regulations, 1979 by incorporating all changes/ amendments/modifications etc adopted upto 31.12.2012 and has been uploaded in ‘ For Staff Only’ Portal under newly created menu ‘Major HR Policies & Scheme’.

(ii) Amendments in guidelines on compensation/reward to the family of Bank Employees who are killed in bank robberies, terrorist incidents including left-extremism.

Enhancement of compensation amount/reward w.e.f 3.7.2012 to the family of the bank employees who are killed in Bank robberies, terrorist incidents including left-extremism in terms of Government communication dated 3.7.2012. The major changes brought out through amendments are as under:

- ❖ Revised compensation amount of ₹20 lacs for officers and ₹10 lacs for clerical/sub-staff in case of death of an employee as a result of or during bank robbery or attacks by terrorist, including left-wing extremism on bank employees.
- ❖ In respect of the persons other than the Bank employee who may get killed as a consequence of or during robberies and/or attack of terrorist, the bank will pay a lumpsum compensation of ₹3 lacs to the family of the deceased.
- ❖ In case of Bank employees/customers/members of public who actively resists bank robberies and terrorists attack on banks, the bank may consider a cash reward not exceeding ₹2 lacs.

- ❖ These guidelines shall be uniformly applicable throughout the country including North-East and in left-wing extremist areas.

(iii) Introduction of scheme for reimbursement of conveyance expenses incurred by the eligible Award Staff in discharge of their official duties:

A scheme for reimbursement of conveyance expenses incurred by the eligible Award staff in discharge of their official duties has been introduced to encourage senior Award Staff to be more mobile to generate new business, mobilize low-cost deposits, augment loan recovery/follow up of NPA accounts, Recovery in written off accounts etc., thereby channelizing their efforts towards the mainstream of focused business activities.

(iv) Rent reimbursement facility to women officers staying in Women's Hostel & to officers (Both male and female) staying as paying guest.

Bank as a gesture of goodwill has extended Rent reimbursement facility to women officers staying in Women's hostel & to officers (both male and female) staying as paying guest.

(v) Substantial enhancement in ceilings on rent reimbursement to officers w.e.f. 1st April, 2013.

In order to enhance the quality Work life and wellness of the officers, substantial enhancement in ceilings on rent reimbursement to officers has been extended w.e.f 1st April 2013.

(vi) Benefits/facilities extended to employees:

Enhancement in quantum of reimbursement of cost of news paper purchased at the residence of award staff, reimbursement of amount on cost of brief case to officers, Head Cashier & Special Assistants etc., were brought about to motivate the employees to do the best for the institution.

(iv) Other major initiatives carried out during the financial year:

- ❖ HR policies especially on Promotion and Performance Assessment systems have been made officer-friendly by bringing stimulating amendments therein.
- ❖ HRMS system has been fully operationalised thereby bringing more transparency and made HR systems and processes more-system driven.
- ❖ HR Policies have been tuned with a view to retain and engage the talent.
- ❖ Launching exclusive Portal for sharing ' Major HR Policies & Schemes – An endeavour to disseminate the HR Policies and Schemes among workforce.
- ❖ Transition from 'Successive Plan' to 'Succession Plan' – Formulation of robust & sustained Succession Plan.

3. TRAINING:

Quality training is the cornerstone for building healthy succession and to nurture a sound managerial team. Accordingly, during the year 2012-13 'Training & Development' function continued to be given major thrust. With this backdrop and in furtherance to the constant endeavour to transform the Bank as a 'Learning Organisation', vibrant changes are brought about in the entire gamut of the training activity encompassing training modules, contents and delivery systems etc.

- ❖ During the year 2012-13, special training programmes on "Creating Winning Branch for Branch Managers" and " Towards Cutting Edge Leadership " for newly promoted AGMs/DGMs were conducted by Dr Pritam Singh and Ms Asha Bhandarkar, from IMI New Delhi, who are eminent management professionals of international repute, wherein the rich experiences were shared and contemporary business areas were discussed and delivered. This apart, special training programmes were conducted exclusively by outside agencies/experts of high repute on Mutual Fund/Insurance, Marketing, Transformational training programme "Inspiring to perform and making life meaningful by work " etc. Further, internal training programmes were conducted on Credit, NPA & Recovery Management, Priority Sector, Retail Banking/Marketing etc.

ON BOARDING OF NEWLY RECRUITED STAFFS:

- ❖ As a part of Man Power Planning, officers are recruited at various levels of management including officers at the entry level, as also of recruitment of clerical staff. In order to equip these new staff members to face the challenges of modern day banking as well as to give them secure space, especially considering the age gap between the new incumbents and the existing staff, training module has curriculum such as group discussions, role play, presentations on chosen topics and other extended activities like conducting survey on socially relevant issues, debates, games and visits and more participative.



- ❖ In order to familiarize with various bank functioning newly recruited officers (MBA, CA, Tech Officers & IT) were imparted induction training programmes. Likewise newly recruited POs and AFOs have been imparted extensive training through outside experts/agency as well as intensive training through classroom training and on the job training at branches / administrative Offices alternatively within the 06 months training curriculum. Chairman and Managing Director / Executive Directors / General Managers addressed the participants during all these training programmes.
- ❖ The training for new recruits have been largely outsourced to the Institutes of high repute having expertise in the area of learning and training especially to Bank employees viz. Sandipni BOI, PNBIT, Manipal Global Education Society, CETTM apart from internal Training infrastructure and faculty. The curriculum of these training programmes have been designed encompassing General Banking on CBS platform, Basic Banking operations specially tailored for our Bank and on Soft Skills.
- ❖ The classroom training and on the job training were scheduled in such a manner that application of knowledge gained through classroom training are put to test in the field i.e. branches and administrative offices. The classroom training methodology includes innovative delivery strategies like Roll Plays, Simulation exercises, Group discussions, etc. in order to make the training a great learning experience.
- ❖ The experience/difficulties/problems faced in the field were discussed meticulously in the 2nd spell of class room training and solutions were generated. This innovative training model for onboarding of new recruits has been greatly lauded by the participants and considering the success attained through this model, some of the peer Banks have shown enthusiasm in enquiring the methodology adopted for replicating the same in their Banks.
- ❖ During the year 2012-13, pre-promotion test training have been provided to 1774 SC and 488 ST candidates who were appearing for promotion from Sub-staff to Clerks, Clerks to Officer (AIS) and Scale- I to II, II to III and III to IV.
- ❖ During the year 2012-13 about 2162 programmes including Classroom, Locational, RRB and Special training were conducted covering 32031 participants and 107084 man-days by three training colleges and 16 Zonal Staff Training Centres. This apart, 795 officers in various scales were nominated for specialized training programmes conducted by external training agencies like NIBM, CAB, IIBM, IDRBT BIRD etc. Further 74 officers have been sent for various Foreign training programme / exposure visit in the year 2012-13 such as FEDAI, Bancassurance, Leadership Programme, Advanced Leadership Programme, Stress Testing , Information Security, Operational Risk Management, CRM/ Analytics, Advanced Management Programme, Product Innovation Excellence, Leadership for Excellence in Banking & Finance, Analytical & Creative Problem Solving, Fundamentals of Visa Business.

4. RECRUITMENT & PROMOTIONS:

- ❖ In order to inject required professionalism in the Institution, the spree of inducting MBAs in various fields and Chartered Accountants has been continued during the Financial Year 2012-13 as well and accordingly, 54 fresh MBAs in Scale-II & 44 CAs in Scale-II have been recruited from the Professional/Management institutions like NIIM, IIFT, IBS Hyderabad, ICAI, Delhi etc besides the regular recruitment processes in respect of Specialists and Mainstream posts, in order to ensure a good blend of experience and contemporary knowledge/skills.
- ❖ In the year 2012-13, recruitment process was held for 3145 posts encompassing MBAs in Scale-II, CAs in Scale-II, AFOs, IT Officers & Rajbhasha Officers in Scale-I, Security Officers & Law Officers in Scale-II, Technical Officers in Scale-III & IV, Chief Manager, RMD (Scale IV), Probationary Officers, Sub-staff (including Armed Guards).
- ❖ The promotional exercise has been made more motivating and as such as a corporate goal, it has been resolved to held the promotion processes as frequently as possible for all scales/categories. Accordingly, during the year 2012-13 inter-scale and inter-cadre promotion processes were conducted and as many as 4375 employees/ officers were elevated to higher cadre/scale, out of which 510 sub-staff were promoted to clerical cadre.

5. IMPLEMENTATION OF RESERVATION POLICY:

- ❖ The Bank has been implementing the guidelines/instructions received from Government of India/Indian Banks' Association on Reservation Policy and concessions and relaxations are extended to SCs/STs/OBCs/PWDs/Ex-servicemen as admissible in the Reservation Policy.
- ❖ The Parliamentary Committee on Government Assurances under the Chairmanship of Shri. Pyarimohan Mohapatra visited at Mumbai on 23.01.2013 to discuss with our Bank with respect to issues on Assurances arising from unstarred question (USQ) No. 2221 on filling of vacant posts in Nationalized Banks.

- ❖ Further, the Parliamentary Committee on welfare of Other Backward Classes under the Chairmanship of Shri. Bijoy Krishna Handique visited at Goa on 6th February 2013 to discuss on reservation in employment and welfare measures for OBCs in our Bank.
- ❖ Shri. M. Shivanna, Hon'ble Member of National Commission for Scheduled Castes visited Mysore on 15.11.2012 and Ranchi on 1.02.2013 and had discussions with the representatives of our Bank on implementation of reservation policy and service safeguards for Scheduled Castes.

6. STAFF WELFARE SCHEMES:

- ❖ 'Welfare of Staff and their families' continues to be the committed endeavour of the management and this endeavour is always kept on the top of the HR agenda of the Bank. Accordingly, for the year 2012-13, an amount of ₹15 crore has been apportioned for expending towards various Staff Welfare Schemes.
- ❖ This amount has been allocated towards various schemes by improving certain schemes in terms of monetary & qualitative terms of the schemes. The focus of staff wellness continues to be on 3 areas of utmost importance viz. health, education and rest & recuperation (work life balance).

7. INDUSTRIAL RELATIONS:

The Industrial Relations during the year remained generally cordial.

ATM /DEBIT CARD OPERATIONS

- ❖ The bank has ATM / Debit Card base of 41,93,703 as on 31st March 2013 registering growth of 108%.
- ❖ The bank issues ATM / Debit Cards with major card association's viz. RuPay, MasterCard & Visa.
- ❖ International Shopping cum Debit Card has been launched under Maestro, MasterCard and Visa Variants. This card has been positioned as Shopping Card.
- ❖ A premium version card – "Platinum Debit Card" has been introduced to cater to the specific needs of HNI customers.
- ❖ neXGen Debit Card to meet requirement of minor (Age between 10 to 18 years) customers has been launched.
- ❖ Central Kisan Card (Aadhar & Non Aadhar variant) is being issued under RuPay platform.
- ❖ Total live ATMs 2529 as on 31.03.2013 compared to 1682 as of 31.03.2012. ie. we have added 847 during the year.
- ❖ Under MOF we have added 596 ATMs ,and stood next to SBI in MOF roll out.
- ❖ Our Bank's first ATM installed in TRIPURA,NAGALAND ,DAMAN and DIU.
- ❖ Completion of 1001 ATMs in phase III .
- ❖ Number of transactions per day touched 5 lacs from around 2lacs in March 2012.
- ❖ Uptime at present at 95.60%.and aiming to improve it to 99%.
- ❖ Aaverage hits per day is 123 against 109 in 2011-2012.
- ❖ Average cash withdrawal is around ₹ 40 cr per day.
- ❖ POS transaction is Rs 293.95 cr.
- ❖ Net fee income is ₹8.62 cr.

SUBSIDIARIES AND JOINT VENTURES

i. CENTBANK HOME FINANCE LIMITED

- ❖ During the year 2012-13, Cent Bank Home Finance Ltd (CBHFL) has inducted 2 senior Housing Finance & Banking Professionals as Independent Directors to contribute for the growth of the organization and also company's commitment to Corporate Governance.
- ❖ The company has also initiated process to attract best available talent from the open market to hire senior executives.
- ❖ The company also proposes to raise equity by way of rights issue which has been duly approved in extraordinary general meeting held on 23rd May, 2012 to support its business plan for expansion. Rights issue of the company which has been subscribed by its major promoters viz. Central Bank of India & National Housing Bank.



- ❖ During the year the Total Business of the company improved from ₹ 338.64 Crores in March , 2012 to ₹629.20 Crores as on March , 2013, growth of 85.80 %.
- ❖ The loan outstanding increased from ₹290.30 Crore as on March 2012 to ₹401.60 Crore as on March 2013
- ❖ Deposits from public and institutions have increased from ₹48.34 Crore as on March 2012 to ₹ 227.60 Crore as on March 2013.
- ❖ The Net Profit of the Company stood at ₹10.06 Crore as at March 2013, as against the level of ₹5.72 Crore as of March 2012. The reason for increase in profit is due to increase in interest income on account of fresh lending to individuals as well as to builders during the current year. Further, company has during the year vigorously followed for recovery and reduction of Non-performing assets. The increase in profit is also on account of reversal of provision on NPA which was added back to the profit.
- ❖ The Company has consistently improved its Net Own Fund by adding Profit to the Reserves. Net worth has gone up from ₹57.44 Crore in March 2012 to ₹64.01 Crore in March 2013.
- ❖ The company has also started computerization of existing branches during the year and pilot project at Mumbai branch has been successfully implemented in March 2013.

ii CENTBANK FINANCIAL SERVICES

Centbank Financial Services Limited is essentially providing ancillary Corporate Financial Services. During 2012-13, CFSL has significantly diversified its business profile to make CFSL a full-service investment bank. CFSL services include:

- ❖ Project Appraisal and Loan Syndication.
- ❖ Capital Market Transactions (both equity and debt).
- ❖ Corporate Advisory Services including M&As and Debt Restructuring, Project Advisory, Securitisation, Risk Management, Business Valuations, Private Equity and TEV Report.
- ❖ Trusteeship Services including debenture/security Trustee, Executor trustee, Managing Charitable Trusts.
- ❖ The company earned a Net Profit of ₹7.88 crore as of March 2013 against Net Profit of ₹10.01 crore in the previous year, and recommended a Dividend of ₹200/- per share on the face value of ₹1000/- per share (which is the same as paid for the year 2011-12), which aggregates to ₹1.00 crore on a paid up capital of ₹5.00 crore.
- ❖ During the year 2012-13, the Company has opened two representative offices at New Delhi & Chennai. The company also plans to open representative office at Bangalore in the near future.
- ❖ Two Independent Directors have been appointed during 2012-13 to strengthen the Board.
- ❖ The company has syndicated over ₹10,000 crore since 2009 while the amount syndicated during 2012-13 is over ₹2700 crore while the income from syndication in 2012-13 is ₹10.31 crore vis-à-vis ₹9.91 crore during previous year.
- ❖ Net Profit for the year 2012-13 is low for the following reasons:

During 2011-12, the Company has earned an income of ₹285.00 lacs towards advisory of Right Issue of a large corporate client whereas no such income could be realised in 2012-13 as the market conditions are not favourable. Secondly, as per revised SEBI guidelines the investors are allowed to make direct investment in Mutual Fund. Hence, the company has received negligible income from marketing of Mutual Fund Products, whereby the income on this score has fallen by ₹182.96 lacs during 2012-13.

iii INDO-ZAMBIA BANK LTD.

- ❖ The Bank's Joint Venture in Zambia is promoted jointly by Government of Zambia and three India Banks viz. Central Bank of India, Bank of Baroda and Bank of India. While each of the 3 Indian Banks hold 20% equity, Govt. of Republic of Zambia holds the balance 40% equity.
- ❖ The Bank has been performing well in all parameters and is presently the sixth largest bank in Zambia with a total business mix of Rs 2124 crore.
- ❖ With the change in accounting year from March to December, the Bank's net profit for the nine month period was ₹ 25.03 crore. As against our total investment of ₹ 60 lacs, the total dividends earned by our Bank during the last four years alone has been in excess of ₹ 440 lacs.

REGIONAL RURAL BANKs (RRBs)

At the beginning of the year, the Bank had 7 sponsored Regional Rural Banks (RRBs) covering 57 Districts in 7 states with a network of 1806 Branches, out of which 2 RRBs were merged with other RRBs and 2 RRBs sponsored by other Banks merged with our Central Madhya Pradesh Gramin Bank. As on 31.03.2013, we had 5 RRBs spread over 54 districts in 5 states with network of 1799 branches.

S No	Name of RRBs	HQ	State	No. of Districts Covered	No. of Branches
1	Central Madhya Pradesh Gramin Bank	Chhindwara	Madhya Pradesh	25	423
2	Surguja Kshetriya Gramin Bank	Ambikapur	Chhattisgarh	4	103
3	Uttar Bihar Gramin Bank	Muzaffarpur	Bihar	18	1001
4	Ballia Etawah Kshetriya Gramin Bank	Ballia	Uttar Pradesh	4	143
5	Uttarbanga Kshetriya Gramin Bank	Coochbehar	West Bengal	3	129
	Total		5	54	1799

The performance of our RRBs as on 31/03/2013 is under

S No	Name of RRBs	DEPOSIT (₹ in crore)	ADVANCE (₹ in crore)	GROSS NPA (₹ in crore)	NET PROFIT (₹ in crore)	CD Ratio (%)	Per Employee Profit (₹ in lac)	Per Branch Profit (₹ in lac)
1	Central Madhya Pradesh Gramin Bank	4658.68	2616.43	312.94	3.10	56.16	0.18	0.73
2	Surguja Kshetriya Gramin Bank	1490.92	462.48	35.70	22.45	31.02	5.64	21.80
3	Uttar Bihar Gramin Bank	8387.40	4344.85	136.54	50.01	51.80	1.34	5.00
4	Ballia Etawah Kshetriya Gramin Bank	1773.02	650.17	129.40	5.33	36.67	0.91	3.73
5	Uttarbanga Kshetriya Gramin Bank	1503.38	981.15	111.09	13.79	65.26	1.84	10.69
	Total	17813.40	9055.08	725.67	94.68	50.83	9.91	41.95

- ❖ Deposit has been increased from ₹ 16643.78 Cr as on March 2012 to ₹ 17813.40 Cr registering annual growth of 7.03 %. The highest growth is shown by Surguja KGB i.e. 19.98 % while the lowest growth is shown by Uttar Bihar GB i.e. -0.96%. Excluding UBGB the growth % comes to 15.30 %.
- ❖ Advances have been increased from ₹ 8114.79 Cr as on March 2012 to ₹ 9055.08Cr registering annual growth of 11.59 %. The highest growth is shown by Central Madhya Pradesh GB i.e. 18.23 % while the lowest growth is shown by Uttar Bihar GB i.e. 6.50%. Excluding UBGB the growth % comes 32.30 %
- ❖ Agriculture advances have been increased from ₹ 3477.33 Cr as on March 2012 to ₹ 4173.00 Cr as March 2013 registering annual growth of 20.00 %. The highest growth is shown by Central Madhya Pradesh GB i.e. 22.84% while the lowest growth is shown by Ballia Etawah GB i.e. 9.80%.
- ❖ Gross NPA has been slightly increased from ₹ 570.92 Cr as on March 2012 to ₹ 725.67 Cr with growth of 27.10 % and % to total credit comes to 8.01%.



- ❖ Net Profit was ₹ 166.59 Cr as on March 2012 while it is ₹ 94.68 Cr as on March 2013. The highest growth is shown by Central Madhya Pradesh GB i.e. 41.55 % while the lowest growth is shown by Uttar Bihar GB i.e. -60.18%.
- ❖ CD ratio is also improved from 48.75 % to 50.83 % during the year.
- ❖ All our RRBs are on CBS platform and in profit.
- ❖ We are extending full support to our RRBs in capacity building and technology.
- ❖ All RRBs have implemented NEFT facility to their customers since 13/12/2011 on our switch and average transactions per day is about 1600.
- ❖ ATM facility has already been provided to customers of RRBs.
- ❖ Internet & Mobile banking facilities are likely to be provided very shortly.
- ❖ Rupay KCC Cards will also be introduced in RRBs in this year.

CORPORATE SOCIAL RESPONSIBILITY

- ❖ The Corporate Social Responsibility programme is an initiative of great importance which has made tangible impact in sections of society wherever it has been implemented by the Bank.
- ❖ Donations under CSR are granted through the organization/Trust working for poor, downtrodden people of society for their upliftment for education, health, natural calamities and overall social welfare of the society which reflects our involvement in the society for social cause & creates indirect impact in the minds of general public towards attachment with our Bank . It will naturally make positive impact on our overall business growth, it cannot be quantified.
- ❖ The Bank's Budget under CSR activity support for the current financial year 2012-2013 was ₹ 5.00 crores. Against the above budget, donation aggregating to ₹2,08,14,990 were sanctioned to different associations/ charitable institutions dealing mainly in education, vocational training and sports activities of orphan and destitute children, health and other activities of old and poor.

During the year 2012-2013 following are the highlights of CSR Activities:

- ❖ CSR support to Aditya Jyot Foundation for Twinkling Little Eyes, Mumbai towards Preventing Blindness in over 50 Patients.
- ❖ CSR support of ₹ 7.60 lakh is given to Helen Keller Institute for Deaf & Deafblind for participating in Standard Chartered Mumbai Marathon 2013 for social cause.
- ❖ Bank supported Sri Kanchi Kamakoti Medical Trust, Sankara Eye Centre, Coimbatore to acquire a 60 seater bus for the use of the Hospital to transport poor patients to and from the villages and the Hospital for treatment purposes under their Gift of Vision – Outreach Programme.
- ❖ Bank also supported AIM For SEVA for the annual requirement of expenses for maintaining one chatralaya situated at Polur, Thiruvannamalai District under Chennai Region.
- ❖ Bank also supported Jawaharlal Nehru Cancer Hospital & Research Centre, Bhopal for purchase of portable Ultrasonography machine with 2 probe for upcoming Pain Control & Palliative Care Centre besides Ultrasonography machine.
- ❖ We have given support for one Swaraj Mazda Cosmo Vehicle including other costs to The Akshaya Patra foundation, Hyderabad, which can transport mid day meals to 5000 less privileged children. Akshya Patra Mid-Day Meal program provides free, nutritious mid-day meals to the children who would otherwise have to work for.
- ❖ One Mobile Medicare Unit Vehicle for transporting old and sick people was provided to Help Age India for transporting old and sick people.
- ❖ Bank also supported Urivi Vikram Charitable Trust for the cost of training of women and youth of Slum Pockets in Bhiwandi City from lower socio economic families of minority community in life skills & vocational courses leading to livelihoods .
- ❖ District Hospital, Chhindwara was also supported for acquiring Color Doppler Machine for providing high level scanning facility to poor & needy people in the rural area who are unable to afford & go outside to big cities.
- ❖ Bank donated ₹ 2.00 lacs each to the families of (1) Late LNK Hemraj and (2) Late LNK Sudhakar Singh, both belonging to the Rajputana Rifles, who have sacrificed their lives on India-Pak Border, while performing their duties. To salute their bravery and to help their families, our Bank has donated for this noble cause.

INITIATIVES

- ❖ Innovative concept of Grow- Green Trees – through this, we have replaced the mementos with certificates having planted specific number of trees in the wastelands of the country in association with growtrees.com.
- ❖ Green initiative measures viz., circulation of Board Agenda papers to Directors through electronic mode, back to back printing on papers.

- ❖ Bank's clients greeted via sms & e-mails on all festivals of national & regional importance.
- ❖ Standardised branding of branches, atms, kiosks, lifts & gates.
- ❖ Branding of public transport buses & 200 tab cabs.
- ❖ Under "Cent Sanskriti", various CSR activities were undertaken during the year in the field of healthcare, education, welfare of old age people & destitutes, drought relief etc. by associating with renowned NGO's across the country.
- ❖ Bouquet of premium products in current and savings portfolio designed for HNI customers launched for retention, upscaling and new HNI clients.
- ❖ Customised savings product: Cent Salary Savings Scheme with inbuilt offers, concessions and overdraft facility launched for salaried class.
- ❖ Flexible RDS Scheme: Cent Swashakti launched to promote savings among customers with variable income.
- ❖ Facility of online opening of time deposit accounts to internet banking users offered, being first nationalised bank to offer this facility.
- ❖ Operationalised 21 Retail Asset Branches (RABs) all over India.
- ❖ Signed MOU with renowned builders/developers for providing hassle free home loans at special rates across the country.
- ❖ Convened and participated in various property expos and other expos across the country resulting in substantial leads in housing loans as well as other bank products.
- ❖ "Cent Custom Hiring Centre" for financing of tractors and other agriculture equipment to be given on hire.
- ❖ Mukhya Mantri Yuva Swarozgar Yojna Scheme" of Madhya Pradesh state government for financing young entrepreneurs willing to set up their own enterprise.
- ❖ "Central Laghu Udhyaami Credit Card (CLUCC) Scheme" is modified and rate of interest reduced to encourage small entrepreneurs engaged in MSE activity.
- ❖ "Cent Food Processing Plus Scheme" for financing food and agro based processing unit. The scheme was modified and concessional rate of interest is offered if the collateral security is 100% irrespective of the credit rating of the unit.
- ❖ "Cent Prosperity" (for minority communities) for unemployed / traditional and prospective artisan minorities to generate continuous and sustainable employment opportunities and also to increase income. Rate of interest offered under the scheme is BR+0.25% upto ₹ 10 lakh.
- ❖ Customized Medi Claim Insurance Product (Chola Swasth Parivar) is designed by our insurance channel partner Chola MS with family floater benefit. the product is designed for customers, staff members and retired staff members at competitive rates. Bank has mobilized 8,047 policies during 2012-13 after its launch in the month of August 2012.
- ❖ In order to canvass new savings accounts, a group insurance product (Sarva Shakti Suraksha) designed by Bajaj Allianz Life Insurance Company has been launched for our customers with investment & insurance benefits. Under Sarve Shakti Suraksha Scheme , insurance premium of ₹30 crore mobilized covering 26,832 customers during the year 2012-13.

ACHIEVEMENTS

- ❖ During the year Bank has added 847 ATMs to reach 2,529 ATMS.
- ❖ E-transaction increased from 13.37% to 30% of total transactions during the year.
- ❖ Debit Card base doubled from 21 lacs to 42 lacs during the year.
- ❖ During the year Internet banking customer base increased from 1.81 lacs to 6.02 lacs registering an impressive growth of 233%.
- ❖ Direct Benefits Transfer successfully implemented in 6 districts.
- ❖ Bank stood 2nd in mobilizing insurance premium amongst all Bancassurance partners of LIC with Y-o-Y growth of 32%. Bank has canvassed 1,49,668 policies with premium of ₹ 238 crores.
- ❖ Under general insurance business, Bank has mobilized 1,89,956 policies with premium collection of ₹83 crore with Y-o-Y growth of 38%.
- ❖ Bank has launched new cards viz. World Credit Card, Indian Dental Association Co-branded Credit Card and Big Cinema Credit Card.



WAY FORWARD

- ❖ CASA deposits to be raised to a level between 34% to 35%.
- ❖ Cent Salary Saving Scheme for employees of Corporates & Non Corporates will be a driving force to bring in the employer's Corporate Accounts.
- ❖ Bank has robust plan to contain Gross NPA below 4.00% and Net NPA at less than 2.50%.
- ❖ 50 more Retail Asset Branches will be operationalised in the FY 2013-14 directly catering to the needs of bulk customers with tie up of reputed builders, educational institutions and auto dealers.
- ❖ Planned to open additional 2,450 on site ATMs during FY 2013-14 to reach a level of 5,000 ATMs, out of which 100 ATMs will be disabled friendly.
- ❖ Debit Card base to be increased to 1 crore mark.
- ❖ Poised to launch RuPay Debit Card.
- ❖ Poised to launch premium Debit Card named Wonder Card with OD facility for salaried class.
- ❖ Promoting Prepaid Cards for underprivileged class, and to the beneficiaries of Government incentives.
- ❖ Promoting online fee collection module of reputed schools, colleges and universities.
- ❖ Thrust in Transaction Banking Activities to generate additional business.
- ❖ Introducing Reward Point Programme incentivising online transactions among the Savings Account holders to promote transactions through alternate delivery channels in order to reduce the cost per transactions as also to save paper by introducing incentives in the form of reward points to Savings Account holders.
- ❖ Upgradation of existing product in line with the industry practices especially online products is the prime target beginning with online opening of Savings Accounts.
- ❖ Non Interest Income of our Bank to be brought at par with peer Banks.
- ❖ Cross selling of mediclaim policies under general insurance to be undertaken through our branch network.
- ❖ Strengthening of Marketing Vertical at Zonal/ Regional & upto Branch level for promoting Bank's products & cross selling.

AWARDS & ACCOLADES

- ❖ "Golden Peacock HR Excellence Award-2012" for best HR Practices.
- ❖ "Best HR strategies & innovation in employee retention strategies" conferred by Greentech Foundation.
- ❖ "Outstanding Leadership Award" at the Institute of Public Enterprise Banking Financial Services & Insurance, Hyderabad.
- ❖ Bank has been awarded with two prestigious Skoch Gold awards during 2012-13:
 - i. Innovative Urban Financial Inclusion
 - ii. Reaching Last Mile
- ❖ "Certificate of Excellence" in establishing of "RSETI" (Rural Self Employment Training Institute) across the country during 2011-12.
- ❖ "Outlook Money Award 2012" for runner up in best housing & education loan provider.
- ❖ Bank has been recommended 4th best PSU Bank in India under "Brand Equity- Top 100" most trusted brand.
- ❖ Zee Brand Excellence Award in BFSI.
- ❖ Ranking of our Bank has improved by 61 notches, moving up from 390 in 2011 to 329 in 2012 in the list of "Top 500 Banking Brands 2012".
- ❖ Our Big Cinema Credit Card won best entry award in co-branded cards category at the recent Master Card innovation awards at Kovallam, Kerala.
- ❖ Bank has received two prestigious awards for innovation: "finovative 2012" awards for missed call alerts & customized statement product through internet banking.

CORPORATE GOVERNANCE

Bank's Philosophy of Corporate Governance

- ❖ Thrust of the Corporate Governance of the Bank is to enhance shareholder's value by pursuing ethical practices in the conduct of its business and maintaining high standard of disclosure and transparency. The Bank has adopted best practices, and standards of governance are monitored by various Committees of the Board. The Board, the Executives and other functionaries have distinctly demarcated roles in achieving the Corporate goals – improved performance and enhanced shareholder's value.
- ❖ The equity shares of the Bank are listed at BSE Limited and National Stock Exchange of India Limited. However, the Bank is not a company but a body corporate under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and is regulated by Reserve Bank of India. Therefore, the Bank shall comply with the provisions of clause 49 of the Listing Agreement entered into with Stock Exchanges to the extent it does not violate the provisions of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and the Guidelines issued by Reserve Bank of India in this regard.
- ❖ ICRA Limited has assigned a "CGR3+" (pronounced CGR 3 plus) rating to the Corporate Governance practices of our Bank. This rating implies that in ICRA's current opinion, the rated company has adopted and follows such practices, conventions and codes as would provide its financial stakeholders a high level of assurance on the quality of Corporate Governance.

Board of Directors

- ❖ The Bank is constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (as amended from time to time). The general superintendence, direction and management of the affairs and business of the Bank is vested in the Board of Directors presided over by the Chairman and Managing Director.
- ❖ The composition of the Board of Directors of the Bank is governed by the provisions of the Banking Regulation Act, 1949, the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 as amended and the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970, as amended.
- ❖ During the year under review i.e. 2012-13, the composition of the Board was as under:

Shri M.V.Tanksale (From 29.06.2011)	Chairman and Managing Director
Smt.V.R.Iyer (From 01.09.2010 to 05.11.2012)	Executive Director
Shri R.K.Dubey (From 01.09.2010 to 11.01.2013)	Executive Director
Shri Malay Mukherjee (From 05.11.2012)	Executive Director
Shri R.K.Goyal (From 11.01.2013)	Executive Director
Shri Alok Tandon (w.e.f. 15.11.2011)	Government of India Nominee Director
Shri Salim Gangadharan (From 30.07.2010)	RBI Nominee Director
Shri Brijlal Kshatriya (From 10.01.2012 to 20.03.2013)	Shareholder Director
Prof. N. Balakrishnan (From 10.01.2012)	Shareholder Director
Shri Romesh Sabharwal (From 06.10.2009 to 05.10.2012)	Part Time Non-official Director
Major (Retd) Ved Prakash (From 20.10.2009 to 19.10.2012)	Part Time Non-official Director
Shri B S Rambabu (From 16.03.2010 to 15.03.2013)	Workmen Employee Director
Shri Guman Singh (From 08.08.2011)	Part Time Non-official Director
Shri M.P. Shorawala (From 03.01.2013)	Part Time Non-official Director
Shri Krishan Sethi (From 28.02.2013)	Part Time Non-official Director

The Chairman and Managing Director and the Executive Directors are whole time Directors of the Bank.



Brief Profile of the New Directors

1. Shri Malay Mukherjee, Executive Director (D.O.B. 26.07.1955) -

Shri Malay Mukherjee joined Indian Bank as Probationary Officer in 1976 and has more than 35 yrs experience of serving the banking industry. He has a wide field exposure having worked in various branches in Assam, Bihar, WB, Maharashtra, Gujarat & New Delhi as Branch Manager. He has worked in Risk Management Dept and Technology Management Dept of Indian Bank at its Corporate Office. He held the post of General Manager & Zonal Manager of Bangalore & New Delhi Zones and the last post held in Indian Bank was the General Manager at Kolkata heading operations of all branches in WB, Sikkim, Andaman & Nicobar.

Shri Mukherjee was elevated as Executive Director, Central Bank of India w.e.f. 5th November 2012.

2. Shri R.K. Goyal, Executive Director (D.O.B. 01.01.1957) –

Shri Raj Kumar Goyal joined Bank of India on 12.05.1977. A career Banker and a thorough professional, he has worked in various capacities during the last 35 years. His diverse assignments at various stages include General Operations, Credit, International Banking and HR. He has worked extensively in Credit, particularly Large Credit and has successfully headed three Large Corporate Banking branches of BOI. During his tenure of 4 years at BOI's London Branch, he handled many important portfolios including Loan Syndication and Investments. He is known for his administrative capabilities and believes in team work.

Shri Goyal was elevated as Executive Director, Central Bank of India w.e.f. 11th January 2013.

3. Shri M.P. Shorawala, Non Official Part Time Director (D.O.B. 15.10.1947), is an Advocate-on-Record, Supreme Court of India, New Delhi, practicing for the last 25 years. having assisted the Attorney General, Solicitor General and other Law Officers as well as Senior Advocates for the Union of India and also representing various local bodies in the Supreme Court. Apart from handling specific cases in SC, he has also handled the matters relating to Arbitration, Drafting of Contracts/Agreements, Patents and Trademarks, Cyber Law, Foreign Investments, FERA, Criminal cases, Customs, Corporate Cases, Company Law Board, Joint Ventures, Property cases, Banking, ITAT, Electricity, Taxation, Industrial & Labour Disputes and all other legal & criminal matters.

Shri M.P. Shorawala was nominated as our Bank's Director w.e.f. 03.01.2013.

4. Shri Krishan Sethi, Non Official Part Time Director (D.O.B. 10.05.1954), is a Chartered Accountant in practice for the last 32 years. He has been practicing Financial Management, Audit, Tax Advisory, Arbitration work for Cooperative Banks and Cooperative Societies. His firm, M/s. Gupta Verma & Sethi, has been conducting concurrent audit/inspection/stock audit/revenue audits of various nationalized banks during the last 32 years.

Shri Krishan Sethi was nominated as our Bank's Director w.e.f. 28.02.2013.

DETAILS OF OTHER DIRECTORS

1. Shri M.V.Tanksale, Chairman & Managing Director (D.O.B. 31.07.1953)

Shri M. V. Tanksale assumed charge as Chairman & Managing Director of Central Bank of India on June 29, 2011.

Shri Tanksale is backed by professional credentials like Associate member of the Institute of Cost & Works Accountants of India (AICWA); Company Secretary (Inter) of the Institute of Company Secretaries of India; CAIIB; Bachelor's degree of Science and Master's degree in English Literature.

Shri Tanksale was born on 31st July 1953 at Nagpur in the State of Maharashtra. He joined Union Bank of India (UBI) as an Assistant Manager on August 26, 1974 at Gwalior, Madhya Pradesh, India. He is a person having extensive experience both at the field level and Administrative office and rose upto the level of General Manager of the same Bank.

As a Visionary Banker for a span of more than 38 years, he has held several important fields and administrative positions, such as Deputy/Head- Credit Monitoring, International Banking and Planning, Research & Development, etc.

He also made extensive efforts in promoting e-banking products and third party products, viz, insurance and mutual funds, etc. In his last assignment as General Manager of UBI – he had set up 'Transaction Banking Division' of the bank, wherein on the strength of technology based platform, the bank could put forth a wide array of products and services for the customers.

Shri Tanksale was appointed as Executive Director of Punjab National Bank (PNB) on March 26, 2009. As Executive Director in Punjab National Bank, Shri Tanksale had effectively driven functional areas like Planning & Development, Marketing, Human Resources, Priority Sector & Financial Inclusion, IT, Inspection & Audit, Risk Management Division, Treasury Division, International Banking Division, Recovery Division, Financial Inclusion etc.

Optimal use of technology for customer centric products is hall mark of his work culture. Introduction of e-Lobby, Digital marketing, Tie-up with State Governments and Corporates for e-payment solution, Financial Inclusion are receiving focused attention from him.

A man with intense orientation brought structural changes by empowering Regional Managers for fast decision and Zonal Offices have been made responsible for business facilitation and marketing. Thus structural changes for more learner organization has improved efficiency & decision making. Due to his HR initiatives, Central Bank of India has been adjudged the winner of GOLDEN PEACOCK HR EXCELLANCE AWARD 2012. The Sunday Standard (The New Indian Express Group) awarded him the Best Banker Award. He has also been conferred the title of PERSON OF THE YEAR for his contribution in the area of Financial Inclusion by SKOCH Foundation. Shri Tanksale has further been conferred with prestigious 'ICON of the Year' Award by The Institute of Cost Accountants of India in February 2013. The award honours professionals who have been a role model for the profession by achieving success in the business enterprise that they have been involved with, in the capacity of Chairman and Managing Director.

2. **Shri Alok Tandon (D.O.B.22.09.1962)**

Shri Alok Tandon is a mid-career professional belonging to the Indian Administrative Service (IAS) of the Government of India. He's an electrical engineer by academic training. In 1984, he graduated at the top of his batch, which is across all engineering disciplines, from Indian Institute of Technology at Kanpur with a bachelor's degree in Electrical Engineering. He received the President's Gold Medal, awarded personally by the President of India for this achievement. However, the richness of experience in a career coupled with the strong desire to contribute to public service motivated him to join the IAS in 1986.

During his more than 26 years of service in IAS till date, Shri Tandon has held various assignments as Sub Divisional Magistrate, Chief Development Officer, Joint Secretary and District Magistrate. As District Magistrate of Allahabad, he supervised the setting up of a temporary township on the dry bed of river Ganges in a record time of 4 months to accommodate over one million devotees. Shri Tandon worked as Chief Executive of a thermal power generation company having 5 generating stations and a combined revenue exceeding \$ 1 billion. He has kept himself updated in the academic front too. He took 2 years off from his work in the years 2005-07 and spent this time gainfully in academic pursuits in top US universities (Princeton University and University of California, San Diego) learning advanced tools of economic and public policy. He is presently holding the post of Joint Secretary, Dept. of Disinvestment, Ministry of Finance, Government of India.

3. **Shri Guman Singh, Non-Official Part-Time Director (D.O.B. 24.03.1937)**

Shri Guman Singh is appointed as Part-Time Non-Official Director on the Board of Central Bank of India on 08.08.2011. He is a retired Railway Official and is presently holding the post of President, National Federation of Indian Railway men, President Indian National Trade Union Congress, Rajasthan State, President Uttar Paschim Railway Mazdoor Sangh, Member- National Council Joint Consultative Committee, New Delhi, Secretary (National Level) , Indian National Trade Union Congress.

4. **Padma Shri Prof. N Balakrishnan, Shareholder Director (D.O.B. 01.06.1950)**

Padma Shri Prof. N. Balakrishnan, Shareholder Director is a scientist of highest international repute. He holds a degree in BE (in Electronic curriculum) from University of Madras with Ph.D from Indian Institute of Science in 1979. He is at present an Associate Director of Indian Institute of Science and a Professor at Rep of Aerospace Engineering. He played a crucial role in building India's first Super Computer Centre. He has over 200 publications in the International journals and Conferences. He was honoured with Padma Shri from the President of India in 2002, Homi J. Bhabha Award for Applied Science in 2004, J. C. Bose National Fellowship in 2007. Prof. N. Balakrishnan has provided his critical inputs in many major National initiatives in IT planning and Information Security. He was elected on November 20, 2008 as a Shareholder Director on the Board of Central Bank of India upto November 19, 2011. He was re-elected as a Shareholder Director w.e.f. 10.01.2012 for a period of three years.

5. **Shri Salim Gangadharan, RBI Nominee Director (D.O.B. 13.10.1953)** is MA, CAIIB and has been working with the Reserve Bank of India (RBI) over 30 years and is currently Regional Director of RBI Thiruvananthapuram. During his career in Reserve Bank of India, he has worked in various Operational Departments, particularly in bank supervision



and financial markets. He was also a Member Faculty in the Bankers' Training College of the Reserve Bank of India, for five years and handled several seminars and conferences on Risk Management, Payment Systems, and Treasury Management etc. He was also on secondment to the Central Bank of Oman for five years. He was associated with the IMF Team to assess the need for convergence in supervisory practices across the GCC countries, as part of the proposed Monetary Union. He was part of several internal Working groups in Reserve Bank of India / Government of India. He has also presented papers in several seminars, including at the Centre for Central Banking Studies, Bank of England.

He was appointed as RBI Nominee Director on the Board of Central Bank of India w.e.f. 30.07.2010.

OTHER PARTICULARS OF DIRECTORS

Names of Directors	Date of Appointment as Director	Area of Expertise	Member of Committees of Board of Central Bank of India		Directorship of other Companies
			Member	Chairman	
Shri M.V.Tanksale	29.06.2011	Banking	MCB, RMC, LVFC, CSC, ITP, SIGC, IFRS, ITPA, VIG, CAC, CRC, REC, HR	MCB, RMC, LVFC, CSC, ITP, IFRS, ITPA, VIG, CAC, CRC, REC, HR	i) Centbank Financial Services Ltd. ii) Indo Zambia Bank Ltd. iii) Life Insurance Corporation of India iv) Cent Bank Home Finance Ltd.
Shri Malay Mukherjee	05.11.2012	Banking	MCB, ACB, RMC, LVFC, CSC, ITP, SIGC, IFRS, ITPA, CAC, CRC, REC, HR	NIL	Centbank Financial Services Ltd.
Shri R.K. Goyal	11.01.2013	Banking	MCB, ACB, RMC, LVFC, CSC, ITP, SIGC, IFRS, ITPA, CAC, CRC, REC, HR	NIL	i) Centbank Financial Services Ltd. ii) Cent Bank Home Finance Ltd.

Names of Directors	Date of Appointment as Director	Area of Expertise	Member of Committees of Board of Central Bank of India		Directorship of other Companies
			Member	Chairman	
Shri Alok Tandon	15.11.2011	Administration	ACB, RMC, L.V.F.C., RC, VIG, NC, RECV, HR	RC, NC	NIL
Shri Salim Gangadharan	30.07.2010	Banking	MCB, ACB, RC, VIG	NIL	NIL
Prof N. Balakrishnan	20.11.2008 upto 19.11.2011 and w.e.f., 10.01.2012	Information Technology	MCB, ITP, SIGC, ITPA	NIL	i) C-DOT Alcatel Research Centre Pvt. Ltd. ii) Data Security Council of India.
Shri Guman Singh	08.08.2011	Retired Railway official	MCB, RMC, LVFC, CSC, ITP, SIGC, IFRS, HR, NC	SIGC ACB*	NIL
Shri M.P. Shorawala	03.01.2013	SC Lawyer	RMC, LVFC, CSC, RC, IFRS, ITPA	NIL	Vishwa Lakshmi Exports (P) Ltd.
Shri Krishan Sethi	28.02.2013	CA	ACB, RMC	NIL	NIL

***w.ef. 23.04.2013**

- MCB - Management Committee of the Board
- ACB - Audit Committee of the Board
- RMC - Risk Management Committee
- LVFC - Large Value Fraud Committee
- CSC - Customer Service Committee
- ITP - Information Technology Project Committee
- SIGC - Shareholders'/Investors' Grievances Committee
- RC - Remuneration Committee
- IFRS - International Financial Reporting Standards Committee
- ITPA - Internal Training Policy Advisory Committee
- VIG - Vigilance Committee
- CAC - Credit Approval Committee
- HR - Human Resources Committee
- CRC - Capital Raising Committee
- NC - Nomination Committee
- REC - Recovery Committee



Remuneration of Directors:

- ❖ The Non Official Independent Directors were paid sitting fees of Rs.10,000/- for attending every meeting of the Board of Directors and Rs.5,000/- for attending every meeting of various Sub-Committees of the Board, apart from the Bank incurring the usual travelling and stay expenses. Sitting fees are not paid to the Chairman & Managing Director, Executive Directors and Directors who are officials of Government of India/Reserve Bank of India.
- ❖ During the financial year 2012-13, the following amounts have been paid to the Chairman & Managing Directors and Executive Directors as total salary, allowances and perks:

Sr	Name	₹ in lacs
1.	Shri M.V.Tanksale (CMD)	16.90
2.	Smt.V.R.Iyer (Ex-ED)	10.51
3.	Shri R.K.Dubey (Ex-ED)	15.00
4.	Shri Malay Mukherjee (ED)	5.94
5.	Shri R.K Goyal (ED)	3.05

- ❖ In addition to the above salary, allowances and perquisites, the Remuneration Committee of the Board approved the payment of performance-linked incentive amounting to Rs.4,50,000/- to Shri M.V.Tanksale, Chairman & Managing Director, Rs.4,00,000/- to Smt. V.R.Iyer, Ex-Executive Director and Rs.4,00,000/- to Shri R.K.Dubey, Ex-Executive Director, in respect of the financial year 2012-13.
- ❖ During the year under review, the Bank has paid Rs.5,20,000 (Rupees Five lacs Twenty Thousand only) to the eligible Directors towards sitting fees for attending Board Meetings and Rs.4,35,000 (Rupees Four lacs Thirty five thousand only) towards attending the Sub-Committee Meetings of the Board.

Conduct of Board Meetings

During the year, 13 Board Meetings were held on the following dates:

27.04.2012	27.06.2012	25.09.2012	21.12.2012	28.03.2013
08.05.2012	27.07.2012	22.10.2012	30.01.2013	--
24.05.2012	29.08.2012	06.11.2012	09.03.2013	--

Details of attendance of the Directors at the Board Meetings are:

Name of the Director	Attendance Recorded	Meetings held during their tenure	Period (From - To)	Whether attended last AGM on July 29, 2011
Shri M.V. Tanksale	13	13	01.04.2012 – 31.03.2013	Yes
Smt.V.R.Iyer	08	08	01.04.2012 – 05.11.2012	Yes
Shri R.K.Dubey	09	10	01.04.2012 – 11.01.2013	No
Shri Malay Mukherjee	05	05	05.12.2012 – 31.03.2013	Not a Director on the date of AGM
Shri R.K. Goyal	02	03	11.01.2013 – 31.03.2013	Not a Director on the date of AGM
Shri Alok Tandon	10	13	01.04.2012 – 31.03.2013	No
Shri Salim Gangadharan	10	13	01.04.2012 – 31.03.2013	Yes
Shri Brijlal Kshatriya	12	12	01.04.2012 – 20.03.2013	Yes
Prof N. Balakrishnan	11	13	01.04.2012 – 31.03.2013	Yes
Shri Romesh Sabharwal	07	07	01.04.2012 – 05.10.2012	Yes
Major (Retd.) Ved Prakash	06	07	01.04.2012 – 19.10.2012	Yes
Shri B S Rambabu	12	12	01.04.2012 – 15.03.2013	No
Shri Guman Singh	13	13	01.04.2012 – 31.03.2013	Not a Director on the date of AGM
Shri M.P. Shorawala	03	03	03.01.2013 – 31.03.2013	Not a Director on the date of AGM
Shri Krishan Sethi	02	02	28.02.2013 – 31.03.2013	Not a Director on the date of AGM

Management Committee of the Board:

✦ The Management Committee of the Board is constituted under The Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970 read with the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and it exercises all the powers vested in the Board in respect of financial sanctions, compromises/write off proposals and filing of suits/appeals etc. As on 31.03.2013, it comprised 6 members consisting of the Chairman & Managing Director, 2 Executive Directors, Reserve Bank of India Nominee Director, and 2 part time non-official Directors.

✦ The Management Committee of the Board met 23 times during the year on the following dates:

18.04.2012	27.07.2012	22.10.2012	14.01.2013	09.03.2013
08.05.2012	16.08.2012	10.11.2012	21.01.2013	21.03.2013
08.06.2012	28.08.2012	30.11.2012	29.01.2013	28.03.2013
27.06.2012	26.09.2012	11.12.2012	13.02.2013	--
12.07.2012	10.10.2012	22.12.2012	26.02.2013	--

✦ Attendance record of the members is shown below:

Name of Directors	Attendance Record	Meetings held during their tenure	Period on the Management Committee (From – To)
Shri M.V.Tanksale	23	23	01.04.2012 – 31.03.2013
Smt.V.R.Iyer	10	11	01.04.2012 - 05.11.2012
Shri R.K.Dubey	15	15	01.04.2012 – 11.01.2013
Shri Malay Mukherjee	12	12	05.11.2012 – 31.03.2013
Shri R.K. Goyal	07	08	11.01.2013 – 31.03.2013
Shri Salim Gangadharan	21	23	01.04.2012 – 31.03.2013
Shri Brijlal Kshatriya	10	10	10.06.2012 – 09.12.2012
Shri Romesh Sabharwal	04	04	01.04.2012 – 01.07.2012
Major (Retd) Ved Prakash	06	06	02.07.2012 – 19.10.2012
Shri B.S.Rambabu	10	11	20.10.2012 – 15.03.2013
Shri Guman Singh	02	03	01.04.2012 – 09.06.2012
	02	02	16.03.2013 – 15.09.2013
Prof N. Balakrishnan	06	08	22.12.2012 – 21.06.2013

Credit Approval Committee:

✦ Pursuant to newly added clause 13A of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970, a Credit Approval Committee of the Board of Directors comprising of Chairman and Managing Director, Executive Directors, Chief General Manager & General Manager in charge of Credit, General Manager In Charge of Finance and General Manager in charge of Risk Management was constituted w.e.f. 31.01.2012. Further, in view of the revision in Premises Policy wherein the premises proposals are to be placed in CAC, General Manager In Charge of GAD was inducted as member of the CAC w.e.f 20/11/2012.

✦ The Credit Approval Committee met 34 times during the year on the following dates:

10.04.2012	22.06.2012	18.09.2012	20.11.2012	31.01.2013
18.04.2012	30.06.2012	22.09.2012	30.11.2012	15.02.2013
23.04.2012	10.07.2012	29.09.2012	07.12.2012	02.03.2013
05.05.2012	28.07.2012	06.10.2012	19.12.2012	22.03.2013
12.05.2012	16.08.2012	18.10.2012	20.12.2012	26.03.2013
25.05.2012	30.08.2012	25.10.2012	04.01.2013	30.03.2013
08.06.2012	07.09.2012	09.11.2012	21.01.2013	--



Audit Committee of the Board

The Audit Committee of the Board (ACB) has been constituted by the Board of Directors as per the guidelines of the Reserve Bank of India. The ACB provides direction as well as overseeing the operation of the total audit function of the Bank, which includes the organisation, operationalisation and quality control of internal audit and inspection within the Bank and follow-up on the statutory/external audit of the Bank and inspections of the RBI. The terms of reference to the Audit Committee are:

- ❖ Reviewing, in respect of Internal Audit, the Internal Inspection/Audit function in the Bank, with specific focus on the follow-up on inter-branch adjustment accounts, un-reconciled long outstanding entries in inter-bank accounts and nostro accounts, arrears in balancing of books, frauds and all other major areas of house-keeping;
- ❖ Obtaining and reviewing half-yearly reports from the Compliance Officers appointed in the Bank in terms of the instructions of the RBI;
- ❖ Reviewing the scope of the independent audit including the observations of the auditors and reviewing the quarterly, half-yearly and annual financial statements before submission to the Board;
- ❖ Following-up, in respect of Statutory Audits, on all the issues raised in the Long Form Audit Report and interacting with the External Auditors before finalisation of the quarterly/half yearly/annual financial accounts and reports;
- ❖ Reviewing regularly the accounts, accounting policies and disclosures;
- ❖ Reviewing the major accounting entries based on exercise of judgment by management and reviewing any significant adjustments arising out of the audit;
- ❖ Qualifications in the Draft Audit Report;
- ❖ To have post-audit discussions with the Auditors to ascertain any area of concern;
- ❖ Establishing the scope and frequency of Internal Audit, reviewing the findings of the Internal Auditors and ensuring the adequacy of internal control systems;
- ❖ Compliance with the Stock Exchanges' legal requirements concerning financial statements, to the extent applicable;
- ❖ Such other matters as may from time to time be required by any statutory, contractual or regulatory requirements to be attended to, by the Audit Committee.

The Audit Committee of the Board comprises of Executive Directors, Government of India Nominee Director, Reserve Bank of India Nominee Director and two non-official non-executive directors, at least one of them should be a Chartered Accountant. Directors from staff will not be included in the ACB.

Composition of the Audit committee as on 31.03.2013 is as under:

1	Shri Malay Mukherjee	Member
2	Shri R.K. Goyal	Member
3	Shri Alok Tandon	Member
4	Shri Salim Gangadharan	Member
5	Shri Krishan Sethi	Member

During Financial Year 2011-12, Shri Romesh Sabharwal, Part Time Non-Official Director was Chairman of the Audit Committee till 05-10-2012 being, the date of expiry of his tenure from the Directorship of the Bank. Thereafter, Shri Brijlal Kshatriya, Shareholder Director took over the charge of Chairman of the Audit Committee. Shri Kshatriya ceased to be the director of the Bank w.e.f 20-03-2013. Thereafter Shri Guman Singh, Part Time Non-official Director is acting as Chairman of the Audit Committee w.e.f 23-04-2013.

During the year, the Audit Committee met 9 times on the following dates:

07.05.2012	30.06.2012	08.09.2012	05.11.2012	29.01.2013
24.05.2012	26.07.2012	26.09.2012	22.12.2012	--

The attendance record of the members is shown below:

Name of Directors	Attendance Record	Meetings held during their tenure	Period on the Audit Committee (From – To)
Smt.V.R.Iyer	06	07	01.04.2012 – 05.11.2012
Shri R.K.Dubey	08	08	01.04.2012 – 11.01.2013
Shri Malay Mukherjee	02	02	05.11.2012 – 31.03.2013
Shri R.K. Goyal	01	01	11.01.2013 – 31.03.2013
Shri Alok Tandon	05	09	01.04.2012 – 31.03.2013
Shri Salim Gangadharan	08	09	01.04.2012 - 31.03.2013
Shri Brijlal Kshatriya	08	09	01.04.2012 – 20.03.2013
Shri Romesh Sabharwal	06	06	01.04.2012 – 05.10.2012

Unaudited quarterly results of the Bank and audited results for the year were reviewed by the Audit Committee of the Board and placed before the Board of Directors for approval.

Shareholders' / Investors' Grievance Committee

In compliance with SEBI guidelines on Corporate Governance as provided in Clause 49 of the Listing Agreement, Shareholders' / Investors Grievances Committee has been constituted, for redressal of the grievances of the shareholders/ investors with regard to the transfer of shares, non-receipt of Annual Report, non- receipt of dividends, etc. All the references/ complaints received from the investors during the year have been replied/ redressed till date. Investors' grievances are normally attended to within seven days, on receipt of the relevant information. The Committee comprises of Chairman & Managing Director, both Executive Directors and two independent Directors. It is headed by Independent Director of the Bank.

The Committee met 4 times during the year on the following dates:

26.06.2012	26.09.2012	30.11.2012	21.03.2013
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The attendance record of the members is shown below:

Name of Directors	Attendance Record	Meetings held during their tenure	Period on the Committee (From - To)
Shri M. V. Tanksale	04	04	01.04.2012 – 31.03.2013
Smt.V.R.Iyer	02	02	01.04.2012 – 05.11.2012
Shri R.K.Dubey	02	03	01.04.2012 – 11.01.2013
Shri Malay Mukherjee	02	02	05.11.2012 – 31.03.2013
Shri R.K. Goyal	01	01	11.01.2013 – 31.03.2013
Shri Brijlal Kshatriya	03	03	01.04.2012 – 20.03.2013
Major (Retd.) Ved Prakash	02	02	01.04.2012 – 19.10.2012
Shri B.S. Rambabu	01	01	20.10.2012 – 15.03.2013
Shri Guman Singh	01	01	16.03.2013 – 15.03.2014
Prof. N. Balakrishnan	00	01	19.01.2013 – 18.01.2014

The details of Investor Grievances for the year 2012-13 (01.04.2012 to 31.03.2013) is as under:

1	Grievances pending at the beginning of the year	NIL
2	Non Receipt of Dividend Warrants	174
3	Non Receipt of Demat Credit/Refund Order	51
4	Not Receipt of Annual report	07
5	Non Receipt of Share Certificate	04
6	Non Receipt of Rejected Demat Request Form	NIL
7	Others	NIL
8	NSE	01
9	BSE	01
10	SEBI	02
11	Total Grievances received	240
12	Total Grievances attended/resolved	240
13	Total complaints pending at the end of the year	NIL

We confirm that no investor's complaints remained unattended/pending for more than 30 days.



Compliance Officer

Shri Anand Kumar Das, Assistant General Manager-MBD/Company Secretary is the Compliance Officer of the Bank as per Equity Listing Agreement with Stock Exchanges.

Remuneration Committee

- ❖ The Remuneration Committee of the Board of Directors was constituted as per Ministry of Finance Communication F.No.20.1.2005-Bo-I dated 09.03.2007 for payment of performance-linked incentive to wholetime Directors. The Committee consists of Shri Alok Tandon, Govt. of India Nominee Director (w.e.f 15.11.2011), Shri Salim Gangadharan Reserve Bank of India Nominee Director, Shri Guman Singh and Prof.N.Balakrishnan.
- ❖ The Remuneration Committee met on 24-05-2012 & 27-07-2012 for considering the performance-linked incentive to wholetime directors for the Financial Year 2012-13.

Proceeds from Public Issues, Right Issues, Preferential Issues, etc.

During the year, Bank has raised ₹ 2405.99 crores (including premium) from allotment of 308,461,538 equity shares to Government of India of the face value of ₹. 10/- each at issue price of ₹ 78.00 per equity share (including premium of ₹ 68.00 per equity share) on preferential basis. Further, Bank has also raised ₹ 500 crores in the form of Unsecured Perpetual Tier I Bonds (Sr II). The funds are raised with the primary objective of augmenting Tier-I and Tier-II Capital for strengthening capital adequacy ratio and for enhancing the long-term resources of the Bank. The funds raised, are being utilized for the above purpose.

Means of Communications

The quarterly financial results (unaudited but subject to limited review by Statutory Auditors) and audited Annual Results were normally published in English, Hindi, Marathi and many regional languages in various leading newspapers, such as, Economic Times, Financial Express, Business Standard, Pudhari(Marathi), etc. The results were also displayed on the Bank's website at www.centralbankofindia.co.in.

Code of Conduct

- ❖ The Bank has adopted a Code of Conduct for the Board of Directors and Senior Management. The text of the same is available on the website of the Bank i.e. www.centralbankofindia.co.in. All the Directors and Senior Management have affirmed their Compliance of code of conduct during the year under review and a certificate affirming the compliance is given in Annexure I.
- ❖ The Bank has also framed a Code of Conduct for its Directors and designated employees for prevention of insider trading in Bank's security.

Number of shares of Bank held by Directors as on March 31, 2013 is as under:

Sr.	Name of Shareholder	Total Shares held	
		Number	As a % of grand total
1	Prof. N Balakrishnan	160	0.000015
	Total	160	0.000015

No other Director is holding any share in the Bank.

Other Disclosures

- ❖ Other than those in the normal course of banking business, the Bank has not entered into any materially significant transaction with its promoters, directors or the management, their subsidiaries or relatives etc that may have potential conflict with the interests of the Bank at large. There was no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Bank during the year.
- ❖ It is an established practice in the Bank that the Directors do not take part in the deliberations of the Board and other Sub-Committees of the Board, when matters relating to them or to their relatives are discussed.
- ❖ The Bank has complied with applicable rules and regulations prescribed by RBI, SEBI, Stock Exchanges or any other statutory authority relating to Capital Market. No penalties or strictures were imposed on the Bank by any of the Stock Exchanges, SEBI or any statutory Authority on any matter relating to capital markets during the year under review.
- ❖ The Bank has complied with the stipulated requirement of Clause 49 of Listing Agreement to the extent that the requirements of the clause do not violate the provision of Banking Regulation Act, 1949, Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 and Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970 and guidelines, provisions, regulations or directives issued by Reserve Bank of India.

Non-Mandatory Requirements (Annexure I D of Listing Agreement)

The Bank has presently not adopted the non-mandatory requirement set out in Annexure-ID to the Clause 49 of the Listing Agreement.

General Shareholder Information

6th Annual General Meeting of the Bank:

Day and Date: Saturday, 29th June, 2013 at 11:00 AM at Sir Sorabji Pochkhanawala Banker's Training College, Near Cooper Hospital/Reliance Energy Office, JVPD Scheme, Vile Parle (West), Mumbai, 400056

1. The Annual General Meeting is relevant for the financial year 2012-13
2. Date of Book Closure: 22nd June 2013 to 29th June, 2013 (Both days inclusive)
3. Dividend Payment Date: on or before 29th July 2013

General Body Meetings:

Sr. No.	Nature of Meeting	Date & Time	Venue
1.	Fifth Annual General Meeting	27 th June, 2012, 4:00 PM	Sir Sorabji Pochkhanawala Banker's Training College, Near Cooper Hospital / Reliance Energy Office, JVPD Scheme, Vile Parle (West), Mumbai, 400056
2.	Fourth Annual General Meeting	29 th July, 2011 3:00 PM	----- Same as above -----
3.	Third Annual General Meeting	14 th July, 2010 3:00 PM	----- Same as above -----

Listing on Stock Exchanges:

The shares of the Bank are listed on BSE Limited and National Stock Exchange of India Limited. The scrip codes are as follows:

BSE Ltd. (BSE)	532885
National Stock Exchange of India Ltd. (NSE)	CENTRALBK
ISIN Number	INE483A01010

Annual Listing fee for 2013-14 has been paid to both the stock exchanges.

The Bank has issued Non-Convertible Bonds in the nature of Promissory Notes (Tier-II Capital) from time to time. The relevant outstanding details thereof are as under:

Central Bank of India Bonds-Tier-II Capital position as on 31.03.2012

Series Particulars	Issue date	Total Value (₹ in crore)	ISIN
Lower Tier II-Series IX	08.10.2004	200.00	INE483A09138
Lower Tier II-Series X	28.03.2006	578.20	INE483A09146
Lower Tier II-Series XI	04.10.2006	700.00	INE483A09153
Lower Tier II-Series XII	03.03.2008	389.10	INE483A09161
Lower Tier II-Series XIII	10.02.2009	270.00	INE483A09187
Lower Tier II-Series XIV	21.12.2011	500.00	INE483A09245
Upper Tier II-Series I	14.11.2008	300.00	INE483A09179
Upper Tier II-Series II	17.02.2009	285.00	INE483A09195
Upper Tier II-Series III	23.06.2009	500.00	INE483A09203
Upper Tier II-Series IV	20.01.2010	500.00	INE483A09211
Upper Tier II-Series V	11.06.2010	1000.00	INE483A09229
Upper Tier II-Series VI	21.01.2011	300.00	INE483A08015
Total		5522.30	

All these bonds are listed either on National Stock Exchange of India Ltd. or BSE Ltd. The Bank has paid the Annual Listing fee for 2013-14 to the Exchanges.



Market Price Data:

The monthly high and low quotation and the volume of shares traded on NSE (with comparison of share price of Bank with NSE Nifty) are as under:

NSE					
Month	High Price (₹)	Low Price (₹)	Volume Traded (₹ in lacs.)	NSE Nifty	
				High	Low
April 2012	106.40	93.55	274.72	5378.75	5154.30
May 2012	99.90	69.20	323.45	5279.60	4788.95
June 2012	82.95	72.30	303.83	5286.25	4770.35
July 2012	84.60	67.75	267.25	5348.55	5032.40
August 2012	73.00	62.75	275.19	5448.60	5164.65
September 2012	79.90	62.20	334.80	5735.15	5215.70
October 2012	81.40	68.10	275.21	5815.35	4888.20
November 2012	78.50	68.80	230.04	5885.25	5548.35
December 2012	86.80	77.00	240.61	5965.15	5823.15
January 2013	95.60	80.25	307.54	6111.80	5935.20
February 2013	85.05	70.10	308.13	6052.95	5671.90
March 2013	76.00	65.00	287.90	5971.20	5604.85

The monthly high and low quotation and the volume of shares traded on BSE (with comparison of share price of Bank with Sensex) are as under:

BSE					
Month	High Price (₹)	Low Price (₹)	No. of Shares	SENSEX	
				High	Low
April 2012	106.50	93.75	14,93,181	17664.10	17010.16
May 2012	99.35	69.25	48,59,931	17432.33	15809.71
June 2012	82.90	72.55	20,56,129	17448.48	15748.98
July 2012	85.40	68.00	30,56,681	17631.19	16598.48
August 2012	73.00	63.00	21,74,492	17972.54	17026.97
September 2012	79.90	62.30	64,85,369	18869.94	17250.80
October 2012	81.40	68.30	41,93,168	19137.29	18393.42
November 2012	78.40	76.75	41,71,465	19372.70	18255.69
December 2012	85.00	77.00	46,49,639	19612.18	19149.03
January 2013	95.60	80.40	54,30,862	20203.66	19508.93
February 2013	84.70	70.80	17,29,352	19966.69	18793.97
March 2013	76.20	65.10	18,35,788	19754.66	18568.43

Share Transfers and Redressal of Shareholders'/Investors' Grievances:

Share Transfers, Refund Order, Dividend payments and all other investor related activities are attended to and processed at the office of our Registrar and Transfer Agents. For lodgment of any of these documents and for queries/complaints/grievances, shareholders and investors are requested to contact the Registrars at the following address:

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (West)
Mumbai – 400 078
Tel: 022-25946970
Fax: 022-25946969
Email Id: rnt.helpdesk@linkintime.co.in

Address for correspondence with the Bank:

AGM-MBD / Company Secretary and Compliance officer
Central Bank of India
9th Floor, Chandermukhi
Nariman Point
Mumbai 400 021
Contact No. 022- 6638 7818
Fax No.: 022- 2283 5198
Email id: agmcompsec@centralbank.co.in; investors@centrabank.co.in

Distribution of shareholdings as on 31.03.2013

DISTRIBUTION OF SHAREHOLDING (SHARES)				
Shareholding of Shares	Number of shareholders	Percentage of Total	Shares	Percentage of Total
1-500	177414	93.05	20478674	1.96
501-1000	7536	3.95	5824688	0.56
1001-2000	3067	1.61	4590618	0.44
2001-3000	936	0.49	2378538	0.23
3001-4000	475	0.25	1700004	0.16
4001-5000	285	0.15	1347522	0.13
5001-10000	513	0.27	3712307	0.35
10001 and above	442	0.23	1004544603	96.17
Total	190668	100	1044576954	100.00

Share Holding of persons belonging to the category "Public" and holding more than 1% of the total number of shares

STATEMENT SHOWING SHAREHOLDING OF PERSONS BELONGING TO THE CATEGORY "PUBLIC" AND HOLDING MORE THAN 1% OF THE TOTAL NUMBER OF SHARES		
Name of the Shareholder	No. of Shares	%
Life Insurance Corporation of India	73420914	7.03

Share Holding of persons belonging to the category "Public" and holding more than 5% of the total number of shares

STATEMENT SHOWING SHAREHOLDING OF PERSONS BELONGING TO THE CATEGORY "PUBLIC" AND HOLDING MORE THAN 5% OF THE TOTAL NUMBER OF SHARES		
Name of the Shareholder	No. of Shares	%
Life Insurance Corporation of India	73420914	7.03



Shareholding pattern as on 31.03.2013

SHAREHOLDING PATTERN AS ON 31.03.2013						
Category of Shareholders	No. of Shares		No. of Shareholders		Total Shares	% of holding
	Demat	Physical	Demat	Physical		
Central Government	891096964	0	1	0	891096964	85.31
Clearing Member	645847	0	312	0	645847	0.0618
Other Bodies Corporate	6442087	90	1257	1	6442177	0.6167
Directors	160	0	1	0	160	0.0000
Financial Institutions	73420914	0	16	0	73420914	7.0288
FII's	18118642	0	54	0	18118642	1.7345
Hindu Undivided Family	100822	0	2	0	100822	0.0097
Mutual Fund	43015	0	2	0	43015	0.0041
Nationalized Banks	886857	0	7	0	886857	0.0849
Non Nationalized Banks	772304	0	5	0	772304	0.0739
Non Resident Indians	969831	69600	1064	1	1039431	0.0995
Non Resident (Non Repatriable)	179354	0	282	0	179354	0.0172
Public	46935393	16861	187502	131	46952254	4.4948
Trusts	43974	0	25	0	43974	0.0042
G I C & Its Subsidiaries	4834239	0	5	0	4834239	0.4628
Total	1044490403	86551	190535	133	1044576954	100.00

Statement showing details of locked-in shares

Sr. No.	Name of the Shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares (i.e. Grand Total of (A) + (B) + (C))
1	PRESIDENT OF INDIA	891096964	85.31
2	LIFE INSURANCE CORPORATION	25500000	2.44
	TOTAL	916596964	88.75

Statement showing details of Depository Receipts (DRs)

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares (i.e. Grand Total of (A) + (B) + (C))
	NIL	NIL	NIL	NIL

Statement showing holding of Depository Receipts (DRs) where underlying shares are in excess of 1% of the total number of shares.

Sr. No.	Name of the DR holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares (i.e. Grand Total of (A) + (B) + (C))
	NIL	NIL	NIL	NIL

Dematerialization of Shares

The Bank's shares are being traded compulsorily in Demat form. The Bank had already entered into agreements with both the Depositories viz., National Securities Depositories Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) for dematerialization of shares.

Particulars of shares in Demat and Physical form held by shareholders as on 31.03.2013 are as under:

	No. of shareholders	No. of shares	% shareholding
Physical	133	86551	0.01
NSDL	122546	910998640	87.21
CDSL*	67989	133491763	12.78
Total	190668	1044576954	100

* Including 891096964 (85.31%) held IN DEMAT form by the Central Government.

There are no outstanding GDRs / ADRs /warrants or any convertible instruments.

Shares in Unclaimed Suspense Account:

In terms Clause 5A of Listing Agreements, the Shares outstanding in "**Unclaimed Suspense Account**" as on 31st March, 2013 are as under:

Sr. No.	Particulars	Aggregate number of Shareholders	Aggregate outstanding Shares
(i)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	266	35,047
(ii)	Number of shareholders who approached the issuer for transfer of shares from Unclaimed Suspense Account during the year	2	196
(iii)	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	2	196
(iv)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	264	34,851

Certificate of Compliance of mandatory stipulations of Corporate Governance

The certificate issued by the statutory auditors of the Bank, in compliance of mandatory stipulations of Corporate Governance in the Listing Agreement with the Stock Exchange is attached.

Annexure I

Declaration of Compliance with Code of Conduct

I confirm that all Board Members & Senior Management have affirmed Compliance with the Bank's Code of Conduct for the financial year 2012-13.

Place: Mumbai
Date : May 10, 2013

Sd/-
[M V Tanksale]
Chairman and Managing Director



Certification under Clause 49 of the Listing Agreement

The Board of Directors
Central Bank of India

This is to certify that:

- a. We have reviewed financial statements and the cash flow statement of Central Bank of India for the year 2012-13 and to the best of our knowledge and belief:
 - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - II. These statements together present a true and fair view of the Bank's affairs and are in compliance with existing Accounting Standards, applicable law and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the year 2012-13, which are fraudulent, illegal or violative of the Bank's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for the financial reporting and that we have evaluated the effectiveness of the internal control systems of the Bank pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies
- d. We have indicated to the auditors and the Audit Committee
 - I. Significant changes in internal control over financial reporting during the year;
 - II. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement and
 - III. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Bank's internal control system over financial reporting.

Mohd. Jawed
General Manager-CAD

M V Tanksale
Chairman and Managing Director

Place : Mumbai

Date : May 10, 2013

Auditors' Certificate on Corporate Governance

To the Members of Central Bank of India

We have examined the compliance of conditions of Corporate Governance by Central Bank of India for the year ended on 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of Central Bank of India with stock exchanges.

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by Central Bank of India for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of Central Bank of India.

In our opinion and to the best of our information and according to the explanations given to us, we certify that Central Bank of India has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against Central Bank of India as per the records maintained by the Shareholders Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of Central Bank of India.

For M/s. K.S. AIYAR & CO.
CHARTERED ACCOUNTANTS
F.R.NO.-100186W

For M/s. D. RANGASWAMY & CO.
CHARTERED ACCOUNTANTS
F.R.NO.-003073S

For M/s. GHIYA & CO.
CHARTERED ACCOUNTANTS
F.R.NO.-001088C

(CA SANTANU GHOSH)
PARTNER
M. NO.050927

(CA B. RAMANI)
PARTNER
M. NO.019603

(CA SANJAY GHIYA)
PARTNER
M. NO.072467

For M/s. SAMSAND & ASSOCIATES

For M/s. KUMAR CHOPRA & ASSOCIATES

For M/s. P.K. SUBRAMANIAM

CHARTERED ACCOUNTANTS
F.R.NO.-003708N

CHARTERED ACCOUNTANTS
F.R.NO.-000131N

& CO.
CHARTERED ACCOUNTANTS
F.R.NO.-004135S

(CA ANAND PARKASH)
PARTNER
M. NO.082735

(CA R.K. AGGARWAL)
PARTNER
M. NO.081510

(CA U. SURENDRA PRABHU)
PARTNER
M. NO.027601

Place : Mumbai

Date: May 10, 2013



M/s K S Aiyar & Co Chartered Accountants #F-7, Laxmi Mills Shakti Mills Lane (Off Dr. E. Moses Road) Mahalaxmi, Mumbai-400011	M/s D. Rangaswamy & Co Chartered Accountants R C Towers, II Floor, New 82, Old No. 27 Josier Street, Nungambakkam Chennai- 600034	M/s Ghiya & Co. Chartered Accountants E-68, Ghiya Hospital Complex Sector 12, Malviya Nagar Jaipur- 302017
M/s Samsand & Associates Chartered Accountants 4800/24, Bharat Ram Road Daryaganj, New Delhi- 110002	M/s Kumar Chopra & Associates Chartered Accountants B-12, Ground Floor Kalindi Colony New Delhi – 110065	M/s P K Subramaniam & Co Chartered Accountants 11-5-23, Karthik Complex Above Vijaya Bank Bresthwarpet Raichur-584101

Independent Auditors' Report

To
The President of India

Report On The Financial Statements

1. We have audited the accompanying financial statements of Central Bank of India as at 31st March, 2013, which comprise the Balance Sheet as at March 31, 2013, and Profit and Loss Account and Cash Flow Statement for the year then ended and a summary of significant Accounting Policies and other explanatory information. Incorporated in these financial statements are the returns of 20 Branches, 34 Regional offices audited by us out of a total of 77 Regional offices, 1358 Branches and 53 Service Support Branches/Offices audited by other branch auditors. Also incorporated in the Balance Sheet and Profit and Loss Account are the returns of 2863 branches, 43 Regional offices which have not been subjected to audit. The unaudited branches account for 9.76% of advances, 42.05% of deposits, 8.45% of interest income and 26.33% of interest expense. The branches audited by us and those audited by other auditors have been selected by Bank in accordance with the guidelines issued by the Reserve Bank of India.

Management's Responsibility for the Financial Statements

2. Management of the Bank is responsible for the preparation of these financial statements that give true and fair view of the financial position and financial performance of the Bank in accordance with Banking Regulation Act, 1949 and complying with Reserve Bank of India Guidelines issued from time to time. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. Dividend has been proposed by the Bank without writing off unamortized amount of pension (₹ 479.96 crore) and gratuity liability (₹ 110.80 crore), subject to permission of Central Government.
7. Without qualifying our opinion, we draw attention to Note No. 11(c) of the Schedule 18 to the financial statements, regarding deferment of pension liability and gratuity liability of the Bank, pursuant to the exemption granted by the Reserve Bank of India to the public sector banks from application of the provisions of Accounting Standard

(AS) 15, Employees Benefits vide circular no. DBOD.BP.BC/80/21.04.018/2010-11, dated 09-02-2011 on "Re-opening of Pension Option to the employees of Public Sector Banks and Enhancement in Gratuity Limits-Prudential Regulatory Treatment." Accordingly, out of the unamortized amount of ₹ 886.15 crore as on 01/04/2012, the Bank has amortized ₹ 239.98 crore for Pension and ₹ 55.40 crore for Gratuity being proportionate amount for the year ended March 31, 2013 and balance amount to be amortized in future periods for Pension is ₹ 479.97 crore and for Gratuity is ₹ 110.80 crore.

8. In our opinion, as shown by the books of the bank, and to the best of our information and according to the explanations given to us, we report that :
- (i) The Balance Sheet, read with the Significant Accounting Policies and Notes thereon, is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of state of affairs of the Bank as at 31st March 2013, in conformity with accounting principles generally accepted in India;
 - (ii) The Profit and Loss Account, read with the Significant Accounting Policies and Notes thereon, shows a true balance of profit, in conformity with accounting principles generally accepted in India, for the year covered by the accounts; and
 - (iii) The Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory requirements

9. The Balance Sheet and the Profit and Loss Account have been drawn up in Forms 'A' & 'B', respectively, of the Third Schedule to the Banking Regulation Act, 1949.
10. Subject to the limitations of the audit indicated in paragraphs 1 to 5 above and as required by the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 and subject also to the limitations of disclosure required therein, we report that;
- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and have found them to be satisfactory.
 - (b) The transactions of the Bank which have come to our notice have been within the powers of the Bank.
 - (c) The returns received from the Offices and Branches of the Bank, as supplemented with the information furnished by the Management, have been found adequate for the purposes of our audit.
11. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the applicable Accounting Standards.

For M/s. K.S. AIYAR & CO.
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PARTNER
M. NO.081510

(CA U. SURENDRA PRABHU)
PARTNER
M. NO.027601

Place : Mumbai
Date : May 10, 2013



BALANCE SHEET AS AT MARCH 31, 2013

(000's Omitted)

Particulars	SCHEDULE NO.	AS AT 31-Mar-13 ₹	AS AT 31-Mar-12 ₹
CAPITAL & LIABILITIES			
Capital	1	26,615,769	23,531,154
Reserves and Surplus	2	126,512,743	100,984,104
Deposits	3	2,260,383,148	1,961,733,268
Borrowings	4	183,055,117	129,195,961
Other Liabilities and Provisions	5	84,728,713	82,552,905
TOTAL		2,681,295,490	2,297,997,392
ASSETS			
Cash and Balances with Reserve Bank of India	6	135,601,667	131,141,772
Balances with Banks and Money at Call and Short Notice	7	5,320,449	10,124,236
Investments	8	726,037,937	592,432,651
Advances	9	1,719,358,433	1,475,128,503
Fixed Assets	10	26,847,546	24,739,090
Other Assets	11	68,129,458	64,431,140
TOTAL		2,681,295,490	2,297,997,392
Contingent Liabilities	12	595,190,339	593,913,114
Bills for Collection	-	60,955,707	56,771,907
Principal Accounting Policies	17		
Notes to Accounts	18		

The schedules referred to above form an integral part of the Balance Sheet.

M. V. Tanksale Chairman & Managing Director		Malay Mukherjee Executive Director		R. K. Goyal Executive Director		
Alok Tandon Director	Salim Gangadharan Director	Guman Singh Director	Prof. N. Balakrishnan Director	M. P. Shorawala Director	Krishan Sethi Director	S. B. Rode Director

For M/S. K.S. Aiyar & Co.
Chartered Accountants
F.R.No.-100186W
(CA Santanu Ghosh)
Partner
M. No.050927

For M/S. D. Rangaswamy & Co.
Chartered Accountants
F.R.No.-003073S
(CA B. Ramani)
Partner
M. No.019603

For M/S. Ghiya & Co.
Chartered Accountants
F.R.No.-001088C
(CA Sanjay Ghiya)
Partner
M. No.072467

For M/S. Samsand & Associates
Chartered Accountants
F.R.No.-003708N
(CA Anand Parkash)
Partner
M. No.082735

For M/S. Kumar Chopra & Associates
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F.R.No.-000131N
(CA R.K. Aggarwal)
Partner
M. No.081510

For M/S. P.K. Subramaniam & Co.
Chartered Accountants
F.R.No.-004135S
(CA U. Surendra Prabhu)
Partner
M. No.027601

Place : Mumbai
Date : May 10, 2013

PROFIT & LOSS ACCOUNT FOR THE YEAR END MARCH 31, 2013

(000's Omitted)

PARTICULARS	SCHEDULE NO.	YEAR ENDED 31-Mar-13 ₹	YEAR ENDED 31-Mar-12 ₹
I. INCOME			
Interest Earned	13	218,606,505	191,494,994
Other Income	14	16,673,296	13,953,016
TOTAL		235,279,801	205,448,010
II. EXPENDITURE			
Interest Expended	15	161,230,808	139,808,592
Operating Expenses	16	42,323,273	37,489,952
Provisions and Contingencies		21,576,125	22,819,075
TOTAL		225,130,206	200,117,619
III. PROFIT/ LOSS			
Net Profit for the year		10,149,595	5,330,391
Profit brought forward		14,789	14,789
TOTAL		10,164,384	5,345,180
IV. APPROPRIATIONS			
Transfer to :			
Statutory Reserve		2,537,399	1,332,598
Investment Reserve		375,216	439,466
Special Reserve u/s 36(1)(viii)		-	-
Staff Welfare Fund		404,700	150,000
Revenue Reserve		2,000,000	205,630
Fund in lieu of Insurance		20,000	-
Proposed Dividend - Preference Capital		1,504,993	1,285,921
Proposed Dividend - Equity Capital		2,611,442	1,472,231
Dividend Tax		694,855	444,545
Balance Carried Over to Balance Sheet		15,779	14,789
TOTAL		10,164,384	5,345,180
EPS (Basic & Diluted)		11.24	5.95
Principal Accounting Policies	17		
Notes to Accounts	18		

The schedules referred to above form an integral part of the Profit and Loss Account

M. V. Tanksale Chairman & Managing Director	Malay Mukherjee Executive Director	R. K. Goyal Executive Director
Alok Tandon Director	Salim Gangadharan Director	Guman Singh Director
Prof. N. Balakrishnan Director	M. P. Shorawala Director	Krishan Sethi Director
S. B. Rode Director		

For M/S. K.S. Aiyar & Co.
Chartered Accountants
F.R.No.-100186W
(CA Santanu Ghosh)
Partner
M. No.050927

For M/S. D. Rangaswamy & Co.
Chartered Accountants
F.R.No.-003073S
(CA B. Ramani)
Partner
M. No.019603

For M/S. Ghiya & Co.
Chartered Accountants
F.R.No.-001088C
(CA Sanjay Ghiya)
Partner
M. No.072467

For M/S. Samsand & Associates
Chartered Accountants
F.R.No.-003708N
(CA Anand Parkash)
Partner
M. No.082735

For M/S. Kumar Chopra & Associates
Chartered Accountants
F.R.No.-000131N
(CA R.K. Aggarwal)
Partner
M. No.081510

For M/S. PK. Subramaniam & Co.
Chartered Accountants
F.R.No.-004135S
(CA U. Surendra Prabhu)
Partner
M. No.027601

Place : Mumbai
Date : May 10, 2013



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2013

(000's Omitted)

PARTICULARS	AS AT 31/03/2013		AS AT 31/03/2012	
	₹	₹	₹	₹
SCHEDULE 1 : CAPITAL				
Authorised Capital		30,000,000		30,000,000
300,00,00,000 shares of Rs. 10/- each				
Issued, Subscribed and Paid up Capital :				
Equity Shares	10,445,769		7,361,154	
1,04,45,76,954 Equity Shares (previous year 736115416 equity shares) of Rs. 10/- each (includes 89,10,96,964 equity shares (previous year 582635426 equity shares) of Rs. 10/- each held by Central Govt.)				
Perpetual non-cumulative Preference Share capital (161,70,00,000 Preference Shares of Rs. 10/- each)	16,170,000		16,170,000	
TOTAL		26,615,769		23,531,154
SCHEDULE 2 : RESERVES AND SURPLUS				
I. Statutory Reserves				
Balance as per last Balance Sheet	16,582,480		15,249,882	
Additions during the year	2,537,399		1,332,598	
		19,119,879		16,582,480
II. Capital Reserves				
i) Revaluation Reserve				
Balance as per last Balance Sheet	18,969,569		19,284,291	
Deductions during the year	293,748		314,722	
		18,675,821		18,969,569
ii) Investment Reserve				
Balance as per last Balance Sheet	4,070,501		3,631,035	
Additions during the year	375,216		439,466	
		4,445,717		4,070,501
III. Share Premium				
Balance as per last Balance Sheet	38,467,132		7,360,000	
Additions/ Adjustments during the year	20,975,385		31,107,132	
		59,442,517		38,467,132
IV. Revenue and Other Reserves				
i) Revenue Reserves				
Balance as per last Balance Sheet	21,879,633		21,725,781	
Additions during the year	2,000,000		205,630	
Less: Deductions during the year	66,603		51,778	
		23,813,030		21,879,633

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2013

(000's Omitted)

PARTICULARS	AS AT 31/03/2013		AS AT 31/03/2012	
	₹	₹	₹	₹
V. Special Reserve U/s 36(1)(viii) of the Income Tax Act		1,000,000		1,00,000
VI. Balance in Profit and Loss Account		15,779		14,789
TOTAL		<u>126,512,743</u>		<u>100,984,104</u>
 SCHEDULE 3 : DEPOSITS				
A. I. Demand Deposits				
i) From Banks		10,147,875		2,156,771
ii) From Others		134,764,060		124,647,165
		<u>144,911,935</u>		<u>126,803,936</u>
II. Savings Bank Deposits		590,904,649		525,946,590
III. Term Deposits				
i) From Banks		51,165,883		32,834,428
ii) From Others		1,473,400,681		1,276,148,314
		<u>1,524,566,564</u>		<u>1,308,982,742</u>
TOTAL		<u>2,260,383,148</u>		<u>1,961,733,268</u>
B. i) Deposits of Branches in India		2,260,383,148		1,961,733,268
ii) Deposits of Branches outside India		-		-
 SCHEDULE 4 : BORROWINGS				
I. Borrowings in India				
i) Reserve Bank of India		55,430,752		2,500,700
ii) Other Banks		136,960		25,604
iii) Other Institutions & Agencies		46,625,904		37,414,716
iv) Unsecured Redeemable Bonds (Subordinated Debt)		26,373,000		26,373,000
v) Upper Tier II bonds		28,850,000		28,850,000
vi) Innovative Perpetual Debt Instrument		10,830,000		5,830,000
		<u>168,246,616</u>		<u>100,994,020</u>
II. Borrowings outside India		14,808,501		28,201,941
TOTAL		<u>183,055,117</u>		<u>129,195,961</u>
Secured Borrowings included in I & II above		Nil		Nil



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2013

(000's Omitted)

PARTICULARS	AS AT 31/03/2013		AS AT 31/03/2012	
	₹	₹	₹	₹
SCHEDULE 5 : OTHER LIABILITIES AND PROVISIONS				
I. Bills Payable		7,021,299		8,878,315
II. Inter Office Adjustments (Net)		-		-
III. Interest Accrued		13,694,287		13,058,828
IV. Deferred Tax Liability		2,587,500		4,550,200
V. Others(including provisions)		61,425,627		56,065,562
TOTAL		84,728,713		82,552,905
SCHEDULE 6 : CASH AND BALANCES WITH RESERVE BANK OF INDIA				
I. Cash in Hand (including foreign currency notes)		17,578,283		16,676,309
II. Balances with Reserve Bank of India				
In Current Accounts	117,023,384		113,465,463	
In Other Accounts	1,000,000		1,000,000	
		118,023,384		114,465,463
TOTAL		135,601,667		131,141,772
SCHEDULE 7 : BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE				
I. In India				
i) Balances with Banks				
a) In Current Accounts	4,177,351		6,481,831	
b) In Other Deposit Accounts	74,397		37,229	
ii) Money at Call and Short Notice				
a) With Banks	500,000		-	
b) With Other Institutions	-		-	
		4,751,748		6,519,060
II. Outside India				
a) In Current Accounts	568,701		3,603,834	
b) In Other Deposit Accounts	-		1,342	
c) Money at Call & Short Notice	-		-	
		568,701		3,605,176
TOTAL		5,320,449		10,124,236

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2013

(000's Omitted)

PARTICULARS	AS AT 31/03/2013		AS AT 31/03/2012	
	₹	₹	₹	₹
SCHEDULE 8 : INVESTMENTS				
I. Investments in India in : *				
i) Government Securities	601,302,467		507,238,240	
ii) Other approved Securities	440,080		603,668	
iii) Shares	14,316,332		9,424,314	
iv) Debentures and Bonds	44,411,987		41,016,662	
v) Subsidiaries and Sponsored Institutions	2,629,150		2,541,662	
vi) Others (UTI Shares & Commercial Papers, Mutual Fund Units etc.)	62,931,327		31,601,511	
		726,031,343		592,426,057
II. Investments outside India in **				
Subsidiaries and / or Associates abroad		6,594		6,594
TOTAL		726,037,937		592,432,651
* Investments in India				
Gross Value	726,609,642		595,765,455	
Less: Provision for Depreciation	578,299		3,339,398	
Net Value		726,031,343		592,426,057
** Investments outside India				
Gross Value	6,594		6,594	
Less: Provision for Depreciation	-		-	
Net Value		6,594		6,594
SCHEDULE 9 : ADVANCES				
A. i) Bills Purchased and Discounted	22,996,755		22,538,880	
ii) Cash Credits, Overdrafts & Loans repayable on demand	627,468,995		490,609,919	
iii) Term Loans	1,068,892,683		961,979,704	
TOTAL		1,719,358,433		1,475,128,503
B. Particulars of Advances :				
i) Secured by Tangible Assets (including advances against Book Debts)	1,408,205,658		1,033,347,079	
ii) Covered by Bank / Government Guarantees	95,109,944		78,838,452	
iii) Unsecured	216,042,831		362,942,972	
TOTAL		1,719,358,433		1,475,128,503



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2013

(000's Omitted)

PARTICULARS	AS AT 31/03/2013		AS AT 31/03/2012	
	₹	₹	₹	₹
C. Sectoral Classification of Advances				
(I) Advances in India				
i) Priority Sectors	500,284,418		385,221,816	
ii) Public Sector	218,917,588		97,603,765	
iii) Banks	3,527,637		749,653	
iv) Others	996,628,790		991,553,269	
TOTAL		1,719,358,433		1,475,128,503
(II) Advances outside India		-		-
SCHEDULE 10 : FIXED ASSETS				
I. Premises				
(At cost / revalued cost)				
Balance as at 31st March of the preceding year	23,973,412		23,858,143	
Additions during the year	758,052		115,269	
Total	24,731,464		23,973,412	
Depreciation to date	4,390,842		4,043,752	
Total		20,340,622		19,929,660
II. Other Fixed Assets				
(Including furniture and fixtures)				
At cost as at 31st March of the preceding year	13,734,595		11,734,975	
Additions / Adjustments during the year	3,931,801		2,155,582	
Total	17,666,396		13,890,557	
Deductions / Adjustments during the year	591,227		155,962	
Total	17,075,169		13,734,595	
Depreciation to Date	10,568,245		8,925,165	
Total		6,506,924		4,809,430
TOTAL (I & II)		26,847,546		24,739,090
SCHEDULE 11 : OTHER ASSETS				
I. Interest accrued	13,799,194		12,676,296	
II. Tax paid in advance / Tax deducted at source (Net of Provisions)	20,934,746		23,310,995	
III. Stationery and Stamps	136,105		131,680	
IV. Non-banking assets acquired in satisfaction of claims	-		-	
V. Inter Office Adjustments	9,021,695		2,946,039	
VI. Others	24,237,718		25,366,130	
TOTAL		68,129,458		64,431,140

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2013

(000's Omitted)

PARTICULARS	AS AT 31/03/2013		AS AT 31/03/2012	
	₹	₹	₹	₹
SCHEDULE 12 : CONTINGENT LIABILITIES				
I. (a) Claims against the Bank not acknowledged as Debts		635,671		1,556,441
(b) Disputed income tax demands under appeals, revisions, etc		9,126,021		14,245,860
II. Liability for partly paid Investments		-		-
III. Liability on account of outstanding forward exchange contracts		357,696,828		416,474,984
IV. Guarantees given on behalf of constituents				
a) In India	92,483,533		70,631,212	
b) Outside India	8,313,332		5,518,890	
		100,796,865		76,150,102
V. Acceptances, Endorsements and Other Obligations		126,372,490		85,062,529
VI. Other item for which the bank is contingently liable		562,464		423,198
TOTAL		595,190,339		593,913,114



**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE
YEAR ENDED MARCH 31, 2013**

(000's omitted)

PARTICULARS	YEAR ENDED 31-Mar-13 ₹	YEAR ENDED 31-Mar-12 ₹
SCHEDULE 13 : INTEREST EARNED		
I. Interest / Discount on Advances / Bills	169,225,350	144,204,764
II. Income on Investments	47,786,609	43,473,461
III. Interest on balances with Reserve Bank of India and other Inter-Bank funds	786,862	3,393,498
IV. Others	807,684	423,271
TOTAL	218,606,505	191,494,994
SCHEDULE 14 : OTHER INCOME		
I. Commission, Exchange and Brokerage	8,156,681	6,634,990
II. Profit on Sale of Investments (Net)	3,828,750	3,200,628
III. Profit / (Loss) on Revaluation of Investments	-	-
IV. Profit / (Loss) on Sale of Land, Buildings and other Assets (Net)	(6,536.00)	(4,167.00)
V. Profit on Exchange Transactions (Net)	608,772	1,868,242
VI. Income earned by way of dividends etc. from Subsidiaries and Associates abroad / in India	27,850	23,560
VII. Miscellaneous Income	4,057,779	2,229,763
TOTAL	16,673,296	13,953,016
SCHEDULE 15 : INTEREST EXPENDED		
I. Interest on Deposits	149,398,880	129,961,070
II. Interest on Reserve Bank of India / Inter-Bank borrowings	1,745,635	1,490,560
III. Others	10,086,293	8,356,962
TOTAL	161,230,808	139,808,592
SCHEDULE 16 : OPERATING EXPENSES		
I. Payments to and Provisions for employees	28,915,488	25,062,428
II. Rent, Taxes and Lighting	2,664,709	2,567,790
III. Printing and Stationery	303,976	264,764
IV. Advertisement and Publicity	286,938	352,177
V. Depreciation on Bank's property	1,844,497	1,435,363
VI. Directors' Fees, Allowances and Expenses	8,751	9,359
VII. Auditors' Fees and Expenses (including Branch Auditors)	108,159	205,152
VIII. Law Charges	147,406	115,701
IX. Postages, Telegrams, Telephones etc.	366,654	394,471
X. Repairs and Maintenance	573,950	833,115
XI. Insurance	1,712,403	1,645,970
XII. Other Expenditure	5,390,342	4,603,662
TOTAL	42,323,273	37,489,952

SCHEDULE 17 : PRINCIPAL ACCOUNTING POLICIES

1. Accounting Conventions:

The financial statements have been prepared by following the going concern concept on the historical cost basis except as modified by the Revaluation of Premises and conform, in all material aspects, to Generally Accepted Accounting Principles (GAAP) in India, which encompasses applicable statutory provisions, regulatory norms prescribed by Reserve Bank of India (RBI), Accounting Standards (AS) and pronouncements issued by The Institute of Chartered Accountants of India (ICAI) and the prevailing practices within the Banking industry in India.

2. Transactions involving Foreign Exchange:

- 2.1 Monetary Assets and Liabilities in Foreign Currencies are translated at the Exchange Rates prevailing at the year end as notified by FEDAI and the resultant Profit/ Loss is recognised in Profit and Loss Account.
- 2.2 Income and Expenditure items are translated at the exchange rates ruling on the respective date of transactions.
- 2.3 Guarantees, Letters of Credit, Acceptances, Endorsements, and other obligations in Foreign Currencies are translated at the year end rates notified by FEDAI.
- 2.4 Outstanding Forward Contracts are translated at the year end rates notified by FEDAI and the resultant profit/ loss is recognized in Profit and Loss Account.

3. Investments:

3.1 In accordance with the guidelines issued by the Reserve Bank of India, Investments are classified into "Held to Maturity", "Held for Trading" and "Available for Sale" categories. However, for disclosure in the Balance Sheet, investments are classified under the following heads :

- i) Government Securities
- ii) Other Approved Securities
- iii) Shares
- iv) Debentures and Bonds
- v) Subsidiaries and sponsored institutions and
- vi) Others (UTI Shares, Commercial Papers and units of Mutual Funds.)

3.2 Basis of Classification :

Classification of an Investment is done at the time of purchase into the following categories:

- i) Held to Maturity
These comprise of investments, the bank intends to hold on till maturity.
- ii) Held for Trading
Securities which are principally held for resale within 90 days from the date of purchase.
- iii) Available for Sale
Investments that cannot be classified in the above categories.

3.3 Transfer of Securities between categories :

The transfer/ shifting of securities between the three categories of investments is accounted at the lower of acquisition cost/ book value or market value on the date of the transfer. The depreciation, if any, on such transfer is fully provided for.

3.4 Valuation :

a) Held to Maturity :

The investments classified under this category are valued at acquisition cost. The excess of acquisition cost / book value over the face value is amortised over the remaining period of maturity on day to day basis.



b) Available for sale :

Investments under this category are marked to market, scrip-wise, at quarterly intervals as under:

i)	Central Government Securities		At market price as per quotation put out by Stock Exchange / FIMMDA / PDAI.
ii)	State Government Securities, Securities Guaranteed by Central / State Government, PSU Bonds		On appropriate yield to maturity basis.
iii)	Treasury Bills/ Certificates of Deposits/ Commercial Paper		At carrying cost.
iv)	Equity Share	a)Quoted : b)Unquoted:	At market price. At book value per share, if latest (Not more than one year old) Balance Sheet is available, or Re.1.00 per company if latest Balance Sheet is not available.
v)	Preference Share	a)Quoted : b)Unquoted:	At market price. On appropriate yield to maturity.
vi)	Debentures and Bonds	a)Quoted : b)Unquoted:	At market price. On appropriate yield to maturity.
vii)	Mutual Fund	a)Quoted : b)Unquoted:	At market price. At repurchase price or Net Asset Value (where repurchase price is not available).
viii)	Venture Capital		Declared NAV or break up NAV as per audited balance sheet which is not more than 18 months old. If NAV/ audited financials are not available for more than 18 months continuously then at Re.1/- per VCF.

The net depreciation under each classification is provided for, without adjusting the book value of the securities and net appreciation, if any, is ignored.

c) Held for Trading :

Investments under this category are valued at monthly intervals at market rates, wherever available, or as per the prices declared by FIMMDA. The net depreciation under each classification is provided for, without adjusting the book value of the securities and net appreciation, if any, is ignored.

3.5 Determination of Cost :

Cost of investments is determined on the basis of Weighted Average Cost method.

3.6 Income Recognition :

- i) The Profit or loss on sale/ redemption of investments is taken to the Profit and Loss Account. However, in case of profit on sale/ redemption of investments from 'Held to Maturity' category, an equivalent amount is appropriated to the 'Capital Reserve'.
- ii) In respect of securities included in any of the three categories of investments where interest/ principal is in arrears, for more than 90 days, income is not reckoned and appropriate provision for the depreciation in the value of the investments is made, as per prudential norms applicable to non-performing advances. Debentures/ Bonds in the nature of advances are subjected to usual prudential norms applicable to advances.
- iii) State Government guaranteed exposures is classified as Sub Standard/ Doubtful/ Loss, as the case may be if interest and/ or principal or any other amount due to the Bank remains overdue for more than 90 days and necessary provisions are made as per Prudential Norms.
- iv) Brokerage, incentive, front-end fees etc., received on purchase of securities are reduced from the cost of investments.

- v) Expenses such as brokerage, fees, commission or taxes incurred at the time of acquisition of securities is charged to revenue.
- vi) The broken period interest on sale or purchase of securities is treated as revenue item.

4. Derivatives

Derivatives used for hedging are accounted as under :

- i) Marked to market in cases where the underlying Assets/ Liabilities are marked to market. The resultant gain/ loss is recognised in the Profit & Loss Account.
- ii) Interest Rate Swaps which hedges interest bearing assets or liabilities are accounted for on accrual basis in cases where underlying Asset/ Liabilities are not marked to market.
- iii) Gain or losses on the termination of Swaps are recognised over the shorter of the remaining contractual life of the Swap or the remaining life of the Assets/ Liabilities.

5. Advances:

- 5.1 Advances are classified as Standard, Sub-Standard, Doubtful or Loss Assets and Provisions required in respect thereof are made as per the Prudential Norms prescribed by the Reserve Bank of India.
- 5.2 Recoveries against Non-performing Assets (NPA) are first appropriated towards interest. However, recovery in suit filed, decreed accounts and compromise cases, is first appropriated towards principal or as per the terms of decree/ settlement.
- 5.3 Advances are shown net of provisions (in case of NPA), Unrealised Interest, amount recovered from borrowers held in Sundries and amount recovered from CGTSI/ ECGC.

Provision for Standard Assets is included in Other Liabilities and Provisions- Others.

5.4 Financial Assets sold are recognized as under:

In case the sale is at a price lower than the Net Book Value (NBV) the shortfall is charged to the Profit and Loss Account.

In case the sale is at a price higher than the NBV, the surplus provision is retained to meet shortfall/loss on account of sale of other non-performing financial assets.

6. Fixed Assets/Depreciation:

- 6.1 Fixed Assets are depreciated under 'Written Down Value Method' at the following rates (other than computers which are depreciated on Straight Line Method):

i) Premises	At varying rates based on estimated life
ii) Furniture, Lifts, Safe Vaults	10%
iii) Vehicles	20%
iv) Air conditioners, Coolers, Typewriters etc.	15%
v) Computers including Systems Software	33.33%

(Application Software is charged to the Revenue during the year of acquisition.)

- 6.2 In the case of assets, which have been revalued, the depreciation is provided on the revalued amount and the incremental depreciation attributable to the revalued amount is adjusted to the 'Revaluation Reserve'.
- 6.3 Depreciation on additions to assets, made upto 30th September is provided for the full year and on additions made thereafter, is provided for the half year. No depreciation is provided on assets sold before 30th September and depreciation is provided for the half year for assets sold after 30th September.
- 6.4 Cost of leasehold land is amortised over the period of lease. In the case of revaluation, the difference between the original cost and revalued amount is amortised over the remaining period of the lease and is adjusted to the 'Revaluation Reserve'.
- 6.5 Where it is not possible to segregate the cost of Land and Premises, Depreciation is charged on the composite cost.



7. Staff Benefits:

- 7.1 Annual contribution to Gratuity and Pension Funds are determined on the basis of actuarial valuation. The contribution to Pension Fund is made under a defined benefit scheme.
- 7.2 The liability for earned leave is provided for on the basis of actuarial valuation.
- 7.3 In respect of employees who have opted for Provident Fund Scheme, a matching contribution is made.
- 7.4 The Bank recognizes in its Books of Accounts the liability arising out of Employee Benefits as the sum of the present value of obligations as reduced by fair value of Plan Assets on the Balance Sheet.

8. Recognition of Income and Expenditure:

- 8.1 Income/ Expenditure is generally accounted for on accrual basis unless otherwise stated.
- 8.2 Income on NPA is recognized on realization as per the Prudential Norms prescribed by the Reserve Bank of India.
- 8.3 In accordance with the guidelines issued by the Reserve Bank of India vide circular No. DBOD.No.BP. BC.89/21.4.018/2002-03 dated 29.03.2003, prior period disclosures are made in respect of any item which exceeds one percent of the total income/total expenditure.
- 8.4 Provision for interest payable on overdue deposits is made as per Reserve Bank of India guidelines.

9. Income Tax:

The provision for tax for the year comprises of current tax liability computed in accordance with the applicable tax laws and the deferred tax which recognizes, timing differences between taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized unless there is 'virtual certainty' that sufficient future taxable income will be available against which such deferred tax assets will be realized.

SCHEDULE-18 : NOTES FORMING PART OF THE ACCOUNTS

1. Capital:

Paid up Equity Share Capital of the Bank as on 31.03.2013 is ₹ 1044.58 crore increased from ₹ 736.11 crore of previous year by issue of fresh equity shares of ₹ 308.47 crore at a premium of ₹ 68/- per share to Government of India.

2. Balancing of Books / Reconciliation:

The reconciliation of the following items is in progress :

- Inter Branch/Office Balance
- Accounts for Govt. transactions (Central & State)
- Inter Bank Accounts
- System Suspense Account
- Suspense Account
- Clearing & other Adjustment Accounts
- Balances related to ATM
- Certain balances in nominal account
- NOSTRO Accounts

The management is of the opinion that the overall impact, if any, on the accounts will not be significant.

3. Income Tax / Deferred Tax:

- 3.1 Provision for Income Tax for the year is arrived at after due consideration of relevant statutory provisions and judicial decisions on disputed issues.
- 3.2 Other Assets [Schedule 11 (ii)] includes ₹ 912.60 crore (previous year ₹1424.58 crore) towards disputed Income Tax paid by the Bank or adjusted by the Income Tax department. Provision for disputed amount of taxation is not considered necessary by the Bank on the basis of various judicial decisions/ counsel's opinion on such issues.
- 3.3 Out of ₹912.60 crore of tax paid under dispute which relate to various Assessment Years, involving tax element of ₹5.98 crore have been decided by the Appellate authorities in favour of the Bank. The appeal effect for the same is pending.

4. Premises:

Premises owned by the Bank include properties costing ₹ 39.93 crore (Previous Year ₹ 9.95 crore) revalued value ₹ 130.02 crore (Previous Year ₹ 122.31 crore) for which registration formalities are still in progress.

5. Advances / Provisions:

- 5.1 Advances to units which have become sick including those under nursing/ rehabilitation/ restructuring programme and other advances classified as doubtful/ loss assets have been considered secured/ recoverable to the extent of estimated realizable value of securities carrying first or second charge based on valuers' assessment of properties/ assets mortgaged to the Bank and other data available with the Bank.
- 5.2 In accordance with the guidelines issued by Reserve Bank of India, the Bank has netted the Floating Provision amounting to ₹312.42 crore (previous year ₹ 312.42 crore) and Countercyclical Provisioning Buffer amounting to ₹ 141.30 (previous year ₹ 141.30 crore) from Gross NPAs to arrive at Net NPAs.
- 5.3 Advances considered good and secured includes investment of ₹ 2515 crore (Previous Year ₹ 3000 crore) in IBPCs (Inter Bank Participation Certificate) governed by the Uniform Code Governing Inter Bank Participations issued by IBA (Non Priority Sector) and investment in IBPCs issued by RRBs aggregating ₹ 2515 crore (Previous Year ₹ 2080 crore) of Priority Sector Advance/ Direct Agriculture.



6. Innovative Perpetual Debt Instruments:

During the year, Bank has raised ₹ 500 crore by issue of Innovative Perpetual Debt Instruments taking the balance to ₹1083.00 crore.

7. The following information is disclosed in terms of guidelines issued by Reserve Bank of India

a. Capital

Sl.No	Items	31.03.2013	31.03.2012
1.	CRAR (%)		
	Basel-I	11.33	11.96
	Basel-II	11.49	12.40
2.	CRAR-Tier-I Capital (%)		
	Basel-I	7.95	7.50
	Basel-II	8.09	7.79
3.	CRAR-Tier-II Capital (%)		
	Basel-I	3.38	4.46
	Basel-II	3.40	4.61
4.	Percentage of Equity share holding of Govt. of India.	85.31%	79.15%
5.	Amount of Upper Tier-II instruments Raised during the year (₹ in crore)	--	500
6.	Amount of Innovative Perpetual Debt Instruments (IPDI) raised as Tier-I capital during the year (₹ in crore)	500	NIL
7.	Issue of Equity shares through QIP route (₹ in crore)		
	Share Capital	NIL	NIL
	Share Premium		

The above data has been compiled on the basis of guidelines of Reserve Bank of India and estimates in respect of certain Off Balance Sheet items, made by the management and relied upon by the Auditors. In respect of Basel II, the system deficiencies/ data errors noticed / reported were addressed at Central Office. Based on the extensive exercise undertaken, Bank is of the view that, unrectified deficiencies, if any, will not have a significant impact on the overall reported Capital Adequacy.

b. (i) Investments

(₹ in crore)

Items	31.3.2013	31.3.2012
1) Value of Investments		
i) Gross Value of Investments	72661.62	59577.21
a) In India	72660.96	59576.55
b) Outside India	0.66	0.66
ii) Provisions for Depreciation	57.82	333.94
a) In India	57.82	333.94
b) Outside India	0.00	0.00
iii) Net Value of Investments	72603.80	59243.27
a) In India	72603.14	59242.61
b) Outside India	0.66	0.66
2) Movement of Provisions held towards depreciation on Investments		
i) Opening Balance	333.94	342.60
ii) Add: Provisions made during the year	128.16	0.00
iii) Less: Write off Prov./ Write Back Prov.	404.28	8.66
iv) Closing Balance	57.82	333.94

(ii) Repo Transactions

(₹ in crore)

	Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2013
	Securities sold under Repo				
I	Government Securities	0.00	7000.00	1467.88	7000
II	Corporate debt securities	0.00	0.00	0.00	0.00
	Securities purchased under Reverse Repo				
I	Government Securities	0.00	4800.00	53.42	1500.00
II	Corporate debt securities	0.00	0.00	0.00	0.00

(iii) Non SLR Investment Portfolio

Issuer wise composition of Non SLR Investments

(₹ in crore)

No.	Issuer	Amount	Extent of Private Placem-ent	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i)	PSUs	629.49	246.21	0.00	0.00	1.44
ii)	FIs	470.15	357.91	0.00	0.00	78.96
iii)	Banks	579.56	188.47	10.00	0.00	0.00
iv)	Private Corporates	2806.48	2490.75	208.85	21.64	94.49
v)	Subsidiaries/ Joint Ventures	262.92	262.92	0.00	262.92	262.92
vi)	Others	7740.77	5093.43	0.00	5842.92	6885.37
	RIDF/RHDF/SIDBI	4152.91	4152.91	0.00	4152.91	4152.91
	CP/CD/IBPC/SR	2028.66	525.89	0.00	251.78	2028.66
	Mutual Funds	20.26	0.00	0.00	20.26	20.26
	Venture Capital	95.56	95.56	0.00	95.56	95.56
	Shares (incl. Trustee Shares)	1443.38	319.07	0.00	1322.41	587.98
	TOTAL	12489.37	8639.69	218.85	6127.48	7323.18
	Less: Provision held towards depreciation	57.82				
	Net	12431.55	8639.69	218.85	6127.48	7323.18

Amounts reported under Columns 4, 5, 6 and 7 are not mutually exclusive.

(iv) Non Performing Non-SLR Investments

(including matured investments)

(₹ in crore)

Particulars	31.3.2013	31.3.2012
Opening Balance	15.77	29.31
Additions during the year	114.87	0.37
Reductions during the year	34.35	13.91
Closing balance	96.29	15.77
Total provisions held	14.82	15.77



c. Derivatives

(i) Forward Rate Agreement / Interest Rate Swap

(₹ in crore)

Items	31.3.2013	31.3.2012
I The Notional Principal of Swap agreements	775.00	1046.10
II Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements.	Nil	Nil
III Collateral required by the bank upon entering into swaps	-	-
IV Concentration of credit risk arising from the swaps		
-- Foreign Bank	712.50	933.60
-- Domestic Bank	62.50	112.50
V The fair value of the swap book	(-) 26.18	(-) 47.45

(ii) Exchange Traded Interest Rate Derivatives:

(₹ in crore)

Sr. No.	Particulars	Amount
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	NIL
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on March 31, 2013 (instrument-wise)	NIL
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	NA
iv)	Mark-to market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	NA

Disclosures on Risk Exposure in Derivatives

iii) Qualitative Disclosures

- Risk Management Policy approved by the Board of Directors for the use of derivative instruments to hedge/ trade is in place.
- The investment portfolio of the Bank consists of assets with characteristics of fixed interest rate, zero coupon and floating interest rates and is subject to interest rate risk. The Bank has also Tier II bonds hedged for coupon swaps. The policy permits hedging the interest rate risk on this liability as well.
- Policy for Forward Rate Agreement, Interest Rate Swaps, currency futures and Interest Rate Futures for hedging the interest rate risk in the investment portfolio and also for market making is in place.
- The risk management policies and major control limits like stop loss limits, counter party exposure limits etc. as approved by the Board of Directors are in place. The risks are monitored and reviewed regularly. MIS reports are submitted periodically to Risk Management Committee.
- **Hedge Positions**
 - Accrual on account of interest expenses/income on the IRS are accounted and recognized as income/ expense.
 - If the swap is terminated before maturity, the Mark to Market (MTM) loss/gain and accrual till such date are accounted as expense/income under Interest paid/received on IRS.
- **Trading positions**
 - Currency future and Interest Rate Future are marked to market on daily basis as per exchange guidelines of MCX-SX, NSE and United Stock Exchange.
 - MTM profit/loss is accounted by credit/debit to the margin account on daily basis and the same is accounted in bank's profit & loss account on final settlement.

- Trading swaps are marked to market at frequent intervals. Any MTM losses are booked and gains if any are ignored.
- Gains or losses on termination of swaps are recorded as immediate income/expense under the above head.

iv) Quantitative Disclosures

(₹ in crore)

Sr. No.	Particulars	Currency Derivatives	Interest rate derivatives
i)	Derivatives (Notional Principal Amount)		
	a) For hedging	NIL	525.00
	b) For trading	NIL	250.00
ii)	Marked to Market Positions (1)		
	a) Asset (+)	-	(-) 0.13
	b) Liability (-)	-	(-)26.31
iii)	Credit Exposure (2)	-	52.88
iv)	Likely impact of one percentage change in interest rate (100*PV01)		0.22
	a) On hedging derivatives	-	0.14
	b) On trading derivatives	-	0.08
v)	Maximum and Minimum of 100*PV01 observed during the year		
	a) On hedging	-	0.21/0.14
	b) On trading	-	0.09/0.08

d. Asset Quality**(i) Non Performing Assets**

(₹ in crore)

Items		31.3.2013	31.3.2012
i)	Net NPAs to Net Advances (%)	2.90%	3.09%
ii)	Movement of NPAs (Gross)		
	a) Opening balance	7273	2394
	b) Additions during the year	5125	6849
	c) Reduction during the year	3942	1970
	d) Closing balance	8456	7273
iii)	Movement of Net NPAs		
	a) Opening balance	4600	856
	b) Additions during the year	3676	5470
	c) Reduction during the year*	3288	1726
	d) Closing balance	4988	4600
iv)	Movement of Provisions for NPAs (excluding provisions on Standard Assets)		
	a) Opening balance **	2220	1085
	b) Provisions made during the year	1449	1379
	c) Write off/ write back / Transfer	738	244
	d) Closing balance **	2931	2220

Figures of Movement of Net NPAs as on 31.03.2012 has been recasted.

* after netting ₹ 84.00 crores held in nominal towards amount received from ECGC and Court Borrowers pending adjustment

** excluding floating provision of ₹ 312.43 crore (previous year ₹ 312.43crore) & Countercyclical provision of ₹ 141.30 crore (previous year ₹141.30 crore)



(ii) Particulars of Accounts Restructured:

Disclosure of Restructured Accounts (As on 31.03.2013)																						
Type of Restructuring ->		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total					
		Stand-ard	Sub-Stand-ard	Doubt-ful	Loss	Total	Stand-ard	Sub-Stand-ard	Doubt-ful	Loss	Total	Stand-ard	Sub-Stand-ard	Doubt-ful	Loss	Total	Stand-ard	Sub-Stand-ard	Doubt-ful	Loss	Total	
SI No	Asset Classification ->																					
Details																						
1	Restructured Accounts as on April of the FY (Opening figures)*	No. of borrowers	25	0	3	0	28	1010	546	30	0	1586	25765	1819	919	0	28503	26800	2365	952	0	30117
	Amount outstanding	2349.41	0	206.9	0	2556.33	1586.5	604.41	155.09	0	2346	11367.86	1042.19	35.05	0	12445.1	15303.77	1646.6	397.06	0	17347.43	
	Provision thereon	334.31	0	0	0	334.31	47.61	18.12	4.65	0	70.38	94.13	1.06	7.25	0	102.44	476.05	19.18	11.9	0	507.13	
2	Fresh restructuring during the year	No. of borrowers	17	1	1	0	19	13	0	1	0	14	8646	0	0	0	8646	8676	1	2	0	8679
	Amount outstanding	1485.09	269.29	23.33	0	1777.71	40.69	0	19.11	0	59.8	4845.82	0	0	0	4845.82	6371.6	269.29	42.44	0	6683.33	
	Provision thereon	174.33	21.73	0	0	196.06	0.49	0	6.14	0	6.63	120.83	0	0	0	120.83	295.65	21.73	6.14	0	323.52	
3	Upgradations to restructured standard category during the FY	No. of borrowers	1	-1	0	0	0	0	0	0	0	1	-1	0	0	0	2	-2	0	0	2	
	Amount outstanding	29.45	-29.45	0	0	0	0	0	0	0	0	31.16	-31.16	0	0	0	60.81	-60.81	0	0	60.81	
	Provision thereon	0	0	0	0	0	0	0	0	0	0	1.51	-1.51	0	0	0	1.51	-1.51	0	0	1.51	
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown restructured standard advances at the beginning of the next FY	No. of borrowers	6				6	19				19	35			35	60				-60	
	Amount outstanding	151.31				151.31	65.42				65.42	473.8			473.8	690.53				-690.53		
	Provision thereon	8.81				8.81	2.1				2.1	8.95			8.95	19.86				-19.86		
5	Downgradations of restructured accounts during the FY	No. of borrowers	0	0	0	0	0	-3	3	0	0	0	-8	8	0	0	-11	11	0	0	11	
	Amount outstanding	0	0	0	0	0	-5.51	5.51	0	0	0	-275.2	275.2	0	0	0	-280.71	280.71	0	0	280.71	
	Provision thereon	0	0	0	0	0	-0.03	0.03	0	0	0	-1.04	1.04	0	0	0	-1.07	1.07	0	0	1.07	
6	Write-offs of restructured accounts during the FY	No. of borrowers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Amount outstanding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Provision thereon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
7	Restructured Accounts as on March 31 of the FY (closing figures)*	No. of borrowers	41	1	4	0	46	354	45	72	0	471	11273	1080	2303	0	14656	11668	1126	2379	0	15173
	Amount outstanding	4451.56	269.29	198.1	0	4918.96	113.53	10.13	76.64	0	200.3	15577.29	309.33	1675	0	17561.62	20142.38	588.75	1949.8	0	22680.88	
	Provision thereon	628.49	21.73	2.14	0	652.36	6.55	0.33	6.65	0	13.53	206.34	3.02	31.25	0	240.61	841.38	25.08	40.04	0	906.5	

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable)

* Provision held is figures of sacrifice provision

(iii) Details of financial assets sold to Securitization/ Reconstruction Company for Asset Reconstruction

(₹ in Crore)

Items	31.3.2013	31.3.2012
I No. of accounts	8	3
II Aggregate value (net of provisions) of accounts sold to SC/ RC	11.36	62.03
III Aggregate consideration	44.00	74.80
IV Additional consideration realized in respect of accounts transferred in earlier years.	NIL	NIL
V Aggregate gain/ loss over net book value	32.64	12.77

(iv) Details of Non Performing Financial Assets purchased/ sold

a. Details of Non Performing Financial Assets purchased

(₹ in Crore)

Particulars			31.3.2013	31.3.2012
1	a	No. of accounts purchased during the year	Nil	Nil
	b	Aggregate outstanding	Nil	Nil
2	a	Of these, number of accounts restructured during the year	Nil	Nil
	b	Aggregate outstanding	Nil	Nil

b. Details of Non Performing Financial Assets sold

(₹ in Crore)

Items		31.3.2013	31.3.2012
1	No. of accounts	8	3
2	Aggregate outstanding	18.33	70.90
3	Aggregate consideration received	44.00	74.80

(v) Provision on Standard Assets

(₹ in Crore)

Items	31.3.2013	31.3.2012
Provisions towards Standard Assets held	665.28	574.59

f. Business Ratios

	Items	2012-13	2011-12
i	Interest Income as a percentage to Working Funds *	9.46	9.22
ii	Non-interest income as a percentage to Working Funds*	0.72	0.67
iii	Operating Profit as a percentage to Working Funds *	1.37	1.36
iv	Return on Assets **	0.44	0.26
v	Business (Deposits plus advances) per employee*** (₹ in lacs)	973.04	861.56
vi	Profit per employee (₹ in lacs)	2.83	1.51

* Working Funds comprise average of Total Assets (excluding Revaluation Reserve) during the 12 months of the Financial Year.

** Working Funds comprise average Total Assets (excluding Revaluation Reserve)

*** Based on fortnightly average of Deposits (other than Inter Bank Deposits) plus Advances.



g. Asset Liability Management

Maturity pattern of Total Domestic Deposits, Domestic Borrowings, Domestic Advances & Total Investments under various maturity buckets prescribed by Reserve Bank of India as of March 31, 2013

(₹ in crore)

	Day 1	2 to 7 Days	8 to 14 days	15 to 28 days	29 days To 3 months	Over 3 & Up to 6 months	Over 6 & Up to 12 months	Over 1 & Up to 3 years	Over 3 & Up to 5 years	Over 5 years	TOTAL
Total Domestic Deposit	744.59	7082.70	6371.54	5367.31	15096.28	20163.89	37903.94	81106.85	24617.70	26752.76	225307.56
Total Domestic Advances	1183.40	1432.31	2201.00	1788.84	8320.83	6023.02	10977.39	85469.88	25619.02	26092.46	169108.15
Total Investment	5.00	470.21	166.57	95.74	2715.42	3712.57	1291.26	9390.79	8805.08	45951.15	72603.79
Total Domestic Borrowing*	0.00	5620.47	0.00	0.00	434.36	1579.13	638.48	694.84	1252.04	0.04	10219.36
Foreign Currency Assets	37.58	35.51	38.33	333.53	1224.74	933.72	17.17	80.45	47.54	79.13	2827.70
Foreign Currency Liabilities	85.59	9.28	12.47	11.26	60.81	74.57	230.31	220.92	25.55	0.00	730.76

Note : - * Excluding those considered under Tier II Capital.

The above data has been compiled on the basis of the guidelines of RBI and certain assumptions made by the Management has been relied upon by the Auditors.

h. Exposures

(i) Exposure to Real Estate Sector

(₹ in crore)

Category	31.3.2013	31.3.2012
a) Direct Exposure		
(i) Residential Mortgages -	7698.84	6281.61
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:		
(individual housing loans eligible for inclusion in priority sector advances included above)	(6042.97)	(5237.36)
(ii) Commercial Real Estate -	11131.37	7940.94
(iii) Investments in Mortgage Backed Securities		
(MBS) and other securitized exposures –		
Residential,	1.35	2.29
Commercial Real Estate.	0.00	0.00
b) Indirect Exposure		
(i) Fund based and non-fund based exposures on	4684.08	4381.02
National Housing Bank (NHB) and Housing		
Finance Companies (HFCs).		
(ii) Others	123.38	174.46
TOTAL	23639.02	18780.32

(ii) Exposure to Capital Market

(₹ in crore)

Items	31.3.2013	31.3.2012
i) Direct Investment in equity shares, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	917.88	882.00
ii) Advances against shares/ bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures and units of equities-oriented mutual funds	4.27	6.18
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equities-oriented mutual funds are taken as primary security.	-	-
(iv) Advances for other purposes to the extent secured by the collateral securities of shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds i.e, where the primary security other than shares/ convertible bonds/ convertible debentures/ units of equity-oriented mutual funds does not fully cover the advances.	527.77	1016.44
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	312.38	133.38
vi) Loans sanctioned to corporates against the securities of shares/ bonds/ debentures or other securities or on clean basis for meeting promoter's contributions to the equity of new companies in anticipation of raising resources.	0.00	0.00
vii) Bridge Loans to the companies against the expected equity flows/ issues.	0.00	0.00
viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds	0.00	0.00
ix) Financing to stock brokers for margin trading	0.00	0.00
x) All exposures to Venture Capital funds (both registered and unregistered) will be deemed to be on par with equity and hence will be reckoned for compliance with the capital market exposure ceiling (both direct and indirect).	141.81	128.52
Total Exposure to Capital Market	1904.11	2166.52

(iii) Risk Category-wise Country Exposure :

(₹ in crore)

Risk Category	Exposure (net) as at March 31, 2013	Provision held as at March 31, 2013	Exposure (net) as at March 31, 2012	Provision held as at March 31, 2012
Insignificant	1326.72	Nil	962.01	Nil
Low	1503.71	Nil	518.59	Nil
Moderate	204.80	Nil	130.84	Nil
High	208.13	Nil	6.96	Nil
Very High	391.32	Nil	55.57	Nil
Restricted	0.94	Nil	0.19	Nil
Off-credit	0.00	Nil	0.00	Nil
Total	3635.62		1674.16	

As the Bank's exposure for the year in respect of Foreign Exchange Transaction is less than 1% of total assets of the Bank, no provision is considered necessary



(iv) Details of Credit Exposure where the Bank has exceeded Prudential Exposure Norms during the year for which necessary Board approval has been obtained.

(₹ in crore)

Sr. No	Name of Borrower	Credit Exposure As on 31.3.2013		Outstanding as on 31.03.2013		Investment as on 31.03.13	Total Exposure as on 31.03.13
		FB	NFB	FB	NFB		
1.	Videocon Industries Ltd	2738.00	24.50	2763.08	18.52	9.59	2797.17
2.	HDFC Ltd.	2000.00	0.00	502.95	0.00	133.72	2133.72
3.	DHFL	1752.09	225.00	1752.09	0.00	5.00	1982.09

(v) Statement of Loans and Advances secured by Intangible Assets viz., Rights, Licenses, Authorizations etc. which is shown as unsecured in Schedule-9.

Advances amounting to ₹ 495.74 crore (previous year ₹ 291.52 crore) against charge over intangible security such as Rights, Licences, Authorisation etc. are considered as unsecured.

The value of intangible security is ₹ 232.74 crore.

8. Disclosure of Penalties imposed by RBI

RBI has imposed a penal interest of ₹ 28.85 lacs on the Bank under Section 46(4) of the Banking Regulation Act, 1949.

9. Disclosure regarding concentration of Deposits, Advances, Exposures and NPAs:

9.1 Concentration of Deposits

(₹ in Crore)

(a) Total Deposits of twenty largest depositors	26601.78
(b) Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	11.77

9.2 Concentration of Advances

(a) Total Advances to twenty largest borrowers	39198.49
(b) Percentage of Advances to twenty largest borrowers to Total Advances of the bank	22.24

9.3 Concentration of Exposures

(a) Total Exposure to twenty largest borrowers/customers	39622.15
(b) Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	16.40

9.4 Concentration of NPAs

(a) Total Exposure to top four NPA accounts	1434
---	------

II: Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	4.48
2	Industry (Micro & small, Medium and Large)	8.90
3	Services	9.22
4	Personal Loans	4.77

III. Movement of NPAs

(₹ in crore)

Particulars	31.03.2013		31.03.2012	
Opening Balance of Gross NPA		7273		2394
Additions during the year		5125		6849
Sub Total (A)		12398		9243
Less:-				
(i) Upgradation	1751		587	
(ii) Recovery (excluding recovery made in upgraded accounts)	1581		754	
(iii) Write-off	610		226	
(iv) Difference in URI	0	3942	403	1970
Gross NPA		8456		7273

IV. Overseas Assets, NPAs and Revenue

Particulars	Amount (₹ in crore)
Total Assets	NIL
Total NPAs	NIL
Total Revenue	NIL

V. Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	Overseas
NIL	NIL

VI. Disclosures relating to Securitisation:

S. No.	Particulars	No. / Amount ₹ in crore
1.	No of SPVs sponsored by the bank for securitisation transactions*	NIL
2.	Total amount of securitised assets as per books of the SPVs sponsored by the bank	NIL
3.	Total amount of exposures retained by the bank to comply with MRR as on the date of balance sheet	NIL
	a) Off-balance sheet exposures	
	First loss	
	Others	
	b) On-balance sheet exposures	
	First loss	
	Others	
4	Amount of exposures to securitisation transactions other than MRR	NIL
	a) Off-balance sheet exposures	
	i) Exposure to own securitizations	
	First loss	
	Loss	
	ii) Exposure to third party securitisations	
	First loss	
	Others	
	b) On-balance sheet exposures	
	i) Exposure to own securitisations	
	First loss	
	Others	
	ii) Exposure to third party securitisations	
	First loss	
	Others	

*Only the SPVs relating to outstanding securitisation transactions may be reported here



10 Other Disclosures

Fees/ remunerations received in respect of the Bancassurance Business during the current year is as under :

(₹ in Crore)

	2012-13		2011-12	
	No. of policies	Amount	No. of policies	Amount
Life	149668	15.22	127540	13.53
Non Life	189956	9.02	164181	6.30
Total		24.24		19.83

11. The following information is disclosed in terms of Accounting Standards issued by The Institute of Chartered Accountants of India:

a) Accounting Standard - 5

Accounting for LAF Repo with Reserve Bank of India

Hitherto the bank was following the policy of deducting the net amount of borrowings under LAF repo from gross value of investments for the purpose of year end accounting. Due to change in accounting policy effective from the current accounting year, bank has shown net amount due to RBI under LAF repo as borrowing from RBI. In case the accounting treatment of the preceding year had been followed, the loans and investments would have been less by ₹5500 crores. There is no impact on the profit for the year due to this change.

b) Accounting Standard - 9

Certain items of income are recognized on realization basis as per principal accounting policy No. 8. However, the said income is not considered to be material.

c) Accounting Standard - 15 (Revised)

In the year 2010-11, in accordance with circular No. DBOD No. BP.BC.80/21.04.018/2010-11, dated 09-02-2011 issued by Reserve Bank of India, the Bank had opted to amortize the additional liability on account of re-opening of Pension option for existing employees who had not opted for pension earlier, as well as the liability on enhancement in Gratuity limit, over a period of five years beginning with the financial year ended 31st March, 2011. Accordingly, out of the unamortized amount ₹886.15 crore as on 1st April, 2012, the Bank has amortized ₹239.98 crore for Pension and ₹ 55.40 crore for Gratuity being proportionate amount during the year ended March 31, 2013. The balance amount to be amortized in future periods for Pension is ₹479.97 crore and for Gratuity is ₹ 110.80 crore.

Employee Benefits:

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for pension and gratuity benefits as per actuarial valuations is given below:

(₹ in Crore)

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
	Pension	Gratuity	Pension	Gratuity
Defined benefit obligation liability at March 31, 2013				
Opening obligations	6537.56	891.22	5997.12	1047.34
Service cost	127.74	41.25	125.72	39.70
Interest cost	578.91	73.98	498.13	83.24
Actuarial [gain]/loss	412.20	95.94	441.59	(63.58)
Benefits paid	(465.85)	(124.28)	(525.00)	(215.48)

(₹ in Crore)				
Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
	Pension	Gratuity	Pension	Gratuity
Past Service Cost (Amortised/ Non Vested)	-	-	-	-
Past Service Cost (Vested Benefit)	-	-	-	-
Liability Transferred in	-	-	-	-
Obligations at March 31, 2013	7190.56	978.11	6537.56	891.22

(₹ in Crore)

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
	Pension	Gratuity	Pension	Gratuity
Plan assets at March 31, 2013, at fair value				
Opening Plans assets, at fair value	5349.39	855.53	4228.00	832.89
Expected return on plan assets	510.12	68.92	413.53	72.41
Actuarial gain/[loss]	(23.88)	15.99	29.25	(14.29)
Contributions	1260.00	68.15	1203.61	180.00
Benefits paid	(465.85)	(124.28)	(525.00)	(215.48)
Transfer from Other Trust	-	-	-	-
Plan assets at March 31, 2013, at fair value	6629.78	884.31	5349.39	855.53

(₹ in Crore)

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
	Pension	Gratuity	Pension	Gratuity
Cost for the year ended March 31, 2013				
Service cost	127.74	41.25	125.72	39.70
Interest cost	578.91	73.98	498.13	83.24
Expected return on plan assets	(510.12)	(68.92)	(413.53)	(72.41)
Past Service Cost (Amortised/ Non Vested)	240.00	55.40	240.00	55.40
Past Service Cost (Vested Benefit)	-	-	-	-
Actuarial [gain]/loss	436.08	79.95	412.34	(49.29)
Net cost	872.61	181.66	862.66	56.64

Assumptions

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
	Pension	Gratuity	Pension	Gratuity
Interest rate	8%	8%	8%	8%
Salary escalation rate	4%	4%	4%	4%
Estimated rate of return on plan assets	8.70%	8.70%	8%	8%



d) Accounting Standard 17 – Segment Reporting

- i) As per the revised guidelines of Reserve Bank of India, the Bank has recognised Treasury Operations, Corporate/ Wholesale Banking, Retail Banking and other Banking business as primary reporting segments. There are no secondary reporting segments.

SEGMENT REPORT FOR THE YEAR ENDED MARCH 31, 2013			
(₹ in crore)			
Sl. No.	Particulars	Year ended 31.03.13	Year ended 31.03.12
a.	Segment Revenue		
	1. Treasury Operations	5188.80	4964.07
	2. Retail Banking Operations	5816.99	44462.63
	3. Wholesale Banking Operations	12441.42	11075.77
	4. Other Banking Operations	0	0
	5. Unallocated	80.77	42.33
	Total	23527.98	20544.80
b.	Segment Results		
	1. Treasury Operations	326.43	683.49
	2. Retail Banking Operations	902.60	600.03
	3. Wholesale Banking Operations	1862.77	1489.10
	4. Other Banking Operations	0	0
	Total	3091.80	2772.62
c.	Unallocated Income/ (Expenses)	80.77	42.33
d.	Operating Profit	3172.57	2814.95
e.	Provisions & Contingencies	1852.81	2168.61
f.	Income Tax	304.80	113.30
g.	Net Profit	1014.96	533.04
h.	Other Information		
i.	Segment Assets		
	1. Treasury Operations	37306.28	26859.05
	2. Retail Banking Operations	72559.91	57872.35
	3. Wholesale Banking Operations	156169.88	142737.25
	4. Other Banking Operations	0	0
	5. Unallocated Assets	2093.47	2331.10
	Total	268129.54	229799.75
j.	Segment Liabilities		
	1. Treasury Operations	37364.12	28661.19
	2. Retail Banking Operations	68093.39	53963.94
	3. Wholesale Banking Operations	146576.83	133932.80
	4. Other Banking Operations	0	0
	5. Unallocated Liabilities	16095.20	13241.82
	Total	268129.54	229799.75

- ii) Treasury Operations include dealing in Government and Other Securities, Money Market operations and Forex operations.
- iii) The Retail Banking Segment consists of all exposures upto a limit of ₹ 5 crore (including Fund Based and Non Fund Based exposures) subject to orientation, product, granularity criteria and individual exposures.
- iv) The Corporate/ Wholesale Segment consist of all advances to Trusts/ Partnership Firms, Companies and statutory bodies, which are not included under Retail Banking.
- iv) The other Banking Segment includes all other Banking operations not covered under the above three categories.
- v) General Banking operations are the main resource mobilizing unit and Treasury Segment compensates the former for funds lent to it by taking into consideration the average funds used.
- vi) Allocation of Costs:
 - a) Expenses directly attributable to a particular segment are allocated to the relative segment.
 - b) Expenses not directly attributable to a specific segment are allocated on rational basis.

e) Related Party disclosures as per Accounting Standard 18 – Related Party

1 List of Related Parties:

(a) Key Managerial Personnel -

	Name	Designation
i)	Mr. M.V. Tanksale	Chairman & Managing Director
ii)	Mrs. V. R. Iyer (from 1/09/2010 to 5/11/2012)	Executive Director
iii)	Mr. R. K. Dubey (from 1/09/2010 to 11/01/2013)	Executive Director
iv)	Mr. Malay Mukherjee (from 5/11/2012)	Executive Director
v)	Mr. R. K. Goyal (from 11/01/2013)	Executive Director

(b) Subsidiaries –

- i) Cent Bank Home Finance Ltd.
- ii) Cent Bank Financial & Custodial Services Ltd.

(c) Associates –

- (I) Regional Rural Banks -
 - i) Central Madhya Pradesh Gramin Bank,
 - ii) Surguja Kshetriya Gramin Bank, Ambikapur
 - ii) Uttar Bihar Gramin Bank, Muzzaffarpur
 - iv) Vidharbha Konkan Gramin Bank,
 - v) Ballia Etawah Gramin Bank, Ballia
 - vi) Hadoti Kshetriya Gramin Bank, Kota
 - vii) Uttarbanga Kshetriya Gramin Bank, Cooch Behar
- (II) Indo – Zambia Bank Ltd.

2. Transactions with Related Parties:

(₹ in lacs)

(a)	Items	Key Management Personnel	
		2012 -13	2011-12
	Remuneration paid	64.55	66.50



(b) Statement of Related Parties Transaction

STATEMENT OF RELATED PARTIES TRANSACTION AS ON 31.03.2012 & 31.03.2013														
S.No.	Related Parties	As on	Investment		Purchase of Loan Assets		Sale of Loan Assets		Line of credit to RRBs		Participation under IBPC			
			Cumulative	Maximum during the year	Amount O/s	Interest Received	Amount Sold	Interest Paid	Amount	Interest received	Sale of Direct Agri. Assets to Sponsor Bank		Purchase of Non Priority Sector Portfolio from Sponsor Bank	
											Amt. O/s	Intt. Paid to Sponsor Bank	Amt. O/s	Intt. received from Sponsor Bank
1	Central M P G B	31.03.13	52.32	52.32	0.00	0.00	0.00	0.00	0.00	0.00	630.00	18.74	630.00	21.55
		31.03.12	34.64	34.64	0.00	0.00	0.00	0.00	0.00	0.00	380.00	7.40	380.00	8.51
2	Surguja KGB	31.03.13	2.57	2.57	0.00	0.00	0.00	0.00	0.00	0.00	100.00	3.95	100.00	4.54
		31.03.12	2.57	2.57	0.00	0.00	0.00	0.00	0.00	0.00	80.00	2.22	80.00	2.55
3	Uttar Bihar GB	31.03.13	159.09	159.09	0.00	0.00	0.00	0.00	0.00	0.00	1400.00	57.21	1400.00	65.79
		31.03.12	159.09	159.09	0.00	0.00	0.00	0.00	-0.04	2.62	1160.00	41.92	1160.00	48.21
4	Vidharbha KGB	31.03.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		31.03.12	6.22	6.22	0.00	0.00	0.00	0.00	50.29	2.07	130.00	4.93	130.00	5.67
5	Ballia Etawah GB	31.03.13	11.72	11.72	0.00	0.00	0.00	0.00	0.00	0.00	145.00	5.42	145.00	6.24
		31.03.12	11.72	11.72	0.00	0.00	0.00	0.00	0.00	0.00	110.00	5.42	110.00	6.24
6	Hadoti KGB	31.03.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.12	0.00	10.49
		31.03.12	2.45	2.45	0.00	0.00	0.00	0.00	0.00	0.00	185.00	7.89	185.00	9.07
7	Uttarbanga KGB	31.03.13	31.78	31.78	0.00	0.00	0.00	0.00	0.00	0.00	40.00	1.73	40.00	1.98
		31.03.12	20.58	20.58	0.00	0.00	0.00	0.00	0.00	0.00	35.00	1.23	35.00	1.42
8	Vidharbha Konkan Gramin Bank	31.03.13	6.22	6.22	0.00	0.00	0.00	0.00	50.00	2.62	200.00	6.41	200.00	7.37
		31.03.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL		31.03.13	263.70	263.70	0.00	0.00	0.00	0.00	50.00	2.62	2515.00	102.58	2515.00	117.96
		31.03.12	237.27	237.27	0.00	0.00	0.00	0.00	50.25	4.69	2080.00	71.01	2080.00	81.67

Note: Vide notification No. F.No. 7/9/2011-RRB (Maharashtra) dated February 28, 2013 issued by Government of India, Ministry of Finance, approved the amalgamation of Vidarbha KGB sponsored by Central Bank of India with Wainganga Krishna Gramin Bank sponsored by Bank of India. Also, vide notification dated April 01, 2013 issued by Government of India, Ministry of Finance, approved amalgamation of Ballia Etawah KGB sponsored by Central Bank of India with Purvanchal Gramin Bank sponsored by State Bank of India.

Pending completion of merger formalities and financial transactions, the said investments continue to be shown in our books of accounts.

(c) No disclosure is required in respect of related parties, which are state controlled enterprise as per Paragraph 9 of AS-18. Further, in terms of Paragraph 5 of AS-18, transactions in the nature of banker-customer relationship have not been disclosed including those with Key Management Personnel & relatives of Key Management Personnel.

f) Accounting Standard 20 – Earnings per Share

Earnings per share as per AS 20 has been arrived at as follows:

	31.3.2013	31.3.2012
Net Profit after Tax available for Equity Share Holder (₹ in Crore)	838.88	383.59
Weighted Average number of Equity Share (No.)	746256617	644194814
Basic Earnings per Share (₹)	11.24	5.95
Diluted Earnings per Share (₹)	11.24	5.95
Nominal Value per Share (₹)	10.00	10.00

g) Accounting Standard 22 – Accounting for Taxes on Income

The Bank has recognized Deferred Tax Assets/ Liabilities.

Major components of Deferred Tax Assets and Deferred Tax Liabilities are as under:

(₹ in crore)

	31.3.2013	31.3.2012
Deferred Tax Asset:		
Provision for Leave Encashment	113.01	84.36
Provision for Pension and Gratuity	59.20	145.28
Depreciation on Investment	6.72	
Others	33.99	23.71
Depreciation on Fixed Assets	--	6.24
Total (A):	212.92	259.59
Deferred Tax Liabilities:		
Depreciation on Fixed Assets	2.64	--
Interest accrued but not due on Investments	469.03	411.28
Depreciation on Investments	--	303.33
Total (B):	471.67	714.61
Net Deferred Tax Liability	258.75	455.02

h) Accounting Standard – 28 – Impairment of Assets

A substantial portion of Bank's assets comprise financial assets to which Accounting Standard-28 on impairment of assets is not applicable. In the opinion of the management, there is no material impairment on Other Assets other than financial assets as at March 31, 2013, requiring recognition in terms of the Standard.

i) Accounting Standard – 29 on Provisions, Contingent Liabilities and Contingent Assets

(i) Movement of Provision for claims not acknowledged as debts :

(₹ in Crores)

Particulars	Opening Balance as on 01.04.2012	Provision made during the year	Provisions reversed/ adjusted	Closing Balance as on 31.3.2013
Contingencies Provisions against claim not acknowledged as debt	3.90	0.51	--	4.41

(ii) Additional Disclosures

Provisions and Contingencies

(₹ in Crore)

Break-up of Provisions and Contingencies shown under the head Expenditure in P&L Account	31.3.2013	31.3.2012
Provisions/Depreciation on Investment	(162)	149
Provision towards NPA	1358	1375
Provision towards Standard Asset	91	54
Provision made for Taxes	305	113
Provision for Restructured Advances	572	587
Other Provisions	(6)	4
TOTAL	2158	2282



(iii) Floating Provisions

(₹ in Crore)

	Particulars	31.3.2013	31.3.2012
a	Opening balance in the Floating Provisions account	312.43	312.43
b	The quantum of Floating Provisions made in the Accounting Year	--	--
c	Amount of draw down made during the Accounting Year.	--	--
d	Closing balance in the Floating Provisions account	312.43	312.43

(iv) Countercyclical Provisioning Buffer:

(₹ in Crore)

	Particulars	31.3.2013	31.3.2012
a	Opening balance in the Floating Provisions account	141.30	141.30
b	The quantum of Floating Provisions made in the Accounting Year	--	--
c	Amount of draw down made during the Accounting Year.	--	--
d	Closing balance in the Floating Provisions account	141.30	141.30

(₹ in Crore)

(v) Movement of Provision for Liabilities:

Particulars	31.3.2013	31.3.2012
	Other Legal Cases	Other Legal Cases
Opening Balance	3.90	3.83
Additions during the year	0.51	0.07
Amount used during the period	-	-
Closing Balance	4.41	3.90
Timing of any resulting outflow	N.A.	N.A.

12 Details of Complaints

	Customer Complaints	No. of complaints	
		31.03.2013	31.03.2012
a)	Pending at the beginning of the year	234	514
b)	Received during the year	5992	5793
c)	Redressed during the year	6073	6073
d)	Pending at the end of the year	153	234

	Awards Passed by Banking Ombudsman	Numbers	
		31.03.2013	31.03.2012
a)	No. of unimplemented Awards at the beginning of the year	0	2
b)	No. of Awards passed by Banking Ombudsman during the year	3	7
c)	No. of Awards implemented during the year	3	9
d)	No. of unimplemented awards at the end of the year	0	0

As compiled by the Management and relied upon by the auditors.

	Investors' complaints	No. of complaints	
		31.03.2013	31.03.2012
a)	Pending at the beginning of the year	0	0
b)	Received during the year	240	238
c)	Redressed during the year	240	238
d)	Pending at the end of the year	0	0

13 Details of Letters of Comfort issued and outstanding as on 31.3.2013

Total Number	Amount outstanding (₹ in Crores)
589	2497.04

The above mentioned Letters of Comfort are issued within the sanctioned Trade Credit Limits.

14. Provisioning Coverage Ratio (PCR)

The PCR (ratio of Provisioning to Gross NPA) stood at 47.75% (Previous Year 40.62%)

15. As per the information compiled by the Management, the Vendors, whose services are utilized and from whom purchases were made by the Bank, are not registered under Micro, Small and Medium Enterprises Development Act, 2006. This is relied upon by the Auditors.

16. Implementation of the Guidelines on Information Security, Electronic Banking, Technology Risk Management and Cyber Frauds as required in terms of Para F of RBI Circular DBS.CO.IT.BC.No.6/31.02.008/2010-11 dated April 29, 2011.

The bank has formulated policies on Cyber Frauds in CBS system as per RBI circular RBI/2010-11/494 DBS.CO.ITC.BC.No.6/31.02.008/2010-11 dated April 29, 2011. These policies are being reviewed by the management of the bank on periodical basis.

17. Acceptances, Endorsements and other Obligations under contingent liabilities include certain invocation of Stand by Letters of Credit before the actual due date of the relevant Letter of Credit extended to Merchant Exporters and manufacturers of Diamond/Jewellery. In the opinion of the Management, there is no indication as on date that there would be any consequential financial impact on the Bank.

18. Previous year figures have been re-grouped/ re-classified wherever considered necessary to conform to current year's classification.

M. V. Tanksale Chairman & Managing Director		Malay Mukherjee Executive Director		R. K. Goyal Executive Director	
Alok Tandon Director	Salim Gangadharan Director	Guman Singh Director	Prof. N. Balakrishnan Director	M. P. Shorawala Director	Krishan Sethi Director
For M/S. K.S. Aiyar & Co. Chartered Accountants F.R.No.-100186W (CA Santanu Ghosh) Partner M. No.050927		For M/S. D. Rangaswamy & Co. Chartered Accountants F.R.No.-003073S (CA B. Ramani) Partner M. No.019603		For M/S. Ghiya & Co. Chartered Accountants F.R.No.-001088C (CA Sanjay Ghiya) Partner M. No.072467	
For M/S. Samsand & Associates Chartered Accountants F.R.No.-003708N (CA Anand Parkash) Partner M. No.082735		For M/S. Kumar Chopra & Associates Chartered Accountants F.R.No.-000131N (CA R.K. Aggarwal) Partner M. No.081510		For M/S. P.K. Subramaniam & Co. Chartered Accountants F.R.No.-004135S (CA U. Surendra Prabhu) Partner M. No.027601	

Place : Mumbai

Date : May 10, 2013



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(₹ in crore)

Sn	Particulars	31-03-2013	31-03-2012
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before taxes	1,319.76	646.37
I	Adjustments for:		
	Depreciation on fixed assets	184.45	143.54
	Depreciation on investments (including on matured debentures)	(169.28)	153.72
	Bad Debts written off/Provision in respect of non performing assets	1,358.26	1,374.98
	Provision for Standard Assets / Restructred	662.63	640.91
	Provision for Other items (Net)	1.19	(1.05)
	Profit / Loss on sale of fixed assets (Net)	(0.65)	(0.41)
	Payment/ provision for interest on subordinated debt (treated separately)	582.86	522.54
	Interest on Income tax refund	(80.77)	43.00
	Dividend received from subsidiaries / others (treated separately)	(2.79)	(2.35)
	Sub total	3,855.66	3,521.25
II	Adjustments for :		
	Increase / (Decrease) in Deposits	29,864.98	16,817.31
	Increase / (Decrease) in Borrowings	5,385.91	(468.38)
	Increase / (Decrease) in Other Liabilities and Provisions	14.24	1,527.49
	(Increase) / Decrease in Advances	(26,443.88)	(19,803.33)
	(Increase) / Decrease in Investments	(13,191.24)	(4,892.50)
	(Increase) / Decrease in Other Assets	(437.53)	1,329.33
	Direct Taxes paid (Net of Refund etc)	(156.86)	(108.65)
	Net Cash from operating activities (A)	(4,964.38)	(5,598.74)
	NET CASH FLOW FROM OPERATING ACTIVITIES	(1,108.72)	(2,077.49)
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Sale / Disposal of Fixed Assets	1.27	3.19
	Purchase of Fixed Assets	(425.95)	(227.32)
	Income earned by way of Dividend etc. from subsidiaries and associates	2.79	2.35
	Change in Trade related investments (subsidiaries & Others)	-	-
	NET CASH FLOW FROM INVESTING ACTIVITIES	(421.89)	(221.78)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Share Capital / Application money	2,406.00	1,417.01
	Proceeds / Redemption of Subordinated Debts Tier II Capital	-	500.00
	Dividend Paid (Including Interim Dividend of Prev year)	(275.81)	(211.86)
	Dividend Tax Paid	(44.45)	(34.37)
	Interest on JNY Swap coupon	(6.66)	(5.18)
	Interest on Subordinated Debt	(582.86)	(522.54)
	NET CASH FLOW FROM FINANCING ACTIVITIES	1,496.22	1,143.07

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

D	Net increase in cash & cash equivalents (A + B + C) or (F - E)	(34.39)	(1,156.20)
E	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	Cash and Bank Balance with RBI	13,114.18	14,081.99
	Balance with Banks and Money at Call and Short Notice	1,012.42	1,200.81
	Net cash and cash equivalents at the beginning of the year	14,126.60	15,282.80
F	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	Cash and Bank Balance with RBI	13,560.17	13,114.18
	Balance with Banks and Money at Call and Short Notice	532.04	1,012.42
	Net cash and cash equivalents at the end of the year	14,092.21	14,126.60

M. V. Tanksale Chairman & Managing Director	Malay Mukherjee Executive Director	R. K. Goyal Executive Director
Alok Tandon Director	Salim Gangadharan Director	Guman Singh Director
Prof. N. Balakrishnan Director	M. P. Shorawala Director	Krishan Sethi Director
S. B. Rode Director		
For M/S. K.S. Aiyar & Co. Chartered Accountants F.R.No.-100186W (CA Santanu Ghosh) Partner M. No.050927	For M/S. D. Rangaswamy & Co. Chartered Accountants F.R.No.-003073S (CA B. Ramani) Partner M. No.019603	For M/S. Ghiya & Co. Chartered Accountants F.R.No.-001088C (CA Sanjay Ghiya) Partner M. No.072467
For M/S. Samsand & Associates Chartered Accountants F.R.No.-003708N (CA Anand Parkash) Partner M. No.082735	For M/S. Kumar Chopra & Associates Chartered Accountants F.R.No.-000131N (CA R.K. Aggarwal) Partner M. No.081510	For M/S. P.K. Subramaniam & Co. Chartered Accountants F.R.No.-004135S (CA U. Surendra Prabhu) Partner M. No.027601

Place : Mumbai
Date : May 10, 2013



Table DF-1

1. Scope of application

Qualitative Disclosures:

a. Parent Bank: Central Bank of India

The disclosure in this sheet pertains to Central Bank of India on solo basis.

b. In the consolidated accounts, bank's subsidiaries/associates are treated as under:

(b.i) Bank's Subsidiary: The details of Bank's subsidiary are as under

S. No.	Name of Subsidiary	Ownership
1	Cent Bank Home Finance Ltd.	59.50%
2	Cent Bank Financial Services Ltd	100%

The subsidiaries of parent bank are consolidated on line by line aggregation of like items of assets, liabilities, income and expenses of subsidiaries with the respective item of the parent and after eliminating material intra-group balances/transactions, unrealized profit/loss and making necessary adjustments wherever possible to confirm to accounting policies, based on data received from these subsidiaries duly certified by their respective auditors. The financial statements of the subsidiaries have been drawn up to the same reporting date as that of parent i.e. 31st March, 2013. The accounting standard followed for the consolidation of the financial statements of subsidiaries is AS- 21

(b.ii) Associates: The Banks associates are as under:

S. No.	Name of Regional Rural Banks	Ownership
I	Regional Rural Banks	
1	Central Madhyapradesh GB	35%
2	Surguja Kshetriya Gramin Bank, Ambikapur	35%
3	Uttar Bihar Gramin Bank, Muzzaffarpur	35%
4	Uttarbanga Kshetriya Gram Bank, Cooch Bihar	35%
5	Ballia Etawah Gramin Bank*	35%
6	Vidarbha Kshetriya Gramin Bank**	35%
7	Hadoti Kshetriya Gramin Bank***	0%

* Balia Etawah Gramin Bank has been merged with Purvanchal Bank on 01.04.2013 & we have called back our share capital and additional equity support. Amount is yet to be received.

** Vidharbha Kshetriya Gramin Bank has been merged with Vidharbha Konkan Gramin Bank w.e.f. 28/02/2013 & we have received our share ₹ 6.22 crore from Bank of India on 25.04.2013.

*** Hadoti Kshetriya Gramin Bank has been merged with Baroda Rajasthan Gramin Bank w.e.f. 01.01.2013 & we have received our share ₹ 23.80crore on 15.03.2013 from Bank of Baroda.

II	Indo-Zambia Bank Ltd., Zambia.	20%
----	--------------------------------	-----

The accounting standard followed for accounting for investments in Associates in consolidated financial statements is as per AS-23 issued by ICAI. The method followed is equity.

The financial statement of INDO Zambia Bank Ltd., considered as an associate has been prepared in accordance with the International Accounting Standard. All Regional Rural Bank and one associate are in the nature of financial entities.

For computation of CRAR of the Bank, investment in Subsidiaries and Regional Rural Banks are deducted from Tier I and Tier II capital equally.

CRAR is calculated for Bank on standalone basis.

Quantitative Disclosures

- c) The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation i.e. that are deducted and the name(s) of such subsidiaries: NIL
- d) The aggregate amounts (e.g. current book value) of the Bank's total interests in insurance entities, which are risk-weighted as well as their name, their country of incorporation or residence, the proportion of ownership interest and, if different, the proportion of voting power in these entities is NIL.

Table DF-2**1. Capital Structure****Qualitative Disclosures****a) Equity capital**

The bank has authorized capital of ₹3000.00 Crore as on 31st March, 2013, the Bank has issued, subscribed and paid up equity capital of ₹1044.58 crore, constituting 1044576954 Number of shares of ₹10 each.

Out of this, 85.30% shareholding constituting 891096964 numbers of shares is with the Government of India as of 31st March, 2013.

2.1 Debt capital instruments**2.2.1 Details of TIER I Capital**

TIER I CAPITAL	ISSUE DATE	PERIODS IN MONTH	DATE OF REDEMPTION	AMOUNT (₹In Crores)	INTEREST RATE
IPDI	30.03.2009	Perpetual	Perpetual	583.00	G-Sec + 250bps to be repriced every year in March.
PDI (Series II)	28.09.2012	Perpetual	Perpetual	500.00	9.40% p.a.
PNCPS	26.11.2006	Perpetual	Perpetual	800.00	Repo+100 bps to be repriced every year on relevant dates.
PNCPS	30.03.2009	Perpetual	Perpetual	117.00	Repo+100 bps to be repriced every year on relevant dates.
PNCPS	31.03.2010	Perpetual	Perpetual	450.00	Repo+100 bps to be repriced every year on relevant dates.
PNCPS	04.06.2010	Perpetual	Perpetual	250.00	Repo+100 bps to be repriced every year relevant dates.
TOTAL				2700.00	



2.2.2 Details of Upper TIER II Bonds

SERIES	ISSUE DATE	DATE OF REDEMPTION	AMOUNT (₹ In Crores)	INTEREST RATE
Upper Tier II (Sr-I)	14.11.2008	14.11.2023	300.00	11.45% p.a. Step up of 50bps from 11 th year (11.95% till maturity)
Upper Tier II (Sr-II)	17.02.2009	17.02.2024	285.00	9.40% p.a. Step up of 50bps from 11 th year (9.90% till maturity)
Upper Tier II (Sr-III)	23.06.2009	23.06.2024	500.00	8.80% p.a. Step up of 50bps from 11 th year (9.30% till maturity)
Upper Tier II (Sr-IV)	20.01.2010	20.01.2025	500.00	8.63% p.a. Step up of 50bps from 11 th year (9.13% till maturity)
Upper Tier II (Sr-V)	11.06.2010	11.06.2025	1000.00	8.57% p.a. Step up of 50bps from 11 th year (9.07% till maturity)
Upper Tier II (Sr-VI)	21.01.2011	21.01.2026	300.00	9.20% p.a. Till redemption
		TOTAL	2885.00	

2.2.3 Details of Subordinated Bonds

SERIES	ISSUE DATE	DATE OF REDEMPTION	AMOUNT (₹ In Crores)	INTEREST RATE
IX	08.10.2004	08.06.2014	200.00	7.05% p.a.
X	28.03.2006	28.06.2015	578.20	8.15% p.a.
XI	04.10.2006	04.10.2016	700.00	8.95% p.a.
XII	03.03.2008	03.05.2017	389.10	9.20% p.a.
Lower Tier II (Sr-XIII)	10.02.2009	10.04.2018	270.00	9.35% p.a.
XIV	21.12.2011	21.12.2026	500.00	9.33% p.a.
		TOTAL	2637.30	

Quantitative Disclosures

	(₹ in crore)
b) Tier 1 capital	14369.60
with separate disclosure of:	
■ paid-up share capital	1044.58
■ reserves	10762.40
■ innovative instruments: IPDI –	1083.00
PNCPS –	1617.00
■ amounts deducted from Tier 1 capital investments –	135.23
intangibles -	2.15
(c) Tier 2 capital (net of deductions from Tier 2 capital):	6051.46

	(₹ in crore)
(d) Debt capital instruments eligible for inclusion in Upper Tier 2 capital	
■ Total amount outstanding-	2885.00
■ Of which amount raised during the current year –	NIL
■ Amount eligible to be reckoned as capital funds –	2885.00
(e) Subordinated debt eligible for inclusion in Lower Tier 2 capital	
■ Total amount outstanding –	2637.30
■ Of which amount raised during the current year	0.0
■ Amount eligible to be reckoned as capital funds –	1718.56
(f) Other deductions from capital –	135.23
(g) Total eligible capital.	20421.06

Table DF- 3

Capital Adequacy

Qualitative disclosures

(a) A summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities:

The bank carries out regular assessment of its capital requirement from time to time to maintain the capital to Risk Weight Assets Ratio (CRAR) at desired level. The capital plan is reviewed on annual basis to take care of business growth and CRAR.

The bank has adopted standardized approach for credit risk, basic indicator approach for operational risk and standardized duration approach for market risk.

The bank has put in place a well laid down Internal Capital Adequacy Assessment Process to enable the bank to plan its capital requirements in relation to its business projections and to meet the risks inherent in the business. The main objective of ICAAP exercise is to identify and measure the risks that are not fully captured by the minimum capital ratio prescribed under Pillar1; the risks that are not at all taken into account by the Pillar 1; and the factors external to the bank and to provide capital for such additional risks and to measure an appropriate level of internal capital in relation to the bank's risk profile. The bank has also put in place the stress testing policy to measure impact of adverse stress scenario under pillar II on its CRAR.

The bank is reviewing the ICAAP on quarterly basis.

	₹ in crores
<u>Quantitative disclosures</u>	
(b) Capital requirements for credit risk at 9%:	
Portfolios subject to standardized approach –	
■ Fund based	13052.24
■ Non-fund based	803.20
■ Securitisation exposures	NIL
(c) Capital requirements for market risk:	
■ Standardised duration approach:	
- Interest rate risk –	770.40
- Foreign exchange risk (including gold) –	4.05
- Equity risk –	500.21
(d) Capital requirements for operational risk:	
Basic indicator approach –	859.13
(e) Total capital ratio –	11.49%
Tier 1 capital ratio	8.09%



General qualitative disclosure requirement

A committee of Board of Directors regularly oversee the Bank's Risk Management policies/practices under various risks viz. credit, operational, market etc. The bank also has separate committees for each risk comprising of top executives of bank headed by Chairman and Managing Director/ Executive directors such as Asset liability Management committee, Credit policy Committee, Operational Risk committee. These committees meet at regular intervals throughout the year to assess and monitor the level of risk under various bank operations and initiate appropriate mitigation measures wherever necessary.

The Risk Management Department at central office level headed by General Manager measures control and manages risk within the limits set by the Board and enforces compliance with risk parameters set by various committees. The General Manager is assisted by Deputy General Manager and a team of Assistant General Managers, Chief Managers and Senior Managers.

At Zonal offices, the identified Risk Managers are acting as an extended Arms of the Risk Management Department of the Central Office.

The bank has in place the various policies such as Credit Risk Management Policy, Credit Risk Mitigation and Collateral Management Policy, Stress testing policy, Disclosure policy, Operational risk policy, ALM policy and Market risk Policy.

Besides this, the Loan Policy prescribing broad parameters governing loan functions, guidelines on appraisal and evaluation of credit proposals, lending powers of delegated authority, exposure norms, prudential limits and measures of monitoring and controlling the credit portfolio documentation is also in place.

The Credit Monitoring Department headed by Chief General Manager monitors the quality of loan proposals, identify special mention accounts and take corrective measures, Monitor exposure norms and prudential norms for various sectors, monitor review and renew of credit limits etc.

The bank has introduced rating models for various segments of borrowers including retail lending schemes which measures the risk associated with counterparties and helps in credit and pricing decisions. In case of large borrowers credit risk assessment models evaluate financial risk, Industry risk, Management risk and Business risk of the counter party and each of these risks are scored separately and then overall rating is accorded to counter party.

Table DF- 4

Credit risk: General disclosures for all banks

Qualitative Disclosures

Credit risk

Definitions of past due and impaired

A Non Performing Asset shall be a loan or an advance where-

- (i) Interest and/or instalment of principal remain overdue for a period of more than 90days in respect of a Term Loan;
- (ii) The account remains out of order for 90 days
- (iii) The bill remains overdue for a period of more than 90days in the case of bills Purchased and Discounted
- (iv) In case of advances granted for Agricultural purposes
 - a) The instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops
 - b) The instalment of principal or interest thereon remains overdue for one crop seasons for long duration crops
- (v) The account remained overdue for renewal for more than 180days
- (vi) Submission for stock statement is overdue for more than 90days

Out of Order:

An account should be treated as "out of Order" if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power. In cases where the outstanding balance in the principal operating accounts less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of balance sheet or credit are not enough to cover the interest debited in the account during the same period.

Overdue:

Any amount due to the bank under any credit facility is overdue if it is not paid on due date fixed by the bank.

Credit Risk Management Policy

Bank has put in place a well-articulated Board approved Credit Risk Policy which is reviewed annually. The policy deals with the following areas:

- Credit risk- definition, Policy and strategy
- Risk identification & measurement,
- Risk grading and aggregation,
- Credit risk rating framework and reporting,
- Risk control and portfolio management,
- Mitigation techniques,
- Management of problem accounts,
- Target markets and type of economic activity,
- Credit approval authority,
- Country and currency exposure,
- Maturity patterns, level of diversification,



- Cyclical aspect of the economy,
- Credit risk in off balance sheet exposure,
- Credit risk monitoring procedures
- Managing of credit risk in inter Bank Exposure,
- Country risk and other operational matters.

(₹ in crore)

Quantitative Disclosures:

(a) Total gross credit risk exposures:

Fund based:	251601.46
Non-fund based:	60584.51

(b) Geographic distribution of exposures:

<input type="checkbox"/> Overseas	56.87
<input type="checkbox"/> Domestic	312185.50

(c) Industry Name

	Exposure	
	Funded	Non-Funded
A. Mining and Quarrying (A.1 + A.2)	210.35	410.57
A.1 Coal	101.92	285.00
A.2 Others	108.43	125.57
B. Food Processing	5768.78	1298.19
B.1 Sugar	2274.30	215.33
B.2 Edible Oils and Vanaspati	1363.21	156.76
B.3 Tea	279.00	0.40
B.4 Coffee	0.00	0.00
B.5 Others	1852.27	925.70
C. Beverages (excluding Tea & Coffee) & Tobacco	8.11	0.00
Of which Tobacco and tobacco products	1.20	0.00
D. Textiles (a to f)	5711.61	674.33
a. Cotton	1871.51	150.22
b. Jute	104.09	11.70
c. Handicraft/Khadi (Non Priority)	25.76	0.00
d. Silk	128.93	166.83
e. Woolen	10.52	0.00
f. Others	3570.80	345.58
Out of D (i.e., Total Textiles) to Spinning Mills	20.00	0.00
E. Leather and Leather products	88.98	6.25
F. Wood and Wood Products	122.54	1.10
G. Paper and Paper Products	479.60	85.14
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	2321.03	51.89
I. Chemicals and Chemical Products (Dyes, Paints, etc.)	2900.41	719.00
I.1 Fertilisers	721.45	44.28
I.2 Drugs and Pharmaceuticals	2019.59	499.68
I.3 Petro-chemicals (excluding under Infrastructure)	61.68	138.00
I.4 Others	97.69	37.04

(c) Industry Name	Exposure	
	Funded	Non-Funded
J. Rubber, Plastic and their Products	345.89	49.70
K. Glass & Glassware	33.57	0.00
L. Cement and Cement Products	1504.87	114.64
M. Basic Metal and Metal Products (M.1 + M.2)	9348.67	1412.38
M.1 Iron and Steel	7944.14	1379.07
M.2 Other Metal and Metal Products	1404.53	33.31
N. All Engineering (N.1 + N.2)	7126.77	4780.12
N.1 Electronics	577.90	94.64
N.1 Others	6548.87	4685.49
O. Vehicles, Vehicle Parts and Transport Equipments	1010.66	1246.23
P. Gems and Jewellery	1574.13	875.93
Q. Construction	4293.35	1350.25
R. Infrastructure (a to d)	52488.10	4819.73
a. Transport (a.1 to a.5)	13731.70	1462.03
a.1 Railways	375.00	50.00
a.2 Roadways	9685.82	1256.77
a.3 Aviation	1472.85	35.12
a.4 Waterways	2188.03	120.11
a.5 Others	10.00	0.03
b. Energy (b1 to b6)	30798.14	2312.00
b.1 Electricity (Generation)	15541.55	2010.51
b.1.1 Central Govt PSUs	261.92	0.00
b.1.2 State Govt PSUs (incl. SEBs)	2082.01	57.75
b.1.3 Private Sector	13197.62	1952.76
b.2 Electricity (Transmission)	655.92	31.49
b.2.1 Central Govt PSUs	0.00	0.00
b.2.2 State Govt PSUs (incl. SEBs)	304.78	6.46
b.2.3 Private Sector	351.14	25.03
b.3 Electricity (Distribution)	14066.35	270.00
b.3.1 Central Govt PSUs	500.00	0.00
b.3.2 State Govt PSUs (incl. SEBs)	12022.40	0.00
b.3.3 Private Sector	1543.95	270.00
b.4 Oil (storage and pipeline)	74.26	0.00
b.5 Gas/LNG (storage and pipeline)	215.09	0.00
b.6 Others	244.97	0.00
c. Telecommunication	3133.76	979.89
d. Others	4824.50	65.81
Of which Water sanitation	0.00	0.00
Of which Social & Commercial Infrastructure	980.89	0.00
S. Other Industries	14087.86	1405.65
All Industries (A to S)	109425.27	19301.10
Residuary other advances (to tally with gross advances)	89798.56	3416.40
Total Loans and Advances	199223.83	22717.50



(₹ in crore)

(d) Residual contractual maturity breakdown of Assets:	
Day 1 :	1225.98
02days to 07days:	1938.03
08days to 14days:	2405.90
15days to 28days:	2218.11
29days to 3months:	12260.99
Above 3months to 6months:	10669.31
Above 6months to 12months:	12285.82
Above 12months to36months:	94941.12
Above 36months to60months:	34471.64
Over 60 month:	72122.74
(e) Amount of NPAs (Gross) –	8456
▪ Substandard	3893
▪ Doubtful	4480
▪ Loss	83
(f) Net NPAs	4988
(g) NPA Ratios	
▪ Gross NPAs to gross advances	4.80%
▪ Net NPAs to net advances	2.90%
(h) Movement of NPAs (Gross)	
▪ Opening balance	7273
▪ Additions	5125
▪ Reductions	3942
▪ NPA (Gross)	8456
(i) Movement of provisions for NPAs	
▪ Opening balance	2220
▪ Provisions made during the period	1449
▪ Write-off Write-back of excess provisions	738
▪ Closing balance	2931
(j) Amount of Non-Performing Investments	96.29
(k) Amount of provisions held for non-performing investments	14.82
(l) Movement of provisions/depreciation on investments:	
▪ Opening balance	334
▪ Provisions made during the period	128
▪ Write-off /write back of excess provision	404
▪ Closing balance	58

Table DF- 5

Credit risk: disclosures for portfolios subject to the standardized approach

(₹ in crore)	
Qualitative Disclosures	
<p>a. The Bank has adopted Standardized approach for computation of capital charge for Credit risk as per RBI guidelines. These guidelines envisage different risk weights for different asset classes, which have been duly applied.</p> <p>b. The Bank has entered into Memorandum of Understanding with four External Credit Rating Agencies identified by the RBI viz., CRISIL Ltd., CARE, ICRA Ltd., and Fitch Ratings (I) Ltd., to rate the exposures of its clients under Basel II norms.</p> <p>c. These agencies will rate all fund and non fund based exposures. The ratings awarded by these agencies to the bank's clients are adopted for assigning risk-weights.</p> <p>d. In case of bank's investment in particular issues of Corporate, the issue specific rating of the rating agency is reckoned to assign the risk weight to comparable exposures as per the mapping scale provided by RBI</p>	
Quantitative Disclosures:	
(b) For exposure amounts after risk mitigation subject to the standardized approach, amount of a bank's outstanding (rated and unrated) in the following three major risk buckets as well as those that are deducted:	
<ul style="list-style-type: none"> ■ Below 100 % risk weight: ■ 100 % risk weight: ■ More than 100 % risk weight: ■ Amount Deducted-CRM 	<p>185744</p> <p>92240</p> <p>30493</p> <p>13183</p>

Table DF- 6

Credit risk mitigation: disclosures for standardized approaches

(₹ in crore)	
Qualitative Disclosures	
<ul style="list-style-type: none"> ■ Policies and processes for collateral valuation and management; Bank has well defined credit risk mitigation and collateral management policy. The main types of collaterals accepted by bank are cash and near cash securities, land and building, and plant and machinery etc. ■ A description of the main types of collateral taken by the bank; Bank accepts personal guarantees, corporate guarantees and guarantees issued by sovereigns and banks. Collaterals are valued at fair market value and at regular intervals as per the policy guidelines. RBI guidelines on New Capital Adequacy Framework recognize various types of financial collaterals for the purpose of credit risk mitigation. The guidelines further provide recognition of guarantees as one of the credit risk mitigants. Bank has put in place suitable policy measures to capture these elements. 	
Quantitative Disclosures	
(b) For disclosed credit risk portfolio under the standardized approach, the total exposure that is covered by:	
<ul style="list-style-type: none"> ■ eligible financial collateral; after the application of haircuts- Fund based Non fund based 	<p>9860</p> <p>2112</p>



Table DF- 7

Securitisation: disclosure for standardized approach

Qualitative Disclosures:	NIL	(₹ in crore)
<u>Quantitative Disclosures</u>		
<u>Banking Book</u>		
(d) The total amount of exposures securitised by the bank	NIL	
(e) For exposures securitised losses recognized by the bank during the current period broken by the exposure type (eg. Credit cards, housing loans, auto loans etc. detailed by underlying security)	NIL	
(f) Amount of assets intended to be securitized within a year	NIL	
(g) Of (f), the amount of assets originated within a year before securitization	NIL	
(h) The total amount of exposures securitised (by exposure type) and unrecognized gain or losses on sale by exposure type	NIL	
(i) Aggregate amount of : - On balance sheet securitization exposures retained or purchased broken down by exposure type and - Off balance sheet securitization exposures broken down by exposure type	NIL NIL	
(j) Aggregate amount of securitisation exposures retained or purchased and the associated capital charges broken down between exposures and further broken down into different risk weight bands for each regulatory capital approach. Exposures that have been deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from Total Capital, and other exposures deducted from total capital (by exposure type)	NIL NIL	
<u>Quantitative Disclosures</u>		
<u>Trading Book:</u>		
(k) Aggregate amount of exposures securitized by the bank for which the bank has retained some exposures and which is subject to the market risk approach by exposure type	NIL	
(l) Aggregate amount of : - On balance sheet securitization exposures retained or purchased broken down by exposure type and - Off balance sheet securitization exposures broken down by exposure type	NIL NIL	
(m) Aggregate amount of securitization exposures retained or purchased separately for : - Securitization exposures retained or purchased subject to comprehensive risk measure for specific risk: and - Securitization exposures subject to the securitization framework for specific risk broken down into different risk weight bands	NIL NIL	
(n) Aggregate amount of : - The capital requirements for the securitization exposures, subject to the securitization framework broken down into different risk weight bands - Securitization exposures that are deducted entirely from Tier 1 capital, credit enhancing I/O deducted from total capital, and other exposures deducted from total capital (by exposure type)	NIL NIL	

Table DF- 8**Market risk in trading book****Qualitative disclosures**

The bank has well defined Investment and Market Risk Management Policy. This policy covers all important areas of market risk measurement.

Bank defines Market Risk as the risk of loss in on-balance sheet and off-balance sheet positions arising from movements in market process, in particular, changes in interest rates, exchange rates and equity and commodity prices.

The bank has adopted Standardized Duration Approach for measuring the capital requirements for market risk as prescribed by RBI.

Policies for management of Market Risk:

The bank has put in place board approved Investment and Market Risk Management Policy for effective management of Market Risk in the bank. Other policies which also deal with Market Risk Management are Asset Liability Management Policy and Policy on Foreign Exchange Operations.

The policies set various prudential exposure limits and risk limits for ensuring that the operations are in line with bank's expectations of return to market risk through proper Market Risk Management and Asset Liability Management.

Asset-Liability Management

The ALM Policy is the framework of the ALM process. Bank's balance sheet has mixed exposure to different levels financial risk. The goal of bank is to maximize its profitability, but do so in a manner that does not expose the bank to excessive levels of risk which will ultimately affect the profitability. The Policy defines the limits for key measure of risk limits that have been established to specifically accommodate a bank's unique balance complexion, strategic direction, and appetite for risk.

Liquidity Risk

Liquidity Risk is managed through GAP analysis, based on residual maturity/behavior pattern of assets and liabilities. Banks has also put in place mechanism of short term dynamic liquidity management and contingency funding plan. Prudential limits are prescribed for different residual maturity time buckets for efficient Asset Liability Management. Liquidity profile of the bank is also evaluated through various liquidity ratios.

Interest rate risk

Interest rate risk is managed through Gap analysis of rate sensitive assets and liabilities and is monitored through prudential limits. Bank also estimates risk periodically against adverse movements in interest rate for assessing the impact on Net Interest Income and economic Value of Equity.

Quantitative disclosures

Capital Requirement for Market Risk	Capital Charge
Interest Rate Risk	Rs. 770.40 Cr
Equity Position Risk	Rs. 500.21 Cr
Foreign Exchange Risk	Rs. 4.05 Cr
TOTAL	Rs. 1274.66 Cr



Table DF- 9

Operational risk

Qualitative disclosures

Operational Risk is the risk of losses resulting from inadequate or failed internal processes, people and systems or from external events. Operational Risk includes legal risk but excludes strategic and reputation risks. Operational Risk Management in the Bank is guided by a well defined Operational Risk Management Policy which is reviewed every year. The bank has initiated pro-active steps to equip itself to migrate to advanced approaches under Operational Risk and has started collation of data pertaining to Operational Risk loss events through Loss Data Management, Risk & control Self Assessment (RCSA), Key Risk Indicators (KRI) & Scenario Analysis. Bank is also a member of loss data consortium 'CORDEX' for external loss data base.

The Bank has already approached RBI for moving to The Standardised Approach and is making efforts to move directly to Advance Measurement Approach.

The bank has provided capital for operational risk as per Basic Indicator Approach. Accordingly the capital requirement for operational risk as on 31.03.2013 is ₹ 859.13 Crores.

Table DF- 10

Interest rate risk in the banking book (IRRBB)

Qualitative Disclosure:

The interest rate risk is measured and monitored through two approaches:

1) Earning at risk (Traditional Gap Analysis)

The impact of change in interest rates on net interest income is analyzed under this approach and calculated under yield curve approach. Under this approach a parallel shift of 1% is assumed both in assets and liabilities.

2) Economic Value of Equity:

Modified duration of assets and liabilities is computed separately to arrive at modified duration of equity. A parallel shift in yield curve by 200 basis point is assumed for calculating the economic value of equity.

Quantitative Disclosure

Parameter of Change	₹ in Crores
1.Impact on Earnings at 100 bps increase in interest rate across assets and liability	113.23
2.Market value of Equity: 200 bps change	-3792.08

U. Mohapatra
General Manager - RMD

M. V. Tanksale
Chairman & Managing Director

Malay Mukherjee
Executive Director

R. K. Goyal
Executive Director

Date : 30.05.2013

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

M/s. K. S. Aiyar & Co Chartered Accountants #F-7, Laxmi Mills Shakti Mills Lane (Off Dr. E. Moses Road) Mahalaxmi Mumbai-400011	M/s. D. Rangaswamy & Co Chartered Accountants R C Towers, II Floor, New 82, Old No. 27 Josier Street Nungambakkam Chennai- 600034	M/s. Ghiya & Co. Chartered Accountants E-68, Ghiya Hospital Complex Sector 12, Malviya Nagar Jaipur- 302017
M/s. Samsand & Associates Chartered Accountants 4800/24, Bharat Ram Road Daryaganj New Delhi- 110002	M/s. Kumar Chopra & Associates Chartered Accountants B-12, Ground Floor Kalindi Colony New Delhi – 110065	M/s. P. K. Subramaniam & Co Chartered Accountants 11-5-23, Karthik Complex Above Vijaya Bank, Bresthwarpet Raichur-584101

To The Board of Directors of
CENTRAL BANK OF INDIA

1. We have audited the accompanying **consolidated** financial statements of Central Bank of India ("The Bank"), its subsidiaries and associates (collectively referred to as "The Group") which comprise the consolidated Balance Sheet as at 31st March, 2013, and the consolidated Profit & Loss Account and the consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information, in which are incorporated:
 - (i) Audited accounts of the Central Bank of India (The Bank), audited by us,
 - (ii) Audited accounts of two Subsidiaries, five Regional Rural Banks for the year and one Associate for a period of nine months ended 31st Dec., 2012 all of which are audited by other auditors,
 - (iii) Unaudited accounts of the above Associate for the quarter ended 31st March, 2013.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

- 3.1 Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
- 3.2 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.
- 3.3 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and associates



as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;
- in the case of consolidated Profit & Loss Account, of the profit for the year ended on that date; and
- in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of matter

5.1 We draw attention to Note no.5.3.1 of Schedule 18 to the consolidated Financial Statements, regarding deferment of pension liability and gratuity liability of the Bank, pursuant to the exemption granted by the Reserve Bank of India to the public sector banks from application of the provisions of Accounting Standard (AS) 15 'Employee Benefits' vide circular no. DBOD.BP.BC/80/21.04.018/2010-11, dated 09-02-2011 to amortize the additional liability on account of 'Re-opening of Pension Option for existing employees who had not opted for pension earlier as well as the liability on enhancement in gratuity limit over a period of five years beginning with the financial year ended 31st March, 2011: Accordingly, out of the unamortized amount of ₹ 886.15 crore as on 1st April, 2012, the Bank has amortized ₹ 239.98 crore for Pension and ₹ 55.40 crore for Gratuity being proportionate amount for the year ended 31st March, 2013 and balance amount to be amortized in future periods for Pension is ₹ 479.97 crore and for Gratuity is ₹ 110.80 crore. As a result, dividend has been proposed by the Bank without writing off unamortized amount of pension & gratuity. Our opinion is not qualified in respect of this matter.

5.2 In the consolidated financial statement which includes share of profit of ₹ 0.28 crore of one of the RRB viz. Central Madhya Pradesh Gramin Bank (CMPGB, an Associate), the Central Statutory Auditor has, without qualifying his opinion, drawn attention to inadequate provision in respect of certain advances, non-provision of expenses for two Regions, inadequate provision of income tax/ deferred tax and overstatement of depreciation on computers the net impact of which on the financial statements of CMPGB could not be ascertained.

The net impact of these adjustments on the consolidated financial statements being not material, our opinion is not qualified in this matter.

6. Other Matters

We did not audit the financial statements of (i) two subsidiaries whose financial statements reflect total assets of ₹ 466.35 crore as at March 31, 2013 and total revenue of ₹ 60.17 crore and net cash flows amounting to ₹ 11.60 crore for the year ended on that date; and (ii) Associates (five Regional Rural Banks and one other associate) reflecting net profit of ₹ 132.02 crore (the Bank's share ₹ 41.34 crore) for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For M/s. K.S. AIYAR & CO.
CHARTERED ACCOUNTANTS
F.R.NO.-100186W

(CA SATISH KELKAR)
PARTNER
M. NO.038934

For M/s. SAMSAND & ASSOCIATES
CHARTERED ACCOUNTANTS
F.R.NO.-003708N

(CA ANAND PARKASH)
PARTNER
M. NO.082735

For M/s. D. RANGASWAMY & CO.
CHARTERED ACCOUNTANTS
F.R.NO.-003073S

(CA B. RAMANI)
PARTNER
M. NO.019603

For M/s. KUMAR CHOPRA & ASSOCIATES
CHARTERED ACCOUNTANTS
F.R.NO.-000131N

(CA R.K. AGGARWAL)
PARTNER
M. NO.081510

For M/s. GHIYA & CO.
CHARTERED ACCOUNTANTS
F.R.NO.-001088C

(CA SANJAY GHIYA)
PARTNER
M. NO.072467

For M/s. P.K. SUBRAMANIAM & CO.
CHARTERED ACCOUNTANTS
F.R.NO.-004135S

(CA S. VENKATKRISHNAN)
PARTNER
M. NO.023488

Place : Mumbai
Date : May 31, 2013



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

(000's omitted)

Particulars	Schedule No.	AS AT 31-Mar-2013 ₹	AS AT 31-Mar-2012 ₹
CAPITAL & LIABILITIES			
Capital	1	26,615,769	23,531,154
Reserves and Surplus	2	128,768,583	103,092,369
Minorities Interest	2A	271,405	244,766
Deposits	3	2,262,190,697	1,962,353,203
Borrowings	4	183,952,887	129,185,961
Other Liabilities and Provisions	5	85,017,751	83,355,336
TOTAL		2,686,817,092	2,301,762,789
ASSETS			
Cash and Balances with Reserve Bank of India	6	135,601,691	131,142,476
Balances with Banks and Money at Call and Short Notice	7	5,323,134	10,124,236
Investments	8	727,513,600	593,876,959
Loans & Advances	9	1,723,219,420	1,477,180,831
Fixed Assets	10	26,858,796	24,747,203
Other Assets	11	68,242,443	64,633,076
Goodwill on Consolidation		58,008	58,008
TOTAL		2,686,817,092	2,301,762,789
Contingent Liabilities	12	595,346,678	594,126,254
Bills for Collection		60,955,707	56,771,907
Significant Accounting Policies	17		
Notes to Accounts	18		
The schedules referred to above form an integral part of the Balance Sheet.			

M. V. Tanksale
Chairman & Managing Director

Malay Mukherjee
Executive Director

R. K. Goyal
Executive Director

Alok Tandon
Director

Guman Singh
Director

Prof. N. Balakrishnan
Director

M. P. Shorawala
Director

Krishan Sethi
Director

S. B. Rode
Director

For M/S. K.S. Aiyar & Co.
Chartered Accountants
F.R.No.-100186W

(CA Satish Kelkar)
Partner
M. No.038934

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F.R.No.-003073S

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M. No.082735

For M/S. Kumar Chopra & Associates
Chartered Accountants
F.R.No.-000131N

(CA R.K. Aggarwal)
Partner
M. No.081510

For M/S. PK. Subramaniam & Co.
Chartered Accountants
F.R.No.-004135S

(CA S. Venkatkrishnan)
Partner
M. No.023488

Place : Mumbai
Date : May 31, 2013

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR END MARCH 31, 2013

(000's omitted)

Particulars	Schedule No.	YEAR ENDED 31.03.2013 ₹	YEAR ENDED 31.03.2012 ₹
I. INCOME			
Interest and Dividend Earned	13	218,967,604	191,689,278
Other Income	14	16,766,667	14,093,724
TOTAL		235,734,271	205,783,002
II. EXPENDITURE			
Interest Expended	15	161,409,047	139,860,499
Operating Expenses	16	42,399,793	37,557,007
Provisions and Contingencies		21,624,267	22,901,447
TOTAL		225,433,107	200,318,953
III. PROFIT/ LOSS			
Consolidated Net Profit for the year of the parents & subsidiaries before Minority Interest		10,301,164	5,464,049
Less: Minority Interest		(40,759)	(23,143)
Consolidated Net Profit for the year after deducting Minority's Interest		10,260,405	5,440,906
Add: Share of earnings in Associates		413,425	692,774
Consolidated Profit for the year attributable to the Group		10,673,829	6,133,680
Add: Brought forward consolidated Profit attributable to the Group		2,298,889	1,534,061
Less : Decrease in Brought forward Consolidated Profit due to Transfer of Investment in Associates		(372,142)	—
Profit Available for Appropriation		12,600,576	7,667,741
IV. APPROPRIATIONS			
Transfer to :			
Statutory Reserve		2,537,399	1,332,598
Investment Reserve		375,216	439,466
Revenue Reserve		2,011,600	217,530
Staff Welfare Fund		404,700	150,000
Fund in lieu of Insurance		20,000	—
Proposed Dividend -Preference Share Capital		1,504,993	1,285,921
Proposed Dividend -Equity Share Capital		2,611,442	1,472,231
Tax on Dividend		699,372	444,545
Special Reserve U/S 36 (1) (viii)		22,187	17,060
Balance Carried over to the Balance Sheet		2,413,667	2,308,390
TOTAL		12,600,576	7,667,741
Earnings Per Share (In ₹.)		11.94	7.20
Significant Accounting Policies	17		
Notes to Accounts	18		

The schedules referred to above form an integral part of the Profit and Loss Account

M. V. Tanksale Chairman & Managing Director		Malay Mukherjee Executive Director		R. K. Goyal Executive Director	
Alok Tandon Director	Guman Singh Director	Prof. N. Balakrishnan Director	M. P. Shorawala Director	Krishan Sethi Director	S. B. Rode Director

For M/S. K.S. Aiyar & Co.
Chartered Accountants
F.R.No.-100186W
(CA Satish Kelkar)
Partner
M. No.038934

For M/S. D. Rangaswamy & Co.
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Partner
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For M/S. PK. Subramaniam & Co.
Chartered Accountants
F.R.No.-004135S
(CA S. Venkatkrishnan)
Partner
M. No.023488

Place : Mumbai
Date : May 31, 2013



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

(000's Omitted)

Particulars	AS AT 31-Mar-13		AS AT 31-Mar-12	
	₹.	₹.	₹.	₹.
SCHEDULE 1 : CAPITAL				
Authorised Capital		30,000,000		30,000,000
Issued, Subscribed and Paid up Capital :	10,445,769		7,361,154	
1044576954 (P.Y. 736115416)Equity Shares of ₹ 1.10 each (includes 891096964 (P.Y. 582635426) shares held by Central Govt)				
Perpetual non-cumulative Preference Share Capital (1617000000 shares of ₹. 10 each)	16,170,000		16,170,000	
		26,615,769		23,531,154
TOTAL		26,615,769		23,531,154
SCHEDULE 2 : RESERVES AND SURPLUS				
I. Statutory Reserves				
Balance as per last Balance Sheet	16,695,632		15,363,034	
Additions during the year	2,537,399		1,332,598	
		19,233,031		16,695,632
II. Capital Reserves				
i) Revaluation Reserve				
Balance as per last Balance Sheet	18,969,569		19,284,291	
Deductions during the year	293,748		314,722	
		18,675,821		18,969,569
ii) Investment Reserve				
Balance as per last Balance Sheet	4,070,501		3,631,035	
Additions during the year	375,216		439,466	
		4,445,717		4,070,501
III. Share Premium				
Balance as per last Balance Sheet	38,467,132		7,360,000	
Additions during the year	20,975,385		31,107,132	
		59,442,517		38,467,132
IV. Revenue and Other Reserves				
Revenue Reserves				
Balance as per last Balance Sheet	21,573,586		21,407,834	
Additions during the year	2,011,600		217,530	
Less: Deductions during the year	66,603		51,778	
Add: Other Additions	-		-	
		23,518,583		21,573,586
V. Special Reserve U/S 36 (1)(viii)		1,039,247		1,017,060
VI. Balance in Profit and Loss Account		2,413,667		2,298,889
TOTAL		128,768,583		103,092,369

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

(000's Omitted)

Particulars	AS AT 31-Mar-13		AS AT 31-Mar-12	
	₹.	₹.	₹.	₹.
SCHEDULE 2 A : MINORITIES INTEREST				
Minority Interest at the date on which the parent/ subsidiary relationship came into existence	24,500		24,500	
Subsequent increase / decrease	246,905		220,266	
Minority interest on the date of Balance-Sheet		271,405		244,766
SCHEDULE 3 : DEPOSITS				
A. I. Demand Deposits				
i) From Banks	10,147,875		2,156,771	
ii) From Others	134,573,476		124,925,021	
		144,721,351		127,081,792
II. Savings Bank Deposits		590,904,649		525,946,590
III. Term Deposits				
i) From Banks	53,180,836		33,325,436	
ii) From Others	1,473,383,861		1,275,999,385	
		1,526,564,697		1,309,324,821
TOTAL		2,262,190,697		1,962,353,203
B. i) Deposits of Branches in India				
		2,262,190,697		1,962,353,203
ii) Deposits of Branches outside India				
		-		-
SCHEDULE 4 : BORROWINGS				
I. Borrowings in India				
i) Reserve Bank of India	55,430,752		2,500,700	
ii) Other Banks	136,960		25,604	
iii) Other Institutions & Agencies	47,533,674		37,404,716	
v) Unsecured Redeemable Bonds (Subordinated Debt)	26,363,000		26,373,000	
vi) Upper Tier II Bonds	28,850,000		28,850,000	
vi) Innovative Perpetual Debt Instrument	10,830,000		5,830,000	
		169,144,386		100,984,020
II. Borrowings outside India		14,808,501		28,201,941
TOTAL		183,952,887		129,185,961
Secured Borrowings included in I & II above			Nil	Nil
SCHEDULE 5 : OTHER LIABILITIES AND PROVISIONS				
I. Bills Payable	7,021,299		8,878,315	
II. Inter Office Adjustments (Net)	-		-	
III. Interest Accrued	13,684,968		13,066,480	
IV. Deferred Tax Liabilities (Net)	2,589,499		4,552,028	
V. Others(including provisions)	61,721,985	85,017,751	56,858,513	83,355,336
TOTAL		85,017,751		83,355,336



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

(000's Omitted)

Particulars	AS AT 31-Mar-13		AS AT 31-Mar-12	
	₹.	₹.	₹.	₹.
SCHEDULE 6 : CASH AND BALANCES WITH RESERVE BANK OF INDIA				
I. Cash in hand (including foreign currency notes)		17,578,307		16,677,013
II. Balances with Reserve Bank of India				
In Current Accounts	117,023,384		113,465,463	
In Other Accounts	1,000,000		1,000,000	
		118,023,384		114,465,463
TOTAL		135,601,691		131,142,476
SCHEDULE 7 : BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE				
I. In India				
i) Balances with Banks				
a) In Current Accounts	4,180,036		6,481,831	
b) In Other Deposit Accounts	74,397		37,229	
		4,254,433		6,519,060
ii) Money at Call and Short Notice				
a) With Banks	500,000		-	
b) With Other Institutions	-		-	
		500,000		-
TOTAL.... I		4,754,433		6,519,060
II. Outside India				
a) In Current Accounts	568,701		3,603,834	
b) In Other Deposit Accounts	-		1,342	
c) Money at Call & Short Notice	-		-	
TOTAL.... II		568,701		3,605,176
TOTAL.... (I + II)		5,323,134		10,124,236
SCHEDULE 8 : INVESTMENTS				
I. Investments in India in : *				
i) Government Securities	601,337,859		507,283,560	
ii) Other approved Securities	440,080		603,668	
iii) Shares	14,279,474		9,424,314	
iv) Debentures and Bonds	44,411,987		41,016,662	
v) Investment in Associates	3,625,943		3,562,053	
vi) Others (UTI Shares & Commercial Papers Mutual Fund Units etc.)	62,968,187		31,601,514	
		727,063,530		593,491,771
II. Investments outside India in **				
i) Government Securities	-		-	
ii) Investment in Associates	450,070		385,188	
		450,070		385,188
TOTAL		727,513,600		593,876,959

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

(000's Omitted)

Particulars	AS AT 31-Mar-13		AS AT 31-Mar-12	
	₹.	₹.	₹.	₹.
* Investments in India :				
Gross Value of Investments	727,641,829		596,831,169	
LESS: Provision for Depreciation	578,299		3,339,398	
Net Investments		727,063,530		593,491,771
** Investments outside India :				
Gross Value of Investments	450,070		385,188	
LESS: Provision for Depreciation	-		-	
Net Investments		450,070		385,188
TOTAL		727,513,600		593,876,959
SCHEDULE 9 : LOANS AND ADVANCES				
A. i) Bills Purchased and Discounted	22,996,755		22,538,880	
ii) Cash Credits, Overdrafts & Loans repayable on demand	627,471,580		490,554,536	
iii) Term Loans	1,072,751,085		964,087,415	
		1,723,219,420		1,477,180,831
TOTAL		1,723,219,420		1,477,180,831
B. Particulars of Advances :				
i) Secured by tangible assets (including advances against Book Debts)	1,412,042,138		1,035,421,382	
ii) Covered by Bank/ Government Guarantees	95,109,944		78,838,452	
iii) Unsecured	216,067,338		362,920,997	
		1,723,219,420		1,477,180,831
TOTAL		1,723,219,420		1,477,180,831
C. Sectoral Classification of Advances				
(I) Advances in India				
i) Priority Sector	503,019,401		386,926,254	
ii) Public Sector	218,917,588		97,603,765	
iii) Banks	3,527,637		749,653	
iv) Others	997,754,794		991,901,159	
		1,723,219,420		1,477,180,831
TOTAL		1,723,219,420		1,477,180,831
(II) Advances outside India		-		-
SCHEDULE 10 : FIXED ASSETS				
I. Premises				
(At cost / revalued cost)				
Balance as at 31st March of the preceding year	23,973,412		23,858,143	
Additions during the year	758,052		115,269	
Total	24,731,464		23,973,412	
Depreciation to date	4,390,842		4,043,752	
TOTAL.... I		20,340,622		19,929,660



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

(000's Omitted)

Particulars	AS AT 31-Mar-13		AS AT 31-Mar-12	
	₹.	₹.	₹.	₹.
II. Other Fixed Assets				
(Including furniture and fixtures)				
At cost as on 31st March of the preceding year	13,756,360		11,755,970	
Additions/Adjustments during the year	3,938,680		2,157,248	
Total	17,695,040		13,913,218	
Deductions/Adjustments during the year	593,183		156,858	
Total	17,101,857		13,756,360	
Depreciation to date	10,583,683		8,938,817	
TOTAL.... II		6,518,174		4,817,543
TOTAL.... (I + II)		26,858,796		24,747,203
SCHEDULE 11 : OTHER ASSETS				
I. Interest accrued	13,799,726		12,678,895	
II. Tax paid in advance/tax deducted at source (Net of Provisions)	21,004,273		23,471,741	
III. Stationery and Stamps	136,105		131,680	
IV. Non-banking assets acquired in satisfaction of claims	-		-	
V. Inter office adjustments (Net).	9,021,695		2,946,039	
VI. Others	24,280,644		25,404,721	
		68,242,443		64,633,076
TOTAL		68,242,443		64,633,076
SCHEDULE 12 : CONTINGENT LIABILITIES				
I. (a) Claims against the Bank not acknowledged as Debts		635,671		1,556,441
(b) Disputed income tax demands under appeals, revisions etc		9,282,360		14,245,860
II. Liability for partly paid Investments		-		-
III. Liability on account of outstanding forward exchange contracts		357,696,828		416,474,984
IV. Guarantees given on behalf of constituents				
a) In India	92,483,533		70,631,212	
b) Outside India	8,313,332		5,518,890	
		100,796,865		76,150,102
V. Acceptances, Endorsements and Other Obligations		126,372,490		85,062,529
VI. Other items for which the bank is contingently liable		562,464		636,338
TOTAL		595,346,678		594,126,254

**SCHEDULES FORMING PART OF THE CONSOLIDATED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2013**

(000's Omitted)

Particulars	YEAR ENDED 31-Mar-13 ₹.	YEAR ENDED 31-Mar-12 ₹.
SCHEDULE 13 : INTEREST AND DIVIDEND EARNED		
I. Interest/Discount on Advances / Bills	169,573,745	144,394,011
II. Income on Investments	47,789,672	43,478,276
III. Interest on balances with Reserve Bank of India and other inter-bank funds	796,810	3,393,498
IV. Others	807,377	423,493
TOTAL	218,967,604	191,689,278
SCHEDULE 14 : OTHER INCOME		
I. Commission, Exchange and Brokerage	8,162,556	6,661,523
II. Profit/ (Loss) on sale of Investments (Net)	3,828,750	3,200,628
III. Profit / (Loss) on Exchange transactions (Net)	608,772	1,868,242
IV. Profit / (Loss) on sale of land, buildings and Other Assets	(6,471)	(4,092)
V. Profit / (Loss) on Revaluation of Investments	-	-
VI. Miscellaneous Income	4,173,060	2,367,423
TOTAL	16,766,667	14,093,724
SCHEDULE 15 : INTEREST EXPENDED		
I. Interest on Deposits	149,466,455	129,949,040
II. Interest on Reserve Bank of India / Inter-Bank borrowings	1,856,299	1,554,497
III. Others	10,086,293	8,356,962
TOTAL	161,409,047	139,860,499
SCHEDULE 16 : OPERATING EXPENSES		
I. Payments to and Provisions for employees	28,952,218	25,090,425
II. Rent, Taxes and Lighting	2,667,405	2,569,786
III. Printing and Stationery	305,077	265,484
IV. Advertisement and Publicity	287,836	353,376
V. Depreciation on Bank's property	1,846,700	1,436,879
VI. Directors' Fees, Allowances and Expenses	13,881	9,678
VII. Auditors' Fees and Expenses (including Branch Auditors', Fees & expenses)	108,639	205,578
VIII. Law Charges	153,769	119,151
IX. Postages, Telegrams, Telephones etc.	367,837	395,197
X. Repairs and Maintenance	574,867	833,692
XI. Insurance	1,712,866	1,646,939
XII. Other Expenditure	5,408,698	4,630,822
TOTAL	42,399,793	37,557,007

Note : The difference of ₹ 95.01 lacs between closing balance of profit of last year and opening balance of profit of current year pertains to pervious year which the amount of diviend distribution tax of the subsidiary companies. The same has been adjusted from the balance brought forward.



SCHEDULE 17 PRINCIPAL ACCOUNTING POLICIES OF CONSOLIDATED ACCOUNTS

1. BASIS OF PREPARATION:

The accompanying consolidated financial statements (CFS) have been prepared by following the going concern concept, generally on the historical cost basis. They conform to Generally Accepted Accounting Principles (GAAP) in India, which comprises applicable statutory provisions, guidelines prescribed by Reserve Bank of India (RBI), Accounting Standards and pronouncements issued by the Institute of Chartered Accountants of India (ICAI) and prevailing practices in Banking industry in India.

2. Use of estimates:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

3. Consolidation Procedure:

3.1 Consolidated financial statements of the Group (**comprising 2 Subsidiaries and 6 Associates** [including 5 RRBs]) have been prepared on the basis of:

- a. Audited financial statements of Central Bank of India (Parent),
- b. Line by line aggregation of like items of assets, liabilities, income and expenses of the subsidiaries with the respective item of the Parent and after eliminating all material intra-group balances/transactions, unrealized profit/losses as per Accounting Standard -21 "Consolidated Financial Statements" issued by the ICAI and after adjustments wherever necessary to conform to uniform accounting policies of the Parent, based on data received from these subsidiaries duly audited by their respective auditors.
- c. Investments in associates, where the group holds 20% or more of the voting power has been accounted for using the equity method in terms of Accounting Standard – 23 "Accounting for Investments in Associates in consolidated financial statements" issued by the ICAI and after adjustments wherever necessary to conform to uniform accounting policies of the Parent. The financial statements of the Indo Zambia Bank Limited, an Associate, have been prepared in accordance with the local regulatory requirements / International Financial Reporting Standards. Financial statements received from these associates form the sole basis for their incorporation in these consolidated financial statements.
- d. The accounting year of the Associate, viz. Indo Zambia Bank has been changed to calendar year.

3.2 Minority interest in the net assets of consolidated subsidiaries consist of:

- i. The amount of equity attributable to the minority at the date on which investments in a subsidiary is made, and
- ii. The minority share of movements in equity since date of parent- subsidiary relationship came into existence.

4. Transactions involving Foreign Exchange:

- a. Monetary Assets and Liabilities in Foreign Currencies are translated at the Exchange Rates prevailing at the year end as notified by FEDAI and the resultant Profit/ Loss is recognised in Profit and Loss Account.
- b. Income and Expenditure items are translated at the exchange rates ruling on the respective date of transactions.
- c. Guarantees, Letters of Credit, Acceptances, Endorsements, and other obligations in Foreign Currencies are translated at the year end rates notified by FEDAI.
- d. Outstanding Forward Contracts are translated at the year end rates notified by FEDAI and the resultant profit/ loss is recognized in Profit and Loss Account.

5. Investments:

5.1 In accordance with the guidelines issued by the Reserve Bank of India, Investments are classified into “Held to Maturity”, “Held for Trading” and “Available for Sale” categories. However, for disclosure in the Balance Sheet, investments are classified under the following heads :

- i) Government Securities
- ii) Other Approved Securities
- iii) Shares
- iv) Debentures and Bonds
- v) Subsidiaries and sponsored institutions and
- vi) Others (UTI Shares, Commercial Papers and units of Mutual Funds.)

5.2 Basis of Classification :

Classification of an Investment is done at the time of purchase into the following categories:

- i) Held to Maturity**
These comprise of investments, the bank intends to hold on till maturity.
- ii) Held for Trading**
Securities which are principally held for resale within 90 days from the date of purchase.
- iii) Available for Sale**
Investments that cannot be classified in the above categories.

5.3 Transfer of Securities between categories :

The transfer/ shifting of securities between the three categories of investments is accounted at the lower of acquisition cost/ book value or market value on the date of the transfer. The depreciation, if any, on such transfer is fully provided for.

5.4 Valuation :**a) Held to Maturity :**

The investments classified under this category are valued at acquisition cost. The excess of acquisition cost / book value over the face value is amortised over the remaining period of maturity on day to day basis.

b) Available for sale :

Investments under this category are marked to market, scrip-wise, at quarterly intervals as under:

i)	Central Government Securities	At market price as per quotation put out by Stock Exchange / FIMMDA / PDAI.	
ii)	State Government Securities, Securities Guaranteed by Central/ State Government, PSU Bonds	On appropriate yield to maturity basis.	
iii)	Treasury Bills/ Certificates of Deposits/ Commercial Paper	At carrying cost.	
iv)	Equity Share	a) Quoted :	At market price.
		b) Unquoted:	At book value per share, if latest (Not more than one year old) Balance Sheet is available, or Re.1.00 per company if latest Balance Sheet is not available.



v)	Preference Share	a) Quoted : b) Unquoted:	At market price. On appropriate yield to maturity.
vi)	Debentures and Bonds	a) Quoted : b) Unquoted:	At market price. On appropriate yield to maturity.
vii)	Mutual Fund	a) Quoted : b) Unquoted:	At market price. At repurchase price or Net Asset Value (where repurchase price is not available).
viii)	Venture Capital	Declared NAV or break up NAV as per audited balance sheet which is not more than 18 months old. If NAV/ audited financials are not available for more than 18 months continuously then at Re.1/- per VCF.	

The net depreciation under each classification is provided for, without adjusting the book value of the securities and net appreciation, if any, is ignored.

c) Held for Trading :

Investments under this category are valued at monthly intervals at market rates, wherever available, or as per the prices declared by FIMMDA. The net depreciation under each classification is provided for, without adjusting the book value of the securities and net appreciation, if any, is ignored.

5.5 Determination of Cost :

Cost of investments is determined on the basis of Weighted Average Cost method.

5.6 Income Recognition:

- a) The Profit or loss on sale/ redemption of investments is taken to the Profit and Loss Account. However, in case of profit on sale/ redemption of investments from 'Held to Maturity' category, an equivalent amount is appropriated to the 'Capital Reserve'.
- b) In respect of securities included in any of the three categories of investments where interest/ principal is in arrears, for more than 90 days, income is not reckoned and appropriate provision for the depreciation in the value of the investments is made, as per prudential norms applicable to non-performing advances. Debentures/ Bonds in the nature of advances are subjected to usual prudential norms applicable to advances.
- c) State Government guaranteed exposures is classified as Sub Standard/ Doubtful/ Loss, as the case may be if interest and/ or principal or any other amount due to the Bank remains overdue for more than 90 days and necessary provisions are made as per Prudential Norms.
- d) Brokerage, incentive, front-end fees etc., received on purchase of securities are reduced from the cost of investments.
- e) Expenses such as brokerage, fees, commission or taxes incurred at the time of acquisition of securities is charged to revenue.
- f) The broken period interest on sale or purchase of securities is treated as revenue item.

6. Derivatives

Derivatives used for hedging are accounted as under :

- a) Marked to market in cases where the underlying Assets/ Liabilities are marked to market. The resultant gain/ loss is recognised in the Profit & Loss Account.
- b) Interest Rate Swaps which hedges interest bearing assets or liabilities are accounted for on accrual basis in cases where underlying Asset/ Liabilities are not marked to market.

- c) Gain or losses on the termination of Swaps are recognised over the shorter of the remaining contractual life of the Swap or the remaining life of the assets/ liabilities.

7. Advances:

- a) Advances are classified as Standard, Sub-Standard, Doubtful or Loss Assets and Provisions required in respect thereof are made as per the Prudential Norms prescribed by the Reserve Bank of India.
- b) Recoveries against Non-performing Assets (NPA) are first appropriated towards interest. However, recovery in suit filed, decreed accounts and compromise cases, is first appropriated towards principal or as per the terms of decree/ settlement.
- c) Advances are shown net of provisions (in case of NPA), Unrealised Interest, amount recovered from borrowers held in Sundries and amount recovered from CGTSI/ ECGC.

Provision for Standard Assets is included in Other Liabilities and Provisions- Others.

- d) Financial Assets sold are recognized as under:

In case the sale is at a price lower than the Net Book Value (NBV) the shortfall is charged to the Profit and Loss Account.

In case the sale is at a price higher than the NBV, the surplus provision is retained to meet shortfall/loss on account of sale of other non-performing financial assets.

- e) In case of Cent Bank Home Finance Limited, Income Recognition and Provisions on Loans & Advances are made on the basis of prudential norms laid down by National Housing Bank (NHB).
- f) In case of Cent Bank Home Finance Limited, repayment of housing loans, home equity loans, top-up loans and loan against property are by way of Equated Monthly Instalments (EMIs) comprising of principal and interest. In respect of Fixed Rate loans, interest is calculated on the outstanding balance at the beginning of the financial year; in case of floating rate loans, interest is calculated on 1st of every month on the outstanding amount as on the last date of the previous month. EMIs commences once the entire loan is disbursed. Pending commencement of EMIs, Pre-EMI interest is payable every month.

8. Fixed Assets/Depreciation:

- a) Fixed Assets are depreciated under 'Written Down Value Method' at the following rates (other than computers which are depreciated on Straight Line Method):

i)	Premises	At varying rates based on estimated life
ii)	Furniture, Lifts, Safe Vaults	10%
iii)	Vehicles	20%
iv)	Air conditioners, Coolers, Typewriters etc.	15%
v)	Computers including Systems Software	33.33%
(Application Software is charged to the Revenue during the year of acquisition.)		

- b) In the case of assets, which have been revalued, the depreciation is provided on the revalued amount and the incremental depreciation attributable to the revalued amount is adjusted to the 'Revaluation Reserve'.
- c) Depreciation on additions to assets, made upto 30th September is provided for the full year and on additions made thereafter, is provided for the half year. No depreciation is provided on assets sold before 30th September and depreciation is provided for the half year for assets sold after 30th September.
- d) Cost of leasehold land is amortised over the period of lease. In the case of revaluation, the difference between the original cost and revalued amount is amortised over the remaining period of the lease and is adjusted to the 'Revaluation Reserve'.
- e) Where it is not possible to segregate the cost of Land and Premises, Depreciation is charged on the composite cost.
- f) In case of Subsidiaries depreciation on fixed assets has been provided on straight line method at the rates specified in Schedule XIV to the Companies Act, 1956.



9. Staff Benefits:

- a) Annual contribution to Gratuity and Pension Funds are determined on the basis of actuarial valuation. The contribution to Pension Fund is made under a defined benefit scheme.
- b) The liability for earned leave is provided for on the basis of actuarial valuation.
- c) In respect of employees who have opted for Provident Fund Scheme, a matching contribution is made.
- d) The Bank recognizes in its Books of Accounts the liability arising out of Employee Benefits as the sum of the present value of obligations as reduced by fair value of Plan Assets on the Balance Sheet.
- e) In case of Cent Bank Home Finance Ltd. Gratuity amount has been provided on actuarial basis and invested in Group Maturity Scheme of the Life Insurance Corporation of India.

10. Recognition of Income and Expenditure:

- a) Income/ Expenditure is generally accounted for on accrual basis unless otherwise stated.
- b) Income on NPA is recognized on realization as per the Prudential Norms prescribed by the Reserve Bank of India.
- c) In accordance with the guidelines issued by the Reserve Bank of India vide circular No. DBOD.No.BP. BC.89/21.4.018/2002-03 dated 29.03.2003, prior period disclosures are made in respect of any item which exceeds one percent of the total income/total expenditure.
- d) Provision for interest payable on overdue deposits is made as per Reserve Bank of India guidelines.

11. Income Tax:

The provision for tax for the year comprises of current tax liability computed in accordance with the applicable tax laws and the deferred tax which recognizes, timing differences between taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized unless there is 'virtual certainty' that sufficient future taxable income will be available against which such deferred tax assets will be realized.

12. Earning per share:

The Parent Bank computes basic and diluted earnings per equity share in accordance with the Accounting Standard 20 issued by I.C.A.I. on weighted average method.

SCHEDULE-18 :
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS:

1. Subsidiaries and Associates considered in the preparation of the Consolidated Financial Statements.

- 1.1 The Consolidated Financial Statements comprise the financial statements of Central Bank of India (The Parent Bank), its two Subsidiaries and 6 Associates consisting of 5 Regional Rural Banks (RRBs) sponsored by the Parent Bank and Indo Zambia Bank Limited (collectively referred to as "the Group") as per details given below :

Name of the Subsidiary/Associate	Country of Incorporation	Ownership interest as at March 31, 2013	Ownership interest as at March 31, 2012
Centbank Home Finance Limited (Subsidiary)	India	59.50%	59.50%
Centbank Financial Services Limited (Subsidiary)	India	100.00%	100.00%
Surguja Kshetriya Gramin Bank, Ambikapur (Associate)	India	35.00%	35.00%
Uttar Bihar Gramin Bank, Muzzaffarpur (Associate)	India	35.00%	35.00%
Ballia Etawah Gramin Bank, Ballia (Associate)	India	35.00%	35.00%
Uttarbanga Kshetriya Gramin Bank, Cooch Behar (Associate)	India	35.00%	35.00%
Hadoti Kshetriya Gramin Bank, Kota (Associate) (Refer Note No. 1.4)	India	NIL	35.00%
Vidharbha Konkan Gramin Bank (Associate) (earlier known as Vidharbha Kshetriya Gramin Bank) (Refer Note No. 1.4)	India	NIL	35.00%
Satpura Narmada Kshetriya Gramin Bank (Associate) (Refer Note No. 1.3)	India	NIL	35.00%
Central Madhya Pradesh Gramin Bank, Chhindwara (Associate) (Refer Note No. 1.3)	India	35.00%	NIL
Indo Zambia Bank Limited (Associate)	Zambia	20.00%	20.00%

- 1.2 The financial statements of the Subsidiaries and Associates which are used in the consolidation have been drawn upto the same reporting date as that of Parent Bank i.e. March 31, 2013, except Indo Zambia Bank Ltd., whose reporting period has been changed from financial year to calendar year. However share in profit has been taken for 9 months based on audited figures and 3 months based on unaudited figures.
- 1.3 As per Notification No. 7/9/2011-RRB (MP.I) dated Oct 08, 2012 of Ministry of Finance, Government of India, the Satpura Narmada Kshetriya Gramin Bank (Sponsored by Central Bank of India), Vidisha Kshetriya Gramin Bank (sponsored by State Bank of India) and Mahakaushal Kshetriya Gramin Bank (UCO Bank) have been amalgamated into a single Regional Rural Bank, which shall be called "Central Madhya Pradesh Gramin Bank" under the sponsorship of Central Bank of India. Consequently, the investment of the Bank in Satpura Narmada Kshetriya Gramin Bank has been replaced with Central Madhya Pradesh Gramin Bank and the 35% equity of Vidisha Kshetriya Gramin Bank and Mahakaushal Kshetriya Gramin Bank has been acquired by Central Bank of India, at face value from the respective sponsor Banks.
- 1.4 During the year investment in Hadoti Kshetriya Gramin Bank [RRB] has been transferred to Bank of Baroda, and investment in Vidharbha Kshetriya Gramin Bank has been transferred to Bank of India at face value as per notifications dated Jan 01, 2013 & Feb 28, 2013 respectively of Ministry of Finance, Govt. of India .
- 1.5 The accumulated profit of the said RRBs has been reduced from the carrying cost of investment and also from accumulated reserves.



1.6 The investment in Central Madhya Pradesh Gramin Bank is worked out as under:

[₹ in crore]

Carrying Cost as on March 31, 2013	70.76
Less: Capital Reserve	18.16
Net Investment	52.60
Shown in investment	34.92
Shown in other assets [share application]	17.68

1.7 The Parent Bank's share i.e. 35% in the net assets of Central Madhya Pradesh Gramin Bank as on Oct. 09, 2012 was ₹ 18.16 crore

2. During the year the Bank has infused additional Capital in the following RRBs.

Name of the Associate	Amount of Capital infusion
Uttarbanga Kshetriya Gramin Bank, Cooch Behar	₹ 11.20 crore
Central Madhya Pradesh Gramin Bank, Chhindwara	₹ 17.68 crore

The capital infusion made in Central Madhya Pradesh Gramin Bank, Chhindwara, for purchase of shares of State Bank of India and UCO Bank has been shown under "Other Assets [Share application money]" as allotment was not received upto the date of Balance Sheet.

3. In the preparation of consolidated financial statements, in some of the cases, different accounting policies for like transactions have been followed by subsidiaries, for which appropriate adjustments have not been made in the absence of necessary information.

In the opinion of the Management the same is not material. Items in respect of which different accounting policies have been adopted by the Subsidiaries vis-a-vis with parent Bank are given as under:

	Parent Bank	Cent Bank Home Finance Ltd [Subsidiary]	Cent Bank Financial Services Ltd (Subsidiary)
Depreciation	Bank followed written down value method except for computers where straight line method is adopted.	Deprecation is applied based on straight line method. Depreciation charged ₹ 8.05 lacs	Deprecation is applied based on straight line method. – Depreciation charged ₹13.98 lacs.
Provision for leave encashment	On actuarial basis	Assessed by the Company – ₹ (0.51) lacs	Applicable from next year.

4. PARENT BANK

4.1. Capital:

4.1.1 The Authorized Capital of the Bank is ₹ 3000 crore.

Paid up Equity Share Capital of the Bank as on 31.03.2013 is ₹ 1044.58 crore increased from ₹ 736.11 crore of previous year by issue of fresh equity shares of ₹ 308.47 crore at a premium of ₹ 68/- per share to Government of India.

4.1.2 Innovative Perpetual Debt Instruments:

During the year, Bank has raised ₹ 500 crore by issue of Innovative Perpetual Debt Instruments taking the balance to ₹ 1083.00 crore.

4.2 Balancing of Books / Reconciliation:

The reconciliation of the following items is in progress :

- Inter Branch/Office Balance
- Accounts for Govt. transactions (Central & State)

- Inter Bank Accounts
- System Suspense Account
- Suspense Account
- Clearing & other Adjustment Accounts
- Balances related to ATM
- Certain balances in nominal account
- NOSTRO Accounts

The management is of the opinion that the overall impact, if any, on the accounts will not be significant.

4.3 Income Tax / Deferred Tax:

- 4.3.1 Provision for Income Tax for the year is arrived at after due consideration of relevant statutory provisions and judicial decisions on disputed issues.
- 4.3.2 Other Assets [Schedule 11 (ii)] includes ₹912.60 crore (previous year ₹1424.58 crore) towards disputed Income Tax paid by the Bank or adjusted by the Income Tax department. Provision for disputed amount of taxation is not considered necessary by the Bank on the basis of various judicial decisions/ counsel's opinion on such issues.
- 4.3.3 Out of ₹912.60 crore of tax paid under dispute which relate to various Assessment Years, involving tax element of ₹5.98 crore have been decided by the Appellate authorities in favour of the Bank. The appeal effect for the same is pending.

4.4. Premises:

Premises owned by the Bank include properties costing ₹39.93 crore (Previous Year ₹9.95 crore) revalued value ₹130.02 crore (Previous Year ₹122.31 crore) for which registration formalities are still in progress.

4.5. Advances / Provisions:

- 4.5.1 Advances to units which have become sick including those under nursing/ rehabilitation/ restructuring programme and other advances classified as doubtful/ loss assets have been considered secured/ recoverable to the extent of estimated realizable value of securities carrying first or second charge based on valuers' assessment of properties/ assets mortgaged to the Bank and other data available with the Bank.
- 4.5.2 In accordance with the guidelines issued by Reserve Bank of India, the Bank has netted the Floating Provision amounting to ₹312.42 crore (previous year ₹312.42 crore) and Countercyclical Provisioning Buffer amounting to ₹141.30 (previous year ₹141.30 crore) from Gross NPAs to arrive at Net NPAs.
- 4.5.3 Advances considered good and secured include investment of ₹2515 crore (Previous Year ₹3000 crore) in IBPCs (Inter Bank Participation Certificate) governed by the Uniform Code Governing Inter Bank Participations issued by IBA (Non Priority Sector) and investment in IBPCs issued by RRBs aggregating ₹2515 crore (Previous Year ₹2080 crore) of Priority Sector Advance/ Direct Agriculture.

4.6 Disclosure of penalties imposed by RBI

RBI has imposed a penal interest of ₹28.85 lacs on the Bank under Section 46(4) of the Banking Regulation Act, 1949.

5. Compliance with Accounting Standards

The following information is disclosed in terms of Accounting Standards issued by The Institute of Chartered Accountants of India:



5.1 Accounting Standard - 5

Accounting for LAF Repo with Reserve Bank of India

Hitherto the bank was following the policy of deducting the net amount of borrowings under LAF repo from gross value of investments for the purpose of year end accounting. Due to change in accounting policy effective from the current accounting year, bank has shown net amount due to RBI under LAF repo as borrowing from RBI. In case the accounting treatment of the preceding year had been followed, the loans and investments would have been less by ₹5500 crores. There is no impact on the profit for the year due to this change.

5.2 Accounting Standard - 9

Certain items of income are recognized on realization basis as per principal accounting policy No. 10. However, the said income is not considered to be material.

5.3 Accounting Standard - 15 (Revised) – Parent Bank

5.3.1 In the year 2010-11, in accordance with circular No. DBOD No. BP.BC.80/21.04.018/2010-11, dated 09-02-2011 issued by Reserve Bank of India, the Bank had opted to amortize the additional liability on account of re-opening of Pension option for existing employees who had not opted for pension earlier, as well as the liability on enhancement in Gratuity limit, over a period of five years beginning with the financial year ended 31st March, 2011. Accordingly, out of the unamortized amount ₹886.15 crore as on 1st April, 2012, the Bank has amortized ₹239.98 crore for Pension and ₹55.40 crore for Gratuity being proportionate amount during the year ended March 31, 2013. The balance amount to be amortized in future periods for Pension is ₹479.97 crore and for Gratuity is ₹110.80 crore.

5.3.2 Employee Benefits – Parent Bank

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for pension and gratuity benefits as per actuarial valuations is given below:

(₹ in crore)

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
	Pension	Gratuity	Pension	Gratuity
Defined benefit obligation liability at March 31, 2013				
Opening obligations	6537.56	891.22	5997.12	1047.34
Service cost	127.74	41.25	125.72	39.70
Interest cost	578.91	73.98	498.13	83.24
Actuarial [gain]/loss	412.20	95.94	441.59	(63.58)
Benefits paid	(465.85)	(124.28)	(525.00)	(215.48)
Past Service Cost (Amortised/ Non Vested)	-	-	-	-
Past Service Cost (Vested Benefit)	-	-	-	-
Liability Transferred in	-	-	-	-
Obligations at March 31, 2013	7190.56	978.11	6537.56	891.22

(₹ in Crore)

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
	Pension	Gratuity	Pension	Gratuity
Plan assets at March 31, 2013, at fair value				
Opening Plans assets, at fair value	5349.39	855.53	4228.00	832.89
Expected return on plan assets	510.12	68.92	413.53	72.41
Actuarial gain/[loss]	(23.88)	15.99	29.25	(14.29)
Contributions	1260.00	68.15	1203.61	180.00
Benefits paid	(465.85)	(124.28)	(525.00)	(215.48)
Transfer from Other Trust	-	-	-	-
Plan assets at March 31, 2013, at fair value	6629.78	884.31	5349.39	855.53

(₹ in Crore)

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
	Pension	Gratuity	Pension	Gratuity
Cost for the year ended March 31, 2013				
Service cost	127.74	41.25	125.72	39.70
Interest cost	578.91	73.98	498.13	83.24
Expected return on plan assets	(510.12)	(68.92)	(413.53)	(72.41)
Past Service Cost (Amortised/ Non Vested)	240.00	55.40	240.00	55.40
Past Service Cost (Vested Benefit)	-	-	-	-
Actuarial [gain]/loss	436.08	79.95	412.34	(49.29)
Net cost	872.61	181.66	862.66	56.64

Assumptions

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
	Pension	Gratuity	Pension	Gratuity
Interest rate	8%	8%	8%	8%
Salary escalation rate	4%	4%	4%	4%
Estimated rate of return on plan assets	8.70%	8.70%	8%	8%

- 5.3.3** The CBHF Ltd has taken a Policy with Life Insurance Corporation of India to cover the accumulated Gratuity Liability of its employees and the premium paid on this policy has been charged to Profit & Loss Account. The Provision for Leave Encashment Liability is calculated on the balance of privilege leave of the employees as on March 31, 2013. The same is not funded.



5.4 Accounting Standard 17 – Segment Reporting

SEGMENT REPORT FOR THE YEAR ENDED MARCH 31, 2013			
		(₹ in Crores)	
Sl. No.	Particulars	Year ended 31.03.13	Year ended 31.03.12
a.	Segment Revenue		
	1. Treasury Operations	5188.79	4964.07
	2. Retail Banking Operations	5898.89	4555.54
	3. Wholesale Banking Operations	12446.35	11085.64
	4. Other Banking Operations	0.00	0.00
	5. Unallocated	76.66	40.04
	Total	23610.69	20645.29
b.	Segment Results		
	1. Treasury Operations	326.42	683.49
	2. Retail Banking Operations	951.58	677.38
	3. Wholesale Banking Operations	1875.15	1502.61
	4. Other Banking Operations	0.00	0.00
	Total	3153.15	2863.48
c.	Unallocated Income/ (Expenses)	76.66	40.04
d.	Operating Profit	3229.81	2903.52
e.	Provisions & Contingencies	1850.96	2169.57
f.	Income Tax	311.47	120.58
g.	Net Profit	1067.38	613.37
h.	Other Information		
i.	Segment Assets		
	1. Treasury Operations	37453.85	27003.48
	2. Retail Banking Operations	73038.70	58127.63
	3. Wholesale Banking Operations	156082.92	142692.19
	4. Other Banking Operations	0.00	0.00
	5. Unallocated Assets	2106.24	2352.98
	Total	268681.71	230176.28
j.	Segment Liabilities		
	1. Treasury Operations	37364.12	28661.19
	2. Retail Banking Operations	68699.19	54270.28
	3. Wholesale Banking Operations	146793.87	134102.78
	4. Other Banking Operations	0.00	0.00
	5. Unallocated Liabilities	15824.53	13142.03
	Total	268681.71	230176.28

- i) As per the revised guidelines of Reserve Bank of India, the Bank has recognised Treasury Operations, Corporate/ Wholesale Banking, Retail Banking and other Banking business as primary reporting segments. There are no secondary reporting segments.

- ii) Treasury Operations include dealing in Government and Other Securities, Money Market operations and Forex operations.
- iii) The Retail Banking Segment consists of all exposures upto a limit of ₹5 crore (including Fund Based and Non Fund Based exposures) subject to orientation, product, granularity criteria and individual exposures.
- iv) The Corporate/ Wholesale Segment consist of all advances to Trusts/ Partnership Firms, Companies and statutory bodies, which are not included under Retail Banking.
- v) The other Banking Segment includes all other Banking operations not covered under the above three categories.
- vi) General Banking operations are the main resource mobilizing unit and Treasury Segment compensates the former for funds lent to it by taking into consideration the average funds used.
- vii) Allocation of Costs:
 - a Expenses directly attributable to a particular segment are allocated to the relative segment.
 - b Expenses not directly attributable to a specific segment are allocated on rational basis.

5.5 Accounting Standard 18 – Related Party Disclosure

I List of Related Parties – Parent Bank

(a) Key Managerial Personnel -

	Name	Designation
i)	Mr. M.V. Tanksale	Chairman & Managing Director
ii)	Mrs. V. R. Iyer (from 1/09/2010 to 5/11/2012)	Executive Director
iii)	Mr. R. K. Dubey (from 1/09/2010 to 11/01/2013)	Executive Director
iv)	Mr. Malay Mukherjee (from 5/11/2012)	Executive Director
v)	Mr. R. K. Goyal (from 11/01/2013)	Executive Director

(b) Subsidiaries –

- i. Cent Bank Home Finance Ltd.
- ii. Cent Bank Financial & Custodial Services Ltd.

(c) Associates –

(I) Regional Rural Banks –

- i) Central Madhya Pradesh Gramin Bank,
- ii) Surguja Kshetriya Gramin Bank, Ambikapur
- iii) Uttar Bihar Gramin Bank, Muzzaffarpur
- iv) Ballia Etawah Gramin Bank, Ballia
- v) Uttarbanga Kshetriya Gramin Bank, Cooch Behar
- vi) Vidharbha Konkan Gramin Bank (earlier known as Vidharbha Kshetriya Gramin Bank)
- vii) Hadoti Kshetriya Gramin Bank, Kota



II. Indo – Zambia Bank Ltd.

(II) Transactions with Related Parties:

(₹ in lacs)

(a)	Items	Key Management Personnel	
		2012 -13	2011-12
	Remuneration paid	64.55	66.50

(b) Statement of Related Parties Transaction

STATEMENT OF RELATED PARTIES TRANSACTION AS ON 31.03.2012 & 31.03.2013

(₹ in crore)

S No.	Related Parties	As on	Investment		Purchase of Loan Assets		Sale of Loan Assets		Line of credit to RRBs		Participation under IBPC			
			Cumulative	Maximum during the year	Amount O/s	Interest Received	Amount Sold	Interest Paid	Amount	Interest received	Sale of Direct Agri. Assets to Sponsor Bank		Purchase of Non Priority Sector Portfolio from Sponsor Bank	
											Amount O/s	Intt. Paid to Sponsor Bank	Amount O/s	Intt. received from Sponsor Bank
1	Central M P G B	31.03.13	52.32	52.32	0.00	0.00	0.00	0.00	0.00	0.00	630.00	18.74	630.00	21.55
		31.03.12	34.64	34.64	0.00	0.00	0.00	0.00	0.00	0.00	380.00	7.40	380.00	8.51
2	Surguja KGB	31.03.13	2.57	2.57	0.00	0.00	0.00	0.00	0.00	0.00	100.00	3.95	100.00	4.54
		31.03.12	2.57	2.57	0.00	0.00	0.00	0.00	0.00	0.00	80.00	2.22	80.00	2.55
3	Uttar Bihar GB	31.03.13	159.09	159.09	0.00	0.00	0.00	0.00	0.00	0.00	1400.00	57.21	1400.00	65.79
		31.03.12	159.09	159.09	0.00	0.00	0.00	0.00	-0.04	2.62	1160.00	41.92	1160.00	48.21
4	Vidharbha KGB*	31.03.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		31.03.12	6.22	6.22	0.00	0.00	0.00	0.00	50.29	2.07	130.00	4.93	130.00	5.67
5	Ballia Etawah GB	31.03.13	11.72	11.72	0.00	0.00	0.00	0.00	0.00	0.00	145.00	5.42	145.00	6.24
		31.03.12	11.72	11.72	0.00	0.00	0.00	0.00	0.00	0.00	110.00	5.42	110.00	6.24
6	Hadoti KGB	31.03.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.12	0.00	10.49
		31.03.12	2.45	2.45	0.00	0.00	0.00	0.00	0.00	0.00	185.00	7.89	185.00	9.07
7	Uttarabanga KGB	31.03.13	31.78	31.78	0.00	0.00	0.00	0.00	0.00	0.00	40.00	1.73	40.00	1.98
		31.03.12	20.58	20.58	0.00	0.00	0.00	0.00	0.00	0.00	35.00	1.23	35.00	1.42
8	Vidharbha Konkan Gramin Bank*	31.03.13	6.22	6.22	0.00	0.00	0.00	0.00	50.00	2.62	200.00	6.41	200.00	7.37
		31.03.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL		31.03.13	263.70	263.70	0.00	0.00	0.00	0.00	50.00	2.62	2515.00	102.58	2515.00	117.96
		31.03.12	237.27	237.27	0.00	0.00	0.00	0.00	50.25	4.69	2080.00	71.01	2080.00	81.67

* Note: Vide notification No. F.No. 7/9/2011-RRB (Maharashtra) dated February 28, 2013 issued by Government of India, Ministry of Finance, approved the amalgamation of Vidharbha Konkan Gramin Bank (earlier known as Vidharbha KGB) sponsored by Central Bank of India with Wainganga Krishna Gramin Bank sponsored by Bank of India. Also, vide notification dated April 01, 2013 issued by Government of India, Ministry of Finance, approved amalgamation of Balia Etawah KGB sponsored by Central Bank of India with Purvanchal Gramin Bank sponsored by State Bank of India.

Pending completion of merger formalities and financial transactions, the said investments continue to be shown in books of accounts of the Bank as at the end of the year.

- (c) No disclosure is required in respect of related parties, which are state controlled enterprise as per Paragraph 9 of AS-18. Further, in terms of Paragraph 5 of AS-18, transactions in the nature of banker-customer relationship have not been disclosed including those with Key Management Personnel & relatives of Key Management Personnel.

5.6 Accounting Standard 20 – Earnings per Share of the Group

Earnings per share as per AS 20 has been arrived at as follows:

	31.3.2013	31.3.2012
Net Profit after Tax available for Equity Share Holder (Rs. in Crore)	891.31	463.92
Weighted Average number of Equity Share (No.)	746256617	644194814
Basic Earnings per Share (Rs.)	11.94	7.20
Diluted Earnings per Share (Rs.)	11.94	7.20
Nominal Value per Share (Rs.)	10.00	10.00

5.7 Accounting Standard 22 –Accounting for Taxes on Income (of the Group)

The Bank has recognized Deferred Tax Assets/ Liabilities.

Major components of Deferred Tax Assets and Deferred Tax Liabilities are as under:

	(Rs. in Crore)	
	31.3.2013	31.3.2012
Deferred Tax Asset:		
Provision for Leave Encashment	113.06	84.41
Provision for Pension and Gratuity	59.21	145.29
Depreciation on Investment	6.72	
Others	33.99	23.71
Depreciation on Fixed Assets	--	6.24
Total (A):	<u>212.98</u>	<u>259.65</u>
Deferred Tax Liabilities:		
Depreciation on Fixed Assets	2.90	0.25
Interest accrued but not due on Investments	469.03	411.28
Depreciation on Investments	--	303.33
Total (B):	<u>471.93</u>	<u>714.86</u>
Net Deferred Tax Liability	258.95	455.21

5.8 Accounting Standard – 28 –Impairment of Assets

A substantial portion of Bank's assets comprise of financial assets to which Accounting Standard-28 on impairment of assets is not applicable. In the opinion of the management, there is no material impairment on



Other Assets other than financial assets as at March 31, 2013, requiring recognition in terms of the Standard.

5.9 Accounting Standard – 29 on Provisions, Contingent Liabilities and Contingent Assets

(i) Movement of Provision for Claims not acknowledged as debt:

(₹ in Crore)

Particulars	Opening Balance as on 01.04.2012	Provision made during the year	Provisions reversed/ adjusted	Closing Balance as on 31.3.2013
Contingencies Provisions against claim not acknowledged as debt	4.22	0.51	--	4.73

6. As per the information compiled by the Management, the Vendors, whose services are utilized and from whom purchases were made by the Bank, are not registered under Micro, Small and Medium Enterprises Development Act, 2006. This is relied upon by the Auditors.

7. **Implementation of the Guidelines on Information Security, Electronic Banking, Technology Risk Management and Cyber Frauds as required in of para f of RBI circular DBS.CO.ITC.BC.No.6/31.02.008/2010-11 dated April 29, 2011**

The bank has formulated policies on Cyber Frauds in CBS system as per RBI circular RBI/2010-11/494 DBS.CO.ITC.BC.No.6/31.02.008/2010-11 dated April 29, 2011. These policies are being reviewed by the management of the bank on periodical basis.

8. Acceptances, Endorsements and other Obligations under contingent liabilities include certain invocation of Stand by Letters of Credit before the actual due date of the relevant Letter of Credit extended to Merchant Exporters and manufacturers of Diamond/Jewellery. In the opinion of the Management, there is no indication as on date that there would be any consequential financial impact on the Bank.

9. Previous year figures have been re-grouped/ re-classified wherever considered necessary to conform to current

M. V. Tanksale
Chairman & Managing Director

Malay Mukherjee
Executive Director

R. K. Goyal
Executive Director

Alok Tandon
Director

Guman Singh
Director

Prof. N. Balakrishnan
Director

M. P. Shorawala
Director

Krishan Sethi
Director

S. B. Rode
Director

For M/S. K.S. Aiyar & Co.
Chartered Accountants
F.R.No.-100186W

(CA Satish Kelkar)
Partner
M. No.038934

For M/S. D. Rangaswamy & Co.
Chartered Accountants
F.R.No.-003073S

(CA B. Ramani)
Partner
M. No.019603

For M/S. Ghiya & Co.
Chartered Accountants
F.R.No.-001088C

(CA Sanjay Ghiya)
Partner
M. No.072467

For M/S. Samsand & Associates
Chartered Accountants
F.R.No.-003708N

(CA Anand Parkash)
Partner
M. No.082735

For M/S. Kumar Chopra & Associates
Chartered Accountants
F.R.No.-000131N

(CA R.K. Aggarwal)
Partner
M. No.081510

For M/S. P.K. Subramaniam & Co.
Chartered Accountants
F.R.No.-004135S

(CA S. Venkatkrishnan)
Partner
M. No.023488

Place : Mumbai
Date : May 31, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Sn	Particulars	31- 03- 2013	31-03-2012
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before taxes	1,341.59	666.99
I	Adjustments for:		
	Depreciation on fixed assets	184.67	143.69
	Depreciation on investments (including on matured debentures)	(162.25)	153.72
	Bad Debts written off/Provision in respect of non performing assets	1,358.27	1,376.26
	Provision for Standard Assets	663.70	641.87
	Provision for Other items (Net)	5.85	1.05
	Interest on Income Tax (net)	80.77	43.00
	Profit / Loss on sale of fixed assets (Net)	0.65	0.41
	Payment/ provision for interest on subordinated debt (treated separately)	582.86	522.54
	Sub total	4,056.11	3,549.53
II	Adjustments for :		
	Increase / (Decrease) in Deposits	29,983.75	16,856.77
	Increase / (Decrease) in Borrowings	5,476.69	(468.38)
	Increase / (Decrease) in Other Liabilities and Provisions	(38.50)	1,564.86
	(Increase) / Decrease in Advances	(26,625.83)	(19,895.64)
	(Increase) / Decrease in Investments	(13,188.54)	(4,884.93)
	(Increase) / Decrease in Other Assets	(120.04)	1,322.78
	Direct Taxes paid (Net of Refund etc)	(638.99)	(113.32)
	Net Cash from operating activities (A)	(5,151.45)	(5,617.85)
	NET CASH FLOW FROM OPERATING ACTIVITIES	(1,095.35)	(2,068.32)
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Sale / Disposal of Fixed Assets	43.37	3.28
	Purchase of Fixed Assets	(469.67)	(227.33)
	Investment in RRB	(8.75)	(7.00)
	NET CASH FLOW FROM INVESTING ACTIVITIES	(435.05)	(231.05)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Share Capital	2,406.00	1,417.01
	Proceeds / Redemption of Subordinated Debts Tier II Capital	-	500.00
	Dividend - Equity shares Including Interim Dividend	(275.82)	(211.86)
	Dividend Tax	(44.45)	(34.37)
	Interest on JNY Swap coupon	(6.66)	(5.18)
	Interest on Subordinated Debt	(582.86)	(522.54)
	NET CASH FLOW FROM FINANCING ACTIVITIES	1,496.21	1,143.06
D	Net increase in cash & cash equivalents (A + B + C) or (F - E)	(34.19)	(1,156.31)
E	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	Cash and Bank Balance with RBI	13,114.25	14,082.11
	Balance with Banks and Money at Call and Short Notice	1,012.42	1,200.87
	Net cash and cash equivalents at the beginning of the year	14,126.67	15,282.98



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Sn Particulars	31- 03- 2013	31-03-2012
F CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Cash and Bank Balance with RBI	13,560.17	13,114.25
Balance with Banks and Money at Call and Short Notice	532.31	1,012.42
Net cash and cash equivalents at the end of the year	14,092.48	14,126.67

M. V. Tanksale
Chairman & Managing Director

Malay Mukherjee
Executive Director

R. K. Goyal
Executive Director

Alok Tandon
Director

Guman Singh
Director

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Director

M. P. Shorawala
Director

Krishan Sethi
Director

S. B. Rode
Director

For M/S. K.S. Aiyar & Co.
Chartered Accountants
F.R.No.-100186W
(CA Satish Kelkar)
Partner
M. No.038934

For M/S. D. Rangaswamy & Co.
Chartered Accountants
F.R.No.-003073S
(CA B. Ramani)
Partner
M. No.019603

For M/S. Ghiya & Co.
Chartered Accountants
F.R.No.-001088C
(CA Sanjay Ghiya)
Partner
M. No.072467

For M/S. Samsand & Associates
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(CA R.K. Aggarwal)
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M. No.081510

For M/S. P.K. Subramaniam & Co.
Chartered Accountants
F.R.No.-004135S
(CA S. Venkatkrishnan)
Partner
M. No.023488

Place : Mumbai

Date : May 31, 2013

Central Bank of India

Head Office : Chandermukhi, Nariman Point, Mumbai 400021

**FORM 'B'
PROXY FORM**

(To be filled in and signed by the shareholder)

6TH ANNUAL GENERAL MEETING

Folio No. or DP Id # / Client-Id #	
No. of Shares held	

I/We, _____ resident of _____ in the district of _____ in the State of _____ being a shareholder/shareholders of Central bank of India hereby appoint Shri/Smt. _____ resident of _____ in the district of _____ in the State of _____ or failing him/her, Shri/Smt. _____ resident of _____ in the district of _____ in the State of _____ as my/our proxy to vote for me/us and on my/our behalf at the 6th ANNUAL GENERAL MEETING of the shareholders of **CENTRAL BANK OF INDIA** to be held on Saturday, 29th June, 2013 at 11.00 AM at Sir Sorabji Pochkhanawala Banker's Training College, Nr. Cooper Hospital/ Reliance Energy Office, JVPD Scheme, Vile Parle (West), Mumbai – 400 056 and at any adjournment thereof.

Please affix revenue stamp

Signed this _____ day of _____ 2013.

Signature of the Proxy _____

Signature of the first named/ sole Shareholder

Name _____
(in Block Letters)Address _____
_____**INSTRUCTIONS FOR SIGNING AND LODGING THE PROXY FORM**

- No instrument of proxy shall be valid unless:
 - in the case of an individual shareholder, it is signed by him or by his/her attorney duly authorised in writing.
 - In case of joint holders, it is signed by the shareholder first named in the Register of Members or by his/her attorney, duly authorised in writing.
 - In the case of a body corporate, it is signed by its officer or an attorney duly authorised in writing.
- An instrument of Proxy shall be sufficiently signed by any shareholders who is for any reason, unable to write his/her name, if his/her thumb impression is affixed thereto and attested by a Judge, Magistrate, Registrar or Sub-Registrar of Assurance or other Government Gazetted Officer or an officer of Central Bank of India.
- No Proxy shall be valid unless it is duly stamped and is deposited at the Head Office of the Bank situated at Chandermukhi, Nariman Point, Mumbai, 400021 not less than four days before the date fixed for the meeting i.e. on or before 5.00 PM on 24th June, 2013, together with the Power of Attorney or other Authority (if any) under which it is signed or a copy of that Power of Attorney or other Authority Certified as True Copy by a Notary Public or a Magistrate unless such a Power of Attorney or any other Authority is previously deposited and registered with the Bank.
- An instrument of Proxy deposited with the Bank shall be irrevocable and final.
- In the case of an instrument of Proxy granted in favour of two grantees in the alternative, not more than one form shall be executed.
- The shareholders who have executed an instrument of Proxy shall not be entitled to vote in person at the meeting to which such instrument relates.
- No person shall be appointed a duly authorised representative or a proxy who is an officer or an employee of the Bank.
- All alterations in the Proxy Form should be duly initialed by the executant.
- No instrument of Proxy shall be valid unless it is in 'Form B'.



सेन्ट्रल बैंक ऑफ़ इंडिया
Central Bank of India



सेन्ट्रल बैंक ऑफ़ इंडिया
Central Bank of India

1911 से आपके लिए "केंद्रित" "CENTRAL" TO YOU SINCE 1911

Central Bank of India

Head Office : Chandermukhi, Nariman Point, Mumbai 400021

ATTENDANCE SLIP

6th Annual General Meeting – 29th June, 2013

Day and Date	Saturday, 29 th June, 2013
Place	Sir Sorabji Pochkhanawala Banker's Training College, Nr. Cooper Hospital/Reliance Energy Office, JVPD Scheme, Vile Parle (West), Mumbai – 400 056

Name of the Member (In Block Letters)	
No. of Shares	
Folio No. or DP Id # / Client-Id #	
Name of the Proxy-holder/ Representative Present in Block Letters (if any)	
Signature of the Member/Proxy / Representative Present	

ENTRY PASS

(To be retained throughout the meeting)

Folio No. or DP Id # / Client-Id #	
Name of Member	
No. of Shares	

Name and signature of attending Member/
Proxy/Representative Present

Bank Stamp and Signature

Shareholders/Proxy holders/Representatives are requested to produce this Attendance slip-cum-Entry pass duly signed, for admission to the venue. The Entry pass portion will be handed back to the shareholders/Proxy holders/Representatives, who should retain it till the conclusion of the meeting. The admission will, however, be subject to verification/checks, as may be deemed necessary. Under no circumstances, any duplicate Attendance slip-cum-Entry pass will be issued at the entrance to the meeting hall.

प्रिय सदस्य/यों

दिनांक :

**विषय: इलेक्ट्रॉनिक क्लीयरिंग सेवा (ईसीएस) / राष्ट्रीय इलेक्ट्रॉनिक समाशोधन सेवा (एनईसीएस)
के माध्यम से लाभांश का भुगतान/ बैंक खाता विवरण**

यदि आपने अभी तक ईसीएस/एनईसीएस आदेश फॉर्म एवं बैंक खाते के विवरण नहीं प्रेषित किए हों, तो हम आपसे अनुरोध करते हैं कि लाभांश, जब भी घोषित हो, के त्वरित, सुरक्षित, सही भुगतान के लिए ये विवरण निम्नांकित पते पर प्रेषित करें.

कृपया सुनिश्चित करें कि रजिस्ट्रार एवं शेयर ट्रांसफर एजेंट/ डिपॉजिटरी पार्टिसिपेंट को आप द्वारा प्रस्तुत बैंक विवरण स्पष्ट एवं सही हैं, क्योंकि इनमें किसी भी त्रुटि के परिणाम स्वरूप लाभांश आपकी राशि किसी अन्य खाते में जमा हो सकती है.

भवदीय,

सेन्ट्रल बैंक ऑफ इण्डिया

ए.के.दास

सहायक महाप्रबंधक - एमबीडी/कम्पनी सचिव

बैंक खाता विवरण/ ईसीएस/ एनईसीएस आदेश फॉर्म

मैं/हम सेन्ट्रल बैंक ऑफ इण्डिया को प्राधिकृत करते हैं कि

- मेरे/हमारे लाभांश समादेश पर निम्नांकित विवरण मुद्रित करें या
- मेरी लाभांश राशि ईसीएस/एनईसीएस द्वारा सीधे मेरे बैंक खाते में जमा की जाय.
(लागू न होने पर काट दें)

फोलियो संख्या:

बैंक खाते का विवरण

डीपीआईडी/ ग्राहक पहचान

1.	बैंक का नाम	:	
2.	शाखा का नाम पता (केवल आदेश के लिए)	:	
3.	एमआईसीआर चेक पर मुद्रित बैंक एवं शाखा का 9 अंकीय एमआईसीआर कोड संख्या	:	
4.	खाते का प्रकार (बचत/चालू)	:	
5.	चेक बुक पर मुद्रित खाता संख्या	:	
6.	शाखा का एसटीडी कोड एवं टेलीफोन न.	:	
7.	आपके बैंक शाखा का आईएफएससी कोड	:	

.....
सदस्य के हस्ताक्षर

अंकीय एमआईसीआर कोड संख्या/ आईएफएससी कोड की सत्यता के लिए कृपया अपने बैंक द्वारा जारी आपके उपर्युक्त बैंक खाते से संबंधित चेक की एक छायाप्रति या एक खाली रद्द चेक संलग्न करें.

यदि शेयरधारकों के पास शेयर भौतिक रूप में हैं, तो कृपया इन्हें भेजे: लिक इनटाइम इंडिया प्राइवेट लिमिटेड, यूनिट: सेन्ट्रल बैंक ऑफ इण्डिया, सी-13, पन्नालाल सिल्क मिल्स कम्पाउंड, एलबीएस मार्ग, भांडुप (पश्चिम), मुम्बई - 400078	यदि शेयरधारक के पास शेयर डिमेटेरीएलाइज्ड रूप में हैं, तो कृपया इन्हें भेजे: डिपॉजिटरी पार्टिसिपेंट जिसके साथ आपका डीमेट खाता है.
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Dear Member(s)

Date:

**Re: payment of dividend through Electronic Clearing Services (ECS)/
National Electronic Clearing Services (NECS)/Bank Account details**

In case you have not already sent the ECS/NECS Mandate Form and Bank account particulars, we would request you to forward the said particulars to the addresses provided below to facilitate prompt, safe and correct payment of the dividend, whenever declared.

Please ensure that the bank details submitted by you to the Registrar and Share Transfer Agent/Depository Participants are clear and correct as any error therein could result in the dividend amount being credited to wrong account.

Yours faithfully,

Central Bank of India

Sd/-

A.K. Das

Assistant General Manager-MBD/
Company Secretary

BANK ACCOUNT PARTICULARS/ECS/NECS MANDATE FORM

I/Wedo hereby authorise Central Bank of India

- To print the following details on my/our dividend warrant or
 - To Credit my dividend amount directly to my Bank account by ECS/NECS.
- (Strike out whichever is not applicable)

Folio No.:

DPID/CLIENT ID

Particulars of Bank Account:

1.	Bank Name	:	
2.	Branch Name Address (for Mandate only)	:	
3.	9 Digit MICR Code number of the Bank & Branch as appearing on the MICR cheque	:	
4.	Account Type (Savings/Current)	:	
5.	Account No. as appearing on the cheque book	:	
6.	Branch STD code & Telephone No.	:	
7.	IFSC Code of your bank Branch	:	

.....

Signature of the Member

Please attach the photocopy of a cheque or a blank cancelled cheque issued by your Bank relating to your above bank account for verifying the accuracy of the 9 digit MICR Code Number/IFSWC Code.

<p>In case of shareholders holding shares in Physical mode, please send to: Link Intime India Pvt. Ltd., Unit: Central Bank of India C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai-400078.</p>	<p>In case of shareholders holding shares in Dematerialised form, please send to : The Depository participant with whom your Demat Account is maintained.</p>
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आंचलिक कार्यालय / ZONAL OFFICES

आगरा ब्लॉक नं. 37/2/4, संजय प्लेस, आगरा - 282 002.	AGRA Block No. 37/2/4, Sanjay Place, Agra - 282 002.	दूरभाष/Tel.: (0562) 2850154/3424, 2521342 फैक्स/Fax : 0562 - 2853698/1341 Email : zmagrazo@centralbank.co.in
अहमदाबाद सेन्ट्रल बैंक ऑफ इंडिया बिल्डिंग, 4वीं मंजिल, पो. बॉ. नं. 205, लाल दरवाजा, अहमदाबाद - 380 001.	AHMEDABAD Central Bank of India Building, 4th Floor, Post Box No. 205, Lal Darwaja, Ahmedabad - 380 001.	दूरभाष/Tel.: (079) 25503586 फैक्स/Fax : 079 - 25505995 Email : zmahmezo@centralbank.co.in
भोपाल 9, अरेरा हिल्स, जेल रोड, भोपाल - 462 011.	BHOPAL 9, Arera Hill, Jail Road, Bhopal - 462 011.	दूरभाष/Tel.: (0755) 2674020/22/40 फैक्स/Fax : 0755 - 2552019/2572508/2559698 Email : zmbhopzo@centralbank.co.in
चंडीगढ़ पोस्ट बॉक्स नं. 13, नं. 58-59, बैंक स्क्वायर, सेक्टर 17 बी, चंडीगढ़ - 160 017.	CHANDIGARH Post Box No. 13, No. 58-59, Bank Square, Sector 17B, Chandigarh - 160 017.	दूरभाष/Tel.: (0172) 2704787 फैक्स/Fax : 0172 - 2700647 Email : zmchanzo@centralbank.co.in
चेन्नई 48/49, मॉन्टेइथ रोड, एगमोर, चेन्नई - 600 008. (तमिलनाडु).	CHENNAI 48/49, Monteit Road, Egmore, Chennai - 600 008. (Tamilnadu).	दूरभाष/Tel.: (044) 23464210 - 214 फैक्स/Fax : 044 - 23464200 Email : zmchenzo@centralbank.co.in
गुवाहाटी 2री मंजिल जी. एस. रोड, सेन्ट्रल बैंक बिल्डिंग, भंगागढ़, गुवाहाटी - 781 005.	GUWAHATI 2nd floor G.S. Road, Central Bank Building, Bhangagarh, Guwahati - 781 005.	दूरभाष/Tel.: (0361) 2457651/52 फैक्स/Fax : 0361 - 2452154 Email : zmguwazo@centralbank.co.in
हैदराबाद पोस्ट बॉक्स नं. 522, 710-712, महापात्रम रोड, बैंक स्ट्रीट, कोटी हैदराबाद - 500 195.	HYDERABAD Post Box No. 522, 710-712, Mahapathram Road, Bank Street, Koti Hyderabad - 500 195.	दूरभाष/Tel.: (040) 23468911 - 18 फैक्स/Fax : 040 - 23468902 Email : zmhydezo@centralbank.co.in
कोलकाता सेन्ट्रल बैंक बिल्डिंग, 33, नेताजी सुभाष रोड, कोलकाता - 700 001.	KOLKATA Central Bank Building, 33, Netaji Subhash Road, Kolkata - 700 001.	दूरभाष/Tel.: (033) 22301270/1275 फैक्स/Fax : 033 - 22309864 Email : zmkolkzo@centralbank.co.in
लखनऊ पोस्ट बॉक्स नं. 10, आकाशदीप, 23, विधानसभा मार्ग, लखनऊ - 226 001.	LUCKNOW Post Box No. 10, Akash Deep, 23, Vidhan Sabha Road, Lucknow - 226 001.	दूरभाष/Tel.: (0522) 2611301-04, 2626301 फैक्स/Fax : 0522 - 26132401/4075490 Email : zmluckzo@centralbank.co.in
मुंबई महानगर आंचलिक कार्यालय स्टैण्डर्ड बिल्डिंग, पहली मंजिल, डी.एन. रोड, फोर्ट, मुंबई - 400 023.	MUMBAI METRO ZONAL OFFICE Standard Building, 1st Floor, D.N. Road, Fort, Mumbai - 400 023.	दूरभाष/Tel.: (022) - 40345858 फैक्स/Fax : 022 - 40345828, 40345819 Email : zmmumbzo@centralbank.co.in
मुजफ्फरपुर पावापुरी विहार बिल्डिंग, एन.एच.28, भगवानपुर चौक के नजदीक, मुजफ्फरपुर - 842 001.	MUZAFFARPUR Pawapuri Vihar Building, N.H.28, Near Bhagwanpur Chowk, Muzaffarpur - 842 001.	दूरभाष/Tel.: (0621) 2251855 फैक्स/Fax : 0621-2251784 E-mail : zmmuzazo@centralbank.co.in
नागपुर (महाराष्ट्र) ओरियन्टल बिल्डिंग, (2री मंजिल) एलआयसी स्क्वेयर, कामठी रोड, नागपुर - 440 001.	NAGPUR (MAHARASHTRA) Oriental Bldg., (2nd Floor), LIC Square, Kamptee Road, Nagpur-440 001.	दूरभाष/Tel.: (0712) 2520361/62/63 फैक्स/Fax : 0712-2520365 E-mail : zmnagpzo@centralbank.co.in
नई दिल्ली पो.बॉ.नं. 7007, लिंक हाऊस प्रेस एरिया, 3 बहादुरशाह जफर मार्ग, नई दिल्ली - 110 002.	NEW DELHI P.B.No.7007, Link House, Press Area, 3, Bahadurshah Jafar Road, New Delhi - 110 002.	दूरभाष/Tel.: (011) 23318964, 23319268/69 23324676, 2311803 फैक्स/Fax : 011-23311332, 23712677 E-mail : zmdelhzo@centralbank.co.in
पटना दुसरी मंजिल, ब्लॉक बी, मौर्य लोक कॉम्प्लेक्स, डाक बंगला रोड पटना - 800 001	PATNA 2nd Floor, Block B, Maurya Lok Complex, Dak Banglow Road, Patna - 800 001.	दूरभाष/Tel.: (0612) 2226607, 2222871 फैक्स/Fax : 0612-2221898 E-mail : zmpatnzo@centralbank.co.in
पुणे पो.बॉ.नं. 98,317 म.गां. मार्ग, पुणे - 411 001.	PUNE P.B. No.98, 317, M.G. Road, Pune-411 001.	दूरभाष/Tel.: (020) 26131611 to 17 फैक्स/Fax : 020-26131618 E-mail : zmpunezo@centralbank.co.in
रायपुर पहली मंजिल, ब्लॉक सी, बॉम्बे मार्केट, जी.ई. रोड, रायपुर - 492 001.	RAIPUR 1st Floor, Block 'C', Bombay Market, G.E. Road, Raipur - 492 001.	दूरभाष/Tel : (0771) 2226756 / 2225171 फैक्स/Fax : 0771 - 4045239 E-mail : zmraipzo@centralbank.co.in

नया साइनेज - गतिशीलता का प्रतीक

हमारे बैंक के नये साइनेज में उसके वास्तविक स्वरूप के साथ-साथ वर्तमान प्रोफाइल झलकती है. साइनेज में नीला रंग, शांति एवं स्थिरता को दर्शाता है. लाल रंग की निचली पट्टी, उर्जस्वी विचार एवं सकारात्मक कार्यपद्धति का प्रतीक है. कुल मिलाकर, वे बड़ी कुशलतापूर्वक भारत के सर्वाधिक ऐतिहासिक बैंकों की श्रेणी में आने वाले हमारे बैंक की प्रगतिशील कार्यनीति एवं आधुनिक दृष्टिकोण को उजागर करते हैं. अपने विद्यमान 'लोगो' के साथ साइनेज के ये नये रंग इस तथ्य का यथार्थ चित्रण करते हैं कि हम अपने पुराने मूल्यों के साथ आगे बढ़ रहे हैं. और साथ ही, एक सक्रिय तथा समकालीन संस्था की छवि भी प्रस्तुत करते हैं.



The new signage - a signature of Dynamism

The new signage of the bank projects its true character and present day profile. The Blue colour in the signage denotes peace and stability. The bottom strip in red stands for vibrant thought and positive action. Together, they aptly bring forth the forward-looking approach and new-age outlook of one of India's most historic banks. The new colours of the signage together with the existing logo is an apt depiction of carrying forward the old values yet presenting the image of a dynamic and contemporary organization.

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