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Sudhir M. Joshi

S. K. Banerji

Dr (Mrs.) Bindi Mehta

Deepak Singhal

Y. S. S. Kapdi

R. Bhaskaran

P. Balachandran

Auditors : M. M. Chitale & Co.

Bankers : State Bank of India

Solicitors : Girish & Dave & Co.

Registered Office : Indian Institute of Banking & Finance
The Arcade, Tower 4,
2nd Floor, World Trade Centre,
Cuffe Parade, Mumbai - 400 005

ANNUAL REPORT

2008-2009

Dear Members,

Your Council has pleasure in presenting the 82nd Annual Report of the Institute, including the Audited Statement of Accounts for the year ended March 31, 2009.

Macroeconomic and banking developments 2008-09

Macroeconomic developments

The year 2008-09 has been a year of major turbulence in the history of the global economy and financial markets particularly since the Second World War. According to World Economic Outlook (IMF, 9th July, 2009 updated) the World Economy is expected to contract by 1.4% in 2009, as against the growth of 3.1% in 2008 and 5.1% in 2007. However, with host of fiscal and monetary measures taken by Governments and central banks across the world, it is expected that the world economy would recover during the year 2010 with growth rate moving back to the positive territory.

Notwithstanding the recession in many developed countries, India's Gross Domestic Product (GDP) at constant prices recorded a growth of 6.7% during 2008-09 as against 9.0% in 2007-08, which remained amongst the highest growth rates in the world. Agriculture sector recorded a growth of 1.6% in 2008-09 (4.9% in 2007-08), while industry and services sector recorded growth of 2.6% and 9.4% respectively in 2008-09 as against 7.4% and 10.8% respectively in 2007-08. The exports recorded a growth of 3.6% in US Dollar terms during 2008-09 compared to growth of 28.9% in the previous year, while imports recorded a growth of 14.4% as against 35.4% growth in the previous year. WPI inflation touched a high of 12.91% as on August 2, 2008 before declining sharply to 0.84% by end-March 2009. In order to combat the negative fall out of the global crisis, Government of India announced three fiscal stimulus packages during 2008-09 while Reserve Bank of India undertook a host of monetary easing and liquidity enhancing measure so as to restore the confidence and bring back the economy to the high growth trajectory.

Banking Developments

The year 2008-09 has been one of the most challenging years for the financial sector across the globe. With appropriate and timely measures taken by RBI, Indian financial sector particularly the banking industry remained resilient and withstood these testing times effectively. The money supply growth stood at 18.4% during 2008-09 compared to 21.2% growth recorded in the previous year. The growth in aggregate deposits of scheduled commercial banks stood at 19.8% during 2008-09, lower than the growth of 22.4% recorded in the previous year. Non-food credit growth also moderated to 17.5% as against 23.0% in the previous year. With rising inflationary pressures during the first half of the financial year, interest rates were upward bound. However, the rates softened significantly during the second half in line with the monetary easing measures taken by RBI.

Indian banking sector was ranked 6th in efficiency, productivity and soundness among banking institutions of 11 other emerging economies as per an ASSOCHAM study measured on the basis of financial health indicators.

RBI announced the Annual Monetary Policy for 2008-09 with emphasis on price stability, well-anchored inflation expectations and orderly conditions in financial markets while sustaining the

growth momentum. The expansion of M_3 was sought to be restricted in the range of 16.5-17.0%.

Some of the other developments in the banking sector were as follows:

- RBI issued draft guidelines on the use of recovery agents by directing banks to make provisions for recording calls between recovery agents and the customers. Among other things banks were asked to tie up with the Indian Institute of Banking & Finance so that every recovery agent is trained appropriately and passes the examination conducted by IIBF in a year's time.
- New accounting standard known as AS-32 was introduced for derivative deals. The new standard requires all financial companies to provide appropriate disclosures in their financial statements.
- Some mergers took place in the banking industry. The most prominent was the merger of Centurion Bank of Punjab with HDFC Bank. The other mergers were that of South Indian Co-operative Bank with Saraswat Co-operative Bank and Shree Suvarna Sahakari Bank with Indian Overseas Bank.
- Co-operative banks were allowed to issue preference shares and raise long term deposits with maturity not less than 5 years to raise funds to comply with capital adequacy norms.
- National Electronic Clearing Service (NECS) was launched at the National Clearing Centre in Mumbai. The service aims to centralize the Electronic Clearing Service (ECS) operation to bring in uniformity and efficiency to the system.

Managing turbulence and slowdown calls for talented staff. Additional knowledge input plays an important role in making available right talent for the right job. It is important for the staff to acquire latest knowledge to meet the newer challenges. It is with a view to provide the latest knowledge that the Institute has been developing new qualifications over the last few years.

In order to nurture and develop talent, the Institute has been working in the areas of both employability and career progression.

The new courses namely the Diploma in Banking & Finance, Diploma for Microfinance Professionals, the Certificate course in IT and Banking to be offered in association with DOEACC and the Certificate exam for Business Correspondents/Business Facilitators (financial inclusion) are aimed at making the candidate job ready and employable. To a certain extent the Diploma in Home Loan Advising is also aimed at creating a cadre of home loan professionals. These efforts of the Institute will not only reduce the training and recruitment expenses at bank/employer level but will also result in creating desirable pre-entry qualifications.

The CAIIB, diplomas and certificates developed by the Institute help improve the service efficiency in the bank and the career advancement of the candidates.

Review of Institute's Performance during the year.

The Institute has performed well and improved over its previous year's performance in all aspects of its functioning. A brief review of various activities follows.

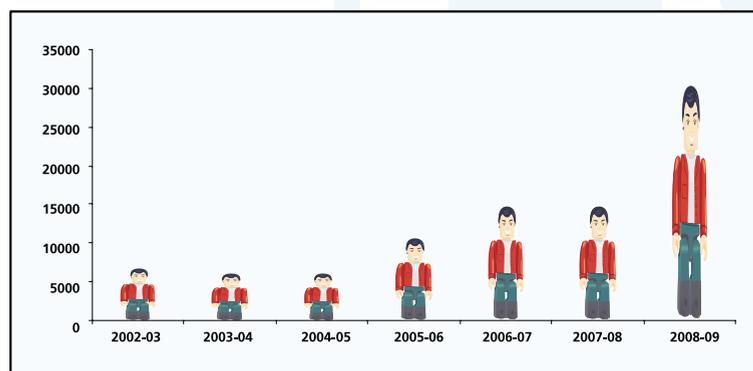
MEMBERSHIP

The number of new members enrolled during the year 2008-09 and the total number of active members of the Institute as of 31st March 2009 are given in the Table below together with corresponding figures for the previous year:

Table: 1. Details of Members

Category	Total members as of 31.3.2008	New & renewals during the year	Total members as of 31.3.2009
Fellows	224	6	230
Associates	395	–	395
Ordinary Members	275415	30712 ¹	306127 ²
Institutions ³	670	19	665 ⁴

Individual(ordinary)Members: Membership of the Institute is essential for taking up the Associate (JAIIB and CAIIB) Examinations. During the year the Institute had enrolled about 29100 new ordinary members. This is almost twice as that of the enrolment in the previous years. As banks have recently recruited large number of clerks and officers, the Institute's officials are approaching all the entrants to the sector to become members of the Institute. It will be the endeavour of the Institute to get all the new entrants as ordinary members.

Fig. 1 : Number of New Ordinary Members

Associate and Fellow Members: A Committee appointed by the Governing Council is reviewing the eligibility criteria for Ordinary Members, Associate and Fellow members. On account of this, admitting Associate and Fellow members has been currently kept in abeyance. As such, there has not been many additions to the Fellow and Associate members.

Institutional Members: The number of institutional members remains at the same level in the last few years. On account of better financial performance the Institute has been gradually reducing its dependence on the subscription amount received from institutional members. Accordingly, during the year 2008-09, the Institute had collected only a token/nominal sum of Rs.83 lakhs from the institutional members so as to retain the genre of and governance by banking & financial institutions.

EXAMINATIONS

The Institute conducts its flagship, Diploma and Certificate examinations twice a year both on-line and off-line (paper and pencil objective pattern). Customized examinations and certificate examinations for BPO/IT concerns are conducted more frequently. In all, 49 banking and finance related subjects/papers are covered through various examinations conducted during the year.

Over the past few years the Institute has been introducing new qualifications and expanding its product base. Further, in view of the availability of large knowledge and courseware base with itself the Institute has been offering courses to employees of service providers to banking and

1. Including 1612 renewals.

2. Including 3322 life members who completed 35 years as of March 2009.

3. Institutions pay annual subscription as per institute's requirement.

4. After merger of 19 banks and resignation of 5 banks.

finance sectors such as BPO/IT companies, DSA/DMA and other organizations working in the banking and finance domain such as NBFCs, Wealth Managers, etc. This has helped the institute to achieve certain amount of client diversification. The details of examinations conducted by the Institute during the year are as under:

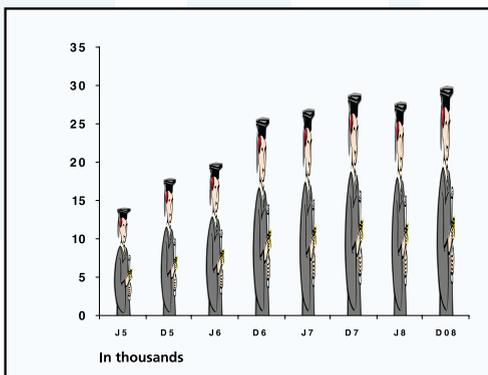
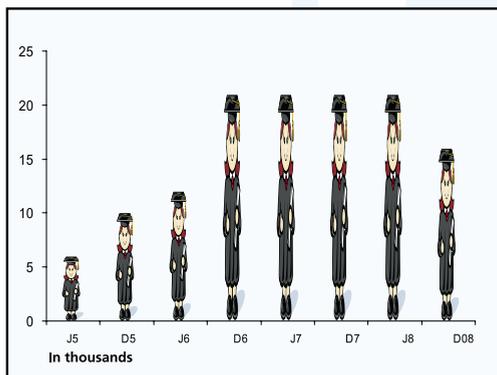
JAIIB and CAIIB (Flagship) Examinations: The details of candidates enrolled and taking up examinations are as follows.

Table: 2. Particulars of candidates under flagship examinations

2007-08			Name of the Examination	2008-09		
Enrolled	Appeared	Passed		Enrolled	Appeared	Passed
55493	42476	6882	JAIIB	57751	42738	5579
41933	32848	5764	CAIIB	36635	27241	7192
461	300	48	Diploma in Banking & Finance	2149	1834	223

The Institute is taking steps to popularize the Associate examinations among the bank employees. The syllabus and courseware of Associate examinations are reviewed and updated frequently such that the candidates get the latest knowledge on banking and finance. In case of JAIIB examinations, for example, the courseware and the syllabus have been updated during the year. Previously the syllabus was updated in the beginning of 2005.

Fig. 2 : Candidates for CAIIB exam Fig. 3 : Candidates for JAIIB exam



05 June 2005 & 08 December 2008

Diploma in Banking and Finance

Diploma in Banking and Finance is offered to the students in the final year of their graduation course and graduates who

are seeking a career in banking. This examination was launched in 2007. The Institute is endeavouring to build this up as a banking score such that banks will find job-ready candidates at the time of recruitment. Towards this end the Diploma has not only been made equal to JAIIB in terms of syllabus and courseware but the Institute has added an e-learning in CBS, to the courseware, making the candidates fully job-ready. All candidates to the diploma are provided with user ID and password to access the e-learning.

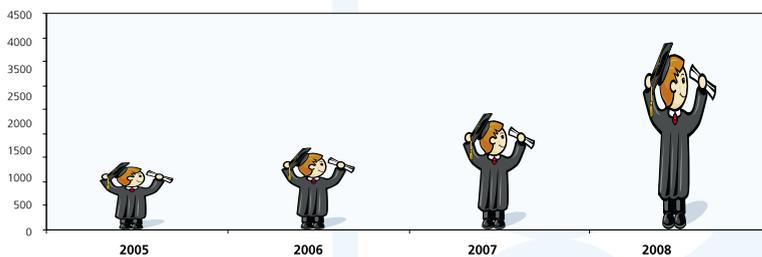
In order to popularize the diploma the Institute has resorted to advertisements and press meets. In addition the Institute has entered into MOU with 14 Colleges and accredited 12 educational institutes to impart educational support to the candidates appearing for the examination.

Indian Banks' Association (IBA) has recognized this Diploma as "desirable qualification" for jobs in banks. Some of the banks have, in their advertisement for the officer's post, indicated that the

Diploma is a preferred qualification for recruitment. The Institute hosts on its website brief resume, with photographs, of all the successful candidates with a request to banks /financial institutions/ BPO companies to consider them for employment. As of now candidates, who pass the examination, are recruited by banks, BPO and IT companies. The names of those candidates who have cleared the exam and those who have been employed by the banks are displayed on the portal of the Institute.

Banks have appreciated the unique features of the Diploma. Banks have also appreciated the e-learning for its content and design. It is heartening to note that some of the IT companies and NBFCs have asked their employees to pursue the Diploma in Banking & Finance. 2149 candidates have enrolled for the diploma during the year 2008-09. In view of good response and in order to make the Diploma accessible to all, during the year, the Institute has reduced the fee from Rs.5000 to Rs.3200.

Fig. 4 : Candidates enrolled for Diploma Examinations



Diploma Examinations: With the launch of four new diplomas, during the year, the Institute is currently offering 8 diploma examinations, the performance under which is given in the table below.

Table: 3. Candidates for Diploma Examinations

2007-08			Name of the Examination	2008-09		
Enrolled	Appeared	Passed		Enrolled	Appeared	Passed
			Diploma Examination			
110	32	8	Diploma in Banking Technology	140	36	12
499	224	46	Diploma in International Banking	780	304	125
608	282	86	Diploma in Treasury Investment & Risk Management	714	350	197
689	524	172	Post Graduate Diploma in Financial Advising (new)	1242	945	472
		Not offered	Advanced Diploma in Urban Coop Banking	88	83	58
		Not offered	Diploma for Micro Finance Professionals	107	101	89
		Not offered	Diploma in Commodity Derivatives	10	8	3
		Not offered	Diploma in Home Loan Advising	46	42	35
1906	1062	312	Total	3092	1869	991

The diploma courses are being taken by non-bankers/non-members also. The Institute will market these examinations more vigorously in future. The relevance of Diploma courses can be inferred from the fact that candidates are on the increase year after year as can be seen in the table 4.

Certificate Examinations: The certificate qualifications are one subject/paper examinations. These examinations aim at giving common denominator knowledge to bank staff and help in making staff aware of new products/changes.

The Institute has introduced 4 new certificate examinations during the year. It is noteworthy that the certificate examination for Debt Recovery/Collection agents is being conducted in 10 languages. It is expected that during the year 2009-10 more number of persons will take these examinations.

Table.4. Candidates for Certificate Examinations

2007-08			Name of the Examination	2008-09		
Enrolled 1	Appeared 2	Passed 3		Enrolled 4	Appeared 5	Passed 6
Certificate Examinations						
28	16	6	Banking Paper in Hindi	34	17	5
1646	1462	1252	Certificate in Trade Finance	1906	1686	1368
2340	1998	1888	Certificate in AML & KYC	3080	2691	2456
1091	894	157	Certified Information System Banker	842	701	178
63	63	35	Project Finance Course⁵	64	64	64
		Not offered	Quantitative Methods for Banking & Finance	32	26	13
		Not offered	SME	253	218	195
		Not offered	Credit Card	145	135	129
		Not offered	Debt Recovery Agents	10683	10013	6252
Certificate Examinations to BPO/IT Companies						
1226	1114	794	Basics of Banking	1344	1221	786
54	43	28	Fundamentals of US-Mortgage lending	-	-	-
32	32	26	Card Operations	24	23	22

Member and Non-Member response for the courses/examinations:

Diploma in Banking & Finance is meant for students and non-members. Similarly IT/BPO and Debt Recovery Agent examinations are meant for non-bankers. The following table gives the details of non-members enrolling for diploma and certificate exams other than DB&F, IT/BPO and Debt Recovery Agents.

5. In association with IFMR – blended course - three batches during the year.

Table 5: Examination wise, non-member candidates

Name of the Examination	Candidates Enrolled
Diploma in Banking Technology	23
Diploma in International Banking	136
Diploma in Treasury Investment & Risk Management	142
Post Graduate Diploma in Financial Advising (new)	245
Advanced Diploma in Urban Coop Banking	52
Diploma for Micro Finance Professionals	40
Diploma in Commodity Derivatives	1
Diploma in Home Loan Advising	4
Certificate in Trade Finance	216
Certificate in AML/KYC	315
Certified Information System Banker	16
Project Finance	48
Quantitative Methods for Banking & Finance	4
SME	6
Credit Card	37
Total	1285

Advanced Management Program (AMP) in Banking & Finance:

The Institute had launched (2007) a management qualification for middle / senior level banking & finance professionals in association with five leading management institutions. This is a campus based, weekend course for working executives. Spread over a period of about 11 months, this programme aims to equip middle / senior management officers with appropriate management skills needed to succeed in the emerging competitive global market place.

Objectives of the programme:

- Develop a global strategic perspective among the middle management Officers.
- Inculcate higher skills for handling emerging areas of banking & finance.
- Develop leadership among middle / senior executives and equipping them with the latest tools & techniques and team building attributes to assume leadership position.

The Institute has tied-up with six management institutes for delivery of AMP programme, viz.,

1. Institute of Finance and International Management (IFIM), Bangalore.
2. Indian Institute of Social Welfare and Business Management (IISWBM), Kolkata.
3. International Management Institute (IMI), New Delhi.
4. Institute of Public Enterprise (IPE), Hyderabad.
5. SIES College of Management Studies (SIESCOMS), Navi Mumbai.
6. WELINGKAR Institute of Management Development & Research (WIMDR), Mumbai

The number of participants who have attended/completed/pursuing the AMP during the year are as under:

Table 6: AMP Programme

Institution	Batch No	Start Date	Candidate
SIESCOMS	I	04.02.2007	38
	II	19.08.2008	44
WELINGKAR	I	17.03.2007	21
	II	21.09.2008	26
IMI	I	15.05.2007	13

The feed back of the participants is highly encouraging and the Institute has approached all the banks to nominate officers to the AMP and it is expected that the programme will take off soon at other centers also.

Certificate course in “Project Finance” in collaboration with IFMR Chennai:

This course/examination is designed, in collaboration with Institute for Financial Management and Research (IFMR) to familiarize candidates with issues arising in financing projects, risk analysis and risk mitigation methodologies with specific emphasis on structured financing. The programme is a blend of courseware, e-learning, and one-week campus training followed by online Examinations and certification at the end of the programme. The course was launched during the last year. During the period under review, three batches completed the course including training, at IFMR, Chennai. The details are as under:

4 th Batch from 18 th to 23 rd August 2008	–	25 participants
5 th Batch from 3 rd to 8 th November 2008	–	21 participants
6 th Batch from 2 nd to 7 th March 2009	–	18 participants

Quality of examinations and question papers:

The Institute takes considerable efforts to prepare quality question papers which test the knowledge and analytical capabilities of the students to maintain the high professional standards that it has been mandated to maintain. It also offers study support of various types as described elsewhere in the report to help candidates clear the examination in a reasonable time. Despite the study support the percentage of pass in the Associate exams is low as could be seen below:

Table 7: Percentage of candidates appearing and passing under various examinations

Name of the Examination	Candidates appeared as a % to those enrolled		Candidates passed as a % to those appeared	
	2007-08	2008-09	2007-08	2008-09
Associate Examinations (Twice)				
JAIB	76.54	73.98	16.20	13.05
CAIB	78.33	74.32	17.55	26.40
Diploma in Banking & Finance	65.08	85.34	16.00	12.16
Diploma Examinations (Twice)				
Diploma in Banking Technology	29.09	25.71	25.00	33.33

Name of the Examination	Candidates appeared as a % to those enrolled		Candidates passed as a % to those appeared	
	2007-08	2008-09	2007-08	2008-09
Diploma in International Banking & Finance	44.89	38.97	20.54	41.12
Diploma in Treasury Investment & Risk Mgt.	46.38	51.55	30.50	56.29
Post Graduate Diploma in Financial Advising	76.05	76.09	32.82	49.95
Advanced Diploma in Urban Coop Banking	—	94.32	—	69.88
Diploma in Commodity Derivatives	—	80.00	—	37.50
Diploma for Micro Finance Professionals	—	94.39	—	88.12
Diploma in Home Loan Advising	—	91.30	—	83.33
Certificate Examinations				
Banking Oriented Paper in Hindi	57.14	50.00	37.50	29.41
Certificate in Trade Finance	88.82	88.46	85.64	81.14
Certificate in AML & KYC	85.38	87.37	94.49	91.27
Certified Information System Banker	81.94	83.25	17.56	25.39
Quantitative Methods for Banking & Finance	—	81.25	—	50.00
Project Finance	100.00	100.00	55.55	100.00
SME for Bankers	—	86.17	—	89.45
Credit Card for Bankers	—	93.10	—	95.56
Debt recovery Agents	—	93.73	—	62.44
BPO/IT Companies				
Certificate in Banking	90.86	90.85	71.27	64.37
Card Operations	100.00	95.83	81.25	95.65
Fundamentals of U.S. Mortgage Lending	79.63	—	65.12	—

It is proposed that during the year 2009-10 the Institute will augment its study support measures to improve the pass percentage.

Exam related issues:

During the year the Institute reviewed the rules of the examination and brought about the following changes:

► Diploma in Banking & Finance Examination

With effect from May 2009 examination, the permissible number of attempts to pass Diploma in Banking & Finance Examination was revised to 2 (instead of 1 earlier) and candidates have been given credit for subject passed in previous attempt. Scheme of negative marking has also been removed. The fee for this examination has been reduced from Rs.5,000/- to Rs.3,200/-.

▶ **Post Graduate Diploma in Financial Advising and Certificate Examination in Quantitative Methods for Banking & Finance**

With effect from December 2008 examination, the number of questions to be asked in each of the subjects prescribed as per the syllabus have been fixed at 120 (instead of 150 earlier) for 100 marks and the duration of each paper is 2 hours.

▶ **Certified Information System Banker (CeISB) Examination**

With effect from December 2008 Examination, the number of questions to be asked have been fixed at 120 (instead of 150 questions earlier) for 100 marks (instead of 150 marks earlier) and the duration of each paper is 2 hours.

▶ **Meetings with Examination Centre Superintendents**

During the year the Institute had meetings with Examination Centre Superintendents at select cities viz., Chandigarh, Lucknow, Bhopal, Mumbai, Hyderabad and Kolkata. During these meetings various issues relating to conduct of examination were discussed and clarified to ensure that examinations are conducted smoothly. In all about 160 Examination Centre Superintendents attended these meetings.

▶ **Conduct of Examinations**

- o In order to bring discipline and achieve better qualities in the conduct of examinations candidates were advised to appear for the examination only from the centre as mentioned in the admit letter. It may be added that, previously at the discretion of centre superintendents they were allowed to appear from any centre though the admit card was for a given center.
- o Instead of Sify i-ways, test/training centres were hired for online examinations to the possible extent to ensure proper ambience and conducive environment for the examinations
- o On-line examinations were re-scheduled wherever candidates were affected on account of server failure, log in problems, failure of power, inadequate UPS support, incompatible browser etc.

ACADEMIC ACTIVITIES

New Courses

Institute has introduced the following Diploma/Certificate Examinations this year:

- (i) Diploma Examination in Home Loan Advising: The objective of this course/exam is to create a cadre of mortgage advisors in the country. National Housing Bank has indicated that the candidates who pass this exam will be eligible to become a member of the SRO to be launched for this purpose which will offer the designation of 'independent mortgage advisor'. This is a two paper examination which is conducted on an objective pattern and is on-line.
- (ii) Diploma Examination for Micro Finance Professionals: This exam was formally launched by Hon'ble Minister of State for Finance, Government of India. Sa-Dhan an association of community development finance institutions is collaborating with the Institute in this exam. It is expected that in due course this exam will be something similar to microfinance sector as what CAIB is for banking sector. This is a two paper objective pattern exam offered both on-line and off-line. In due course the Institute will offer this exam in many vernaculars.
- (iii) Diploma in Commodity Derivatives: This is a specialized diploma in a descriptive mode and consists of three papers. Officers in commodity desks and employees of commodity houses will find the course useful.

- (iv) Certificate Examination in Credit Card for Bankers.
- (v) Certificate Examination in Quantitative Methods for Banking & Finance.
- (vi) Certificate Examination in SME Finance for Bankers.

E-learning initiatives:

Core Banking Solution (CBS) for students of Diploma in Banking & Finance:

The Diploma in Banking & Finance imparts banking and finance knowledge to the candidates. As this alone may not be sufficient to make the candidates job ready, the Institute has developed and added an e-learning in CBS to the students of the Diploma. The e-learning, developed exclusively for Diploma in Banking & Finance by the Institute and given to all candidates provides a complete in-sight into the banking business under CBS application environment, core banking solution usage, products and services and overview of KYC, AML norms. The objective of the e-learning is to provide familiarity about the CBS environment, prior to the entry into the bank such that it will reduce the time of on the job training to such candidate. It is expected that the candidates who have undergone the learning can handle bank counters from first day of their joining a bank. In view of the exclusive e-learning module on core banking solutions (CBS), it is expected that the Diploma in Banking & Finance would emerge as preferred professional qualification for employment in banking and finance industry

Shri M.V. Nair, CMD, Union Bank of India, launched the E-learning on Core Banking Solutions for Diploma in Banking & Finance candidates on 25th March 2009 at Centre I, World Trade Centre, Cuffe Parade, Mumbai 400 005.

E- Course

Conduct of e-learning & Self-proctored online Test for Certificate course on “Treasury & Risk Management- Level I (Primary) and Level II (Advanced)” for employees of RBI:

The Institute is offering a certificate e-course on Treasury and Risk Management – Level I (Preliminary) and Level II (Advanced) for employees of RBI. Level-I examination contains a self-proctored online Test (internet) through IIBF's portal. The Level II examination contains a test under proctored conditions and a Certificate from the Institute will be issued to successful candidates.

The first Level I examination for Batch I was conducted in July 2008. In all 468 officers of RBI had registered for the exam of which 290 passed the examination.

Annual Lectures:

- Sir Purshotamdas Thakurdas Memorial Lecture (PTML) for the year 2008 was delivered by Dr Ashok K Lahiri, Executive Director, Asian Development Bank, Manila on “Indian Financial Reforms- National Priorities Amidst An International Crisis” on 16th January, 2009 at State Bank of India Auditorium, Corporate Centre, Nariman Point, Mumbai 400 021. The Lecture was presided over by Shri M V Nair, Chairman & Managing Director, Union Bank of India & Vice President of the Institute.
- 2nd R K Talwar Memorial Lecture was delivered by Shri Vinod Rai, Comptroller & Auditor General of India on “Human Resource as the Value Driver in Indian Banking” on 25th July, 2008. The lecture was presided over by Shri O P Bhatt, Chairman, State Bank of India.

Both the lectures were well attended. The Institute carries the speeches in its portal. The lectures were also published in the Bank Quest.

Special Lecture on Trade Credit Risk Management

- The Institute had invited bankers for a special lecture delivered by Prof. Patrick O Connely, president of the Entely International Inc ,Florida on 23rd May 2008 at IIBF Auditorium on the topic “ Trade Credit Risk Management” with specific focus on the market opportunities, risk management and an innovative paradigm to optimize the value of asset portfolios at the customer level

SEMINARS

The Institute held its member education seminars for this year on the topic ‘Financial Inclusion’ in various parts of the country viz. Dharwad, Shimla, Jaipur, Ahmedabad and Manipal

1. Seminar on Financial Inclusion was held at Dharwad on 21st April 2008 at Sreemati Mookambika R.S. Shetty Auditorium, Dr. D.G. Shetty Education Society, “Jnana Degula”, Near K.M.F., Dharwad-580 004. Mrs. Devaki Muthukrishnan, Regional Director, Reserve Bank of India, Bangalore delivered a special address.



Mr. R. Bhaskaran, CEO addressing the participants at the Seminar on ‘Financial Inclusion’ held at Shimla.

2. Seminar on financial inclusion was held at Shimla on 20th October 2008 at The Peterhoff Hotel, Shimla. This was arranged by IIBF & NABARD RO, Shimla. Valedictory address was delivered by– Dr.J. Sadakkadulla, Regional Director, Reserve Bank of India, Chandigarh.
3. Seminar on financial inclusion was held at Jaipur on 16th December 2008 at SBBJ Staff Training Centre, Vidyadhar Nagar, Sector II, Jaipur. Inaugural Address was given by Mr. Vijay Mahajan, Chairman, BASIX, Hyderabad. Valedictory address was given by – Shri B P Kanoongo,Regional Director, Reserve Bank of India, Jaipur.
4. Seminar on financial inclusion was held at Ahmedabad on 22.1.2009 at the Bank of Baroda Staff College Auditorium. Inaugural address was given by Mrs. Elaben Bhatt, Founder, Sewa Bank and Valedictory address by Shri A.K. Bera, Regional Director of RBI, Gujarat.
5. Seminar on financial inclusion was held at Manipal on 9th February 2009 at the Syndicate Institute of Bank Management, Manipal. Inaugural Address was given by Mr. George Joseph, CMD, Syndicate Bank and Valedictory address was given by Mr. B. Srinivas, Regional Director, Reserve Bank of India, Bangalore.



Seminar on “Financial Inclusion” held at Ahmedabad.

Workshop for bankers on “Effective Cross selling of Insurance and Mutual Fund products in banks”

The Institute, in association with Watson Wyatt Worldwide, a leading insurance and financial services consulting firm, has jointly organized a one-day workshop for practicing bankers on the topic “Effective Cross selling of Insurance and Mutual Fund products in banks” on 6th August 2008 at Hotel Taj Krishna, Hyderabad.

TRAINERS TRAINING PROGRAMMES

The Institute organized the following Trainers' Training Programmes (TTP) for the debt recovery certification course during the year:

1. Three TTPs were organized for officers of Citibank from 7th to 9th August 2008 at Hotel Radisson, New Delhi, at Bandra Kurla Complex, Mumbai from 10.12.08 to 11.12.08 and at Delhi from 23.12.08 to 24.12.08.
2. A TTP was organized for the accredited institutes and Banks from 6.10.08 to 7.10.08. In all 37 trainers participated in the training programme.
3. A TTP was organized for trainers of HDFC Bank from 5.2.09 to 6.2.09
4. A TTP for faculty of State Bank of India was organized on 8th July 08 at Hyderabad.
5. A TTP was arranged for BASIX Academy, Hyderabad for training of Business Facilitators / Business correspondents during 17th & 18th December, 2008 at Jaipur.

In addition the Institute organized the Training for Trainers Programme for the trainers of NCUI and Regional Co-op Institutions on Advanced Diploma in Urban Co-operative Banking on 7th, 8th & 9th July 2008 at VAMNICOM, University Road, Near University Gate, Ganesh Khind, Pune.

STUDY SUPPORT

Conduct of Online Interactive Learning Programme (Live – Virtual Classes) for Diploma in Banking & Finance/JAIB and CAIB:

Every half-year, owing to growing demand from students appearing for JAIB / CAIB examinations, the Institute organizes, in tie up with Manipal Universal Learning (MUL) all-India on line interactive Live virtual classes, which can be accessed through internet for the benefit of candidates of the Diploma in Banking & Finance/JAIB and CAIB examination. Such classes were held in May and December 2008. The lectures were broadcast from studio at Mumbai and students took up the session at a convenient place across the country. Around 400 students availed themselves of the on line learning experience for the May and December examinations.

Contact Classes for students of Diploma in Banking & Finance/JAIB and CAIB for May and November 2008 examinations :

The 4 Zonal Offices of the Institute at Mumbai, New Delhi, Kolkata and Chennai organized three 'one day' contact class programme on Sundays/holidays at metros and important state capitals for the benefit of candidates appearing for the Diploma in Banking & Finance/JAIB and CAIB examination with a view to give them a brief overview of the subjects and to equip them to face the objective-type examination with confidence. The contact classes met with good response from the candidates. Contact classes were organized at the following centers:

Western Zonal Office – Mumbai, Ahmedabad, Jaipur, Bhopal, Pune and Navi Mumbai

Northern Zonal Office – Delhi, Lucknow and Ludhiana

Eastern Zonal Office – Kolkata, Patna and Ranchi

Southern Zonal Office – Chennai, Bangalore and Hyderabad

In order to improve the tutorials being offered by banks and the zonal offices to the candidates of JAIB and CAIB the institute organized TTPs in all the zonal offices for the lecturers and faculty involved in the contact class/tutorial efforts.

Training for EXIM Bank

Institute had arranged a training programme for the officers of EXIM Bank for the Certificate Examination in Trade Finance course for the December 2008 examination. 25 officers attended the programme and all of them have passed the examination.

Tutorials by accredited Institutions:

The Institute has granted accreditation to Indian Bank at IMAGE, Chennai and their staff training centres at Bangalore, Chandigarh, Kolkata, Mumbai, Thanjavur, Thiruvananthapuram, & Vijayawada for conducting the classes for JAIB/CAIB during 2008

Portal Support:

Subject updates and model question papers were placed on the portal. The portal also contains updates on study material, monthly column and two newsletters.

Finance Quotient (FQ) is available to enable the candidates to test their knowledge in different areas of banking & finance.

OTHER ACTIVITIES

SCHOLARSHIP/AWARD

Diamond Jubilee & C H Bhabha Overseas Banking Research Fellowship (DJCHOBRF)

Every year the Institute awards a Diamond Jubilee/CH Bhabha Research Fellowship to a member of the Institute enabling him/her to undertake a research study, for a period up to 16 weeks on the latest developments in the field of banking and finance in any country except neighboring countries. The candidate is attached to a reputed local institutional guide to ensure quality support for the study



Award of Diamond Jubilee / CH Bhabha Research Fellowship to Mr. A.K. Chowdhury, DGM, RBI by President of IIBF Mr. T.S. Narayanasami.

The committee of experts reviewed and short-listed 7 of the 12 applications/proposals for consideration. Based on the evaluation of the proposal submitted by the scholar, their qualification, experience, position held, relevance of the project and interview the committee decided to award the scholarship to Shri A K Chowdhury, DGM, Reserve Bank of India for a Study of Sub-Prime crisis in the USA.

Scheme for “RBI Young Scholar Award Scheme 2008-09”:

The objective of the scheme is to encourage learning about RBI amongst the youth of the country and to expose them to an actual central banking environment. It also inculcates a sense of pride in the selected students of having had the opportunity to associate themselves with the central bank of the country. During the stint with the RBI, each candidate is paid a consolidated stipend of Rs.7,500/- per month. The number of interns to be taken each year is not more than 150. The eligibility age is between 18 and 23 years. The selected candidates are required to work within the Bank on projects allocated to them by the respective Regional Director/Head of Department of Central office/ Training Institution. The candidates are selected through an all India competitive test conducted by IBPS.

The thrust of Selection Test is on understanding role and functions of RBI and banks in India.

The Institute is associated in this endeavour by providing academic support in the form of questions for the competitive test in many vernaculars.

Industry Liaison- Feed back

GM's Meet

A meeting of the General Managers (Human Resources) of various banks was organized by the Institute on 3rd October 2008 at the World Trade Centre, Mumbai. The objective of the meet was to give the GMs an update on the Institute's activities especially the new CAIB format, Advanced Management Programme (AMP) etc. The meet is held annually as one of the interaction points between the Institute and the banking industry. In the meeting, the Institute gets inputs from the GMs on their expectations from the Institute in the year ahead.

RESEARCH-MACRO & MICRO LEVEL

In order to encourage research at macro and micro level, every year, the Institute calls for suitable proposals from Research Scholars.

Macro Research Proposals – During the year Institute had received 8 proposals for the award of Macro Research Projects. After proper consideration and scrutiny of proposals, the Research Advisory Committee selected the following three researchers for the Macro Research Projects.

Name	Topic
Dr. Prasun Kumar Das Associate Professor KIIT School of Rural Management Krishna Campus KIIT University, Bhubaneshwar - 751 024 Orissa	Feasibility of Business Correspondent / Business Facilitator models for financial inclusion
Prof. Romar Correa Department of Economics University of Mumbai Vidyanagari, Mumbai 400 098	Operational Risk Measurement for the Indian Banking Sector: Alternative Measures
Dr. Shobana Vasudevan Head of Research & Development Cell R.A. Podar College of Commerce & Economics Matunga, Mumbai 400 019	Feasibility of Business Correspondent / Business Head facilitator models for financial inclusion

Micro Research Essay Competition: Institute had received 13 essays during the year for consideration under the captioned competition and following five members were awarded the prizes.

Sr. No.	Name	Topic	Prize Rs.
1	1st Prize Dr. Narinder Bhasin Asst. Vice-President Branch Head, Axis Bank F-2/25, Krishna Nagar New Delhi - 110 051	Banking Technology	10,000

2	2nd Prize Shri Somdev Chattopadhyay Balageria Central Co-op. Bank Ltd. Dist. Purba Medinipur West Bengal - 721 401	Financial Awareness	5,000
3	3rd Prize Shri Rajesh Sharma Manager (Vigilance Dept.) Bank of India, Head Office, Bandra-Kurla Complex, Bandra, Mumbai 400 051	Work Life Balance	3,000
4	Consolation Prizes		1,500
4.1	Shri Pankaj Kumar State Bank of India Jamshedpur	Customer Relationship Management in Banking	
4.2	Dr. S.S. Sangwan General Manager NABARD Plot No.3, Sector 34-A, Chandigarh – 160 022	Determinants of Financial Literacy	

Publication of Macro Research Reports (Vol I and Vol II): For the first time since the starting of macro research awards, the Institute has brought out a two-volume publication of the condensed research reports based on the research carried out, during the years 2003-2006, by various scholars who were awarded grant under the Institute's Macro Research programme. The publication contains reports on the following subject areas:

- WTO and its implications for agriculture and financial services
- Microfinance
- Basel II and risk management
- Mergers & Acquisitions
- Regional imbalances in agricultural credit in India

The Institute will bring out such publications every year in future for wider dissemination of research findings.

MOUs

MOU between IIBF and National Co-operative Union of India/National Council for Cooperative Training (NCUI/NCCT)

The Institute has developed a distance learning course exclusively for the urban Co-operative banks called Advanced Diploma in Co-operative Banking. The Institute signed an MOU with National Co-operative Union of India/National Council for Co-operative Training, New Delhi for offering classroom support to the candidates of the course through Regional Institutes of Co-operative Management situated in various parts of the country.

Mrs. Usha Thorat, Deputy Governor, Reserve Bank of India, presided over the MOU Signing ceremony held on 29th May 2008 at Mumbai. Shri Bhagwati Prasad, Director General of NCCT and Shri R. Bhaskaran, CEO, IIBF signed the MOU on behalf of the respective institutions.

MOU between IIBF and DOEACC, New Delhi

IIBF and DOEACC (an autonomous scientific Society of Department of Information Technology, Ministry of Communication and Information Technology, Govt of India.) have developed a course for giving exposure to the 12th pass candidates on IT and Banking so as to make them employable in call centers. The culmination of the efforts was the signing of MOU between IIBF and DOEACC held at e-Govt Hall, Department of Technology, New Delhi on 20th January 2009 in the presence of Mr. Jainder Singh, Secretary, Dept. of Information Technology. This is expected to be a major initiative to provide employment in urban and semi-urban areas.



Signing of MoU between IIBF & National Co-op. Union of India (NCUI) / National Council for Co-op. Training (NCCT) in presence of Mrs. Usha Thorat, Deputy Governor, Reserve Bank of India, Mumbai

MOU between IIBF and Institute of Public Enterprises (IPE), Hyderabad

IIBF has already signed MOU with five leading B-Schools for its AMP course. During the year the Institute signed an MOU with the Institute of Public Enterprise, Hyderabad for offering Advanced Management Programme (AMP) in Banking & Finance for Executives of Commercial Banks in Hyderabad. Shri R. Bhaskaran CEO represented IIBF and IPE was represented by Prof. R.K. Mishra, Director. The ceremony was held on 16th October 2008 at IPE Auditorium, OU Campus, Hyderabad 500 007.

MOU between IIBF and Indian Institute of Bank Management (IIBM), Guwahati

Indian Institute of Bank Management, Guwahati is an Institute promoted by the Reserve Bank of India. The Institute and IIBF signed an MOU for offering IIBF's courses in North East as also to accredit IIBM for handling the 100 hours training for debt recovery agents. The signing ceremony was held on 26th June 2008. Shri R. Bhaskaran, CEO, IIBF and Shri P.K. Mishra, Director, IIBM, Guwahati, signed the MOU on behalf of the respective institutions.

MOU for Diploma in Banking & Finance

The Institute has signed a number of MOU with colleges for offering focused tutorials/class room support to candidates who are registered for DB&F examination. The following MOUs were signed during the year.

Saint Peter's College, Shillong : The MOU was executed between Indian Institute of Banking & Finance and Saint Peter's College on 26th June 2008 in the presence of Mrs. Sewali Choudhury, Regional Director, Reserve Bank of India, Guwahati. Shri R. Bhaskaran, CEO, IIBF and Mr. Peter Thorose, Principal of the college, signed the MOU on behalf of the respective institutions.

Gurunanak Institute of Management & Information Technology, New Delhi: Shri R. Bhaskaran, CEO, IIBF, Mumbai and Sardar Trilochan Singh, Chairman, Gurunanak Institute of Management & Information Technology, New Delhi signed the MOU on behalf of the respective institutions on 8th August 2008 for offering Diploma & Banking Finance to their students.

Jogamaya Devi College, Kolkata: The signing ceremony of MOU was held on 23rd December 2008. Shri R. Bhaskaran, CEO, IIBF and Mrs. Gargi Nath, Principal of the college, signed the MOU on behalf of the respective institutions.

St. Aloysius College, Elthuruth, Thrissur, Kerala: MOU was signed between IIBF & St. Aloysius College on 12th August 2008 at Elthuruth, Thrissur, Kerala to offer Diploma in Banking & Finance examination to their students.

PUBLICATIONS

Bank Quest:

The Institute brought out its quarterly journal - Bank Quest - on various themes. The themes for 2008-09 were:

- Emerging Areas in Banking - Apr-Jun 2008
- Human Resources in Banks - Jul-Sep 2008
- CEO Speak- Oct-Dec 2008
- Global Financial Crisis- Jan- March 2009

IIBF Vision:

The Institute brought out the monthly newsletter, regularly in the year 2008-09. The name of the newsletter was changed from IIB Vision to "IIBF Vision" starting from the issue of July 2008.

Books:

The Institute is continuing to publish the books on contemporary topics. These books are used by candidates to the various exam of the Institute. In addition, the educational institutions are recommending the institute's books for study and reference of students on Banking & Finance.

During the year, the Institute brought out the following books:

- ❖ Research Papers (report of the various macro-level researches sponsored by the Institute since 2003-04)
- ❖ Hand book on Debt Recovery
- ❖ Microfinance
- ❖ Inclusive Growth thro' Business Facilitator/Business Correspondents

STAFF & PERSONNEL

The Institute appointed one officer at Southern Zonal office of the Institute at Chennai. Three officers and one sub-staff resigned from the services of the Institute during the year. After taking in to consideration the appointment, retirement and resignation of the staff members, the strength of the Institute as of 31st March 2009 stood at 96. The staff strength of the Institute is almost in the same level as in the previous years.

Re-organization:

The Institute has been contemplating changes in the HR policies for quite some time now as the existing hierarchy levels and reporting system constrained the functions and needed improvement. After due consultation process the number of levels of officers has been reduced to four making way for a flat and efficient hierarchy. Simultaneously the allowances paid to officers have been brought under a CTC system such that performance can be enhanced by incentives. The Institute has been, for the last three years adopting a basic KPI process. This will be enhanced and

professionalized in the year 2009-10. M/s Nihilent, a HR consultancy firm, has undertaken a study of the Institute for the past six months and submitted a recommendatory report.

Training/Workshop for the development of Human Resources

As a part of Human Resource development, the Institute had arranged a training program for officers and award staff outside Mumbai on topics like Team building, communication, co-ordination and fear fighting. The Institute also continued to depute its officers to various training programs conducted by various management institutions.

GOVERNING COUNCIL

(i) New Members

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

1. Shri M V Nair
2. Shri M S Sundara Rajan
3. Shri Ananthakrishna
4. Shri K R Kamath
5. Shri A K Mishra

(ii) Resignation of Members

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

1. Dr. A K Khandelwal
2. Shri C P Swarnkar
3. Shri Bhaskar Ghose
4. Shri M B N Rao
5. Shri Amitabha Guha
6. Shri H N Sinor
7. Shri P K Gupta
8. Smt Bharati Rao
9. Ms H A Daruwalla

(iii) Governing Council members with materially significant related party transaction, pecuniary or business relationship with Institute

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

(iv) Remuneration of Council Members: Sitting Fees, Salary, perquisites and Commissions

The amount of sitting fee paid, during the year, to some of the non-executive Council Members amounted to Rs.1,45,000/-.

(v) Frequency of Governing Council and Standing Committee Meetings

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

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

(vi) Information supplied to Governing Council

Information under the following heads was presented to the Council:

- Action taken report of the decision of the Council
- Minutes/Decisions of different Committees
- Income-Expenditure of the Institute
- Status of Academic and Examination activities of the Institute
- Status Report of General Administration
- Membership related issues
- Periodical updates on the status of strategy Action Plan
- Collaborations of the Institute with Foreign Institutes

Financial Position:

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

During the year, the Institute earned examination fee income of Rs.14.50 crore (Rs.11.18 crore in 2007-08) and a total income of Rs.26.42 crore (Rs.23.35 crore in 2007-08). The increase in income has come on account of more candidates taking Institute's examinations and a good volume in the certificate examination for debt recovery agents that the Institute organized during the year.

The total expenditure of the Institute, during the year was Rs.20.96 crore (Rs.16.83 crore in 2007-08) resulting in a surplus of Rs.5.46 crore (Rs.6.52 crore in 2007-08). The surplus has come despite a steep reduction in the institutional subscription.

As on 31st March 2009 the Institute had a total asset of Rs.112.56 crore and Reserves and Surplus of Rs.99.71 crore. The income from investments help the Institute to maintain low fee structure.

Future perspectives:

Changes in Membership Eligibility:

A committee of Governing Council chaired by Dr K.C. Chakrabarty, the then CMD Punjab National Bank has gone into the issue of various classes of membership of the Institute and has made recommendations for opening up the Ordinary Membership to non bankers, students etc as also enhancing the eligibility to become Associate and Fellow members of the Institute. These recommendations will be considered and implemented subject to the approval of Governing Council and AGM.

Own Testing Centers:

Currently the Institute has outsourced the conduct of on-line examinations. Often the institute encounters problems in the conduct of the examination. The half yearly load on exams is also going up in the recent years. The Institute has therefore decided that it would start its own

testing centers in 6 to 8 major cities such that candidates can take the examinations any time in a proctored condition. The Institute has issued a RFP and it is expected that the centers will start functioning some time in late 2010.

E-Learning for JAIIB and CAIIB:

Recently the Institute has placed orders with Tata Interactive Services for preparation of exclusive e-learning for JAIIB and CAIIB. It is expected that the Institute will offer the e-learning on JAIIB to all the candidates starting January 2010 such that the candidates can prepare more effectively for the examination. E-learning for CAIIB will be developed in 2010.

CAIIB-revised format:

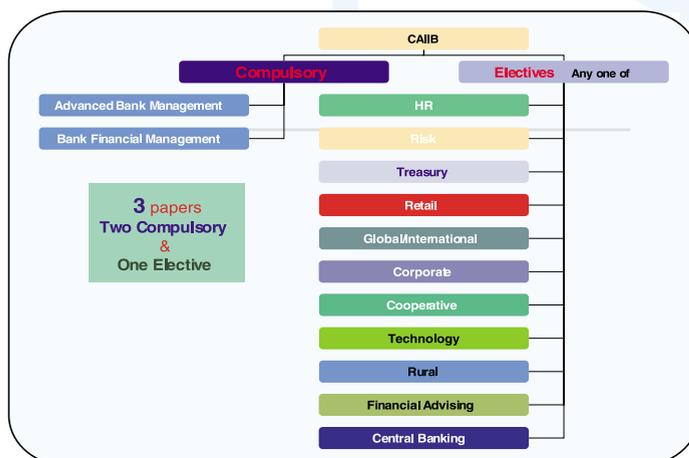
During the year JAIIB has been revised, syllabus updated and new courseware published. The Governing Council has approved revision on CAIIB making it more professional and relevant to modern banking. Taking into account that JAIIB contains the essential knowledge inputs on all aspects of modern banking at introduction level; the revised CAIIB format has the following highlights:

- the concept of compulsory papers and elective/optional papers to meet the divergent needs of the banking sector
- elective paper to offer specialization in a given vertical of banking such that the candidate gets sufficient knowledge of different facets of banking while acquiring the CAIIB qualification
- provision to take additional certificates in other optional/elective subjects to upgrade the knowledge level.

In the current pattern 3 compulsory papers are Risk Management, Financial Management and General Bank Management.

Based on the suggestions received from various quarters, as also the feedback from GMs/HR chiefs of various banks, the Institute has designed the CAIIB examination with two compulsory and one elective /optional (out of a total of 11) paper. The two compulsory papers will capture the essential knowledge inputs that are now covered in the current three papers. The details are given in the figure below:

Figure: Proposed pattern of CAIIB:



The CAIIB examination will continue to be offered in multiple choice mode and paper and pencil format (objective type) as at present. It is envisaged that the first examination under the revised format could be offered in 2010.

Foreign Collaborations

Collaboration with Zambian Institute of Banking & Financial Services (ZIBFS)

Zambian Institute of Banking & Financial Services (ZIBFS) has approached the Institute with a proposal to build strong strategic alliance under a technical assistance (TA) being funded by the African Development Bank.

The support sought by ZIBFS is as under-

1. To offer JAIB / DB&F and CAIB qualifications of the IIBF with appropriate change in names, which will become the bedrock of ZIBFS qualifications in Banking & Finance.
2. To Provide examination guidelines
3. To permit ZIBFS the use the institute's courseware duly customized to local requirements and to guide them customize the course ware to suit local requirements
4. To offer Train the Trainers' Programme to their resource persons.
5. To provide multiple choice objective questions for their examinations and evaluate the answer papers initially and later to guide them on evaluation

There are other African nations which have shown interest in the Institute's examinations and possibly the above tie up will open up new areas of collaborations.

Moderation for the examinations conducted by African Banking Institutes

The Alliance of African Institutes of Bankers (AAIOB) is engaged in coordinating and developing banking profession on the African continent through its member organizations by promoting internationally accepted professional standards of competence and conduct. The Alliance has the following members-

Botswana Institute of Bankers,
The Chartered Institute of Bankers (Ghana)
The Kenya Institute of Bankers,
The Institute of Bankers in Namibia
The Institute of Bankers in South Africa
The Chartered Institute of Bankers of Nigeria
Instituto de Formacao Bancaria de Mocambique
The Institute of Bankers in Zimbabwe
The Tanzania Institute of Bankers
The Uganda Institute of Bankers
The Zambia Institute of Bankers

The Alliance has requested the Institute to be the external moderator and help their members in improving their examination activities and more particularly sought support as under-

- To go through the Question Papers set by each member institute and check whether the questions are relevant, topical and clear and covers the course contents and achieve the objectives of the examinations.
- To comment whether the questions set can be answered within the time stipulated by an average candidate
- To check whether any uniformity has been followed by member institutes in the award of marks for all their subjects

The Institute is in correspondence with the Alliance and is considering undertaking the moderation work on a selective basis.

62nd International Banking Summer School (IBSS) –

International Banking Summer School, popularly known as “IBSS”, is a unique annual educational event for executives of banks and financial institutions world over. Every year the School is hosted by one of the leading Banking Institutes/Bankers’ Associations in the host country in association with European Bank Training Network (EBTN) headquartered in Brussels, Belgium.

Our Institute will be organising the 62nd IBSS in India this year. Besides EBTN, the Indian Banks’ Association (IBA) will be a co-organiser of the School.

The School is a 10 days of brisk academic exercise that provides a platform for the practitioners of banking and finance to learn and share the best practices and products available in today’s fiercely competitive global banking arena and to develop networking with global peers for sustainable business relationship. The School is open to experienced bankers and finance professionals.

Dr. Rakesh Mohan, Deputy Governor, Reserve Bank of India was the chairman of the Steering Committee till June 2009. Smt. Shaymala Gopinath, Deputy Governor, Reserve Bank of India is the current Chairperson. The other members of the Steering committee are as under:

- i. Mr. S K Bhattacharyya, MD, State Bank of India,
- ii. Mr. Gunit Chadha, CEO-India, Deutsche Bank,
- iii. Mr. Aditya Puri, MD, HDFC Bank
- iv. Dr. Asish Saha, Director, NIBM,
- v. Dr. K Ramakrishnan, Chief Executive, Indian Banks’ Association
- vi. Mr. Mario Spatafora, President, EBTN, Rome,
- vii. Mr. Luís Vilhena da Cunha, Instituto de Formação Bancária, Portugal
- viii. Mr. R Bhaskaran, CEO, IIBF

The School begins on 30th August, at the Hotel Le Meridian, New Delhi and then moves to the Hotel Jaypee Palace in Agra in the afternoon of 5th September and closes on 10th September 2009.

The **Main Theme** of this year’s School is “**Strategies for the era of Turbulence and Changing Contours of Banking**”. The school will cover the following three major areas, viz.,

- (i) ***Managing turbulence on the face of Changing Contours of Risk;***
- (ii) ***New Frontiers of Banking;*** and
- (iii) ***Emergence of Inclusive Banking.***

Academic sessions will be through Lectures and panel discussions by renowned experts in Banking, Finance, Regulation and IT/ICT from world over; Guest Speakers from other sectors of economy; Group Discussions; Case Analysis; Field Visits; etc. Over 50 participants from all over the world are expected to attend the School.

New Courses:

Certificate Course on ALM & Diploma course on Risk Management:

The Institute has prepared courseware for ALM. TCS has come forward to share its courseware

on risk management with the Institute. The Institute will be launching these courses in the year 2009-2010.

Certificate Course for Business Facilitators/ Business Correspondents

With the objective of expanding the outreach and at the same time containing the transaction cost, banks are endeavoring to make use of Business Facilitator/Business Correspondent model for expanding operations in the un-banked and under-banked areas. The Institute has, during the year, designed a comprehensive course in consultation with banks and MFIs to help the banks to make effective use of the Business Correspondent/Facilitator model in the country in achieving financial inclusion.

The Course was launched by Dr. K.C. Chakrabarty, Chairman & Managing Director, Punjab National Bank on 23rd April 2009 at Ganga Hall, Shangri-La Hotel, 19, Ashoka Road, Connaught Place, New Delhi.

This course will be implemented in the year 2009-10. For this purpose the Institute will accredit a number of training institutions across the country and also work with the training colleges of banks. NABARD has come forward with a scheme of reimbursement of fee for successful candidates who are involved in the financial inclusion efforts.

E-Course to the employees of National Housing Bank on Home Loan and Housing Sector

Similar to the E-course offered to the officers of RBI, the Institute has developed an E-Course to the employees for NHB on housing sector, housing finance and related matters. This course will be launched in year 2009-10.

Directors' Responsibility Statement

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

1. In the preparation of Annual Accounts, the applicable accounting standards have been followed and there has been no material departure;
2. The Council had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Institute at the end of the Financial Year 2008-09 and of the Income and Expenditure of the Institute for that period;
3. The Council had taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Institute and for preventing and detecting fraud and other irregularities; and
4. The Council had prepared the annual accounts on a going concern basis.

Particulars of Employees

There are no employees drawing remuneration of Rs. 24,00,000 for the year or Rs. 2,00,000 per month and hence the provisions of Section 217 (2A) of the Companies Act, 1956 are not applicable.

Appreciation and Acknowledgements

The Council is grateful to the Institutional Members for their continued support and advice. The Council would also like to take this opportunity to express sincere thanks to its valued members, resource persons and collaborators for their continued co-operation and patronage. The Council also takes this opportunity to thank all employees for rendering valuable services to every constituent of the Institute.

On behalf of the Governing Council

Place : Mumbai

Date : July 9, 2009

PRESIDENT

Auditors' Report to the Members of Indian Institute of Banking & Finance

1. We have audited the attached Balance Sheet of Indian Institute of Banking & Finance as at 31st March, 2009 and also the Income and Expenditure Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, is not applicable to Companies licensed to operate under Section 26 of the Indian Companies Act, 1913, no report has been made on the matters specified therein.
4. We report that:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Institute so far as appears from our examination of those books, and proper returns adequate for the purposes of our audit have been received from the sub-centers not visited by us;
 - (iii) the Balance Sheet and Income and Expenditure Account dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet and Income and Expenditure Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) on the basis of written representations received from the Members of the Governing Council (Directors) as on 31st March, 2009, and taken on record by the Governing Council, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Institute as at 31st March, 2009; and
- (b) in the case of the Income and Expenditure Account, of the surplus for the year ended on that date.

Place : Mumbai
Date : July 9, 2009

For **Mukund M. Chitale & Co.**
Chartered Accountants
(S.M. Chitale)
Partner
M.No. 111383



Balance Sheet as

31st March 2008 Rs.	LIABILITIES	Schedule	31st March 2009 Rs.
901,059,821	Reserves and Surplus	1	997,067,586
109,872,357	Current Liabilities and Provisions	2	128,524,035
<u>1,010,932,178</u>	TOTAL RUPEES		<u>1,125,591,621</u>

Significant Accounting Policies - Schedule 14.

Notes to accounts - Schedule 15.

As Per our report attached.

For **Mukund M Chitale & Co.**
Chartered Accountants

(S. M. Chitale)

Partner

M. No. 111383

Place : Mumbai

Date : 9th July, 2009

at 31st March 2009

31st March 2008 Rs.	ASSETS	Schedule	31st March 2009 Rs.
54,019,498	Fixed Assets	3	48,111,479
566,837,765	Investments	4	551,957,641
390,074,915	Current Assets, Loans and Advances	5	525,522,501
<u>1,010,932,178</u>	TOTAL RUPEES		<u>1,125,591,621</u>

R. Bhaskaran
Chief Executive Officer

O. P. Bhatt
President

P. J. Lonappan
Deputy Chief Executive Officer

Dr. K. Ramakrishnan
Member of the Council

Place : Mumbai
Date : 9th July, 2009

Income and Expenditure Account

31st March 2008 Rs.	EXPENDITURE	Schedule	31st March 2009 Rs.
40,222,240	Staff expenses	6	56,701,403
9,401,303	Premises expenses	7	14,374,617
46,181,644	Administration expenses	8	52,114,755
43,080,203	Examination expenses		56,546,778
19,024,114	Educational expenses	9	18,325,496
211,741	Library books expenses	10	178,587
444,069	Loss on sale/write off of fixed assets		956,301
6,334,501	Depreciation/amortisation		5,609,159
3,189,509	Amortisation of premium on Investments		3,120,123
227,000	Prizes awarded		141,000
—	Debit Balances written off.		1,512,688
	Surplus carried down to Income and		
65,205,720	Expenditure appropriation account		54,620,712
<u>233,522,044</u>	TOTAL RUPEES		<u>264,201,619</u>

Income and Expenditure Appropriation Account

2007-2008 Rs.		2008-2009 Rs.
731,652	Transfers to : Staff welfare fund	799,503
64,474,068	General Reserve	53,821,209
<u>65,205,720</u>	TOTAL RUPEES	<u>54,620,712</u>

Significant Accounting Policies - Schedule 14.

Notes to accounts - Schedule 15.

As Per our report attached

For **Mukund M Chitale & Co.**

Chartered Accountants

(S. M. Chitale)

Partner

M. No.111383

Place : Mumbai

Date : 9th July, 2009

for the year ended 31st March 2009

31st March 2008 Rs.	INCOME	Schedule	31st March 2009 Rs.
28,917,380	Subscription	11	8,174,000
111,811,820	Examination fees		144,969,328
74,991,571	Income from Investments, etc.	12	85,288,179
1,361,521	Educational income		2,060,736
2,606,578	Tutorial class/Seminar fees		1,945,158
3,071,908	Royalty on Publications		5,706,386
1,390,364	Miscellaneous income		4,491,097
9,370,902	Credit Balances written back	13	11,566,735
233,522,044	TOTAL RUPEES		264,201,619

for the year ended 31st March 2009

2007-2008 Rs.		2008-2009 Rs.
65,205,720	Surplus brought forward from income and expenditure account	54,620,712
65,205,720	TOTAL RUPEES	54,620,712

R. Bhaskaran
Chief Executive Officer

O. P. Bhatt
President

P. J. Lonappan
Deputy Chief Executive Officer

Dr. K. Ramakrishnan
Member of the Council

Place : Mumbai
Date : 9th July, 2009

Schedules Annexed to and Forming Part of the Balance Sheet as at 31st March 2009

SCHEDULE 1 – RESERVES AND SURPLUS

	As at 1st April 2008	Additions	Transfer from Income & Expenditure Account	Transfer from General Reserve Account	Utilisation/ Transfer during the year	As at 31st March 2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Prize funds	2,549,650 (1,584,650)	1,700,000 (965,000)	- (-)	1,000,000 (-)	380,465 (-)	4,869,185 (2,549,650)
R.K. Talwar Memorial Lecture fund	2,600,000 (-)	400,000 (2,600,000)	- (-)	- (-)	- (-)	3,000,000 (2,600,000)
Staff welfare fund	6,884,870 (6,406,210)	- (-)	799,503 (731,652)	- (-)	423,582 (252,992)	7,260,791 (6,884,870)
Life membership fund	290,370,439 (270,005,539)	46,157,100 (22,721,600)	- (-)	- (-)	6,066,000 (2,356,700)	330,461,539 (290,370,439)
General Reserve	598,654,862 (534,180,794)	- (-)	53,821,209 (64,474,068)	- (-)	1,000,000 (-)	651,476,071 (598,654,862)
TOTAL	901,059,821 (812,177,193)	48,257,100 (26,286,600)	54,620,712 (65,205,720)	1,000,000 (-)	7,870,047 (2,609,692)	997,067,586 (901,059,821)

Amount of Rs.1,000,000 has been transferred from general reserve to Prize Funds for various prizes in accordance with the Board Resolution.

Figures in brackets indicate corresponding figures for the previous year.

Schedules Annexed to and Forming Part of the Balance Sheet
as at 31st March 2009

SCHEDULE 2 – CURRENT LIABILITIES AND PROVISIONS

31st March 2008		31st March 2009	
Rs.		Rs.	Rs.
	A. CURRENT LIABILITIES		
	Sundry creditors (No amount due to small scale		
6,303,140	Industrial undertakings)	3,321,633	
1,296,755	Excess examination fees received	625,781	
20,400	Advance Membership Subscription	65,000	
67,989,442	Examination fees received in Advance	76,597,290	
2,240	Inter Office Balances	-	
75,611,977			80,609,704
	B. PROVISIONS		
26,853,481	Staff retirement benefits	33,884,400	
7,406,899	Provision for expenses	14,029,931	
34,260,380			47,914,331
109,872,357	TOTAL RUPEES		128,524,035

SCHEDULE 3 – FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01.04.2008 Rs.	Additions Rs.	Deductions Rs.	As at 31.03.2009 Rs.	As at 01.04.2008 Rs.	For the year Rs.	On dedu- ctions Rs.	As at 31.03.2009 Rs.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
TANGIBLE ASSETS										
Office premises	24,757,940	-	-	24,757,940	16,714,433	402175	-	17,116,608	7,641,332	8,043,507
Leasehold premises	2,977,281	-	-	2,977,281	1,542,167	49487	-	1,591,653	1,385,628	1,435,114
Residential flats *	40,166,455	-	-	40,166,455	10,953,226	1460661	-	12,413,887	27,752,568	29,213,229
Room air conditioners	2,633,811	539,604	305,283	2,868,132	1,931,997	153986	170880	1,915,103	953,029	701,814
Furniture, fittings and office equipment	22,639,725	2,278,737	2,613,715	22,304,747	18,142,398	1158596	1976190	17,324,804	4,979,943	4,497,327
Electrical installations	3,755,948	102,500	408,934	3,449,514	2,629,548	137376	167640	2,599,284	850,230	1,126,400
Motor cars	2,762,100	574,040	500,000	2,836,140	1,349,212	475367	349174	1,475,405	1,360,735	1,412,888
Data processing systems - Hardware	35,884,282	870,793	268,257	36,486,818	32,337,803	1771511	258729	33,850,585	2,636,234	3,546,480
SUB TOTAL – TANGIBLE ASSETS	135,577,542	4,365,674	4,096,189	135,847,027	85,600,784	5,609,159	2,922,613	88,287,329	47,559,699	49,976,758
INTANGIBLE ASSETS										
Computer Software	22,424,123	-	-	22,424,123	22,424,123	-	-	22,424,123	-	-
SUB TOTAL – INTANGIBLE ASSETS	22,424,123	-	-	22,424,123	22,424,123	-	-	22,424,123	-	-
TOTAL RUPEES	158,001,665	4,365,674	4,096,189	158,271,150	108,024,907	5,609,159	2,922,613	110,711,452	47,559,699	49,976,758
31.03.2008	157,514,402	4,444,274	3,957,010	158,001,666	104,807,208	6,334,501	3,116,801	108,024,908	49,976,758	-
Advances on Capital Account and Capital work in progress at cost									551,780	4,042,740
									48,111,479	54,019,498

* Residential flats includes Rs 5,750/- being the cost of shares in Co-operative Housing societies, which comprise shares of Rs.250/- in Twin Star Jupiter Co-operative Housing Society Ltd, transferred in the name of Institute on 22nd May, 2006.

Schedules Annexed to and Forming Part of the Balance Sheet as at 31st March 2009

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

31st March 2008 Rs.	PARTICULARS	31st March 2009 Rs.	Rs.
	Units of Unit Trust of India :		
10,010,000	Unit Trust of India-6.75% US-64 Bonds: quoted 100,100 bonds of Rs.100/- each		—
	Bonds :		
2,110,797	Bank of Maharashtra Bonds 2 bonds of Rs.10,00,000/- each		2,098,927
5,046,317	HDFC Bank Ltd. Bonds 5 bonds of Rs.10,00,000/- each		5,040,830
57,243,269	HDFC LTD. BONDS 55 bonds of Rs.10,00,000/- each		56,999,815
12,151,026	ICICI Bonds 12 bonds of Rs.10,00,000/-each		12,132,958
25,322,874	Indian Overseas Bank Bonds 25 bonds of Rs.10,00,000/-each		25,284,895
15,118,418	Indian Railway Bonds 15 bonds of Rs.10,00,000/-each		15,109,399
5,104,415	L I C Bonds 5 bonds of Rs.10,00,000/-each		5,092,964
11,000,000	State Bank of India Bonds 11 bonds of Rs.10,00,000/-each		11,000,000
–	State Bank of Hyderabad Bonds 4 bonds of Rs.10,00,000/-each		4,045,246
3,045,936	Syndicate Bank Bonds 3 bonds of Rs.10,00,000/-each		3,040,417
8,058,476	Union Bank of India Bonds 8 bonds of Rs.10,00,000/-each		8,051,620
9,088,227	Uco Bank Bonds 9 bonds of Rs.10,00,000/-each		9,077,544
20,000,000	IFCI Limited (Unquoted) 200 bonds of Rs.100,000/- each		20,000,000
	Investment in Government Securities (Quoted) :		
20,517,301	Rs.20,000,000 11.99% Government of India Loan 2009	20,009,734	
10,574,298	Rs.10,000,000 11.30% Government of India Loan 2010	10,327,397	
4,538,031	Rs.4,000,000 11.50% Government of India Loan 2011	4,390,708	
48,777,143	Rs.40,500,000 11.50% Government of India Loan 2015	47,618,724	
2,942,861	Rs.2,900,000 10.80% Government of India Loan 2008	–	
2,986,429	Rs.2,900,000 12.25% Government of India Loan 2008	–	
13,201,947	Rs.11,600,000 12.32% Government of India Loan 2011	12,636,463	
	Investment in Government of India 8% Savings (Taxable) Bonds - 2003 (Unquoted)		
280,000,000	280,000 bonds of Rs. 1,000/- each	280,000,000	
383,538,010			374,983,026
566,837,765	TOTAL RUPEES		551,957,641
266,837,765	Aggregate cost of quoted investments [Aggregate market value of quoted investments is Rs.275,753,933 (as at 31.03.2008 : Rs. Rs.267,382,242)]		251,957,641
300,000,000	Aggregate cost of unquoted investments		300,000,000
566,837,765	TOTAL RUPEES		551,957,641

Schedules Annexed to and Forming Part of the Balance Sheet as at 31st March 2009

SCHEDULE 5 – CURRENT ASSETS, LOANS AND ADVANCES

31st March 2008 Rs.		31st March 2009 Rs.	Rs.
A. CURRENT ASSETS			
	Interest accrued on :		
6,848,472	Staff loans	7,621,838	
8,549,148	Bank deposits	7,847,292	
87,326,491	Investments	109,600,375	
102,724,111		125,069,505	
	Sundry debtors (unsecured, considered good)		
2,952,520	Outstanding less than six months	5,444,669	
1,546,858	Outstanding for more than six months	—	
22,506	Cash on hand	27,072	
126,715	Cheques on hand	504,400	
	Balances with scheduled banks :		
9,126,191	On current accounts	40,440,201	
208,124	On savings accounts	342,198	
243,742,958	On fixed deposit accounts	315,542,958	
257,725,872		362,301,498	487,371,003
360,449,983			
B. LOANS AND ADVANCES			
	Advances recoverable in cash or in kind or for value to be received : (Considered Good)		
10,304,522	Secured loans to employees	9,603,195	
10,633,714	Income tax paid (includes paid under protest Rs.2,500,000)	15,173,866	
	Unsecured advances recoverable in cash or kind or for value to be received		
6,347,865	Deposits with the parties	4,839,358	
946,308	Prepaid expenses	827,039	
1,294,052	Advance For Expenses	5,219,677	
—	Inter Office Balances	922,000	
98,471	Others	1,566,363	
29,624,932			38,151,498
390,074,915	TOTAL RUPEES		525,522,501

Schedules Annexed to and Forming Part of the Income and Expenditure Account for the year ended 31st March 2009

31st March 2008		31st March 2009	
Rs.		Rs.	Rs.
SCHEDULE 6 – STAFF EXPENSES			
28,234,557	Salaries		30,871,880
1,792,631	Contribution to provident fund		3,619,863
4,228,974	Staff recruitment/ training/other related expenses		6,581,301
2,830,273	Provision for staff retirement benefits		7,303,759
1,684,325	Staff welfare expenses		3,647,617
1,168,080	Arrears of Provident and Pension fund Contribution		3,503,007
283,400	Arrears of Administration Charges contribution		1,173,976
40,222,240	TOTAL RUPEES		56,701,403
SCHEDULE 7 – PREMISES EXPENSES			
3,902,842	Rent		5,908,509
2,631,073	Electricity charges		3,113,537
	Outgoings in respect of premises		
224,336	Ground Rent	188,246	
356,648	Rates and taxes	236,523	
2,286,404	Others	4,927,802	
2,867,388			5,352,571
9,401,303	TOTAL RUPEES		14,374,617
SCHEDULE 8 – ADMINISTRATION EXPENSES			
4,088,724	Printing and stationery		4,970,462
5,709,511	Postages, telephone and telegram expenses		6,118,485
3,354,543	Web Portal expenses		2,753,906
3,831,029	Software Development and Maintenance Charges		9,121,828
102,735	Insurance		69,607
	Repairs :		
580,563	Building	3,701,518	
3,499,377	Machinery	3,583,493	
1,786,766	Others	1,786,487	
5,866,706			9,071,498
3,560,206	Travelling expenses		5,215,472
1,288,094	Conveyance		960,504
1,065,882	Motor car expenses		1,131,363
2,181,197	Sundry expenses		2,123,580
1,274,657	Advertisement expenses		671,921
9,532,353	Corporate Development Expenses		6,754,869
232,975	Honorarium to Local Hon. Secretaries		183,400
	Auditors' remuneration :		
505,620	Audit fees	620,133	
—	Taxation matters	—	
—	Other matters	—	
505,620			620,133
3,587,411	Legal & professional charges		2,347,726
46,181,644	TOTAL RUPEES		52,114,754

Schedules Annexed to and Forming Part of the Income and Expenditure Account for the year ended 31st March 2009

31st March 2008 Rs.		31st March 2009 Rs.
SCHEDULE 9 – EDUCATIONAL EXPENSES		
9,953,549	Tutorial class/Seminar expenses, research fellowship expenses	9,863,198
601,818	Sir Purshotamdas Thakurdas memorial lecture expenses	653,108
10,555,367		10,516,306
2,191,672	Journal expenses	1,431,634
6,277,075	Vision expenses	6,377,556
19,024,114	TOTAL RUPEES	18,325,496
SCHEDULE 10 – LIBRARY BOOKS EXPENSES		
73,690	Library books	68,315
138,051	Subscription to papers & periodicals	110,272
211,741	TOTAL RUPEES	178,587
SCHEDULE 11 – SUBSCRIPTION		
Annual subscription :		
28,917,380	Institutional members	8,174,000
28,917,380	TOTAL RUPEES	8,174,000
SCHEDULE 12 – INCOME FROM INVESTMENTS, ETC.		
74,119,885	Interest and dividend on Investments/Fixed deposits	84,397,412
871,686	Interest on staff loans	890,767
74,991,571	TOTAL RUPEES	85,288,179
SCHEDULE 13 – CREDIT BALANCES WRITTEN BACK		
2,727,583	Excess Fees Written back	628,152
1,642,782	Provision for expenses written back	54,586
2,278,418	Advance Institutional Membership written back	124,500
2,356,700	Life Membership Fees written back	6,066,000
365,419	Advance Examination fees written back	—
—	Creditors written back	4,693,497
9,370,902	TOTAL RUPEES	11,566,735

Schedules Annexed to and Forming Part of the Balance Sheet as at 31st March 2009 and the Income and Expenditure Account for the year ended on that date

SCHEDULE 14 – SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION:

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, mandatory Accounting Standards notified by the Companies (Accounting Standards) Rule, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under historical cost convention on accrual basis of accounting unless specified otherwise. The accounting policies followed by the Company are consistent with those used in the previous year, except for changes in accounting policy mentioned separately if any.

2. FIXED ASSETS / DEPRECIATION

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

3. INVESTMENTS

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

4. RETIREMENT BENEFITS :

4.1 Gratuity and Leave Encashment :

Provision for gratuity and leave encashment benefits payable to staff is made on the basis of actuarial valuations as at the balance sheet date. The Gratuity Valuation has been carried out using the Projected Unit Credit Method and Leave encashment valuation has been carried out using the Projected Accrued Benefit Method. The discount rate used for Gratuity and Leave Encashment valuation is 7.05% p.a. which is based on prevailing market yield of government securities as on the valuation date for the estimated terms of obligation. The salary escalation rate used for Gratuity and Leave Encashment valuation is 6% p.a which is the estimate of the future salary increases taking into the account the inflation, seniority promotion and other relevant factors. The employees of the company are assumed to retire at the age of 60 Years.

4.2 Provident Fund :

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

Schedules Annexed to and Forming Part of the Balance Sheet as at 31st March 2009 and the Income and Expenditure Account for the year ended on that date

the employer's contribution for each employee. The Company recognised Rs.36.20 lacs (Previous year Rs.17.93 lacs) for provident fund and pension fund contributions in the profit and loss account.

5. REVENUE RECOGNITION

- 5.1 Subscriptions are accounted for as income when received. With effect from 1st April, 2005, Life Membership Fees received from members, which hitherto was credited directly to "Life Membership Fund" infinitely, continues to be credited to "Life Membership Fund" and is written back as income in the Income and Expenditure Account upon completion of specified life membership period as decided in the resolution passed by the Annual General Meeting dated 26th August, 2005. Accordingly, a sum of Rs.6,066,000 (Previous year Rs.2,356,700) is written back from Life Membership Fund to the Income and Expenditure Account, during the current year.
- 5.2 Examination fees collected in advance for a block of consecutive attempts (one time examination fees) are accounted for under the proportionate completion method in accordance with the rules framed. The balance of such fees is treated as 'Advance Examination Fees'.
- 5.3 Interest on Investments is booked on a time proportion basis taking into account the amount invested and the rate of interest. Dividend Income on Investment is accounted when the right to receive payment is established.
- 5.4 Income from Investment (including from investment earmarked for funds) is credited to the Income and Expenditure Account and utilized for the general/prizes/fellowship expenses incurred during the year.
- 5.5 The company receives the Royalty from certain publishers which is on the basis of Books sold by them during the year. Royalty is accounted for on an accrual basis based on sales made by the publishers during the year.

SCHEDULE - 15

NOTES TO ACCOUNTS:

- 1) In view of the omission of Section 10(22) of the Income Tax Act, 1961 (Act) with effect from the financial year ended 31.3.1999 (under which the Institute was exempt from income tax), the Institute has applied for exemption in respect of the assessment years 1999-2000 to 2009-2010 under the amended provisions of Section 10(23C)(vi) of the Act. Response from the authorities is awaited. The Institute is also registered under Section 12A of the Act, whereby its income, subject to compliance of conditions laid down, is exempt from income tax. Accordingly, also, as the Institute intends to comply with the necessary conditions laid down, no provision for taxation has been made in the accounts for the year ended 31st March, 2009.
- 2) In respect of Investments the difference between the cost price (being higher) and the face value of such investments (where maturity date is fixed) as referred to in note 3 on schedule 14, amounting to Rs.3,120,123 (Previous year Rs.3,189,509) has been amortised during the year.
- 3) The Institute has initiated the process of reconciliation of Excess fee account and the subsidiary records, for some earlier years. During the year, based on the process of reconciliation, excess fees amounting to Rs.6,28,152/- (Previous year Rs.2,727,583) has been written back to the Income and Expenditure account. Also, during the year advance Institutional membership amounting to Rs.1,24,500/- (Previous year Rs.2,278,418) and creditors balances amounting to Rs.46,93,497/- has

Schedules Annexed to and Forming Part of the Balance Sheet as at 31st March 2009 and the Income and Expenditure Account for the year ended on that date

been written back to the Income and Expenditure account based on the identification and verification of data carried out by the Institute.

- 4) The Institute has appropriated Rs.7,99,603/- (Previous year Rs.7,31,652) to Staff Welfare Fund consisting of Rs.100,000 (Previous year Rs.1,00,000) as the annual contribution and Rs.6,99,603/- (Previous year Rs.6,31,652) as interest earned on investments held for this purpose. An amount of Rs.4,23,582/- (Previous year Rs.2,52,992) spent towards staff welfare has been shown as utilization during the year.

- 5) Income in foreign currency:

	2008-09 Rs.	2007-08 Rs.
Membership fees	—	6,056
Fees for designing & development of courseware	42,025	1,23,971

- 6) Expenditure in foreign currency (payment basis)

	2008-09 Rs.	2007-08 Rs.
Educational expenses	15,53,367	14,91,071
Traveling/Training expenses	18,03,267	8,87,310
Honorarium	10,766	81,583
License fees	—	—
Sponsorship Fees	—	4,96,775
Subscription to Other Bodies	53,633	93,535
Examination Centre Expenses	—	19,656
DJCHB Overseas Research Fellowship	380,465	—

- 7) Managerial Remuneration:

- 7.1 Paid/payable to the Chief Executive Officer (CEO) as a Council Member during the year (excluding contribution to gratuity fund and provision for leave encashment on retirement):

	2008-09 Rs.	2007-08 Rs.
Salary	10,48,940	9,48,540
Perquisites	82,960	1,18,059
Contribution to Provident Fund	1,09,066	65,600
TOTAL	12,40,966	11,32,199

- 7.2 Sitting fees to Council Members

	2,03,500	2,15,000
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Schedules Annexed to and Forming Part of the Balance Sheet as at 31st March 2009 and the Income and Expenditure Account for the year ended on that date

8) In the opinion of the Institute, there is no impairment of assets (to which Accounting Standard 28 applies) as at March 31, 2009 requiring recognition in terms of the said standard.

9) Contingent Liability:

In respect of assessment years 1996-97, 1997-98 and 1998-99, the Income Tax Department has treated the Institute as not eligible for exemption under Section 10(22) of the Income Tax Act, 1961 (the Act) and has assessed its income as chargeable to tax. Consequently, demands of Rs.55,204,320 (as at 31.03.2008: Rs.55,204,320) have been raised. The Institute has paid Rs.2,500,000 (as at 31.03.2008: Rs.2,500,000) in line with the stay orders granted by the Income Tax Appellate Tribunal (ITAT).

For the assessment years 1996-97 and 1998-99, the Institute has received favorable orders from the ITAT. However, the Department's appeal for these years before the Bombay High Court is pending. For assessment year 1997-98, the Institute has received favorable order from ITAT. For assessment years 1999-2000, 2000-01, 2002-03, notice under Section 143(2) of the Act for scrutiny assessment has not been issued.

Pending approval under Section 10(23C) (vi) of the Act from the Central Board of Direct Taxes (CBDT) for assessment years 1999-2000 to 2001-02, the Income Tax Department has denied exemption to the Institute under Section 10(23C) (vi) of the Act and assessed its income of Rs.65,011,641 (as at 31.03.2008 Rs.65,011,641) as chargeable to tax for assessment year 2001-02. Consequently, demand of Rs.32,260,727 (as at 31.03.2008: Rs.32, 260,727) covering tax and interest has been raised for assessment year 2001-02. However, the demand for the A.Y. 2001-02 has been increased to Rs.42,582,299 (as at 31.03.2008 : Rs.32,260,727) as per Assessment Order under Section 143(3) r.w.s. 250 dated 31.12.2007.

Against the appeal filed by the Institute, the CIT (Appeals) has held the Institute is entitled for exemption under Section 10(23C) (VI) of the Act subject to notification by the CBDT. Pending CBDT approval, CIT (Appeals) confirmed the additions made by assessing officer and deleted interest levied under Sections 234A and 234C of the Act. The revised demand after giving effect to the order of CIT (Appeals) is awaited. The Institute has filed an appeal against the order of the CIT (Appeals) before the ITAT, which is pending for the disposal. Further, Institute had also made a claim for exemption under Section 11 of the Act by way of rectification of application under Section 154 of the Act, which was rejected by the assessing officer. Against the order of the assessing officer rejecting Institute's rectification, the Institute has filed an appeal before the CIT (Appeals) for grant of exemption under Section 11 of the Act which is pending for disposal.

The assessment under section 143 (3) of the Act for assessment year 2003-04 had been completed in the financial year ended 31st March 2006 determining income of Rs.62,530,820 subject to tax. Accordingly, demand of Rs.26,900,939 (as at 31.03.2008: Rs.26,900,939) covering tax and interest has been raised. The Institute filed an appeal with CIT (Appeals) against this order in April, 2006 and also sought stay of demand. The CIT (A) vide his order dated 20th October 2006 directed the assessing officer to examine the claim under section 11 of the Act and decide on eligibility. Therefore till the time AO decides on this issue, demand does not survive.

During the year 2006-2007 the assessment under section 143(3) of the Act for assessment year 2004-05 had been completed determining the income of Rs.1,48,42,512 subject to tax and consequently a demand of Rs.6,509,624 had been raised.

Schedules Annexed to and Forming Part of the Balance Sheet as at 31st March 2009 and the Income and Expenditure Account for the year ended on that date

During the year 2007-08, the assessment under Section 143(3) of the Act for the assessment year 2001-02 and 2005-06 has been completed determining the Tax Liability of Rs.42,582,299 and Rs.64,241,570 respectively.

- 10) Estimated amount of contracts remaining to be executed on capital account and not provided as at 31.03.2009 Rs.35,220/- (Previous year 16,23,452/-).
- 11) The Company's significant leasing arrangements are in respect of operating leases for residential/ office premises. These leasing arrangements which are not non-cancellable range between 11 months and 3 years. The aggregate lease rentals Rs.5,908,509 (Previous year Rs.3,902,842) are charged as rent under Schedule 7.
- 12) The Institute has paid arrears of Pension Fund contribution amounting to Rs.20,21,805/, arrears of Provident Fund amounting to Rs.14,81,202/- and arrears of Administration charges of Pension Fund amounting to Rs.11,73,976/- to the concerned authorities in respect of earlier years in order to effect change in the monthly contribution payable to the authorities.
- 13) Accounting Standard (AS)22-"Accounting for Taxes on Income" applicable to the Institute for the accounting periods commencing on or after 01-04-2002 has not been applied in accounting for taxes on income. The Council is of the opinion that there is no deferred tax liability as the institute is not liable to pay Income tax and thus AS 22 would not apply to the Institute.
- 14) The Institute has discontinued the practice of issuing study kits to the candidates on its own. The Institute has tied up with two publishers for distribution of study kits to candidates.
- 15) Previous year's figures have been regrouped/restated wherever necessary.

Signatures to Schedules 1 to 15

Mukund M. Chitale & Co.
Chartered Accountants

R. Bhaskaran
Chief Executive Officer

O.P. Bhatt
President

S.M. Chitale
Partner
M.No. 111383

P. J. Lonappan
Deputy Chief Executive Officer

Dr. K. Ramakrishnan
Member of the Council

Place : Mumbai
Date : July 9, 2009

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	1391	State Code	11
Balance Sheet Date	31.03.2009		

II. Capital raised during the year (Amount in Rs Thousands)

Not Applicable

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

Total liabilities	1,125,592	Total Assets	1,125,592
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Sources of Funds

Paid- up Capital	Nil	Reserves & Surplus	997,068
Secured Loans	Nil	Unsecured Loans	Nil

Application of funds

Net Fixed Assets	48,111	Investments	551,958
Net Current Assets	396,998	Misc Expenditure	—
Accumulated Losses	Nil		

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

Turnover & Other Inc.	264,202	Total Expenditure	209,581
Surplus	54,621		

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

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

R. Bhaskaran
Chief Executive Officer

O.P. Bhatt
President

P. J. Lonappan
Deputy Chief Executive Officer

Dr. K. Ramakrishnan
Member of the Council

Place : Mumbai
Date : July 9, 2009

Notice of the 82nd Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 82nd Annual General Meeting of the members of the Indian Institute of Banking & Finance will be held at 4 P.M. on Friday, the 25th September 2009, in 'VISTA', Centre I, 30th Floor, World Trade Centre, Cuffe Parade, Mumbai 400 005 to transact the following business:

Ordinary Business:

1. To receive and adopt the Income and Expenditure Accounts of the Institute for the financial year ended on March 31, 2009, the Balance Sheet as on that date and Reports of the Governing Council and the Auditors.
2. To elect a member of the Council in place of Shri K R Kamath, who retires by rotation under Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
3. To elect a member of the Council in place of Shri M D Mallya, who retires by rotation under Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
4. To elect a member of the Council in place of Shri A. C. Mahajan, who retires by rotation under Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
5. To elect a member of the Council in place of Shri M. Venugopalan, who retires by rotation under Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
6. To elect a member of the Council in place of Shri Prof Y K Bhushan, who retires by rotation under Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
7. To elect a member of the Council in place of Shri Y H Malegam who retires by rotation under Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
8. To elect a member of the Council in place of Shri S K Banerji, who retires by rotation under Article 48 of the Articles of Association of the Institute and, being eligible, offers himself for re-election.
9. To consider and, if thought fit, to pass with or without modification, the following resolution:
"RESOLVED THAT pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s.Mukund M. Chitale & Co., Chartered Accountants, Mumbai, be and are hereby appointed as Auditors of the Institute from the conclusion of this meeting till the conclusion of the next Annual General Meeting and that their remuneration be and is hereby fixed at Rs.5,50,000/- apart from service tax and reimbursement of out-of-pocket and actual travelling expenses incurred by them for the purpose of audit".

Special Business:

10. To appoint Shri Om Prakash Bhatt, Chairman, State Bank of India, as the President of the Institute from the conclusion of 82nd Annual General Meeting to the conclusion of the 83rd Annual General Meeting in terms of Article 69 of the Articles of Association of the Institute.
11. To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution:
"RESERVED THAT the existing Articles of Association of the Institute be and are hereby amended as under, that is to say:
 - (1) The existing Article 5 be and is hereby deleted and in its place and stead the following Article 5 be substituted:
" 5 Fellow Membership:
Fellow Members shall be elected by the Council.
 - (a) An individual Member shall comply with the following criteria for being eligible to be considered for election as Fellow Member:-
The applicant -
 - (i) should have completed CAIIB Examination and be a Life Member of the Institute;
 - (ii) should have completed minimum two years as an Associate Member of the Institute;
 - (iii) should hold the designation of Deputy General Manager in Public Sector banks/ financial institutions or its equivalent designation and above; and
 - (iv) should submit his/her application duly recommended by his/her employer.
 - (b) **Honorary Fellow Membership:**
 - (i) For the conferment of Honorary Fellow Membership, the Institute / Council shall consider only Chairpersons, Managing/ Executive Directors, Chief Executive Officers or Executives of equivalent designation in banking /financial services sector/academia, who have made significant contributions in their respective field.
 - (ii) Conferment of Honorary Fellow Membership shall be limited to a certain number of persons every year as may be decided by the Council from time to time.
 - (c) Fellow Members and Honorary Fellow Members elected under Clauses 5 (a) and 5 (b) will be entitled to use the title "FIIBF" (Fellow of Indian Institute of Banking & Finance) after his/her name."

- (2) The existing Article 6 be and is hereby deleted and in its place and stead the following Article 6 be substituted:

"6. Associate Membership:

Associate Members shall be elected by the Executive Committee/Council.

- (a) An individual Member shall comply with the following criteria for being eligible to be considered for election as an Associate Member:

The applicant should -

- (i) have completed CAIB Examination and be a Life Member of the Institute;
 - (ii) hold the designation of Chief Manager in Public Sector banks/financial institutions or its equivalent designation and above; and
 - (iii) submit his/her application duly recommended by his/her employer.
- (b) An Associate Member elected under the provisions of this Article will be entitled to use the title "AIIBF" (Associate of Indian Institute of Banking & Finance) after his/her name."

Place : Mumbai
Date : July 9, 2009

By Order of the Council

(R. Bhaskaran)

Chief Executive Officer

Registered Office :

Indian Institute of Banking & Finance
"The Arcade", Tower 4, 2nd Floor
World Trade Centre, Cuffe Parade
Mumbai 400 005

NOTES:

- (a) Individual Members who are Fellows and Associates and Institutional Members are entitled to attend and vote at the General Meetings. Certificated Associates and Ordinary Members are entitled to attend all General Meetings but are not entitled to vote thereat. Persons who attend and vote at the meetings on behalf of the Institutional Members will have to produce a proper authorization from such members.
- (b) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.
- (c) The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 is annexed hereto.
- (d) A copy of the Memorandum and Articles of Association referred to in Item Nos.2 to 8 and 10 and 11 above will be open for inspection by the members from 1030 hours to 1230 hours on any working day at the Registered Office of the Institute.

ANNEXURE TO THE NOTICE

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

Resolution No.10

The Council has decided to propose the name of Shri Om Prakash Bhatt, Chairman, State Bank of India, as the President of the Institute under Article 69 of the Articles of Association and he has kindly consented to be elected as the President of the Institute from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting.

The Council recommends that the proposal at Item No.10 be approved.

Shri Om Prakash Bhatt may be deemed to be concerned or interested in the Resolution at Item No.10.

Resolution No.11

- (1) Existing Article 5 deals with election of Fellow Members and Honorary Fellow Members. It is proposed to amend the Article to offer Fellow Membership only to the Associate Members who are in the top management cadre and Honorary Fellowship only to the selected top executives who have made substantial contribution in the area of their specialization and/or heading the Institutions
- (2) Existing Article 6 deals with election of Associate Members. It is proposed to amend the Article to offer the Associate Membership only to the Members of the Institute with CAIB qualification, working in the senior management cadre and above in the banking and finance industry.

No Member of the Council has any interest in the Resolution No.11. Ordinary Members, Certificated Associates, Associate Members and Fellow Members may be deemed to be concerned or interested in the Resolution No.11.