



# Annual Report 2011-12

*CSB... Support all the way*





Board of Directors



Glimpse of Annual General Meeting

# The Catholic Syrian Bank Limited

Registered Office : P.B. No. 502, CSB Bhavan  
St. Mary's College Road, Thrissur - 680 020  
Telephone : 0487 - 2333020  
[www.csb.co.in](http://www.csb.co.in)

## Board of Directors



Sri. S. SANTHANAKRISHNAN  
Chairman



Sri. V. P. ISWARDAS  
Managing Director & CEO



Sri. AJAY LAL



Sri. T.S. ANANTHARAMAN



Sri. C. BOBBY JOS



Sri. C.K. GOPINATHAN



Sri. K. IPE PETER



Smt. RADHA UNNI



Sri. S. RAMAKRISHNAN



Sri. K. SUBRAHMANYA  
SARMA



Sri. SUMEER BHASIN



Smt. RANJANA SAHAJWALA  
Addl. Director, RBI Nominee



Sri. V. SESHADRI  
Addl. Director, RBI Nominee

## EXECUTIVES

### GENERAL MANAGER

Dr. Giridharan U.R.

### DEPUTY GENERAL MANAGERS/ ZONAL MANAGERS

Sri. Cherian George  
Sri. Joseph C. Varghese  
Sri. Ajith Prabhakar  
Sri. Antony P. V.  
Sri. Bhaskaran V. P.  
Sri. Radhakrishnan A.  
Sri. Abdul Rahiman A.  
Sri. Mohan Menon T.  
Sri. Poulose K. C.

### ASSISTANT GENERAL MANAGERS/ ZONAL MANAGERS

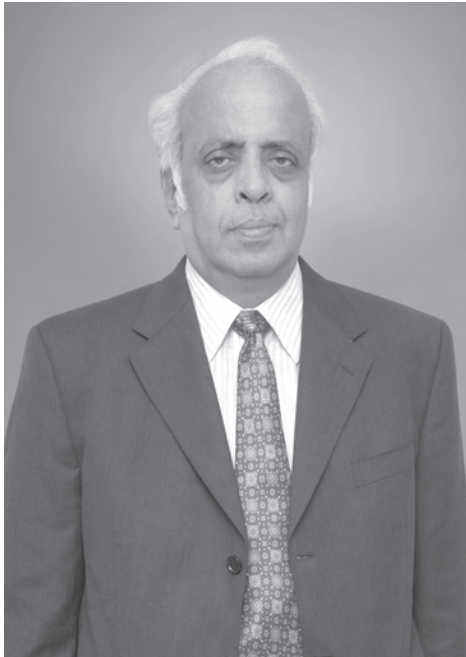
Smt. Tessy Sebastian  
Sri. Paulose A. K.  
Sri. Vincy Louis Palliserry  
Sri. Achuthan M.  
Sri. Baby P. V.  
Sri. Paul George P.  
Sri. Chacko George Veerampully  
Sri. Davies M. P.  
Sri. Ganesan V.  
Sri. Kurian George  
Sri. Paul C. J.  
Sri. Subodha Chandra Mishra  
Sri. Surendranadh P.V.  
Sri. Antony K. A.  
Sri. Jiz P. Kottukappally  
Sri. Joby John K.  
Sri. Joseph Alappat  
Sri. Joseph Manjakadambil  
Sri. Kurian E. J.  
Sri. Rajesh M.  
Sri. Shajahan B.  
Sri. Soby Francis  
Sri. Thomas M. O.

### COMPANY SECRETARY

Sri. Sijo Varghese



## Chairman's Communiqué



*My Dear Shareholders,*

*As I write this annual communiqué, Indian economy is going through testing times. The GDP growth rate has reached a nine-year low. Inflation remains above the comfort zone, prompting analysts to express fears about stagflation. However, one should not lose sight of the fact that our GDP growth rate, though lower by our own standards, continues to be high when it comes to global levels. Given our economy's track record, strong fundamentals and the high potential of its entrepreneurial talent, I am sure we will be bouncing back to 8%+ growth trajectory within a short span of time.*

*It was indeed a challenge for us to ensure a sustained growth of our bank, given the backdrop of global slowdown and its implications on the Indian economy as a whole and banking industry in specific. On the global front, there are growing concerns, such as the downgrading of the US credit rating, and the Euro crisis due to the recent credit downgrading of*

*Spain and Greece. The growth rates in the BRIC nations are also not too rosy. On the domestic front too, the scenario is not so bright consequent on S&P's threat of downgrading India's rating. As you can understand, all these have a multiplier effect on the domestic economy.*

*Despite such odds, I am proud to say, your bank has posted overall improvement in its performance metrics and has meritoriously come out of the tough times with valour and vigour. There is a steady growth in business volumes, revenues and profits in spite of slow economy, tight liquidity, and increased delinquency and elevated interest rates. Also, we have steadfastly remained committed to the regulatory compliance in the backdrop of Basel III guidelines. Your Bank has devised a clear strategy for the next five years and is marching ahead towards its growth prospects.*

*Further, I am proud to say that your bank continues to function as a socially responsible and responsive bank. The Bank has formulated special schemes to cater to the diverse credit needs of small scale industries, road transport operators, agriculturists, and other self employed entrepreneurs. As socially responsible Corporate Citizen, your Bank has over 75% of its clientele belonging to small and economically weaker strata of Society and has a strong rural base with around 80% of the branches in rural and semi-urban areas. Board continues to focus on sound governance framework that encourage the balance and support the long term sustainable creation. It remains an active participant in the financial inclusion drive. As part of it, it has adopted a few villages under the financial inclusion programme.*

*Also, your bank has continued its commitment to high standards of Corporate Governance. It has upheld fairness, integrity and trust in all its dealings with its stakeholders. Significantly, Catholic Syrian Bank*

*is among those banks with the lowest number of customer complaints per branch in India. This is because it has religiously maintained high standards of customer service.*

*With the objective of positioning itself as one of the premium private sector banks in the country, your Bank has reoriented its management policy and also decided to upgrade the technological capabilities to provide better services to the existing customers and also attract new customers.*

*In keeping with the times, your bank has also successfully launched Internet and Mobile Banking Services. These are part of the bank's continued commitment to ensure quick delivery of services to its customers at low cost. At present, your Bank has a network of 379 branches and 186 ATMs across India and also plans to open more number of branches in a phased manner.*

*Looking ahead, your bank visualises exciting opportunities in the financial sector of the country. It is committed to maintaining a sustainable growth in its top line and bottom line, while leveraging on its innate strengths. Also, as part of fuelling our growth engine so that we are better placed in meeting your return expectations, your bank will be bolstering its capital base. I am sure that you will enthusiastically support us in this endeavour.*

*I am very confident about the growth of your bank in next five-year term and we would be achieving such operative levels of efficiency, which would make everyone of you- the shareholders, and the employees proud of your bank.*

*On behalf of my colleagues on the board, I take this opportunity to place on record our sincere appreciation for the support and trust extended by all the stakeholders of the bank, including its most valuable customers. I also place on record our gratitude for the support and guidance extended by the Government of India, RBI, SEBI and other regulatory authorities.*

*Last, but not the least; we place on record our pride over the exemplary commitment and dedication of our employees, who are the corner stone for the sustained growth of the bank. I look forward to their continued commitment in taking the bank to newer heights in the coming years.*

*Thank you, one and all.*

*(S. Santhanakrishnan)*  
*Chairman*

## From the CEO's Desk



Dear Shareholders,

Despite the various challenges faced by the banking industry in 2011-12, we could sustain our growth momentum with deposits pacing at 21.54% and advances at 23.21%, taking our business figure to ₹18,268 crore. Major chunk of the growth in business has happened in retail area i.e. retail deposits and retail advances. In spite of factors like increase in interest rate for Savings Deposits, Deregulation of Interest rates on NRE deposits & consequent increase in cost of such deposits, we could protect our interest margin and our Net Interest Income has grown at a healthy 23.72%. Cost Income Ratio has improved to 76.16% from 89.58% and Operating profit has increased by 178.14% to ₹ 93.40 crore. Braving the whirlwinds of increased provisioning rates for NPAs & Standard Restructured Advances and the need to build Counter Cyclical Provisioning Buffer, our Net Profit has zoomed by 112.72% to ₹ 25.90 crore.

Over the past 3 years, advances have grown at a CAGR of 28%, but this has not been achieved at the cost of asset

quality as testified by our historically low Gross NPA (2.36%) and Net NPA Ratios (1.10%).

We could post significant gains on Employee Productivity front as is evidenced by our business per employee figure which stands at ₹ 6.75 crore as on 31.03.2012 as against ₹ 3.74 crore as on 31.03.2009 i.e. almost doubled in a span of three years.

Though there has been significant asset growth with total assets crossing ₹ 12,000 crore, the Capital Adequacy Ratio remains comfortable at above 11% level.

On technology front, our bank has embraced real time on line banking with the launch of internet banking & mobile banking.

Looking ahead, there is more work to do and more challenges to face, but today we are better placed to serve our customers; to offer customers more reasons to do more business with us; to generate more revenue in the process and to deliver more value to the shareholders.

I extend my gratitude to the Chairman and the other esteemed members of the Board, shareholders, bondholders, customers, employees and well wishers for their valuable guidance, patronage and support. I also take this opportunity to thank the Reserve Bank of India for their continued guidance and support.

V.P. Iswardas  
Managing Director & CEO

## **DIRECTORS' REPORT**

Dear Members,

Your Directors have great pleasure in presenting the 91st Annual Report of your Bank along with the Audited Balance Sheet and Profit & Loss Account for the financial year ended March 31, 2012.

### **GLOBAL ECONOMY**

The developments over the last year in major economies of the world have not been encouraging. There is an apprehension that the process of global economic recovery, which began after the financial crisis of 2008, is beginning to stall. The sovereign debt crisis in the Euro zone area may persist for a while. Besides, political uncertainties in some Middle East and North African countries have been another source of uncertainty owing to obvious implications with regard to oil prices.

As a result, in the short run, the global economy is being buffeted by multiple shocks emanating from various sources – economic, social, and geopolitical. Gross Domestic Product (GDP) growth in advanced economies declined to 1.6 per cent in 2011, compared to 3.2 per cent in 2010. It is expected to be even lower at 1.2 per cent in 2012. Growth in emerging economies slowed to 6.2 per cent in 2011, compared to 7.3 per cent in 2010. It is projected to be a still lower 5.4 per cent in 2012. The lower global growth forecast by the IMF for most countries in 2012 perhaps reflects the repeated bouts of uncertainty arising from these diverse sets of factors.

Going forward, even though the global environment is likely to remain an area of concern, there also appears a continuing phase of multi-speed growth. Growth in emerging markets, especially China and India, is slowing beyond what was anticipated. Still, these two economies are likely to provide some support for global recovery. In sum, in spite of a dip in growth, the world economy is unlikely to lapse into another recession.

### **INDIAN ECONOMY**

The Indian economy saw moderation in economic activity during fiscal 2012, largely due to uncertain global economic factors as well as domestic factors like tightening of the monetary policy. The interest rate has been high along with inflation. The rupee has been in a free fall, with slower investment and declined industrial activities. The Central Statistical Organisation has estimated the GDP growth for fiscal 2012 at 6.5%, compared to 8.4% in fiscal 2011. The growth in real GDP for fiscal 2012 has been the lowest in nine years.

During this period, the growth rate of investment in the economy is estimated to have registered a significant decline. The industrial sector grew by 3.3% compared to 7.0% in the corresponding period of the previous year. The services sector grew by 8.8%, similar to the growth in the previous year, while the agriculture sector grew by 3.2% compared to 6.8%.

Inflation as measured by the Wholesale Price Index (WPI) has been high during most of the current fiscal year, though by year's end, there has been a clear slowdown. Average inflation for fiscal 2012 has been 8.8%, as compared to 9.5% in fiscal 2011. However, WPI inflation has been 6.9% in March 2012, consistent with the Reserve Bank of India's projection of 7%. Money supply (M3) growth, which was 17 per cent at the beginning of the financial year 2011–12 moderated to about 13% by the end of March 2012, lower than the Reserve Bank's indicative trajectory of 15.5 per cent. This mirrors both a tight primary liquidity and lower credit demand during most part of the year. Equity markets remained volatile during fiscal 2012 due to global and domestic events. India's forex reserves during 2011–12 decreased to USD 294.397 million from USD 299.2 million in 2010–11.

Comparatively, the Indian economy's outlook for growth and price stability at this juncture looks promising. There are signs from some high frequency indicators that the weakness in economic activity has bottomed out and a gradual upswing is imminent. Moreover, with the easing of inflationary pressure in the months to come, there could be reduction in policy rates by RBI, which would encourage investment that could have a positive impact on growth.

## **INDIAN BANKING DEVELOPMENTS**

The Indian banking system has successfully passed through various phases of reforms. It has also faced the stress tests posed by the global financial crisis in the recent past. This suggests that the Indian financial system has become even stronger. The financials of the banking system have grown in size as well as in quality. There have been some important reforms also in the year, such as deregulation of interest rates on Saving Bank Deposits and NRE deposits. The banks have complied with these and various other regulatory requirements. Banks have also been proactive in adapting to the changes, which are coming their way in the emerging banking space, both on domestic and international fronts. Besides, the penetration of banks in rural areas has increased manifold due to the progress made under the Financial Inclusion Plans of banks.

During this period, the bank credit decreased to 19.3 per cent compared to 21.4 per cent during the corresponding period of last year. The Non-Food Credit Growth decelerated from 22.1 per cent at end of March 2011 to 16.8 per cent by the end of March 2012, higher than the indicative projection of 16 per cent by the Reserve Bank of India. The financial year growth in aggregate deposits with SCBs as on March 31, 2012, was 15.3 per cent as against 15.8 per cent in the corresponding period of last year.

In a nutshell, the Indian banking industry is poised to grow exponentially, indicating the good health of the country's economy. Indian banks have proved their mettle time and again. They have aligned their regulations with the international standards while remaining conventional in their approach. At the same time, the Reserve Bank of India, as the regulator, has also continuously monitored the macroeconomic environment to formulate its policies and directions in keeping with domestic and international levels.



**PERFORMANCE HIGHLIGHTS**

The financial performance of your Bank for the fiscal 2011-12 is as given:

₹ in Crores

Key Financial Parameters	March 31, 2012	March 31, 2011
Deposits	10,604.87	8,725.67
Gross Advances	7,767.69	6,302.55
Total Gross Business	18,372.56	15,028.22
Total Assets	12,047.07	9,829.07
Net Interest Income (NII)	307.03	248.15
Operating Profit	93.50	33.62
Net Profit	25.90	12.18

During fiscal 2012, there has been moderation in economic activities due to an uncertain economic environment, highly volatile interest rates, increased delinquency rates and strain on margins faced by banks in general. Still, your bank has continued to show steady growth in business and earnings during the referred period. The Operating Profit of the Bank has increased by almost three fold to ₹93.50 Crores in this period, compared to ₹33.62 Crores in 2010-11. The Net Profit doubled to ₹ 25.90 Crores, compared to ₹12.18 Crores in the corresponding previous period.

**APPROPRIATIONS**

₹ in Crores

Transfer to Capital Reserve	0.45
Transfer to Statutory Reserve	6.48
Transfer to General Reserve	7.66
Transfer to Special Reserve	5.52
Transfer to Investment Reserve	0.96
Transfer to Charity Fund	0.03
Proposed Dividend Including Dividend Tax	5.50

**KEY PERFORMANCE INDICATORS**

Particulars	2011-12	2010-11
Capital Adequacy (CRAR) %	11.08	11.22
Earnings per share (in ₹)	8.25	4.65
Book value per share (in ₹)	154.91	149.97
Cost-Income Ratio	76.16	89.58
Return On Assets (ROA) %	0.24	0.14
Return On Equity (ROE) %	5.41	3.13

**DIVIDEND**

The Board of Directors have recommended payment of a dividend of 15 (fifteen) percent on Equity Shares for the year ended 31st March 2012. This will, however, be subject to the approval of the shareholders in the Annual General Meeting.

## PAID-UP CAPITAL AND RESERVES

The Paid-Up Capital of the Bank stood at ₹ 31.41 Crores as on March 31, 2012 as against ₹ 31.35 Crores as on March 31, 2011. The free reserves and surplus stood at ₹ 346.21 Crores as on March 31, 2012 as against ₹ 337.30 Crores as on March 31, 2011.

## CAPITAL ADEQUACY

As per the Basel II Capital Adequacy Framework, the Capital to Risk Weighted Assets Ratio (CRAR), as assessed by the Bank as on 31st March 2012, is 11.08%. This is as against the minimum CRAR of 9% stipulated by the Reserve Bank of India. The Tier I CRAR stood at 8.83%, well above the minimum of 6%.

## FORFEITURE OF SHARES

Pursuant to Article 42 of the Articles of the Bank, the Board of Directors had forfeited 2,19,520 shares on May 2, 2012 due to non-payment of allotment/call monies in respect of shares allotted in the year 2009 and the earlier years. Accordingly, the issued and subscribed shares of the Bank has decreased to 3,13,59,567 shares from 3,15,79,087 shares. Correspondingly, the paid up capital has decreased to ₹ 31.36 Crores from ₹ 31.41 Crores effective from the date of forfeiture.

## ISSUE OF LOWER TIER II BONDS

For augmenting Tier-II Capital, during the year under report, the Bank issued on private placement basis, 418 Unsecured, Redeemable, Non-Convertible, Subordinated Lower Tier II Bonds in the nature of Debentures – 'CSBL Bonds -2012 – Series-I', having face value of ₹10 Lakhs per bond, aggregating to ₹ 41.80 Crores as per the general permission granted by the Reserve Bank of India. The Bonds were listed on the National Stock Exchange of India Limited (NSE).

## DEPOSIT MOBILISATION

Total Deposits of the Bank registered a growth of 21.54%, as against average banking industry growth of 13%, to reach ₹ 10,604.87 Crores as at March 31, 2012. This is as against ₹ 8,725.67 Crores in March 31, 2011. In accordance with the strategic focus, the Bank's core deposits registered a significant growth during the period. Low cost deposits (CASA) constitute 19.32% of the total deposits.

## COMPOSITION OF RESOURCES OF FUNDS

(₹ in Crores)

Particulars	Financial year ended March 31, 2012	Financial year ended March 31, 2011
Deposits	10,604.87	8,725.67
Borrowings	575.46	323.82
Total	11,180.33	9,049.49

## CREDIT DEPLOYMENT

Total Advances of the Bank registered a growth of 23.21%, as against average banking industry growth of 16.83%, to reach ₹ 7,663.54 Crores as at March 31, 2012. This is as against ₹ 6,220.02 Crores in March 31, 2011. The Bank stepped up credit to all major productive segments of the economy with a thrust on asset quality.

During the year, your Bank has adopted a number of strategies to achieve sustainable credit growth, thereby ensuring higher earnings. The CD Ratio of the Bank stood at a very comfortable level during this period also, at 72.26% as against 71.28% in the corresponding previous year.

### DEPLOYMENT OF FUNDS

The position of deployment of funds for the period under review is as given:

Particulars	Financial Year Ended March 31, 2012 (₹ in Crores)	Financial Year Ended March 31, 2011 (₹ in Crores)	Growth (%) Year Under Report	Growth (%) Previous Year
Advances	7,663.54	6,220.02	23.21	39.25
Investments	3,145.15	2,690.26	16.90	17.51

### TOTAL BUSINESS OF THE BANK

The total business of the Bank grew by 22.23% to reach ₹ 18,268.41 Crores as at March 31, 2012. This is as against ₹ 14,945.69 Crores during the preceding year. Total business of the Bank has grown around 100 percent over the past three years.

### PRIORITY SECTOR LENDING

Your Bank has continued to give special emphasis on lending to priority sector, thereby being in conformity with the prescribed guidelines. Priority Sector Advances extended by your Bank stood at ₹ 2,532.06 Crores at the end of March 2012, constituting 40.18% of Adjusted Net Bank Credit as on the previous year March. This is against the mandated target of 40%, as prescribed by the Reserve Bank of India.

Total Agricultural Advances stood at ₹ 1,146.46 Crores at the end of March 2012, constituting 18.19% of Adjusted Net Bank Credit as on the previous year March. This is against the mandated target of 18%, as prescribed by the RBI.

### NON-PERFORMING ASSETS (NPAs) MANAGEMENT

During the period, your Bank continued its special focus on improving the quality of assets, with an emphatic thrust on recovery of Non-Performing Assets. As part of this, your Bank has focussed more on arresting fresh slippage of NPAs by ensuring close monitoring and other control measures, invocation of SARFAESI Act, compromise/settlement, thrust on up-gradation of fresh NPAs, restructuring of accounts and so on.

There was good performance in NPA Recovery Management during the financial year under review. In view of these coordinated and sustained efforts, the gross NPA level of the Bank had come down to ₹ 182.93 Crores during the period 2011–12 from ₹ 192.45 Crores in the corresponding previous year. As a result, the gross NPA ratio had come down to 2.36% in the same period from 3.05% in the previous year. The net NPA ratio has come down to 1.10% from 1.74% in the preceding year.



Asset Quality: (₹ In Crores) Advance Type (Gross Including Provisions)	Financial Year Ended March 31, 2012		Financial Year Ended March 31, 2011	
	Amount	% of Total	Amount	% of Total
Loss	8.11	0.10	8.73	0.13
Doubtful	113.55	1.46	102.59	1.63
Sub-Standard	61.27	0.80	81.13	1.29
Gross NPA	182.93	2.36	192.45	3.05
Standard	7,584.76	97.65	6,110.10	96.95
Total Loan Assets	7,767.69	100.00	6,302.55	100.00

The share of the Standard Assets to Total Loan Assets has increased to 97.65% during the financial year 2011–12 from 96.95% in the corresponding previous year. The Bank's NPA provision coverage ratio is 61.92% as on 31st March 2012.

Cash Recovery of NPAs amounted to ₹ 62.83 Crores and up-gradation of NPA accounts aggregated to ₹ 13.51 Crores during the year. The Bank could also recover a sum of ₹ 15.19 Crores from the written off accounts.

#### RISK MANAGEMENT & BASEL II COMPLIANCE

Of the various types of risks the bank is exposed to, the most important are credit risk, market risk (which includes liquidity risk and price risk) and operational risk. The risk management measures are undertaken with the objective that all risks are identified, prioritised, quantified, controlled and managed in order to achieve an optimal risk-reward profile.

The Bank is adopting and implementing an integrated approach to risk management. For the purpose, it has evolved a suitable risk management architecture. The Board of Directors remains at the helm of all risk management policies and strategies. It is supported by the Sub-Committee of the Board for Risk management (RMC), which, in turn, is supported by Executive Level Committees, such as the Credit Risk Management Committee (CRMC), Operational Risk Management Committee (ORMC) and Asset Liability Management Committee (ALCO). These committees ensure adherence to implementation of various risk management policies.

Implementation of Basel II norms in your Bank commenced in the financial year 2007–08. The Bank has been in tune with the regulatory guidelines on Pillar I of Basel II Norms. It has computed the capital charge for credit risk as per the Standardised Approach for market risk in accordance with the Standardised Duration Method. The capital charge for operational risk has been as per the Basic Indicator Approach.

In order to manage Credit Risk, the Bank's Credit Risk Management Department undertakes Industry/Product/Loan profile studies and makes them available for credit operations. Proposals of ₹ 25 Lakhs and above are subjected to Credit Risk Evaluation and Credit Rating. All proposals with an aggregate limit of ₹ 5.00 Crores and above are being routed through the Credit Approving Committee. The Bank has also set down industry/sector-wise prudential exposure ceilings to contain/monitor the risk of credit concentration on an ongoing basis.

The ALCO articulates the interest rate view of the Bank, the funding policy and the transfer pricing policy, apart from carrying out the balance sheet management. The structural liquidity and interest rate sensitivity gap reports are prepared in line with the RBI Guidelines to monitor the liquidity and interest rate risk. To analyse the impact of interest rate movements on the economic value of equity, the Bank conducts modified duration gap analysis on a monthly basis. The Bank is also adhering to the Basel III Regulatory Standards of Liquidity by monitoring the Liquidity Coverage Ratio and Net Stable Funding Ratio on a monthly basis.

In conformity with RBI's latest guidelines, your Bank has evolved a robust Operational Risk Management Policy. This policy provides the framework to identify, assess, monitor, control and report operational risks, which arise out of the failure of internal processes, people and systems and on account of external events. The policy is implemented in an uninterrupted, reliable and comprehensive manner across the entire Bank.

To address the requirements of Pillar II of Basel II Norms in its Internal Capital Adequacy Assessment Process (ICAAP), the Bank analyses various other risks in addition to the Pillar 1 risks and maintains an additional capital wherever required.

Your Bank has put in place a solid Stress Testing Framework. It consists of a series of sensitivity and scenario tests on various risk areas like default risk, credit concentration risk, interest rate risk in the banking book, and market risk, among others.

The Bank has made the necessary disclosures in the Annual Report and Website, in compliance with the requirement of Pillar 3 – Market Discipline of Basel II Norms.

### **FOREX BUSINESS AND TREASURY OPERATIONS**

The global trade witnessed a slowdown due to global financial market uncertainties and weakening demand conditions in advanced economies. Despite the downtrend, total export bill turnover of the bank increased to ₹ 1014 Crores during the year 2011–12 as against ₹ 907 Crores during the corresponding previous year. The total income from forex business for the year increased to ₹ 37.91 Crores from ₹ 30.82 Crores for the previous year.

During the year, the Bank's Integrated Treasury has continued to be an active player in the Inter-Bank Foreign Exchange Market. Even though US Dollar forward premiums were high, there was a good demand for foreign currency loans as the rate of interest on US Dollar denominated Foreign Currency Loans continue to remain lower than those on rupee borrowings even on a fully hedged basis. Hence, the Bank could deploy its foreign currency resources profitably. Due to the upward bias in interest rates for most part of the year and liquidity tightness, the G Sec Market remained lacklustre for most of the fiscal. Further, the stock market remained volatile and recovered only modestly from the intra year lows. Despite the adverse conditions, your Bank made a trading profit of ₹ 5.28 Crores. The yield on treasury investments has improved from 6.33% in 2010–11 to 6.95% in 2011–12.

### **NEW BUSINESS ACTIVITIES**

Your Bank has tied up with "The National Payment Corporation of India (NPCI)" for offering a new payment service called Interbank Mobile Payment Service (IMPS). IMPS enables our customers to use their mobile

instruments as a channel to transfer funds. Starting from ₹ 1 to ₹ 50, 000, the customers can transfer funds from their accounts to accounts that are maintained with any other bank. Only customers registering for Mobile Banking can enjoy this facility. On successful registration, the bank would communicate to the customer a seven-digit code called “Mobile Money Identifier” (MMID) for undertaking transactions under IMPS.

To further enhance the features of Internet Banking Services facility, your Bank has entered into tie up arrangements for providing various online services to customers, like payments of utility bills, ticket bookings, online shopping, insurance premium payments, online prepaid mobile recharge service and so on.

For corporate customers, the Bank provides an online income tax payment facility. Your Bank, in association with Axis Bank, has developed this programme in-house, using which branches can facilitate online income tax and TDS payments by customers. This is a value added facility that is offered free to our customers.

Your Bank has also started a tie up with M/s. Weizmann Forex Ltd. for providing Western Union Money Transfer Service (WUMTS). WUMTS provides a safe and fast way of transferring money from anywhere in the world to India. Western Union Financial Services (WUFS) Intl., USA, is the largest money transfer service provider in the world and has been in existence since 1871. WUFS has presence in 204 countries and territories in the world. It has its offices at more than 4,00,000 locations around the globe. Weizmann Forex Limited is a Principal Agent of WUMTS and we are acting as their sub-agent.

### BANCASSURANCE BUSINESS

The Bank has Corporate Agency arrangements with the New India Assurance Company for general insurance business, Birla Sun Life Insurance Company for life insurance business and Export Guarantee Corporation of India (ECGC) for Export Credit Guarantee Insurance business.

The Bank is also having tie-up arrangements with leading Assets Management Companies for providing wealth management solutions through mutual funds.

### BRANCH NETWORK

The Bank's branch network as on 31st March 2012 is as given:

Area	Branches	% to total
Metro	52	14
Urban	94	25
Semi-Urban	212	57
Rural	14	4
Total	372	100

The Bank has 1 Circle Office and 9 Zonal Offices.

### TECHNOLOGY ADOPTION

Technology continues to be a key enabler in every sphere of your Bank's operations. It reinforces our position and sustains competitive strength. All branches of the Bank are functioning under the platform of Core Banking Solution. Your Bank has been implementing the planned change at a measured pace towards realising its vision without losing sight of its cherished values and ethos. The Technology-Encompassed



Business Transformation Programme is being implemented by the Bank with a view to provide customer convenience banking. It deploys the Core Banking Solution, which seamlessly integrates all delivery channels, such as branches, ATMs, Internet, Phones and Mobiles, among others. The multi-channel banking has acquired further dimensions to include third party payments, such as utility bills, through different channels including ATMs, mobile banking and so on. Further extension of RTGS in scope and width and the introduction of the cheque truncation systems should raise the customer expectation far even higher. More technology spends are expected in the near future. They will be on areas like implementation of data centre, expansion of CBS, Business Continuity Plan (BCP), Disaster Recovery Plan (DRP) installations, IT Security, Electronic Data Interchange (EDI), cheque truncation solutions, compliance to regulatory standards like Basel II implementations, Customer Relationship Management (CRM) solutions, data warehouse and data mining tools, channel integration, global treasury and performance monitoring tools, among others.

### IT INITIATIVES

During the financial year 2011–12, 19 new ATMs have been commissioned, taking the total strength of ATMs to 178.

The Bank has tie ups with VISA and NFS (National Financial Switch) to increase the accessibility of ATMs across the world. It is in the process of having a tie up with the Master Card.

Debit card issuance has improved. As at the year end date, your Bank has issued 3.34 Lakh cards. The Bank is also issuing a gift card – Upahaar, which relieves our customers from the task of selecting an appropriate gift.

All branches are covered under the core banking. They are connected to the server through a leased line (MPLS) connectivity, which is also backed up by ISDN. In case of failure of both the lease line and ISDN, branches will be able to serve customer via CDMA-based connectivity.

During this period, the Bank has entered into the business of Mobile and Internet Banking. Now, our customers can transfer funds within the Bank as well as to other bank accounts. Mobile recharge and utility bills, like telephone, flight and train ticket payments, can be made through these new facilities. The Bank is also providing the facility of email and SMS alerts to its customers for transactions made through their accounts and for other information.

### MISSION AND BUSINESS STRATEGY

Your Bank is implementing an aggressive growth strategy with high-quality customer services, without compromising on asset quality. Besides introducing products that are best suited to the growing customer needs, your Bank also continues its marketing efforts towards mobilising low-cost deposits.

As part of strengthening the financials, the Bank continues to focus on effective deployment of funds and ensuring financial discipline.

Your Bank intends to open branches at potential centres across the country. On the technology front, your Bank constantly reinvents and innovates the technology platform. It enables development of newer products and channels, apart from cross selling and reduction of operating costs as well as the turnaround time. Thus, it seamlessly integrates the IT strategy with the business strategy.

Your Bank has a clear sense of direction for continuing its growth, even while keeping in mind the prevailing economic scenario and future outlook. For the purpose, the Bank has formulated Corporate Mission 2015 to attain specific targets within the prescribed period of 2014-15.

### **CUSTOMER SERVICE**

Your Bank's endeavour is to always maintain standards of high-quality customer service. Your Bank continues to pay the highest focus on Customer Service and Redressal of Complaints and Grievances. For this, the Bank has put in place a well-defined Customer Grievances Redressal Mechanism. Under it, customers can approach bank officials at various levels for redressal of their grievances. The Bank also ensures that customer complaints received through various sources are resolved within the shortest possible time. Your Bank strongly believes that customer service will continue to be the most important factor in maintaining and improving the Bank's role within the Indian Banking Industry.

The "Customer Service Committee", a Sub-Committee of the Board constituted pursuant to the RBI directives, has been inter alia suggesting, implementing and reviewing the measures for enhancing the quality of customer service. It improves the level of satisfaction of all categories of clientele at all times. To ensure constant focus, the Board of Directors periodically reviews the functioning of this Sub-Committee. Besides, the Bank is also having a Standing Committee on Customer Service, which also has representation from customer groups.

### **HUMAN RESOURCES**

Human resources form the basic lifeline of a service-oriented industry like banking. The HR policies of the Bank are being reinvented and refocused time and again to suit the changing banking scenario. The thrust is on improving the competencies of human resources and maximising their potential in critical and functional areas.

During the financial year under review, the Bank made direct recruitments to the officers' cadre. In the same period, the promotions also took place in various cadres including executives.

The Bank's quest to enhance the competencies of the workforce will continue through focused and need-based trainings. Towards this end, the Bank has built a training infrastructure, which seeks to enhance skills across grades and functions through a combination of in-house and external programmes. During the year 2011-12, the Bank conducted 37 training programmes at the Bank's Staff Training College. 902 staff members at different levels benefited from these trainings. 114 staff members also underwent external training programmes.

As at the end of the fiscal, the total staff strength of the Bank stood at 2,729, comprising 1,324 officers, 1,146 clerks, 181 sub-staff and 78 permanent part-time employees.

### **INSPECTION AND VIGILANCE**

The Inspection Department of your Bank ensures that there is an appropriate mechanism on an ongoing basis to check systems, policies and procedures of the Bank. It makes it a point to ensure that every branch and all its departments adhere to all the rules that have been laid down. It should be noted that the Inspection Department functions independently. This is to reaffirm that the standards of efficient control are not diluted while attempting robust business growth. The Inspection Department's aim is to assist and guide

the branches in a way that compliance becomes a part of their culture and goes hand in hand with business growth. The Inspection Department also manages various types of audits like Risk Based Internal Audit (RBIA), Concurrent Audit, Information System Audit, Currency Chest Audit, KYC Audit and Management Audit of various Departments and Zonal Offices. Professionally qualified Chartered Accountant firms conduct the Concurrent Audits. The Audit Committee of the Board regularly audits and approves all the policies and guidelines framed in this regard. As on March 31, 2012, 108 branches, Treasury Department and International Banking Division of the Bank were covered by Concurrent Audit.

Information System Audit has been conducted in four administrative offices and six major branches by CISA-qualified Chartered Accountants. Internal Inspectors/Officers from the respective Zonal Offices conducted the Information System Audit in the remaining offices as a part of Bank's Information System Audit Policy.

Since all branches are under CBS, offsite surveillance has been strengthened for promptly detecting and rectifying irregularities.

The Bank has implemented various preventive vigilance measures, reducing the instances of fraud in the Bank. During the current financial year, there was no loss to the Bank on account of fraud. The Sub-Committee of the Board for Monitoring Large Value Frauds has reviewed the fraud cases and evaluated the efficiency of the preventive vigilance machinery of the Bank.

#### **FINANCIAL INCLUSION**

In line with the Government of India and Reserve Bank of India initiatives for ensuring greater financial inclusion and increasing the outreach of the banking sector, the Bank has adopted Ozhoor Village in Malappuram District, Kerala State and Thippampatty Village, in Salem District, Tamil Nadu. Your Bank has installed Biometric ATMs in the two villages for the benefit of the customers from these villages.

#### **FORMATION OF PMLA CELL**

Your Bank has set up a Prevention of Money Laundering Act Cell [PMLA CELL] (1) For addressing issues related to financing of terrorism including reporting to the Financial Intelligence Unit, Suspicious Transactions Reporting and so on. (2) For reviewing guidelines issued to banks on 'Know Your Customer (KYC)' and 'Cash Transactions' and (3) For imparting training to staff members on Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) activities.

#### **CORPORATE GOVERNANCE**

The Bank believes that Corporate Governance is not an end in itself. That it is more a catalyst in the process of maximising the shareholder value. Therefore, shareholder value as an objective is interwoven into all aspects of Corporate Governance – the underlying philosophy, developments of roles, creation of structures and continuous compliance with standard practices. The Bank also believes that a company, which is proactively compliant with the law and adds value to itself through Corporate Governance initiatives, would also command a higher value in the eyes of present and prospective shareholders.

The Board of Directors of the Bank comprises 14 Directors, including the Non-Executive Chairman, Managing Director and CEO, and two Additional Directors appointed by the Reserve Bank of India. Except the Managing Director & CEO, the rest of the Directors are Non-Executive Directors. None of the Directors,



except the Managing Director & CEO, are paid any remuneration other than the sitting fees for attending the meetings conducted by the Board and its various Committees. Further, the composition of the Board is in compliance with Section 10A (2) of the Banking Regulation Act, 1949. Based on the Ganguly Committee Report on Corporate Governance in Banks and as per the advice of the Reserve Bank of India, the Bank has in place a Nomination Committee of the Board for conducting due diligence on appointment and continuation of Directors on the Board. The prescribed due diligence exercise has been carried out by the Bank in respect of all Directors holding office as on 31st March 2012. They have all satisfied the 'Fit and Proper' norms.

During the year under report, there were 11 Board Meetings. The Sub-Committees of the Board and their number of meetings held were: (i) Audit Committee – 7 Meetings, (ii) Credit Committee – 10 Meetings (iii) Management Committee – 12 Meetings, (iv) Shareholders'/Investors' Grievance Committee – 4 Meetings, (v) Risk Management Committee – 5 Meetings, (vi) Committee for Monitoring Large Value Frauds – 4 Meetings, (vii) Nomination Committee – 3 Meetings, (viii) Customer Service Committee – 3 Meetings and (ix) NPA Recovery Committee – 8 Meetings.

The compliance by the Bank of Statutory and Regulatory Requirements has been prompt and up to date. The major means of communication with the shareholders are individual correspondence and newspaper releases. As part of the 'Green Initiative in Corporate Governance' programmes organised by the Ministry of Corporate Affairs (MCA), the Bank has taken the necessary steps for sending all notices/documents including notice of the shareholders' meeting, Balance Sheet, Profit & Loss Account, Auditors' Report, Directors' Report and so on in the electronic form. The Bank's shares can be held either in physical or in dematerialised format, though not listed in any Stock Exchanges. However, Bonds issued by the Bank [CSBL Bonds – 2004 (Series-II), CSBL Bonds – 2005 and CSBL Bonds – 2012 - Series I] are listed on the National Stock Exchange. The shares of the Bank are widely held. Compliance of 'Fit and Proper' norms is ensured for major shareholders. The instructions of the RBI with regard to Corporate Governance Standards are complied with to the extent applicable.

The Bank has voluntarily adopted most of the Corporate Governance practices specified in the Listing Agreement for Bonds with NSE, though they are not mandatory.

#### **AUDIT COMMITTEE OF THE BOARD**

The Audit Committee of the Board (ACB) in the Bank discharges the functions laid down in the Companies Act, 1956, and those prescribed by the Reserve Bank of India. It also discharges the functions delegated by the Board of Directors from time to time. The ACB, which held seven meetings during the year, has been closely overseeing and monitoring the Internal Control Systems and Procedures and Inspection and Audit Functions including follow-up and compliance of inspection/audit reports. It has also interacted with the Auditors. The ACB acts as an effective tier to the Board in the matter of inspection, audit and internal control systems. It offers useful suggestions in the conduct and management of your Bank's business.

#### **REGISTRAR & SHARE TRANSFER AGENTS**

M/s. SKDC Consultants Ltd., Coimbatore, is the Registrar and Share Transfer Agent of the Bank's shares. The shareholders can lodge their shares with M/s. SKDC Consultants Ltd. through Depository Participants (DPs) for dematerialisation.

The shareholders may lodge their requests/complaints either with the Registrar and Share Transfer Agent or with the Bank at the following address:

SKDC Consultants Ltd., Kanamathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganamathy, Coimbatore – 641 006. Ph:0422 – 2539835, 2539836 E-mail: info@skdc-consultants.com	The Company Secretary, Catholic Syrian Bank Limited, P. B. No. 502, CSB Bhavan, St. Mary's College Road, Thrissur – 680 020. Ph:0487 – 2333020 E-mail: board@csb.co.in
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## CORPORATE SOCIAL RESPONSIBILITY

Your Bank has always had a deep sense of responsibility towards the community. In this regard, the Bank has initiated a slew of measures during the period under review in line with Reserve Bank of India and Ministry of Corporate Affairs guidelines on Corporate Social Responsibility.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that in the preparation of the Annual Accounts for the year ended March 31, 2012:

- i) The applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any;
- ii) The Directors had selected the accounting policies and had applied them consistently. They made judgements and estimates that are reasonable and prudent. They give a true and fair view of the state of affairs of the Bank at the end of the financial year as well as the profit of the Bank for the year ended March 31, 2012;
- iii) The Directors have taken proper and sufficient care for ensuring the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, and/or the Banking Regulation Act, 1949, as applicable, thus safeguarding the assets of the Bank and preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the Annual Accounts on an on going concern basis; and
- v) Proper systems are in place to ensure compliance of all laws applicable to the Bank.

## AUDITORS

The Joint Statutory Central Auditors M/s. Essveeyar, Chartered Accountants, Chennai, and M/s. Abraham & Jose, Chartered Accountants, Thrissur, retire at the ensuing 91st Annual General Meeting of the Bank. They are due for a change according to the RBI's policy of rotation and resting of Auditors upon completing a four years' continuous tenure as Statutory Central Auditors. Appointment of new auditors has to be made at the ensuing Annual General Meeting in place of the retiring auditors.

The Board places on record their appreciation and gratitude for the valuable services of M/s. Essveeyar, Chartered Accountants, Chennai, and M/s. Abraham & Jose, Chartered Accountants, Thrissur, as Joint Statutory Central Auditors of the Bank.

**BOARD OF DIRECTORS**

Reserve Bank of India has appointed Smt. Ranjana Sahajwala as Additional Director on the Board with effect from August 3, 2011 in place of Shri. Rakesh Mathur.

At the 90th Annual General Meeting of the Bank held on September 29, 2011, Shri. C.K Gopinathan was re-appointed as Director of the Bank. Shri. Ramakrishnan S. and Smt. Radha Unni were appointed as Directors of the Bank in the said meeting.

At the conclusion of the Annual General Meeting, Directors Sarvasree C.F John and N. R Achan ceased to be Directors of the Bank in view of their decision not to seek re-appointment in the said meeting.

Shri. V.Krishnamurthy resigned from the Board of the Bank on June 22, 2012 due to personal reasons.

The Board places on record its appreciation of the commendable services and guidance rendered by Directors Sarvasree C.F John, N. R Achan and V.Krishnamurthy during their tenure as Directors of the Bank. The Board also places on record its appreciation for the proper guidance and support extended by Shri. Rakesh Mathur during his tenure as Additional Director (RBI Nominee).

Directors Shri. T. S. Anantharaman, Shri. K. Ipe Peter and Shri. Sumeer Bhasin retire by rotation at the ensuing Annual General Meeting of the Bank pursuant to Section 256 of the Companies Act, 1956 and being eligible have offered themselves for reappointment.

**INVESTOR EDUCATION AND PROTECTION FUND**

During the year, the Bank has transferred the unclaimed dividend for the year 2003–04, an amount of ₹ 6,91,739, to the Investor Education and Protection Fund (IEPF) constituted under Section 205 C of the Companies Act, 1956.

**PARTICULARS OF EMPLOYEES**

There were no employees who were in receipt of remuneration within the limits prescribed under Section 217 (2A) of the Companies Act, 1956. Hence, the particulars, as to be disclosed under the Companies (Particulars of Employees) Rules, 1975, as amended vide GSR 289 (E) dated March 31, 2011 [Companies (Particulars of Employees) Amendments Rules, 2011], are not applicable.

**STATUTORY DISCLOSURES**

Considering the nature of activities of the Bank, the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, relating to conservation of energy and technology adoption, are not applicable to the Bank. But they are still being constantly pursued and all out efforts are being made by the bank to achieve the desired goals as contained in the Act and Rules.

**a) Conservation of Energy**

All attempts are being made to reduce energy consumption to the maximum extent possible. As part of these measures, a few branches of the bank have switched over to solar power, which is aimed at optimum utilisation of power in a cost efficient manner.

**b) Technology Absorption**

The required technology absorption is being made considering the nature of activities.

**c) Foreign Exchange Earnings and Outgo**

Being an authorised dealer in foreign exchange, the Bank has been taking all possible steps to augment export credit.

**ACKNOWLEDGEMENTS**

The Board of Directors places on record its gratitude to the Reserve Bank of India, and other government and regulatory authorities for their continued strong support and guidance. The Board acknowledges with thanks its esteemed shareholders, bondholders and business associates for their encouragement, support and assistance.

The Board of Directors wishes to place on record its appreciation for the dedicated services rendered by members of staff at all levels. The Board looks forward to their continued dedicated and sincere services to take the Bank to greater heights. The Directors wish to record their deep sense of obligation and gratitude to all the customers and well wishers of the Bank for their cooperation and association.

By order of the Board

Sd/-

Thrissur  
June 22, 2012

**S.Santhanakrishnan**  
Chairman



AUDITORS REPORT TO THE MEMBERS OF THE CATHOLIC SYRIAN BANK LIMITED

1. We have audited the accompanying financial statements of the Catholic Syrian Bank Limited, which comprise the Balance Sheet as at 31st March, 2012 and the Statement of Profit and Loss and the 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 39 branches/offices audited by us, 350 branches/offices audited by branch auditors and unaudited returns of NIL branches/offices.
2. The Management is responsible for the preparation of these financial statements in accordance with Banking Regulation Act 1949. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.
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 our 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, we have considered 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.
6. Without qualifying our opinion, we draw attention to Note no 3.3 to the financial statement, which describes deferment of pension and gratuity liability of the bank to the extent of ₹ 36.28 crores pursuant to the exemption granted by the Reserve Bank of India to the bank, from the application of the provisions of Accounting Standard (AS) 15 relating to employee benefits vide its circular no DBOD.BP.BC 80/21.04.018/2010-11 dated 09.02.2011 and DBOD.BP.BC 15896/21.04.018/2010-11 dated 08.04.2011 on reopening of pension option to employees of the bank and enhancement in gratuity limits –Prudential Regulatory Treatment.
7. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information in terms of Section 29 of the Banking Regulation Act, 1949 read with Section 211 of the Companies Act, 1956, in the manner so required for the banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Bank as at 31st March, 2012;
  - (ii) In the case of the Profit and Loss Account of the profit for the year ended on that date; and
  - (iii) In the case of the Cash Flow Statement, of cash flows for the year ended on that date.
8. We report that:
- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit 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 have been found adequate for the purposes of our audit.
9. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
10. We further report that :
- a. The Balance Sheet and Profit and Loss Account dealt with by this report, are in agreement with the books of account and the returns.
  - b. In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books.
  - c. The reports on the accounts of the branches audited by branch auditors have been dealt with in preparing our report in the manner considered necessary by us.
  - d. On the basis of the written representation received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Coimbatore  
05.06.2012

For ESSVEEYAR  
CHARTERED ACCOUNTANTS  
FRN NO 000808S

R.VIJAYARAGHAVAN  
(PARTNER)  
(M.NO.022442)

For ABRAHAM & JOSE  
CHARTERD ACCOUNTANTS  
FRN NO 000010S

JOSE POTTOKARAN  
(PARTNER)  
(M.NO.012056)

BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2012

		(₹ 000 omitted)	
	SCHEDULE NO	AS ON 31.03.2012	AS ON 31.03.2011
<b>CAPITAL &amp; LIABILITIES</b>			
Capital	1	31 , 41 , 62	31 , 34 , 81
Reserves & Surplus	2	534 , 13 , 25	513 , 70 , 64
Deposits	3	10604 , 87 , 05	8725 , 66 , 98
Borrowings	4	575 , 46 , 52	323 , 81 , 90
Other Liabilities and Provisions	5	301 , 19 , 10	234 , 52 , 71
<b>TOTAL</b>		<b>12047 , 07 , 54</b>	<b>9829 , 07 , 04</b>
<b>ASSETS</b>			
Cash and balances with Reserve Bank of India	6	686 , 47 , 54	587 , 14 , 13
Balances with banks and money at call & short notice	7	284 , 53 , 50	112 , 94 , 84
Investments	8	3145 , 14 , 62	2690 , 25 , 78
Advances	9	7663 , 54 , 27	6220 , 02 , 46
Fixed Assets	10	75 , 67 , 40	75 , 07 , 31
Other Assets	11	191 , 70 , 21	143 , 62 , 52
<b>TOTAL</b>		<b>12047 , 07 , 54</b>	<b>9829 , 07 , 04</b>
<b>CONTINGENT LIABILITIES</b>	12	1008 , 34 , 19	874 , 74 , 75
Bills for collection		75 , 43 , 85	72 , 52 , 80

As per our report of even date

Sd/-  
S Santhanakrishnan  
Chairman

Sd/-  
V.P.Iswardas  
Managing Director & CEO

Sd/-  
S. Ramakrishnan  
Chairman-Audit Committee

Sd/-  
Sijo Varghese  
Company Secretary

Sd/-  
T.S.Anantharaman  
Director

Sd/-  
U R Giridharan  
General Manager

Sd/-  
C Bobby Jos  
Director

Sd/-  
P.V.Antony  
DGM (Accounts & Risk Management)

Coimbatore  
05.06.2012

For Abraham & Jose  
Chartered Accountants  
FRN No.000010S

Sd/-  
Jose Pottokaran  
Partner  
(M.No.012056)

For Essveeyar  
Chartered Accountants  
FRN No. 000808S

Sd/-  
R. Vijayaraghavan  
Partner  
(M. No. 022442)

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012**

			(₹ 000 omitted)
	SCHEDULE NO	YEAR ENDED 31.03.2012	YEAR ENDED 31.03.2011
<b>I INCOME</b>			
Interest earned	13	1075 , 63 , 39	762 , 13 , 27
Other Income	14	85 , 24 , 20	74 , 50 , 68
<b>TOTAL</b>		<b>1160 , 87 , 59</b>	<b>836 , 63 , 95</b>
<b>II EXPENDITURE</b>			
Interest expended	15	768 , 60 , 84	513 , 97 , 90
Operating expenses	16	298 , 76 , 60	289 , 04 , 35
Provisions and contingencies		67 , 60 , 02	21 , 44 , 10
<b>TOTAL</b>		<b>1134 , 97 , 46</b>	<b>824 , 46 , 35</b>
<b>III PROFIT/LOSS</b>			
Net profit for the year		25 , 90 , 13	12 , 17 , 60
Profit brought forward		Nil	Nil
Transfer from Investment Reserve		70 , 27	13 , 22
<b>TOTAL</b>		<b>26 , 60 , 40</b>	<b>12 , 30 , 82</b>
<b>IV APPROPRIATIONS</b>			
Transfer to Capital Reserves		44 , 63	61 , 16
Transfer to Statutory Reserves		6 , 47 , 53	3 , 04 , 40
Transfer to General Reserves		7 , 66 , 34	1 , 15 , 84
Transfer to Special Reserve (Section 36 (1) (viii) of IT Act)		5 , 52 , 16	3 , 74 , 00
Transfer to Investment Reserve		96 , 20	5 , 40
Transfer to Charity Fund		3 , 00	3 , 00
Proposed Dividend (Including Dividend Tax)		5 , 50 , 54	3 , 67 , 02
<b>TOTAL</b>		<b>26 , 60 , 40</b>	<b>12 , 30 , 82</b>
<b>Summary of Significant Accounting Policies</b>	17		
<b>Notes to Accounts</b>	18		
Basic and diluted Earnings Per Share (₹)		8.25	4.65

Sd/-  
S Santhanakrishnan  
Chairman

Sd/-  
S. Ramakrishnan  
Chairman-Audit Committee

Sd/-  
T.S.Anantharaman  
Director

Sd/-  
C Bobby Jos  
Director

Coimbatore  
05.06.2012

Sd/-  
V.P.Iswardas  
Managing Director & CEO

Sd/-  
Sijo Varghese  
Company Secretary

Sd/-  
U R Giridharan  
General Manager

Sd/-  
P.V.Antony  
DGM (Accounts & Risk Management)

As per our report of even date

For Abraham & Jose  
Chartered Accountants  
FRN No.000010S

Sd/-  
Jose Pottokaran  
Partner  
(M.No.012056)

For Essveeyar  
Chartered Accountants  
FRN No. 000808S

Sd/-  
R. Vijayaraghavan  
Partner  
(M. No. 022442)



(₹ 000 omitted)

**SCHEDULE 1 - CAPITAL****Authorized Capital :**

8,00,00,000 Equity shares of ₹ 10/- each

20,00,000 Preference Shares of ₹ 100/-each

**Issued and Subscribed Capital**

31579087 equity shares of ₹ 10/- each

**Called-up Capital**

31579087 equity shares of ₹ 10/- each

Less: Calls in arrears

**As on 31.03.2012****As on 31.03.2011**

	80 , 00 , 00	80 , 00 , 00
	20 , 00 , 00	20 , 00 , 00
	<u>100 , 00 , 00</u>	<u>100 , 00 , 00</u>
	31 , 57 , 91	31 , 57 , 91
	31 , 57 , 91	31 , 57 , 91
	16 , 29	23 , 10
	<u>31 , 41 , 62</u>	<u>31 , 34 , 81</u>

**SCHEDULE 2 - RESERVES & SURPLUS****I Statutory Reserves**

Opening balance

Additions during year

**II Capital Reserves**

Opening balance

Additions during the year

**III Revaluation Reserves**

Opening balance

Deductions during the year (Refer Note No 4.2)

**IV Share Premium**

Opening balance

Additions during the year

**V Revenue and other Reserves****a) General Reserves**

Opening balance

Additions during the year

(including ₹ 14.51 lac as per note no 4.2(b))

**b) Investment Reserve**

Opening balance

Additions during the year

Deductions during the year

**c) Special Reserve (Section 36 (1)(viii) of IT Act)**

Opening balance

Additions during the year

**VI Contingency Reserve****VII Balance in Profit and Loss Account****TOTAL**

125 , 00 , 54		121 , 96 , 14	
6 , 47 , 53	131 , 48 , 07	3 , 04 , 40	125 , 00 , 54
31 , 11 , 92		30 , 50 , 76	
44 , 63	31 , 56 , 55	61 , 16	31 , 11 , 92
39 , 51 , 17		40 , 15 , 30	
74 , 59	38 , 76 , 58	64 , 13	39 , 51 , 17
221 , 78 , 09		86 , 80 , 49	
66 , 10	222 , 44 , 19	134 , 97 , 60	221 , 78 , 09
84 , 39 , 93		83 , 24 , 09	
7 , 80 , 85	92 , 20 , 78	1 , 15 , 84	84 , 39 , 93
1 , 96 , 13		2 , 03 , 95	
96 , 20		5 , 40	
70 , 27	2 , 22 , 06	13 , 22	1 , 96 , 13
9 , 87 , 86		6 , 13 , 86	
5 , 52 , 16	15 , 40 , 02	3 , 74 , 00	9 , 87 , 86
	5 , 00		5 , 00
	Nil		Nil
	<u>534 , 13 , 25</u>		<u>513 , 70 , 64</u>

(₹ 000 omitted)

	As on 31.03.2012		As on 31.03.2011	
<b>SCHEDULE 3 - DEPOSITS</b>				
A. I. Demand Deposits				
[i] From banks	1 , 44 , 86		1 , 21 , 93	
[ii] From others	346 , 40 , 97		325 , 68 , 00	
		347 , 85 , 83		326 , 89 , 93
II. Savings Bank Deposits		1700 , 49 , 74		1624 , 24 , 64
III. Term Deposits				
[i] From banks	421 , 39 , 04		280 , 44 , 18	
[ii] From others	8135 , 12 , 44	8556 , 51 , 48	6494 , 08 , 23	6774 , 52 , 41
TOTAL [I,II, and III]		<u>10604 , 87 , 05</u>		<u>8725 , 66 , 98</u>
B. [i] Deposits of branches in India		10604 , 87 , 05		8725 , 66 , 98
[ii] Deposits of branches outside India		Nil		Nil
TOTAL		<u>10604 , 87 , 05</u>		<u>8725 , 66 , 98</u>
<b>SCHEDULE 4 - BORROWINGS</b>				
I. Borrowings in India				
[i] Reserve Bank of India		298 , 00 , 00		25 , 00 , 00
[ii] Other banks		2 , 74		Nil
[iii] Other institutions and agencies		143 , 93 , 78		207 , 11 , 90
TOTAL OF I		441 , 96 , 52		232 , 11 , 90
II. Borrowings outside India		Nil		Nil
TOTAL ( I and II)		441 , 96 , 52		232 , 11 , 90
Secured borrowings included in I and II		Nil		Nil
III. Capital Instruments				
Subordinated debts raised for Tier II Capital		133 , 50 , 00		91 , 70 , 00
TOTAL ( I,II and III)		<u>575 , 46 , 52</u>		<u>323 , 81 , 90</u>
<b>SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS</b>				
I. Bills payable		14 , 67 , 21		26 , 73 , 47
II. Inter-office adjustments (net)		29 , 98 , 05		29 , 27 , 96
III. Interest accrued		58 , 15 , 29		41 , 23 , 05
IV. Others(including provisions)		198 , 38 , 55		137 , 28 , 23
TOTAL		<u>301 , 19 , 10</u>		<u>234 , 52 , 71</u>
<b>SCHEDULE 6 -CASH AND BALANCES WITH RESERVE BANK OF INDIA</b>				
I. Cash in hand(including foreign currency notes)		66 , 10 , 18		59 , 73 , 73
II Balances with Reserve Bank of India				
[i] in Current Account	620 , 37 , 36		527 , 40 , 40	
[ii] in Other Accounts	Nil		Nil	
		620 , 37 , 36		527 , 40 , 40
TOTAL (I AND II)		<u>686 , 47 , 54</u>		<u>587 , 14 , 13</u>

(₹ 000 omitted)

**SCHEDULE 7- BALANCES WITH BANKS  
& MONEY AT CALL AND  
SHORT NOTICE****I. In India****[i] Balances with banks**

(a) in Current Accounts

11 , 12 , 26

18 , 09 , 04

(b) in Other Deposit Accounts

232 , 50 , 00

54 , 50 , 00

243 , 62 , 26

72 , 59 , 04

**[ii] Money at call and short notice**

(a) with banks

Nil

Nil

(b) with other Institutions

Nil

Nil

Nil

Nil

TOTAL (i and ii)

243 , 62 , 26

72 , 59 , 04

**II. Outside India**

(i) in Current Accounts

40 , 91 , 24

40 , 35 , 80

(ii) in Other Deposit Accounts

Nil

Nil

(iii) Money at call and short notice

Nil

Nil

TOTAL

40 , 91 , 24

40 , 35 , 80

GRAND TOTAL (I and II)

284 , 53 , 50

112 , 94 , 84

**SCHEDULE 8 - INVESTMENTS****I. Investments in India**

3149 , 44 , 57

2695 , 06 , 90

(Gross)

Less Provision

4 , 29 , 95

4 , 81 , 12

Net Investment in India

3145 , 14 , 62

2690 , 25 , 78

**BREAK - UP**

[i] Government securities

2790 , 89 , 17

2174 , 55 , 23

[ii] Other approved securities

Nil

55 , 70

[iii] Shares

67 , 52

6 , 81 , 59

[iv] Debentures and Bonds

82 , 30 , 96

83 , 53 , 43

[v] Subsidiaries and/or joint ventures

Nil

Nil

[vi] Others [Including Contribution to RIDF,  
Certificate of Deposits etc]

271 , 26 , 97

424 , 79 , 83

TOTAL

3145 , 14 , 62

2690 , 25 , 78

**II. Investments outside India**

Nil

Nil

GRAND TOTAL (I and II)

3145 , 14 , 62

2690 , 25 , 78

**SCHEDULE 9 - ADVANCES****A [i] Bills purchased and discounted**

194 , 94 , 79

109 , 16 , 82

**[ii] Cash credits, overdrafts and loans  
repayable on demand**

5088 , 89 , 69

3831 , 41 , 33

**[iii] Term loans**

2379 , 69 , 79

2279 , 44 , 31

TOTAL

7663 , 54 , 27

6220 , 02 , 46

**B [i] Secured by tangible assets**

7178 , 13 , 61

5510 , 87 , 59

**[ii] Covered by Bank/Government guarantees**

184 , 50 , 10

135 , 93 , 15

**[iii] Unsecured**

300 , 90 , 56

573 , 21 , 72

TOTAL

7663 , 54 , 27

6220 , 02 , 46

(₹ 000 omitted)

	As on 31.03.2012	As on 31.03.2011
<b>C. I. Advances in India</b>		
[i] Priority sectors	2588 , 62 , 31	2151 , 42 , 35
[ii] Public sector	291 , 28 , 32	248 , 01 , 45
[iii] Banks	165 , 27 , 35	Nil
[iv] Others	4618 , 36 , 29	3820 , 58 , 66
TOTAL	7663 , 54 , 27	6220 , 02 , 46
<b>II. Advances outside India</b>	Nil	Nil
<b>GRAND TOTAL ( C. I and II)</b>	<u>7663 , 54 , 27</u>	<u>6220 , 02 , 46</u>

**SCHEDULE 10 - FIXED ASSETS**

<b>I. Premises</b>			
At cost as on 31 st March of the preceding year	7 , 05 , 47	7 , 05 , 47	
Appreciation on revaluation	45 , 84 , 58	45 , 84 , 58	
Additions during the year	3 , 96	Nil	
Deductions during the year	25 , 88	Nil	
Depreciation to date	10 , 21 , 69	42 , 46 , 44	9 , 53 , 47
			43 , 36 , 58
<b>II. Other Fixed Assets</b> (including furniture and fixtures)			
At cost as on 31st March of the preceding year	86 , 93 , 50	83 , 54 , 19	
Additions during the year	8 , 12 , 20	5 , 12 , 17	
Deductions during the year	1 , 85 , 60	1 , 72 , 86	
Depreciation to date	59 , 99 , 14	33 , 20 , 96	55 , 22 , 77
TOTAL (I, and II)		<u>75 , 67 , 40</u>	<u>31 , 70 , 73</u>
			<u>75 , 07 , 31</u>

**SCHEDULE 11 - OTHER ASSETS**

I. Interest accrued	70 , 61 , 83	48 , 09 , 85
II. Tax paid in advance/tax deducted at source	38 , 81 , 03	31 , 43 , 04
III. Stationery and stamps	1 , 06 , 24	1 , 12 , 48
IV. Non-banking assets acquired in satisfaction of claims	11 , 09 , 54	1 , 51 , 92
V. Others	70 , 11 , 57	61 , 45 , 23
TOTAL	<u>191 , 70 , 21</u>	<u>143 , 62 , 52</u>

**SCHEDULE 12 - CONTINGENT LIABILITIES**

I. Claims against the bank not acknowledged as debts	36 , 89 , 36	36 , 06 , 14
II. Liability for partly paid investments	Nil	Nil
III. Liability on account of outstanding forward exchange contracts & interest rate swap	653 , 67 , 94	593 , 98 , 41
IV. Guarantees given on behalf of constituents		
(a) In India	216 , 91 , 03	149 , 54 , 01
(b) Outside India	Nil	Nil
V. Acceptance, endorsements and other obligations	85 , 01 , 85	63 , 06 , 61
VI. Other items for which the bank is contingently liable	15 , 84 , 01	32 , 09 , 58
TOTAL	<u>1008 , 34 , 19</u>	<u>874 , 74 , 75</u>



(₹ 000 omitted)

**SCHEDULE 13 - INTEREST EARNED**

	Year ended 31.03.2012	Year ended 31.03.2011
I. Interest/discount on advances / bills	861 , 50 , 32	600 , 74 , 11
II. Income on investments	200 , 86 , 33	155 , 32 , 44
III. Interest on balances with Reserve Bank of India and other inter -bank funds	7 , 42 , 71	4 , 97 , 61
IV Others	5 , 84 , 03	1 , 09 , 11
TOTAL	<u>1075 , 63 , 39</u>	<u>762 , 13 , 27</u>

**SCHEDULE 14 - OTHER INCOME**

I. Commission, Exchange and Brokerage	17 , 30 , 22	16 , 62 , 60
II. Profit on sale of investments (Net)	5 , 27 , 84	5 , 21 , 41
III. Profit/(Loss) on revaluation of investments (Net)	Nil	Nil
IV. Profit on sale of land, buildings and other assets (Net)	1 , 30 , 81	59 , 87
V. Profit on exchange transactions (Net)	11 , 38 , 14	9 , 75 , 57
VI. Income earned by way of dividends etc. from subsidiaries/ companies and/or joint ventures abroad/in India	Nil	Nil
VII. Miscellaneous Income (includes recovery of Bad debts written off ₹ 1519 lac; previous year ₹ 951 lac)	49 , 97 , 19	42 , 31 , 23
TOTAL	<u>85 , 24 , 20</u>	<u>74 , 50 , 68</u>

**SCHEDULE 15 - INTEREST EXPENDED**

I. Interest on deposits	738 , 00 , 95	496 , 30 , 93
II. Interest on Reserve Bank of India/ inter -bank borrowings	6 , 59 , 31	3 , 17 , 39
III. Others	24 , 00 , 58	14 , 49 , 58
TOTAL	<u>768 , 60 , 84</u>	<u>513 , 97 , 90</u>

**SCHEDULE 16 - OPERATING EXPENSES**

I. Payments to and provisions for employees	213 , 21 , 04	212 , 25 , 22
II. Rent, taxes and lighting	25 , 50 , 78	23 , 01 , 20
III. Printing and Stationery	2 , 90 , 18	2 , 47 , 58
IV. Advertisement and publicity	2 , 42 , 78	1 , 31 , 41
V. Depreciation on bank's property (including amortisation / write off of intangible assets)	8 , 59 , 21	10 , 47 , 87
VI. Directors' fees, allowances and expenses	65 , 83	60 , 40
VII. Auditors' fees and expenses (including branch auditors)	1 , 07 , 14	92 , 15
VIII. Law charges	71 , 80	79 , 69
IX. Postages, Telegrams, Telephones etc.	4 , 92 , 83	4 , 64 , 51
X. Repairs and maintenance	5 , 91 , 47	5 , 87 , 88
XI. Insurance	9 , 32 , 47	7 , 45 , 91
XII. Other expenditure	23 , 51 , 07	19 , 20 , 53
TOTAL	<u>298 , 76 , 60</u>	<u>289 , 04 , 35</u>

## **SCHEDULE 17 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **1. GENERAL**

- a) The Financial Statements have been prepared based on Going Concern assumption.
- b) Historical cost convention and Accrual basis of accounting have been consistently applied while preparing and presenting the financial statements, unless otherwise stated.
- c) The financial statements conform with statutory provisions under the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India from time to time, Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable and current practices prevailing within the banking industry in India.

### **2. USE OF ESTIMATES**

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosures of contingent liabilities at the date of the financial statements. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

### **3. TRANSACTIONS INVOLVING FOREIGN EXCHANGE**

- a) Monetary assets and liabilities including contingent liabilities have been translated at the exchange rates prevailing at the close of the year as advised by FEDAI and the effect is accounted in Profit & Loss Account.
- b) Income and Expenditure items denominated in foreign currencies have been accounted at the exchange rates ruling on the date of transaction.
- c) Profit or loss on outstanding foreign exchange forward contracts has been accounted for as per FEDAI guidelines.
- d) Contingent Liabilities on guarantees, letters of credit, acceptances and endorsements are reported at the exchange rates prevailing at the close of the year.

### **4. INVESTMENTS**

- a) In terms of RBI guidelines, the entire investments portfolio has been classified under three categories for valuation purpose, viz., “Held to Maturity”, “Available for sale” and “Held for Trading”. However, for disclosure in the Balance Sheet, these are classified under six groups – Govt. Securities, Other Approved Securities, Shares, Debentures and Bonds, Subsidiaries/Joint Venture and Others.
- b) Investments are also classified as Performing and Non Performing as per the guidelines of RBI and provisions on Non Performing Investments are made as per the provisioning norms of RBI.
- c) Valuation of Securities:
  - i) Investments in “Held to Maturity” category are accounted for at acquisition cost or at amortised cost, if acquired at a premium. In case the cost is higher than the face value, the premium is amortised over the period remaining to maturity using Constant Yield Method. Such amortisation of premium is adjusted against income under the head “Income on Investments”. Where the face

value is higher than the cost, the discount is ignored and is accounted only on maturity date of the instrument.

- ii) Securities classified as “Available for Sale” are marked to market scrip-wise on a quarterly basis and net depreciation in each category is provided for, while net appreciation is ignored.
- iii) Individual scrips in “Held for Trading” category are marked to market at monthly intervals and net depreciation in each category is provided for, while net appreciation is ignored.
- iv) Treasury Bills and Certificate of Deposits are valued at carrying cost.
- d) Profit on sale of investments in ‘Held to Maturity’ category is recognised in the Profit and Loss Account and an equivalent amount net of taxes and transfer to Statutory Reserves is appropriated to Capital Reserve.
- e) Brokerage paid in connection with acquisition of investments are expensed upfront and excluded from cost.

## 5. ADVANCES

- a) Provision for Non Performing Advances has been made based on asset classification and provisioning requirement under the prudential norms laid down by RBI. The amount of advances shown in the Balance Sheet and in Schedule 9 is net of provisions and interest suspense.
- b) Provision on Standard Assets is maintained as per RBI guidelines and the same is included in Item No. IV ‘Others’, of Schedule 5 – Other Liabilities & Provisions.
- c) Provision for diminution of fair value in the case of Restructured accounts has been made in line with RBI guidelines and the same is netted from the amount of advances.
- d) Amounts recovered against debts written off in earlier years are recognised as revenue.
- e) When financial assets (including Non Performing Advances) are sold to Reconstruction Company (RC) / Securitisation Company (SC) and the sale is at a price below the net book value (NBV), (i.e., book value less provisions held), the shortfall is debited to the profit and loss account. If the sale is for a value higher than the NBV, the excess provision is not reversed but utilized to meet the shortfall/ loss on account of sale of other non performing assets.

## 6. FIXED ASSETS

- a) Fixed Assets other than premises are carried at cost less accumulated depreciation. Cost includes cost of purchase and all directly attributable costs of bringing the asset to its working condition for its intended use.
- b) Premises are stated at revalued amount. Appreciation on revaluation of premises is credited to Revaluation Reserve. The additional depreciation on the revalued portion of buildings is charged to Profit and Loss account and an equivalent withdrawal is made from Revaluation Reserve Account.
- c) Subsequent expenditure incurred on fixed assets put to use is capitalized only when it represents an improvement which increases the future benefits from the existing asset beyond its previously assessed standard of performance or an extension which becomes an integral part of the asset.
- d) Depreciation on additions to fixed assets is provided on pro rata basis.

- e) Depreciation rates and method for various categories of Fixed Assets are as follows

Type of Fixed Asset	Depreciation Rate (p.a.)	Depreciation Method
Building	5%	Written Down Value
Motorcars	25.89%	Written Down Value
Furniture & Fixtures	6.33%	Straight Line
Plant & Machinery	4.75%	Straight Line
Computers	33.33%	Straight Line
ATMs	12.50%	Straight Line

- f) Depreciation on assets costing ₹ 5000 or less is depreciated at 100%.

## 7. INTANGIBLE ASSETS

Accounting and amortisation of Computer Software are in accordance with the provisions of Accounting Standard 26 – Intangible Assets, issued by Institute of Chartered Accountants of India (ICAI).

- Application Software purchased is amortised over a period of 5 years on pro rata basis under Straight Line Method.
- Internally Generated Application Software is accounted as an intangible asset and is amortised over a period of 5 years on pro rata basis under Straight Line Method from the date the software becomes Available for Use. If the software is still in the development phase and has not become Available for Use, no amortisation is charged to Profit & Loss Account.

## 8. NON BANKING ASSETS

In the case of Non Banking Assets, diminution in value, if any, is provided for.

## 9. STAFF BENEFITS

### 9.1 Short Term Employee Benefits

The undiscounted amount of short-term employee benefits which are expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the service.

### 9.2 Long term Employee Benefits

- Defined Contribution Plan

Provident Fund and New Pension Scheme (Contributory) are the defined contribution plans of the bank. In addition to contribution for the year, shortfall, if any, in the Income and Expenditure account of the Provident Fund is charged to Profit and Loss Account of the bank.

- Defined Benefit Plans

Liabilities towards Gratuity, Pension and Leave benefits to employees are defined benefit obligations and are provided for on the basis of actuarial valuation made at the end of each financial year. Projected Unit Credit Method is used by the actuary for valuing the obligations in case of Pension, Gratuity and Long term Compensated Absences and other long term employee benefits. Discount rate used to arrive at the present value of estimated future cash flows is arrived at by reference to



market yields on balance sheet date on government bonds of term consistent with estimated term of the obligations as per para 78 of AS 15 Employee Benefits. Actuarial Gains/Losses are immediately taken to the profit and loss account and are not deferred.

Brief description of the defined benefit plans:

- i) Pension: Pension is payable to the employees who have specifically opted for the same. For becoming eligible for pension, the employee should have served the bank for a minimum period of 10 years in the case of retirement on superannuation and 20 years in other cases. At the time of retirement or death of the pension eligible employee, the pension trust purchases annuity from insurance company, out of the contributions made by the bank.
- ii) Gratuity: Gratuity is payable to all employees on termination of employment due to retirement, death or resignation, provided that the employee has served the bank for a minimum period of 5 years.
- iii) Long term compensated absences and other long term employee benefits.
  - a) Privilege Leave;
  - b) Sick Leave on Half Pay;
  - c) Carry forward of unavailed casual leave;
  - d) Leave Fare Concession.

#### 10. REVENUE/COST RECOGNITION

- a. Interest/discount on advances/bills is recognised on accrual basis except on non-performing assets in which case the income is recognised as per prudential norms issued by RBI.
- b. Exchange, Brokerage, Commission & Rent on lockers are recognised on cash basis.
- c. Income on Investments (other than dividend on equity shares & mutual funds and income on non performing investments) is recognised on accrual basis.
- d. Expenditure is accounted for on accrual basis, except otherwise stated.
- e. Provision is made for interest on overdue and unclaimed deposits as per RBI guidelines.
- f. Recovery in Non Performing Assets is first appropriated towards interest and the balance, if any, towards principal, except in the case of Suit Filed Accounts, sale to Asset Reconstruction Companies and accounts under One Time Settlement.
- g. Legal expenses incurred on suit filed accounts are expensed in profit and loss account as per RBI guidelines. Such amount when recovered is treated as income.

#### 11. PROVISION FOR INCOME TAX

Provision for Income tax comprises of Current Tax as also Deferred Tax accounted in accordance with the Accounting Standard 22 issued by the Institute of Chartered Accountants of India. Deferred Tax Asset on Carry Forward Loss is recognized based on management's judgement of virtual certainty of future taxable income.

**12. SEGMENT INFORMATION**

Bank has adopted RBI's revised guidelines on segment reporting issued in April 2007 and accordingly 4 business segments viz. Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations have been considered as reportable segments. Advances classified as corporate as per Basel II norms are grouped in Corporate/Wholesale Banking assets while all other advances are grouped as Retail Banking Assets. Deposits of ₹ 50 lac and above are classified as corporate/wholesale banking liabilities (to conform to ALM classification adopted by the bank) and all other deposits are grouped as retail banking liabilities. Deposits of borrowers classified as corporate as per Basel II norms are treated as wholesale deposits regardless of amount. For arriving at segment results, income and expenditure that cannot be directly identified with a particular segment are allocated on appropriate basis.

**13. IMPAIRMENT OF ASSETS**

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable and the resultant impairment loss is charged to Profit and Loss account in line with Accounting Standard 28 – Impairment of Assets.

**14. ACCOUNTING FOR PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

As per the Accounting Standard 29, 'Provisions, Contingent Liabilities and Contingent Assets', issued by the Institute of Chartered Accountants of India (ICAI), the Bank recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Contingent assets are not recognized in the financial statements.

**15. NET PROFIT**

The net profit disclosed in the Profit & Loss Account is after

- (i) provision for taxes
- (ii) provision for standard and non performing assets as per the prudential norms.
- (iii) provision for depreciation on investments
- (iv) other usual and necessary provisions.

## SCHEDULE 18 - NOTES TO ACCOUNTS

## 1. General

## 1.1 Capital Funds

- a) During the year, the Bank has raised Tier II capital amounting to ₹ 41.80 Crore by issue of Lower Tier II bonds.
- b) As per the directions of Reserve Bank of India , SVG Group (presently holding 18.09 % of the paid up share Capital of the bank as on 31.03.2012) was required to divest shares in excess of 10% of the Paid up Capital before 31.03.2012. This divestment has not been completed.
- c) Calls in arrears (including premium) of ₹1.42 Crore is pending in respect of the right issues of the bank for earlier years. The bank had given several extensions/notices to the respective shareholders. Steps are being taken for forfeiting those shares.

## 1.2 Investments

- a) The profit on sale of investments under Held to Maturity category amounting to ₹ 0.88 Crore (previous year ₹ 1.22 Crore) has been taken to Profit and Loss account and a sum of ₹ 0.45 Crore (previous year ₹ 0.61 Crore), being net of taxes and net of transfer to Statutory Reserve of such profit, has been appropriated to Capital Reserve Account.
- b) In respect of Investments in Held to Maturity category, the amount of amortisation of excess of acquisition cost over face value is ₹ 14.72 Crore (previous year ₹ 13.71 Crore) which is netted against Income on Investments (Schedule 13, Item II).
- c) Excess provisions on depreciation in the Available for Sale category of investments amounting to ₹ 1.90 Crore (previous year ₹ 0.09 Crore) has been credited to Profit & Loss Account. Out of the above, an amount of ₹ 0.96 Crore (net of taxes and net of transfer to Statutory Reserves (previous year ₹ 0.05 Crore)) has been appropriated to Investment Reserve.
- d) Further provisions on depreciation on investments in the Available for Sale category investments amounting to ₹ 1.39 Crore (previous year ₹ 0.26 Crore) is debited to Profit & Loss account. An equivalent amount of ₹ 0.70 Crore, net of taxes and net of transfer to Statutory Reserve, (previous year ₹ 0.13 Crore) has been transferred from Investment Reserve Account to Profit and Loss Account and the same has been appropriated to General Reserve in line with RBI guidelines.
- e) During 2011-12, the bank has not transferred any securities from Held to Maturity to Available for Sale category (previous year Nil).

## 1.3 Reconciliation

Reconciliation of inter-bank and inter-branch transactions has been completed up to 31st March 2012. Steps for elimination of outstanding entries are in progress. Since the outstanding entries to be eliminated are insignificant, no material consequential effect is anticipated.

## 1.4 Taxation

- a) In respect of appeals filed by the Bank, no provision is considered necessary for the disputed income tax liability of ₹ 15.49 Crore on the basis of favourable judicial decisions and legal opinion.
- b) Tax liability on account of Minimum Alternative Tax (MAT) has been recognized as a liability and as an asset to the extent of MAT credit entitlement in line with Guidance Note on Accounting of Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, issued by ICAI.

**2. Disclosures in terms of Reserve Bank of India Guidelines****2.1 Capital**

Particulars	31.03.2012	31.03.2011
i) CRAR (%) – Basel II	11.08	11.22
ii) CRAR - Tier I capital (%)	8.83	9.42
iii) CRAR - Tier II Capital (%)	2.25	1.80
iv) Amount of subordinated debt raised as Tier-II capital	₹ 133.50 Cr	₹ 91.70 Cr
v) Amount raised by issue of IPDI	Nil	Nil
vi) Amount raised by issue of Upper Tier II instruments	Nil	Nil

**2.2 Investments**

(₹ in Crore)

Items	31.03.2012	31.03.2011
(1) Value of Investments		
(i) Gross Value of Investments	3149.45	2695.07
(a) In India	3149.45	2695.07
(b) Outside India,	Nil	Nil
(ii) Provisions for Depreciation	4.30	4.81
(a) In India	4.30	4.81
(b) Outside India,	Nil	Nil
(iii) Net Value of Investments	3145.15	2690.26
(a) In India	3145.15	2690.26
(b) Outside India.	Nil	Nil
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	4.81	4.66
(ii) Add: Provisions made during the year	1.39	0.26
(iii) Less: Write-off/ write-back of excess provisions during the year	1.90	0.09
(iv) Less: Provision Account debited during the year	Nil	0.02
(v) Closing balance	4.30	4.81

## 2.2.1 Repo Transactions (In Face Value terms)

(₹ in Crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31.03.2012
Securities sold under repo				
i. Government Securities	Nil	300	63.55	275
ii Corporate debt securities	Nil	Nil	Nil	Nil
Securities purchased under reverse repo				
i. Government Securities	Nil	55	1.22	Nil
ii Corporate debt securities	Nil	Nil	Nil	Nil

## 2.2.2 Non-SLR Investment Portfolio

## i) Issuer composition of Non SLR investments

(₹ in Crore)

No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(i)	PSUs	35.08	5.00	Nil	2.00	2.00
(ii)	FIs	5.00	5.00	Nil	Nil	Nil
(iii)	Banks	89.42	11.00	Nil	Nil	Nil
(iv)	Private Corporate	5.94	0.79	0.78	Nil	0.79
(v)	Subsidiaries/ Joint Ventures	Nil	Nil	Nil	Nil	Nil
(vi)	Others (RIDF, RHF, MSME Fund)	221.94	Nil	Nil	Nil	Nil
(vii)	Provision held towards depreciation	(3.13)	X X X	X X X	X X X	X X X
	Total	354.25	21.79	0.78	2.00	2.79

## ii) Non performing Non-SLR investments

(₹ in Crore)

Particulars	31.03.2012	31.03.2011
Opening balance	2.00	2.00
Additions during the year since 1st April 2011	Nil	Nil
Reductions during the above period	Nil	Nil
Closing balance	2.00	2.00
Total provisions held	2.00	2.00



**2.2.3 Sale and transfers to/from HTM Category**

The value of sales from HTM category in 2011-12 constituted 3.08 per cent of the book value of investments held in HTM category at the beginning of the year.

**2.3. Derivatives**

Nil.

**2.3.1 Forward Rate Agreement/ Interest Rate Swap**

Nil

**2.3.2 Exchange Traded Currency and Interest Rate Derivatives**

Nil.

**2.3.3 Disclosures on risk exposure in derivatives**

Qualitative & Quantitative Disclosure

Nil.

**2.4. Asset Quality****2.4.1 Non-Performing Asset**

(₹ in Crore)

Particulars	31.03.2012	31.03.2011
(i) Net NPAs to Net Advances (%)	1.10%	1.74%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	192.45	149.29
(b) Additions during the year	100.20	107.87
(c) Reductions during the year	109.72	64.71
(d) Closing balance	182.93	192.45
(iii) Movement of Net NPAs		
(a) Opening balance	108.40	70.52
(b) Additions during the year	44.99	93.81
(c) Reductions during the year	69.18	55.93
(d) Closing balance	84.21	108.40
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	80.66	75.23
(b) Provisions made during the year	14.04	8.55
(c) Write-off/ write-back of excess provisions	16.64	3.12
(d) Closing balance	78.06	80.66

## 2.4.2 Particulars of Accounts Restructured

(₹ in Crore)

		CDR Mechanism		SME Debt Restructuring		Others	
		Balance Outstanding		Balance Outstanding		Balance Outstanding	
		Restructured Accounts	All Accounts of the Borrower	Restructured Accounts	All Accounts of the Borrower	Restructured Accounts	All Accounts of the Borrower
Standard advances Restructured	No.of Borrowers	# 3	3	Nil	Nil	87	110
	Amount Outstanding	* 123.69	128.99	Nil	Nil	216.78	304.64
	Sacrifice (diminution in the fair value)	7.35	7.35	Nil	Nil	0.83	0.83
Sub standard advances Restructured	No.of Borrowers	Nil	Nil	Nil	Nil	5	5
	Amount Outstanding	Nil	Nil	Nil	Nil	1.43	1.43
	Sacrifice (diminution in the fair value)	Nil	Nil	Nil	Nil	0.06	0.06
Doubtful advances Restructured	No.of Borrowers	Nil	Nil	Nil	Nil	17	17
	Amount Outstanding	Nil	Nil	Nil	Nil	4.23	6.09
	Sacrifice (diminution in the fair value)	Nil	Nil	Nil	Nil	0.01	0.01
TOTAL	No.of Borrowers	3	3	Nil	Nil	109	132
	Amount Outstanding	123.69	128.99	Nil	Nil	222.44	312.16
	Sacrifice (diminution in the fair value)	7.35	7.35	Nil	Nil	0.90	0.90

\* Includes cumulative redeemable preference shares of value ₹ 0.78 Cr

# Includes one account restructured by CDR cell on 01/06/2012 with cut off date as on 01.10.2011, for which Letter of Approval is awaited.

### 2.4.3 Details of financial assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

	2011-12	2010-11
(i) No. of accounts	58	2
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	₹ 5.41 Crore	Nil
(iii) Aggregate consideration	₹ 17.90 Crore	₹ 10.75 Crore
(iv) Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v) Aggregate gain/loss over net book value	₹ 12.49 Crore	₹ 10.75 Crore

### 2.4.4 Details of non-performing financial assets purchased/sold from/to other banks

Nil.

### 2.4.5 Provisions on Standard Assets (₹ in Crore)

Particulars	31.03.2012	31.03.2011
Provisions held towards Standard Assets	33.80	22.90

### 2.5 Business Ratio

Particulars	31.03.2012	31.03.2011
(i) Interest Income as a percentage to Working Funds	9.97	8.69
(ii) Non-interest income as a percentage to Working Funds	0.79	0.85
(iii) Operating Profit as a percentage to Working Funds	0.87	0.38
(iv) Return on Assets (%)	0.24	0.14
(v) Business (Deposits plus advances) per employee	₹ 675 Lac	₹ 537 Lac
(vi) Profit per employee	₹ 0.97 Lac	₹ 0.45 Lac

## 2.6 Asset Liability Management

Maturity pattern of certain items of assets and liabilities (as compiled by the management and relied upon by the auditors) (₹ in Crore)

As on 31.03.2012	Day 1	2-7 Days	8 - 14 Days	15 to 28 days	29 days to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	27.29	66.87	87.78	215.53	457.88	855.74	836.03	2685.24	117.57	5254.94	10604.87
Advances	167.88	124.02	170.61	257.80	459.04	748.04	1361.49	3311.95	621.59	441.14	7663.54
Investments	Nil	88.97	68.18	49.00	58.85	65.90	21.87	408.54	350.08	2033.76	3145.15
Borrowings	Nil	298.03	Nil	Nil	16.00	12.82	12.82	190.36	3.65	41.80	575.47
Foreign Currency assets	44.53	Nil	0.31	Nil	51.94	28.24	9.26	0.07	0.07	16.78	151.20
Foreign Currency liabilities	4.24	Nil	2.79	2.69	17.18	23.23	30.80	31.77	5.84	Nil	118.54

Note: Deposits have been classified as per behavioural maturity.

## 2.7 Exposures

### 2.7.1 Exposure to Real Estate Sector (₹ in Crore)

Category	31.03.2012	31.03.2011
a) Direct exposure		
(i) Residential Mortgages		
a) Priority sector	268.48	277.66
b) Non priority sector	92.08	97.07
( Of which staff housing loans)	(69.20)	(69.76)
c) Total	360.56	374.73
(ii) Commercial Real Estate	267.96	276.12
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures –		
a. Residential,	Nil	Nil
b. Commercial Real Estate.	Nil	Nil
b) Indirect Exposure		
Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil
Total Exposure to Real Estate Sector	628.52	650.85

## 2.7.2 Exposure to Capital Market

(₹ in Crore)

Sl No	Items	31.03.2012	31.03.2011
1	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	0.13	8.42
2	Advances against shares/bonds/debentures of other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equity oriented mutual funds	0.18	0.32
3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	0.01	0.01
4	Advances for any other purposes to the extent secured by the collateral security 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	Nil	Nil
5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	0.50	0.49
6	Loans sanctioned to corporate against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	Nil	Nil
7	Bridge loans to companies against expected equity flows/issues	Nil	Nil
8	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	Nil	Nil
9	Financing to stock brokers for margin trading	Nil	Nil
10	All exposures to Venture Capital Funds	Nil	Nil
Total Exposure to Capital Market		0.82	9.24



## 2.7.3 Risk category wise country exposure (₹ in Crore)

Risk Category	Exposure (Net) as at 31.03.2012	Provision held as at 31.03.2012	Exposure (Net) as at 31.03.2011	Provision held as at 31.03.2011
Insignificant	87.56	Nil	89.98	Nil
Low	22.42	Nil	17.03	Nil
Moderate	2.43	Nil	1.38	Nil
High	Nil	Nil	Nil	Nil
Very High	Nil	Nil	Nil	Nil
Restricted	Nil	Nil	Nil	Nil
Off-Credit	Nil	Nil	Nil	Nil
Total	112.41	Nil	108.39	Nil

The bank is not having exposure to any country where the net funded exposure is 1 percent or more of the total assets and hence no provisioning is necessary for country risk, in accordance with the RBI guidelines.

## 2.7.4 Details of Single Borrower Limit (SGL), Group Borrower Limit (GBL) exceeded by the bank. (₹ in Crore)

Sl No	Name of Borrower	Total Exposure as on 31.03.2012
1	Ajmer Vidyut Vitran Nigam Limited	111.35
2	TANGEDCO	86.69

## 2.7.5 Unsecured Advances

Total amount of advances for which intangible securities such as charge over the rights, licenses, authorisation etc. are available to the bank is Nil.

## 2.8 Miscellaneous

## 2.8.1 Amount of Provisions made for Income-tax during the year (₹ in Crore)

	31.03.2012	31.03.2011
Provision for Income Tax net of MAT credit entitlement (including Deferred Tax & wealth tax)	3.59	5.28

## 2.8.2 Disclosure of Penalties imposed by RBI

Nil.

## 3. Disclosures as per Accounting Standards where RBI has issued Guidelines in respect of items for 'Notes to Accounts'

## 3.1 Accounting Standard 5 – Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies

There are no material prior period income/expenditure requiring disclosure.

## 3.2 Accounting Standard 9 – Revenue Recognition

Income/Expenditure of certain items are recognized on cash basis the effect of which on the financial statements are not considered to be material.

### 3.3 Accounting Standard 15 (Revised) – Accounting for Employee Benefits in the Financial Statements of Employers

During financial year 2010-11, the bank re opened pension for those employees who had not opted for the pension scheme earlier. Further during the same year the limit of gratuity payable to the employees was also enhanced pursuant to the amendment to the Payment of Gratuity Act, 1972. In accordance with the RBI Circular DBOD.No.BP.BC.15896/21.04.018/2010-11 dated April 08, 2011 the Bank had amortized the pension and enhanced gratuity (in the cases mentioned above) for a period of 5 years commencing from 31.03.2011. Accordingly ₹ 12.10 Crore (representing 1/5th of ₹ 60.48 crores (Pension ₹ 39.74 crore and Gratuity ₹ 20.74 Crore) has been charged to the Profit and Loss account during the year. The balance amount carried forward for future amortization is ₹ 36.28 crore. Had such a circular not been issued by the RBI and accounting had been done in terms of Accounting Standard 15, the profit after tax of the Bank for the year would have been higher by ₹ 8.17 Crore and Reserves and Surplus would have been lower by ₹ 24.51 crore

#### 3.3.1 Disclosures for Defined Contribution Plans – Provident Fund & New Pension Scheme (Contributory)

Contributions to employee provident fund and new pension scheme (contributory), debited to Profit & Loss Account during the year amount to ₹ 1.49 Crore (previous year ₹ 6.58 Crore). There is no deficit in the Income & Expenditure of the provident fund (previous year ₹ 0.50 Crore), which was charged to Profit & Loss account.

#### 3.3.2 Disclosures for Defined Benefit Plans – Pension, Gratuity & Long term Compensated Absences (Privilege Leave)

##### 3.3.2.1 Amount recognised in Balance Sheet and Profit & Loss Account

The amount recognised in the balance sheet is as follows: (₹ in Crore)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Present Value of Obligations - Closing	222.60	218.56	77.52	83.83	42.84	39.49
Fair Value of Plan Assets - Closing	148.15	168.56	58.14	56.33	N.A.	N.A.
Funded Status	74.45	50.00	19.38	27.50	42.84	39.49
Unrecognised Actuarial Gains	Nil	Nil	Nil	Nil	Nil	Nil
Less Amount unamortised and carried forward as per RBI circular DBOD. No.BP. BC. 15896/21.04.018/2010-11 dated April 08, 2011	23.84	31.79	12.44	16.59	N.A.	N.A.
Net Liability recognised in Balance Sheet (included in Item No. IV. Others of Schedule 5 – Other Liabilities & Provisions)	50.61	18.21	6.94	10.91	42.84	39.49

The amount recognised in the statement of profit and loss account is as follows:

(₹ in Crore)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Current Service Cost	52.00	53.25	3.91	3.80	2.03	1.61
Past Service Cost	N.A.	N.A.	N.A.	20.74	N.A.	N.A.
Interest Cost	16.03	5.16	6.43	4.43	2.94	2.55
Expected Return on Plan Assets	(-) 14.33	(-) 4.59	(-) 4.79	(-) 4.69	N.A.	N.A.
Net Actuarial Loss/(Gain) recognised in the year	1.41	104.61	1.39	4.72	8.12	5.91
Amount unamortised and carried forward as per RBI circular	N.A.	(-) 31.79	N.A.	(-) 16.59	N.A.	N.A.
Contribution of New Pension Optees	N.A.	(-) 97.15	N.A.	N.A.	N.A.	N.A.
Total, (included in Item I. "Payment to and provisions for employees" of Schedule 16 – Operating Expenses)	55.11	29.49	6.94	12.41	13.09	10.07

### 3.3.2.2 Changes in Fair Value of Plan Assets

(₹ in Crore)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Fair Value of Plan Assets at the beginning of the year	168.56	57.41	56.33	58.70	N.A.	N.A.
Expected Return on Plan Assets	14.33	4.59	4.79	4.69	N.A.	N.A.
Contributions	30.66	126.95	15.06	2.71	9.74	4.89
Benefits Paid	59.93	22.86	16.47	8.99	9.74	4.89
Actuarial (Loss)/Gain	(5.46)	2.47	(1.57)	(0.78)	N.A.	N.A.
Fair Value of Plan Assets at the end of the year	148.15	168.56	58.14	56.33	N.A.	N.A.

## 3.3.2.3 Changes in Present Value of Obligations

(₹ in Crore)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Present Value of Obligations at the beginning of the year	218.56	75.92	83.83	59.91	39.49	34.32
Interest Cost	16.03	5.16	6.43	4.43	2.94	2.55
Current Service Cost	52.00	53.25	3.91	3.80	2.03	1.61
Past Service Cost	N.A.	N.A.	N.A.	20.74	N.A.	N.A.
Benefits Paid	59.93	22.86	16.47	8.99	9.74	4.89
Actuarial Loss/(Gain)	(4.06)	107.08	(0.18)	3.94	8.12	5.91
Present Value of Obligations at the end of the year	222.60	218.56	77.52	83.83	42.84	39.49

## 3.3.2.4 Movement in Net Liability Recognised in Balance Sheet

(₹ in Crore)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Net Liability at the beginning of the period	18.21	18.51	10.91	1.21	39.49	34.32
Add Expenses Charged to Profit & Loss Account	63.06	29.49	11.09	12.41	13.09	10.07
Less Contributions	30.66	29.79	15.06	2.71	9.74	4.89
Net Liability at the end of the period	50.61	18.21	6.94	10.91	42.84	39.49

## 3.3.2.5 Actual Return on Plan Assets

(₹ in Crore)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Expected Return on Plan Assets	14.33	4.59	4.79	4.69	N.A.	N.A.
Actuarial Gain (Loss)	(5.46)	2.47	(1.57)	(0.78)	N.A.	N.A.
Actual Return on Plan Assets	8.87	7.06	3.22	3.91	N.A.	N.A.

## 3.3.2.6

## Actuarial Assumptions

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Discount Rate (p.a.)	8.50%	8.00%	8.50%	8.00%	8.50%	8.00%
Expected Return on Plan Assets (p.a.)	8.00%	8.00%	8.00%	8.00%	N.A.	N.A.
Future Salary Increases (p.a.)	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Mortality	In accordance with the standard table LIC (1994-96).		In accordance with the standard table LIC (1994-96).		In accordance with the standard table LIC (1994-96).	

## 3.3.2.7 Investment Percentage maintained by Pension &amp; Gratuity Trust

	Pension		Gratuity	
	As on 31.03.2012	As on 31.03.2011	As on 31.03.2012	As on 31.03.2011
Life Insurance Companies	32.20%	34.77%	13.33%	0.00%
Central Govt. Securities	18.46%	17.10%	33.16%	39.03%
State Govt. Securities	9.31%	11.13%	21.10%	22.55%
Other Trust Securities (PSU)/Deposits with Banks etc.	40.03%	37.00%	32.41%	38.42%
Total	100.00%	100.00%	100.00%	100.00%

## 3.3.2.8 Experience Adjustments

(₹ in Crore)

	Pension		Gratuity	
	2011-12	2010-11	2011-12	2010-11
On Benefit Obligation (Gain+/Loss-)	-8.93	-114.06	-3.65	+1.28
On Plan Assets (Gain+/Loss-)	+5.11	+1.29	-0.80	-0.13

## 3.3.2.9 Expected Contributions

Bank's best estimates of contributions to the funds in 2012-13 are as follows:

Pension: ₹ 60 Crore

Gratuity: ₹ 10 Crore

## 3.3.3 Other Long term Employee Benefits: Sick Leave, Casual Leave and Leave Fare Concession

As on 31.03.2012 the Bank holds provision of ₹ 3.40 Crore (previous year ₹ 3.13 Crore) towards provision for Sick Leave, Casual Leave and Leave Fare Concession based on actuarial valuation.



## 3.4 Accounting Standard 17 – Segment Reporting

## Part A: Business Segments

(₹ in Crore)

Business Segments →	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Business		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Revenue	218.79	165.38	395.17	248.85	531.31	407.57	15.61	14.85	1160.87	836.64
Result	(87.42)	(90.62)	80.37	52.53	99.35	70.16	1.20	1.55	93.50	33.62
Unallocated expenses									Nil	Nil
Operating profit									93.50	33.62
Provisions other than tax									64.01	16.16
Provision for Tax									3.59	5.28
Extraordinary profit/ loss									Nil	Nil
Net profit									25.90	12.18
OTHER INFORMATION										
Segment assets	3197.50	2406.60	3145.44	2978.90	5008.28	3847.50	3.57	4.75	11354.79	9237.75
Unallocated assets									692.29	591.32
Total assets									12047.08	9829.07
Segment liabilities	334.27	130.82	3333.18	2598.30	8141.65	6909.96	14.67	26.73	11823.77	9665.82
Unallocated liabilities									223.31	163.25
Total liabilities									12047.08	9829.07

## Part B: Geographic segments

The Bank has no branches outside India.

## 3.5 Accounting Standard 18 – Related Party disclosures

Key Management Personnel: Shri.V.P.Iswardas, Managing Director &amp; Chief Executive Officer

## 3.6 Accounting Standard 19 – Leases

The Properties taken on lease/rental basis are renewable/cancellable at the option of the Bank

**3.7 Accounting Standard 21 - Consolidated Financial Statements**

Not Applicable.

**3.8 Accounting Standard 22 – Accounting for Taxes on Income**

Net Deferred Tax Asset as on 31.03.2012, computed in compliance with the Accounting Standard 22 on Accounting for Taxes on Income, amounts to ₹ 29.99 Crore, which is included in Item No.5 “Others” of Schedule 11-Other Assets.

Components of Net Deferred Tax Asset as on 31.03.2012 are as follows:

(₹ in Crore)

	31.03.2012	31.03.2011
<b>Deferred Tax Asset</b>		
Provision for Employee Benefits (Leave Benefits)	14.92	13.83
Provision for Standard Assets	10.97	7.43
Carry Forward Loss	Nil	8.35
Counter Cyclical Provisioning Buffer	4.65	Nil
Others	3.46	0.98
<b>Total Deferred Tax Asset</b>	<b>34.00</b>	<b>30.59</b>
<b>Deferred Tax Liability</b>		
Depreciation on Fixed Assets	4.01	4.32
<b>Net Deferred Tax Asset</b>	<b>29.99</b>	<b>26.27</b>

**3.9 Accounting Standard 23 – Accounting for Investments in Associates in Consolidated Financial Statements**

Not Applicable

**3.10 Accounting Standard 24 – Discontinuing operations**

Not Applicable

**3.11 Accounting Standard 25 – Interim Financial Reporting**

Bank has complied with the disclosures in connection with the half yearly review prescribed by RBI.

**4 Other Accounting Standards**

**4.1 Cash Flow Statements (AS 3)**

Cash flow statement compiled in accordance with Accounting Standard 3 (Indirect Method):

**CASH FLOW STATEMENT AS ON 31.03.2012**

(₹ in thousand)

PARTICULARS	2011-12	2010-11
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
PROFIT BEFORE TAX	294928	174589
Adjustments for:		
Depreciation on Fixed Assets	63742	82032
Amortisation of Intangible Assets	22179	22756
Provisions and Contingencies	640087	161581
Interest Paid on Tier II Bonds	74600	74745
Others	22943	55910
<b>Operating Profit before Working Capital Changes</b>	<b>1118479</b>	<b>571613</b>
Adjustments for Working Capital Changes:		
Advances	(14958814)	(17660293)
Investments	(4543768)	(4010030)
Other Operating Assets	(381949)	(64324)
Deposits	18792006	17473189
Borrowings	2098462	2320463
Other Operating Liabilities	492436	(59440)
Cash generated from operations	2616852	(1428822)
Direct Taxes Paid	(146938)	37145
<b>Net Cash flow from operations (A)</b>	<b>2469914</b>	<b>(1391677)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net Additions to Fixed Assets and Computer Software	(74697)	(51685)
<b>Net Cash flow from Investment Activities (B)</b>	<b>(74697)</b>	<b>(51685)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share Capital	681	124222
Share Premium	6610	1349759
Tier II Bonds Issued	418000	Nil
Tier II Bonds Redeemed	Nil	(11000)
Interest Paid on Tier II Bonds	(74600)	(74745)
Dividend paid	(36702)	Nil
<b>Net Cash generated from financing activities (C)</b>	<b>313989</b>	<b>1388236</b>
<b>D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>2709206</b>	<b>(55126)</b>
Cash and Cash Equivalents as at Opening	7000897	7056023
Cash and Cash Equivalents as at Closing	9710103	7000897

#### 4.2 Accounting for Fixed Assets (AS 10)

- a) The land and buildings owned by the Bank were revalued in 1990-91, 1993-94, 1998-99, 2004-05, 2006-07 and 2007-08 and appreciation credited to Revaluation Reserve. Depreciation for the year on the net addition to value on such revaluation of assets of ₹ 0.60 Crore (previous year ₹ 0.64 Crore) has been transferred from Revaluation Reserve to Profit and Loss Account.
- b) Bank had sold one of its premises in 2011-12 and the amount standing in Revaluation Reserve relating to that asset (₹ 0.15 Crore) has been transferred to General Reserve in line with paragraph 14.4 of AS 10.

#### 4.3 Effect of Changes in Foreign Exchange Rates (AS 11)

The net profit for the year is arrived at after charging the amount of exchange differences due to translation of monetary assets and liabilities at the closing rates.

#### 4.4 Accounting Standard 20 – Earnings per Share

Particulars	2011-12	2010-11
EPS-Basic/Diluted	₹ 8.25	₹ 4.65
Amount used as numerator- Profit after Tax (in crore)	25.90	12.18
Nominal value per Equity Share	₹ 10	₹ 10
Weighted Average Number of Equity Shares used as denominator	31378216	26160809

#### 4.5 Intangible Assets (Accounting Standard 26)

The bank has complied with AS 26 (Intangible Assets) and the disclosures required under the Standard are as follows:

( ₹ in Crore)

		31.03.2012	31.03.2011
a)	Acquired Application Software		
	Opening Balance at cost	4.63	4.22
	Add Additions during the year	0.55	0.41
	Less Disposals during the year	Nil	Nil
	Less Amortisation to date	3.43	2.62
	Net Carrying Amount*	1.75	2.01
b)	Internally Generated Software		
	Opening Balance at cost	7.85	7.85
	Add Additions during the year	0.41	Nil
	Less Disposals during the year	Nil	Nil
	Less Amortisation to date	6.31	4.89
	Net Carrying Amount*	1.95	2.96
	Total Carrying Amount	3.70	4.97

\*The Net carrying amount of acquired application software and internally generated application software are included in item No.5 "Others" of Schedule 11 – Other Assets.

**4.6 Impairment of Assets (Accounting Standard 28)**

In the opinion of the Bank's management, there is no material impairment to the fixed assets as at 31.03.2012 requiring recognition in terms of Accounting Standard 28 – Impairment of Assets.

**4.7 Provisions, Contingent Liabilities and Contingent Assets (AS-29)**

Movements in significant provision heads have been disclosed at appropriate places in the Notes forming part of the accounts.

**5. Additional Disclosures as per RBI Guidelines****5.1 Details of provisions and contingencies debited in Profit and Loss Account during the year**

(₹ in Crore)

		31.03.2012	31.03.2011
a	Provisions towards NPA/write offs & Counter Cyclical Provision	*45.98	13.42
b	Add back of eligible amount of provision held in respect of Agricultural Debts Waived	Nil	(0.46)
c	Depreciation and write off of investments	1.39	0.26
d	Add back of excess provision for Depreciation on investments	(1.90)	(0.10)
e	Provision for Income tax (Including Deferred Tax and Wealth Tax)	3.59	5.28
f	Provision for Standard Assets	10.90	3.69
g	Provision for diminution on Restructured Advances	6.39	(0.48)
h	Other provisions	1.25	(0.17)
	Total	67.60	21.44

\* includes ₹14.35 Cr debited to P&L for creation of Counter cyclical provisioning buffer.

**5.2 Floating Provisions**

a)	Opening Balance in floating provisions account	Nil
b)	Quantum of floating provisions made in the accounting year	Nil
c)	Purpose & amount of draw down made during the accounting year	Nil
d)	Closing balance in floating provisions account	Nil

**5.3 Draw Down from Reserves**

Nil

**5.4 Disclosure of complaints****A. Customer Complaints**

a)	No. of complaints pending at the beginning of the year	6
b)	No. of complaints received during the year	167
c)	No. of complaints redressed during the year	160
d)	No. of complaints pending at the end of the year	13

**B. Awards passed by the Banking Ombudsman**

a) No. of unimplemented Awards at the beginning of the year	Nil
b) No. of Awards passed by the Banking Ombudsmen during the year	Nil
c) No. of Awards implemented during the year	Nil
d) No. of unimplemented Awards at the end of the year	Nil

**5.5 Disclosure of Letter of Comforts (LOCs) issued by banks**

Not applicable since the bank has no subsidiaries.

**5.6 Provisioning Coverage Ratio**

	As on 31.03.2012	As on 31.03.2011
Provisioning Coverage Ratio	61.92%	61.53%

In accordance with the guidelines issued by RBI vide their circular no DBOD.BP.BC.87/21.04.048/2010-11 dated April 21, 2011, bank was required to build a Counter Cyclical Provisioning Buffer of ₹ 17.84 Crore, which has been done as on 30.09.2011.

**5.7 Income from Bancassurance**

(₹in Crore)

Sl.No.	Nature of Income	2011-12	2010-11
1.	From Selling Life Insurance Policies	2.20	2.87
2.	From Selling Non Life Insurance Policies	0.47	0.37
3.	From Selling Mutual Fund Products	0.08	0.03
4.	Others	Nil	Nil
5.	Total	2.75	3.27

**5.8 Concentration of Deposits, Advances, Exposures and NPAs****5.8.1 Concentration of Deposits**

	As on 31.03.2012	As on 31.03.2011
Total Deposits of twenty largest depositors (₹ in Crore)	1479.94	1248.25
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	13.97%	14.31%

**5.8.2 Concentration of Advances**

	As on 31.03.2012	As on 31.03.2011
Total Advances to twenty largest borrowers (₹in Crore)	1210.93	1220.09
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	13.35%	16.80%



**5.8.3 Concentration of Exposures**

	As on 31.03.2012	As on 31.03.2011
Total Exposures to twenty largest borrowers/ customers (₹ in Crore)	1214.58	1220.09
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	13.26%	16.58%

**5.8.4 Concentration of NPAs**

(₹ in Crore)

	As on 31.03.2012	As on 31.03.2011
Total Exposures to top four NPA Accounts	40.20	37.74

**5.9 Sector wise NPAs**

(₹ in Crore)

Sl. No.	Sector	Percentage of NPAs to Total Advance in that Sector	
		As on 31.03.2012	As on 31.03.2011
1.	Agriculture & allied activities	0.60%	1.11%
2.	Industry (Micro & small, Medium and Large)	2.68%	6.34%
3.	Services	2.29%	4.14%
4.	Personal Loans	0.82%	1.51%

**5.10 Movement of NPA**

(₹ in Crore)

Particulars	2011-12	2010-11
Opening Balance of Gross NPA	192.45	149.29
Additions (Fresh NPAs) during the year	100.20	107.87
Sub-total (A)	292.65	257.16
Less:-		
(i) Upgradations	13.51	21.23
(ii) Recoveries (excluding recoveries made from upgraded accounts)	62.83	34.73
(iii) Write-offs	33.39	8.75
Sub-total (B)	109.72	64.71
Closing balance of Gross NPA (A – B)	182.93	192.45

## 5.11 Overseas Assets, NPAs and Revenue (₹ in Crore)

Particulars	31.03.2012	31.03.2011
Total Assets (Deposits with banks outside India)	40.91	40.36
Total NPAs	Nil	Nil
Total Revenues (Interest on Deposits with banks outside India)	0.01	0.01

5.12 Off-balance Sheet SPVs sponsored  
( which are required to be consolidated as per accounting norms)

Nil

## 5.13 Unamortised Pension and Gratuity Liabilities (₹in Crore)

Particulars	2011-12	2010-11
Unamortised Pension Liability	23.84	31.79
Unamortised Gratuity Liability	12.44	16.59
Total	36.28	48.38

## 6 Comparative Figures

Previous year's figures have been regrouped and recast wherever necessary to conform to current year's classification.

As per our report of even date

Sd/-  
S Santhanakrishnan  
Chairman

Sd/-  
V.P.Iswardas  
Managing Director & CEO

For Abraham & Jose  
Chartered Accountants  
FRN No.000010S

Sd/-  
S. Ramakrishnan  
Chairman-Audit Committee

Sd/-  
Sijo Varghese  
Company Secretary

Sd/-  
Jose Pottokaran  
Partner  
(M.No.012056)

Sd/-  
T.S.Anantharaman  
Director

Sd/-  
U R Giridharan  
General Manager

For Essveeyar  
Chartered Accountants  
FRN No. 000808S

Sd/-  
C Bobby Jos  
Director

Sd/-  
P.V.Antony  
DGM (Accounts & Risk Management)

Sd/-  
R. Vijayaraghavan  
Partner  
(M. No. 022442)

Coimbatore  
05.06.2012

## Basel II Disclosures

## 1 Capital Structure

## Qualitative Disclosures:

Bank's capital structure consists of Tier 1 and Tier 2 capital. The major components of Tier 1 capital are equity share capital, equity share premium, statutory reserves, general reserves, net of tax amount of special reserve (Section 36(i)(viii) of Income Tax Act) and capital reserves (other than revaluation reserves). Tier 2 capital consists of subordinated debt (Lower Tier 2), revaluation reserves, provision for standard assets and investment reserve. Bank has not issued any Upper Tier 2 bonds or perpetual debt or other innovative instruments.

## Quantitative Disclosures:

The break up of capital funds is as follows:

(₹ crore)

	As on 31.03.2012	As on 31.03.2011
<b>Tier 1 Capital</b>		
Paid up Share capital	31.42	31.35
Share Premium	222.44	221.78
Statutory Reserves	131.48	125.01
Capital Reserves	31.57	31.12
Special Reserve (36 (i) (viii))	10.40	6.59
Other eligible reserves	92.26	84.45
<b>Total Tier 1 Capital (Gross)</b>	<b>519.57</b>	<b>500.30</b>
Less Deferred Tax Assets and Other Intangible Assets	35.11	32.12
<b>Total Tier 1 Capital (Net) [A]</b>	<b>484.46</b>	<b>468.18</b>
<b>Tier 2 Capital</b>		
Subordinated debt (eligible for inclusion in Lower Tier 2 capital)	133.50	91.70
(Of which amount raised during the current year)	41.80	Nil
Less Discount	63.42	45.08
Subordinated debt eligible to be reckoned as capital funds	70.08	46.62
Revaluation Reserves after discounting	17.45	17.78
Provision for Standard Assets	33.80	22.90
Investment Reserve	2.22	1.96
<b>Total Tier 2 Capital (Net) [B]</b>	<b>123.55</b>	<b>89.26</b>
<b>Total Eligible capital [A] + [B]</b>	<b>608.01</b>	<b>557.44</b>

## 2. Capital Adequacy

### Qualitative Disclosures:

Regulatory Capital Adequacy position (as per Basel I & Basel II norms as made applicable by RBI) is assessed periodically. Besides, the bank also assessed its own internal estimate of risk capital based on its Board approved ICAAP policy and Stress Testing Policy to cover the Pillar 2 risks. Risks are assumed in line with the Bank's risk bearing capacity and capability in order to generate yields, taking risk-return frontier into account. This aims to ensure that risks that could jeopardize the Bank's existence are avoided.

### Quantitative Disclosures:

#### a) Capital Requirement for Credit Risk – Standardised Approach

(₹ Crore)

Portfolios	Gross Exposure		Capital Requirement	
	As on 31.03.12	As on 31.03.11	As on 31.03.12	As on 31.03.11
On Balance Sheet				
Cash & Balance with RBI	686.48	587.14	Nil	Nil
Inter Bank Deposits	284.53	112.95	6.23	3.12
Investments (HTM)	2,785.88	2283.95	26.04	29.47
Advances	7,663.54	6220.02	369.05	339.62
Fixed Assets & Other Assets	267.38	218.70	10.85	8.95
Total	11,687.81	9422.76	412.17	381.16
Off Balance Sheet				
Letter of Credit & Guarantees	301.93	212.61	12.20	6.55
Undrawn Credit Commitments	1,079.25	813.25	15.82	12.90
Forward Exchange Contracts	653.68	593.98	0.97	0.74
Total	2,034.86	1619.84	28.99	20.19
Total On & Off Balance Sheet	13,722.67	11042.60	441.16	401.35

#### b) Capital Requirement for Market Risk – Standardised Duration Approach

(₹ Crore)

Type of Market Risk	Gross Exposure		Capital Requirement	
	As on 31.03.12	As on 31.03.11	As on 31.03.12	As on 31.03.11
Interest Rate Risk	358.59	399.25	7.90	7.62
Foreign Exchange Risk	7.73	7.40	0.70	0.66
Equity Risk	0.67	7.06	0.18	1.59
Total	366.99	413.71	8.78	9.87

## c) Capital Requirement for Operational Risk – Basic Indicator Approach

(₹ Crore)

	As on 31.03.12	As on 31.03.11
Capital Requirement	43.92	36.00
Equivalent Risk Weighted Assets	487.99	400.00

## d) Total Capital Requirement

(₹ Crore)

Type of Risk	Capital Requirement		Risk Weighted Assets	
	As on 31.03.12	As on 31.03.11	As on 31.03.12	As on 31.03.11
Credit Risk	441.16	401.35	4902.64	4459.39
Market Risk	8.78	9.87	97.57	109.76
Operational Risk	43.92	36.00	487.99	400.00
<b>Total</b>	<b>493.86</b>	<b>447.22</b>	<b>5488.20</b>	<b>4969.15</b>
Total Net Tier 1 Capital			484.46	468.18
Tier 1 Capital Ratio (%)			8.83%	9.42%
Total Tier 2 Capital			123.55	89.26
Tier 2 Capital Ratio (%)			2.25%	1.80%
Total Capital Funds			608.01	557.44
Capital Adequacy Ratio as per Basel II Norms (%)			11.08%	11.22%

## 3. Credit Risk: General Disclosure

## Qualitative Disclosures

## a) Definition of past due and impaired loans

Bank strictly adheres to RBI norms regarding definitions of past due and impaired loans, as under (in brief):

- interest and or instalment of principal remain overdue for a period of more than 90 days in respect of term loan accounts
- the account remains 'out of order' (the outstanding balance remains continuously in excess of the sanctioned limit/drawing power, in cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, there are no credits continuously for 90 days as on the date of Balance Sheet or credits are not enough to cover the interest debited during the same period) in respect of Overdraft/Cash credit accounts. If the interest due and charged during any quarter is not serviced fully within 90 days from the end of the quarter, the account is classified as NPA.
- the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted
- the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops.

- v) the instalment of principal or interest thereon remains overdue for one crop season for long duration crops.

**b) Credit Risk Management Policy**

The bank has in place a Credit Risk Management Policy which is reviewed periodically to bring in refinements triggered by evolving concepts and actual experience.

The Executive level committee – Credit Risk Management Committee (CRMC) which reports to Risk Management Committee (RMC) of the Board, is responsible for the management and mitigation of credit risk in the bank. Credit Risk Management Department and Credit Monitoring Department at Head Office level act as the secretariat of CRMC.

Credit approvals are subject to a well established and time tested system of competencies, which act as a framework within which decision making individuals or committees are authorised to enter into lending transactions. Responsibility for the approval of loans is dependent on size, security and type of the loan.

Credit rating system is in force using various CRA formats, developed by the Bank to measure the risk involved in each borrowal account. All borrowers with an aggregate credit limit of ₹ 25 lakh and above are subjected to individual credit rating. Gold loans, Loans against Deposit Receipts, Housing Loans, Loans against NSC & Insurance policies and staff loans are subjected to portfolio rating.

Operations in all credit exposures of ₹ 50 lakh and above are monitored on a monthly basis by Credit Monitoring department to detect delinquency signals at an early date and nurse the account.

Rating migration studies are conducted at regular intervals.

Pricing of corporate exposures is subjected to RAROC analysis based on bank's Board approved Risk Adjusted Return On Capital (RAROC) policy.

Both regulatory capital and economic capital requirements are assessed at the time of credit appraisal of corporate exposures.

As part of the bank's efforts to migrate to Internal Ratings Based Approach for Credit Risk, the bank has developed a new CRA model incorporating Facility Rating (so that Loss Given Default can be assessed).

**Quantitative Disclosures**

**a) Gross Credit Risk Exposure – Banking Book**

(₹ Crore)

	Loans		Investments	
	As on 31.03.12	As on 31.03.11	As on 31.03.12	As on 31.03.11
Fund Based	7663.54	6220.02	2785.88	2283.95
Non Fund Based	301.93	212.61	Nil	Nil
Total	7965.47	6432.63	2785.88	2283.95



## b) Industry type distribution – Banking Book

(₹ Crore)

	Advances, Letter of Credit & Guarantees		Investments	
	As on 31.03.12	As on 31.03.11	As on 31.03.12	As on 31.03.11
Central Government	Nil	Nil	2452.19	1887.57
State Governments	Nil	Nil	78.67	63.51
Public Sector	291.28	248.01	33.08	33.09
Manufacturing Industries				
a) Cotton Textiles	403.96	484.39	Nil	Nil
b) Other Textiles	163.87	170.09	Nil	Nil
c) Chemicals	273.30	321.59	Nil	Nil
d) All Engineering	239.65	145.64	Nil	Nil
e) Food Processing	142.27	142.64	Nil	Nil
f) Other Industries	720.71	644.77	Nil	Nil
Total Manufacturing Industries	1943.76	1909.12	Nil	Nil
Agriculture	1148.77	929.67	Nil	Nil
Residential Mortgage	291.36	299.40	Nil	Nil
Commercial Real Estate	200.22	150.51	Nil	Nil
Consumer Credit	1444.91	739.01	Nil	Nil
Students	106.04	85.60	Nil	Nil
Wholesale & Retail Trade	965.82	839.07	Nil	Nil
Hospitals, Educational Institutions & Trusts	78.93	86.13	Nil	Nil
Banks	165.27	Nil	Nil	Nil
RIDF, RHF, MSME Fund	Nil	Nil	221.94	299.78
NBFCs	146.08	74.46	Nil	Nil
Own Staff	185.80	177.94	Nil	Nil
All Others	997.22	893.71	Nil	Nil
Total	7965.47	6432.63	2785.88	2283.95

## c) Residual contractual maturity breakdown of assets (₹ Crore)

	Cash & Balance with RBI		Balance with banks and Money at Call & Short Notice		Advances		Investments		Fixed Assets & Other Assets	
	As on 31.03.12	As on 31.03.11	As on 31.03.12	As on 31.03.11	As on 31.03.12	As on 31.03.11	As on 31.03.12	As on 31.03.11	As on 31.03.12	As on 31.03.11
Day 1	196.75	79.31	Nil	58.45	167.88	87.85	Nil	Nil	1.77	Nil
2-7 days	Nil	Nil	75.00	Nil	124.02	58.51	88.97	125.02	2.11	0.30
8-14 days	Nil	Nil	Nil	Nil	170.61	84.38	68.18	24.87	11.56	1.55
15-28 days	12.18	21.48	51.50	51.50	257.80	107.16	49.00	149.25	12.45	10.94
29d-3Mon	28.60	24.29	103.00	3.00	459.04	295.88	58.85	49.15	20.77	16.98
3-6 Mon	38.65	33.86	3.00	Nil	748.04	620.01	65.90	0.20	12.53	11.21
6M-1Yr	41.04	31.53	Nil	Nil	1361.49	879.22	21.87	1.51	0.68	0.67
1-3Years	124.56	137.51	Nil	Nil	3311.95	2753.23	408.54	313.00	40.74	1.74
3-5 Years	7.60	8.08	Nil	Nil	621.59	746.38	350.08	552.04	Nil	Nil
> 5 Yrs	237.09	251.08	Nil	Nil	441.14	587.42	2033.76	1475.22	164.77	175.31
Total	686.47	587.14	232.50	112.95	7663.54	6220.02	3145.15	2690.26	267.38	218.70

## d) Disclosures regarding Non Performing Assets (₹ Crore)

	As on 31.03.2012	As on 31.03.2011
Amount of NPAs (Gross)		
Substandard	61.27	81.14
Doubtful 1	46.80	26.84
Doubtful 2	25.55	33.55
Doubtful 3	41.20	42.19
Loss	8.11	8.73
Total Gross NPAs	182.93	192.45
Net NPAs	84.21	108.40
NPA Ratios		
Gross NPAs to Gross Advances	2.36%	3.05%
Net NPAs to Net Advances	1.10%	1.74%
Movement of NPAs (Gross)		
Opening balance	192.45	149.29
Additions	100.20	107.87
Reductions	109.72	64.71
Closing balance	182.93	192.45
Movement of provisions for NPAs		
Opening balance	80.66	75.23
Provisions made during the period	14.04	8.55
Write-off & Write back of excess provisions	16.64	3.12
Closing balance	78.06	80.66

Amount of Non-Performing Investments	2.00	2.00
Amount of provisions held for non performing investments	2.00	2.00
<b>Movement of provisions for depreciation on Investments</b>		
Opening balance	4.81	4.66
Provisions made during the period	1.39	0.26
Write-off & Write back of excess provisions	1.90	0.09
Provision account debited during the year	Nil	0.02
Closing balance	4.30	4.81

#### 4. Credit Risk: Disclosures for portfolios subject to standardised approach

##### Qualitative Disclosures

In accordance with RBI guidelines, the bank has adopted standardised approach for computation of capital for credit risk.

Bank Loan Ratings of CRISIL, CARE, ICRA and Fitch India are considered for arriving at the capital requirement.

Bank extends external rating of other issues of the borrower to unrated claims only when the issue specific rating maps to Risk Weight higher than that of the unrated exposure.

##### Quantitative Disclosures

Risk weight wise classification of exposures

(₹ Crore)

	Gross Credit Exposure		Capital Deductions		Exposure after Capital Deductions	
	(A)		(B)		(C) = (A) – (B)	
	As on 31.03.12	As on 31.03.11	As on 31.03.12	As on 31.03.11	As on 31.03.12	As on 31.03.11
<b>Advances, Letter of Credit &amp; Guarantees</b>						
Below 100% risk weight	3742.67	3343.55	Nil	Nil	3742.67	3343.55
100% risk weight	2309.29	2002.13	Nil	Nil	2309.29	2002.13
More than 100% risk weight	1913.51	1086.95	Nil	Nil	1913.51	1086.95
<b>Total</b>	<b>7965.47</b>	<b>6432.63</b>	<b>Nil</b>	<b>Nil</b>	<b>7965.47</b>	<b>6432.63</b>
<b>Investments</b>						
Below 100% risk weight	2563.94	1984.17	Nil	Nil	2563.94	1984.17
100% risk weight	221.94	299.78	Nil	Nil	221.94	299.78
More than 100% risk weight	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total</b>	<b>2785.88</b>	<b>2283.95</b>	<b>Nil</b>	<b>Nil</b>	<b>2785.88</b>	<b>2283.95</b>

## 5. Credit Risk Mitigation: Disclosures for standardised approaches

### Qualitative Disclosures

A Credit Risk Mitigation and Collateral Management Policy, addressing the Bank's approach towards the credit risk mitigants used for capital calculation is in place.

Following items are considered for on and off balance sheet netting:

- a) Deposits with specific lien to the facility
- b) Subsidies received (for priority sector advances)
- c) Claims received (for NPA accounts)

Of the eligible financial collaterals, the types of collateral taken by the bank are gold ornaments and bank's own deposit receipts. Gold ornaments are accepted as collateral by branches after due scrutiny and are marked to market value on a daily basis. Bank has made an assessment of market liquidity risk involved in liquidating gold ornaments and is considering a holding period of 21 days for advance against pledge of gold ornaments. In Pillar 1 capital adequacy computations, bank considers a haircut of 22% (after scaling up the standard supervisory haircut of 15% to a 21 day holding period).

The types of guarantees recognized for credit risk mitigation are guarantee by central government, state government, ECGC and banks (in the form of bills purchased/discounted under Letter of credit).

Collaterals other than financial collaterals that secure the credit portfolio of the bank are land & building, plant & machinery and current assets of the counter party. Land and Building includes commercial building, residential property and vacant land.

### Quantitative Disclosures

#### a) Exposures Covered by Eligible Financial Collateral (After Haircuts) (₹ Crore)

	As on 31.03.2012	As on 31.03.2011
Corporate	222.32	35.83
Regulatory Retail	1234.83	1001.93
Personal Loans	1273.82	568.20
Total	2730.97	1605.96

#### b) Exposures Covered by Guarantee (₹ Crore)

	As on 31.03.2012	As on 31.03.2011
Corporate	304.80	241.80
Regulatory Retail	105.76	52.19
Total	410.57	293.98

## 6. Securitisation

No exposure of the bank has been securitised.

**7. Market Risk in the Trading Book****Qualitative Exposures**

Bank has put in place Board approved Market Risk Management Policy, Investment Policy and Foreign Exchange Policy for effective management of market risk of the bank.

Bank's Integrated Treasury manages the trading book. Proprietary trading is done in government securities, equity shares and foreign exchange. Adherence to limits is reported on a monthly basis to the Executive level Asset Liability Committee (ALCO) and Risk Management Committee (RMC) of the Board.

Modified Duration and Value at Risk are the tools used to track market risk in the trading book for interest rate related instruments. For equity exposures bank uses Value at Risk and Portfolio Beta.

Stress tests are conducted on a daily basis on securities in the trading book.

Portfolios covered by standardised approach are government securities, other trustee securities, Non SLR bonds & debentures, Certificate of Deposits and Equity Shares.

**Quantitative Disclosures****Capital Requirement for Market Risk**

(₹ Crore)

Type of Market Risk	Gross Exposure		Capital Requirement	
	As on 31.03.12	As on 31.03.11	As on 31.03.12	As on 31.03.11
Interest Rate Risk	358.59	399.25	7.90	7.62
Foreign Exchange Risk	7.73	7.40	0.70	0.66
Equity Risk	0.67	7.06	0.18	1.59
Total	366.99	413.71	8.78	9.87

**8. Operational Risk****Qualitative Disclosures**

The Executive level committee - Operational Risk Management Committee (ORMC) which reports to Risk Management Committee (RMC) of the Board, is responsible for the management and mitigation of operational risk in the bank. The bank has framed Operational Risk Management Policy duly approved by the Board. Other policies approved by the board that deal with the different facets of operational risk are Inspection Policy, Human Resource Management Policy, IT Policy, Compliance Policy, Business Continuity & Disaster Recovery Plan and Outsourcing policy.

Bank has obtained Bankers' Indemnity Policy to cover the risk of cash in transit and cash and securities including gold ornaments kept at branches. Risk Based Internal Audit (RBIA) is operational at all the branches.

Bank is adopting Basic Indicator Approach for arriving at capital charge for operational risk in compliance with RBI guidelines and is in the process of building database for moving to Advanced Approaches. Bank has prepared road map for moving to standardized approach for operational risk and has designed a model for calculation of capital charge based on various business lines and for exposures of homogenous nature pooled together.

## 9. Interest Rate Risk in the Banking Book

### Qualitative Disclosures

The Executive Level Committee - Asset Liability Committee (ALCO) has the overall responsibility of managing the interest rate risk in the banking book of the bank. ALCO fixes the deposit and lending rates of the bank and directs the investment activities of the bank in line with its interest rate view. Limits are fixed from both Earnings and Economic Value Perspective in board approved Market Risk Management Policy and adherence monitored on a monthly basis. Interest Rate Risk from Earnings Perspective is measured through Earnings at Risk (EaR) approach (which computes the impact on NII of various interest rate changes) on a monthly basis. Interest Rate Risk from Economic Value Perspective is measured using Modified Duration Gap Approach on a monthly basis.

The Risk Management Committee of the Board oversees the ALM process of the bank and reviews the decisions taken by the ALCO.

### Key Assumptions for IRRB calculations

- Bulk of the advance portfolio to reprice within 3 months.
- Maturity of deposits considered after adjusting empirically observed premature closure rates.
- Core portion of Savings Bank Deposits slotted in 7 to 10 year time bucket.
- Core portion of Current Deposits slotted in Above 15 years time bucket for Modified Duration Gap Analysis (For Earnings at Risk Analysis, Current Deposits are treated as interest non sensitive).

### Quantitative Disclosures

#### Interest Rate Risk – Earnings Perspective

1 Year Change in Market Rates (Parallel Shift)	Impact (₹ Crore)	
	As on 31.03.12	As on 31.03.11
+25 basis points	+3.12	+5.11
-25 basis points	-3.12	-5.11

#### Interest Rate Risk – Economic Value Perspective

1 Year Change in Market Rates (Parallel Shift)	Impact (₹ Crore)	
	As on 31.03.12	As on 31.03.11
+25 basis points	+3.06	+4.51
-25 basis points	-3.06	-4.51



## **10. Application of Prudential Floor**

Bank has migrated to Basel II framework of capital adequacy with effect from 31.03.2008. Guidelines on implementation of the New Capital Adequacy framework issued by RBI, stipulates higher of the following amounts as the minimum capital required to be maintained by the Bank in the third year of adoption:

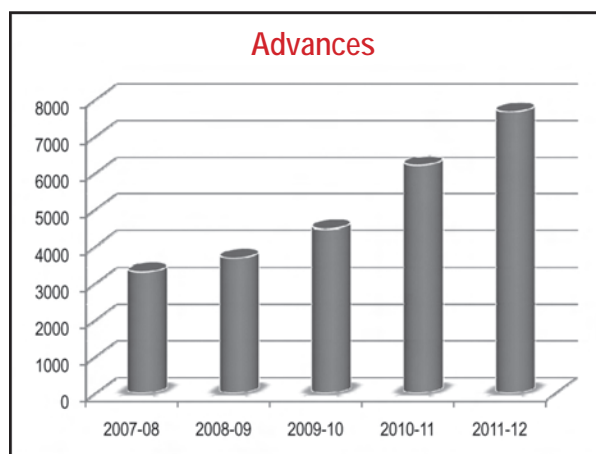
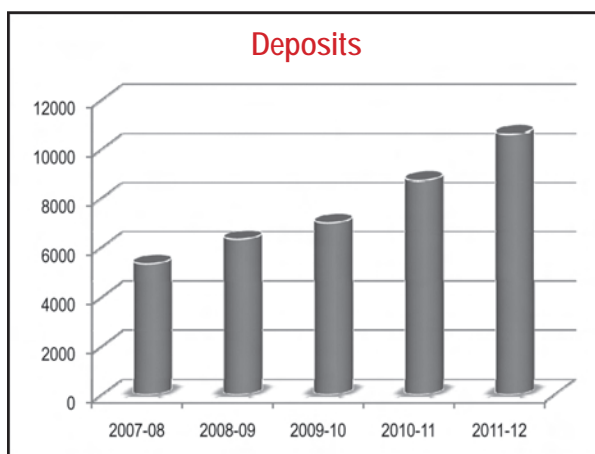
- a) Minimum capital as per Basel II norms for Credit, Market and Operational risks.
- b) 80% of Minimum capital as per Basel I norms for Credit and Market Risk.

The minimum capital required to be maintained by the Bank as on 31.03.2012 as per Basel II norms is ₹ 493.86 crore and 80% of minimum capital required as per Basel I norms is ₹ 517.57 crore. Thus, due to application of prudential floor, minimum capital to be maintained by the bank is ₹ 517.57 crore. Actual capital maintained by the bank as on 31.03.2012 is ₹ 608.01 crore which is well above this requirement.

## HIGHLIGHTS

₹ in Crore

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Capital & Reserves	305.16	388.30	389.82	545.05	565.55
Deposits	5317.62	6332.83	6978.35	8725.67	10604.87
Advances	3313.56	3683.84	4466.94	6220.02	7663.54
Investments	1819.43	2183.97	2289.41	2690.26	3145.15
Net Profit	36.56	37.19	1.65	12.18	25.90
Branches	361	363	364	364	372
Staff	2744	2676	2696	2820	2729
Capital Adequacy Ratio	10.87%	12.29%	10.82%	11.22%	11.08%



## NOTICE

NOTICE is hereby given that the 91st Annual General Meeting of the shareholders of The Catholic Syrian Bank Limited will be held at **Kousthubham Auditorium**, Shoranur Road, Thrissur-680 001 on **Friday, the 28th of September 2012 at 10.00 a.m.** to transact the following businesses: -

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2012 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare a Dividend. The Board of Directors has recommended payment of a dividend of 15 (Fifteen) percent on Equity Shares for the year ended 31st March 2012.
3. To appoint a Director in place of Shri. K.lpe Peter, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. T.S.Anantharaman, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri. Sumeer Bhasin, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Statutory Central Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, and to authorize the Board of Directors to fix their remuneration. The existing firms of Joint Statutory Central Auditors M/s. Essveeyar, Chartered Accountants, Chennai and M/s.Abraham & Jose, Chartered Accountants, Thrissur, whose term of office expires with the conclusion of the ensuing Annual General Meeting, have completed the continuous tenure of four years in office and are not eligible for re-appointment for the ensuing year in accordance with the Reserve Bank of India's policy of rotation and resting. The Bank has received approval of the Reserve Bank of India in terms of Sec. 30(1A) of the Banking Regulation Act, 1949 for appointment of the following firms of Chartered Accountants as Joint Statutory Central Auditors of the Bank to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Bank: -
  1. M/s. Varma & Varma, Chartered Accountants, Marath Lane, M.G. Road, Thrissur – 680 001.
  2. M/s. Sundaram & Srinivasan, Chartered Accountants, New No. 4, Old No. 23, C.P. Ramaswamy Road, Alwarpet, Chennai – 600 018.

Certificates have been obtained from the above Auditors vide proviso to Sec. 224(1) of the Act, to the effect that the appointment, if made, will be in accordance with the limits specified in Sec. 224(1B) of the Act. The Bank has also received special notice from members u/s. 225(1) of the Act, signifying their intention to propose the appointment of the aforementioned firms of Chartered Accountants as Joint Statutory Central Auditors of the Bank for the referred period.

## SPECIAL BUSINESS

7. To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

“RESOLVED that the Board of Directors of the Bank be and is hereby authorised to appoint in consultation with the Statutory Central Auditors, the Branch Auditors who are qualified to act as Auditors pursuant to the provisions of Section 228 of the Companies Act, 1956, for the purpose of audit of the branches of the Bank for the year 2012-13, and to fix the remuneration of the Branch Auditors.”

8. To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

“RESOLVED that pursuant to articles 134 and 146 of the Articles of Association of the Bank read with Sec 309(1) of the Companies Act, 1956 and pursuant to the approval accorded by the Reserve Bank of India (RBI) under Section 10 B (IA) (i) of the Banking Regulation Act, 1949, sanction be and is hereby accorded for payment of remuneration and for allowing other facilities/conveniences as detailed in the Explanatory Statement hereto as recommended by the Board of Directors of the Bank, to Shri.S.Santhanakrishnan on his re-appointment as Part-time Chairman of the Bank for a period of 3 (three) years effective from August 17, 2012.”

9. To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:-

“RESOLVED THAT pursuant to article 146 of the Articles of Association of the Bank read with Section 309(1) of the Companies Act, 1956, and subject to approval of the Reserve Bank of India (RBI) as may be required, the modifications and variations in the terms of appointment of Shri. V.P.Iswardas as Managing Director & CEO of the Bank, proposed by the Board of Directors and as detailed in the explanatory statement hereto effective from November 30, 2011 be and are hereby approved, with liberty to the Board of Directors to modify, alter or vary if required, any of the terms and conditions of his appointment and in such manner whatsoever as may be stipulated by RBI while granting the approval”.

10. To consider and if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION:-

“RESOLVED that Clause-3 being ‘Objects Clause’ in the Memorandum of Association of the bank, be and is hereby altered in the following manner:-

1. The existing sub clauses (a),(b),(c),(q), and (s) be deleted and substituted with the following :-

- a) “To establish and carry on the business of banking at the registered or head office of the company at Thrissur and at such other branches, offices, departments, agencies at such places in India or abroad as may, from time to time, be determined by the directors”.

- b) "To carry on the business of receiving or accepting deposits of money as current, fixed, savings deposits, provident deposits or otherwise, withdrawable by cheque, draft or order or in any other permissible manner, and to carry on the business of a bank as referred to herein at its offices, branches and departments".
- c) "To borrow, raise or accept money; to lend or advance money either upon or without security or in any other way; to draw, make, accept, discount, buy, sell, collect and deal in bills of exchange, hoondees, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and other instruments and securities whether transferable or negotiable or not and to advance money on the security of them; to negotiate and issue loans and advances; to grant and issue letters of credit, traveller's cheques and circular notes; to buy, sell and deal in silver and gold in bullion and specie, coins or otherwise in any form, foreign exchange including foreign bank notes; to subscribe, acquire, hold, issue on commission, underwrite and deal in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds; to purchase and sell bonds, scrips or other forms of securities for and on behalf of constituents or others; to receive all kinds of bonds, scrips, documents and other valuables as deposit or for safe custody or otherwise, and to provide for safe deposit vaults; to convert the movable and immovable properties of the constituents and others into money, collect and pay them; and to collect and transmit money, securities and instruments".
- q) "To sell, realize, improve, manage, develop, let on lease, mortgage or otherwise deal with all or any of the properties and rights of the company including those properties, rights and securities which may have come into the possession of the company in satisfaction or part satisfaction of any of its claims, debts or dues; and to acquire and hold and generally deal with any property or any right, title or interest in any such property which may form the security or part of the security for any loans or advances or which may be connected with any such security".
- s) "To do all such other things as are incidental or conducive to the promotion or advancement of the business of the company; to undertake and carry on any other form of business which the Central Government may, by notification in the Official Gazette, specify as a form of business in which it is lawful for a banking company to engage".
- 2. The following new sub-clauses (d),(e),(f),(g),(h) and (i) be added after the existing sub-clause (c):-**
- d) "To act as agents for any Government or local authority or any other person or persons; and to transact all kinds of agency business which are ordinarily transacted by banks on behalf of customers and others, and to act as attorneys and to give discharges and receipts".
- e) "To effect, insure, guarantee, underwrite, and participate in managing and carrying out of any issue, public or private, of State, municipal or other loans or of shares, stock, debentures, or debenture stock of any company, corporation or association and to lend money for the purpose of any such issue".

- f) "To carry on and transact every kind of guarantee and indemnity business".
- g) "To promote or finance or assist in promoting or financing any business, undertaking or industry, either existing or new, and to develop or form the same under the constitution of company or otherwise, either through the instrumentality of syndicates or otherwise , as may be permissible under the provisions of the Banking Regulation Act , 1949 as amended or modified from time to time or under other regulatory guidelines".
- h) "To undertake, create and execute trusts; and to undertake the administration of estates as executor, trustee, administrator or otherwise".
- i) "To establish and support or to aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company or the dependents or connections of such persons; to grant pensions and allowances and to make payments towards insurance; to subscribe to or guarantee moneys for charitable or benevolent objects or for any exhibition or for any public, general or useful object".
3. Consequent upon the above alterations, the existing sub-clauses **d, e, f, g, h, i, j, k, l, m, n, o, p, q, r, s, t, u** be re- numbered as sub-clauses **j, k, l, m, n, o, p, q, r, s, t, u, v, w, x, y, z, aa** respectively.

RESOLVED further that the Board of Directors shall have the liberty to make such changes, if any, in the proposed alterations, as may be stipulated by the Reserve Bank of India while according its 'no objection' under Sec 49C of the Banking Regulation Act, 1949, for carrying out the alterations."

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

"RESOLVED that pursuant to Section 94 and other relevant provisions of the Companies Act, 1956 read with article 72 and other relevant clauses in the Articles of Association of the bank, the present Authorized Capital of the bank aggregating ₹1000000000(Rupees one hundred crores only)which is comprised of 80000000 (eight crores) Equity shares of ₹ 10 (Rupees ten only) each amounting to ₹ 800000000(Rupees eighty crores only) and 2000000 (twenty lacs ) Preference shares of ₹ 100(Rupees one hundred only) each amounting to ₹ 200000000(Rupees twenty crores only), be increased to ₹ 1200000000(Rupees one hundred and twenty crores only) by creation of 20000000(two crores ) new Equity shares of ₹10(Rupees ten only) each for an amount of ₹ 200000000(Rupees twenty crores only), and such new shares shall, subject as provided in article 75 of the Bank's Articles of Association, be considered to form part of the original capital. Consequently, Clause: 5 being the Capital Clause in the Memorandum of Association of the Bank, be and is hereby amended and modified to read as under :-

"5. The Authorized share capital of the company is ₹ 1200000000(Rupees one hundred and twenty crores only) divided into 100000000(ten crores) Equity shares of ₹ 10(Rupees ten only) each and 2000000(twenty lacs) Preference shares of ₹ 100(Rupees one hundred only) each, with power to increase or decrease the Capital consistent with the rules and regulations of the Company and in accordance with the provisions of the Companies Act,1956."

RESOLVED further that the Board of Directors shall have the liberty to make such changes, if any, in the proposed amendment, as may be stipulated by the Reserve Bank of India while according its 'no objection' under Sec 49C of the Banking Regulation Act, 1949, for carrying out the amendment."

12. To consider and if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION:

"RESOLVED that pursuant to sections 81(1),81(1A) and other applicable provisions of the Companies Act, 1956(hereinafter referred to as "the Act"), or any statutory amendment, modification or re-enactment thereof from time to time in force, read with articles 13, 74 and other relevant clauses in the Articles of Association of the Bank, the Board of Directors of the bank be and is hereby authorized and empowered to offer, issue and allot, if necessary, all or any of the remaining un-issued 68420913 Equity shares of ₹ 10 each(which includes the newly created 20000000 equity shares) and 2000000 Preference shares of ₹ 100 each in the capital of the bank, at par or at such premium, at such time and on such terms and conditions whether or not in accordance with all or any of the requirements of Sec 81(1) of the Act, to the existing shareholders of the bank on rights basis and in particular, in such proportion for each category of shares or in different proportions within each category of shares for each category of offerees/subscribers, whether or not conferring on such offerees the right of renunciation exercisable by them in favour of any other person, or restricting or modifying the said right of renunciation in any way, and whether on the same terms and conditions or on varying terms and conditions and whether at one time or from time to time or in such manner or on such terms and conditions, whatsoever, as the Board of directors may in its sole and absolute discretion deem necessary and appropriate.

RESOLVED further that for the purpose of giving effect to the resolution, the Board of Directors or any Committee or Authority authorized by it, be and is hereby authorized to do, perform, execute and carry out all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the shares.

RESOLVED further that the Board of directors shall have the sole and absolute discretion in the matter of exercise or otherwise of the authorization/authority conferred upon it by this resolution to make further issue of shares on rights basis in any manner, and shall not be under any obligation whatsoever to exercise the discretion conferred by this resolution, if not considered necessary or expedient by the Board of Directors in the interest of the bank."



13. To consider and if thought fit, to pass with or without modification/s, the following resolution as a SPECIAL RESOLUTION:

“RESOLVED that pursuant to the provisions of sections 81, 81(1A) and other applicable provisions of the Companies Act, 1956, or any statutory amendment, modification or re-enactment thereof from time to time in force, read with articles 10, 13 and other relevant clauses in the Memorandum and Articles of Association of the Bank, and subject to the approval of the Securities and Exchange Board of India (SEBI), the Reserve Bank of India or any other Government/Regulatory Authority, if any, to the extent necessary and such other approvals, consents, permissions and sanctions as may be required and subject to such condition/s or modification/s as may be prescribed or imposed by any of them while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Bank (hereinafter referred to as “the Board” and which term shall include such Committee of directors constituted for the said purpose), the consent of the company be and is hereby accorded to the Board to offer, issue and allot in accordance with the Memorandum and Articles of Association of the Bank and the applicable guidelines, rules and regulations as may be prescribed by law for the time being in force or at any time hereafter, the whole or any part of the remaining un-issued 68420913 Equity shares of ₹ 10 each (which includes the newly created 20000000 equity shares) and 2000000 Preference shares of ₹ 100 each in the capital of the bank, through public issue to members of the public including members and employees of the company or to any other eligible/qualified investor or class of investors, whether domestic or foreign, and whether retail, institutional or non-institutional, with appropriate reservations, allocations or firm allotments to various classes/categories of persons / investors/subscribers including but not limited to eligible employees of the bank, as may be permissible under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred to as “the SEBI ICDR Regulations”) and other applicable guidelines, if any, at such price/prices (whether payable in Indian rupees or foreign currency) at par or at premium whether determined in accordance with the book building process or any other method as may be permissible and prescribed under the SEBI ICDR Regulations, with or without any green shoe option for stabilizing post-listing price of the shares, at such time and on such terms and conditions and in such manner whatsoever as the Board of Directors may in its sole and absolute discretion decide in accordance with the applicable Guidelines, Rules and Regulations, including without limitation, determining different prices for equity or other shares to be issued under the Reservation portion of the issue to eligible employees or other categories of subscribers in accordance with the SEBI ICDR Regulations.

RESOLVED further that if green shoe option is exercised for the proposed public issue of shares as resolved hereinabove, consent of the company be and is hereby accorded to allot the specified shares to the stabilizing agent, if required, on the expiry of the stabilization period as prescribed under the SEBI ICDR Regulations, on such terms and conditions including the number of shares or warrants to be issued and the price of the shares or warrants whether at par or at premium as may be determined/finalized by the Board.

RESOLVED further that for the purpose of giving effect to the resolution, the Board of Directors or any Committee or Authority authorized by it, be and is hereby authorized to do, perform, execute and carry out all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable including listing of its existing and proposed issue of shares on one or more Stock Exchanges in India or abroad, and to settle any questions, difficulties or doubts that may arise in regard to the offer, issue, allotment and listing of the shares."

14. To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:-

"RESOLVED that pursuant to Section 293 (1)(d) of the Companies Act, 1956, the Board of Directors of the Bank be and is hereby authorized to borrow monies from time to time and as and when required, in excess of the bank's paid-up capital and free reserves, so however that the aggregate of the borrowings including the monies already borrowed by the bank and outstanding at any point of time, shall not exceed ₹ 1,000 crores (Rupees One Thousand crores only) over and above its paid up capital and free reserves"

By Order of the Board

For The Catholic Syrian Bank Ltd.,

Sd/-

(Sijo Varghese)

Company Secretary

Thrissur,  
August 24, 2012

**Registered Office:**

'CSB Bhavan'  
St.Mary's College Road  
Thrissur-680 020  
Kerala

## Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Bank.
2. The instrument appointing a proxy, in order to be effective, shall be deposited at the Registered **Office of the Bank not less than 48 hours before the time fixed for holding the meeting and in default, the instrument of proxy shall not be treated as valid.**
3. The relative Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956, in respect of the business under item No.7 to 14 above, are annexed hereto.
4. The Register of Members and Share transfer Books of the Bank will remain closed from 19th September 2012 to 28th September 2012 (both days inclusive). Dividend, if declared, will be paid to those members whose names appear in the Register of Members on Friday, the 28th of September 2012 and to beneficial owners whose names appear in the Register of Beneficial Owners on Tuesday, the 18th of September, 2012. Transfers received during book closure will be considered only after re-opening of the Register of Members.
5. All documents referred to in the notice are open for inspection at the Registered Office of the Bank during office hours on all working days up to the date of the Annual General Meeting.
6. All dividends remaining unclaimed/unpaid upto and including for the financial year 1993-94 have been transferred to the General Revenue Account of the Central Government. Any claim in respect of the transferred dividends may be made to Registrar of Companies, Kerala, Company Law Bhavan, B.M.C Road, Thrikkakara P.O., Cochin – 682 021. Unpaid/unclaimed dividends for the financial years 1994-95 to 2003-2004 have been transferred to Investor Education and Protection Fund (IEPF). It may be noted that no claim shall lie against the Bank or the Fund established u/s 205C for unpaid/unclaimed dividends once such dividends have been transferred to such Fund.
7. Members are advised to prefer their claims for unpaid/unclaimed dividends, if any, for the years from 2004-2005 onwards, directly to the Bank. Members may please note that the balance of unclaimed dividend for financial year 2004-05 will become due for transfer to IEPF on 6th of October 2012 and thereafter no claims can be made by any shareholder against the Bank or the Fund, for the dividend amount of that year.
8. Shareholder/s desirous of availing the nomination facility for shares, may by specific request, obtain from the Bank's Board & Shares Department, the prescribed Nomination Form (Form-2B) and submit the same duly filled up and signed, to the Bank.
9. The shares of the bank may be traded in dematerialized form. Members may opt for availing the benefits of electronic holding/transfer of shares held by them.

10. M/s. SKDC Consultants Ltd., Coimbatore, are the Registrar & Share Transfer Agents for the Bank's shares. Hence, shareholders are requested to notify changes in their address along with PINCODE to M/s. SKDC Consultants Ltd. in the following address:

SKDC Consultants Ltd.,  
Kanapathy Towers  
3rd Floor, 1391/A-1, Sathy Road,  
Ganapathy , Coimbatore –641 006  
Ph:0422- 2539835, 2539836  
E-mail :info@skdc-consultants.com

Any other communication/correspondence with regard to equity shares and dividend of earlier years may also be forwarded to M/s. SKDC Consultants Ltd.

However, if the shares are held in dematerialised form, the beneficial owners have to intimate about any change in Bank account details, address for communication and nomination only to the Depository Participant concerned and not directly to the bank or to its Registrar & Share Transfer Agents.

11. As part of the 'Green Initiative in Corporate Governance', Ministry of Corporate Affairs (MCA) vide circular nos. 17/2011 dated April 21,2011 and 18/2011 dated April 29,2011 has permitted sending of all notices/documents including notice of the shareholders' meeting, Balance Sheet, Profit & Loss Account, Auditors' Report, Directors' Report etc. in electronic form. Members who are holding shares in physical form are requested to register their email address with the Registrar & Transfer Agents for receiving notices/documents etc in electronic form, in future, whereas the members who are holding shares in dematerialized form are requested to update their email address with the concerned Depository Participant, for the same purpose. The format for registering Email ID is sent along with this notice.

The documents being served in electronic form will be displayed on the bank's website [www.csb.co.in](http://www.csb.co.in) and the other requirements of the aforesaid circulars will be duly complied with. Further, please note that, as valued shareholder, you are always entitled to request and receive free of cost, a printed copy of the Annual Report of the Bank and other documents at any point of time.

12. Members holding more than one folio for the same set of names may please write to the Registrar & Share Transfer Agents of the Bank viz. M/s. SKDC Consultants Ltd. so that their holdings can be consolidated into one folio.

By Order of the Board  
For The Catholic Syrian Bank Ltd.,

Sd/-

(Sijo Varghese)  
Company Secretary

Thrissur,  
August 24, 2012

## EXPLANATORY STATEMENT

(Pursuant to Sec.173(2) of the Companies Act, 1956)

Item No.7

In terms of Section 228 of the Companies Act, 1956, the Branch Offices of the Bank have to be audited either by Statutory Auditors or by other Auditors who are qualified to act as auditors under Sec 226 of the Act. The Bank intends to entrust the audit of Branch Offices either to the Statutory Auditors or other qualified Auditors in consultation with the Statutory Auditors on such remuneration, terms and conditions as the Board deems fit. Hence, the resolution is proposed which is commended for approval by the share holders.

None of the Directors is concerned or interested in the resolution.

Item No.8

The present tenure of appointment of Shri. S.Santhanakrishnan as Part-time Chairman of the Bank expires on 16th August 2012. Shri. S.Santhanakrishnan presently holds the said office without any remuneration, since he refused to draw remuneration from the Bank until the Bank turns to Quarterly Profits. The Board of Directors of the Bank has recommended to re-appoint him for a further period of three years effective from 17th August 2012 pursuant to article 146 of the Articles of Association of the Bank on the terms and conditions as detailed below:-

1.	Remuneration	₹ 600,000/- p.a.
2.	Travelling, Halting Allowances	As applicable to other Directors of the Bank in terms of RBI Circular No. BC.54/08.95.004/98 dated June 10, 1998.
3.	Other benefits, if any	Entitled to sitting fees for attending the Board/ Committee meetings of the Board as applicable to other directors. However, if the Part-time Chairman is availing honorarium mentioned above, no sitting fees shall be payable.
4.	Office of the Chairman	The office is provided at the administrative office/other office space of the Bank available in Thrissur and Chennai.
5.	Secretarial Assistant at office.	Provide the services of a Personal secretary/ Secretarial Assistant at office as may be applicable to Bank staff for the relevant positions.
6.	Telephone and Car	Would be provided by the Bank for Official purposes.

Reserve Bank of India vide letter DBOD.No. 1767/08.36.001/2012-13 dated July 31, 2012 have conveyed their approval for re-appointment of Shri. S.Santhanakrishnan as Part-time Chairman of the Bank on the above terms and conditions. Pursuant to article 146(c) of the Bank's Articles of Association, read with Sec 309(1) of the Companies Act, 1956, payment of remuneration to Part-time Chairman being a director of the bank requires approval of the company in General Meeting and hence the resolution is proposed, which is commended for approval by the shareholders.

None of the Directors other than the appointee Shri. S. Santhanakrishnan, is concerned or interested in the resolution.

**Item No.9**

Shri.V.P.Iswardas was appointed as Managing Director & Chief Executive Officer of the Bank with the approval of the Reserve Bank of India for a period of three years effective from November 30, 2009. The remuneration, perquisites etc allowable to the Managing Director & CEO were last revised from November 30, 2010, which were approved by the shareholders at the Annual General Meeting of the Bank held on September 29, 2011.

In view of the continuing growth and business development achieved by the bank under the leadership of Shri.V.P.Iswardas as Managing Director & CEO, and also considering the prevailing industry standards on managerial remuneration, based on the recommendations of the Board of Directors, certain clauses in his terms of appointment have been further modified/revised with effect from November 30, 2011 as specified below: -.

1	Salary	₹ 21,00,000/- p.a.
2	Halting Allowance	When the official is on outstation duty for the Bank's affairs and does not avail the Lodging/Boarding facilities under, he shall be entitled to avail Halting Allowance:-  ₹1000/- per day if lodging expenses are not claimed.  ₹ 2000/- per day if both boarding and lodging expenses are not claimed.
3	Medical Benefits	a) During the tenure of appointment as Managing Director & CEO, reimbursement of actual expenses incurred including hospitalisation.  b) Upon laying down his office after serving atleast three years as Managing Director & CEO, the bank will take the policy or policies issued under a medical insurance plan covering hospitalisation and other medical expenses incurred on him upto ₹ 5 lakh per annum for life.
4	Bonus/Incentives	₹4,50,000/- which is 25% of the Annual Salary for the period from November 30, 2010 to November 29, 2011 ie. ₹ 18,00,000/-
5	Pension	Not applicable

Pursuant to article 146(c) of the Bank's Articles of Association, read with Sec 309(1) of the Companies Act, 1956, payment of revised remuneration to the Managing Director & CEO requires approval of the company in General Meeting and hence the resolution is proposed, which is commended for approval by the shareholders.

None of the Directors other than the Managing Director & CEO Shri.V.P.Iswardas, is concerned or interested in the resolution.

**Item No.10**

In addition to the business of 'Banking' as defined in Sec 5(b) of the Banking Regulation Act, 1949, it is permissible for a banking company to engage in other forms of business listed in Section 6(1) of the Act. The Objects clause in the Memorandum of Association of the Bank presently contains many of these permissible businesses which were enlisted in the Objects clause over a period of time to cater to and support the business requirements and aspirations of the bank. On a review of the existing provisions in the objects clause vis-a-vis the present and anticipated business requirements of the bank in the light of the extant legal provisions and regulatory guidelines and with a view to streamline the contents in the objects clause in tune with sec 6(1) of the Act, it is proposed to modify some of the existing provisions in the objects clause and to include a few additional clauses therein. The proposed amendment to the Objects Clause is only enabling in nature. The bank has sought 'no objection' from the Reserve Bank of India under Section 49C of the Act for carrying out the proposed alterations in the Objects Clause of the Memorandum of Association

Section 17(1) of the Companies Act, 1956 stipulates passing of special resolution for altering the Memorandum of Association and hence the resolution is proposed as such which is commended for approval by the shareholders.

None of the Directors is concerned or interested in the resolution.

**Item No.11**

The present authorized capital of the bank is ₹100 crores comprising ₹ 80 crores equity share capital and ₹ 20 crores preference share capital. Out of this, equity share capital to the tune of ₹ 31.58 crores has so far been issued and the whole of the preference share capital remains un-issued. The balance un-issued equity share capital in terms of nominal value and available for further issue is ₹ 48.42 crores.

In view of the fact that the bank may need to go in for substantial equity expansion in the coming years to support its asset growth and to comply with the regulatory requirements on capital adequacy, it is proposed to enhance the authorized capital by infusing additional equity by altering the capital clause in the Memorandum of Association on the lines as proposed in the draft resolution. The bank has sought 'no objection' from the Reserve Bank of India under Section 49C of the Banking Regulation Act, 1949, for increasing the authorized capital by altering the capital clause in the Memorandum of Association.

Article 72 of the Articles of Association read with Section 94 of the Companies Act, 1956, authorizes and permits the bank to increase its authorized capital by passing ordinary resolution of shareholders. Hence, the resolution is proposed which is commended for approval by the share holders.

None of the Directors is concerned or interested in the resolution.



**Item No.12**

The bank needs to augment its capital base substantially in the near future in order to support its business plans and to comply with the regulatory requirements on capital adequacy. As part of augmenting capital, the bank may have to explore various avenues for raising of capital including issue of shares to existing shareholders on rights basis. The present proposal is to authorize the Board of Directors to make further issue of shares on rights basis, if necessary and as and when required, in accordance with the provisions of Sec 81(1) of the Companies Act, 1956 or at variance with the conditions stipulated in the said section, to the extent of the remaining un-issued shares.

Article 74 of the Articles of Association enables the bank to make rights issue of shares. For making rights issue of shares on terms and conditions which are at variance with the provisions contained in Sec 81(1), special resolution of the shareholders as per Sec 81(1A) of the Act is required, and hence the resolution is proposed which is commended for approval by the shareholders. The resolution is only enabling in nature. The authority conferred by this resolution for issue of shares on rights basis may be exercised by the Board of Directors in its sole and absolute discretion, and the Board shall be under no obligation whatsoever to exercise the said authority if not considered necessary or expedient in the interest of the Company according to circumstances.

None of the Directors is concerned or interested in the resolution.

**Item No.13**

As part of the bank's capital augmentation plans, one option of raising capital which may be considered by the Board of Directors is to make a public issue of shares with listing on the Stock Exchange/s. The bank has not made a public issue of shares since its inception and its shares are presently unlisted. Listing of shares on Stock Exchange/s consequent to public issue, enhances the visibility of the bank among public, affords better and easy access to the capital market for raising of capital and provides easy liquidity for its shares. Besides, the present size and volume of business, the number of shareholders and shares in the circulation also call for listing of the bank's shares.

The present proposal is to authorize the Board to make further issue of capital by floating a public issue, if necessary, and as and when required, to the extent of the shares remaining un-issued in the bank's authorized capital. Articles 10 and 13 of the Articles of Association authorize the Board for making further issue of capital including by way of a public issue. For this purpose, special resolution of the shareholders as per section 81(1A) of the Companies Act, 1956 is required, and hence the resolution is proposed which is commended for approval by the shareholders. The resolution is only enabling in nature. The authority conferred by this resolution for issue of shares through a public issue may be exercised by the Board of Directors in its sole and absolute discretion, and the Board shall be under no obligation whatsoever to exercise the said authority if not considered necessary or expedient in the interest of the Company according to circumstances.

None of the Directors is concerned or interested in the resolution

**Item No.14**

As per Article 81 of the Articles of Association of the Bank, the Board may borrow or raise money from time to time. The existing borrowing limit fixed under Section 293 (1)(d) of the Companies Act, 1956 at the Annual General Meeting held on 29.09.2011 is ₹500 crores over and above the Bank's paid up capital and free reserves. The Bank's aggregate paid up capital and free reserves as on March 31, 2012 is ₹ 377.62 crores. As on March 31, 2012, the Bank's aggregate borrowings is ₹ 575.46 crores. Since the Bank proposes to raise further debt capital including by way of issue of bonds to shore up its capital adequacy levels, and considering its anticipated borrowing requirements for business operations, it is proposed that the permissible borrowing limit may be increased to ₹1000 crores from the existing limit of ₹ 500 crores over and above the bank's paid up capital and free reserves, to take care of the present and future requirements. Hence, the resolution is proposed which is commended for approval by the shareholders.

None of the Directors is concerned or interested in the resolution.

By Order of the Board  
For The Catholic Syrian Bank Ltd.,

Thrissur,  
August 24, 2012

Sd/-  
(Sijo Varghese)  
Company Secretary

## The Catholic Syrian Bank Limited

Regd. Office : CSB Bhavan, St. Mary's College Road, Thrissur- 680 020

### ANNUAL GENERAL MEETING - 2012

Folio No. / Client ID No. :

No. of Shares :

#### PROXY

I/we \_\_\_\_\_  
of \_\_\_\_\_  
in the district of \_\_\_\_\_ being a member(s) of the above named Company hereby  
appoint \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_ or failing him \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to vote  
for me/us on my/our behalf at the Annual General Meeting/General Meeting ( Not being an Annual General Meeting) of the  
company to be held on the \_\_\_\_\_ Day of \_\_\_\_\_ and at any adjournment thereof.

Signed this \_\_\_\_\_ Day of \_\_\_\_\_ 2012

15 Ps  
Revenue  
Stamp

#### ATTENDANCE SLIP

The Catholic Syrian Bank Limited  
Regd. Office : CSB Bhavan, St. Mary's College Road, Thrissur- 680 020

#### ANNUAL GENERAL MEETING - 2012

Folio No. / Client ID No. :

Name :

I hereby record my presence at the 91st Annual General Meeting of the Bank held on \_\_\_\_\_

I have appointed \_\_\_\_\_ as my proxy.

Signature of shareholder \_\_\_\_\_ Signature of proxy \_\_\_\_\_

☐ Please produce this slip at the meeting hall for attending the Meeting

#### POLLING SLIP

The Catholic Syrian Bank Limited  
Regd. Office : CSB Bhavan, St. Mary's College Road, Thrissur- 680 020

#### ANNUAL GENERAL MEETING - 2012

Name :

I here record my presence for the poll.

Folio No. / Client ID No. :

Signature

☐ Please produce this slip in case there is a poll

#### MEMENTO SLIP

The Catholic Syrian Bank Limited  
Regd. Office : CSB Bhavan, St. Mary's College Road, Thrissur- 680 020

#### ANNUAL GENERAL MEETING - 2012

Name :

Please issue the memento to me / I authorise \_\_\_\_\_  
to receive the memento on my behalf whose signature is \_\_\_\_\_

Folio No. / Client ID No. :

Signature

☐ Please produce this slip for receiving the memento

☐ Memento will be distributed at Registered Office only



**THE CATHOLIC SYRIAN BANK LTD**

"CSB Bhavan", St. Mary's College Road, P.B. No. 502, Thrissur - 680 020, Kerala

**ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORMAT**

To

S.K.D.C. Consultants Limited,  
"Kanapathy Towers" 3rd Floor,  
1391/A-1, Sathy Road,  
Ganapathy,  
Coimbatore - 641 006.  
Dear Sirs,

**FORM FOR ELECTRONIC CLEARING SERVICE FOR PAYMENT OF DIVIDEND**

Please fill-in the information in capital Letters in English only. Please ☒ whichever is applicable

**For shares held in physical form****FOR OFFICE USE ONLY**

ECS

Ref. No.

**Master Folio No.**

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Name of the First Holder	
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Bank Name	
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Branch Name	
-------------	--

Bank Address	
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Branch Code	
-------------	--

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(9 Digits Code Number appearing on the MICR Band of the cheque supplied by the Bank). Please attach a xerox copy of a cheque or a blank cheque of your Bank duly cancelled for ensuring accuracy of the Bank's name, branch name and code number

Account type	→	Savings		Current		Cash Credit	
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A/c. No. (as appearing in the cheque book)															
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Effective Date of this mandate							
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I, hereby, declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Bank will not be held responsible.

I further undertake to inform the Bank any change in my Bank/branch account number

Date :

(Signature of First holder)

Note : 1. Shareholders holding shares in Demat form and wish to avail ECS facility are requested to contact their Depository Participants.

2. Incase the Scheme does not meet with the desired response or due to any other operational reasons it is found to be unviable, the bank reserves the right to pay dividend by issue of Warrants.



**THE CATHOLIC SYRIAN BANK LTD**

"CSB Bhavan", St. Mary's College Road, P.B. No. 502, Thrissur - 680 020, Kerala

**E-MAIL ADDRESS REGISTRATION FORM**

To

S.K.D.C. Consultants Limited,  
"Kanapathy Towers" 3rd Floor,  
1391/A-1, Sathy Road,  
Ganapathy,  
Coimbatore - 641 006.

Dear Sirs,

**FORM FOR REGISTRATION OF E-MAIL ADDRESS FOR SERVING THE DOCUMENTS**  
**(For shares held in physical form only)**

Please fill-in the information in capital Letters in English only.

**Master Folio No.**

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FOR OFFICE USE ONLY

ECS

Ref. No.

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**Name of the first Holder**

**Name of Joint Holder(s)**

**E-mail Address**

I, hereby, declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Bank will not be held responsible.

I further undertake to inform the Bank any change in my e-mail address.

Date :

Signature:

Note :

1. Shareholders holding shares in physical form are requested to inform the Bank their e-mail address / change in their email address.
2. Shareholders holding their shares in demat form are requested to update their e-mail address with their respective Depository Participants.



### CSB@91

Inauguration of foundation day celebrations by  
Sri. G Padmanabhan,  
Executive Director, RBI



**CSB at your doorsteps**  
Honorable RBI Governor,  
Dr.D.Subbarao  
visiting "CSB Mobile ATM"

### A milestone in financial inclusion

Inauguration of bio-metric ATM by Smt Suma Varma,  
Regional Director, RBI  
at Ozhur, Malappuram  
District - one of the villages  
adopted by us





Book-Post

**The Catholic Syrian Bank Ltd.**

Registered Office : P.B. No. 502, CSB Bhavan  
St. Mary's College Road, Thrissur - 680 020  
[www.csb.co.in](http://www.csb.co.in)