

सूचना

एतद्वारा सूचना दी जाती है कि आईडीबीआई बैंक लि. की नौवीं वार्षिक महासभा बुधवार, दिनांक 04 सितंबर 2013 को अपराह्न 3.30 बजे नेहरू सेंटर ऑडिटोरियम, वरली, मुंबई - 400 018 में आयोजित की जाएगी जिसमें निम्नलिखित मदों पर कार्यवाई की जाएगी:

सामान्य कारोबार

1. यथा 31 मार्च 2013 को बैंक के लेखापरीक्षित तुलन पत्र और उसी तारीख को समाप्त वर्ष के लाभ-हानि लेखे तथा उन पर निदेशकों की रिपोर्ट एवं लेखापरीक्षकों की रिपोर्ट प्राप्त करना, उन पर विचार करना तथा उन्हें स्वीकार करना;
2. वर्ष 2012-13 के लिए लाभांश घोषित करना;
3. श्री एस रवि को पुनःनियुक्त करना, जो क्रमावर्तन से निवृत्त हो रहे हैं तथा पात्र होने के कारण क्रमावर्तन से निवृत्त होने वाले निदेशक के रूप में पुनःनियुक्ति के लिए स्वयं को प्रस्तुत कर रहे हैं,
4. श्री निनाद कर्पे को पुनःनियुक्त करना, जो क्रमावर्तन से निवृत्त हो रहे हैं तथा पात्र होने के कारण क्रमावर्तन से निवृत्त होने वाले निदेशक के रूप में पुनःनियुक्ति के लिए स्वयं को प्रस्तुत कर रहे हैं,
5. लेखापरीक्षकों की नियुक्ति करना, उनका पारिश्रमिक निश्चित करना और इस संबंध में निम्नलिखित संकल्प पर विचार करना तथा यदि उपयुक्त समझा जाए तो उसे एक विशेष संकल्प के रूप में पारित करना :-

“संकल्प किया जाता है कि कंपनी अधिनियम, 1956 की धारा 224 ए और अन्य लागू प्रावधानों, यदि कोई हों, बैंककारी विनियमन अधिनियम, 1949 तथा बैंक के संस्था बहिर्नियम व अन्तर्नियम और तत्समय लागू किसी अन्य कानून या दिशानिर्देश के अनुसरण में (i) भारतीय रिजर्व बैंक के दिनांक 18 जून 2013 के अनुमोदन के अनुसार वित्तीय वर्ष 2013-14 के लिए बैंक के संयुक्त सांविधिक लेखा परीक्षक के रूप में मेसर्स खीमजी कुंवरजी एंड कं., सनदी लेखाकार, मुंबई (आईसीएआई पंजीकरण सं. 105146डब्ल्यू) तथा मेसर्स जी. डी. आप्टे एंड कं. सनदी लेखाकार, पुणे (आईसीएआई पंजीकरण सं. 100515डब्ल्यू) की पुनर्नियुक्ति और (ii) कंपनी अधिनियम, 1956 की धारा 228 के अनुसार तथा भारतीय रिजर्व बैंक के दिनांक 18 जून 2013 के अनुमोदन के अनुसार वित्तीय वर्ष 2013-14 के लिए बैंक की डीआईएफसी, दुबई शाखा के लिए शाखा सांविधिक लेखापरीक्षक के रूप में मेसर्स अशोक कपूर एंड एसोसिएट्स, सनदी लेखाकार, दुबई की नियुक्ति, ऐसे निबंधनों एवं शर्तों तथा पारिश्रमिक पर जो बैंक का निदेशक मंडल उपर्युक्त दोनों नियुक्तियों के लिए नियत करे, हेतु अनुमोदन प्रदान किया जाए तथा एतद्वारा प्रदान किया जाता है.”

विशेष कारोबार

6. निम्नलिखित संकल्प पर विचार करना तथा यदि उपयुक्त समझा जाए तो उसे संशोधन(ि) के साथ या के बिना विशेष संकल्प के रूप में पारित करना :
“संकल्प किया जाता है कि कंपनी अधिनियम, 1956 की धारा 81(1ए) के प्रावधानों और लागू अन्य प्रावधानों, यदि कोई हों, बैंक के संस्था अंतर्नियम, बैंककारी विनियमन अधिनियम, 1949, सेबी (आईसीडीआर) विनियम, 2009 तथा/या किसी अन्य सम्बद्ध कानून या दिशानिर्देश के अनुसरण में और भारतीय रिजर्व बैंक (रिजर्व बैंक), भारत सरकार, भारतीय

प्रतिभूति तथा विनियम बोर्ड (सेबी) और/अथवा इस संबंध में अपेक्षित किसी अन्य सांविधिक/विनियामक प्राधिकरण के अनुमोदन, सहमति और मंजूरी, यदि कोई है, के अधीन और ऐसे अनुमोदन प्रदान करने के लिए उनके द्वारा निर्धारित ऐसे निबंधनों, शर्तों तथा संशोधनों के अधीन और जिनसे बैंक का निदेशक मंडल सहमत हो, बैंक के निदेशक मंडल (इसमें इसके पश्चात् “बोर्ड” के रूप में निर्दिष्ट, जिसमें इस संकल्प द्वारा प्रदत्त अधिकार सहित अपनी शक्तियों का प्रयोग करने हेतु बोर्ड द्वारा गठित की गयी या आगे गठित की जानेवाली कोई भी समिति शामिल होगी) के लिए भारत में प्रस्ताव दस्तावेज/ विवरण पत्र अथवा ऐसे अन्य दस्तावेज के माध्यम से कुल अधिकतम ₹ 4,000/- करोड़ की राशि (प्रीमियम राशि सहित) के ₹ 10/- प्रत्येक अंकित मूल्य के ईक्विटी शेयरों की ऐसी संख्या जिसे ₹ 13,32,77,25,170/- की वर्तमान प्रदत्त ईक्विटी शेयर पूंजी में इस प्रकार जोड़ा जाए कि केन्द्र सरकार की बैंक की प्रदत्त ईक्विटी शेयर पूंजी में धारिता किसी भी समय 51% प्रतिशत से कम न हो, जोकि बाजार मूल्य पर छूट या प्रीमियम पर हो, एक या अधिक श्रृंखलाओं में एक या अधिक सदस्यों, बैंक के कर्मचारियों, भारतीय नागरिकों, अनिवासी भारतीयों (“एनआरआई”), कंपनियों (निजी या सार्वजनिक), निवेश संस्थाओं, सोसाइटियों, न्यासों, अनुसंधान संगठनों, पात्र संस्थागत क्रेताओं (“क्यू आई बी”) जैसे विदेशी संस्थागत निवेशक (एफआईआई), बैंक, वित्तीय संस्थाएं, भारतीय म्यूचुअल फंड, उद्यम पूंजी फंड, विदेशी उद्यम पूंजी निवेशकों, राज्य औद्योगिक विकास निगमों, बीमा कंपनियों, भविष्य निधियों, पेंशन फंडों, विकास वित्तीय संस्थाओं या अन्य संस्थाओं, प्राधिकरणों अथवा मौजूदा विनियमों/ दिशानिर्देशों के अनुसार बैंक के ईक्विटी शेयरों में निवेश करने के लिए प्राधिकृत किसी अन्य श्रेणी के निवेशकों को बैंक द्वारा उचित समझे गए तरीके से प्रस्तावित करने, जारी करने तथा आबंटित करने (पक्के आबंटन तथा/या निर्गम के उस भाग के प्रतिस्पर्धी आधार पर तथा उस समय लागू कानून के द्वारा अनुमत किसी श्रेणी के व्यक्तियों के लिए आरक्षण के प्रावधान सहित)के लिए बैंक के शेयरधारकों की सहमति दी जाए और एतद्वारा दी जाती है.”

“यह भी संकल्प किया जाता है कि ऐसा निर्गम, प्रस्ताव या आबंटन निम्नलिखित माध्यमों अर्थात् सार्वजनिक निर्गम, अधिकार निर्गम, अधिमान निर्गम, पात्र संस्थागत नियोजन और / या निजी नियोजन, अतिरिक्त आबंटन के विकल्प सहित या रहित, के आधार पर इन्में से किसी एक या अधिक माध्यमों से होगा तथा/ कि ऐसा प्रस्ताव, निर्गम, नियोजन और आबंटन कंपनी अधिनियम, 1956, बैंकिंग विनियमन अधिनियम, 1949, सेबी (आईसीडीआर) विनियम, 2009 के प्रावधानों तथा रिजर्व बैंक, सेबी या किसी अन्य प्राधिकरण, जो भी लागू हो, द्वारा जारी दिशानिर्देशों के अधीन और ऐसे समय पर और ऐसे तरीके और ऐसे निबंधन व शर्तों पर किया जाएगा जिसे निदेशक मंडल अपने पूर्ण विवेकाधिकार से उचित समझे.”

“यह भी संकल्प किया जाता है कि निदेशक मंडल को यह प्राधिकार होगा कि वह इस तरह से मूल्य या मूल्यों को निर्धारित कर सके और जहां जरूरी हो, वहां अग्रणी प्रबंधकों तथा/ या हामीदारों और/ या अन्य सलाहकारों के परामर्श से या अन्यथा ऐसी शर्तों एवं निबंधनों पर जो बोर्ड के पूर्ण विवेकानुसार हों, सेबी (आईसीडीआर) विनियम, अन्य विनियमों और किसी या अन्य सभी लागू कानूनों, विनियमों और दिशानिर्देशों के अनुरूप हों, चाहे वे निवेशक वर्तमान में बैंक के सदस्य हों या न हों, ऐसा मूल्य तय कर सकेगा जो कि

सेबी(आईसीडीआर) विनियम के संबंधित प्रावधानों के अनुसार निर्धारित मूल्य से कम न हो.”

“यह भी संकल्प किया जाता है कि संबंधित स्टॉक एक्सचेंजों के साथ किए गए सूचीबद्धता करार के प्रावधानों, कंपनी अधिनियम 1956 के प्रावधानों, बैंकिंग विनियमन अधिनियम, 1949, बैंक के संस्था अंतर्नियम, सेबी (आईसीडीआर) विनियम, 2009 के प्रावधानों, विदेशी मुद्रा प्रबंधन अधिनियम, 1999 के प्रावधानों और विदेशी मुद्रा प्रबंधन (भारत से बाहर निवासी व्यक्ति द्वारा प्रतिभूति का अंतरण या निर्गम) विनियम, 2000 के प्रावधानों के अनुसार तथा भारतीय प्रतिभूति एवं विनियम बोर्ड (सेबी), स्टॉक एक्सचेंजों, रिजर्व बैंक, विदेशी निवेश संवर्धन बोर्ड (एफआईपीबी), औद्योगिक नीति एवं संवर्धन विभाग (डीआईपीपी), वाणिज्य मंत्रालय और इस संबंध में अपेक्षित अन्य सभी प्राधिकारियों (इसमें इसके पश्चात् सामूहिक रूप से “उपयुक्त प्राधिकारी” के रूप में उल्लिखित) के अपेक्षित अनुमोदन, सहमति, अनुमति और/ या मंजूरी के अधीन एवं इनमें से किसी के भी द्वारा किसी भी ऐसे अनुमोदन, सहमति, अनुमति और/ या मंजूरी (इसमें इसके पश्चात् “अपेक्षित अनुमोदन” के रूप में उल्लिखित) आदि प्रदान करते समय इनमें से किसी के भी द्वारा इस प्रकार की निर्धारित शर्तों के अधीन बोर्ड अपने पूर्ण विवेकाधिकार के तहत एक या अधिक श्रृंखलाओं में, समय-समय पर ईक्विटी शेयर इस प्रकार जारी, प्रस्तावित या आबंटित कर सकता है कि पात्र संस्थागत नियोजन के अनुसरण में, जैसा कि सेबी (आईसीडीआर) विनियम, 2009 के अध्याय VIII के तहत व्यवस्था है, नियोजन दस्तावेज और /या अन्य किसी दस्तावेजों / प्रलेखों / परिपत्रों /ज्ञापनों के माध्यम से और इस तरीके से और ऐसे मूल्य, शर्तों और निबंधनों पर जो बोर्ड द्वारा सेबी (आईसीडीआर) विनियम, 2009 या तत्समय लागू कानून के अन्य प्रावधानों के अनुसार निर्धारित किया गया हो, बशर्ते कि इस प्रकार जारी ईक्विटी शेयरों के प्रीमियम सहित मूल्य सेबी (आईसीडीआर) विनियम, 2009 के संगत प्रावधानों के अनुसार नियत मूल्य से कम न हों, पात्र संस्थागत क्रेताओं (क्यूआईबी) (जैसाकि सेबी (आईसीडीआर) विनियम, 2009 के अध्याय VIII में परिभाषित है) की तुलना में केन्द्र सरकार किसी भी समय बैंक की ईक्विटी शेयर पूंजी का 51% प्रतिशत से कम धारित न करता हो.”

“यह भी संकल्प किया जाता है कि सेबी (आईसीडीआर) विनियम, 2009 के अध्याय VIII के अनुसरण में, पात्र संस्थागत नियोजन के मामले में प्रतिभूतियों का आबंटन सेबी (आईसीडीआर) विनियम, 2009 के अध्याय VIII के अर्थ के भीतर केवल पात्र संस्थागत क्रेताओं को ही किया जाएगा और ऐसी प्रतिभूतियां पूर्णतः प्रदत्त होंगी तथा ऐसी प्रतिभूतियों का आबंटन इस संकल्प की तारीख से 12 माह के भीतर पूरा कर लिया जाएगा.”

“यह भी संकल्प किया जाता है कि क्यूआईपी निर्गम के मामले में, प्रतिभूतियों का आधार मूल्य तय करने की संगत तारीख सेबी (आईसीडीआर) विनियम, 2009 के अनुसार होगी तथा बैंक के निदेशक मंडल द्वारा नियत की जाएगी.”

“यह भी संकल्प किया जाता है कि क्यूआईपी के मामले में, सेबी (आईसीडीआर) विनियम, 2009 के प्रावधानों के अनुसार, बोर्ड, पूर्ण विवेकानुसार, सेबी (आईसीडीआर) विनियम, 2009 के निबंधनों के अनुसार निर्धारित “आधार मूल्य” से अधिकतम पांच प्रतिशत की छूट पर या ऐसी छूट पर, जो लागू विनियमों के अंतर्गत अनुमत हो, ईक्विटी शेयर जारी कर सकता है.”

“यह भी संकल्प किया जाता है कि निर्गम, आबंटन और सूचीबद्धता को

अपना अनुमोदन, सहमति, अनुमति एवं मंजूरी देते/ प्रदान करते समय और निदेशक मंडल द्वारा सहमत हुए अनुसार भारत सरकार/ रिजर्व बैंक/ सेबी/ ऐसे स्टॉक एक्सचेंज जिनमें बैंक के शेयर सूचीबद्ध हों अथवा अन्य उपयुक्त प्राधिकारियों द्वारा प्रस्ताव में अपेक्षित या लगाए गए किसी संशोधन को स्वीकार करने की शक्ति व अधिकार बैंक के निदेशक मंडल को होगा.”

“यह भी संकल्प किया जाता है कि अनिवासी भारतीयों, विदेशी संस्थागत निवेशकों और /अथवा अन्य पात्र विदेशी निवेशकों को नए ईक्विटी शेयरों, यदि कोई हों, का निर्गम तथा आबंटन विदेशी मुद्रा प्रबंध अधिनियम, 1999 के अंतर्गत रिजर्व बैंक के अनुमोदन के अधीन प्रयोज्य किंतु अधिनियम के अंतर्गत निर्धारित समग्र सीमा के भीतर किया जाएगा.”

“यह भी संकल्प किया जाता है कि जारी किये जाने वाले उक्त नए ईक्विटी शेयर सभी दृष्टियों से बैंक के मौजूदा ईक्विटी शेयरों के समरूप होंगे तथा लाभांश की घोषणा के समय प्रचलित सांविधिक दिशा-निर्देशों के अनुसार घोषित लाभांश, यदि कोई हो, के लिए पात्र होंगे.”

“यह भी संकल्प किया जाता है कि ईक्विटी शेयरों के किसी निर्गम या आबंटन को प्रभावी बनाने के प्रयोजनार्थ बोर्ड को सदस्यों से आगे कोई अनुमोदन प्राप्त किये बिना सार्वजनिक निर्गम की शर्तों तथा निवेशकों की ऐसी श्रेणी, जिन्हें प्रतिभूतियां आबंटित की जानी हैं, प्रत्येक श्रृंखला में आबंटित किए जानेवाले शेयरों/ प्रतिभूतियों की संख्या, निर्गम मूल्य, निर्गम पर प्रीमियम राशि जिन्हें बोर्ड अपने पूर्ण विवेकाधिकार के तहत उचित समझे, का निर्धारण करने तथा ऐसे सभी कृत्य, कार्य, मामले और चीजें करने और ऐसे विलेख, दस्तावेज तथा करार निष्पादित करने के लिए, जिसे वे अपने पूर्ण विवेकाधिकार के तहत आवश्यक, उचित या अभीष्ट समझें तथा सार्वजनिक ऑफर, निर्गम, आबंटन और निर्गम से प्राप्त आय के उपयोग के संबंध में उठने वाले किसी प्रकार के प्रश्न, कठिनाई या संदेह का समाधान करने अथवा उनके समाधान के लिए निर्देश या अनुदेश देने और निबंधनों एवं शर्तों में ऐसे आशोधन, बदलाव, भिन्नता, परिवर्तनों, विलोपन, संवर्धन को स्वीकार और लागू करने, जो बोर्ड अपने पूर्ण विवेकाधिकार के अधीन बैंक के सर्वोत्तम हित में उपयुक्त और उचित समझे, के लिए प्राधिकृत किया जाये और एतद्वारा प्राधिकृत किया जाता है और कि इस संकल्प द्वारा बैंक और बोर्ड को प्रदत्त सभी या किसी शक्ति का प्रयोग बोर्ड द्वारा किया जा सकता है.”

“यह भी संकल्प किया जाता है कि बोर्ड को अग्रणी प्रबंधकों (कों), बैंकर (रों), हामीदार (रों), निक्षेपागार (रों) तथा/ या ऐसी सभी एजेंसियों के साथ, जो इस प्रकार के ईक्विटी के निर्गम में शामिल या उससे संबंधित हों, के साथ ऐसी सभी व्यवस्थाओं के लिए करार करने और उसे निष्पादित करने और ऐसी सभी संस्थाओं एवं एजेंसियों को कमीशन, दलाली, फीस या किसी अन्य रूप में पारिश्रमिक देने तथा ऐसी एजेंसियों के साथ सभी संबंधित व्यवस्थाएं, करार ज्ञापन, दस्तावेज आदि निष्पादित करने के लिए प्राधिकृत किया जाए और एतद्वारा प्राधिकृत किया जाता है.”

“यह भी संकल्प किया जाता है कि उपर्युक्त को लागू करने के लिए बोर्ड को बैंक द्वारा नियुक्त अग्रणी प्रबंधकों, हामीदारों, सलाहकारों और/अथवा बैंक द्वारा नियुक्त अन्य व्यक्तियों के परामर्श से निर्गम के स्वरूप और शर्तों, साथ ही निवेशकों की श्रेणी, जिन्हें शेयर आबंटित किए जाने हैं, प्रत्येक श्रृंखला में आबंटित किए जाने वाले शेयरों की संख्या, निर्गम मूल्य (प्रीमियम सहित, यदि कोई हो), अंकित मूल्य, निर्गम पर प्रीमियम राशि, ईक्विटी शेयरों की संख्या, मूल्य, निर्गम पर प्रीमियम या छूट, रिकॉर्ड तारीख या लेखा बंदी की तारीख नियत करना तथा संबंधित या प्रासंगिक मामले, भारत में और/

अथवा विदेश में एक या एक से अधिक स्टॉक एक्सचेंजों में सूचीबद्ध करने, जैसा कि बोर्ड अपने पूर्ण विवेकाधिकार के तहत उचित समझे, के लिए प्राधिकृत किया जाए और एतद्वारा प्राधिकृत किया जाता है.”

“यह भी संकल्प किया जाता है कि अभिदान न किए गए ऐसे शेयरों का बोर्ड द्वारा अपने पूर्ण विवेकाधिकार के अधीन ऐसे तरीके से निपटारा किया जाए, जिसे बोर्ड उपयुक्त समझे और जो विधि द्वारा अनुमत हो.”

“यह भी संकल्प किया जाता है कि इस संकल्प को लागू करने के प्रयोजनार्थ बोर्ड को शेयरधारकों या प्राधिकरणों से कोई अतिरिक्त सहमति अथवा अनुमोदन प्राप्त किये बिना ऐसे सभी कृत्य, कार्य, मामले और चीजें करने, जिन्हें वे अपने पूर्ण विवेकाधिकार के तहत आवश्यक, उचित व अभीष्ट समझें और शेयरों के निर्गम के संबंध में उत्पन्न होनेवाले किसी भी प्रश्न, कठिनाई या संदेह का समाधान करने और आगे ऐसे सभी कृत्य, कार्य, मामले और चीजें करने और सभी दस्तावेज तथा लिखतों को अंतिम रूप देने और निष्पादित करने, जिसे वे अपने पूर्ण विवेकानुसार आवश्यक, अभीष्ट और अत्यावश्यक समझें, के लिए प्राधिकृत किया जाए और एतद्वारा प्राधिकृत किया जाता है अथवा इस आशय से उनको प्राधिकृत किया जाता है कि इस संकल्प के प्राधिकार द्वारा शेयरधारकों ने अपना स्पष्ट रूप से अभिव्यक्त अनुमोदन दे दिया है, ऐसा माना जाएगा.”

“यह भी संकल्प किया जाता है कि उपर्युक्त संकल्पों को प्रभावी बनाने के लिए निदेशक मंडल को अपने सभी या किसी भी अधिकार को अध्यक्ष एवं प्रबंध निदेशक अथवा उप प्रबंध निदेशक अथवा कार्यपालक निदेशक (कों) या बैंक के किसी अन्य वरिष्ठ कार्यपालक को प्रत्यायोजित करने के लिए प्राधिकृत किया जाए और एतद्वारा प्राधिकृत किया जाता है.”

7. बैंक के संस्था अंतर्नियम के नियम 116 (1) (सी) के निबंधनों के अनुसार भारत सरकार की 11 जनवरी 2013 की अधिसूचना एफ.सं.7/2/2012-बीओ.1 द्वारा श्री सुनील सोनी के स्थान पर सुश्री स्नेहलता श्रीवास्तव, अपर सचिव, वित्तीय सेवाएं विभाग, भारत सरकार के 11 जनवरी 2013 से भारत सरकार द्वारा अगले आदेश तक के लिए आईडीबीआई बैंक लि. के बोर्ड में सरकारी नामिती निदेशक के रूप में नामांकन को नोट करना.
8. बैंक के संस्था अंतर्नियम 116(1)(ए) के निबंधनों के अनुसार भारत सरकार की 5 जुलाई 2013 की अधिसूचना एफ सं.4/4/2012-बीओ.1 के जरिए श्री एम. एस. राघवन की 5 जुलाई 2013 से 30.06.2015 अर्थात् उनकी अधिवर्षिता आयु प्राप्त करने की तारीख तक की अवधि या भारत सरकार द्वारा अगले आदेश तक के लिए आईडीबीआई बैंक लि. के अध्यक्ष एवं प्रबंध निदेशक के रूप में नियुक्ति को नोट करना.

बोर्ड के आदेश से

(एम. एस. राघवन)
अध्यक्ष एवं प्रबंध निदेशक

पंजीकृत कार्यालय :
आईडीबीआई बैंक लिमिटेड,
आईडीबीआई टॉवर,
डब्ल्यूटीसी कॉम्प्लेक्स,
कफ परेड,
मुंबई - 400 005.
दिनांक : 8 जुलाई 2013

टिप्पणियां

1. मर्दों (कंपनी अधिनियम, 1956 की धारा 173(2)के अंतर्गत विशेष कारोबार की मर्दों सहित)के संबंध में व्याख्यात्मक विवरण इसके साथ संलग्न किए गए हैं.
2. महासभा में भाग लेने और उसमें मत देने का हकदार सदस्य अपने स्थान पर किसी अन्य व्यक्ति को (चाहे वह सदस्य हो अथवा नहीं) सभा में भाग लेने एवं मत देने के लिए अपना प्रॉक्सी नियुक्त कर सकता/ सकती है लेकिन इस प्रकार से नियुक्त किए गए प्रॉक्सी को सभा में बोलने का अधिकार नहीं होगा. प्रॉक्सी के रूप में नियुक्त व्यक्ति को केवल मतदान की स्थिति में मत देने का अधिकार होगा. प्रॉक्सी फॉर्म इस सूचना के साथ संलग्न है. प्रॉक्सी लिखत तब वैध माना जाएगा जब:
 - (क) यह सदस्य द्वारा या लिखित रूप में विधिवत् प्राधिकृत उसके अटर्नी द्वारा हस्ताक्षरित हो अथवा संयुक्त धारकों के मामले में रजिस्टर में जिस सदस्य का नाम पहले हो, उसके द्वारा या लिखित रूप में विधिवत् प्राधिकृत उसके अटर्नी द्वारा हस्ताक्षरित हो अथवा कंपनी निकाय के मामले में यह उसकी कॉमन सील, यदि कोई हो, के तहत निष्पादित हो या लिखित रूप से विधिवत् प्राधिकृत उसके अटर्नी द्वारा हस्ताक्षरित हो; बशर्ते प्रॉक्सी लिखत किसी भी सदस्य द्वारा पर्याप्त रूप से हस्ताक्षरित हो, जो किसी कारणवश यदि अपना नाम लिखने में असमर्थ हो तो सदस्य के अंगूठे का निशान वहां लगाया गया हो और वह किसी न्यायाधीश, मजिस्ट्रेट, रजिस्ट्रार या सब-रजिस्ट्रार ऑफ एश्योरेंसेज या किसी अन्य सरकारी राजपत्रित अधिकारी या राष्ट्रीयकृत बैंक अथवा आईडीबीआई बैंक लिमिटेड के किसी अधिकारी द्वारा अनुप्रमाणित किया गया हो.
 - (ख) यह बैंक के पंजीकृत कार्यालय में, सभा के लिए निर्धारित समय से कम से कम 48 घंटे पहले, विधिवत् रूप से स्टाम्प लगाकर जमा किया जाए और उसके साथ पॉवर ऑफ अटर्नी या अन्य प्राधिकार (यदि कोई हो) जिसके अंतर्गत यह हस्ताक्षरित है अथवा उस पॉवर ऑफ अटर्नी के नोटरी पब्लिक या मजिस्ट्रेट द्वारा प्रमाणित प्रति जमा की जाए, बशर्ते ऐसा पॉवर ऑफ अटर्नी या अन्य प्राधिकार बैंक में पहले जमा और पंजीकृत न किया गया हो.
3. सदस्यों /प्रॉक्सियों /प्राधिकृत प्रतिनिधियों से अनुरोध है कि वे सभा में वार्षिक रिपोर्ट तथा लेखों की अपनी प्रतियां तथा विधिवत् भरा हुआ पहचान फॉर्म साथ लाएं.
4. नियम 87 के प्रावधान के अनुसार वार्षिक महासभा के लिए कोरम कारोबार के आरंभ होने पर सभा में कम से कम पाँच सदस्यों (केंद्र सरकार के विधिवत् रूप से प्राधिकृत प्रतिनिधि सहित) के व्यक्तिगत रूप से उपस्थित होने पर पूरा होगा.
5. बैंक के सदस्यों का रजिस्टर तथा शेयर अंतरण बहियां 31 अगस्त 2013 से 04 सितंबर 2013 तक (दोनों दिन शामिल) बंद रखी जाएंगी.
6. शेयरधारकों से अनुरोध है कि वे शेयर से संबंधित किसी भी मामले के लिए बैंक के रजिस्ट्रार एवं ट्रांसफर एजेंट अर्थात् कार्वी कंप्यूटरशेयर प्रा. लि., प्लॉट सं. 17-24, विठ्ठल राव नगर, माधापुर, हैदराबाद - 500081 [टेलीफोन नं. (040) 44655000, फैक्स नं. (040) 23420814, ईमेल einward.ris@karvy.com] अथवा आईडीबीआई बैंक लि. के पंजीकृत कार्यालय में बोर्ड विभाग के इक्विटी कक्ष, 20वीं मंजिल, आईडीबीआई टॉवर, डब्ल्यूटीसी कॉम्प्लेक्स, कफ परेड, मुंबई-400 005 [टेलीफोन नं. (022) 66552779, 66553062, 66553336 फैक्स नं. (022) 22182352 ईमेल idbiequity@idbi.co.in] से संपर्क करें.
7. सदस्यों का रजिस्टर बैंक के पंजीकृत कार्यालय में सभी कार्य दिवसों को कार्य समय के दौरान पूर्वाह्न 11.00 बजे से अपराह्न 1.00 बजे तक निरीक्षण के लिए उपलब्ध रहेगा.
8. सदस्यगण कृपया ध्यान दें कि सभा में कोई उपहार वितरित करने का प्रस्ताव नहीं है.

सूचना का अनुबंध

सूचना की मदों के संबंध में व्याख्यात्मक विवरण

1. सूचना की मद संख्या 2

बैंक के निदेशक मंडल ने 25 अप्रैल 2013 को संपन्न अपनी बैठक में वित्तीय वर्ष 2012-13 के लिए बैंक की पूर्णतः प्रदत्त ईक्विटी शेयर पूंजी पर ₹ 3.50 प्रति ईक्विटी शेयर की दर से लाभांश की सिफारिश की है।

यदि वार्षिक महासभा में लाभांश घोषित किया जाता है तो ₹ 3.50 प्रति ईक्विटी शेयर की दर से लाभांश 1 अक्टूबर 2013 की भुगतान तारीख को उसकी घोषणा से 30 दिन के भीतर भौतिक रूप में शेयर धारित करने वाले उन शेयरधारकों को अदा कर दिया जाएगा जिनके नाम 30 अगस्त 2013 को या इसके पूर्व बैंक के रजिस्ट्रार एवं शेयर अंतरण एजेंट के पास अंतरण के लिए प्रस्तुत सभी वैध शेयर अंतरणों को लागू करने के बाद बैंक के सदस्यों के रजिस्टर में दर्ज होंगे। इलेक्ट्रॉनिक रूप में शेयर धारित करने वालों को नेशनल सिक्योरिटीज़ डिपॉज़िटरी लि. (एनएसडीएल) और सेंट्रल डिपॉज़िटरी सर्विसेज़ (इंडिया) लि.(सीडीएसएल) द्वारा इस प्रयोजन के लिए प्रस्तुत ब्योरो के आधार पर 30 अगस्त 2013 को कारोबार की समाप्ति पर शेयरों के हिताधिकारी स्वामियों को लाभांश देय होगा।

2. सूचना की मद संख्या 3

निर्वाचित क्रमावर्ती निदेशक श्री एस. रवि आगामी वार्षिक महासभा में क्रमावर्तन से निवृत्त हो रहे हैं तथा पात्र होने के कारण उन्होंने स्वयं को पुनःनियुक्ति हेतु प्रस्तुत किया है। यह प्रस्ताव है कि कंपनी अधिनियम, 1956 की धारा 256 और बैंक के संस्था अंतर्नियम के नियम 116 (1) (ई) के अनुसार श्री एस. रवि को क्रमावर्तन से निवृत्ति आधार पर बैंक के निदेशक के रूप में पुनःनियुक्त किया जाए। श्री एस. रवि के पास बैंकिंग विनियमन अधिनियम, 1949 की धारा 10ए(2)(ए)के अंतर्गत अपेक्षित आवश्यक योग्यता है।

सदस्य श्री एस. रवि की बैंक के निदेशक के रूप में पुनःनियुक्ति करने पर विचार करें। श्री एस. रवि की पुनःनियुक्ति में स्वयं श्री एस. रवि के अलावा बैंक के किसी भी निदेशक का प्रत्यक्ष या परोक्ष रूप में कोई सरोकार या हित नहीं है। श्री एस. रवि बैंक के बोर्ड के किसी अन्य निदेशक से किसी भी रूप में संबद्ध नहीं हैं।

श्री एस. रवि का परिचय निम्नानुसार है:

श्री एस. रवि बीएससी, एम कॉम, एफसीए हैं तथा वे सेंटर ऑफ मैनेजमेंट स्टडीज़, जामिया मिलिया इस्लामिया विश्वविद्यालय, नई दिल्ली से पीएचडी भी कर रहे हैं। श्री एस रवि ने सरकारी क्षेत्र के विभिन्न बैंकों के बोर्ड में अपनी निदेशकता के चलते बैंकिंग क्षेत्र में व्यापक अनुभव प्राप्त किया है। सरकारी क्षेत्र के बैंकों यथा यूनियन बैंक ऑफ इंडिया, कॉर्पोरेशन बैंक, देना बैंक, यूको बैंक तथा पंजाब व सिंध बैंक के निदेशक के अपने कार्यकाल के दौरान वे लेखापरीक्षा समिति, रणनीतिक पुनरुत्थान समिति तथा जोखिम प्रबंध समिति जैसी विभिन्न समितियों में भी रहे। उन्हें वित्तीय क्षेत्र अर्थात् म्यूचुअल फंड, होम फाइनेंस, उद्यम पूंजी निधि तथा पूंजी बाजार कार्यकलापों का भी अनुभव है। इस समय वे महिंद्रा उगिने स्टील कंपनी लि., आईडीबीआई कैपिटल मार्केट सर्विसेज़ लि., यूटीआई ट्रस्टी कंपनी प्रा. लि., एलआईसी हाउसिंग फाइनेंस लि., रेलिगेयर हाउसिंग डेवलपमेंट फाइनेंस कॉर्पोरेशन लि., भारत

हैवी इलैक्ट्रिकल्स लि., कैनबैंक वेंचर कैपिटल फंड लि., एसएमई रेटिंग एजेंसी ऑफ इंडिया लि., मैनेजमेंट डेवलपमेंट इंस्टीट्यूट तथा एसबीआई-एसजी ग्लोबल सिक्यूरिटीज़ सर्विसेज़ प्रा. लि. के बोर्ड में निदेशक हैं। श्री रवि के पास आईडीबीआई बैंक लि. के 200 शेयर हैं।

3. सूचना की मद सं.4

निर्वाचित क्रमावर्ती निदेशक श्री निनाद कर्पे आगामी वार्षिक महासभा में क्रमावर्तन से निवृत्त हो रहे हैं तथा पात्र होने के कारण उन्होंने स्वयं को पुनःनियुक्ति हेतु प्रस्तुत किया है। यह प्रस्ताव है कि कंपनी अधिनियम, 1956 की धारा 256 और बैंक के संस्था अंतर्नियम के नियम 116 (1) (ई) के अनुसार श्री निनाद कर्पे को क्रमावर्तन से निवृत्ति आधार पर बैंक के निदेशक के रूप में पुनःनियुक्त किया जाए। श्री निनाद कर्पे के पास बैंकिंग विनियमन अधिनियम, 1949 की धारा 10ए(2)(ए)के अंतर्गत अपेक्षित आवश्यक योग्यता है।

सदस्य श्री निनाद कर्पे की बैंक के निदेशक के रूप में पुनःनियुक्ति करने पर विचार करें। श्री निनाद कर्पे की पुनःनियुक्ति में स्वयं श्री निनाद कर्पे के अलावा बैंक के किसी भी निदेशक का प्रत्यक्ष या परोक्ष रूप में कोई सरोकार या हित नहीं है। श्री निनाद कर्पे बैंक के बोर्ड के किसी अन्य निदेशक से किसी भी रूप में संबद्ध नहीं हैं।

श्री निनाद कर्पे का संक्षिप्त परिचय निम्नानुसार है :

श्री निनाद कर्पे एप्टेक लि. के प्रबंध निदेशक व मुख्य कार्यपालक अधिकारी हैं। वे बी. कॉम, एलएलबी(सा) तथा एफसीए हैं। उन्होंने बड़े ही आक्रामक रूप से एप्टेक लि. को विश्व स्तर पर शिक्षण समाधानों के एक वास्तविक वैश्विक प्रदाता की हैसियत दिलाई है। एप्टेक चीन, वियतनाम, नाइजीरिया, रूस तथा अन्य उभरते बाजारों में अपने क्षेत्र में अग्रणी है। एप्टेक लि. से पूर्व वे सीए इंडिया के प्रबंध निदेशक के पद पर थे तथा उनके पास कंपनी की टैक्नोलॉजी की पहुंच को विस्तार देने और भारत की अग्रणी आईटी कंपनियों के साथ रणनीतिक साझेदारी बनाने का उत्तरदायित्व था। उन्होंने अपना सीए पूरा करने के बाद एक स्वतंत्र परामर्शदात्री फर्म भी खोली थी जो कि विदेशी कंपनियों तथा अनिवासी भारतीयों को भारत में निवेश करने में सहायता देने का विशेषीकृत कार्य करती है। इस अवधि के दौरान उन्होंने कराधान पर पुस्तकें भी लिखीं तथा भारत में विदेशी निवेश और रणनीति विषय पर विभिन्न गोष्ठियों तथा कार्यक्रमों में व्याख्यान भी दिए। वे एच आर कॉलेज में अंशकालिक लेक्चरर तथा जमनालाल बजाज कॉलेज ऑफ मैनेजमेंट स्टडीज़, मुंबई में अतिथि लेक्चरर भी थे। वे बीएनपी परिबास असेट मैनेजमेंट इंडिया प्रा.लि., सविता ऑयल टैक्नोलॉजिज़ लि., माया एंटरटेनमेंट लि. तथा इंडिया एसएमई असेट रिकन्स्ट्रक्शन कं लि. के बोर्ड में स्वतंत्र निदेशक हैं।

4. सूचना की मद सं. 5

बैंक के संस्था अन्तर्नियम के नियम 187 के अनुसार यह अपेक्षित है कि बैंक के लेखों की लेखापरीक्षा बैंककारी विनियमन अधिनियम, 1949 के अनुसार नियुक्त किए गए एक या अधिक ऐसे लेखापरीक्षकों द्वारा करवायी जाए, जिन्हें बैंक द्वारा कंपनी अधिनियम, 1956 की धारा 224ए के तहत शेयरधारकों की महासभा में विशेष संकल्प पारित करते हुए बैंककारी विनियमन अधिनियम, 1949 की धारा 30 (1ए) के निबंधनों के अनुसार रिज़र्व बैंक के पूर्व अनुमोदन

से नियुक्त किया गया हो. मेसर्स खीमजी कुंवरजी एंड कं., सनदी लेखाकार, मुंबई (आईसीएआई रजि.नं. 105146W) और मेसर्स जी. डी. आप्टे एंड कं., सनदी लेखाकार, पुणे (आईसीएआई रजि.नं.100515W) वित्तीय वर्ष 2012-13 के लिए बैंक के संयुक्त सांविधिक लेखापरीक्षक नियुक्त किये गये थे और मेसर्स संगानी एंड कं. को कंपनी अधिनियम, 1956 की धारा 228 के निबंधनों के अनुसार वित्तीय वर्ष 2012-13 के लिए डीआईएफसी, दुबई शाखा के लिए शाखा सांविधिक लेखापरीक्षक के रूप में पुनःनियुक्त किया गया था. ये लेखापरीक्षक नौवीं वार्षिक महासभा की कार्यवाही पूरी होने तक बने रहेंगे. भारतीय रिज़र्व बैंक के दिनांक 18 जून 2013 के अनुमोदन के अनुसार, बैंक के कंपनी अधिनियम, 1956 की धारा 224ए के अंतर्गत वित्तीय वर्ष 2013-14 के लिए बैंक संयुक्त सांविधिक लेखापरीक्षक के रूप में मेसर्स खीमजी कुंवरजी एंड कं. तथा मेसर्स जी. डी. आप्टे एंड कं., सनदी लेखाकार को पुनः नियुक्त करने का प्रस्ताव करता है. इसके अलावा, भारतीय रिज़र्व बैंक के दिनांक 18 जून 2013 के अनुमोदन के अनुसार बैंक कंपनी अधिनियम, 1956 की धारा 228 के निबंधनों के अनुसार वित्तीय वर्ष 2013-14 के लिए डीआईएफसी, दुबई शाखा के लिए शाखा सांविधिक लेखापरीक्षक के रूप में मेसर्स अशोक कपूर एंड एसोसिएट्स, सनदी लेखाकार, दुबई को नियुक्त करने का भी प्रस्ताव करता है. उपर्युक्त लेखापरीक्षकों के लिए निबंधन एवं शर्तें तथा पारिश्रमिक लेखापरीक्षा समिति की सिफारिशों के आधार पर बैंक के निदेशक मंडल द्वारा नियत किया जाएगा. तदनुसार, वार्षिक महासभा की सूचना की मद सं. 5 में निहित विशेष संकल्प शेयरधारकों द्वारा पारित किये जाने के लिए प्रस्तावित है.

5. सूचना की मद सं. 6 के संबंध में कंपनी अधिनियम, 1956 की धारा 173(2) के अंतर्गत व्याख्यात्मक विवरण

- (i) बैंक की वर्तमान प्रदत्त पूंजी ₹ 13,32,77,25,170/- है जिसमें प्रवर्तकों की शेयरधारिता 71.72% तथा जनता की शेयरधारिता 28.28% है. समय-समय पर जारी किए गए संबंधित विनियामक दिशानिर्देशों के अनुसरण में बैंक को टियर I पूंजी को बनाए रखने की आवश्यकता है. बैंक की चालू विस्तार योजनाओं, बेसल II मानदंडों के कार्यान्वयन और प्रतिगामी पूंजी प्रभार को देखते हुए पूंजी को बढ़ाने की आवश्यकता है ताकि पूंजी पर्याप्तता अनुपात को और भी मजबूत बनाया जा सके. क्यूआईपी मार्ग आदि के अंतर्गत पूंजी के निर्गम के लिए 6 सितंबर 2012 को आयोजित पिछली वार्षिक महासभा में पारित विशेष संकल्प क्यूआईपी के लिए सेबी (आईसीडीआर) विनियम, 2009 के निबंधनों के अनुसार सिर्फ एक वर्ष के लिए अर्थात् 5 सितंबर 2013 तक वैध है.
- (ii) बैंक प्रदत्त पूंजी को बढ़ाने के लिए भारत सरकार के वित्त मंत्रालय से आवश्यक अनुमोदन प्राप्त करेगा. तथापि, केन्द्र सरकार की बैंक की प्रदत्त इक्विटी पूंजी में धारिता किसी भी समय इक्यावन प्रतिशत से कम नहीं होगी.
- (iii) यह संकल्प कंपनी अधिनियम, 1956 की धारा 81(1ए)के तहत विशेष संकल्प के रूप में पारित करने के लिए प्रस्तावित है. कंपनी अधिनियम, 1956 की धारा 81(1ए) और सूचीबद्धता करार की धारा 23 की उप-धारा (ए)के तहत यह प्रावधान है कि जब भी बैंक द्वारा दुबारा कोई निर्गम या ऑफर लाया जाता है, तब वर्तमान शेयरधारकों को उसे आनुपातिक आधार पर दिया जाना चाहिए जब तक कि महासभा में शेयरधारक अन्यथा कोई निर्णय न लें. यदि उक्त संकल्प पारित होता है तो निदेशक मंडल को बैंक की ओर से यह अधिकार होगा कि वह

वर्तमान शेयरधारकों को आनुपातिक आधार से इतर प्रतिभूतियां जारी और आबंटित कर सके.

- (iv) इस संकल्प का उद्देश्य बैंक को सार्वजनिक निर्गम, अधिकार निर्गम, अधिमान निर्गम तथा निजी नियोजन आधार पर निर्गम, क्यूआईपी आदि के जरिए इक्विटी शेयरों को प्रस्तावित करने, निर्गमित करने और आबंटित करने के लिए समर्थ बनाना है. अधिमान निर्गम के मामले में (i) शेयर प्रवर्तक, (भारत सरकार) तथा/या सेबी (आईसीडीआर) विनियम, 2009 के अध्याय VII के अधीन अनुमत अन्य क्यूआईपी, यदि कोई हैं, को जारी किए जाएंगे. (ii) अधिमान निर्गम के मूल्य निर्धारण के लिए संगत तारीख इस वार्षिक महासभा की तारीख से 30 दिन पूर्व अर्थात् 05 अगस्त, 2013 होगी; (iii) निर्गम के मूल्य की गणना 05 अगस्त, 2013 की संगत तारीख के आधार पर सेबी (आईसीडीआर) विनियम के खंड 76 के अनुसार की जाएगी, (iv) अधिमान निर्गम से पूर्व तथा बाद में निर्गमकर्ता की शेयरधारिता का स्वरूप ₹ 13,32,77,25,170/- की वर्तमान प्रदत्त पूंजी और इस संकल्प के निबंधनों के अनुसार बैंक द्वारा आबंटित कुल ₹ 4000 करोड़ (प्रीमियम राशि सहित) तक की राशि के लिए आबंटित शेयरों की वास्तविक संख्या होगी.
- (v) अधिमान निर्गम का कार्य इस संकल्प से 15 दिनों के भीतर या अधिमान निर्गम के अभिदान हेतु भारत सरकार के अनुमोदन या किसी अन्य सांविधिक/ विनियामक अनुमोदन से 15 दिनों के भीतर पूरा किया जाएगा.
- (vi) लेखापरीक्षकों का प्रमाणपत्र बोर्ड की उस बैठक में प्रस्तुत किया जाएगा जिसमें इस संकल्प के प्राधिकार के अधीन अधिमान निर्गम का अनुमोदन किया जाना है. इस निर्गम से प्राप्त राशि से बैंक समय-समय पर रिज़र्व बैंक द्वारा निर्दिष्ट रूप में अपनी पूंजी पर्याप्तता आवश्यकता को मजबूत बना सकेगा.
- (vii) यह संकल्प सेबी (आईसीडीआर) विनियम, 2009 में परिभाषित रूप में पात्र संस्थागत क्रेताओं के पास पात्र संस्थागत नियोजन करने के लिए निदेशक मंडल को अतिरिक्त अधिकार देता है. निदेशक मंडल बैंक के लिए निधि जुटाने के लिए अपने विवेकानुसार शेयरधारकों से बिना नया अनुमोदन प्राप्त किए सेबी (आईसीडीआर) विनियम, 2009 के अध्याय के अंतर्गत निर्धारित इस व्यवस्था को अपना सकता है.
- (viii) क्यूआईपी निर्गम के मामले में, सेबी (आईसीडीआर) विनियम, 2009 के अध्याय VIII के निबंधनों के अनुसार क्यूआईपी आधार पर प्रतिभूतियों का निर्गम ऐसे मूल्य पर किया जाए जो कि “संगत तारीख” से पहले के दो सप्ताहों में स्टॉक एक्सचेंज में शेयरों के उद्धृत मूल्यों के साप्ताहिक न्यूनतम और अधिकतम मूल्यों के औसत बंद मूल्य से कम न हो. बोर्ड सेबी (आईसीडीआर) विनियम, 2009 के निबंधनों के अनुसार निर्धारित ‘आधार मूल्य’ से अधिकतम 5 प्रतिशत छूट पर या ऐसे अन्य छूट पर, जो लागू विनियमों के अंतर्गत अनुमत हो, स्वविवेकानुसार इक्विटी शेयर जारी कर सकता है.
- (ix) “संगत तारीख” से बैठक की वह तारीख अभिप्रेत होगी जिसमें बोर्ड या बोर्ड की समिति क्यूआईपी निर्गम लाने का निर्णय ले.
- (x) सेबी (आईसीडीआर) विनियम, 2009 के अनुसार ऐसे क्यूआईपी हेतु विशेष संकल्प की वैधता इस वार्षिक महासभा की तारीख से एक वर्ष तक सीमित रहेगी.

(xi) ऑफर के विस्तृत निबंधन एवं शर्तों को बाजार की वर्तमान स्थितियों और विनियामक जरूरतों पर विचार करते हुए सलाहकारों, अग्रणी प्रबंधकों और हामीदारों तथा ऐसे अन्य प्राधिकारी अथवा प्राधिकारियों, जो भी आवश्यक हों, के परामर्श से निश्चित किया जाएगा।

(xii) चूंकि ऑफर का मूल्य निर्धारण अभी नहीं किया जा सकता और इसे बाद के चरण में निर्धारित किया जाएगा, अतः जारी किये जाने वाले शेयरों के मूल्य का उल्लेख करना संभव नहीं है। तथापि, इसे सेबी (आईसीडीआर) विनियम 2009, कंपनी अधिनियम, 1956, बैंकिंग विनियमन अधिनियम, 1949 के प्रावधानों अथवा अन्य लागू या आवश्यक दिशा-निर्देशों / विनियमों / सम्मतियों के अनुसार निर्धारित किया जाएगा।

(xiii) अतः उपर्युक्त कारणों से निर्गम की शर्तों को अंतिम रूप देने के लिए बोर्ड को पर्याप्त लचीलापन और विवेकाधिकार प्रदान करने के लिए एक समर्थकारी प्रस्ताव पारित करने का प्रस्ताव है।

(xiv) आबंटित किए जाने वाले ईक्विटी शेयर सभी दृष्टियों से बैंक के मौजूदा ईक्विटी शेयरों के समरूप होंगे।

इस प्रयोजन के लिए बैंक को शेयरधारकों से एक विशेष संकल्प के जरिए सहमति लेनी आवश्यक है। अतः उपरोक्त प्रस्ताव पर शेयरधारकों की सहमति हेतु अनुरोध किया जाता है। निदेशक मंडल सूचना में उल्लिखित संकल्पों को पारित करने की सिफारिश करता है। बैंक में अपनी शेयरधारिता की सीमा (यदि कोई हो) के अलावा बैंक के किसी भी निदेशक का उपर्युक्त संकल्प (पों) में कोई हित या संबंध नहीं है।

6. सूचना की मद सं. 7 के संबंध में कंपनी अधिनियम, 1956 की धारा 173(2) के अधीन व्याख्यात्मक विवरण

भारत सरकार ने 11 जनवरी 2013 की अपनी अधिसूचना एफ. सं.7/2/2012-बीओ.1 के जरिए सुश्री स्नेहलता श्रीवास्तव, अपर सचिव, वित्तीय सेवाएं विभाग, वित्त मंत्रालय, भारत सरकार को बैंक के संस्था अंतर्नियम के नियम 116 (1) (सी) के अधीन 11 जनवरी 2013 से अगले आदेश तक श्री सुनील सोनी के स्थान पर आईडीबीआई बैंक लि. के बोर्ड में सरकारी नामिती निदेशक के रूप में नामित किया है। सदस्यों से अनुरोध है कि वे उक्त नामांकन को नोट करें। सुश्री स्नेहलता श्रीवास्तव बैंक के बोर्ड के किसी भी निदेशक से किसी भी रूप में संबद्ध नहीं हैं।

सुश्री स्नेहलता श्रीवास्तव का संक्षिप्त परिचय निम्नानुसार है:

सुश्री स्नेहलता श्रीवास्तव मध्य प्रदेश कैडर से भारतीय प्रशासनिक सेवा के 1982 बैच की अधिकारी हैं। 18 सितंबर 1957 को जन्मी सुश्री श्रीवास्तव भूगोल में स्नातकोत्तर हैं। इसके बाद उन्होंने क्षेत्रीय आयोजना एवं आर्थिक वृद्धि में एम.फिल की उपाधि हासिल की है। वे उप सचिव (ऊर्जा विभाग), मप्र; अपर सचिव (वित्त), मप्र; कार्यपालक निदेशक (खान एवं खनिज), मप्र; प्रधान सचिव (उच्चतर शिक्षा और विज्ञान एवं प्रौद्योगिकी), मप्र; अध्यक्ष (शिक्षा विभाग), मप्र ; केन्द्र सरकार में निदेशक (वित्त एवं कंपनी मामले), मुख्य सतर्कता अधिकारी (रेलवे), संयुक्त सचिव (राजस्व) और संयुक्त सचिव (गृह एवं न्याय) सहित मध्य प्रदेश सरकार तथा केन्द्र सरकार में विभिन्न वरिष्ठ पदों पर भी रही हैं। वे भारतीय साधारण बीमा निगम और आईडीएफसी लि. के बोर्ड में सरकारी निदेशक हैं।

7. सूचना की मद सं. 8 के संबंध में कंपनी अधिनियम, 1956 की धारा 173(2) के अधीन व्याख्यात्मक विवरण

भारत सरकार ने 5 जुलाई 2013 की अधिसूचना एफ सं. 4/4/2012-बीओ.1 के जरिए श्री एम. एस. राघवन को 5 जुलाई 2013 से 30.06.2015 अर्थात् उनकी अधिवर्षिता आयु प्राप्त करने की तारीख तक की अवधि या भारत सरकार द्वारा अगले आदेश तक के लिए आईडीबीआई बैंक लि. के अध्यक्ष एवं प्रबंध निदेशक के रूप में नियुक्त किया है। सदस्यों से अनुरोध है कि उक्त नियुक्ति को नोट करें। श्री एम. एस. राघवन बैंक के बोर्ड के किसी भी निदेशक से किसी भी रूप में सम्बद्ध नहीं हैं।

श्री एम. एस. राघवन का संक्षिप्त परिचय निम्नानुसार है:

8 जून 1955 को जन्मे श्री एम. एस. राघवन विज्ञान में स्नातक और प्रबंधन तथा वित्तीय प्रबंधन में स्नातकोत्तर डिप्लोमा धारक हैं। उन्होंने 11 अक्टूबर 1976 को इंडियन ओवरसीज बैंक (आईओबी) में परिवीक्षाधीन अधिकारी के रूप में अपने बैंकिंग कैरियर की शुरुआत की और आईडीबीआई बैंक के अध्यक्ष एवं प्रबंध निदेशक के रूप में नियुक्ति से पूर्व वे बैंक ऑफ इंडिया में कार्यपालक निदेशक के रूप में पदापित थे।

श्री राघवन बैंक के पदानुक्रम में कई महत्वपूर्ण पदों पर रहे हैं। आईओबी में अपने 36 वर्ष के कार्यकाल में श्री राघवन ऋण, परिचालन तथा सूचना प्रौद्योगिकी के क्षेत्रों में महत्वपूर्ण पदों पर रहे हैं। श्री राघवन को मानव संसाधन प्रबंध, जोखिम प्रबंध, कॉरपोरेट ऋण, सूचना प्रौद्योगिकी तथा अनुपालन में व्यावसायिक दक्षता हासिल है। इंडियन ओवरसीज बैंक में सूचना प्रौद्योगिकी विभाग के महा प्रबंधक के रूप में उनके सुदीर्घ एवं उल्लेखनीय कार्यकाल के दौरान बैंक ने अपनी सभी शाखाओं में कोर बैंकिंग समाधान कार्यान्वित किया।

आईबीए और आईडीआरबीटी ने बैंकिंग जगत में उनके विशद एवं विविध अनुभव का लाभ उठाने के लिए अपने संगठनों की विभिन्न समितियों में उन्हें नामित किया है। वर्तमान में श्री राघवन निम्न समितियों के सदस्य हैं:

(क) वित्तीय सेवाएं विभाग के तहत आईबीए की आदर्श ई-अभिशासन योजना के कार्यदल में;

(ख) वर्ष 2012-13 के लिए भुगतान प्रणाली व बैंकिंग प्रौद्योगिकी पर आईबीए की समिति में;

(ग) आईडीआरबीटी वित्तीय सेवा प्रौद्योगिकी सहायता संघ के कोर ग्रुप में;

(घ) आईडीआरबीटी भारतीय बैंक प्रौद्योगिकी सहायता संघ के कार्यपालक बोर्ड में।

बोर्ड के आदेश से

(एम. एस. राघवन)
अध्यक्ष एवं प्रबंध निदेशक

पंजीकृत कार्यालय :
आईडीबीआई बैंक लिमिटेड,
आईडीबीआई टॉवर,
डब्ल्यूटीसी कॉम्प्लेक्स,
कफ पोर्ड,
मुंबई - 400 005.

दिनांक : 8 जुलाई 2013

NOTICE

NOTICE IS HEREBY GIVEN that the 9th Annual General Meeting of the Members of IDBI Bank Limited will be held on Wednesday, September 04, 2013 at 3.30 p.m. at Nehru Centre Auditorium, Worli, Mumbai – 400 018 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Bank as at March 31, 2013 and the Profit and Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon;
2. To declare Dividend for the year 2012-13;
3. To reappoint Shri S. Ravi who retires by rotation and, being eligible, offers himself for reappointment as Director liable to retire by rotation;
4. To reappoint Shri Ninad Karpe, who retires by rotation and, being eligible, offers himself for reappointment, as Director liable to retire by rotation;
5. To appoint auditors and fix their remuneration and, in that behalf, to consider and, if thought fit, to pass the following resolution as Special Resolution:-

“RESOLVED THAT pursuant to Section 224A and other applicable provisions, if any, of the Companies Act, 1956, the Banking Regulation Act, 1949, Memorandum and Articles of Association of the Bank and any other Law or guideline applicable, if any, for the time being in force, the approval be and is hereby accorded to (i) the re-appointment of M/s. Khimji Kunverji & Co., Chartered Accountants, Mumbai (ICAI Regn. No. 105146W) and M/s G. D. Apte & Co., Chartered Accountants, Pune (ICAI Regn. No. 100515W) as Joint Statutory Auditors of the Bank for the Financial Year 2013-14 in terms of Reserve Bank of India (RBI)'s approval dated June 18, 2013 and (ii) the appointment of M/s. Ashok Kapur & Associates, Chartered Accountants, Dubai as Branch Statutory Auditors for IDBI Bank's DIFC, Dubai Branch for the Financial Year 2013-14 in terms of Section 228 of the Companies Act, 1956 and in terms of RBI's approval dated June 18, 2013, on such terms, conditions and remuneration as the Board of Directors of the Bank may fix for both the above appointments.”

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, Articles of Association of the Bank, the Banking Regulation Act, 1949, SEBI (ICDR) Regulations, 2009 and/ or any other relevant law/ guideline(s) and subject to the approvals, consents, sanctions, if any, of Reserve Bank of India (RBI), Government of India (GOI), Securities and Exchange Board of India (SEBI), and/ or any other statutory/ regulatory authority as may be required in this regard and subject to such terms, conditions and modifications thereto as may be prescribed by them in granting such approvals and which may be agreed to by the Board of Directors of the Bank, consent of the shareholders of the Bank be and is hereby accorded to the Board of Directors of the Bank (hereinafter

called ‘the Board’ which shall be deemed to include any Committee, which the Board may have constituted or may hereafter constitute to exercise its powers, including the powers conferred by this Resolution) to offer, issue and allot (including with provision for reservation on firm allotment and/ or competitive basis of such part of issue and for such categories of persons as may be permitted by law then applicable) by way of an offer document/ prospectus or such other document, in India or abroad such number of equity shares of the face value of ₹ 10/- each and aggregating to not more than ₹ 4,000 crore (inclusive of premium amount) to be added to the existing paid-up equity share capital of ₹ 13,32,77,25,170/- in such a way that the Central Govt. shall at all times hold not less than 51% of the paid-up Equity share capital of the Bank, whether at a discount or premium to the market price, in one or more tranches, including to one or more of the members, employees of the Bank, Indian Nationals, Non-Resident Indians (“NRIs”), Companies, Private or Public, Investment Institutions, Societies, Trusts, Research Organisations, Qualified Institutional Buyers (“QIBs”) like Foreign Institutional Investors (“FIIs”), Banks, Financial Institutions, Indian Mutual Funds, Venture Capital Funds, Foreign Venture Capital Investors, State Industrial Development Corporations, Insurance Companies, Provident Funds, Pension Funds, Development Financial Institutions or other entities, authorities or any other category of investors who are authorized to invest in equity shares of the Bank as per extant regulations/ guidelines or any combination of the above as may be deemed appropriate by the Bank.”

“RESOLVED FURTHER THAT such issue, offer or allotment shall be by one or more of the following modes, i.e., by way of public issue, rights issue, preferential issue, qualified institutional placement and/ or on a private placement basis, with or without over-allotment option and that such offer, issue, placement and allotment be made as per the provisions of the Companies Act, 1956, the Banking Regulation Act, 1949, the SEBI (ICDR) Regulations, 2009 and all other guidelines issued by RBI, SEBI and any other authority as applicable, and at such time or times, in such manner and on such terms and conditions as the Board may, in its absolute discretion, think fit.”

“RESOLVED FURTHER THAT the Board shall have the authority to decide, at such price or prices in such manner and where necessary in consultation with the lead managers and/ or underwriters and/ or other advisors or otherwise on such terms and conditions as the Board may, in its absolute discretion, decide in terms of SEBI (ICDR) Regulations, other regulations and any and all other applicable laws, rules, regulations and guidelines whether or not such investor(s) are existing members of the Bank, at a price not less than the price as determined in accordance with relevant provisions of SEBI (ICDR) Regulations.”

“RESOLVED FURTHER THAT in accordance with the provisions of the Listing Agreements entered into with relevant Stock Exchanges, the provisions of the Companies Act, 1956, the Banking Regulation Act, 1949, Articles of Association of the Bank, the provisions of SEBI (ICDR) Regulations, 2009, the provisions of the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer

or Issue of Security by a Person Resident Outside India) Regulations, 2000, and subject to requisite approvals, consents, permissions and/ or sanctions of SEBI, Stock Exchanges, RBI, Foreign Investment Promotion Board (FIPB), Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and all other authorities as may be required (hereinafter collectively referred to as "the Appropriate Authorities") and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/ or sanction (hereinafter referred to as "the requisite approvals") the Board, may at its absolute discretion, issue, offer and allot, from time to time in one or more tranches, equity shares in such a way that the Central Government at any time holds not less than 51% of the Equity Share Capital of the Bank, to QIBs (as defined in Chapter VIII of the SEBI (ICDR) Regulations, 2009), pursuant to a Qualified Institutional Placement, as provided for under Chapter VIII of the SEBI (ICDR) Regulations, 2009, through a placement document and/ or such other documents/ writings/ circulars/ memoranda and in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the SEBI (ICDR) Regulations, 2009, or other provisions of the law as may be prevailing at the time, provided the price inclusive of the premium of the equity shares so issued shall not be less than the price arrived at in accordance with the relevant provisions of SEBI (ICDR) Regulations, 2009."

"RESOLVED FURTHER THAT in case of a Qualified Institutional Placement, pursuant to Chapter VIII of the SEBI (ICDR) Regulations, 2009, the allotment of Securities shall only be to Qualified Institutional Buyers within the meaning of Chapter VIII of the SEBI (ICDR) Regulations, 2009, such Securities shall be fully paid-up and the allotment of such Securities shall be completed within 12 months from the date of this resolution."

"RESOLVED FURTHER THAT in case of QIP issue, the relevant date for the determination of the floor price of the securities shall be in accordance with the SEBI (ICDR) Regulations, 2009, and shall be decided by the Board of Directors of the Bank."

"RESOLVED FURTHER THAT in case of QIP, in terms of the provisions of the SEBI (ICDR) Regulations, 2009, the Board may, at its absolute discretion, issue equity shares at a discount of not more than five percent or such other discount as may be permitted under applicable regulations to the 'floor price' as determined in terms of the SEBI (ICDR) Regulations, 2009."

"RESOLVED FURTHER THAT the Board shall have the authority and power to accept any modification in the proposal as may be required or imposed by GOI/ RBI/ SEBI/ Stock Exchanges where the shares of the Bank are listed or such other appropriate authorities at the time of according / granting their approvals, consents, permissions and sanctions to issue, allotment and listing thereof and as agreed to by the Board."

"RESOLVED FURTHER THAT the issue and allotment of new equity shares, if any, to NRIs, FIIs and/ or other eligible foreign investors be subject to the approval of RBI under the Foreign Exchange Management Act, 1999, as may be applicable but within the overall limits set forth under the Act."

"RESOLVED FURTHER THAT the said new equity shares to be issued shall be subject to and shall rank pari passu in all respects with the existing equity shares of the Bank and shall be entitled to dividend declared, if any, in accordance with the statutory guidelines that are in force at the time of such declaration."

"RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of equity shares, the Board be and is hereby authorized to determine the terms of the public offer, including the class of investors to whom the securities are to be allotted, the number of shares to be allotted in each tranche, issue price, premium amount on issue as the Board, in its absolute discretion, deems fit and do all such acts, deeds, matters and things and execute such deeds, documents and agreements, as they may, in their absolute discretion, deem necessary, proper or desirable and to settle or give instructions or directions for settling any questions, difficulties or doubts that may arise with regard to the public offer, issue, allotment and utilization of the issue proceeds, and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions, as it may, in its absolute discretion, deem fit and proper in the best interest of the Bank, without requiring any further approval of the members and that all or any of the powers conferred on the Bank and the Board vide this resolution may be exercised by the Board."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to enter into and execute all such arrangements with any Lead Manager(s), Banker(s), Underwriter(s), Depository(ies) and all such agencies as may be involved or concerned in such offering of equity shares and to remunerate all such institutions and agencies by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc., with such agencies."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board, in consultation with the Lead Managers, Underwriters, Advisors and/ or other persons as appointed by the Bank, be and is hereby authorized to determine the form and terms of the issue(s), including the class of investors to whom the shares are to be allotted, number of shares to be allotted in each tranche, issue price (including premium, if any), face value, premium amount on issue, number of equity shares, the price, premium or discount on issue, fixing of record date or book closure and related or incidental matters, listings on one or more stock exchanges in India and/ or abroad, as the Board in its absolute discretion deems fit."

"RESOLVED FURTHER THAT such of these shares as are not subscribed to may be disposed off by the Board, in its absolute discretion, in such manner as the Board may deem fit and as permissible by law."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper and desirable and to settle any question, difficulty or doubt that may arise with regard to the issue of the shares and further to do all such acts, deeds, matters and things, finalise and execute all documents and writings as may be necessary, desirable

or expedient as it may, in its absolute discretion, deem fit, proper or desirable without being required to seek any further consent or approval of the shareholders or authorities to the end and intent that the shareholders shall be deemed to have given their approval thereto expressly by the authority of the Resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to the Chairman and Managing Director or to the Deputy Managing Director or Executive Director(s) or any other Senior Executive of the Bank, to give effect to the aforesaid Resolutions.”

7. To take note of the nomination of Ms. Snehlata Shrivastava, Additional Secretary, Department of Financial Services, Govt. of India as Government Nominee Director on the Board of IDBI Bank Ltd. in place of Shri Sunil Soni w.e.f. January 11, 2013 until further orders by Govt. of India vide Notification F.No.7/2/2012-BO.1 dated January 11, 2013, in terms of Article 116(1)(c) of the Articles of Association of the Bank.
8. To take note of appointment of Shri M.S. Raghavan as Chairman and Managing Director of IDBI Bank Ltd. w.e.f. July 05, 2013 for a period upto 30.06.2015 i.e. the date of his attaining the age of superannuation or until further orders by Govt. of India vide Notification F.No.4/4/2012-BO.1 dated July 5, 2013, in terms of Article 116(1)(a) of the Articles of Association of the Bank.

By Order of the Board

(M. S. Raghavan)
Chairman & Managing Director

Registered Office:
IDBI Bank Limited
IDBI Tower, WTC Complex,
Cuffe Parade,
Mumbai - 400 005.

Dated: July 08, 2013

NOTES:

1. Explanatory Statements in respect of items (including the ones for items of Special Business under Section 173(2) of the Companies Act, 1956) are annexed herewith.
2. A member entitled to attend and vote at a general meeting is entitled to appoint another person (whether a member or not) as his/ her proxy to attend and vote instead of himself/ herself but a proxy so appointed shall not have any right to speak at the meeting. A person appointed as proxy shall be entitled to vote only upon a poll. A form of proxy is enclosed to this notice. No instrument of proxy shall be valid unless:
 - (a) it is signed by the member or by his/ her attorney duly authorized in writing or, in the case of joint holders, it is signed by the member first named in the register of members or his/ her attorney duly authorized in writing or, in the case of body corporate, it is executed under its common seal, if any, or signed by its attorney duly authorized in writing; provided that an instrument of proxy shall be sufficiently signed by any member, who for any reason is unable to write his/ her name, if his/ her thumb impression is affixed thereto, and attested by a judge, magistrate, registrar or sub-registrar of assurances or other government gazetted officers or any officer of a Nationalised Bank or IDBI Bank Limited.
 - (b) it is duly stamped and deposited at the Registered Office of the Bank not less than 48 hours before the time fixed for the meeting, together with the Power of Attorney or other authority (if any), under which it is signed or a copy of that Power of Attorney certified by a Notary Public or a Magistrate unless such a Power of Attorney or the other authority is previously deposited and registered with the Bank.
3. Members/ Proxies/ Authorized Representatives are requested to kindly bring the identification forms duly filled in along with their copies of Annual Report and Accounts, to the meeting.
4. The quorum for the Annual General Meeting, as provided in Article 87, is at least five members (including a duly authorized representative of the Central Government) personally present at the meeting at the commencement of business.
5. The Register of Members and the Share Transfer Books of the Bank will remain closed from August 31, 2013 to September 04, 2013 (both days inclusive).
6. Shareholders are requested to contact the Registrar & Transfer Agents of the Bank, viz., Karvy Computershare Pvt. Ltd. at their address at Plot No.17-24, Vithal Rao Nagar, Madhapur, Hyderabad – 500 081 [Tel. No. (040) 44655000, Fax No. (040) 23420814, E-mail: einward.ris@karvy.com] or the Equity Cell of Board Department of IDBI Bank Ltd. at its Registered Office at 20th floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400 005 [Tel.No.(022) 66552779, 66553062, 66553336, Fax No. (022) 22182352, E-mail: idbiequity@idbi.co.in] with regard to any share related matter.
7. Register of members shall be available for inspection at the Registered Office of the Bank during office hours on all working days between 11.00 a.m. and 1.00 p.m.
8. Members may please note that no gifts are proposed to be distributed at the meeting.

ANNEXURE TO THE NOTICE

Explanatory Statements in respect of Items of the Notice

1. Item No. 2 of the Notice

The Board of Directors have, at their meeting held on April 25, 2013, recommended Dividend for the FY 2012-13 @ ₹ 3.50 per equity share on the fully paid up equity share capital of the Bank.

If declared at the Annual General Meeting, the Dividend, i.e., @ ₹ 3.50 per equity share, will be paid within 30 days of declaration thereof on the payment date of October 01, 2013 to those shareholders whose names stand on the Register of Members of the Bank after giving effect to all valid share transfers lodged with the Registrar & Share Transfer Agents of the Bank on or before August 30, 2013, in respect of shares held in physical form. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of shares as at the closing hours of August 30, 2013 as per the details furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for this purpose.

2. Item No.3 of the Notice

Shri S. Ravi, an elected rotational Director, is retiring by rotation at the ensuing AGM and, being eligible, he has offered himself for reappointment. It is proposed to reappoint Shri S. Ravi in terms of Section 256 of the Companies Act, 1956 and Article 116(1)(e) of the Articles of Association of the Bank as a Director liable to retire by rotation. Shri S. Ravi possesses the requisite qualification as required under Section 10A(2)(a) of the B. R. Act, 1949.

Members may consider reappointing Shri S. Ravi as Director of the Bank. No Director of the Bank, other than Shri S. Ravi himself, whether directly or indirectly, is concerned or interested in his reappointment. Shri S. Ravi is not, in any way, related to any other Director on the Board of the Bank.

Shri S Ravi's resume is as under:

Shri S. Ravi is B.Sc, M.Com, FCA and is also pursuing Ph.D from the Centre of Management Studies, Jamia Millia Islamia University, New Delhi. Shri Ravi has garnered wide exposure in the Banking Sector due to his Directorship on the Boards of various Public Sector Banks. During his tenure as Director of PSU Banks, viz., Union Bank of India, Corporation Bank, Dena Bank, UCO Bank and Punjab & Sind Bank, he was also on various committees such as Audit Committee, Strategic Revival Committee and Risk Management Committee. He also has experience in the financial sector, viz., Mutual Funds, Home Finance, Venture Capital Fund and Capital Market Activities. He is presently on the Board of Mahindra Ugine Steel Company Ltd., IDBI Capital Market Services Ltd., UTI Trustee Company Pvt. Ltd., LIC Housing Finance Ltd., Religare Housing Development Finance Corporation Ltd., Bharat Heavy Electricals Ltd., Canbank Venture Capital Fund Ltd., SME Rating Agency of India Ltd., Management Development Institute and SBI-SG Global Securities Services Pvt. Ltd. Shri Ravi holds 200 shares of IDBI Bank Ltd.

3. Item No. 4 of the Notice

Shri Ninad Karpe, an elected rotational Director, is retiring by rotation at the ensuing AGM and, being eligible, he has offered himself for reappointment. It is proposed to reappoint Shri Ninad Karpe in terms of Section 256 of the Companies Act, 1956 and Article 116(1)(e) of the Articles of Association of the Bank as a director liable to retire by rotation. Shri Ninad Karpe possesses the requisite qualification as required under section 10A(2)(a) of the B. R. Act, 1949.

Members may consider reappointing Shri Ninad Karpe as Director of the Bank. No Director of the Bank, other than Shri Ninad Karpe himself, whether directly or indirectly, is concerned or interested in his reappointment. Shri Ninad Karpe is not, in any way, related to any other Director on the Board of the Bank.

Shri Ninad Karpe's resume is as under:

Shri Ninad Karpe is Managing Director & CEO of Aptech Ltd. He is B.Com, LLB (Gen.) and FCA. He has aggressively pursued to position Aptech Ltd. on the world stage as a truly global provider of learning solutions. Aptech is a leader in its space in China, Vietnam, Nigeria, Russia and other emerging markets. Prior to Aptech Ltd. he held the position of MD in CA India and was responsible for extending the company's technology reach and building strategic partnerships with leading Indian IT players. He also started an Independent Consulting firm after completing his CA and took on the specialized task of helping foreign companies and non-resident Indians to invest in India. He authored books on Taxation during this period and also spoke at various seminars and events on the topic of Foreign Investment and Strategy in India. He was also part-time lecturer at H. R College and Guest lecturer at Jamnalal Bajaj College of Management Studies, Mumbai. He is on the Board of BNP PARIBAS Asset Management India Pvt. Ltd., Savita Oil Technologies Ltd., Maya Entertainment Ltd., India SME Asset Reconstruction Co. Ltd. as Independent Director.

4. Item No. 5 of the Notice

In terms of Article 187 of the Articles of Association, the accounts of the Bank are required to be audited by one or more auditors to be appointed in accordance with the Banking Regulation Act, 1949, who may be appointed by the Bank with the prior approval of RBI in terms of Section 30(1A) of the Banking Regulation Act, 1949, in the General Meeting of the shareholders by passing Special Resolution under Section 224A of the Companies Act, 1956. M/s. Khimji Kunverji & Co., Chartered Accountants, Mumbai (ICAI Regn. No.105146W) & M/s. G. D. Apte & Co., Chartered Accountants, Pune (ICAI Regn. No.100515W) were appointed as Joint Statutory Auditors of the Bank for the FY 2012-13 and M/s. Sangani & Co. was re-appointed as Branch Statutory Auditors for DIFC, Dubai Branch for the FY 2012-13 in terms of Section 228 of the Companies Act, 1956. These Auditors will hold office till the conclusion of the 9th AGM. In terms of the RBI's approval dated June 18, 2013, the Bank proposes to re-appoint M/s.Khimji Kunverji & Co. and M/s.G. D. Apte & Co., Chartered Accountants as Joint Statutory Auditors of the Bank for FY 2013-14 under section 224A of the Companies

Act, 1956. Further, in terms of RBI's approval dated June 18, 2013, the Bank also proposes to appoint M/s. Ashok Kapur & Associates, Chartered Accountants, Dubai as Branch Statutory Auditors for DIFC, Dubai Branch for the FY 2013-14 in terms of Section 228 of the Companies Act, 1956. The terms and conditions and remuneration of the above Auditors will be as fixed by the Board of Directors of the Bank on the recommendations of the Audit Committee. The Special Resolution as contained at Item No. 5 of the AGM Notice is accordingly proposed to be passed by the shareholders.

5. Explanatory Statement under Section 173(2) of the Companies Act, 1956 in respect of Item No.6 of the Notice

- (i) The present Paid up capital of the Bank is ₹ 13,32,77,25,170/- with Promoters' shareholding of 71.72% and Public shareholding of 28.28%. The Bank is required to maintain its Tier I capital in accordance with the relevant Regulatory guidelines issued from time to time. In view of ongoing expansion plans of the Bank, the implementation of BASEL II norms and consequential capital charge, there is a need to increase the capital to further strengthen the Capital Adequacy Ratio. The Special Resolution passed at the last AGM held on September 06, 2012 for Issue of Capital under QIP route, etc. is valid only for one year up to September 05, 2013 in terms of SEBI (ICDR) Regulations, 2009 for QIPs.
- (ii) The Bank will obtain requisite approval of the Government of India, Ministry of Finance for increasing the paid-up capital. However, the Central Government shall, at all times, hold not less than fifty-one per cent of the paid-up equity capital of the Bank.
- (iii) The Resolution is proposed to be passed as a Special Resolution pursuant to Section 81(1A) of the Companies Act, 1956. Section 81(1A) of the Companies Act, 1956 and Sub-Clause (a) of Clause 23 of the Listing Agreement provide that whenever any further issue or offer is being made by the Bank, the existing shareholders should be offered the same on pro-rata basis unless the shareholders in the general meeting decide otherwise. The said resolution, if passed, shall have the effect of allowing the Board, on behalf of the Bank, to issue and allot the securities otherwise than on pro-rata basis to the existing shareholders.
- (iv) The Resolution seeks to enable the Bank to offer, issue and allot equity shares by way of public issue, rights issue, preferential issue, issue on private placement basis, QIP, etc. In case of preferential Issue, (i) the shares will be issued to the Promoter (Govt. of India) and/ or other QIBs, if any, as permitted under chapter VII of the SEBI (ICDR) Regulations 2009; (ii) the Relevant Date for pricing of the preferential issue shall be 30 days prior to the date of this AGM i.e. August 05, 2013; (iii) pricing of the issue shall be calculated as per clause 76 of the SEBI (ICDR) Regulations based on the Relevant Date of August 05, 2013; (iv) the shareholding pattern of the issuer before and after the preferential issue shall be the existing paid-up capital of ₹ 13,32,77,25,170/- plus the actual number of shares allotted by the Bank aggregating up to ₹ 4000 crore (inclusive of premium amount) in terms of this Resolution;

- (v) The preferential issue shall be completed within 15 days of this Resolution or within 15 days of any statutory/ regulatory approval or the approval of the GoI for subscription to this preferential issue; and
- (vi) Auditors' Certificate shall be placed before the Board at the Meeting, which approves the Preferential Issue under the authority of this Resolution. The issue proceeds will enable the Bank to strengthen its Capital Adequacy Requirements as specified by RBI from time to time.
- (vii) The Resolution further seeks to empower the Board of Directors to undertake a Qualified Institutional Placement with Qualified Institutional Buyers as defined by SEBI (ICDR) Regulations, 2009. The Board of Directors may, at their discretion, adopt this mechanism as prescribed under Chapter VIII of the SEBI (ICDR) Regulations, 2009, for raising funds for the Bank, without seeking fresh approval from the shareholders.
- (viii) In case of a QIP issue, in terms of Chapter VIII of SEBI (ICDR) Regulations, 2009, issue of securities, on QIP basis, can be made at a price not less than the average of the weekly high and low of the closing prices of the shares quoted on a stock exchange during the two weeks preceding the "Relevant Date". The Board may, at its absolute discretion, issue equity shares at a discount of not more than five percent or such other discount as may be permitted under applicable regulations to the 'Floor Price' as determined in terms of the SEBI (ICDR) Regulations, 2009.
- (ix) "Relevant Date" shall mean the date of the meeting in which the Board or Committee of the Board decides to open the QIP Issue.
- (x) As per the SEBI (ICDR) Regulations, 2009, the validity of the Special Resolution is restricted to one year from the date of this AGM for such QIPs.
- (xi) The detailed terms and conditions for the offer will be determined in consultation with the Advisors, Lead Managers and Underwriters and such other authority or authorities as may be required, considering the prevailing market conditions and other regulatory requirements.
- (xii) As the pricing of the offer cannot be decided except at a later stage, it is not possible to state the price of shares to be issued. However, the same would be in accordance with the provisions of the SEBI (ICDR) Regulations, 2009, the Companies Act, 1956, the Banking Regulation Act, 1949 or any other Guidelines/ Regulations/ Consents as may be applicable or required.
- (xiii) For reasons aforesaid, an enabling resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the issue.
- (xiv) The equity shares allotted shall rank *pari passu* in all respects with the existing equity shares of the Bank.

For this purpose, the Bank is required to obtain the consent of the shareholders by means of a Special Resolution. Hence, shareholders' consent is requested for the above proposal. The Board of Directors recommends passing of the Resolutions as mentioned in the notice. None of the Directors of the Bank is interested or concerned in the aforesaid Resolution(s), except to the extent of their shareholding in the Bank, if any.

6. Explanatory Statement under Section 173(2) of the Companies Act, 1956 in respect of Item No.7 of the Notice

Government of India has, vide Notification F.No.7/2/2012-BO.1 dated January 11, 2013 nominated Ms. Snehlata Shrivastava, Additional Secretary, Department of Financial Services, Ministry of Finance, Govt. of India as Govt. Nominee Director on the Board of IDBI Bank Ltd. in place of Shri Sunil Soni w.e.f. January 11, 2013 until further orders, in terms of Article 116(1)(c) of the Articles of Association of the Bank. Members are requested to take note of the said nomination. Ms. Snehlata Shrivastava is not, in any way, related to any other Director on the Board of the Bank.

Brief resume of Ms. Snehlata Shrivastava is as under:

Ms. Snehlata Shrivastava belongs to the 1982 batch of Indian Administrative Service from Madhya Pradesh Cadre. Born on September 18, 1957, Ms. Shrivastava is a Post Graduate in Geography after which she has completed her M. Phil in Regional Planning and Economic Growth. She has held senior positions in MP Govt. and Central Govt. including as Deputy Secretary (Energy Dept.), MP; Addl. Secretary (Finance), MP; Executive Director (Mines & Minerals), MP; Principal Secretary (Higher Education and Science & Technology), MP; Chairman (Education Dept.), MP; Director (Finance & Company Affairs), CVO (Railways), Joint Secretary (Revenue) and Joint Secretary (Home Affairs & Justice) in Central Govt. She is on the Board of General Insurance Corporation of India and IDFC Ltd. as Government Director.

7. Explanatory Statement under Section 173(2) of the Companies Act, 1956 in respect of Item No.8 of the Notice

Govt. of India has, vide Notification F.No.4/4/2012-BO.1 dated July 5, 2013 appointed Shri M.S. Raghavan as Chairman and Managing Director of IDBI Bank Ltd. w.e.f. July 5, 2013 for a period upto 30.06.2015 i.e. the date of his attaining the age of superannuation or until further orders in terms of Article 116(1)(a) of the Articles of Association of the Bank. Members are requested to take note of the said appointment. Shri M.S. Raghavan is not, in any way, related to any other Director on the Board of the Bank.

Brief resume of Shri M.S. Raghavan is as under :

Shri M.S. Raghavan, born on June 8, 1955, is a science graduate and a post-graduate diploma holder in Management and Financial Management. He started his banking career as a Probationary Officer in Indian Overseas Bank (IOB) on October 11, 1976 and prior to his appointment as CMD of IDBI Bank, he was posted as Executive Director, Bank of India.

Shri Raghavan held several distinguished positions in the Bank's hierarchy. In a career spanning 36 years with IOB, Shri Raghavan held important positions in the areas of Credit, Operations and Information Technology. Shri Raghavan's professional expertise encompasses the areas of Human Resources Management, Risk Management, Corporate Credit, Information Technology and Compliance. During his long and distinguished stint as General Manager, IT in Indian Overseas Bank, the Bank implemented Core Banking Solution across all its Branches.

IBA and IDBRT have nominated him on various committees of their organizations to tap his vast and diversified experience in the banking sector. At present, Shri Raghavan is a member of:

- a) Working Group on Model e-governance Plan for IBA under Department of Financial Services
- b) IBA Committee on Payment Systems & Banking Technology for the year 2012-13
- c) Core Group of IDBRT Financial Services Technology Consortium
- d) Executive Board of IDBRT Indian Banks Technology Consortium

By Order of the Board

(M. S. Raghavan)
Chairman & Managing Director

Registered Office:
IDBI Bank Limited
IDBI Tower, WTC Complex,
Cuffe Parade,
Mumbai - 400 005.

Dated: July 08, 2013



आईडीबीआई बैंक लिमिटेड

पंजीकृत कार्यालय: आईडीबीआई टॉवर, डब्ल्यूटीसी कॉम्प्लेक्स, कफ परेड, मुंबई - 400 005

नौवीं वार्षिक महासभा

प्रॉक्सी-फॉर्म

मैं, _____ निवासी _____ जिला _____ ऊपर उल्लिखित
कंपनी का / की सदस्य होने के नाते एतद्वारा श्री / श्रीमती / सुश्री _____ निवासी _____
जिला _____ को अथवा उनके अनुपस्थित होने पर
श्री / श्रीमती / सुश्री _____ निवासी _____ जिला _____
को 04 सितंबर 2013 को और / या उसके किसी स्थान पर होने वाली उपर्युक्त कंपनी की नौवीं वार्षिक महासभा में अपनी
ओर से मतदान करने के लिए प्रॉक्सी नियुक्त करता/करती हूँ.

दिनांक _____ माह _____ 2013 को हस्ताक्षरित.

1 रुपये का
रसीदी
टिकट लगाएं

सदस्य/ पहले सदस्य के हस्ताक्षर

शेयरधारक का नाम :

रजिस्टर्ड फोलियो संख्या/ रजि.डीपीआईडी और ग्राहक आईडी सं. :

धारित शेयरों की संख्या :

टिप्पणी: इस फॉर्म को प्रभावी बनाने के लिए इस पर विधिवत् स्टाम्प लगाया जाना चाहिए, इसे पूरा भरा जाना चाहिए और इस पर हस्ताक्षर किये जाने चाहिए तथा इसे बैठक के समय से कम से कम 48 घंटे पूर्व (अर्थात् सोमवार, 02 सितंबर 2013 को अपराह्न 3.30 बजे तक या इससे पहले) बैंक के पंजीकृत कार्यालय में जमा कर दिया जाना चाहिए.

आईडीबीआई बैंक लिमिटेड

पंजीकृत कार्यालय: आईडीबीआई टॉवर, डब्ल्यूटीसी कॉम्प्लेक्स, कफ परेड, मुंबई - 400 005

नौवीं वार्षिक महासभा

पहचान पत्र

(कृपया इस पहचान पत्र को भरें और प्रवेश द्वार पर सौंपें)

1. सदस्य का नाम:
2. सदस्य का पंजीकृत पता:
3. धारित शेयरों की संख्या:
4. रजिस्टर्ड फोलियो संख्या/ डीपीआईडी एवं ग्राहक आईडी संख्या:
5. क्या सदस्य स्वयं अथवा प्रॉक्सी द्वारा अथवा विधिवत् प्राधिकृत प्रतिनिधि के माध्यम से बैठक में भाग ले रहा है:

मैं एतद्वारा नेहरू सेंटर ऑडिटोरियम, डॉ. एनी बेसेंट रोड, वरली, मुंबई - 400 018 में बुधवार, दिनांक 04 सितंबर 2013 को अपराह्न 3.30 बजे हो रही आईडीबीआई बैंक लिमिटेड की नौवीं वार्षिक महासभा में अपनी उपस्थिति दर्ज करता/करती हूँ.

सदस्य / प्रॉक्सी/ प्राधिकृत प्रतिनिधि के हस्ताक्षर



IDBI BANK LIMITED

REGD. OFFICE: IDBI TOWER, WTC COMPLEX, CUFFE PARADE, MUMBAI - 400 005

9th ANNUAL GENERAL MEETING

FORM OF PROXY

I, _____ of _____ in the district of _____
being a member of the above named company hereby appoint _____ of _____ in the
district of _____ or failing him _____ of _____ in the district of _____
as my proxy to vote for me/on my behalf at the 9th Annual General Meeting of the company to be held on
the 4th day of September, 2013 and/or at any adjournment thereof.

Signed this _____ day of _____ 2013.

Affix
Re. 1/-
Revenue
Stamp

Signature of member/
First named member

Name of the shareholder :
Regd. Folio No./ DP ID & Client ID No. :
No. of shares held :

Note: This form, in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Bank, not less than 48 hours before the time of the meeting (i.e. on or before 3.30 p.m. on Monday, September 02, 2013).

IDBI BANK LIMITED

REGD. OFFICE: IDBI TOWER, WTC COMPLEX, CUFFE PARADE, MUMBAI - 400 005

9th ANNUAL GENERAL MEETING

IDENTIFICATION FORM

(Please complete this Identification Form and hand it over at the entrance)

1. Name of the Member :
2. Registered Address of the Member :
3. No. of shares held :
4. Registered Folio Number/ DP ID & Client ID No. :
5. Whether the Member is attending the meeting in person or :
by proxy or through the duly Authorised Representative

I hereby record my presence at the Ninth Annual General Meeting of IDBI Bank Ltd. being held on Wednesday, September 04, 2013 at 3.30 p.m. at Nehru Centre Auditorium, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

Signature of the Member/Proxy/
Authorised Representative



YOUTH **DYNAMISM** **जोश**

Define Us. Inspire Us. Drive Us.

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Youth. Dynamism. जोश

- Drive new-age customer relationships
- Build a robust balance sheet
- Pave the way for green banking
- Nurture a vibrant talent pool
- Accelerate community engagements

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The IDBI Bank logo has carved an unique place for itself over the years. In this edition of the Annual Report, in keeping with the youthful theme, artistic license has been invoked to transfigure the traditional logo. It depicts the holistic nature of the theme and reflects its application to the Bank as a whole. The logo itself envelops the Bank's key stakeholders – customers, investors and employees – within its core, emphasising the Bank's focus on creating sustainable value for all its stakeholders.

The burst of vibrant colours that emanate from it and converge within represent the positive energy and dynamism of the Bank. The six-sided polygons rushing towards the logo and blending with it form the central design element of the cover.

The polygons capture the youthful approach and energy of the Bank. The vibrant colours and the angular shapes represent diversity, inclusiveness, celebration, youth and focus. As these converge towards the logo, they infuse it with ingenuity and creativity. The colours, which change from darker to lighter tints, represent the Bank's twin strengths- a pedigreed Development Financial Institution (DFI) with a lineage dating back five-decades and a new gen universal bank bursting with youthful vigour.



YOUTH DYNAMISM

जोश

Define Us. Inspire Us. Drive Us.

IDBI Bank's evolution has been remarkable, spanning five eventful decades dedicated to helping build modern India in every possible way in two avatars, first as an apex Development Financial Institution (IDBI) and then as a full-service commercial bank.

IDBI Bank, with a majority Government shareholding, is a technology-focused, new generation universal Bank, which endeavours to make a difference in the nation's banking landscape through a bouquet of corporate,

retail, SME and Agri products and services.


In a constantly evolving business scenario, customer trust will increasingly play an important role to strengthen growth and business sustainability in the banking and associated financial services sector.

Customers count on IDBI Bank as a dependable source of innovative products, facile services and solutions to meet their evolving needs.



IDBI Bank at a Glance

 **1,076**
Branches

 **1,702**
ATMs across
33 States and
Union Territories
in India

Focused on differentiated value

Across economic crests and troughs and evolving operating environment, the Bank has consistently focused on creating differentiated value for all stakeholders.

First, as an apex Development Financial Institution (DFI) in the realm of industry and thereafter as a full-service commercial bank, it has played an important role in helping accelerate India's industrial and economic progress and essayed a leading role in the establishment of almost all the prominent institutions in the industrial and capital market sector, apart from nurturing industrial houses, which are household names today, almost from their inception, and, in general, supporting the dreams of corporate India in every industrial sector.

Even in a rapidly expanding economy, nearly half of the country's population still remains unbanked. The Bank perceives this as a significant opportunity to enhance its market presence. Its rural expansion and initiatives for financial inclusion are driven by its core strengths of youth, dynamism and जोश.

The overriding culture of youthfulness drives the Bank's technology platform and integrated operations. The Bank engineered the concept of a subsidiary for IT operations around 5-6 years ago. It is not only contributing to IDBI Bank's operations but to the banking industry as well.

An Extensive array of Products and Services

Your Bank continues to live up to its brand promise of being innovative, customer-focused and competitive. It currently offers a bouquet of products aimed at meeting the customised needs of each business segment.

RETAIL BANKING PRODUCTS

LIABILITY PRODUCTS

Current Account

Flexi Current Account (Retail), Flexi Current Account (Co-op and Other Banks), Flexi Accounts for BULK (TASC, Educational Institutes, Govt. Accounts)

Core Savings Accounts & its variants

Sabka Savings Account - Relaxed KYC, Sabka Basic Savings Account - Complete KYC, Super Savings Account, Powerkidz Savings Account, Super Shakti Savings Account, Jubilee Plus Savings Account, 'Being Me' Account, Pension Savings Account (For Central Govt.), Family Account (For Indian Army), Non-Farmers & Landless Labourers SBA/c-cum-OD Facility, Capital Gains Account

HNW Savings Accounts

PowerPlus Account, Preferred Account, Royale & Royale Plus Account

Corporate Payroll Accounts (Savings Bank A/c)

Prime Salary Account, Star Salary Account, Crown Salary Account, Imperial Salary Account, Pride Salary Account

Retail Term Deposit

Fixed Interest Rate Retail Term Deposit, Floating Rate of Interest Retail Term Deposit, Godhuli Retail Term Deposit, Suvidha Tax Savings Fixed Deposit, Fixed Deposit with Motor Accident Tribunal

Recurring Deposit

Suvidha Recurring Deposit, Suvidha Suraksha Recurring Deposit

NRI PRODUCTS

NRE/NRO Savings Bank Account, NRE/NRO Fixed Deposit Scheme for NRIs, Resident Foreign Currency Account / FD, Foreign Currency Non-Resident (B) Deposit Scheme, NRI Recurring Deposit, Portfolio Investment Scheme for NRIs, Purchase and Sale of Foreign Currencies and Purchase of TC, Personal Inward Remittances from Abroad (Speed Remittance Service; Money Transfer Service Scheme; Online Money Transfer Service from UK using 'India Remit'), IDBI Rupee Yield Enhancer (Forward Foreign Exchange Contract on NRE/FCNR (B) Deposit for NRI Customers)

ASSET PRODUCTS

Home Loans & its variants

Normal Home Loans, Home Loans-Interest Saver (HL-IS), Loans for payment of Insurance Premium (LIP), Top-up loans, 25-year Home Loan Scheme, Turnover based Home Loan, 1% Interest Subvention Scheme on Housing Loan up to Rs. 15 lakh, Interest Subsidy Scheme for Housing to Urban Poor (ISHUP), Home Loans to Rural Inhabitants, Special Scheme for Housing Loan through 'Category A' builders, Housing Loan Scheme for Rural Inhabitants



An Extensive array of Products and Services

RETAIL BANKING PRODUCTS

Loan Against Property & its variants

Loan against Property (LAP), Loan against Property (Overdraft) (LAP-OD), Loan against Rent Receivables (LARR), Turnover Based LAP, Loan for Commercial Property Purchase (LCPP), Reverse Mortgage Loans (RML)

Education Loan & its variants

Vocational & non-vocational courses (including normal management quota), Special Scheme for other students who have secured admission under Management Quota, Special scheme for students of premier Institutes, Education Loan under Financial Inclusion Programme (FIP)

Auto Loan

Personal Loan & its variants

Personal Loan to Salaried Individuals, Salary Account with in-built Overdraft Facility, Pension Account for retired employees of IDBI Bank Ltd.

CARD/ALTERNATE CHANNEL PRODUCTS

Debit-cum-ATM Cards

International Debit cum ATM Card, Gold Debit Card

Prepaid Cards

Prepaid Gift Card, World Currency Card, Open Loop Freedom Prepaid Card in association with ITZ Cash, Cash Card

MERCHANT ESTABLISHMENTS OVERDRAFT

Overdraft/Loan Against Card Receivables to Merchant Establishments

MERCHANT PRODUCTS

Point of Sale (POS), Internet Payment Gateway (IPG)

CAPITAL MARKET PRODUCTS

Loan Against Securities including Life Policies

Loan Against Shares, Loan Against Mutual Funds, Loan Against Life Insurance Policy, Loan Against other Securities (NSC, KVP, GOI Bonds & Tax Free Bonds, Gold ETF & Gold Fund)

Demat Account

Employees Stock Options (ESOP) Financing

CORPORATE BANKING PRODUCTS

FUND BASED ASSISTANCE

Term Loans - Projects and Corporate Loans, Short Term loans, Working Capital (Cash Credit), Packing Credit to Exporters, Receivable Buyout with recourse, Channel Financing for Dealers of Corporate, Scheme for financing ATM/Cash Dispense Vendors, Bill discounting (both Purchase and Sale Bill Discounting), Technology Upgradation Fund Scheme (TUFS) for Textile and Jute Industries, Lending to NBFC/ HFC, Lending to Commercial Real Estate sector

NON-FUND BASED ASSISTANCE

Letters of Credit, Buyers Credit, Bank Guarantees & Performance Guarantees

PRODUCTS EXCLUSIVELY UNDER PROJECT APPRAISAL, SYNDICATION & CORPORATE ADVISORY

Project Appraisal, Syndication of Term Loan (Rupee and Foreign - ECB) & Working Capital Loan, Merchant Appraisal, Advisory Services, Securitisation of Assets, Carbon Credit Advisory Services, Advance Funding against Carbon Credit Receivables, Industrial Chiller Efficiency Programme, ODS -CFC & CTC Phase out Schemes

PRIORITY SECTOR GROUP PRODUCTS

MICRO, SMALL & MEDIUM SIZE ENTERPRISES

Artisan Credit Card, Loan Against Property, Loans to Professional and Self-employed, Laghu Udhyaami Credit Card, Finance To Medical Practitioners, SME Smart Line of Credit, Loans to Small Road & Water Transport Operators, Sulabh / Saral Vyapar, Vendor Finance Programme, Financing of MSMEs for Energy Saving Project

AGRI FINANCE

Contract Farming Loan, Basal Dose Loan, Harvesting and Transport Loan, Lending to Micro Finance Institutions, Horticulture and Forestry Development Loans, Financing Irrigation Activities, Loan for construction and Running of Storage Facilities, Poultry Farming, Dairy Loans, Finance Against Warehouse Receipts, Retail Agriculture Advances under Tie-up arrangement with Corporates, IDBI Surya Shakti, Individual Farmer Based Products, Financing Agri Linked Other Activities (Pisciculture, Sericulture, Sheep & Goat Rearing, Purchase of Bullock Pair & Cart, Piggery, Apiculture), Farm Mechanisation Loan, Financing for Agri Clinic and Agri Business Centres, General Credit Card for rural and semi-urban centres, Kisan Credit Card / Crop Loans, Land Development Loans, Loan for Purchase of Land, "Micro Loans" for individuals and SHG/JLG members, IDBI Kisan Mitra-Debt Swap Scheme, IDBI Kisan Tatkal Scheme, Financing to Agri Input Suppliers, Agri Gold Loan, PSL Gold Loan (Other than for Agriculture Purposes)



Rich legacy driving transformation

The Bank's successful transformation has been remarkable. Some of the milestones are highlighted as under:

1964

Set up by an Act of Parliament, as a subsidiary of RBI, as the apex financial institution in the area of industrial financing & development.

1976

Ownership transferred to Govt. from RBI. Designated Principal FI for co-ordinating the working of institutions at national and state levels engaged in financing, promoting & developing industry.

1980s to early 1990s

Played a pioneering role in strengthening India's financial architecture, besides being a catalyst for investment in industrial & infrastructure sector.

1994

IDBI Act amended to permit private ownership up to 49%.

1995

Domestic IPO, Government stake reduced to 72%.

Late 1990s to early 2000s

Financial sector reforms gave commercial banks greater business opportunities.

2003

The Industrial Development Bank (Transfer of Undertaking and Repeal Bill) 2002 passed for conversion of IDBI into a banking company.

IDBI Bank's predecessor entity IDBI, the principal Development Financial Institution for industry, set up in July 1964, played a pivotal role in orchestrating the development of a well-developed, diversified and efficient industrial structure in tune with national priorities. In the past half century, almost everything it financed in India's industrial sector, along with the

financial and capital market institutions it nurtured, has demonstrably strengthened and revolutionalised India's economic architecture. IDBI's transformation from a DFI into a commercial bank steered its migration to a new business model of universal banking in 2004, without diluting its development finance obligations.

2004

IDBI moved from its DFI status into a full-service commercial bank, named IDBI Ltd. along with a continued mandate for development financing.

2005

Amalgamation of IDBI Bank Ltd. with IDBI Ltd.

2006

Amalgamation of United Western Bank with IDBI Ltd.

2008

Name changed to IDBI Bank Ltd.

2010

Opened first Overseas Branch at DIFC, Dubai in January.

2011

Merged its subsidiaries IDBI Homefinance & IDBI Gilts with itself; in October, acquired additional 14.92% stake in IDBI Trusteeship Services, taking total holding in the subsidiary to 54.7%.

2012

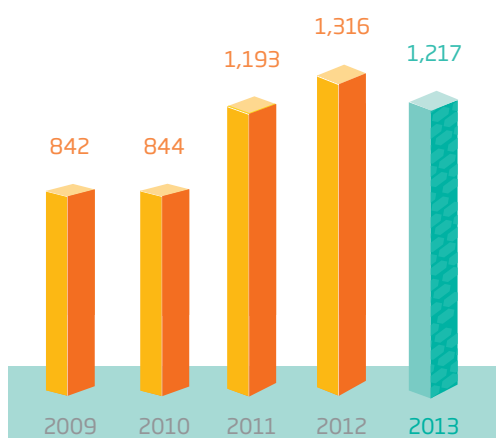
set up IDBI Infrafin Ltd. with 30% equity stake.

Performance Review

Despite being a late entrant in the banking space, IDBI Bank has stamped its presence therein on the strength of its performance.

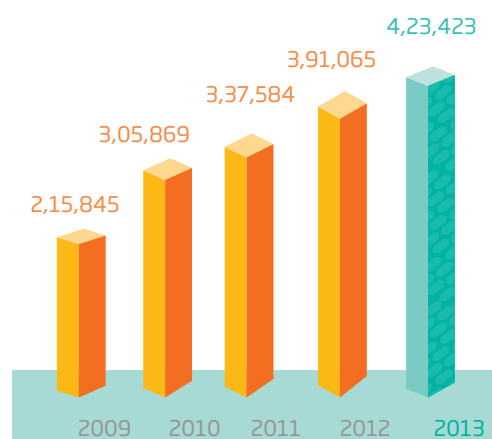
Key Financials

Employee Productivity* (₹ '000)

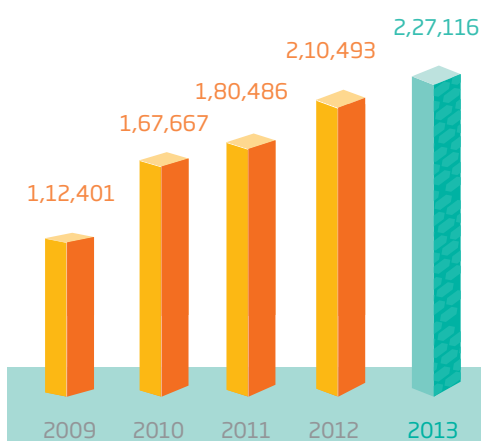


* PAT / No. of employees

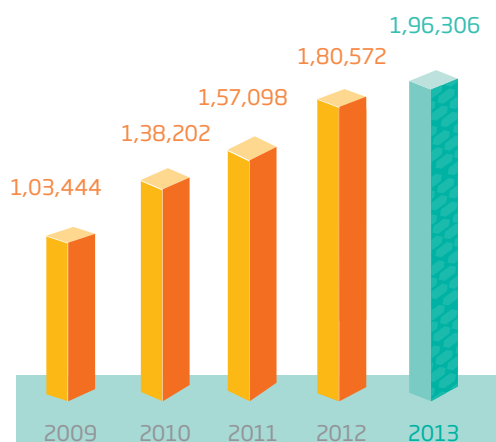
Total Business (₹ crore)



Deposits (₹ crore)



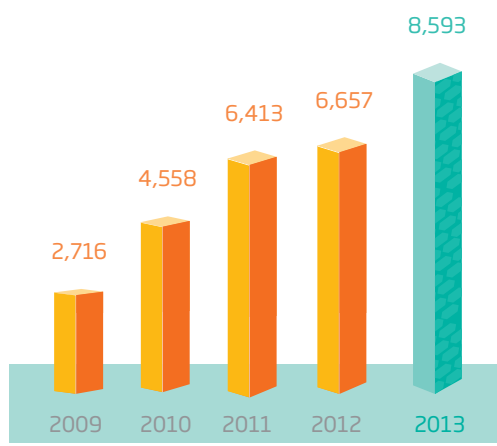
Advances (₹ crore)



Key Financial Ratios

Total Income*

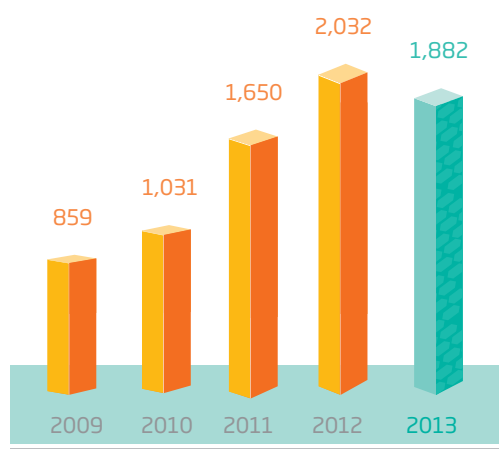
(₹ crore)



* Net Interest Income plus other Income

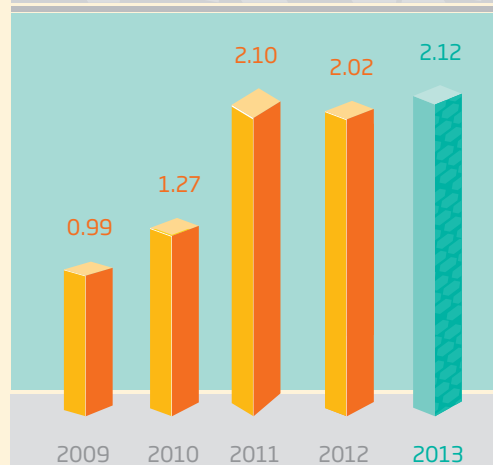
Profit After Tax

(₹ crore)



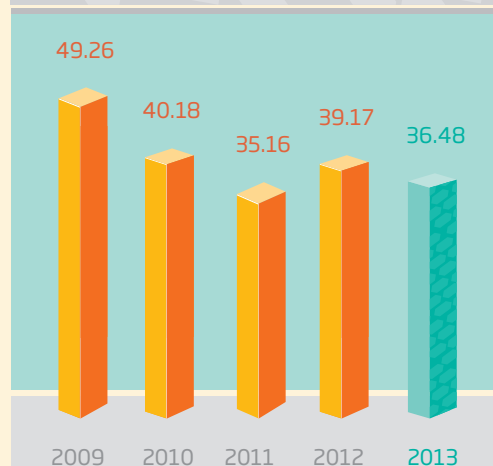
NIM

(%)



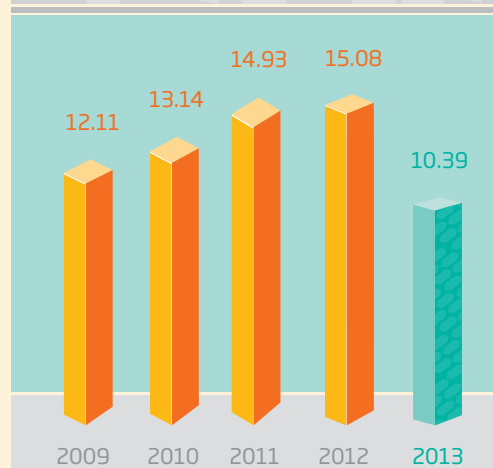
Cost to Income Ratio

(%)



ROE

(%)



Message from the Chairman & Managing Director



M S RAGHAVAN

“When the winds of change blow, some people build walls and others build windmills.

As I see it, the chosen path depends on the organisation’s mindset and the confidence the management reposes in the ability and commitment of its soft resources. We derive our strength from the youthful vigour of our Bank Team, their soft skills, infectious dynamism and ज़ेह, which truly define, inspire and drive our Bank’s strategic initiatives. We are driven by the confidence afforded by the impeccable track record of an entity, which enters its 50th distinguished year of existence. Their virtuous confluence provides me the comforting assurance to state that we can gainfully leverage the emerging opportunities as well as deftly address the accompanying challenges to take IDBI Bank to a position of strength where it creates an indelible niche for itself in the emerging financial architecture.”



Dear Shareholders,

It is a pleasure to address you for the first time since assuming office as Chairman and Managing Director of IDBI Bank Ltd. in early July 2013. On behalf of the Board of Directors and the Management Team of IDBI Bank, I present to you the Annual Report of your Bank for the FY 2012-13.

During 2012-13, the Indian economy faced a multitude of macroeconomic headwinds – both on the global as well as on the domestic fronts. There was a reversal of fortunes for the Indian economy, as the GDP growth declined to a low of 5.0% on the back of tepid global economic growth. The condition was aggravated by weak domestic fundamentals, which contributed to a broad-based slowdown across all the three sectors – agriculture, industry and services. The amalgamation of various factors brought about the Indian economy's weakest performance, amidst increasing concerns. The lacklustre performance of advanced economies reduced the demand for India's exports, hurting the performance of the external sector of the economy. A depreciating currency against the US Dollar due to the strengthening valuation of the latter, along with volatile capital flows and higher Current Account Deficit (CAD) added to the woes as well. On the domestic front, the inflationary concerns continued to distress the policy makers. This restricted the Reserve Bank of India from adopting a more accommodative monetary policy, as it strived to maintain a sustainable growth-inflation dynamics. The hawkish monetary stance, in conjunction with a pessimistic outlook, resulted in a subdued saving and investment environment, further adversely impacting the growth momentum.

The spill-over effects of the economic headwinds hurt the banking industry's performance in 2012-13. This posed extreme challenges for the sector, which grew by

15.0% in the year, compared to 17.6% growth posted in the previous year. The credit and deposit growth rates were also below target levels and not commensurate with the need of the economy to maintain its high growth trajectory. The pressure to raise low-cost deposits, along with slowing loan growth, weighed down on the interest margins of the banks. Rising NPAs, along with high operating costs, affected the profitability of the banking industry as a whole.

Despite these macroeconomic challenges, I am pleased to announce that the Bank's performance improved significantly on several fronts. It was aided by strategic policy initiatives by the management and the intensified focus on strategic network expansion. The business strategy of the Bank continued to remain multi-pronged with a balanced focus on the retail, corporate and priority sector businesses. This also enabled it to broaden its asset portfolio and thus diversify relevant risks. During 2012-13, your Bank undertook various initiatives, along with special emphasis on mobilisation of higher low-cost CASA deposits, to drive growth in the retail business segment. Simultaneously, your Bank strategically enhanced and extended corporate and investment banking relationships. Special emphasis was laid on acquiring and expanding its Priority Sector Business, including the MSME and Agri business. Your Bank recognises the crucial need to support these sectors to facilitate sustainable economic growth. It continued to undertake novel initiatives across the verticals to serve the financial needs of varied segments across India.

Your Bank continued to position its customers at the crux of its business operations. During the year, your Bank delivered products and services in line with its 'Customer Focused Vertical' model, designed to ensure the highest level of customer satisfaction. The model successfully enhanced customer relationship management, improved





Message from the Chairman & Managing Director

credit delivery and brought about a sharper focus to business lines, which are sustainable and remunerative. As a part of its vision of ensuring unique and enhanced customer experience, your Bank leveraged its state-of-the-art technology platform. The latest technology in the most secure environment lent operational flexibility and efficiency to our customers, besides helping us deliver world-class products and services. Your Bank launched an ATM-enabled Kisan Credit Card (KCC), online PPF subscription facility and online loan application facility. Besides, your Bank also ensured highest level of security and confidentiality. Your Bank introduced two factor authentication for all our e-commerce transactions by providing SMS-based Online Shopping Password (OSP) for our retail customer. Moreover, your Bank implemented a Digital Signature-based authentication solution, TranSecure, for our corporate customers.

As a key player in the process of nation building, your Bank has assiduously endeavoured to facilitate inclusive growth in the country. Recognising the imperative for the growth process to be inclusive, it undertook a number of initiatives to ensure financial inclusion across the country. Moreover, it also achieved considerable success in implementing Direct Benefit Transfer (DBT) scheme through its branches.

As a socially responsible corporate, your Bank partnered with Tata Institute of Social Sciences (TISS) to fund a Rural Transformation Fellowship Programme (RTFP). Under this project, the Bank sponsored fellowships for 11 TISS graduates from selected villages in Maharashtra, Madhya Pradesh and Chhattisgarh. These graduates were delegated with the responsibility of conducting socio-economic surveys of the villages to provide financial assistance to the villagers through your Bank's financial inclusion initiatives.

In cognizance of our performance in the banking domain and beyond, we were bestowed with a number of awards

and accolades during the year under review. Your Bank was awarded the Best Retail Bank in the Public Sector by Dun and Bradstreet, 2012. It was also a winner in the Development Finance-Led Poverty Reduction in the Association for Development Finance Institutions in Asia & the Pacific (ADFIAP) Awards 2012. IDBI Bank received the Greentech CSR Award for demonstrating the highest level of commitment to CSR activities, particularly for its Rural Transformation Fellowship Programme (RTFP).

Even as the US and Japanese economies exhibit incipient signs of growth, the global economic recovery continues

The Bank has a distinct edge owing to its dynamic and vivacious young workforce with an average age of 33 years.

to be patchy and uneven across countries as well as geographic zones. Buffeted by the old risks, the global economy is faced with the emergence of new risks, including the possibility of a longer growth slowdown in Emerging Market Economies (EMEs), especially given risks of lower potential growth, slowing credit and possibly tighter financial conditions if the anticipated unwinding of monetary policy stimulus in the US leads to sustained capital flow reversals. The IMF has warned of non-trivial risks of the global economy encountering a soft patch in the months ahead, while projecting a growth of 3.10% for CY 2013.

On the domestic front, the subdued macroeconomic conditions continue to weigh down on the outlook for the year ahead. The inflation indices, after moderating for some period, has re-emerged as a major concern in the economy on the back of higher food inflation and pass-through of pronounced rupee depreciation in the first quarter of FY 2013-14. The free-fall in the Rupee



valuation in the foreign exchange market prompted the RBI to intervene to restore stability in the currency valuation and to purge it of speculative elements. With expected softening in the global commodity prices and the realisation of the impact of measures to restrict gold imports, the Current Account Deficit (CAD) of India is expected to moderate in 2013-14 from its record high levels evidenced last year. The glad tidings on the fiscal deficit front in 2012-13 and determined policy initiatives instill confidence that the fiscal deficit for 2013-14 would be contained at targeted levels. Consolidation in this regard is expected to mitigate the twin deficit risks to the outlook for the Indian economy. The normal monsoons to date are another comforting feature, laying the foundation for a better agricultural production. If the exchange rate volatility is brought under control soon, inflation stays range-bound through the latter half of the financial year and global market conditions, particularly those in EMEs, do not turn inimical to growth, the room for policy manoeuvre would open up sufficiently to stimulate investment and overall economic growth. Despite a plethora of uncertainties currently weighing down on the growth momentum in the economy, there is cautious optimism that the Indian economy would register a visibly improved performance in respect of GDP growth and associated macro-economic parameters during 2013-14 compared to the immediately preceding financial year. As the fortunes of the banking sector are inextricably linked to those of the economy, the expected uptick in macro-economic fundamentals is expected to have a beneficial impact on business volumes, asset quality as well as profit indices of your Bank.

On a positive note, we have a distinct edge over our peers owing to our dynamic and vivacious young workforce with an average age of 33 years. The indomitable spirit of the young people around inspires and drives us to drive your Bank forward towards becoming the indisputable industry leader. In 2013-14, your Bank will continue to strategically optimise

business growth and profitability parameters to reflect overall improvement. The strategies will be focussed on raising low-cost deposits, to consciously drive down the cost while enhancing fee-based income by exploring alternative sources and cross-selling opportunities. In addition, initiatives will be undertaken to boost credit growth by adopting strategies to expand retail portfolio, while maintaining prominent position in corporate and infrastructure financing. The operating costs incurred by your Bank will be kept at minimal levels to enhance its profitability. Concerted efforts will be undertaken to achieve Priority Sector Lending targets and sub-targets. At the same time, your Bank will expand its branch and ATM network across the country with a special focus on its FI and DBT objectives. The operational strategies would be adequately complemented by policy initiatives to ensure that corporate objectives are expeditiously met on a sustained basis.

It has been possible for the Bank to attain this stature owing to your continued support and loyalty as well as gainful suggestions, which we have always sought to implement to our mutual advantage. We look forward to continue this treasured relationship, going forward, to enable us to help maximise value to all our stakeholders.

With best wishes to you and to your families,

Yours sincerely,

M.S. Raghavan

Chairman & Managing Director

Profiles of the Board of Directors



Standing (left to right): Shri S Ravi, Shri Subhash Tuli, Shri Ninad Karpe

Seated (left to right): Smt. Snehalata Shrivastava, Shri M.S. Raghavan, Shri B.K. Batra, Shri P.S. Shenoy



SHRI M.S. RAGHAVAN | Chairman & Managing Director

Shri Raghavan is a science graduate and a post-graduate diploma holder in Management and Financial Management. He started his banking career as a Probationary Officer in Indian Overseas Bank (IOB). Prior to his appointment as the Chairman & Managing Director of IDBI Bank, he was posted as Executive Director, Bank of India.

In his long stint with IOB, which spanned over three and a half decades, Shri Raghavan held

important positions in areas of Credit, Operations and Information Technology. His professional expertise encompasses the areas of Human Resources Management, Risk Management, Corporate Credit, Information Technology and Compliance. As General Manager IT, IOB, he helped the Bank implement Core Banking Solution (CBS) across all its branches. Shri Raghavan's contributions to the banking system, especially with regard to IT, is widely acclaimed by the industry.



SHRI B.K. BATRA | Deputy Managing Director

Shri Batra is a B.Com (Hons.) graduate from Shri Ram College of Commerce, New Delhi and CAIIB from the Indian Institute of Bankers. He also holds a MBA degree from the Faculty of Management Studies, Delhi, and a CFA degree from the Institute of Chartered Financial Analysts of India, Hyderabad.

Shri Batra joined IDBI Bank's predecessor entity - IDBI, the DFI - in 1983 as Industrial Finance Officer and served in all major

departments of the Bank in various capacities. His professional expertise particularly resides in the critically important areas of Project (including Infrastructure) Finance and Corporate Banking. He has been appointed as the Bank's Deputy Managing Director from January 13, 2012. He is also on the Boards of IDBI Capital Market Services Ltd., IDBI Mutual Fund Trustee Co. Ltd., IDBI Intech Ltd. and Stressed Assets Stabilisation Fund.



SMT. SNEHLATA SHRIVASTAVA | Govt. Director

A Post Graduate in Geography and an M. Phil in Regional Planning and Economic Growth, Smt. Shrivastava belongs to the 1982 batch of Indian Administrative Service (IAS) from the Madhya Pradesh Cadre. She held senior positions in the MP Govt., including as Deputy Secretary (Energy Dept.), Addl. Secretary (Finance), Executive Director (Mines & Minerals), Principal Secretary

(Higher Education and Science & Technology) and Chairperson (Education Dept.). She also held different positions in the Central Government. She is on the Board of General Insurance Corporation of India and IDFC Ltd. in her official capacity. Currently, she is posted as the Additional Secretary, Dept. of Financial Services, Ministry of Finance, Government of India.



Profiles of the Board of Directors



SHRI SUBHASH TULI | Independent Director

Shri Tuli is a Commerce graduate and a qualified Chartered Accountant. He is a Senior Partner of a firm of leading Chartered Accountants of Lucknow since 1971. He has extensive experience of handling Audits, Taxation and Management Consultancy assignments of various Banks, Insurance Companies and Public Undertakings. Some of these institutions include IIM Lucknow; UP State Sugar Corporation; UP Forest Corporation; UP State Agro Industrial

Corporation and a few other SME companies. He also handled similar operations across branches of Allahabad Bank, Union Bank, Punjab National Bank, State Bank, Bank of India, Bank of Baroda, Shahjahanpur Kshetriya Gramin Bank and statutory audit of its 27 branches and so on.



SHRI P.S. SHENOY | Independent Director

Shri Shenoy is a B.Com (Gold Medallist) from the University of Mysore and a Fellow of the Indian Institute of Banking & Finance. He retired as the Chairman and Managing Director of Bank of Baroda after a five-year tenure, from 2000 to 2005. He has over four decades of experience in the banking industry across four Banks,

viz., Bank of Baroda, Bank of India, Canara Bank and Syndicate Bank. He also has rich experience in the realm of international banking, as he was posted abroad for several years. He has been a member on various Committees of the Reserve Bank of India as well as the Government of India.



SHRI S. RAVI | Independent Director

Shri Ravi holds a B.Sc. and M.Com degrees and is a FCA; he is also pursuing Ph.D from the Centre for Management Studies, Jamia Millia Islamia University, New Delhi. Shri Ravi garnered wide exposure in the banking sector due to his directorship on the boards of various public sector banks, including Union Bank of India, Corporation Bank, Dena Bank, UCO Bank and Punjab & Sind Bank. He also has experience

in the financial sector across Mutual Fund, Home Finance, Venture Capital Fund and Capital Market Activities. He is currently on the Boards of Mahindra Ugin Steel Company Ltd., IDBI Capital Market Services Ltd., UTI Trustee Company Pvt. Ltd., LIC Housing Finance Ltd., Religare Housing Development Finance Corporation Ltd., among others.



SHRI NINAD KARPE | Independent Director

Shri Karpe is the Managing Director & CEO of Aptech Ltd. He is a B.Com, LLB (Gen.) degree holder and is a FCA. Prior to joining Aptech Ltd., he held the position of MD in CA India where he was responsible for extending the Company's technology reach and building strategic partnerships with leading Indian IT players. He has authored books on Taxation and led seminars and events on Foreign

Investment and Strategy in India. He is on the Boards of BNP Paribas Asset Management India Pvt. Ltd., Savita Oil Technologies Ltd., Maya Entertainment Ltd. and India SME Asset Reconstruction Co. Ltd. as Independent Director.





Profiles of the Leadership Team



1



2



3



4



5



6



SHRI B. RAVINDRANATH

Executive Director

1

Shri Ravindranath, a rank holder from the M.G.M. College, Udipi, earned a degree in Mechanical Engineering with distinction from the Regional Engineering College, Surathkal. He joined IDBI Bank's predecessor entity-IDBI, the DFI- in 1982 as an Industrial Finance Officer. As an Executive Director, he was instrumental in setting up the Bank's Small and Medium Businesses and Agri Business Departments.

Currently, he is in charge of the Bank's Corporate Strategy and Communications Department, Transaction Banking Group, Centralized Operations, Branch Operations Support and Policy Department, Finance & Accounts Department, Strategic & Associate Investment Cell.

He is also the Non-executive Chairman of the Stock Holding Corporation of India Limited.



SHRI R.K. BANSAL

Executive Director

2

Shri Bansal, a Chartered Accountant and CAIIB by qualification, has around 30 years of experience in IDBI Bank, after joining the DFI as a Management Trainee. During this period, he worked in various functional areas, such as Treasury, Investments, Finance & Accounts (CFO), Project Appraisal, Resources, Recovery, Retail Banking, among others.

Shri Bansal was involved in setting up IDBI Asset Management Co. and IDBI Mutual Fund Trustee Co. He oversaw the merger of the two Bank subsidiaries, viz. IDBI Homefinance Ltd. & IDBI Gilts Ltd. He was also a member of the Task Force for integration of United Western Bank Ltd. with the Bank.

He currently heads the Bank's Priority Sector Group (Agri and MSE), Financial Inclusion, Recovery, Legal and CDR Cell.



SHRI VINEY KUMAR,

Executive Director

3

Shri Kumar is a graduate in Chemical Engineering from Punjab University and a qualified CAIIB. He also has a Masters Degree in Financial Management from Jamnalal Bajaj Institute of Management. He joined the erstwhile Industrial Development Bank of India (IDBI) in August 1983. Since 2003, he has, at various times, headed the Infrastructure Finance, Corporate Banking and Transaction Banking functions, dealing with the Bank's Mid and Large Corporate relationships. Prior to that, he was also in charge of the Bank's branch and regions, mainly in the West and the South, in various capacities.

His current responsibilities comprise the Corporate Banking and Focused Asset Management Group of the Bank.



Profiles of the Leadership Team



SHRI K.C. JANI

Executive Director

4

Shri Jani, a Chemical Engineer, joined IDBI Bank's predecessor entity-IDBI, the DFI- in 1980. He has headed various departments over the years and has gained expertise in strategic areas of the organisation such as Corporate Finance, Restructuring of liabilities, Syndication of loans, Mergers and Acquisitions, Business procurement/ development and Retail Banking, among others. He was instrumental in enabling the Bank receive the coveted ISO 9001:2008 certification for its Centralised Operations, Currency Chests and Centralised Clearing Units. Besides, he successfully implemented the Lean Six Sigma Project in various departments of the Bank's Operations Verticals.

As Executive Director, his current domain comprises Audit, Risk, Compliance, IT Division, MIS, Human Resources and Training functions of the Bank.



SHRI MELWYN REGO

Executive Director

5

Shri Rego is an MBA rank holder in Finance from Symbiosis Institute of Business Management, Pune and has been with IDBI for nearly three decades from its DFI days. During this time, he has handled assignments in the areas of Rehabilitation Finance, Project Finance, Corporate Banking, Treasury and International Banking in various capacities.

Shri Rego was deputed to IDBI Homefinance Ltd. as Managing Director & CEO in 2003 and took over as Head-International Banking Division to spearhead IDBI Bank's overseas initiatives after returning to the Bank in 2008.

As Executive Director, he currently leads the Bank's Infrastructure Corporate Group, Project Appraisal, Syndication, Structuring and Advisory, International Banking (including the Bank's sole overseas Branch at DIFC) and Treasury initiatives.



SHRI S.K.V. SRINIVASAN

Executive Director

6

Shri Srinivasan is a graduate in Engineering with professional qualification in Finance (PGDBM) and Banking (CAIIB). He has over three decades of commercial banking experience, covering Transaction Banking, Mid-Corporate, SME, Personal and Agri business. Shri Srinivasan started his career in Bank of India, serving in various capacities in branches and administrative offices across the country and rose to the position of Chief Officer. Since joining IDBI's erstwhile Banking subsidiary- IDBI Bank- in 1997, which merged into the parent entity in 2005, he has successfully led the Bank's business across all the above segments in various capacities, including as the Regional Head, Vertical Head and Executive Director.

As Executive Director, he currently spearheads the Retail Banking, Administration, Facilities and Infrastructure Management functions of the Bank.

The Guiding Force



Standing (left to right):

1) Shri Melwyn Rego 2) Shri Viney Kumar 3) Shri K.C. Jani
4) Shri S.K.V. Srinivasan

Seated (left to right):

5) Shri B. Ravindranath 6) Shri B.K. Batra 7) Shri M.S. Raghavan
8) Shri R.K. Bansal



Youth. Dynamism. जोश

Drive new-age customer relationships



The new-age customer is well-informed, globally integrated and discerning when it comes down to choosing financial products and services. Therefore, your Bank's customer-centric strategies are also carefully calibrated to cater to their customised aspirations, particularly those of Young India.

Some of the pioneering initiatives, including youth-focused forays, gave your Bank a first-mover advantage. While its list of offerings is long and distinguished, the following merit particular mention.

Your Bank was the first PSU bank in the country to operate on a 100% Core Banking Solution (CBS) platform for all its branches pan-India.

Your Bank is a pioneer in the social media domain amongst Public Sector Banks in India. Your Bank has a following of more than five lakh fans on Facebook and a further 11000+ followers on Twitter. Further, it is also

the first Indian bank to be on Google+.

To connect with the youth, IDBI Bank and Itz Cash, in association with MasterCard, launched "Freedom Prepaid Card", the first Multi-Purpose re-loadable card for the youth. Your Bank also offers a 'Being Me' account that is specifically designed to financially empower the youth.

Your Bank was the first bank in India to launch a novel 'Magic Card', a card which encompasses the features of a Debit Card with a credit limit; the charges are, however, much less than a regular credit card.

24x7

locker facility

MAGIC CARD

debit card with credit limit

SAMRIDDHI CD PORTAL

launched India's first online CD portal

In cognizance of the felt need to provide locker facility to your Bank's customers as per their convenience, the Bank launched a **24X7 locker facility** with biometric access at its Cuffe Parade, Colaba branch in Mumbai, becoming the first bank in the world to do so.

Your Bank launched India's first online **Retail G-Sec Portal** in January 2012. This Portal provides an opportunity for retail investors to invest in Government securities, as an attractive alternative investment avenue.

Your Bank launched the first online **CD portal in the country** - IDBI SAMRIDDHI CD portal - which allows retail investors to subscribe online to CDs issued by it.

Your Bank was the first public sector bank in the country to undertake Repo deals in corporate bonds.

The Singapore Dollar Bond issue by your Bank during 2012-13 was the first benchmark public bond transaction by any Indian entity in the Singapore Dollar bond market, opening up a new source of funding and investor diversification for Indian issuers.

In short, your Bank enjoys the best of both worlds - the solidity and strength that comes from majority Government ownership and close relationship with the latter and a private sector work environment, which enables it to create enhanced value for all its stakeholders.



Youth. Dynamism. जोश Build a robust balance sheet



IDBI Bank has demonstrated remarkable resilience in the current challenging environment by virtue of its youth-centric products, dynamic operational infrastructure and a जोश that runs through the collective veins of its committed workforce. The result is a balance sheet size that keeps growing.

Your Bank's vision to emerge as a preferred and trusted presence in the Indian banking sector is driven by its sturdy balance-sheet fundamentals.

As on March 31, 2013, the Bank's balance sheet size reached ₹ 3,22,769 crore with a total business of ₹ 4,23,423 crore. It continued to post robust growth in its business, evidenced by a 7.90% growth in its aggregate deposits to ₹ 2,27,116 crore and 8.71% growth in its advances to ₹ 1,96,306 crore.

Notwithstanding adversities in the operating environment IDBI Bank registered a growth in profitability. The Bank's operating profit stood at ₹ 5,458 crore, a 34.79% growth vis-à-vis the previous year. However, higher-than-expected provisioning cost of ₹ 3,576 crore weighed down on the net profit, which stood at ₹ 1,882 crore for the year.

The Bank's financial performance on the income front continued to be strong. Its total income (Net Interest Income plus Other Income) grew by 29.08% to touch ₹ 8,593 crore in 2012-13.

There was also a substantial growth in fee income by 43.62% to ₹ 2,463 crore for the financial year ended March 2013. Besides, the Net Interest Income (NII) grew by 18.22% to ₹ 5,373 crore, while Net Interest Margin (NIM) rose to 2.12% for the same year.

The lean operational infrastructure along with state-of-the-art technology platform enabled your Bank to post a Cost-to-Income Ratio of 36.48% for the year ended March 2013, arguably the lowest in its peer set in the banking space. Your Bank's Overhead Efficiency Ratio during the reporting period stood at 102.72%, ahead of its peer set, comprising both private and public sector constituents, evidence of its robust mobilisation under 'other income', which more than covered operating expenses.

₹ **3,22,769** CRORE
balance sheet size

₹ **4,23,423** CRORE
total business





Youth. Dynamism. जोश

Pave the way for green banking



Your Bank has adopted 'green banking' or environment-aligned banking strategies to drive sustainable long-term growth.

Your Bank emerged as a pioneer in green banking and has been active in this field for over two decades. It created an exclusive group to provide **carbon credit advisory services**, which encompass Clean Development Mechanism (CDM) / Carbon Credits of Kyoto Protocol and Voluntary Emission Reductions (VERs).

An upfront finance product against carbon credit receivables has been devised and well accepted by the Indian project developers. Your Bank currently

acts as a **Financial Intermediary and Project Implementing Entity (PIE)** for the Ozone Depleting Substances (ODS) phase-out projects and the India Chiller Energy Efficiency Project (ICEEP), in association with the World Bank and the Government of India.

The aim is to provide an **end-to-end solution for India's chiller users** to help them switch over from high-carbon chillers to their energy-efficient, low-carbon counterparts. ICEEP's two-fold objective remains to reduce greenhouse gas (GHG) emissions

and to support the phase-out of the use of Chlorofluoro Carbon (CFC), an ODS, under the Montreal Protocol. Your Bank also **provides specialised carbon credits / emission trading advisory** on CDM and also facilitates services related to CDM projects and carbon credit market.

GREEN BANKING

pioneer & leader in the field
for two decades

ADVISORY

on specialised carbon credits /
emission trading provided

Financing carbon credit receivables

In line with its focus on investing in environment-friendly projects, your Bank **helped to fund ABC Green** (name changed for privacy protection). ABC Green, incorporated in October 1992, started **seven renewable energy projects** across Andhra Pradesh, Odisha, Madhya Pradesh, Chhattisgarh and Maharashtra. The company approached your Bank for financial assistance to establish a **10 MW** agro waste-based power plant in a backward district in Maharashtra.

Your Bank came forward and partnered them throughout the entire project life cycle – right from its inception – through assorted modes, including project appraisal, funding, monitoring and implementation to providing working capital, extending advisory services for registration as CDM project and commercialising carbon credits. As a result, ABC Green successfully received carbon credits from UNFCCC and delivered the same to the buyer as per schedule. It was also able to establish a revenue stream from the sale proceeds of carbon credits generated from 2008 to 2012.





Youth. Dynamism. जोश

Nurture a vibrant talent pool



IDBI Bank's workforce is the wellspring of its youth, dynamism and जोश. Your Bank's average employee age is 33 years, compared to an industry average of around half a century. It helps your Bank to retain its operational flexibility and relate better to the aspirations of the predominantly young population of India.

Your Bank effectively manages expectations of its young and **dynamic human capital** by fostering a high performance culture aimed at excellence. Additionally, it leverages the competence of its **highly experienced teams** and uses new and creative inputs received from its talented human capital, best in-class technology and innovation. With the focus clearly on becoming the most sought after retail bank, your Bank is building a talent pipeline eager to set high performance benchmarks.

Your Bank has put in place a **comprehensive talent development system**. It begins by recruiting the best industry talent, who are put through a **rigorous 90-day on-boarding process**. It is followed by continuous improvement through mentoring, performance feedback and training.

₹ **25.64** lakh
business per
employee

₹ **12.17** lakh
net profit per
employee

These initiatives helped your Bank build strategic roles to lead its expansion plans and manage critical frontline positions. In addition, it also created a stream of in-house young leaders/star performers and plans to groom them as industry leaders. Besides, your Bank also has in place a steady plan to advance to the next performance orbit and beyond. Business and net profit per employee of ₹ 25.64 lakh and ₹ 12.17 lakh respectively, arguably the highest among Public Sector Banks for the year under review, bears testimony to the dedication, hard work and efficiency exhibited by your Bank's workforce.

Over the years, your Bank has planned to **create a talent pool** through the following three steady streams of **strategic development initiatives and interventions**:

- (a) Career mapping, assessment development centres, stretch assignments
- (b) On-the-job training
- (c) Exclusive Management Development Programmes

33 years
average age of employees





Youth. Dynamism. जोश

Accelerate community engagements



Your Bank's community engagements are also driven by the same credo of youth, dynamism and जोश that catalyse its business priorities. Your Bank is committed to contribute towards sustainable economic development by working with the local community.

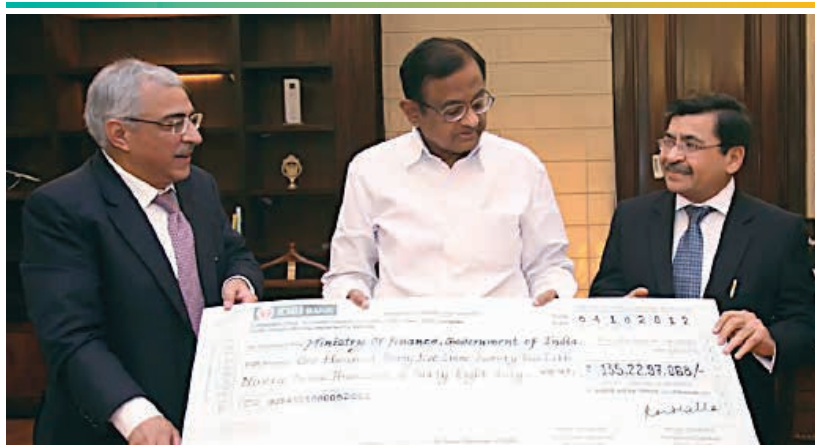
During FY 2012-13, your Bank extended infrastructure support to schools and provided financial aid for socio-economic empowerment of the blind, disabled and other underprivileged sections of society.

Your Bank, in association with the Tata Institute of Social Sciences, is also undertaking a project in a severely flood-affected area in Ladakh region. The core aim of this project is to build a 'Model Village' with sustainable livelihood solutions.

Besides, to bring the hitherto unbanked population into the ambit of formal banking sector, your Bank, in partnership with the Tata Institute of Social Sciences, is undertaking the Rural Transformation Fellowship Programme (RTFP) in various financial inclusion villages across states. This fellowship programme, launched in 2011, aims at bringing in transformation in the lives of villagers through improvement of basic services, livelihood, strengthening of community mechanisms and capacity building.

Your Bank has been honoured with the 'Greentech CSR Award' for demonstrating sterling commitment to CSR activities, particularly for its Rural Transformation Fellowship Programme (RTFP).

Achievements during the year



Shri P. Chidambaram, Hon'ble Union Finance Minister receiving the final dividend cheque from Shri R. M. Malla (L), former CMD, and Shri B. K. Batra (R), DMD



Shri P. Chidambaram, Hon'ble Union Finance Minister inaugurating 1000th branch of IDBI Bank at Kannangudi, Tamil Nadu



Shri R. M. Malla (centre), former CMD, and Shri S. K. Lahoti (4th from right), GM, with the Bhartendu Harishchandra Award won by 'Vikas Prabha', the quarterly Hindi Magazine of the Bank

Directors' Report: 2012-13

The Board of Directors of your Bank is pleased to present its Report on the business and operations of your Bank for the financial year ended March 31, 2013.

Your Bank's performance during the financial year 2012-13 improved significantly on many fronts, enabled by strategic policy initiatives, enhanced reach in terms of branch and ATM network and focussed customer service delivery. As on March 31, 2013, your Bank's aggregate deposits and advances touched ₹ 2,27,116 crore and ₹ 1,96,306 crore, respectively, reflecting a corresponding growth of 7.90% and 8.71% over the previous year. The Performance highlights of your Bank for the period under review is presented in Table 1.

Table 1 : Financial Highlights (₹ crore)		
As on March 31,	2012	2013
Capital	1,278.4	1,332.7
Reserves & Surplus	18,148.7	19,902.5
Deposits	2,10,492.6	2,27,116.5
Borrowings	53,477.6	65,808.9
Other Liabilities & Provisions	6,919.0	8,607.9
Total liabilities	2,90,316.3	3,22,768.5
Cash & Balances with RBI	15,090.2	10,544.0
Balances with Banks & Money at Call & Short Notice	2,967.4	7,380.6
Investments	83,175.4	98,801.0
Advances	1,80,572.3	1,96,306.4
Fixed & Other Assets	8,551.0	9,736.5
Total Assets	2,90,316.3	3,22,768.5
For the Period	2011-12	2012-13
Total Income	25,482.1	28,283.8
Total Expenses (other than provisions)	21,432.5	22,825.6
Provisions (other than tax)	1,419.9	2,836.4
Profit Before Tax	2,629.7	2,621.8
Provision for Tax*	598.1	739.7
Profit After Tax	2,031.6	1,882.1

* Net of current income tax and deferred income tax

PROFIT AND APPROPRIATIONS

During FY 2012-13, your Bank's gross income amounted to ₹ 28,284 crore, comprising interest income at ₹ 25,064 crore and other income at ₹ 3,220 crore. Interest expenses of ₹ 19,691 crore and operational expenses of ₹ 3,134 crore led to total expenditure, excluding provisions and contingencies, of ₹ 22,826 crore. Total provisions during the year were at ₹ 3,576 crore, which mainly includes ₹ 1,758 crore towards provision for bad and doubtful debts and investments, ₹ 383 crore towards bad debts written off, ₹ 493 crore towards restructured assets, ₹ 172 crore towards incremental prudential provisions for standard assets, and ₹ 740 crore towards tax. Your Bank's working during FY 2012-13 resulted

in a Profit Before Tax (PBT) of ₹ 2,622 crore. After making a provision of ₹ 740 crore towards taxation, Profit After Tax (PAT) amounted to ₹ 1,882 crore. The appropriation of PAT, as approved by the Board of Directors, is given in Table 2.

Table 2 : Appropriation of Profits (₹ crore)		
For the year-ended March 31,	2012	2013
Net Profit/(Loss) for the year	2,031.6	1,882.1
Profit/(Loss) brought forward	615.0	672.6
Profit available for Appropriations	2,646.6	2,554.7
Appropriations		
Transferred to Statutory Reserve	507.9	470.8
Transferred to Capital Reserve	17.0	191.8
Transferred to General Reserve	750.0	150.0
Transferred to Special Reserve created and maintained u/s 36(1)(viii) of IT Act, 1961	250.0	300.0
Dividend		
- Equity Shares	388.7	466.5
- Tax on Dividend	60.3	71.7
Balance of Profit carried to Balance Sheet	672.6	903.9

For each share with a face value of ₹ 10, Earning Per Share (EPS) during the year stood at ₹ 14.70, while Book Value per Share stood at ₹ 145.89 as at the end of March 2013. The Directors have the pleasure in recommending dividend at 35% on the fully paid-up equity share capital for the FY 2012-13.

CAPITAL ADEQUACY

Your Bank is Basel-II compliant and hence, computes its Capital to Risk-weighted Assets Ratio (CRAR) in adherence to norms prescribed by the RBI in this regard. Credit Risk is computed using the Standardised Approach, Market Risk is arrived at by using Duration Method of Standardised Approach and Operational Risk exposure is based on Basic Indicator Approach. The equity shareholding of the Government of India increased to 71.72% as at end-March 2013, through infusion of fresh equity capital to the extent of ₹ 555 crore during the FY 2012-13. Against the stipulated RBI norm of 9% for total CRAR and 6% for Tier-I CRAR, your Bank's total CRAR stood at 13.13% with Tier-I CRAR of 7.68%, as at end-March 2013.

BUSINESS STRATEGY

During FY 2012-13, your Bank undertook various initiatives to drive growth in Retail business segment, with special emphasis on mobilising higher CASA deposits. Your Bank followed a strategy of deepening and widening the corporate banking and investment banking relationships. Simultaneously, it also laid special emphasis on acquiring and expanding its Priority Sector Business, which includes the MSME and Agri business, to broaden its asset portfolio.

KEY BUSINESS INITIATIVES

Pursuant to its aim of targeting a progressively larger retail business portfolio to facilitate a balanced business-mix as also to increase the complement of low-cost funds, your Bank currently offers a bouquet of Liability, Asset, Capital Market and Third Party products, primarily aimed at meeting the customised needs of customers in the Retail Banking segment. The products are periodically reviewed and modifications/ innovations/ customisation of existing products as well as introduction of new products are carried out on a regular basis. This is done in sync with observed and latent customer preferences, both as part of customer-centric service as well as for facilitating growth in business volumes.



Directors' Report: 2012-13

Business initiatives in the retail banking space are skilfully driven by enabling expansion in branch network and skilled manpower. Your Bank added 104 new brick and mortar branches during the current financial year. Your Bank, as a part of its customer convenience initiatives, continued to strengthen its alternate delivery channels by expanding its ATM network from 1,542, as on March 31, 2012, to 1,702 on March 31, 2013.

In the retail liability product segment, your Bank continued to design new products aligned to emerging customer needs. Your Bank rationalised existing products and also unveiled other customer-friendly initiatives to, inter alia, increase the complement of low-cost funds. As a tech-savvy, customer-friendly initiative for customers, who prefer to transact over the internet, your Bank enabled on-line opening of Savings Bank accounts in certain categories. Your Bank also successfully launched Online PPF Subscription Facility for its customers in February 2013. A customer maintaining PPF account with the Bank can now view his/ her PPF account details, print the account statement and also transfer funds from Savings Bank account to PPF account through Net Banking.

With a view to promote transactions through electronic mode, your Bank has made NEFT transactions up to ₹ 1 lakh free of charge for all Retail Savings and Current Account customers with effect from June 20, 2012. Further, your Bank has extended NEFT facility to walk-in customers for cash deposits up to ₹ 50,000. A Floating Rate Interest on Retail Term Deposit (FRTD) product was launched in August 2012 to enable your Bank's customers to leverage the upside of an increase in interest rates and also hedge floating rate advances. Your Bank has been authorised to accept deposits under the Capital Gains Accounts Scheme (CGAS), 1988. Four more currencies have been added to help your Bank's NRI customers choose from a total basket of nine currencies for booking their FCNR (B) Deposits.

In the retail lending space, a bouquet of initiatives and business enablers were put in place during the year. The objective was to ramp up business volumes in all constituents of the retail lending area in an otherwise

difficult year. Your Bank proceeded with missionary zeal to bring about business growth in the socially important Education Loan segment. Towards this end, attractive and bespoke schemes were put out for various constituencies of this segment. In the Auto Loan segment, apart from attractive pricing, special festive campaigns, payout policy regarding Auto Dealers and their functionaries have been made conducive for enhanced sourcing of Auto Loan business and mutually gainful tie-ups with auto dealers/ manufacturers.

Your Bank introduced online loan application facility with tracking system during FY 2012-13, beginning with Home Loans, which was subsequently extended to Auto Loans, Personal Loans and Education Loans. It is expected that the cost-effective, fast and transparent facility will provide an additional and more convenient option to your Bank's customers to apply for its Loan products. Simultaneously, with a view to improve the turnaround time, transparency and accuracy in loan processing as well as decision making, your Bank has launched an automated Loan Originating System (LOS). LOS is an end-to-end solution for retail loan products, which automates the loan process from login of the proposal till opening of loan account in Finacle Core.

To augment the Bank's Priority Sector Loans (PSL) business and develop a PSL portfolio, all the personal banking branches of your Bank have been tasked with the responsibility of sourcing and processing Agri and MSME loans, along with Home Loans and Education Loans, qualifying as PSL, from the current financial year.

Your Bank continued to strengthen its Alternate Banking channels like ATMs, internet banking, mobile banking and others to provide customers with enabling options to reduce their dependence on the branch channel, while simultaneously offering 24x7 capabilities. From the Bank's perspective, they are also cost-effective as the transaction cost is less compared to the branch channel. The Alternate Channels and Merchant Acquisition Business also provided avenues to your Bank for augmenting fee-based income, apart from helping acquire/ deepen existing relationships. Share of Alternate

Banking Transactions total Branch Banking (Financial) transactions increased by 5% during the year to around 49% by March 2013. It helped reduce your Bank's transaction costs, apart from freeing up soft resources at the Branch for redeployment in product sales.

Your Bank was ranked among the Top 10 Banks having initiated more than 10,000 M-remit (IMPS) mobile- based transactions during the National Payment Corporation of India (NPCI) campaign conducted in August 2012. Your Bank is in the process of launching a comprehensive Mobile Banking solution, which would enable customers to have access to their accounts 24x7 on the move.

Several initiatives were also undertaken by your Bank in the internet banking area during the year. To further enhance security of the internet banking channel from phishing and various other online frauds, your Bank took the lead to expeditiously implement a Digital Signature Certificate (DSC) based authentication solution to strengthen and further secure its Corporate I-net Banking channel. To drive awareness on cyber frauds and its prevention, customers are being educated about security measures taken by the Bank through E-mails and SMS. Inserts are sent in statements on a periodic basis. A pre-Login caution page explaining safe Internet banking practices is also being displayed. A series of Safety measures (Do's and Don'ts) to use Net Banking is also displayed on the Bank's website. In addition to channel alerts (ATM, Net Banking and Point of Sale transactions), SMS alerts for all channel transactions, including stop payment confirmation/ cheque(s) deposited and returned are being sent to all Personal Banking Group (PBG)-tagged customers, irrespective of registration for the service, to keep them informed and avoid possible misuse.

Your Bank has constantly endeavoured to cater to the diverse needs of its MSME clients. Your Bank has also developed innovative and user-friendly products and services for the MSME sector to promote their growth in the sphere of industry and services. Considering the importance of credit rating, your Bank has signed Memorandums of Understanding (MoUs) with CRISIL and SME Rating Agency of India (SMERA) to provide credit rating-related services to the MSME clients. Your Bank has also entered into a MoU with Small Industries

Development Bank of India (SIDBI) – the apex financial institution for MSME Sector – to offer Loan syndication services to the Sector. Your Bank has also entered into a Memorandum of Co-operation (MoC) with the Export Import Bank of India (Exim Bank) to co-finance, co-arrange and syndicate Rupee and Foreign Currency loans to eligible export-oriented companies, particularly in the MSME sector.

Consequent upon the reclassification of direct agriculture exposure by the Reserve Bank of India in July 2012, the Bank's focus has veered towards catering to direct retail lending to farmers involved in crop cultivation and allied activities. To reach out to the remotest part of the country, the Bank appointed 35 Business Correspondents/ Business Facilitators (BC/BF). Your Bank continued to encourage formation of farmers' clubs in the villages covered by rural branches for garnering higher Agri Business. Your Bank's engagement with farmers and other agriculture intermediaries was also enhanced through participation in various 'Agri Expos' and 'Loan Melas' conducted at different locations in the country.

Your Bank's Corporate Banking Group (CBG) has a strong focus on multi-product sales – both assets and liabilities – to maximise yield. With the reorganisation of Large and Mid-Corporate Group, a unified Corporate Banking Group was formed in June 2012 to cater to all corporate clients with funding requirement of more than ₹ 5 crore. To effectively operationalise the business, CBG has been reorganised into seven regions and operates through 29 Specialised Corporate Branches (SCBs) present across 25 cities.

During FY 2012-13, your Bank opened two new Nostro Accounts in AUD and SGD currencies, with Australia & New Zealand Banking Group Ltd. (ANZ), Melbourne, Australia and United Overseas Bank, Singapore, respectively, for DIFC, Dubai Branch operations. A new Nostro account was also opened in Korean Won (KRW) currency with Standard Chartered First Bank, Seoul, South Korea, for Indian operations. During the year, your Bank opened one new Trade Finance (TF) Centre at Bandra-Kurla Complex (BKC), Mumbai, thereby increasing the total number of TF locations to 40. Your Bank has been establishing inland Letters of Credit (LCs) through Structured Financial Messaging System (SFMS) developed by the Institute





Directors' Report: 2012-13

for Development and Research in Banking Technology (IDRBT), Hyderabad. Your Bank implemented the SFMS system in all its 40 Specialised Trade Finance Branches for issuance of LCs according to the directive of the Ministry of Finance, with effect from January 1, 2013. SFMS is a highly secure messaging standard developed to serve as a platform for intra-bank and inter-bank applications. Your Bank is also fully ready for issuance of Bank Guarantees using this highly efficient platform. Your Bank is also among the first few institutions to issue Electronic Bank Realisation Certificate of Export Realisation (e-BRC). The process envisages direct uploading of digitally signed e-BRC covering export realisation details to Directorate General of Foreign Trade's (DGFT) site, thereby making the process of settlement of export-related benefits/incentives faster and hassle-free for the exporters.

Strengthening relationship with Foreign Banks continued to be your Bank's priority to enhance Trade Finance Business, which has contributed to the augmentation of fee income.

The Singapore Dollar Bond issue by your Bank was the first benchmark public bond transaction by any Indian entity in the Singapore Dollar bond market, opening up a new source of funding and investor diversification for Indian issuers.

Your Bank became the first in the country to launch an internet-based portal dedicated to retail investors in Government Securities, christened as "IDBI Samridhhi GSEC". To popularise Certificate of Deposit (CD) as a mode of investment among retail investors, your Bank, in August 2012, launched the first online CD portal in the country, called IDBI Samridhhi CD portal. This CD portal helps retail investors subscribe online to CDs issued by your Bank with a minimum of ₹ 1 lakh and in multiples of ₹ 1 lakh thereafter. Your Bank also entered into Global Master Repurchase Agreements (GMRA) with various market participants and was the first Public Sector Bank in the country to undertake Repo deal in corporate bonds.

ORGANISATION STRUCTURE

To execute its strategy of building a robust customer base, facilitate CASA growth, improve customer service and further the cause of inclusive banking, your Bank embarked on a calibrated branch-category wise expansion drive. The Bank added 104 domestic branches during FY 2012-13. Of the domestic network of 1,076 branches, as on March 31, 2013, as many as 274 are located in metropolitan centres, 388 in urban centres, 282 in semi-urban centres and 132 in rural centres, including 21 branches at hitherto unbanked areas; besides, your Bank has one fully operational overseas branch at DIFC, Dubai. Branches at a few locations were relocated and renovated to have a uniform décor across all branches.

Customer relationship and service forms the core of your Bank's initiatives. Accordingly, your Bank is currently organised on the lines of 'Customer Focused Vertical' model, capable of delivering improved services. The model has achieved significant success in enhancing customer relationship management. Besides, it has improved credit delivery and brought sharper focus to business lines, which are sustainable and remunerative. Both the retail and corporate business segments of your Bank were further reorganised to enhance business delivery and reduce turnaround time.

BOARD OF DIRECTORS

Your Bank's Board of Directors is broad-based and its constitution is governed by the provisions of the Banking Regulation Act, 1949, the Companies Act, 1956 and the Articles of Association of the Bank. Your Bank's constitution satisfies the requirements of good corporate governance as envisaged in the Listing Agreement with the Stock Exchanges. The Board functions directly as well as through various Board Committees, which are constituted to provide focussed governance in important functional areas of the Bank.

As on March 31, 2013, the Board comprised seven Directors with two Whole-Time Directors (viz., Chairman and Managing Director and Deputy Managing Director), one Non-Executive Director and four Independent

Directors. None of your Bank's Directors are related to each other.

APEX COMMITTEES

The Board has, in all, eleven committees, viz., Executive Committee, Audit Committee, Shareholders'/ Investors' Grievance Committee, Frauds Monitoring Committee, Risk Management Committee, Customer Service Committee, Information Technology Committee, Remuneration Committee, Nomination Committee, HR Steering Committee and Recovery Review Committee. These committees oversee various functional aspects of your Bank's business and operations.

CORPORATE GOVERNANCE

Your Bank is committed to adopt the best practices in corporate governance. Your Bank believes that proper corporate governance is not just a requirement for regulatory compliance, but also a facilitator for enhancement of stakeholders' value. The details of corporate governance practices followed in your Bank are given in this Annual Report as a separate section under the Management Discussion and Analysis.

Statement under Section 217(2A) of the Companies Act, 1956

During the entire financial year under review, there were no personnel in your Bank's services who received remuneration over ₹ 60 lakh per annum. Further, there were no personnel in the service of the Bank for a part of the year who received remuneration in excess of ₹ 5 lakh per month. The provisions of Section 217(1)(e) of the Act relating to conservation of energy and technology absorption do not apply to your Bank.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors hereby declares and confirms that:

- In the preparation of accounts, the applicable accounting standards had been followed, along with proper explanation relating to material departure.
- The Directors had adopted such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as

to give a true and fair view of the state of affairs of your Bank at the end of the accounting year and of the profit or loss of your Bank for that year;

- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the regulatory provisions, for safeguarding the assets of your Bank and for preventing and detecting fraud and other irregularities; and
- The Directors had prepared the accounts on a going concern basis.

ACKNOWLEDGEMENTS

The Board of Directors of your Bank expresses its sincere thanks to the Government of India, Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority (IRDA) and all other Statutory/ Regulatory Authorities for their valuable co-operation and guidance. The Board is equally grateful for advice received from distinguished colleagues, who ceased to be Directors of the Bank during 2012-13. The Board also acknowledges the co-operation and support received from various state governments and other banking/ financial institutions. The Board thanks various multilateral institutions and international banks/ institutions for their periodic support. The Board also takes this opportunity to thank all its shareholders and customers for extending their support during the year and looks forward to their continued association in the years ahead. During the financial year, the Bank has received various recognitions and accolades for its excellence in the banking domain. The Board is indeed thankful to all such organisations/ agencies for their appreciation of the Bank's efforts. The Board appreciates the sincere and devoted services displayed by its entire staff and highly values their commitment towards improving your Bank's performance.

(M. S. Raghavan)

Chairman and Managing Director

Place: Mumbai

Date: July 8, 2013



Management Discussion and Analysis

BUSINESS ENVIRONMENT

Global Economic Scenario

The subdued pace of economic activity, persisting at subpar levels across the advanced economies, led to heightened concerns of underlying vulnerability in these economies, impinging upon the recovery process. Despite concerns over the impact of budget sequestration in the US economy, economic indicators, led by GDP growth, rebound in employment and increased consumer spending shows a degree of resilience to the fiscal austerity in the economy. Japan's economy rebounded mildly towards the end of 2012 on the back of monetary and fiscal stimulus, popularly known as 'Abenomics', which has led to an improvement in consumer confidence. Further, the weak Yen abetted a pick-up in the external demand, lending the much needed boost to the economy. The inimical economic conditions continued to prevail in the Euro-zone countries as is evidenced by the weak growth momentum reported by most member countries as also the number of member countries opting for bailouts.



The monetary stimulus and liquidity support extended by major advanced economies boosted investor sentiments towards the end of 2012.

The recessionary conditions in the European economies were characterised by declining industrial production, weak domestic demand and declining exports.

The sluggish pace of economic recovery in advanced economies also weighed down heavily on the performance of the emerging market economies, especially the BRICS economies. Despite being the fastest growing economy in the world, China witnessed a slowdown in its growth momentum, predominantly led by the sluggish external demand for its exports. With a slowdown in economic activity across major economies, there have been heightened downside risks to global economic recovery.

However, the monetary stimulus and liquidity support extended by major advanced economies boosted investor sentiments towards the end of 2012. The accommodative policy measures adopted by the European Central Bank (ECB), namely, the bailout of Greece, the introduction of roadmap for the Euro area banking union, the bond buying programme and so on, were instrumental in restricting the extent of downturn in the European economies.

The Federal Reserve provided the necessary monetary stimulus to the US economy by announcing a third round of quantitative easing involving open-ended, bond

purchase programme of agency mortgage-backed securities. 'Abenomics', envisaging huge monetary base expansion in Japan also was instrumental in reviving the economic growth of the country. Even with an improvement in the country's financial condition, a sustained recovery in economic activity is yet to be witnessed. Further, there are increasing concerns over the impact of a massive monetary influx in the global financial system on the back of monetary easing by the central banks of advanced economies and its impact on the emerging economies.

Domestic Economic Environment

The Indian economy registered a muted performance in FY 2012-13, with GDP growth decelerating to a low of 5.0%. While the persistent economic upheaval across the major economies contributed to the slowdown, the weak domestic fundamentals compounded the economic problems. The slowdown in the economic growth momentum was broad-based, reflected by a subdued performance of all the three sectors - agriculture, industry and services. However, industry sector performance and particularly the Manufacturing Sector component therein, was markedly disappointing.

The saving and investment levels in the economy remained

subdued, posing a major macro-economic challenge to the economy. Inflationary concerns, that had put the Indian economy under pressure for the past couple of years, resulted in a hardening of interest rates consequent to a phased monetary policy tightening by the RBI. However, macroeconomic concerns, along with easing WPI inflation, allowed the central bank to recalibrate its policy stance towards a more accommodative position by reducing the key policy rates by 100 basis points during FY 2012-13. Nevertheless, the elevated levels, albeit decelerating, of CPI inflation continued to be an area of concern, impeding a more aggressive policy intervention towards reinvigorating growth numbers. The slowing economy impacted the financial health of the Government, prompting the adoption of the objective of fiscal consolidation as evidenced in the Union Budget 2013-14. The Government succeeded in restricting its fiscal deficit to 4.9% of the GDP in FY 2012-13 (lower than the revised estimate of 5.2%). The unacceptably high Current Account Deficit (CAD) of 4.8% of GDP, up from 4.2% a year ago, and a rise in External Debt, valued at US\$ 390.0 billion, as at

₹ 55,05,437 crore

GDP at factor cost for
FY 2012-13

100 basis points

Reduction the key policy
rates during FY 2012-13

end-March 2013, up 12.9% from end-March 2012, particularly the short-term debt component, further circumscribed the already restricted domain for growth and investment friendly policy manoeuvre.

REAL SECTOR

Gross Domestic Product (GDP)

The Annual National Income estimates for FY 2012-13, released by the Central Statistical Office (CSO), reflected a marked slowdown in the Indian economy. The Gross Domestic Product (GDP) at factor cost for FY 2012-13 was estimated at ₹ 55,05,437 crore compared to ₹ 52,43,582 crore in FY 2011-12, implying a growth rate of 5.0% vis-à-vis a growth of 6.2% in FY 2011-12. The deceleration was observed across sectors, with agriculture, industry and services sectors registering growth rates of 1.9%, 2.1% and 7.1%, respectively, in FY 2012-13. The deceleration in the pace of growth stemmed from the sluggish pace of global economic recovery and subdued domestic macroeconomic fundamentals. The sectoral dynamics of the Indian economy has undergone a metamorphic change over the years. From being predominantly an agrarian economy, the Indian economy is now a pronounced services-led economy. The contribution of Services Sector to the overall GDP ascended further from 58.4% in FY 2011-12 to 59.6% in FY 2012-13. The share of Industry Sector, in contrast, fell marginally to 26.7% in FY 2012-13 from 27.5% in FY 2011-12 and that of Agriculture Sector dropped further to 13.7% in

FY 2012-13 from 14.1% in FY 2011-12. Though the Services Sector continued to remain the key growth driver of the Indian economy, the sector's performance has been on the decline since the last three fiscal years.

Industrial Scenario

Industrial activity in the economy exhibited a sluggish trend throughout FY 2012-13 due to the tumultuous global economic conditions and prevailing subdued investor sentiment. The pace of industrial activity, gauged by the Index of Industrial Production (IIP), remained depressed due to the tepid performance by the Manufacturing Sector, which constitutes more than 75.0% of the overall index and persistent negative performance by the Mining Sector. The overall Industrial Sector growth during FY 2012-13 was at 1.1% as compared to 2.9% during FY 2011-12. In the use-based category, the sluggish performance of the Capital Goods segment highlighted the muted business sentiments, while depressed Consumer Goods indices epitomised the flaccid domestic consumption demand. The Index of Eight Core Industries, with a combined weight of 37.9% in the overall IIP, grew by merely 2.6% in FY 2012-13 as compared to 5.0% in FY 2011-12. With both infrastructure and manufacturing registering pronounced sub-optimal performance, the Indian economy recorded a low GDP growth.

Inflation

Escalating price levels, partly resulting from the structural





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impediments in the economy, has emerged as a major concern in the Indian macroeconomic landscape for the past couple of years. There was a moderation in the price levels towards the end of FY 2012-13, due to Government initiatives, as evidenced by the sharp decline in the WPI-based inflation to sub-6.0% level, as also in core inflation. However, upside risks to inflation persevered with food inflation remaining sticky at elevated levels. For FY 2012-13, average headline WPI inflation clocked 5.65%, whereas CPI inflation stood much higher, at 10.39%.

Liquidity & Interest Rates

A somewhat tight liquidity situation prevailed in the Banking system for a major part of FY 2012-13. The average daily borrowing, after remaining tight in the first quarter of the fiscal, eased in June - October



The RBI injected ₹ 1.5 lakh crore of primary liquidity into the system through Open Market Operations (OMOs) during FY 2012-13.

Additionally, an amount of ₹ 1.3 lakh crore was infused through Cash Reserve Ratio (CRR) cuts since January 2012

5.65%

Average headline WPI inflation

2012 period. Improvement in the systemic liquidity was attributed to the various liquidity enhancement measures adopted by the RBI to tide over short-term liquidity deficit. The RBI injected ₹ 1.5 lakh crore of primary liquidity into the system through Open Market Operations (OMOs) during FY 2012-13. Additionally, an amount of ₹ 1.3 lakh crore was infused through Cash Reserve Ratio (CRR) cuts since January 2012. There was, however, a liquidity deficit towards the end of the fiscal, with average daily borrowing hovering around ₹ 1 lakh crore levels. The peak borrowing under Liquidity Adjustment Facility (LAF) in March 2013 crossed ₹ 1.80 lakh crore on March 28, 2013 due to advance tax outflow and year-end pressure. Besides, high Government balances with the RBI and the growing wedge between the credit-deposit growth rates have been cited as reasons for the tight liquidity in the system. The yield on the 10-year benchmark G-sec paper continued to show a declining trend towards the end of the fiscal on the back of policy relaxations by the RBI in its periodic monetary policy reviews, optimism about improvement in the fiscal situation, reduction in primary issuances, consistent bond purchases and weakening WPI inflation in general and core inflation in particular. However, the upward pressure on yields remained with the domestic uncertainties and persistent liquidity constraints in the system, resulting in a range-bound yield movement.

Foreign Exchange Reserves and Exchange Rates

As on March 31, 2013, India's foreign exchange reserves stood at USD 292.0 billion, which was lower by USD 2.4 billion compared to March-end 2012. The decline in foreign exchange reserves can be attributed to a steep depreciation of the Rupee along with pressure on the Balance of Payments (BoP) due to the widening of the Current Account Deficit (CAD) and decline in capital inflows. In FY 2012-13, the Indian Rupee depreciated by 6.3% vis-à-vis the US Dollar as compared to 14.6% depreciation witnessed in FY 2011-12. The average value of the Indian Rupee against the US Dollar was ₹ 54.45 in FY 2012-13 as compared to ₹ 47.95 per US Dollar in FY 2011-12. Except for few intermittent gains, the Indian Rupee was under pressure for a major part of the year. The widening trade deficit, occasioned by declining exports, exerted a downward pressure on the Rupee. In the latter part of the fiscal FY 2012-13, there was an improvement in the capital inflows in the economy, resulting in a marginal appreciation in the Rupee valuation.

Future Outlook

The growth momentum of the Indian economy stuttered in FY 2012-13 due to a combination of factors, such as uncertain and geographically uneven pace of global economic recovery, lower domestic demand, muted investment activity, stalled projects, weak monetary policy transmission, burgeoning

CAD and adverse external sector developments. Global economy grew only marginally from an annualised rate of 2.5% in the second half of 2012 to 2.75% in the first quarter of 2013. Global growth continues to be patchy and uneven across countries as well as geographic zones. Downside risks to global growth prospects still dominate: while old risks remain, new risks have emerged, including the possibility of a longer growth slowdown in Emerging Market Economies (EMEs), especially given risks of lower potential growth, slowing credit and possibly tighter financial conditions if the anticipated unwinding of monetary policy stimulus in the United States leads to sustained capital flow reversals. The IMF has warned of non-trivial risks of the global economy encountering a soft patch in the months ahead, while projecting a growth of 3.10% for CY 2013.

On the domestic front, macroeconomic conditions, including industrial production, continue to be subdued, hamstrung by infrastructure bottlenecks, supply constraints, lacklustre domestic demand and subdued

investor sentiment. Inflation indices have witnessed a recent surge, after a few months of moderation, on the back of higher food inflation and pass-through of pronounced rupee depreciation in the first quarter of FY 2013-14. This is despite subdued core and non-food manufactured inflation resulting from flaccid investment and consumption demand. The policy intervention to restore stability in the foreign exchange market and to purge it of undue volatility have temporarily sucked out liquidity in the system and imparted an upward bias to short-term interest rates. However, these are expected to be temporary developments, with prospects of reversal at an opportune time when the par value of the rupee stabilises. Softer global commodity prices and recent measures to dampen gold imports are expected to moderate the CAD in 2013-14 from its level last year. The glad tidings on the fiscal deficit front in 2012-13 and determined policy initiatives instill confidence that the fiscal deficit for 2013-14 would be contained at targeted levels. Consolidation in this regard is expected to mitigate the twin deficit risks to the outlook. The normal monsoons to date are another comforting feature. If the exchange rate volatility is brought under control soon, inflation stays range-bound through the latter half of the financial year and global market conditions, particularly those in EMEs (Emerging Market Economies), do not turn inimical to growth, the room for policy manoeuvre would open up sufficiently to stimulate investment and overall economic growth.

Despite a plethora of uncertainties currently weighing down on the growth momentum in the economy, there is cautious optimism that the Indian economy would register an improved performance in respect of GDP growth and associated macro-economic parameters during 2013-14 compared to the immediately preceding financial year.

BUSINESS REVIEW

IDBI Bank has the unique advantage of being the youngest commercial bank in India's public sector with a four-decade heritage. As the erstwhile Industrial Development Bank of India and the country's apex Development Financial Institution (DFI), it played a pioneering role in India's industrial and economic progress. Today, IDBI Bank's youth, dynamism and josh are the inherent qualities which define what the Bank stands for and aspires towards. Your Bank endeavours to not only permeate these qualities in its operations, but also in the construct of its products and service offerings.

Retail Finance

At IDBI Bank, in order to maintain its position as a full-service new generation commercial bank, it pursues a calibrated accretion to its retail business portfolio to moderate the skew of corporate business in your Bank's total business. At present, your Bank offers a bouquet of Liability, Asset, Capital Market and Third Party products primarily aimed at meeting the specific needs of customers in the Retail Banking segment. The Bank's liability products include Savings Accounts,

USD 292.0 BN

India's foreign exchange reserves

3.10%

Projected global economic growth for CY 2013





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Current Accounts, Retail Term Deposits, Recurring Deposits, etc. Retail Structured Asset products on offer include Housing Loans, Loan against Property, Personal Loans, Education Loans and Auto Loans. Your Bank also offers various genres of card products such as Debit-cum-ATM Cards and Prepaid Cards, Capital Market and Third Party products etc. Your Bank also offers exclusive products for NRIs like NRE/ NRO/ FCNR Bank Accounts, Remittance Services, Portfolio Investment Scheme (PIS) and Investment Related Products. Your Bank's product portfolio is periodically reviewed to modify, innovate and customise existing products and introduce new products in line with the ever-changing banking needs of its customers. These upgradations are carried out on a regular basis in sync with observed and latent customer preferences, both as part of your Bank's customer-centric service and to facilitate growth in

business volumes.

Business initiatives in the retail banking space are skillfully driven through an enabling expansion in branch network and skilled manpower. At the end of March 2013, your Bank's domestic footprint stood at 1,076 branches, comprising 274 at various metropolis locations, 388 at urban centres, 282 at semi-urban centres and 132 at rural centres, including 21 branches at hitherto unbanked centres. Additionally, IDBI Bank has one fully operational overseas Branch at DIFC, Dubai. During the year under report, your Bank added 104 new brick and mortar branches.

In order to enhance the customers' convenience, your Bank strengthened its Alternate Delivery Channels by expanding the ATM network from 1,542 as on March 31, 2012 to 1,702 as on March 31, 2013.

Product Introductions and Innovations

In the retail liability product segment, your Bank designed new products aligned to emerging customer needs, rationalised existing products and unveiled other customer-friendly initiatives to, inter alia, increase the share of low-cost funds.

In the Savings Account segment, your Bank enabled online opening of some categories of Savings Bank accounts. The activation of these accounts takes place on the submission of the requisite Know

Your Customer (KYC) documents by the applicant. Currently, this online account opening facility is being offered to Resident individuals for opening Savings Account under Super Savings, Preferred and Royale products.

During the year, your Bank introduced another 'Basic Savings Account' variant, under the SABKA Savings Account genre. This can be opened with full KYC, without any prescription of minimum balance and entitles the account holder to cheque book and card benefits, albeit within specified limits. The product features of SABKA SB accounts continue to be periodically modified in order to make it compliant with the RBI guidelines. The facilities offered by the account have continuously been improved for customers' convenience.

Your Bank extended the Saving Bank product with overdraft facility of ₹10,000/- for "Non-Farmers and Landless Labourers", which was introduced in March 2012 in a few rural branches, to all its rural branches this year.

In order to promote transactions through the electronic mode, your Bank made National Electronic Fund Transfer (NEFT) transactions up to ₹1 lakh free of charge for all retail Savings and Current Account customers, with effect from June 20, 2012. Further, the Bank extended NEFT facility to walk-in customers (non-IDBI Bank Account Holders) for



Business initiatives in the retail banking space are skillfully driven through an enabling expansion in branch network and skilled manpower.

104

New branches added during FY 2012-13

cash up to ₹ 50,000.

Additionally, your Bank extended a sub-membership facility, under the Centralised Payment System (CPS) of the RBI, to Co-operative banks, which will enable them to provide RTGS/ NEFT facility to their customers.

Similarly, your Bank authorised a few co-operative banks to gain access to the RBI's CPS through clearing sub-membership, where IDBI acts as a Sponsor Bank.

In the Retail Term Deposit segment, your Bank enabled its customers to leverage the upside of an increase in interest rates and hedge floating rate borrowings by introducing a Floating Rate Interest on Retail Term Deposit (FRTD) product in August 2012. The interest rate on the FRTD is anchored to a transparent, market-based rupee benchmark rate, viz., average yield at 364-Days Treasury Bills Auctions undertaken by RBI during the preceding three months. Your Bank also introduced a new term deposit maturity bucket "above 10 years up to 20 years" for deposits up to ₹ 1 crore, in September 2012.



In the retail liability product segment, your Bank designed new products aligned to emerging customer needs, rationalised existing products and unveiled other customer-friendly initiatives to, inter alia, increase the share of low-cost funds.

Two major customer-friendly initiatives in the Term Deposit area were introduced during the year, viz., optional facility of interest calculation/payout on Term Deposits on calendar quarter basis i.e. as on March 31, June 30, September 30 and December 31 every year and calculation of interest on 365 days basis even in a leap year for Retail Fixed Deposits.

Your Bank has been authorised, through suitable Gazette notification, to accept deposits under the Capital Gains Accounts Scheme (CGAS), 1988.

Your Bank greatly values its relationship with its Non-Resident Indian (NRI) Clients and initiated various measures to increase its market share in this segment and strengthen existing relationships.

In the realm of newly introduced products/ facilities, two new variants of NRI Term Deposit products, namely, Recurring Deposit facility under the NRE (Non-Resident External) Scheme and a NRE Fixed Deposit scheme with monthly payout facility were introduced during the year. Further, in order to offer a wider choice of currencies to the existing and prospective NRI clients for booking Foreign Currency Non-Resident FCNR (B) deposits, your Bank introduced an additional four currencies viz. HKD, SGD, CHF and JPY for booking FCNR (B) deposits to the existing currency list of USD, GBP, EUR, AUD and CAD, in December 2012. Also, a Non-Resident Ordinary (NRO) Savings Bank Deposit along with NRO Fixed Deposits was introduced under

the Capital Gains Account Scheme, 1988.

During the year, your Bank entered into an arrangement with Western Union Money Transfer Services for facilitating remittances in order to extend the bandwidth of the Bank's NRI services. Your Bank also expanded its tie-ups with several leading stockbrokers for providing PIS Services to their NRI clientele through MOUs under a Portfolio Investment Scheme (PIS). Additionally, your Bank placed its officials in Exchange Houses in the Gulf Cooperation Council (GCC) countries to source NRI Business. These initiatives have already started yielding results in terms of ramp-up in its SB and Term Deposit business and catalysed fee income and commission earnings.

Retail Lending

In the retail lending space, your Bank broadened its delivery channel by adding a new Retail Asset Center (RAC) during the year. The Bank's mission to emerge as one of the dominant and competitive players in the retail finance segment has driven it to put a plethora of initiatives and business enablers in place.

The pricing of retail loans was periodically reviewed in relation to market trends and suitably realigned to increase the attractiveness of your Bank's loan products among existing and potential customers. This was buttressed by special offers in several of the loan constituents during the festive season. Your Bank also took specific measures to retain existing well-performing clients,





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particularly in the Home Loan and Loan against Property product segments, in the face of competition from peer banks.

A pronounced emphasis on cross-selling of retail loan products to your Bank's existing customers have driven its branches to increase sourcing of Structured Retail Asset Products to complement the efforts of Retail Asset Centres. Further, to augment Priority Sector Lending (PSL) business and develop a PSL portfolio, all Personal Banking (PBG) Branches of your Bank have been made responsible for sourcing and processing Agri and MSE loans, along with Home Loans and Education Loans, all of which qualify as PSL.

In order to facilitate growth in the socially significant Education Loan segment, the Bank offered attractive and customised schemes for various constituents of this segment, including Vocational and Non-Vocational Courses, schemes for students of premier educational institutions of India, as well as for meritorious students seeking

admission under the management quota.

To stimulate growth under Personal Loan segment, the catchment area was enlarged through wider eligibility bandwidth, complemented by cross-sell on preferential terms to existing Home Loan/ Loan against Property borrowers. A special "Bundled Offer Scheme" was introduced for the employees of assisted Corporate(s), which includes Personal Loans on concessional terms. During the year, your Bank introduced an online loan application facility with a tracking system, which is cost-effective, fast and transparent. Your Bank started the facility with Home Loans and subsequently extended it to Auto Loans, Personal Loans and Education loans. This facility is expected to provide an additional and more convenient option to your Bank's customers when they apply for Loan products.

Your Bank sustained its support to government-sponsored schemes for the Economically Weaker Section (EWS) and Lower Income Groups (LIG) of the society through schemes like Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) and Indira Awas Yojana (IAY) for its retail customers. Towards this end, the Bank entered into an agreement with National Housing Bank (NHB) and became a member of Credit Risk Guarantee Fund (CRGF) Trust.

Alternate Banking Channels

Your Bank strengthened its Alternate Banking channels like ATMs, internet banking, mobile banking, etc. to provide customers with options of reducing their dependence on branch channels while simultaneously offering 24x7 capabilities.

Your Bank's objective of promoting the Debit Card usage during the festive season led to the launch of a Cash-Back offer, effective November 1, 2012 through February 28, 2013, for purchase transactions (at POS merchants) as well as for online transactions (internet merchants), which was a huge success.

Your Bank formally launched Kisan Credit Card (KCC) on December 8, 2012 in association with the National Payments Corporation of India (NPCI). The card can be used to withdraw cash from any Bank ATM and, from a later date, also for purchasing inputs like seed, fertiliser and pesticides from dealers using POS terminals. The card will also enable farmers to make purchases at select merchant establishments.

Your Bank has pro-actively initiated various implementations like issuing chip-based Debit Cards to make the payment infrastructure more secure. The Bank has extended a Unique Registration Number (URN) security measure, existing in Retail Net Banking, to Corporate Net Banking for transfer of funds to third party accounts within the Bank and other bank accounts by NEFT.



Your Bank strengthened its Alternate Banking channels like ATMs, internet banking, mobile banking, etc. to provide customers with options of reducing their dependence on branch channels while simultaneously offering 24x7 capabilities.

During the year, the Bank was recognised as being among the Top 10 Banks for having initiated more than 10,000 M-remittance (Immediate Payment Service - IMPS) mobile based transactions during the NPCI campaign conducted in August 2012.

Your Bank undertook several initiatives in the internet banking area during the year. In order to enhance security of the internet banking channel from phishing and other types of online frauds, your Bank implemented a Digital Signature Certificate (DSC) based authentication solution to strengthen and further secure its Corporate I-net Banking channel. The solution builds trust and offers greater security in the electronic banking system, enhancing comfort and confidence of both the Bank's customer and the organisation while undertaking online transactions. IDBI Bank Corporate I-net Banking users now have the option to use a DSC, procured from any licensed Certifying Authority, to authenticate and digitally sign their online transactions. Your Bank became compliant with the RBI directive dated February 28, 2013, mandating



During the year, the Bank was recognised as being among the Top 10 Banks for having initiated more than 10,000 M-remittance (Immediate Payment Service - IMPS) mobile based transactions during the NPCI campaign conducted in August 2012.

the use of Digital Signatures for high-value online transactions (initiated through RTGS) well before the mandated deadline (July 1, 2013).

Additionally, by leveraging its online platform, your Bank now enables customers with PPF accounts to view their account details online, print the account statement and transfer funds from the Savings Bank account to their PPF account through Net Banking.

Your Bank launched an alternate mode of generating Online Shopping Password (OSP) through a pull-based SMS service from February 22, 2013, in addition to the existing facility of generating OSP through Net Banking. This allowed the Bank to enable its customers to conduct their transactions while on the move as well using their mobile phones.

Your Bank introduced the facility of making online donations through its website to the Prime Ministers National Relief Fund (PMNRF), making it convenient and simple for the Bank's customers to associate with a noble cause.

With the purpose of enhancing customer awareness on cyber frauds and its prevention, your Bank has taken steps to educate its customers about security measures through e-mails, SMS and inserts sent in statements on a periodic basis.

Third Party Products

In line with its constant endeavour to provide value-added services to

customers, aligned to their risk profile and financial goals, the Bank has tied up with over 35 Asset Management Companies (AMCs), including IDBI Mutual Fund, to provide a bouquet of diversified financial products to suit its customers' investment needs. Your Bank is a distributor of Fixed Income Securities, viz. Capital Gains Bonds, GoI Bonds, various Tax-Free and Tax-Saving Bonds.

Additionally, your Bank has enlisted as a registered Point of Presence (PoP) for Pension Fund Regulatory and Development Authority's (PFRDA's) National Pension Scheme (NPS).

Your Bank offers Life Insurance solutions to suit various customer segments, through IDBI Federal Life Insurance Company Ltd. The Bank is also a Corporate Agent of Bajaj Allianz General Insurance Co. Ltd. and offers non-life insurance products covering assets, health and personal accidents.

Capital Market Products

In the capital markets segment, your Bank initiated measures to provide Institutional Private Programme Issue (IPPI) through an ASBA (Applications Supported by Blocked Amount) facility as per SEBI guidelines. During 2012-13, 64 new branches were activated for Depository operations. As on date, 688 branches pan-India have this facility.

Financial Inclusion

The Government of India, together with the RBI, has embarked upon





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the mission of fostering inclusive growth in the country. The process of financial inclusion ensures access to appropriate financial products and services for low-income groups of society at an affordable cost and in a fair and transparent manner. Your Bank supports the nation's initiatives in this crucial socio-economic objective. The Board of the Bank had approved a three-year roadmap (2010-2013) for providing banking services in unbanked and under-banked areas, which envisaged a coverage of 119 villages with population of more than 2,000 and 118 villages with population of less than 2,000, based on villages allotted to your Bank by the State Level bankers' Committee (SLBCs). The 3-year Financial Inclusion Plan (FIP), which ended on March 31, 2013, saw your Bank cover all allotted 119 villages through the Information & Communication Technology (ICT) based Business Correspondent (BC) model or brick-and-mortar branches.

With the earlier 3-year FI Plan coming to a close as at March



The 3-year Financial Inclusion Plan (FIP), which ended on March 31, 2013, saw your Bank cover all allotted 119 villages through the Information & Communication Technology (ICT) based Business Correspondent (BC) model brick and mortar branches.

31, 2013, your Bank has drawn up a fresh 3-year FIP for the period April 2013 to March 2016 to continue with the process of ensuring access of banking and payment services to the excluded section of society. The plan envisages the coverage of 166 villages with a population of more than 2,000 and 1,500 villages with a population of less than 2,000 by end of March 2016.

During the current financial year, your Bank extended its reach to 246 villages through a network of 159 Business Correspondents. These include 71 villages with a population of less than 2,000, located in Maharashtra, Chhattisgarh, Madhya Pradesh and Rajasthan. Further, 22 low-cost small-format branches were opened in unbanked villages, which include 10 branches in Financial Inclusion villages with a population of more than 2,000 and were initially covered under the BC model.

Your Bank's FIP has been implemented by using ICT-based smart card solution through the BC model. As on March 31, 2013, your Bank has opened 6.52 lakh Basic Savings Bank Deposit Accounts (BSBDAs) under financial inclusion, which include 1.19 lakh accounts serviced through the BC model. Apart from the basic services offered under FI, your Bank introduced various products on relaxed terms such as Education Loan, Fixed Deposit, Recurring Deposit and micro insurance product known as

"Grameen Suraksha" for the benefit of customers.

Director Benefit Transfer Scheme

Your Bank actively participated in the Direct Benefit Transfer (DBT) Scheme, introduced by the Government of India in 43 pilot districts, with effect from January 1, 2013. The scheme aims at direct transfer of various benefits and subsidies like Scholarship, Janani Suraksha, LPG subsidy, etc. into the beneficiary's bank account, linked with the Aadhaar number. Under the scheme, Banks have to open accounts of beneficiaries, seed Aadhaar number into the beneficiary's account and provide adequate number of access points (Branch/ ATM/ BCA) to enable the beneficiary to withdraw money.

Of the 43 pilot districts currently forming part of DBT, your Bank has a presence in 33 districts, across 16 States through 153 retail branches.

Your Bank installed on-site ATMs in these branches to cater to the requirement of its customers. Your Bank has been allotted 43 villages and 380 wards in the 43 DBT districts. Pursuant to the directives from the Ministry of Finance, these branches are ensuring that every family in your Bank's Service area has at least one bank account. With an aim to sensitise common people about the importance of DBT and seeding the Aadhaar number to the bank account, the Bank's branches organised special camps

in the service area. These camps spread awareness through banners and posters outside the premises, exhorting customers to seed their Aadhaar number with their bank account number since it forms the basis of Government's scheme of direct transfer of benefits. This helped your Bank attract a large number of customers in the 33 districts under DBT where your Bank has a presence. As per Government of India directives, the branches are in constant touch with the Lead District Manager (LDM) of the lead bank to collect the list of beneficiaries within the service area and to ensure that accounts of beneficiaries, who do not have a bank account, are opened. All the Savings Bank account holders, irrespective of the scheme in which the account is opened, are issued ATM Debit cards. Besides, customers under the BC-ICT model are issued Smart Cards for authentication as well as transactions at the POS machine.

Your Bank ensures that the Aadhaar numbers received from the concerned Government Departments are seeded into the



From July 1, 2013, the Government of India has decided to extend the DBT scheme to a further 78 districts. Your Bank has a presence in 59 out of these 78 districts through 129 retail branches and has already drawn up the strategic contours of implementing the scheme in these districts.

beneficiaries' account numbers without any further verification. The data of seeded Aadhaar numbers is uploaded onto NPCI's Mapper on a daily basis at the end of each day. In these 33 districts, 40,862 accounts have been seeded with the Aadhaar numbers as on March 31, 2013.

In consonance with Government of India directives, your Bank has also prepared a comprehensive plan to implement DBT in its allocated service area. The plan encompasses the Bank's approach and implementation arrangements, while addressing the assessment of banking infrastructure (Branch/ATM/BC), inter-operability of bank customers, operationalisation of kiosk banking solution, fixing and monitoring of targets.

In line with the growing importance and bandwidth of the DBT initiative, your Bank has drawn up a hierarchy-wise dispensation of responsibilities.

From July 1, 2013, the Government of India has decided to extend the DBT scheme to a further 78 districts. Your Bank has a presence in 59 out of these 78 districts through 129 retail branches and has already drawn up the strategic contours of implementing the scheme in these districts.

Urban Financial Inclusion

Apart from implementing the DBT scheme, your Bank undertook a number of other initiatives in the FI area during the current year. In order to widen its reach under the urban financial inclusion and boost the Government's objective of electronic transfer of benefits,

your Bank sought and obtained the mandate from Raipur Nagar Nigam for the distribution of social security pension to about 22,000 old-age pensioners through smart cards. Further, BCs were appointed in two Panchayats of 24 South Parganas District of West Bengal for catering to the banking needs of the people of these panchayats.

During the year, your Bank also launched Urban Financial Inclusion Programme at Dhobi Ghat near Mahalaxmi area in Mumbai, to extend its banking facilities to the financially excluded people in the locality. Your Bank also obtained a mandate from the Government of Chhattisgarh for distribution of MNREGA wages in five districts. The project is expected to cover about 500 villages with a total of five lakh beneficiaries over a period of three years. The Government of Bihar also mandated your Bank to disburse pension under various social security pension schemes in 26 Gram Panchayats in Bihta, Bihar. The Bank is also in the process of exploring such partnerships with other government bodies.

Furthering the FI Agenda

Based on the directives issued by the Ministry of Finance for the conversion of all KCCs into ATM-enabled Debit cards, your Bank has introduced KCC ATM-cum-Debit cards on the RuPay platform to be issued to all eligible existing and future KCC account holders.

Your Bank has proactively opted for the online mode of transactions in the FI arena for





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operational convenience. With this objective, your Bank engaged in implementing a range of systems such as FI Gateway, Aadhaar Payment Bridge System and Aadhaar Enabled Payment System, using state-of-the-art technology. Your Bank successfully implemented the Aadhaar Payment Bridge System and integrated it with National Automated Clearing House. This platform enabled your Bank to process Aadhaar and non-Aadhaar based transactions. As on March 31, 2013, details of 1,20,287 Aadhaar-enabled bank accounts have been uploaded onto this platform. Your Bank is in the process of implementing FI Gateway and Central Authentication Server, which will enable the Bank to swiftly migrate to an inter-operable environment.

Your Bank signed an Agreement with M/s CSC e-Governance Services India Limited, a Special Purpose Vehicle (SPV) set up by the Department of Electronics and Information Technology, Government of India, to leverage Common Service Centres

(CSCs) network and use them as Business Correspondent Agents (BCAs) to extend your Bank's reach in unbanked villages. These CSCs are already equipped with PC/ internet facilities and can start working as BCAs as soon as Banks provide a 'Kiosk Solution'. The Bank has finalised the solution provider for shortly implementing a Kiosk Banking Solution after carrying out the necessary due diligence.

The Ministry of Finance had, in August 2012, directed banks to make necessary changes in their Core Banking Solution (CBS) to capture the village/ town code in order to assess the activity level in FI accounts. Your Bank has already initiated action for bulk updation of village/town census codes in existing accounts and expects to complete this exercise shortly.

As Aadhaar has assumed a significant role under FI, your Bank has onboarded with UIDAI as a Registrar to undertake Aadhaar enrolments in ten states/ UTs. During the year, your Bank enrolled around 7.27 lakh residents across these states.

Rural awareness programmes

In order to spread awareness on importance of banking services amongst the rural populace, your Bank set up "Vittiya Saksharta Jankari Kendras" in its rural branches, pursuant to the issuance of revised guidelines on Financial Literacy Centres by the RBI. These centres provide financial literacy services to

customers.

As part of your Bank's Corporate Social Responsibility (CSR) initiatives in the FI domain, it established a partnership with Tata Institute of Social Sciences (TISS) in 2011 for a period of two years through May 2013 to promote its FI Programme. Under this "Rural Transformation Fellowship Programme (RTFP)", your Bank has sponsored fellowships for 11 TISS graduates stationed at selected villages in Maharashtra, Madhya Pradesh and Chhattisgarh.

The fellows, inter-alia, developed a comprehensive village profile as a baseline, focused on financial awareness and literacy, social entrepreneurship development, and capacity building among the villagers besides working with marginal and excluded groups.

MSE Initiatives

The importance of Micro, Small and Medium Enterprises (MSME) sector in the nation's economic growth needs no reiteration. MSMEs have thus been accorded an important role in your Bank's growth charter. Your Bank has re-organised its business verticals and developed a special business model to serve the MSME sector across the country. It has set up dedicated Credit Processing Centres at various geographical locations to speed up credit delivery. Your Bank has also set up dedicated branches at locations covering most of the prominent MSME sectors and clusters across the country. In



As part of your Bank's Corporate Social Responsibility (CSR) initiatives in the FI domain, it established a partnership with Tata Institute of Social Sciences (TISS) in 2011 for a period of two years through May 2013 to promote its FI Programme.

addition to the above, all its retail branches are empowered to service MSME customers.

During the year, your Bank signed three Memorandums of Understanding (MoU) and one Memorandum of Co-operation (MoC) with different organisations and agencies to extend our offerings to the MSME sector. Considering the importance of credit rating for MSME clients and to encourage and support them for such ratings, your Bank signed MoU with CRISIL and SMERA to provide credit rating-related services to the MSME clients. Under these agreements, certain relaxation in pricing is also extended to MSE borrowers. Your Bank entered into an MoU with SIDBI, the apex financial institution for MSME sector, for offering loan syndication services to facilitate timely and adequate availability of credit. Your Bank also inked a MoC with EXIM Bank to co-finance, co-arrange and syndicate Rupee and foreign currency loans to eligible export-oriented companies, particularly in the MSME sector.

Your Bank is committed to offering innovative and user-friendly



Consequent to the reclassification of exposure to 'direct agriculture' by the RBI in July 2012, your Bank's focus has shifted to direct retail lending to farmers engaged in crop cultivation and allied activities in lieu of tie-ups with corporate and co-operatives engaged in such activities.

products and services to the MSME sector for promoting their growth in the sphere of industry and services. Recognising the need of micro enterprises from trading sector, your Bank has launched a special product, viz. 'SARAL Vyapar Loan' for catering to small traders.

Under the MSME Financial Literacy Project, your Bank conducted workshops in various MSME clusters to generate awareness among MSMEs about various facilities and services available to them. Your Bank also participated in various conferences, trade fairs, and promotional events to promote initiatives taken by the MSME sector.

Agriculture and Rural Development

At IDBI Bank, a dedicated team of officers in Agri Business Group extend knowledge-based credit to the farming community to improve farm productivity and quality of life of rural population. It operates from 22 Agri Processing Centres and 7 Regional Offices in the country for speedy disposal and quick decisions. The Bank's Agri Business Group owns branches only in agriculture intensive areas, but supports other branches for the growth of agri-business.

Agricultural lending comprises direct lending to the farmers or a group of farmers, assistance to corporates or cooperatives engaged in processing agriculture produce and entities supporting agriculture sectors. During FY 2012-13, your Bank further streamlined sanction,

documentation and disbursement processes. Your Bank also enhanced the control mechanism to monitor performance and provide early warning signals for any weakness in the account.

Consequent to the reclassification of exposure to 'direct agriculture' by the RBI in July 2012, your Bank's focus has shifted to direct retail lending to farmers engaged in crop cultivation and allied activities in lieu of tie-ups with corporate and co-operatives engaged in such activities. To reach out to the remotest part of the country and to increase business to a threshold level, your Bank appointed 35 BC/ Business Facilitators (BCBF).

Your Bank encourages the formation of Farmers' Clubs in the villages covered by rural branches. The Bank consider the members of these clubs true grassroot level agriculture extension workers and supports them in all activities that involve knowledge-sharing among peers. Your Bank's engagement with farmers and other agriculture intermediaries was also enhanced through participation in various 'Agri Expo' and 'Loan mela' conducted at different locations of the country.

IDBI Rural Self Employment Training Institute, Satara

Set up under the guidelines issued by Ministry of Rural Development, Government of India, the IDBI Rural Self Employment Training Institute (IDBI-RSETI) at Satara District, Maharashtra, conducts free residential training programmes for rural unemployed youth in





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the district. In its first full year of operations, IDBI-RSETI conducted 27 training programmes, in which 674 candidates participated. A large number of the trained candidates from the institute have subsequently started their own ventures, which are running successfully. Your Bank established the "IDBI Agriculture and Rural Development Trust" to manage IDBI-RSETI, as required under the guidelines issued by the Ministry of Rural Development, Government of India. Apart from this, the Trust also undertakes development and research activities in rural and agriculture sectors. The Trust helps your Bank discharge duties under its CSR programme.

Corporate Finance

During FY 2012-13, as part of your Bank's organisational restructuring measure, the Large Corporate and Mid-Corporate Groups have been unified into a Corporate Banking Group (CBG) in June 2012. This Group is catering to all corporate clients

with funding requirements of more than ₹ 5 crore. The CBG focuses not only on maintaining and deepening business relationships with existing corporate clients but also explores various opportunities for meeting the financial needs of corporates who are currently not in our fold. The Group has a strong focus on multi-product sales, both in assets and liabilities, in order to offer a comprehensive portfolio of financial products and services and maximise yield.

To effectively operationalise the business, the CBG has been structured into seven regions and operates through 29 Specialised Corporate Branches (SCBs) with a presence in 25 cities. The CBG offers tailor-made structured products, both assets as well as liabilities, depending on the specific needs of your Bank's corporate clientele. The CBG's asset product menu includes Term Loans, Working Capital, packing Credit to Exporters, Receivables Buyout, Bill Discounting, Finance against Carbon Credit Receivables, Lending to NBFC, Channel financing and Vendor financing for corporate clientele.

To provide personalised services to your Bank's clients, Client Service Teams (CSTs) have been formed at regional as well as branch levels comprising members from various product verticals. This initiative will allow the Bank to boost its overall business and fee income.

Trade Finance

Your Bank's domestic and international Trade Finance Business registered high growth rates during the year. The non-fund based (NFB) business viz. LCs and BGs grew by 11%, crossing outstanding business of ₹77,900 crore during 2012-13. Your Bank also witnessed robust growth of about 31% in Trade Fee Income.

During FY 2012-13, your Bank opened two new Nostro Accounts for AUD and SGD currencies with the Australia & New Zealand Banking Group Ltd. (ANZ), Melbourne, Australia and United Overseas Bank, Singapore, respectively, for DIFC, Dubai Branch operations. A new Nostro account was opened in Korean Won (KRW) currency with Standard Chartered First Bank, Seoul, Korea, for your Bank's Indian operations. During the year, the Bank opened a new Trade Finance (TF) Centre at Bandra Kurla Complex (BKC), Mumbai, increasing the total number of TF locations to 40. Structured Financial Messaging System (SFMS) developed by the Institute for Development and Research in Banking Technology (IDRBT), Hyderabad has been implemented by your Bank implemented the SFMS system at all its 40 Specialised Trade Finance Branches for the issuance of LCs as per the directive of the Ministry of Finance, with effect from January 1, 2013. SFMS is a highly secured messaging standard developed to serve as a platform for intra-bank



In its first full year of operations, IDBI-RSETI conducted 27 training programmes, in which 674 candidates participated. A large number of the trained candidates from the institute have subsequently started their own ventures, which are running successfully.

and inter-bank applications. Your Bank is prepared for the issuance of Bank Guarantees using the SFMS platform.

Your Bank is one of the first few banks to introduce the issuance of Electronic Bank Realisation Certificate of Export Realisation (e-BRC). The process envisages direct uploading of digitally signed e-BRC, covering export realisation details to DGFT's site thereby making the process of export-related benefits / incentives settlement faster and hassle free.

Your Bank continued to focus on strengthening collaborative relationships with foreign banks while increasing its fee income in its Trade Finance Business.

Government Business

Your Bank's Government Business is engaged in the collection of Direct and Indirect Taxes of the Central Government and various State Governments. Your Bank made an aggregate collection of ₹ 1.59 lakh crore in Central and State Taxes during FY 2012 - 13, posting a 28% growth over the previous year. Your Bank crossed a major milestone in tax collection, by collecting more than ₹ 1.40 lakh crore in Central Taxes. With respect to State-level

taxes, your Bank operationalised the collection of commercial taxes in Karnataka, Sikkim, Jharkhand and West Bengal. The Bank is now authorised to collect commercial taxes in 14 States and UTs that include Assam, Andhra Pradesh, Bihar, Jharkhand, Karnataka, Gujarat, Maharashtra, Punjab, Rajasthan, Sikkim, Uttarakhand, West Bengal, Delhi and Puducherry. Your Bank also received clearance from Tamil Nadu and Madhya Pradesh for commercial tax collection which is expected to commence from the first half of FY 2013-14.

Your Bank provides online duty payment services for Customs Duty for all 103 Electronic Data Interchange (EDI) locations across the country. Considering the increased volume of Customs Duty, your Bank moved to a multiple challan mode of payment. Under this new mode, the customer is able to pay 25 challans at one go pertaining to one port. It has not only reduced the time for processing challans but also made payment through net banking hassle free for our customers. With this development, taxpayers are now in a position to route payment of their Central Taxes and Duties payments through IDBI Bank. This helps us partner the Government of India in enabling online payments and enhancing the tax contribution to the Exchequer. Buoyed by this development, your Bank registered an over 200% growth in the collection of customs duty during FY 2012-13.

Cash Management Services

Cash Management Services (CMS) is one of your Bank's key thrust areas. Your Bank offers a suite of collection and payment products including technology-based solutions such as virtual Account facility, online validations for municipal tax and other utility payments through Branch Data Entry Module and customised e-solutions through technological integrations (Host-to-Host) with client systems in tune with evolving market trends. Your Bank has also bagged several prestigious dividend distribution mandates and has established a marked presence in this segment.

Infrastructure Finance

As a prominent player in infrastructure financing, your Bank has been in the forefront in structuring and financing infrastructure projects in the areas of power, telecom, roads, airports, seaports, railways and logistics and Special Economic Zones (SEZs). Your Bank has been, through its overseas branch, selectively extending foreign currency denominated loans to infrastructure projects.

Recognising the critical role of infrastructure development in the growth of national economy and also the huge investment required by the sector, focused approach has been followed to provide end-to-end solutions to the infrastructure companies viz. corporate advisory, syndication of debt/ equity, financial structuring, term loans, working capital, securitisation, debt restructuring and other related services.



Your Bank is one of the first few banks to introduce the issuance of Electronic Bank Realisation Certificate of Export Realisation (e-BRC).





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The recent domestic economic scenario has impacted the various infrastructure segments. The construction sector has been specifically affected mainly due to build-up of receivables, delay in the implementation of projects, delay in obtaining environment & forest clearances, non-achievement of financial closure etc. The power sector has been facing acute problems mainly due to shortage of gas, non-availability of required quantity of coal from the domestic & imported sources etc. Infrastructure growth in coming years is likely to rebound, with the Government taking steps to resolve various issues on the policy and regulatory front, concerning the infra sector.

Syndication, Structuring and Advisory Services

Your Bank has been active in providing debt syndication, structuring and advisory services to corporates in the infrastructure as well as manufacturing sectors. During the past few years, the Bank has assisted several large projects, including Mega Road Projects, Ultra Mega Power Projects, Metro Rail Projects, Airports, Fertilizer, Ports, Roads, Oil Refineries, Renewable Energy Projects, Steel Plants, Aluminum Smelter plants, etc. Your Bank has also been instrumental in

₹ 2.2 lakh crore

debt syndicated across 115 mandates

the financial closure of such large projects through underwriting and syndication of debt. It has been consistently among the leading debt syndicators in India, as well as the entire Asia Pacific region. For CY 2012, IDBI Bank was ranked the second largest Mandated Arranger for debt in India. Your Bank maintains excellent business relationships with all banks and Financial Institutions. Major industrial houses have reposed their faith in the Bank's capability to arrange debt for their projects. Your Bank also provides structuring and advisory services, merchant appraisal and corporate advisory services to various corporates. Your Bank's dedicated team of qualified and experienced professionals offers tailor-made solutions to suit clients' needs. Your Bank completed more than 115 debt syndication mandates aggregating to about ₹ 2.2 lakh crore during the year under review.

Environment Protection Schemes

Your Bank plays a pioneering role in environmental banking, providing services in the area of Clean Development Mechanism (CDM) / Carbon Credits under Kyoto Protocol and Voluntary Emission Reductions (VERs). It acts as a financial intermediary for World Bank funding under the Ozone Depleting Substance (ODS) phase-out schemes since 1991 and India Chiller Energy Efficiency Project (ICEEP), a unique project aimed at mitigating global warming and phasing out of

ODS in the chiller sector since 2009.

India Chiller Energy Efficiency Project (ICEEP)

ICEEP has been launched by the Ministry of Environment & Forest (MoEF), Government of India in association with the World Bank since September 2009. Your Bank essays the role of a Financial Intermediary and Project Implementing Entity (PIE) for ICEEP. The project is aimed at the accelerated replacement of energy inefficient centrifugal Chlorofluoro Carbon (CFC) chillers of above 100 TR capacity with more energy efficient non-CFC chillers. The project has a total corpus of USD 7.3 million and has been funded by Global Environment Facility (GEF) and Ozone Trust Fund (OTF). Till date, your Bank has committed grants aggregating ₹ 978 lakh to 19 beneficiaries for replacement of 55 CFC chillers. The Bank has disbursed grants aggregating ₹ 129 lakh to six beneficiaries for the installation of nine new energy efficient non-CFC chillers.

Carbon Credit Services

Your Bank provides an array of services relating to CDM projects and carbon credit market, encompassing the funding of the CDM projects, providing technical advisory services for registration of CDM project trading of Certified Emission Reductions (CERs) and Verified Emission Reductions (VERs), upfront financing against the carbon credits/ carbon credits receivables.

Ozone Depleting Substances (ODS) Phase-Out Projects

As a Financial Agent (FA) for the World Bank administered Ozone Depleting Substances (ODS) Phase-out projects (ODS III & IV) of Ozone Trust Fund (OTF), your Bank helps implement projects aimed at phasing out production and use of CFC and Carbon Tetrachloride (CTC) in India as required under Montreal Protocol. Cumulatively, upto March 31, 2013, your Bank released grant funds aggregating USD 123 million under the ODS III & IV projects.

Treasury Operations

An integrated Treasury at the Bank's Head Office covers various market segments like Money Market, Fixed Income, Foreign Exchange, Derivatives and Equities for efficient fund management. The Treasury facilitates customer transactions in market products, resource raising and trading in various market segments while managing the regulatory compliance on Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR). The Treasury is equipped with the state-of-the-art technology to deliver quality solutions to your Bank's customers and for its business operations in an efficient manner.

In addition to mobilising deposits, your Bank used various instruments

including Certificates of Deposits (CD), Inter-Bank borrowing, issuance of Bonds, Refinance from various sources and foreign currency borrowings to manage liquidity for balance sheet growth and maturity of liabilities. Liquidity was managed at appropriate level depending upon the fund position and market situation through various short term / money market instruments. Your Bank also regularly tracks various markets and adopts acceptable level of positions for trading gains.

Your Bank's Treasury is supported by a large sales team across 10 centres for effective marketing of foreign exchange and derivative products. The team interacts constantly with its corporate clients and proactively provides them solutions to effectively manage their volatilities in the currency and rates markets. During FY 2012-13, your Bank provided various types of customised solutions at competitive rates to cater to customers for their foreign exchange and interest rate hedging requirements through a mix of FX, options and swaps, as permitted by RBI. Your Bank was the first among the public sector banks in the country to have entered into a Credit Support Annex (CSA) agreement with a large international bank for counterparty exposure and capital management of derivative transactions with that bank.

In addition, the Bank set up debt sales team at various centres to cater to the needs of clients falling outside the screen-based NDS-OM market.

Key Business Initiatives of Treasury

1) IDBI Samriddhi G-Sec Portal

A portal dedicated to retail individuals to deal in securities issued by the Government of India, its key features are accessibility, simplicity and security. This portal is open to all and is not restricted to IDBI Bank customers only. Investors can access the portal through the Bank's website www.idbi.com. An individual/ corporate/ entity who/ which possesses a valid PAN Card, an active Depository Account, an active Bank account and an e-mail ID can purchase and sell securities through the Portal.

2) Online CD portal

In order to popularise CDs as a mode of investment among retail investors, your Bank launched the first online CD portal in the country, IDBI SAMRIDDHI CD portal, on August 6, 2012. This portal allows retail investors to subscribe online to CDs issued by IDBI with a minimum of ₹ 1 lakh and in multiples of ₹ 1 lakh thereafter. The technology provides great opportunities for increasing transparency, enhancing efficiency and also in reaching out to a wider investor base.

3) Repo in Corporate Bonds

Your Bank entered into a Global Master Repurchase Agreements (GMRA) with various market participants. Additionally, your Bank was

₹ **129** lakh

disbursed to 6 beneficiaries for the installation of 9 new energy efficient non-CFC chillers



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the first public sector bank in the country to undertake Repo deals in corporate bonds.

Cross-Border Branches

The faster pace of globalisation has created a requirement for cross-border finance. In this direction, your Bank has established a presence in overseas markets to cater to the financing needs of its Indian clientele and also to leverage its domestic banking strengths and offer competing products internationally.

Your Bank's first overseas branch at the DIFC, Dubai, completed a little over three years of operations. From this Branch, the Bank provides a range of corporate banking services, including extension of External Commercial Borrowings (ECB), Foreign Currency Loans (FCL) syndication of ECB / FCL and trade finance products to meet Indian clients' fund requirements for their Indian operations as well as overseas ventures.



Your Bank launched the first online CD portal in the country.

USD 35.34 million
profit earned by the DIFC Branch for the year ended March 31, 2013

Your Bank's DIFC Branch earned a Net Profit of USD 35.34 million for the year ended March 31, 2013 compared to USD 14.16 million in FY 2011-12, registering a growth of about 150%. Assets of the Branch comprise 6.05% of the total assets of your Bank.

Your Bank also submitted applications to Monetary Authority of Singapore (MAS) for setting up an Offshore Banking Unit (OBU) at Singapore and to the China Banking Regulatory Commission (CBRC), China for setting up a Representative Office at Shanghai. In due course, your Bank aims to expand its overseas presence.

Foreign Currency Resources

During the year under review, your Bank raised an aggregate sum of USD 4,025.74 million equivalent in Foreign Currency, of which:

- (i) USD 658 million was raised from overseas banks/ overseas branches of Indian Banks/ Institutions under the Inter-bank Dealings scheme of RBI,
- (ii) USD 290 million was raised by way of Bilateral/Club loans,
- (iii) USD 1,364.04 million was raised by way of short term borrowings from banks and
- (iv) USD 1,713.70 million equivalent was raised by way of Bond issuances under the USD 3.5 billion Medium Term Note (MTN) programme.

Bond issuances made under the MTN Programme comprised:

- (i) Two Reg-S USD bond issuances of USD 500 million each, for maturities of 5.5 years and 5 years 10 months,
- (ii) 10 private placements of 1 year maturity in various currencies viz. Australian Dollar, offshore Renminbi and US Dollar, aggregating USD 393.51 million equivalent and
- (iii) 2 issuances in non USD currencies; of USD 120.19 million equivalent in Swiss Franc and USD 200 million equivalent in Singapore Dollar. The Singapore Dollar Bond issue was the first benchmark public bond transaction by any Indian entity in the Singapore Dollar bond market, opening up a new source of funding and investor diversification for Indian issuers.

As on March 31, 2013, the outstanding amount of borrowings under the Inter-bank Dealings Scheme of RBI (USD 1,316.60 million) was within the permitted overall RBI stipulated limit of 50% of the Bank's Tier I capital.

Further, your Bank upsized its MTN programme listed on the Singapore Stock Exchange, to USD 3.5 billion (from USD 1.5 billion) and updated the same in December 2012. At the end of FY 2012-13, your Bank's total issuance outstanding under the MTN Programme is equivalent to USD 2,166.02 million.

Credit Rating

Your Bank obtains credit ratings for both domestic and foreign currency borrowings. The ratings for the Rupee resources are given in Table 3 below:

TABLE 3: RATINGS FOR RUPEE BORROWINGS (AS ON MARCH 31, 2013)

Particulars	CRISIL	ICRA	India Ratings & Research* (A Fitch Group Company)
Fixed Deposit	FAAA / Stable	MAA+	IND AAA
Short Term Borrowings (Certificate of Deposits)	CRISIL A1+	[ICRA] A1+	IND A1+
Long Term Rupee Bonds (Senior & Lower Tier II bonds)	CRISIL AA+/Stable	[ICRA] AA+/Stable	IND AA+
Hybrid - Upper Tier II Bonds	CRISIL AA /Stable	[ICRA] AA/Stable	IND AA-
Hybrid - IPDI	CRISIL AA/Stable	[ICRA] AA/Stable	-

(* Fitch Ratings has rebranded its national ratings business to India Ratings & Research P. Ltd. with effect from September 12, 2012.)

The Bank's Foreign Currency borrowings are rated by International Rating Agencies. Moody's Investor Services (Moody's) and Standard & Poor's (S&P) have rated your Bank on par with the sovereign viz. Baa3 and BBB-/Negative, respectively.

Long Term Rupee Borrowings

During the year, your Bank raised an aggregate amount of ₹ 2,605 crore through bond issuances comprising Lower Tier II bonds (₹ 1,505 crore), Perpetual Tier I bonds (₹ 850 crore) and Senior Bonds (₹ 250 crore).



Your Bank's integrated risk management architecture addresses various aspects of enterprise-wide risk management. The Risk Management Committee (RMC) of the Board of Directors is responsible for overall risk management.

RISK MANAGEMENT

Management of business risks, in an effective way, forms an integral part of your Bank's strategy. The risk management philosophy of your Bank is governed by the twin objectives of sustainably enhancing shareholders' value and judiciously using capital. Your Bank's effort to improve organisation-wide risk culture is implemented by spreading risk awareness across all levels, making it an essential part of the decision-making process. Identification, assessment, monitoring and mitigation of risks to yield sustained economic value are taken as key priorities.

Your Bank's integrated risk management architecture addresses various aspects of enterprise-wide risk management. The Risk Management Committee (RMC) of the Board of Directors is responsible for overall risk management, though the day-to-day activities are

implemented at various levels. An appropriate organisational structure, policies and reviews are in place to ensure effective risk management. Well-established and independent internal controls supplement risk management systems to build our risk consciousness and discipline into decision-making throughout the organisation.

Your Bank's risk management processes are upgraded on a continual basis to meet the challenges of an increasingly complex financial system. The Bank leverages a Core Banking System (CBS) to enhance our Management Information System (MIS) capabilities. In order to make our Risk Management System more robust and technologically advanced, your Bank implemented an Integrated Risk Management Architecture (IRMA), which comprises multiple software solutions such as Risk Assessment Module (RAM), Capital Assessment



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Model (CAM) and Comprehensive Operational Risk Evaluator (CORE). RAM is a two dimensional web-based rating system, CAM computes regulatory capital requirements for credit risk and CORE is a system to track operational risks. These systems will facilitate the Bank's migration to advanced approaches under Basel-II in due course.

Implementation of Basel-II Norms

As stipulated in the RBI guidelines on Basel II, your Bank has complied with requirements under all three pillars i.e. Minimum Capital Requirement (Pillar I), Supervisory Review and Evaluation Process (Pillar II) and Market Discipline (Pillar III) since March 31, 2009.

As on March 31, 2013, the Capital to Risk-weighted Assets Ratio (CRAR) of your Bank was 13.13%, above the minimum regulatory requirement of 9%. Similarly, its Tier-I ratio was maintained at 7.68%, against the regulatory requirement of 6%.

13.13%

Capital to Risk-weighted Assets Ratio (CRAR) as on March 31, 2013

7.68%

Tier-I ratio as on March 31, 2013

Your Bank perceives the implementation of the Basel-II norms as a strategic and forward-looking process to adopt the best practices in risk management with a focus on creating value. Your Bank follows a Standardised Approach for credit risk and is in the process of further upgrading and strengthening its Credit Risk Management System to migrate to the Internal Rating-based approaches of Basel-II. Similarly, for market risk, your Bank uses the Standardised Measurement Method (SMM) to compute regulatory capital and is in the process of implementing a Value at Risk (VaR) based system for the smooth migration to the Internal Models Approach (IMA). Your Bank follows a Basic Indicator Approach (BIA) to compute regulatory capital charge for operational risk. As a part of the Bank's migration process to Advance Measurement Approach (AMA), a new set of Key Risk Indicators (KRIs) and Risk & Control Self Assessment (RCSA) framework is being rolled out across different business segments.

To comply with the Pillar-II norms under Basel-II, your Bank has a Board-approved policy on Internal Capital Adequacy Assessment Process (ICAAP). This policy enables your Bank to internally assess and quantify those risks, which are not captured under Pillar-I and develop appropriate strategies to manage risks under normal and stress conditions.

In compliance to Pillar-III norms of Basel-II, Your Bank has put in place

a Disclosure Policy; accordingly, the disclosures as on March 31, 2013 are included in this Report and also are made available on the Bank's website. The disclosures pertaining to CRAR are also updated on its website on a quarterly basis.

Preparedness for Basel III Norms

In order to improve the banking sector's resilience by strengthening quality of capital and liquidity regulations, the RBI issued Basel III guidelines in May 2012. As stipulated by the RBI, your Bank will migrate to Basel III norms during FY 2013-14. The focus under Basel III is on higher quality of capital. Your Bank has therefore taken various measures to further strengthen its systems and procedures to meet the requirements for Basel III implementation. The Bank has sufficient common equity to meet the regulatory requirements as stipulated in the guidelines.

Credit Risk

Your Bank has put in place a comprehensive Credit Risk Management System which includes Risk Assessment Model (RAM) for credit rating of proposals and CAM for automation of capital computation.

To ensure efficient credit evaluation, credit delivery, portfolio management and monitoring, the Bank follows a proactive Credit Policy which is prepared, taking into consideration the prevailing business and socio-economic environment to assimilate its business objectives.

The rating committee at the apex level continues to validate credit ratings and also provides guidance to Risk Analysts and Relationship Managers. As a proactive measure, your Bank regularly monitors various exposure limits, which include exposure to different Business groups, countries, segments, sectors and industries.

Market Risk

Effectively managing market risks arising out of movement in associated parameters viz. interest rates, foreign exchange rates and equity prices along with their fluctuations forms an integral part of the Bank's overall risk management architecture. Market risk operates under the aegis of Risk Management functions and maintains arms length relationship with business groups and back office. In order to gain optimally from its trading positions, suitable parameterisation including setting of trading book limits, valuing the portfolio at market rates are configured and monitored on real time basis. A revamped treasury system, implemented during the last financial year, facilitates real time monitoring of crucial parameters and provides superior platform for effective controls. In sync with your

Bank's business objectives, portfolio analysis of the trading book is also carried out under various scenarios including stress conditions to optimise the risk return trade-off.

The framework outlined in Asset-Liability Management (ALM) Policy, Market Risk Policy, Investment Policy and Derivative Policy governs the Bank's market risk management philosophy. These policies, in general, envisage the appropriate levels of risk appetite and lay down mechanism for measurement, reporting and escalation of risks and exceptions, if any. In order to safeguard your Bank's exposure to liquidity and interest rate risk, risk limits have been specified.

Your Bank's Asset-Liability Management Committee (ALCO) regularly monitors risk positions and undertake appropriate steps to keep the gap positions within the specified level. ALM position is periodically reported to ALCO, RMC of the Board and also to the RBI. As VaR based computation is efficient to measure risk element in trading book, your Bank is poised to move to VaR based monitoring of the entire market risk related transactions.

Operational Risk

Operational risk exists in each sphere of the banking operations. Your Bank established an enabling organisational structure for effective operational risk management and adherence to sound operating procedures. Further, continuous efforts are made to fortify the existing control mechanism in line with the emerging risks. Your Bank

currently follows the Basic Indicator Approach (BIA) under Basel-II for computation of capital charge for operational risk. However, in order to migrate to Advanced Measurement Approach (AMA), the Bank has been taking various steps for up-gradation of skills, technology and processes on a continuous basis. As a result, your Bank has put in place CORE system for operational risk management as well as computation of operational risk VaR. The progress report on operational risk management is periodically submitted to Operational Risk Group as well as RMC of the Board. Your Bank's efforts are directed towards spreading a risk awareness culture across the organisation. Varied training programmes through class room and e-learning modes covering, inter-alia, the prevention of frauds are conducted for this purpose.

Business Continuity Management

Your Bank has a robust Business Continuity Management System (BCMS) to mitigate the risks associated with business disruptions, which is validated by the globally recognised BS 25999 certification. As a part of BCMS, your Bank has put in place a well-defined Business Continuity Plans (BCP) for its critical core and support functions to maintain service delivery to its valued customers in the event of business disruption. Further, your Bank has prepared and implemented Incident Management Plans (IMP) to minimise the probability and impact of disaster to safeguard human lives and valuable assets. The resilience of these plans is being validated on an ongoing basis through BCP



Your Bank has put in place a comprehensive Credit Risk Management System which includes Risk Assessment Model (RAM) for credit rating of proposals and CAM for automation of capital computation.





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testing exercises and evacuation drills. In addition, your Bank has been carrying out planned Disaster Recovery (DR) exercises at regular intervals to assess its Business Continuity Management (BCM) capabilities. The Core Banking and other critical Information Technology applications are operated from the Disaster Recovery Site during DR drills.

Product Risk

Your Bank follows a strong product approval review process comprising of comprehensive risk evaluation and mitigation system such as concept validation, confirmation of critical assumptions, technological capability, etc. Due structure and system is in place which looks into various dimensions prior to launch of any new product.

Information Technology Risk

In order to leverage Information Technology (IT) and extend better services and products to customers, your Bank recognises the need for effective IT risk management.

Apart from Information Security, the



Your Bank has a robust Business Continuity Management System (BCMS) to mitigate the risks associated with business disruptions, which is validated by the globally recognised BS 25999 certification.

Bank's IT risk mitigation strategy also includes aspects of compliance and privacy. An Information Security Policy (ISP) is in place to ensure that information is protected from unauthorised access and confidentiality and integrity of the information are maintained along with timely availability of IT resources to legitimate users. A high-level Information Security Steering Committee (ISSC) ensures that systems are in place for continued protection of IT resources. Apart from conducting regular information security awareness programs for the employees, various Information Security precautions are also communicated to the customers.

IT infrastructure and systems have been implemented within a robust information security framework. The Bank's centralised Data Centre has been accredited with an ISO 27001 certification, a reputed information security certification. Measures to enhance the security levels for taking effective action against phishing attacks are also in place.

Your Bank is taking necessary steps to further enhance the safety, security and efficiency in banking processes, as envisaged in the RBI guidelines on Information Security, Electronic Banking, Technology Risk Management and Cyber Frauds.

In sum, your Bank has a well structured risk management framework recognising various facets of risk and their effective

& efficient management. With continued efforts under the direction of the top management, the risk awareness in the Bank has percolated down considerably.

The prime objective is to appropriately balance the risk-return trade-off inherently associated with banking business, through appropriate mitigation and pricing to maintain competitive edge.

MANAGEMENT, CONTROLS AND SYSTEMS

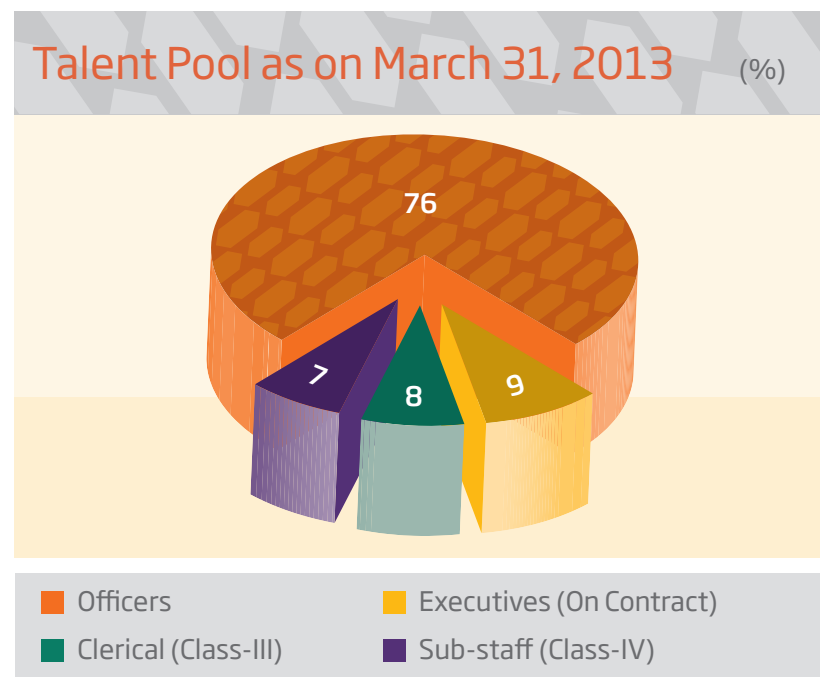
HR Initiatives

At IDBI Bank, a vibrant and ambitious workforce, the youngest among peers, drives your Bank to achieve more and perform better. They are the Bank's ambassadors and are the driving force behind its ability to consistently deliver over and beyond the banking requirements of the Bank's customers.

HR initiatives and policies are aligned to the Bank's strategy of expanding its operations and network to meet the changing requirements of the Bank's customers. As an endeavour to fully leverage its technology platform, some of the HR processes have been made online during the year.

During 2012-13, your Bank recruited 996 employees (Officers 791, Executives on contract 205) of which 163 belong to Scheduled Castes (SCs), 33 belong to Scheduled Tribes (STs), 278 belong to Other Backward

Classes (OBCs) and 5 are Person With Disabilities (PWDs). As on March 31, 2013, your Bank had 15,465 employees on its rolls.



996 employees
recruited during FY 2012-13

The industrial relations climate, in which your Bank operates, has been cordial during the year with no major disruption in work. Most of the issues which arose were amicably resolved.

Representation of Scheduled Castes (SCs), Scheduled Tribes (STs) and Other Backward Classes (OBCs)

Your Bank has implemented the Rules of Reservation for SCs / STs with effect from April 1977

in direct recruitment and from February 1980 in policies relating to promotions. The Bank has also implemented reservations for Other Backward Classes (OBCs) with effect from September 1993 in direct recruitment initiatives. In

terms of the revised "Brochure on Reservation for Scheduled Castes (SCs), Scheduled Tribes (STs) & Other Backward Classes (OBCs) in services" issued by the Government of India, Reservation Registers have been duly adopted. The representation of SCs, STs and OBCs in the Bank's staff strength in various cadres as on March 31, 2013 is presented in Table 4 below.

TABLE 4: REPRESENTATION OF SCS/STS/OBCS

Manpower	Total Strength	Out of which		
		SCs	STs	OBCs
Officers	11,706	1,367	478	1,958
Executives-on contract	1,418	272	44	483
Clerical	1,269	136	39	116
Sub-staff (excluding Sweepers)	833	203	63	138
Sweepers	239	60	18	46
TOTAL	15,465*	2,038	642	2,741
% of Total Strength		13.18	4.15	17.72

*7 Number of employees are on contractual employment with your Bank in the officers' cadre and 1,418 Executives are on contract basis.



Management Discussion and Analysis

There are 40 Ex-Servicemen and 197 Person With Disabilities (PWDs) on your Bank's rolls as on March 31, 2013. Your Bank maintains separate rosters for PWDs, as per the guidelines issued by the Government of India. Your Bank has appointed Liaison Officers for SCs/ STs/ PWDs and OBCs to effectively redress the grievances of SC/ ST/ OBC employees.

Human Resources - Training and Development

In order to constantly upgrade the knowledge and skills of its employees and to keep up with the changing banking environment, your Bank undertook several new training initiatives during the year. These programmes were implemented to aid the professional and personal development of its employees to enable them to meet organisational goals. These trainings were developed on specific role-based requirements of the organisation including inputs from Training Need Analysis and Performance appraisal reports, regulatory / statutory requirements, etc. During the year, your Bank trained 14,214 employees, through 559 in-house training programmes. An aggregate 706 officers of the Bank attended external training programmes at

14,214 employees
trained through 559
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programmes

some of the best training institutes in India and abroad, to sharpen skill sets and be on par with international standards.

Your Bank developed and initiated, a 90-day induction programme for new recruits in the Grade 'A' category covering classroom and on-the-job training across the business verticals. This programme imparts newly recruited officers with knowledge in all aspects of banking together with practical exposure. In line with your Bank's "customer-first approach", several trainings on customer centricity were imparted to officers interfacing with customers to encourage customer-focused behaviour.

In order to integrate a global perspective into its banking services, your Bank invited international experts to conduct in-house programmes on Treasury Sales & Credit Default Swaps (FinUltima PTE Ltd., Singapore), Fundamentals of Credit Risk and Advanced Credit Risk for employees (Eurofinance Pvt. Ltd.).

As priority sector lending is the Bank's focal area of growth, a number of in-house and external training programmes have been conducted to equip the Bank staff in handling the portfolio. Special workshops on agricultural financing in collaboration with NABARD Consultancy Services Pvt. Ltd. (NABCON) were conducted at the Bankers Institute of Rural Development (BIRD),

Lucknow. Similar workshops focusing on Fundamentals of MSE and Agricultural financing were conducted at Jawaharlal Nehru Institute of Banking and Finance (JNIBF) and other centres.

Apart from conducting training programmes for internal staff, your Bank's apex training institution, JNIBF has organised several programmes to share its expertise with other banks/ institutes.

Your Bank used technology to enhance learning initiatives through the online training portals i.e. i-varsity and i-blogger that keeps employees updated on the products, processes and helps them address the needs of the customers. Skill upgradation and learning was on a continuous basis via online tutorials assessments and certifications.

Internal Audit

Your Bank has a well-equipped Internal Audit Department, which carries out independent assessment of activities undertaken by branches and other business/support verticals. Audits are conducted under the guidance and supervision of the Audit Committee of the Board. The audit function maintains its independence and objectivity while carrying out the assignments. Your Bank has adopted a risk-based internal audit system as its strategy for conducting audits. Effectiveness of the Internal Audit function has been further enhanced after implementation of the web-

based Audit Management System and setting up of Audit Hubs at important centres. The audit process involves systematic selection of audit samples and usage of well-defined formats. Your Bank has implemented Off-Site Monitoring System to identify errors during transaction processing.

Your Bank's experienced in-house Information System Audit (IS Audit) team, as part of Internal Audit mechanism, addresses technology and IT security issues commensurate with the nature and complexities of the operations. The scope of IS Audit covers review of critical IT infrastructure deployed. Your Bank has, in line with the regulatory requirements, put in place a comprehensive concurrent audit system to supplement the internal audit function to strengthen internal controls.

In order to achieve continuous improvement in the quality of its credit portfolio, a Credit Audit

mechanism assesses the compliance of credit appraisal, sanction of loans and credit administration policies. Further, Credit Audit also facilitates early identification of warning signals and suggests prompt remedial measures, to aim at overall improvement of portfolio quality.

Your Bank continuously evaluates the effectiveness of internal control mechanism, adherence to policies & procedures and suggests measures to strengthen and streamline control for addressing various risks. Your Bank annually reviews the Risk Based Internal Audit Policy, Concurrent Audit Policy and Information Security Audit Policy.

Fraud Management System

Your Bank's Fraud Monitoring Group and Fraud Review Councils (FRC) have been constituted to monitor and review the frauds so as to identify systemic lacunae, if any, initiate corrective measures, monitor progress of investigation and recovery position. A detailed Fraud Risk Management Policy has been put in place for effective fraud control.

There exists proper co-ordination between audit, Operational Risk and other operational wings for enhancing operational efficiency and fine-tuning processes. These help benchmark your Bank's practices and procedures in an endeavour to migrate to the best practices in the industry. The Audit Committee of the Board and Audit Committee of Executives review the performance on continuous basis, give directions to the internal audit functionaries

and review effectiveness of internal control systems, as also compliance with regulatory guidelines.

Vigilance Mechanism

A full-fledged Vigilance Department located at your Bank's Head Office, operates as a channel for providing inputs to Top Management by carrying out investigation into vigilance-related complaints and to suggest corrective measures for reducing deficiencies, if any, in the control systems and laid down procedures, apart from giving suggestions on quantum and type of penalties in regard to vigilance-related disciplinary action cases.

Your Bank has implemented the guidelines laid down by the Central Vigilance Commission (CVC) for improving Vigilance Administration and put in place a grievance redressal system, wherein complaints received from the public/ any other sources are attended to promptly.

A Vigilance Department Site is also operational on your Bank's intranet and provides an overview of the Vigilance Department, Format of Standard Notice of CVC to be displayed at all the Bank's Branches/ Offices, Important Circulars/ Guidelines issued from time to time by CVC, Chief Technical Examiner's Organisation (CTEO) of CVC, and the Do's and Don'ts of Preventive Vigilance. This has helped your Bank enhance the level of vigilance awareness among officers.

During the year, surprise vigilance visits were made to various branches to detect malpractice,



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Management Discussion and Analysis

if any, and non-adherence of laid down systems and procedures and suitable corrective measures were suggested, wherever deemed necessary.

In order to spread vigilance awareness among employees, numerous interactive workshops and talks/ presentations were organised during the year. During these events, the need for Preventive Vigilance to be exercised by all the staff members in their day-to-day work of their own volition was emphasised. A Vigilance Awareness Week was observed during October 29, 2012 to November 3, 2012 at the Head Office, Zonal Offices and Branch Offices to sensitise employees on the evils of corruption. .

In order to cascade the message of vigilance across the organisation, video of a question-answer session with the Chief Vigilance Officer (CVO) was uploaded on the Bank's Intranet site. The questions posed to the CVO are general in nature for easier understanding of nuances



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of vigilance-related activities and issues in your Bank. The Department also compiled a Vigilance Manual for the use and benefit of officials working in the Vigilance Department, senior officials working in departments like HRD as also Inquiry and Presenting Officers / Disciplinary Authority.

Regulatory Compliance

Your Bank has taken adequate steps to ensure compliance with various Statutory and Regulatory stipulations and guidelines. The Bank has a dedicated Compliance Department to oversee the compliance-related activities as well as a senior official in the rank of a Chief General Manager designated as a Chief Compliance Officer. The Compliance Department is responsible for overseeing the observance of:

- 1) Statutory provisions (Banking Regulation Act, RBI Act, FEMA, Prevention of Money Laundering Act, etc.)
- 2) Regulatory guidelines (RBI, IRDA, SEBI, etc.)
- 3) Standards and Practices prescribed (BCSBI, IBA, FEDAI, FIMMDA, etc.) and
- 4) Bank's internal policies.

The Department also transmits information regarding statutory and regulatory requirements across the organisation to facilitate better compliance.

Code of Bank's Commitments to Customers

Your Bank is a member of Banking Codes & Standards Board of India (BCSBI), set up by the RBI. The Bank's Board of Directors has adopted the Code of Bank's Commitment to Customers (Code 2009) and also the Code of Bank's Commitment to Micro and Small Enterprises (MSE Code). Both Codes are voluntary and set minimum standards of banking practices for banks to follow, when they are dealing with individual customers and also with micro and small enterprises. As an integral part of your Bank's compliance with these codes, information on the codes is freely-displayed on the Bank's website, branches, and so forth.

With a view to making the Grievance Redressal Mechanism more effective, Regional Heads of your Bank pan-India have been designated as Code Compliance Officer (CoCO) and their contact details are prominently displayed at branches and on the Bank's website. The Bank's products, processes and services are periodically fine-tuned to meet the desired objective of BCSBI in achieving customer satisfaction.

Customer Service and Complaint Management

Your Bank's strong customer-orientation is reflected in its Vision and Mission Statement. The core mission of your Bank is to delight the customers with excellent service

and a comprehensive suite of best-in-class financial solutions in order to achieve the Vision of being the most preferred and trusted bank by enhancing value for all stakeholders.

Your Bank has imbibed this mission as part of its philosophy. As a service-oriented organisation, your Bank appreciates the fact that its success depends on the quality of service offered to customers; customer service therefore forms the focus of your Bank's business operations. Your Bank implements initiatives regularly to ensure that the Bank's customers have best-in-class banking experience at every touch-point.

A Customer Service Committee of the Board (chaired by CMD and comprising other Board Members including independent directors and Government nominee as its members) and a Standing Committee on Customer Service (chaired by the DMD and comprising senior officials as its members) oversees various aspects of Customer Service and Complaints Management. The involvement of independent

directors and senior management ensures focused attention towards customer service and complaints management.

Your Bank has Branch Level Customer Service Committees (BLCSC) at all its branches. The BLCSCs, which comprise branch officials and customers as members, meet once every month, in order to discuss issues and suggestions, which can help in bringing about an improvement in customer service. Your Bank takes steps to implement all feasible suggestions received.

Your Bank has also developed Customer Suggestions software and put in place a process to examine suggestions that are being received from customers. In order to monitor customer satisfaction on an ongoing basis, your Bank has hosted a Feedback Form on its website to enable customers to rate the Bank's services and also provide suggestions for improvement.

Your Bank has an ISO 9001:2008 certified, centralised and dedicated Customer Care Centre (CCC) to cater to complaints management and endeavours to bring about enhanced customer service. The CCC receives and redresses customer complaints that are escalated upwards from the branches and those that are received through the generic e-mail id, website, letters, social media and inbound phone banking team. The CCC also handles the complaints received through Banking Ombudsman, RBI, Government of India and other regulatory authorities. The CCC is detached

from various business verticals, thereby ensuring an independent view in complaint resolution.

The objective of the CCC is to ensure that all customer complaints are resolved quickly and recorded and tracked centrally till resolution. The CCC also analyses the nature of complaints received and gives feedback to the concerned department/ branch for their necessary action. Your Bank has in place a Board-approved Customer Care Policy and Grievance Redressal Policy, which outlines the Bank's approach to customer care and sets timeframes for resolution of complaints at the branch level and on escalation at the CCC level, respectively. The CCC takes utmost care to ensure that customer complaints are attended to and resolved in a time-bound manner, as per the timeframes set in the Grievance Redressal Policy. In line with the Government guidelines, your Bank has appointed a Chief Grievance Redressal Officer (CGRO) at the Corporate Office of the Bank and Grievance Redressal Officers (GRO) at the Bank's Zonal Offices to provide superior customer service and ensure timely resolution of customer grievances.

Customer Value Management

In order to take customer service to the next level, your Bank has developed an in-house Customer Value Management (CVM) software for catering to all its corporate and retail customers. The software enables all touch-points to have a 360 degree view of the customers' relationship and interactions with



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the Bank. The CVM software also has a focused module on customer service, which factors in a three-level complaint classification under a sub-module of Standardised Public Grievance Redressal System (SPGRS). SPGRS integrates inflow of complaints across all channels, including phone banking, email, letters, website, social media and so on. As on date, in addition to the availability of Kiosk in the Head Office and Zonal Offices in line with Government of India directives, the same is also available in 25 branches. A Queue Management System (QMS) has also been installed in some branches to provide enhanced customer service.

In line with RBI's Audit recommendations, a Disaster Recovery (DR) Site, as part of the Business Continuity Plan (BCP) for the Phone Banking operations, is underway at Hyderabad. In order to facilitate the BCP, the Phone Banking's existing software system



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is also being upgraded. Going forward, the Mumbai and Hyderabad sites together will have a total capacity of 250 seats, thus providing faster resolution of complaints and enhanced customer service.

Right to Information Act

Your Bank has 24 designated Central Public Information Officers (CPIOs) respond to applications on various functional areas. In addition, all Branch Heads of the Bank have been designated as Central Assistant Public Information Officers (CAPIOs) to receive and forward applications received under the RTI Act to designated CPIOs. The Bank also has designated a Senior Officer as an Appellate Authority for dealing with appeals of aggrieved applicants and a Transparency Officer to promote institutional transparency commensurate with the spirit of RTI Act.

During FY 2012-13, your Bank received 879 applications seeking information under the RTI Act. A majority of the applications pertained to the retail banking operations of your Bank. All applications received were disposed of as per the provisions of the RTI Act.

Progressive use of Hindi

As a Public Sector Bank, your Bank promotes the use of Hindi, which has resulted in all-round progress in every field of the Official Language. Continuous efforts are made to achieve targets regarding use of Hindi by departments at the Bank's

Corporate Office and branches. In order to create awareness among employees, 17 Rajbhasha Awareness Programmes were organised at various centres. On the occasion of Hindi Day, various competitions, lectures and programmes were organised at all-India level and also at Corporate Office. During the year, your Bank published a collection of notings entitled 'Rajbhasha Sandarbha Sahayika - Tippaniyan'. Your bank's Corporate Office was awarded the Rajbhasha Shield by the State Level Bankers Committee (SLBC). Additionally, your Bank's branches in Maharashtra, Bhopal, Jaipur and Jammu received awards from respective Town Official Language Implementation Committees. The Bank's quarterly Hindi Magazine 'Vikas Prabha' was conferred the prestigious 'Bhartendu Harishchandra Puraskar' by Dushyant Kumar Smriti Pandulipi Sangrahalay, Bhopal for editing and commendable contribution in propagating Hindi language and it has also been felicitated by Association of Business Communicators of India (ABCI).

Corporate Communication

Your Bank's advertising and publicity initiatives during the year reflected the Bank's business philosophy. During the year, your Bank released advertisements in high volume publications (both newspapers and magazines) and participated in / sponsored a few events, which offered high visibility and reach. Your Bank bolstered its social

media presence across Facebook, Twitter, YouTube and Google+. Additionally, your Bank revamped its website, an important touch-point for the customers, offering them an improved look and feel and enhanced user experience. Your Bank also launched a User Community Blog to enable online customers and visitors the ability to offer feedback, suggestions and more. Other initiatives included geo-tagging of the Bank's branches/ ATM network through Google Maps.

Your Bank adopted Public Relations activities with an aim to create greater awareness for its customer centric initiatives and to reinforce its intellectual leadership position amongst peers in terms of innovation and creativity.

Internal Communications

Your Bank's Internal Communications Department has the responsibility to effectively communicate the vision, values and culture among the Bank's workforce. To realise the vision, IC uses various media platforms like a House Journal, Knowledge Sharing Platform(s), and Staff Suggestion Scheme (SSS) for the stakeholders to communicate laterally thereby cutting across the red tape of traditional top-down approach of communication.

Shree Vayam, the Bank's bilingual quarterly House Journal, now in its

27th year provides an opportunity for creative expression by highlighting events and achievements. These cover the spectrum of life in sports, welfare, cultural, academic and other extracurricular activities.

i-Share, a knowledge sharing platform, was launched on October 1, 2012 to coincide with your Bank's Foundation Day for employees to communicate their suggestions, experiences and comments on products/ policies/ services etc. The objective is to eliminate barriers to communication by enabling employees to post their views on issues relevant to them and to the organisation. The platform also provides an effective collaborative tool for employees to share ideas, experiences and knowledge on common issues of interest.

A dedicated blog site containing the views and opinions of the Bank's CMD was launched on July 9, 2011. The objective of the blog has been to fade out geographical barriers and interact with all employees pan-India. This blog has led to a flattening in the corporate hierarchy and provided employees a direct channel to the CMD.

Your Bank's popular Staff Suggestion Scheme (SSS) encourages staff members to offer constructive suggestions relating to specific areas, viz. customer delight, financial savings, time savings, eliminating drudgery and improving productivity/ efficiency in operations. Implementable suggestions are incentivised through monetary awards.

A Centralised Product Information Kiosk (CENPIK) on the intranet provides ready access to the details of all products and services of your Bank. CENPIK also provides a window for quick resolution of any doubts arising from the operating levels in a time-bound manner.

Corporate Social Responsibility (CSR)

A comprehensive CSR Policy allows your Bank to make strategic interventions in areas such as rural infrastructure, social empowerment, education, environment, community welfare and healthcare. To this end, the Bank allocated a proportion of profits earned towards assorted but deserving CSR initiatives.

In its role as a socially responsible corporate, your Bank has taken initiatives to contribute for the betterment of society. During FY 2012-13, your Bank extended infrastructure support to schools and provided financial aid for socio-economic empowerment of the blind, disabled and other underprivileged sections of society. In association with TISS, your Bank is also undertaking projects in the Ladakh region and various financial inclusion villages allotted to your Bank. These initiatives are aimed at bringing in transformation through improvement of basic services, livelihood, strengthening of community mechanisms and capacity building.

To dovetail its financial inclusion initiatives with CSR agenda, your Bank extended relief to the extent of ₹ 10.53 lakh during the year for

17

Rajbhasha Awareness Programmes organised





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providing drinking water/fodder in four drought-affected FI villages in Satara, Sangli and Solapur districts of Maharashtra.

Facilities and Infrastructure

During FY 2012-13, your Bank completed construction and furnishing of Currency Chest buildings at bank-owned premises at Hyderabad and Pune. Your Bank also completed furnishing of a Premier Locker Facility at Ahmedabad and opened 104 new branches and relocated 16 existing branches to new premises. Additionally, the Bank renovated 26 existing branches during the year.

The construction of an office building at Bandra Kurla Complex, Mumbai, admeasuring 2 lakh sq.ft in superstructure and two-level basements with 1.5 lakh sq.ft was completed. The Retail Branch, Corporate Branch, Premium Locker Room and Currency Chest are in located in the same premises.



Your Bank earned appropriate recognition for its technology orientation and won two highly coveted awards during the year.

These include the Best Technology Bank of the year (Second Runner Up) and the Best Risk Management Security Initiative (First Runner Up) conferred by IBA.

Your Bank has also taken up the construction of the 10-storied, 1.40 lakh sq.ft Annexe Building at CBD Belapur, Navi Mumbai. The construction is expected to be completed by December 2014.

Awards and Accolades during FY 2012-13

During the period under review, your Bank received various awards for its achievements in the banking space. Shri R.M. Malla, the former Chairman and Managing Director, was conferred the 'Microfinance India Contribution to the Sector 2012' Award by 'ACCESS Development Services'. Your Bank was awarded the Best Retail Bank in the Public Sector by Dun and Bradstreet, 2012.

Your Bank was adjudged a winner in Development Finance-Led Poverty Reduction in the Association for Development Finance Institutions in Asia & the Pacific (ADFIAP) Awards 2012. Your Bank also received the 'Greentech CSR Award' for demonstrating the highest level of commitment to CSR activities, particularly for its Rural Transformation Fellowship Programme (RTFP). Further, your Bank's corporate communications initiatives were lauded at the PRCI Annual Corporate Collateral Awards and won two awards.

Your Bank earned appropriate recognition for its technology orientation and won two highly coveted awards during the year. These include the Best Technology

Bank of the year (Second Runner Up) and the Best Risk Management Security Initiative (First Runner Up) conferred by IBA.

Finally, in the year gone by, your Bank's House Journal Shree Vayam bagged two prestigious ABCI Awards, in an all India Competition.

Information Technology

IDBI Bank works actively to provide unique experiences to its customers and enhance customer delight by introducing products and services backed by the latest technology and security features. These allow your Bank to improve overall operational flexibility and efficiency. All its IT and IT-enabled services are professionally managed by IDBI Intech Ltd., a wholly owned subsidiary.

In order to ease the banking process for customers, your Bank introduced a slew of online services. Your Bank's PPF account holders can now access their accounts online through internet banking. Your Bank also added features such as printing account statements and subscribing to PPF through online transfer of funds from savings bank accounts.

Your Bank also introduced a facility of applying online for various personal loans and tracking these to know the status of the application. Online loan forms like Agriculture Loans, Personal Loans and Home Loans are easily available on the Bank's website.

In order to meet the needs of customers who are always on the move, the Bank's website has been made compatible with mobile devices to ensure connectivity at all times. To assist customers in making tax payments through net banking, your Bank widened its coverage by tying up with State Governments of Jharkhand, Sikkim and West Bengal.

The security and confidentiality of customer information and data is vital to deepening relationships with

customers. Apart from taking various critical security measures, the Bank takes necessary steps to educate its customers through a 24x7 National Contact Centre. Concurrently, e-mail and postal communications allow your Bank to inculcate best practices for averting any phishing attacks or cyber frauds. As an additional security feature, the Bank introduced a two-factor authentication system for e-commerce transactions by providing an SMS-based 'Online

Shopping Password' (OSP), which authorises such transactions.

As a security feature for its Corporate Net-banking Customers, the Bank implemented a Digital Signature-based authentication solution 'TranSecure'. This ensures authenticity, non-repudiation, confidentiality and integrity of data transmitted. Your Bank has acquired a BS 25999 certification, as part of global standard in maintaining business continuity.



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The Bank takes necessary steps to educate its customers through a 24x7 National Contact Centre. Concurrently, e-mail and postal communications allow your Bank to inculcate best practices for averting any phishing attacks or cyber frauds.



Corporate Governance Report for FY 2012-13

PHILOSOPHY OF CORPORATE GOVERNANCE

Your Bank is committed to upholding the highest standards of Corporate Governance in its operations. Its policies and practices are not only in line with the statutory requirement, but also reflect its commitment to operate in the best interest of its stakeholders. The responsibility for maintaining high governance standards lies with your Bank's Board of Directors and various Board Committees, which are empowered to monitor implementation of the best Corporate Governance practices, including making of necessary disclosures within the framework of legal and regulatory provisions and banking conventions.

In this direction, your Bank is committed to ensure that your Bank's Board of Directors continues to be constituted according to the prescribed norms, meets regularly according to the prescribed frequency, provides effective leadership, exercises control over the management, monitors executive performance and makes appropriate disclosures. Besides, the other policy directives of your Bank are to establish a strategic control framework and continuously review its efficacy; set up a clearly documented and transparent management processes to develop, implement and review policies, take decisions, monitor, control and report. Your Bank provides free access of relevant information and resources to the Board, enabling it to carry out its role effectively.

BOARD OF DIRECTORS

Your Bank's Board of Directors is broad-based and its constitution is governed by the provisions of the Banking Regulation Act, 1949, the Companies Act, 1956, the Articles of Association of your Bank and the requirements of corporate governance, as envisaged in the Listing Agreement with the Stock Exchanges. The Board functions directly as well as through various Board Committees constituted to provide focused governance in the important functional areas of your Bank.

As on March 31, 2013, the Board comprised seven Directors, including Chairman and Managing Director (CMD), Deputy Managing Director (DMD), one Non-Executive Director and four Independent Directors. Shri R.M. Malla, Chairman & Managing Director, Shri B.K. Batra, Deputy Managing Director, Ms Snehlata Shrivastava, Central Government official as Non-Executive Director, Shri Subhash Tuli, Shri P.S. Shenoy, Shri S. Ravi and Shri Ninad Karpe as Independent Directors constituted the Board as on March 31, 2013.

RELATIONSHIP BETWEEN DIRECTORS INTER-SE

No Director on your Bank's Board is related to any other Director.

BOARD MEETINGS

During the period (April 1, 2012 - March 31, 2013), six Board Meetings were held on April 21, 2012, June 15, 2012, July 31, 2012, September 6, 2012, October 30, 2012 and January 18, 2013. All the six meetings were held in Mumbai.

Details in respect of each Director of your Bank regarding attendance at Board Meetings, attendance at the last Annual General Meeting (AGM), directorships in other companies and memberships of committees are given in **Table 5**.

Table 5: Directors' Attendance at the Board Meetings and AGM, their Directorships and Committee Memberships

Name of Director	Attendance at your Bank's Board Meetings (Total No. of Meetings held - 6)	Attendance at the last AGM held on Sept. 06, 2012	Directorships in other companies	ACB/SGC Memberships/ (Chairmanships) in other Companies
Whole Time Directors				
Shri R.M. Malla, CMD	6	Present	5	Nil
Shri B.K. Batra, DMD	6	Present	3	2(0)
Non Executive Directors				
Ms. Snehlata Shrivastava (w.e.f. Jan 11, 2013)	1	Not Applicable	1	Nil
Shri P.K. Chaudhery (from Dec 9, 2011 to Mar 20, 2013)	0	Not Present	Nil	Nil
Shri Sunil Soni (from Apr 25, 2012 to Jan 11, 2013)	4	Not Present	Nil	Nil
Independent Directors				
Shri Subhash Tuli	6	Present	Nil	Nil
Dr. B.S. Bisht (upto Jul 7, 2012)	0	Not Applicable	Nil	Nil
Shri P.S. Shenoy	5	Present	5	4(1)
Shri S. Ravi (w.e.f. Jul 2, 2012)	4	Present	7	8(3)
Shri Ninad Karpe (w.e.f. Jul 2, 2012)	4	Present	8	3(1)

Figures in parentheses in the last column indicate Chairmanships of committees

REMUNERATION OF DIRECTORS

Remuneration Policy

Remuneration and perquisites of the Chairman & Managing Director, and Deputy Managing Directors, who are appointed by the Government of India, are also fixed by Government. The details of remuneration paid to CMD and DMDs are given in **Table 6**. There have been no pecuniary relationships/transactions of Non-Executive Directors vis-à-vis your Bank during the period under review.

Table 6: Elements of Remuneration of Chairman & Managing Director and Deputy Managing Directors

Salary and Allowances (As per Govt. Orders)	Shri R. M. Malla, CMD - Pay ₹ 80,000/- p.m. and DA @ 72% ₹ 57,600/- Total ₹ 1,37,600/- Shri B.K. Batra, DMD - Pay ₹ 68,960/- p.m. and DA @ 72% ₹ 49,651.20/- Total ₹ 1,18,611.20/-
Entertainment	Actual entertainment subject to ceiling of ₹ 6,000 p.a. (membership of club adjustable within the above ceiling) in respect of both CMD and DMDs
Housing	Rent-free furnished accommodation in respect of both CMD and DMDs
Leave travel concession	For self and family once in two years for visiting any place in India as per entitled class as applicable for official tour in respect of both CMD and DMDs

Corporate Governance Report for FY 2012-13

Table 6: Elements of Remuneration of Chairman & Managing Director and Deputy Managing Directors

Pension	Entitled to draw pension, if any, admissible in the career post (below board level) as per the rules and regulations of your Bank where the career post is held
Gratuity	At the rate of half month's pay for every completed year of service or more than six months of service as Chairman and Managing Director/Deputy Managing Directors
Tenure	Shri R.M. Malla – Appointed as CMD vide Govt. of India's Notification F.No.9/12/2009-BO.I dated July 7, 2010, with effect from July 09, 2010 for a period up to 31.05.2013 or until further orders, whichever is earlier. Shri B.K. Batra – Appointed as DMD vide Govt. of India's Notification F.No.9/14/2009-BO.I dated January 12, 2012 with effect from January 13, 2012 till the date of superannuation (31.07.2016) or until further orders, whichever is earlier.
Performance-linked incentives / Stock option	In view of the Government Guidelines for payment of incentives to the Bank's Chairman and Whole Time Directors, a Remuneration Committee of the Board had approved grant of performance-linked incentives to the Chairman and Managing Director and Deputy Managing Directors for the FY 2011-12 at its meeting held on April 25, 2013. Performance-linked Incentives for FY 2011-12 were paid as follows: (i) Shri R.M Malla (April 1, 2011 to March 31, 2012) - ₹ 7,00,000/- (ii) Shri B.P.Singh (April 1, 2011 to Jan 31, 2012)- ₹ 4,59,855/- (iii) Shri B K Batra (Jan 13, 2012 to March 31, 2012)- ₹ 1,18,690/-

Other Independent Directors were paid only the sitting fees for each Board/ Committee Meeting attended by them at the rate of ₹ 5,000 per meeting (for Board, Executive Committee and Audit Committee Meetings) and ₹ 2,500 per meeting (for other Committee Meetings of the Board). Apart from the remuneration to CMD and DMDs and sitting fees to Independent Directors, no other remuneration was paid to the Directors, except the expenditure upon their travel, stay and transport incurred by your Bank.

Sitting fees to Independent Directors for FY 2012-13 are given in Table 7 below:

Table 7: Sitting Fees Paid to Independent Directors

Name of the Independent Director	Sitting fees paid for FY 2012-13 (₹)
Shri P.S. Shenoy	1,55,000
Shri Subhash Tuli	1,70,000
Shri S. Ravi (w.e.f. Jul 2, 2012)	1,25,000
Shri Ninad Karpe (w.e.f. Jul 2, 2012)	1,02,500

BOARD COMMITTEES

The Board has a total of eleven committees, namely:

- Executive Committee
- Audit Committee
- Shareholders'/Investors' Grievance Committee
- Frauds Monitoring Committee
- Risk Management Committee
- Customer Service Committee
- Information Technology Committee
- Remuneration Committee
- Nomination Committee
- HR Steering Committee
- Recovery Review Committee

AUDIT COMMITTEE OF THE BOARD

Composition and brief terms of reference

As on March 31, 2013, the Audit Committee of the Board (ACB) comprised five members, including one Executive/Whole-Time Director and four Independent Directors. Shri Subhash Tuli, a Chartered Accountant, was the Chairman of the Audit Committee and Shri B.K. Batra, DMD, Shri P.S. Shenoy, Shri S. Ravi and Shri Ninad Karpe were the other members. Shri B.K. Batra was the Executive/Whole-Time Director and the remaining four members were Independent Non-Executive Directors. The role and powers of ACB are in line with the provisions of Section 292A of the Companies Act, 1956, relevant RBI guidelines and revised Clause 49 of the Listing Agreement enumerated hereunder:

Powers of the Audit Committee (as per revised Clause 49)

1. Can investigate any activity within its terms of reference
2. Can seek information from any employee
3. Can obtain outside legal or other professional advices, wherever required
4. Can secure attendance of outsiders with relevant expertise, if it considers necessary

Roles of the Audit Committee (as per revised clause 49)

- 1 Oversees the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- 2 Recommends to the Board the appointment, reappointment of Auditors and the fixation of audit fees subject to the approvals of the RBI as well as shareholders' approval.
- 3 Recommends the payment to statutory auditors for other services, if any, rendered by them
- 4 Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement, which needs to be

a part of the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956

- b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by the management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
- 5 Reviewing, with the management, the quarterly financial statements before submission to the board for approval
 - 6 Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems
 - 7 Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
 - 8 Discussing with internal auditors any significant findings and follow up there on
 - 9 Discussing with statutory auditors about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
 - 10 Carrying out any other function, as is mentioned in the terms of reference of the Audit Committee

Review of information by Audit Committee (according to revised Clause 49)

- 1 Management discussion and analysis of the financial condition and results of operations
- 2 Statement of significant related party transactions (as defined by the audit committee), submitted by the management





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- 3 Management letters / letters of internal control weaknesses issued by the statutory auditors
- 4 Internal audit reports relating to internal control weaknesses

Number of meetings

ACB met ten times during the period under review (April 1, 2012 – March 31, 2013) on April 21, 2012, May 10, 2012, June 15, 2012, July 31, 2012, September 7, 2012, October 30, 2012, December 17, 2012, January 17, 2013, January 18, 2013 and February 25, 2013.

Risk Management Committee of the Board

Composition and brief terms of reference

The Risk Management Committee (RMC) of the Board consisted of four members, as on March 31, 2013, viz., S/ Shri P.S. Shenoy, Chairman, B.K. Batra, DMD, Subhash Tuli and Ninad Karpe as its members. The Committee assesses various risks associated with your Bank's business, their mitigation and also addresses the issues related to asset liability mismatch.

Number of meetings

During the period in retrospect (April 1, 2012 – March 31, 2013), the Risk Management Committee held three meetings, on June 15, 2012, September 7, 2012 and January 17, 2013.

Shareholders'/ Investors' Grievance Committee (SIGC)

Composition and brief terms of reference

As on March 31, 2013, the Shareholders'/ Investors' Grievance Committee (SIGC) of your Bank comprised four members with one Executive Director and three Independent Non-Executive Directors, viz., S/Shri S. Ravi, an Independent Non-Executive Director as the Chairman, B.K. Batra, DMD, Subhash Tuli and Ninad Karpe as members. The Committee has been constituted to look into the redressal of shareholders' and investors' grievances pertaining to share transfers, non-receipt of Annual Report, non-receipt of declared dividend and so on.

Number of meetings

During the period (April 1, 2012 – March 31, 2013), four SIGC meetings were held on June 16, 2012, September 7, 2012, December 17, 2012 and February 25, 2013.

Executive Committee of the Board (EC)

Composition and brief terms of reference

Apart from the Board, your Bank has an Executive Committee of the Board to take into account the matters other than policies and those specifically required to be considered by the Board. It also considers to exercise such other powers as delegated to it by the Board. As on March 31, 2013, the Executive Committee comprised six members with two Executive Directors and four Independent Directors. Shri R.M. Malla, CMD was the Chairman of the Committee and S/Shri B.K. Batra, DMD, Subhash Tuli, P.S. Shenoy, S.Ravi and Ninad Karpe were the members.

Number of meetings

During the year under review (April 1, 2012 – March 31, 2013), 12 meetings of the Executive Committee were held on April 21, 2012, May 10, 2012, June 15, 2012, June 29, 2012, July 31, 2012, September 7, 2012, October 30, 2012, December 17, 2012, January 17, 2013, February 25, 2013, March 20, 2013 and March 30, 2013.

Frauds Monitoring Committee (FMC)

Composition and brief terms of reference

A Frauds Monitoring Committee had been set up to detect frauds. As on March 31, 2013, the Committee comprised five members with Shri R.M. Malla, CMD as the Committee's Chairman and Shri B.K. Batra, DMD, Shri Subhash Tuli, Shri S. Ravi and Shri Ninad Karpe as its members.

Number of meetings

During the year in retrospect (April 1, 2012 – March 31, 2013), six meetings of the Frauds Monitoring Committee were held on June 15, 2012, July 31, 2012, October 30, 2012, January 17, 2013, February 25, 2013 and March 20, 2013.

Customer Service Committee (CSC)

Composition and brief terms of reference

To look into the customer grievances and effectively service customers in the retail banking segment, a Customer Service Committee was set up by your Bank. As on March 31, 2013, it comprised five members with Shri R.M.Malla, CMD as the Chairman and Shri B.K. Batra, DMD, Ms. Snehlata Shrivastava, Govt. Director, Shri Subhash Tuli and Shri S. Ravi as its members.

Number of meetings

During FY 2012-13, two meetings of the Customer Service Committee were held on July 31, 2012 and January 18, 2013.

Information Technology Committee (ITC)

Composition and brief terms of reference

Your Bank established an Information Technology Committee on March 31, 2013, to put in place a technology platform. The objectives were to render various services to the clients; to help in streamlining the approach; to assist in launching new products and to provide services. The Committee consisted of three members with Shri Ninad Karpe as Chairman and Shri B.K. Batra, DMD and Shri P.S. Shenoy as its members.

Number of meetings

During the period in retrospect (April 1, 2012 – March 31, 2013), three meetings of the Information Technology Committee were held on June 15, 2012, September 10, 2012 and January 18, 2013.

Remuneration Committee of the Board (RC)

Composition and brief terms of reference

According to the directives of the Government of India, a Remuneration Committee has been set up to consider and approve the payment of annual performance-linked incentives to the CMD and DMDs. As on March 31, 2013, it comprised four members with Ms. Snehlata Shrivastava, Govt. Director, as the Chairperson and Shri P.S. Shenoy, Shri Subhash Tuli and Shri S. Ravi as the members.

Number of meetings

During the period under review (April 1, 2012 – March 31, 2013), two meetings of the Remuneration Committee were held on July 31, 2012 and September 6, 2012.

Nomination Committee (NC)

Composition and brief terms of reference

In compliance with the guidelines issued by RBI, a Nomination Committee was constituted to undertake a process of due diligence to determine the 'fit and proper' status of existing Directors elected, and the persons to be elected as Directors, by shareholders other than the Central Government and Central Government Banks and Institutions consisting of a minimum of three Directors (all Independent/ Non-Executive Directors) from among the Board of Directors. As on March 31, 2013, the Nomination Committee consisted of three members, namely Shri P.S. Shenoy as the Chairman, and Shri S. Ravi and Shri Ninad Karpe as the members.

Number of meetings

During FY 2012-13, one meeting of the Nomination Committee was held on July 31, 2012.

HR Steering Committee (HRC)

Composition and brief terms of reference

As per the Government of India's directives, the HR Steering Committee has been constituted to deal with the matters related to human resources, namely:

- Policies pertaining to recruitment and training
- Performance management, compensation and career development initiatives
- Management development and succession planning
- Alignment of the HR strategy to the business strategy and plan

As on March 31, 2013, the Committee consisted of four members, namely Shri R.M.Malla, CMD as the Chairman, and Shri B.K.Batra, DMD, Ms. Snehlata Shrivastava, Govt. Director and Shri P.S. Shenoy as members.

Number of meetings

During FY 2012-13, one meeting of the HR Steering Committee was held on January 18, 2013.

Recovery Review Committee (RRC)

Composition and brief terms of reference

According to the Board's recommendation, RRC has been constituted on October 30, 2012 for reviewing NPAs, stressed accounts, written-off cases, OL cases, DRT

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cases, and so on. As on March 31, 2013, the Recovery Review Committee comprised six members, namely Shri R.M.Malla, CMD as the Chairman and Shri B.K.Batra, DMD, Ms. Snehlata Shrivastava, Govt. Director, Shri P.S. Shenoy, Shri S.Ravi and Shri Ninad Karpe as the members.

Number of meetings

During FY 2012-13, one meeting of the Recovery Review Committee was held on January 18, 2013.

Details of attendance of Directors at the Committee Meetings are given in **Table 8**

Table 8: Directors' Attendance at the Committee Meetings (April 1, 2012 to March 31, 2013)

SN	Names of Directors	ACB		SIGC		EC		RMC		FMC		CSC		ITC		RC		NC		HRC		RRC	
		H	A	H	A	H	A	H	A	H	A	H	A	H	A	H	A	H	A	H	A	H	A
1	Shri R.M. Malla, CMD	-	-	-	-	12	12	-	-	6	5	2	2	-	-	-	-	-	-	1	1	1	1
2	Shri B.K.Batra, DMD	10	10	4	4	12	12	3	3	6	6	2	2	3	3	-	-	-	-	1	1	1	1
3	Ms. Snehlata Shrivastava, Govt. Director (w.e.f. Jan 11, '13)	-	-	-	-	-	-	-	-	-	-	1	1	-	-	-	-	-	-	1	1	1	1
4	Shri Pradeep Chaudhery, Govt. Director (from Dec 9, '11 to Mar 20, '13)	-	-	-	-	-	-	3	0	-	-	-	-	1	0	2	0	-	-	-	-	-	-
5	Shri Sunil Soni, Govt. Director (from Apr 25, '12 to Jan 11, '13)	-	-	-	-	-	-	-	-	-	-	1	1	1	1	2	2	-	-	-	-	-	-
6	Shri Subhash Tuli	10	9	4	3	12	10	3	3	6	6	2	2	-	-	2	2	-	-	-	-	-	-
7	Dr. B.S. Bisht (upto Jul 7, '12)	3	0	1	0	4	0	-	-	-	-	-	-	1	0	-	-	-	-	-	-	-	-
8	Shri P.S.Shenoy	10	9	-	-	12	11	3	3	-	-	-	-	3	3	2	1	1	1	1	1	1	1
9	Shri S. Ravi (w.e.f. Jul 2, '12)	7	7	3	3	8	7	-	-	5	5	2	2	-	-	2	2	1	1	-	-	1	1
10	Shri Ninad Karpe (w.e.f. Jul 2, '12)	7	6	3	3	8	5	2	1	5	3	-	-	2	2	-	-	1	1	-	-	1	1

H - Meetings held during Director's tenure

A - Meetings attended by the Director

GENERAL BODY MEETINGS

The last Annual General Meeting (AGM) of your Bank was held on September 6, 2012. Details of IDBI Bank Ltd.'s AGMs are given in Table 9.

Table 9: Details of Annual General Meetings of IDBI Bank Ltd.

Location and time of the last three AGMs	1) July 22, 2010 at the Yashwantrao Chavan Centre Auditorium, Gen. Jagannathrao Bhonsle Marg, Mumbai - 400 021 at 3.30 p.m. (6th AGM of your Bank) 2) September 08, 2011 at the Nehru Centre Auditorium, Worli, Mumbai - 400 018 at 3.30 p.m. (7th AGM of your Bank) 3) September 06, 2012 at the Nehru Centre Auditorium, Worli, Mumbai - 400 018 at 3.30 p.m. (8th AGM of your Bank).
Whether Special Resolutions were passed in the last AGM	Yes, special resolutions for (i) appointment of Statutory Auditors of your Bank under section 224A of the Act and (ii) taking shareholders approval u/s 81(1A) of the Companies Act, 1956 to the proposal for enabling your Bank to raise capital and empowering the Board to take specific decision in this regard was passed at the last AGM of your Bank held on September 06, 2012.
Whether any special resolution was passed last year through postal ballot - details of voting pattern	Yes. Special Resolution was passed u/s 81(1A) of the Companies Act, 1956 through postal ballot to approve preferential allotment of equity shares to the Government of India only.
Person who conducted the postal ballot exercise	Shri S.N.Ananthasubramanian of M/s S.N.Ananthasubramanian & Co., Company Secretaries
Whether any special resolution is proposed to be conducted through postal ballot	No

PASSING OF RESOLUTION THROUGH POSTAL BALLOT

Your Bank successfully completed the process of obtaining the approval of its Members on the Special Resolution under Section 81(1A) of the Companies Act, 1956, and other applicable provisions for preferential allotment of equity shares to the Government of India only.

PROCEDURE FOR POSTAL BALLOT

(i) Your Bank's Board of Directors had, at its meeting held on January 18, 2013, appointed Shri S. N. Ananthasubramanian of M/s S. N. Ananthasubramanian & Co., Company Secretaries as Scrutiniser for conducting the postal ballot voting process.

(ii) The Notice dated January 28, 2013, was sent to the members and your Bank offered e-voting as an alternate option to enable the members to cast their votes electronically.

(iii) The last date for receipt of postal ballot forms was March 12, 2013. The Scrutiniser received 5,902 ballots (including both physical ballots and e-voting). Out of 1079992685 votes polled, 1052693330, comprising 97.47% of the total, voted in favour of the resolution and 27299355 votes, comprising 2.53%, voted against it.

(iv) According to the Government of India's letter dated March 07, 2013 and the Scrutiniser's report dated March 14, 2013, the resolution for Preferential Allotment of equity to Govt. of India only was passed by the requisite majority. The result of the



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postal ballot was declared by the Chairman on Saturday, March 16, 2013 and displayed on your Bank's website. It was also published on March 17, 2013 in an English daily and a Marathi daily for the information of the members and was also forwarded to stock exchanges.

DISCLOSURES

1. No company was assisted from April 1, 2012 to March 31, 2013, during which any of the Directors of your Bank was interested, except as under:
 - (i) Bharat Heavy Electricals Limited (BHEL) - Shri S. Ravi is an Independent Director in the company. However, BHEL, being a Government Company, is exempted under RBI Guidelines from connected lending provisions.
 - (ii) GMR Chennai Outer Ring Road Private Limited - Shri S. Ravi is an Independent Director in the company. However, the company has been sanctioned non-fund based facilities allowable in terms of connected lending provisions under the RBI Guidelines.
 - (iii) IDBI Mutual Fund (Represented by IDBI Asset Management Ltd.) - Shri R.M. Malla, CMD, is on the Board of IDBI Mutual Fund. However, IDBI Mutual Fund, being a subsidiary of the IDBI Bank Ltd., is exempted under the RBI Guidelines from connected lending provisions.
 - (iv) Savita Oil Technologies Limited- Shri Ninad Karpe is an Independent Director in the company. However, the company has been sanctioned non-fund based facilities allowable in terms of connected lending provisions under the RBI Guidelines.
2. Your Bank complies with the mandatory requirements of revised Clause 49 of the Listing Agreement, such as (i) related party transactions, if any, are being reported to the Audit Committee of the Board; (ii) Disclosure of Accounting Treatment is clearly made

in the financial statements; (iii) Your Bank submits to the Board the review on risk assessment and minimisation procedures.

3. Major non-compliance / penalties and similar other occurrences during the last three years was NIL.

CODE OF CONDUCT AND ETHICS

Your Bank's Board of Directors has adopted a Code of Conduct and Ethics for its Directors, Officers and Employees. In compliance with the requirement of revised Clause 49 of the Listing Agreement, a declaration signed by the Chairman and Managing Director about the affirmation of compliance with the Code of Conduct by the Board members and Senior Management Personnel of your Bank is given below:

DECLARATION BY CEO

Pursuant to the provisions of Clause 49 of the Listing Agreement, it is hereby declared for the information of all concerned that all the Board Members and Senior Management Personnel of IDBI Bank Ltd. have affirmed compliance with the Code of Conduct for Directors, Officers and Employees of IDBI Bank Ltd. for FY 2012-13.

Sd/-

R. M. Malla

Chairman and Managing Director
April 16, 2013

PREVENTION OF INSIDER TRADING

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations 1992, your Bank has instituted a comprehensive Code of Conduct to prevent insider trading.

CEO/ CFO CERTIFICATION

In terms of the revised Clause 49 of the Listing Agreement, the certification by the CEO and CFO on the financial statements and internal controls relating to financial reporting has been obtained and submitted to the Board.

WHISTLEBLOWER POLICY

Your Bank's Board has adopted a Whistleblower Policy. In terms of this policy, employees are free to raise issues, if any, pertaining to Bank's operations and report them to the Audit Committee through specified channels. This mechanism has been circulated and also posted on your Bank's intranet.

SUBSIDIARY COMPANIES

As on March 31, 2013, your Bank had five subsidiaries, viz., IDBI Intech Ltd., IDBI Capital Market Services Ltd., IDBI Asset Management Ltd., IDBI MF Trustee Company Ltd. and IDBI Trusteeship Services Ltd. No Independent Director on the Board of your Bank is required to be inducted on the Board of its subsidiaries. This is because, none of the subsidiaries is a material non-listed subsidiary company as defined under Clause 49. Your Bank's Audit Committee reviews the financial statements, in particular, the investments made by the unlisted subsidiary companies. The minutes of the Board meetings of unlisted subsidiary companies are regularly placed at your Bank's Board meetings.

COMPLIANCE OFFICER

Shri Pawan Agrawal, Company Secretary, is the Compliance Officer. He supervises the operations to ensure that they

comply with the requirements of Securities Laws and the Listing Agreements with the Stock Exchanges.

MEANS OF COMMUNICATION

Apart from providing detailed Annual Report on your Bank's working, consisting of Directors' Report (containing Management Discussion and Analysis) and Annual Accounts, your Bank regularly brings out its quarterly results for information of its shareholders. It is also published in one English language newspaper having nationwide circulation and in one regional language newspaper. The aforesaid information is also displayed on your Bank's website (www.idbi.com), along with the official press release and presentation made to institutional investors and analysts.

The documents referred to, but not sent to the persons entitled to receive the notice of the Annual General Meeting will be made available for inspection of shareholders at your Bank's registered office during working hours for 21 days before the date of AGM.

MANDATORY AND NON-MANDATORY REQUIREMENTS

Your Bank has complied with all the applicable mandatory requirements as provided in Revised Clause 49 of the Listing Agreement, entered into with the Stock Exchanges where the Bank's shares are listed.

The extent of implementation of non-mandatory requirements is as under:

1.	Non-executive Chairman to maintain Chairman's Office at the Company's expense.	Not Applicable as your Bank has whole-time Executive Chairman & Managing Director.
2.	Board to set up a Remuneration Committee to formulate the Company's remuneration policy on specific remuneration package for Executive Directors.	Not applicable as the Executive Directors draw salary as fixed by the Government of India. However, a Remuneration Committee to consider payment of Performance-linked Incentives to CMD and DMDs in terms of guidelines issued by the Govt. of India has been constituted.
3.	Shareholder's rights to half yearly declaration of financial performance.	Your Bank displays its quarterly financial results on its website, www.idbi.co.in , which is accessible to the shareholders. These results are also published in an English newspaper having a nationwide circulation and in a Vernacular newspaper with wide circulation in Maharashtra.
4.	The Company may move towards a regime of unqualified financial statements.	While the Auditors' Reports are generally unqualified, your Bank takes steps to maintain the same.

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5.	Training of Board Members	The Bank keeps nominating Independent Directors for various programmes organised by IDRBT, Hyderabad and CAFRAL, Mumbai.
6.	The evaluation of performance of Non-executive Directors by other Board members and to decide to continue or otherwise of the Directorship of the Non-executive Directors.	A Nomination Committee has been constituted, in compliance with the guidelines issued by the RBI, to undertake a process of due diligence to determine the 'fit and proper' status of existing Directors elected by, and the persons to be elected as Directors, by shareholders other than the Central Government and Central Government Banks and Institutions. The committee consists of three Independent Members.
7.	The Company to establish the Whistleblower Policy for reporting management concerns about unethical behaviours, actual or suspected fraud, and so on.	Your Bank's Board has adopted a Whistleblower Policy. In terms of this policy, employees are free to raise issues, if any, pertaining to the Bank's operations and report them to the Audit Committee through specified channels. This mechanism has been circulated and also posted on your Bank's intranet.

GENERAL SHAREHOLDERS' INFORMATION

General information relevant to shareholders and details of share price movement during April 1, 2012-March 31, 2013 are provided in **Table 10** and **Table 11**, respectively:

Table 10 : General Shareholders' Information

i.	Date, time and venue of AGM	September 4, 2013, Wednesday, 3.30 p.m., at Nehru Centre Auditorium, Worli, Mumbai - 400 018
ii.	Financial year	April 1, 2012 to March 31, 2013
iii.	Book closure date	August 31, 2013 to September 04, 2013
iv.	Date of dispatch of dividend warrants	September 26, 2013
v.	Dividend payment date	October 01, 2013
vi.	Listing on Stock Exchanges	BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE)
vii.	Stock code / Symbol	BSE - 500116, NSE - IDBI/EQ
viii.	Registrar and share transfer agents	Karvy Computershare Pvt. Ltd. Unit : IDBI Equity Plot No.17-24, Vithal Rao Nagar, Madhapur, Hyderabad - 500081.
ix.	Share transfer system	Share transfers are approved on a weekly basis by an internal committee comprising the Executive Director / Chief General Manager
x.	Financial calendar	April 1, 2012 to March 31, 2013 1) Results for the quarter ended June 30, 2012 were approved on July 31, 2012 2) Results for the quarter / half year ended September 30, 2012 were approved on October 30, 2012

Table 10 : General Shareholders' Information

		3) Results for the third quarter / nine months period ended December 31, 2012 were approved on January 18, 2013 4) Audited Results for the year ended March 31, 2013 were approved on April 25, 2013.
xi.	Last date for receipt of proxy forms	September 02, 2013
xii.	Board Meeting for considering the quarterly results	Within one month of the closure of respective quarter.
xiii.	No. of shares and convertible instruments held by Non- executive Directors	Shri S. Ravi, Independent Non-executive Director held 200 shares of IDBI Bank Ltd, as on March 31, 2013

IDBI Bank's scrip is actively traded at NSE and BSE. The annual listing fees in respect of all the securities listed with the exchange(s) have been paid till date.

Table 11: IDBI Bank Ltd.'s Share Price Movement on the National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE): April 2012 - March 2013 (₹)

Month	NSE		BSE		Month	NSE		BSE	
	High	Low	High	Low		High	Low	High	Low
April 2012	109.00	100.60	108.90	100.70	Oct 2012	104.25	92.05	104.10	92.10
May 2012	101.25	84.95	101.30	85.45	Nov 2012	108.15	94.35	108.10	94.25
June 2012	93.40	83.80	93.50	83.80	Dec 2012	114.00	107.55	114.05	107.50
July 2012	98.55	85.10	98.50	85.10	Jan 2013	116.95	104.95	116.65	105.00
Aug 2012	87.70	83.70	87.75	83.55	Feb 2013	105.80	87.95	105.75	88.70
Sept 2012	100.05	84.95	100.05	84.85	Mar 2013	92.90	79.80	92.75	79.80

Shareholding pattern, as on March 31, 2013

The details of shareholding in the Bank by major categories of shareholders and distribution schedule, as at end-March 2013, are presented in Table 12 and Table 13 below:

Table 12: Shareholding pattern as at March 31, 2013

Category of shareholders	No. of shares held	% to Total
Government of India	95,58,52,609	71.72
Employees	12,26,928	0.09
Public	11,66,50,105	8.75
Hindu undivided family	30,32,564	0.23
Bodies corporate	2,05,85,627	1.54
Institutions		
A) Banks	32,02,353	0.24
B) Foreign Institutional Investors	4,49,86,940	3.38
C) State Finance Corporations	35,680	Negligible
D) Financial Institution	1,36,00,280	1.02
E) Mutual funds	27,24,506	0.20

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Table 12: Shareholding pattern as at March 31, 2013

Category of shareholders	No. of shares held	% to Total
Societies	28,960	Negligible
Trusts	6,24,728	0.05
Insurance companies	16,42,08,276	12.32
NRIs	55,51,819	0.42
Directors and their relatives		
i) Shri R. M. Malla, CMD	320	Negligible
ii) Shri B. K. Batra, DMD	1,001	Negligible
iii) Shri S.Ravi, I.D.	200	Negligible
NSDL (transit)	4,35,451	0.03
GRAND TOTAL	133,27,48,347	100.00

Table 13: Distribution schedule, as on March 31, 2013

S. No	Category		No. of shareholders	% to total shareholders	Amount (₹)	% to total Amount
	From	To				
1	1	5000	403184	91.86	600547260.00	4.51
2	5001	10000	21584	4.92	165358970.00	1.24
3	10001	20000	8305	1.89	122765840.00	0.92
4	20001	30000	2152	0.49	54735910.00	0.41
5	30001	40000	951	0.22	34048830.00	0.26
6	40001	50000	709	0.16	33498840.00	0.25
7	50001	100000	1080	0.25	79202140.00	0.59
8	100001 & above		949	0.22	12237325680.00	91.82
Total			438914	100.00	13327483470.00	100.00

SHARE TRANSFER SYSTEM AND REDRESSAL OF INVESTOR GRIEVANCES

To expedite the process of share transfers, an internal committee of Executive Director/ Chief General Manager has been set up to approve the Memorandum of Transfers (MoTs) on a weekly basis.

As on April 1, 2012, as many as 15 investor grievances were pending for redressal and from April 1, 2012 to March 31, 2013, as many as 11,279 investor grievances were received from shareholders / investors by your Bank's Registrar & Transfer Agents. During the year, 11,292 grievances were redressed and two were pending for redressal on March 31, 2013.

In respect of shares, 18 cases of transfers were pending on April 1, 2012. Between April 1, 2012 and March 31, 2013, as many as 1,535 requests for transfer of shares were received by your Bank's Registrar & Transfer Agents. Of these, 1,545 requests for transfer of shares were processed and eight requests were pending, as on March 31, 2013.

EQUITY SHARES IN THE UNCLAIMED SUSPENSE ACCOUNT

In terms of Clause 5A(I) of the Listing Agreement, your Bank reports the following details in respect of equity shares lying in the unclaimed suspense account:

Disclosure of details of Unclaimed Suspense Account (under Clause 5A of the Listing Agreement)

S.N	Particulars	No. of Shareholders	No. of Shares
(i)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account, as on April 01, 2012	5009	900721
(ii)	Number of shareholders who approached your Bank for transfer of shares from the Unclaimed Suspense Account during April 01, 2012 to March 31, 2013	21	4332
(iii)	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during April 01, 2012 to March 31, 2013	21	4332
(iv)	Aggregate number of shareholders and outstanding shares lying in the Unclaimed Suspense Account, as on March 31, 2013	4988	896389

Table 14: Details of de-materialisation and address for correspondence

Dematerialisation of shares and liquidity

Nature of holding	No. of shareholders	Shares	Percentage
Physical	76,631	7,25,90,348	5.45
NSDL (Dematerialised)	2,49,928	33,08,69,035	24.83
CDSL (Dematerialised)	1,12,355	92,92,88,964	69.73
Total	4,38,914	133,27,48,347	100.00

Outstanding GDRs / ADRs/ Warrants or convertible instruments, conversion date and likely impact on equity	IDBI Bank Ltd. has not issued GDRs/ADRs/Warrants, etc.
Plant locations	Not applicable. However, information about locations of your Bank's branches is available on your Bank's website, www.idbi.com
Address for correspondence	IDBI Bank Ltd. Equity Cell - Board Department, IDBI Bank Ltd., 20th floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai - 400 005 Phone - 022 - 66552779, 66553062, 66552620 Fax - 022 - 2218 23 52 E-mail - idbiequity@idbi.co.in Registrar & Transfer Agents Karvy Computershare Pvt. Ltd. Unit : IDBI Equity Plot No.17-24, Vithal Rao Nagar, Madhapur, Hyderabad - 500 081 Tel.No.(040) 44655000 Toll Free Number : 1-800-3454001 Fax No.(040) 23420814 email : einward.ris@karvy.com



Corporate Governance Report for FY 2012-13

Table 14: Details of de-materialisation and address for correspondence

Registered office addresses of subsidiary companies	IDBI Capital Market Services Ltd. 3rd Floor, Mafatlal Centre, Nariman Point, Mumbai – 400 021. IDBI Intech Ltd. IDBI Building, 1st Floor, Plot No.39-41, Sector 11, CBD Belapur, Navi Mumbai – 400 614. IDBI MF Trustee Company Ltd. IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400 005. IDBI Asset Management Ltd. 5th Floor, Mafatlal Centre, Nariman Point, Mumbai – 400 021. IDBI Trusteeship Services Ltd. Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001.
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Auditors' Report on Corporate Governance

Khimji Kunverji & Co
Chartered Accountants
 Sunshine Tower, Level 19,
 Senapati Bapat Marg,
 Elphinstone Road,
 Mumbai-400013, India

G.D. Apte & Co
Chartered Accountants
 GDA House, Plot No. 85,
 Bhusari Colony (Right)
 Paud Road,
 Pune-411038, India

To the Members of
IDBI Bank Limited

We have examined the compliance of the conditions of Corporate Governance by IDBI Bank Limited ('the Bank') for the year ended March 31, 2013 as stipulated in Clause 49 of the Listing Agreements of the Bank with the BSE Limited and the National Stock Exchange of India Limited.

The compliance with conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreements is the responsibility of the Bank's management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Bank for ensuring the compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

In our opinion and to the best of our information and according to the explanations given and representations made by the Directors and the Management, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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

For **Khimji Kunverji & Co**
 Chartered Accountants
 FRN-105146W

For **G. D. Apte & Co**
 Chartered Accountants
 FRN-100515W

Gautam V Shah
 Partner (F-117348)

Saurabh S Peshwe
 Partner(F-121546)

Place : Mumbai
 Date : April 30, 2013



Auditors' Report

To
The Members of
IDBI Bank Limited

REPORT ON THE FINANCIAL STATEMENTS

- 1 We have audited the accompanying financial statements of the IDBI Bank Limited ('the Bank'), which comprise the Balance Sheet as at March 31, 2013 and the Profit and Loss Account and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

The audit was planned and conducted as to cover records available at various processing centers/ regional offices/ branches and reports generated through centralized banking applications at central office level covering 77 % of Advances and 64 % of Deposits of the Bank and visit at 65 centers/ offices/ branches of the Bank. Incorporated in the said financial statements are the returns of the Dubai branch of the Bank, audited by another auditor.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

- 2 Management is responsible for the preparation of these financial statements that gives true and fair view of financial position, financial performance and cash flows of the bank in accordance with provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 211 of the Companies Act, 1956 and circulars and guidelines issued by Reserve Bank of India from time to time. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of the Bank including its

branches and central processing unit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

- 6 In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with notes thereon give full information required by the Banking Regulation Act, 1949 as well as the Companies Act, 1956, in the manner so required for banking companies and give 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 Bank as at March 31, 2013;
- (b) in case of the Profit and Loss Account, of the

profit of the Bank for the year ended on that date;

- (c) in the case of the Cash Flow Statement, of the cash flows of the Bank for the year ended on that date.

OTHER MATTER

We did not audit the financial statement of the Dubai branch of the Bank, whose financial statement as at March 31, 2013 reflects total assets of Rs.195,178,629 thousand, total revenues of Rs.6,055,259 thousand and cash flows of Rs.26,191,261 thousand for the year then ended. These financial statements have been audited by another auditor, duly qualified to act as an auditor in the country of incorporation of the said branch, whose report has been furnished to us and which was relied upon by us for our opinion on the financial statements of the Bank.

The financial statements of the Bank for the year ended March 31, 2012, were audited by another auditors who expressed an unmodified opinion on those statements on April 21, 2012

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 7 The Balance Sheet and Profit and Loss Account and the Cash Flow Statement have been drawn up in accordance with the provisions of Section 29 of the banking regulation Act, 1949 read with Section 211 of the Companies Act, 1956.

- 8 We report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
- (b) The transactions of the Bank, which have come to our notice have been within the powers of the Bank;

- (c) The key operations of the Bank are completely automated and key applications are integrated with the core banking systems, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are centrally available therein.

- 9 In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with accounting standards referred to in Subsection (3C) of Section 211 of the Companies Act, 1956, to the extent they are not inconsistent with the accounting policies prescribed by Reserve Bank of India

- 10 We further report that :

- (i) the Balance Sheet, Profit and Loss Account dealt with by this report are in agreement with the books of account;
- (ii) the financial accounting system of the Bank are centralised and therefore, accounting returns are not submitted by the branches ;
- (iii) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books;
- (iv) provision of Section 274(1)(g) of the Companies Act, 1956 are not applicable in terms of Notification No. G.S.R.829 (E) dated October 21, 2003 issued by Department of Company Affairs, Government of India

For **Khimji Kunverji & Co**
Chartered Accountants
FRN: 105146W

Gautam V Shah
Partner (F-117348)

Mumbai
April 25, 2013

For **G. D. Apte & Co.**
Chartered Accountants
FRN: 100515W

Saurabh S Peshwe
Partner (F-121546)

Balance Sheet

as at 31st March, 2013

(₹ in '000s)

	Schedule	As at 31-03-2013	As at 31-03-2012
CAPITAL AND LIABILITIES			
Capital	1	1332 74 83	1278 38 17
Reserves and surplus	2	19902 50 62	18148 68 12
Employees' Stock Options (Grants) Outstanding		76 89	85 36
Deposits	3	227116 47 45	210492 56 06
Borrowings	4	65808 87 10	53477 64 13
Other liabilities and provisions	5	8607 14 17	6918 21 60
TOTAL		322768 51 06	290316 33 44
ASSETS			
Cash and balances with Reserve Bank of India	6	10543 94 99	15090 21 13
Balances with banks and money at call and short notice	7	7380 57 36	2967 44 05
Investments	8	98800 92 68	83175 36 35
Advances	9	196306 44 79	180572 29 72
Fixed assets	10	2925 28 77	3018 80 81
Other assets	11	6811 32 47	5492 21 38
TOTAL		322768 51 06	290316 33 44
Contingent liabilities	12	180661 95 57	148920 09 32
Bills for collection		7157 05 03	5277 33 47
Significant Accounting Policies and Notes to Accounts	17 & 18		
The Schedules referred to above form an integral part of the Balance Sheet			

As per our report of even date

BY ORDER OF THE BOARD

For Khimji Kunverji & Co.
Chartered Accountants
FRN-105146W

For G. D. Apte & Co.
Chartered Accountants
FRN-100515W

(R.M. Malla)
Chairman & Managing Director

Gautam V Shah
Partner (F-117348)

Saurabh S Peshwe
Partner (F-121546)

(B.K.Batra)
Dy.Managing Director

(Subhash Tuli)
Director

(P. S. Shenoy)
Director

(Ninad Karpe)
Director

(P.Sitaram)
Chief Financial Officer

Place: Mumbai
Date : April 25, 2013

Profit and Loss Account

for the year ended March 31, 2013

(₹ in '000s)

	Schedule	Year Ended 31-03-2013	Year Ended 31-03-2012
I INCOME			
Interest earned	13	25064 30 04	23369 92 99
Other Income	14	3219 50 58	2112 18 40
TOTAL		28283 80 62	25482 11 39
II EXPENDITURE			
Interest expended	15	19691 18 88	18825 08 23
Operating expenses	16	3134 36 39	2607 45 32
Provisions and contingencies	18 (B)(X)	3576 16 98	2017 96 72
TOTAL		26401 72 25	23450 50 27
III PROFIT			
Net Profit for the year		1882 08 37	2031 61 12
Profit brought forward		672 64 50	615 01 79
TOTAL		2554 72 87	2646 62 91
IV APPROPRIATIONS			
Transfer to Statutory Reserve		470 82 93	507 90 28
Transfer to Capital Reserve		191 81 86	17 04 72
Transfer to General Reserve		150 00 00	750 00 00
Transfer to Special Reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961		300 00 00	250 00 00
Proposed Dividend		466 46 19	191 75 72
Interim Dividend		-	196 92 41
Dividend on ESOPs		64	1 89
Dividend distribution tax		71 75 17	60 33 39
Balance carried over to balance sheet		903 86 08	672 64 50
TOTAL		2554 72 87	2646 62 91
Earnings per share (₹) (Face Value ₹ 10 per share)	18 (A)(6)		
Basic		14.70	20.58
Diluted		14.70	20.58
Significant Accounting Policies and Notes to Accounts	17 & 18		

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

BY ORDER OF THE BOARD

As per our report of even date

For Khimji Kunverji & Co.
Chartered Accountants
FRN-105146W

For G. D. Apte & Co.
Chartered Accountants
FRN-100515W

(R.M. Malla)
Chairman & Managing Director

Gautam V Shah
Partner (F-117348)

Saurabh S Peshwe
Partner (F-121546)

(B.K.Batra)
Dy.Managing Director

(Subhash Tuli)
Director

(P. S. Shenoy)
Director

(Ninad Karpe)
Director

(P.Sitaram)
Chief Financial Officer

Place: Mumbai
Date : April 25, 2013

Schedules to the Financial Statements

(₹ in '000s)

	As at 31-03-2013	As at 31-03-2012
SCHEDULE 1 - CAPITAL		
Authorised capital		
300 00 00 000 (200 00 00 000) Equity Shares of ₹ 10 each	3000 00 00	2000 00 00
	3000 00 00	2000 00 00
Issued, Subscribed & Paid up capital		
133 27 48 347 (127 83 81 662) Equity Shares of ₹ 10 each fully paid up (Refer Schedule 18 Note C.2 (i))	1332 74 83	1278 38 17
TOTAL	1332 74 83	1278 38 17

(₹ in '000s)

	As at 31-03-2013	As at 31-03-2012
SCHEDULE 2 - RESERVES AND SURPLUS		
I Statutory Reserve		
Opening balance	2049 17 07	1541 26 79
Additions during the year	470 82 93	507 90 28
Deductions during the year	-	-
	2520 00 00	2049 17 07
II Capital Reserve		
Opening balance	317 41 50	300 36 78
Additions during the year	191 81 86	17 04 72
Deductions during the year	-	-
	509 23 36	317 41 50
III Revaluation Reserve		
Opening balance (Refer Schedule 18 Note A.1)	1853 92 65	1895 77 17
Additions during the year	-	-
Deductions during the year	91 14 55	41 84 52
	1762 78 10	1853 92 65

Schedules

to the Financial Statements

(₹ in '000s)

	As at 31-03-2013	As at 31-03-2012
SCHEDULE 2 - RESERVES AND SURPLUS		
IV Share Premium		
Opening balance	7648 55 77	4622 63 31
Additions during the year	501 10 68	3025 92 46
Deductions during the year	-	-
	8149 66 45	7648 55 77
V Revenue and other Reserve		
(a) General Reserve		
Opening balance	4755 60 48	4005 60 48
Additions during the year	150 00 00	750 00 00
Deductions during the year	-	-
	4905 60 48	4755 60 48
(b) Staff Welfare Fund		
Opening balance	29 01 11	29 01 11
Additions during the year	-	-
Deductions during the year	-	-
	29 01 11	29 01 11
(c) Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961		
Opening balance	6 35 04	6 35 04
Additions during the year	-	-
Deductions during the year	-	-
	6 35 04	6 35 04
(d) Special Reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961		
Opening balance	816 00 00	566 00 00
Additions during the year	300 00 00	250 00 00
Deductions during the year	-	-
	1116 00 00	816 00 00
VI Balance in Profit and Loss account	903 86 08	672 64 50
TOTAL (I to VI)	19902 50 62	18148 68 12

Schedules to the Financial Statements

(₹ in '000s)

	As at 31-03-2013	As at 31-03-2012
SCHEDULE 3 - DEPOSITS		
A		
I. Demand Deposits		
(i) From banks	3086 53 83	2538 11 93
(ii) From others	30202 42 97	29184 08 18
	33288 96 80	31722 20 11
II. Savings Bank Deposits	23760 29 10	19002 41 61
III. Term Deposits		
(i) From banks	23757 13 15	20663 12 44
(ii) From others	146310 08 40	139104 81 90
	170067 21 55	159767 94 34
TOTAL (I to III)	227116 47 45	210492 56 06
B		
(i) Deposits of branches in India	225806 80 53	209414 98 85
(ii) Deposits of branches outside India	1309 66 92	1077 57 21
TOTAL	227116 47 45	210492 56 06

(₹ in '000s)

	As at 31-03-2013	As at 31-03-2012
SCHEDULE 4 - BORROWINGS		
I. Borrowings in India		
(i) Reserve Bank of India	-	-
(ii) Other banks	814 10 00	170 55 00
(iii) Other institutions and agencies	-	-
(iv) Tier I (Innovative Perpetual Debt Instrument)	2558 80 00	1708 80 00
(v) Upper Tier II bonds	4286 20 00	4286 20 00
(vi) Unsecured, Redeemable Bonds (Subordinated for Tier II Capital)	10295 70 00	9032 04 52
(vii) Others	25436 57 23	27915 95 43
II. Borrowings outside India	22417 49 87	10364 09 18
TOTAL (I and II)	65808 87 10	53477 64 13

Secured borrowings included in I and II above- ₹ 14210 81 96 Thousand (₹ 13662 00 26 Thousand)

Schedules to the Financial Statements

	(₹ in '000s)	
	As at	As at
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS	31-03-2013	31-03-2012
I. Bills Payable	910 50 56	949 84 71
II. Inter office adjustments (net)	1 26 96	1 72 34
III. Interest accrued	2297 45 27	2480 85 66
IV Others (Including Provision)		
(a) Prudential provisions against standard assets	1064 23 52	892 23 52
(b) Advance payments received	681 09 91	633 82 11
(c) Dividend and dividend tax payable	537 94 59	220 14 51
(d) Sundry Creditors	303 99 18	315 36 54
(e) Service tax/TDS/Other taxes payable	65 18 02	36 41 69
(f) Sundry Deposits	23 65 27	28 51 30
(g) Other provisions	1491 84 79	972 64 64
(h) Miscellaneous	1229 96 10	386 64 58
TOTAL (I to IV)	8607 14 17	6918 21 60

Schedules to the Financial Statements

(₹ in '000s)

	As at 31-03-2013	As at 31-03-2012
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (including foreign currency notes)	1369 22 39	1614 34 40
II. Balances with Reserve Bank of India		
(i) in Current Accounts	9174 72 60	13475 86 73
(ii) in Other Accounts	-	-
TOTAL (I and II)	10543 94 99	15090 21 13

(₹ in '000s)

	As at 31-03-2013	As at 31-03-2012
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I In India		
(i) Balance with banks		
(a) in Current Accounts	438 07 66	398 14 90
(b) in Other Deposit Accounts	84 45 00	332 60 00
(ii) Money at call and short notice		
(a) with banks	3191 52 95	1066 37 94
(b) with other Institutions	-	-
	3714 05 61	1797 12 84
II Outside India		
(i) in Current Accounts	90 43 55	45 15 53
(ii) in Other Deposit Accounts	3490 52 55	885 22 50
(iii) Money at call and short notice	85 55 65	239 93 18
	3666 51 75	1170 31 21
TOTAL (I and II)	7380 57 36	2967 44 05

Schedules

to the Financial Statements

(₹ in '000s)

	As at 31-03-2013	As at 31-03-2012
SCHEDULE 8 - INVESTMENTS		
I Investments in India in		
(i) Government Securities	71181 90 69	64797 81 82
(ii) Other approved securities	-	-
(iii) Shares	3497 99 62	3375 20 26
(iv) Debentures and Bonds	6047 15 69	2494 95 20
(v) Subsidiaries and/or joint ventures	618 69 82	620 77 82
(vi) Others (CPs, Units in MFs, SRs and PTCs)	17455 16 86	11886 56 72
	98800 92 68	83175 31 82
II Investments outside India in		
(i) Government Securities (including local authorities)	-	-
(ii) Subsidiaries and/or joint ventures	-	-
(iii) Other investments (shares)	-	4 53
	-	4 53
TOTAL (I and II)	98800 92 68	83175 36 35
III Investments in India		
Gross value of investments	100026 75 09	84286 27 89
Less: Aggregate provision / depreciation	1225 82 41	1110 96 07
Net investments	98800 92 68	83175 31 82
IV Investments Outside India		
Gross value of investments	-	4 53
Less:Aggregate provision / depreciation	-	-
Net investments	-	4 53

Schedules to the Financial Statements

(₹ in '000s)

	As at 31-03-2013	As at 31-03-2012
SCHEDULE 9 - ADVANCES		
A		
(i) Bills purchased and discounted/ rediscounted	4618 84 86	3222 41 19
(ii) Cash credits, overdrafts and loans repayable on demand	50884 64 54	45979 31 91
(iii) Term loans *	140802 95 39	131370 56 62
TOTAL	196306 44 79	180572 29 72
B		
(i) Secured by tangible assets **	181535 66 48	166150 19 42
(ii) Covered by Bank / Government guarantees***	524 48 81	1032 75 87
(iii) Unsecured	14246 29 50	13389 34 43
TOTAL	196306 44 79	180572 29 72
C.		
I Advances in India		
(i) Priority sector	34412 51 86	48425 87 93
(ii) Public sector	10473 46 71	20424 01 37
(iii) Banks	352 76 56	186 74 26
(iv) Others	139381 22 99	106132 71 18
TOTAL	184619 98 12	175169 34 74
II Advances Outside India		
(i) Due from banks	-	-
(ii) Due from others:		
(a) Bills purchased and discounted	201 29 62	204 91 36
(b) Syndicated loans	2086 16 00	-
(c) Others	9399 01 05	5198 03 62
	11686 46 67	5402 94 98
TOTAL (C I and C II)	196306 44 79	180572 29 72
* Includes Inter Bank Participatory Certificate ₹ 1295 60 00 Thousand (Previous Year Nil)		
** Includes advances against book debts		
*** Includes advances against letter of credit issued by other banks.		

Schedules to the Financial Statements

	(₹ in '000s)	
	As at 31-03-2013	As at 31-03-2012
SCHEDULE 10 - FIXED ASSETS		
I Premises (Refer Schedule 18 Note A.1)		
Opening Balance	2750 62 63	2733 13 47
Addition during the year	6 18 98	37 51 56
Deductions during the year *	14 65	20 02 40
Depreciation to date	355 57 58	253 72 11
	2401 09 38	2496 90 52
II Other fixed assets (including Furniture & Fixtures)		
Opening Balance	1154 55 75	998 40 83
Addition during the year	128 76 27	170 20 14
Deductions during the year	24 03 38	14 05 22
Depreciation to date	751 81 66	657 15 40
	507 46 98	497 40 35
III Assets given on Lease		
Opening Balance	643 55 77	643 55 77
Addition during the year	-	-
Lease Adjustment account	-	-
Deductions during the year	41 73 98	-
Depreciation to date	600 05 27	641 79 25
Provision for Non Performing assets	1 76 52	1 76 52
	-	-
IV Capital Work-in-Progress	16 72 41	24 49 94
TOTAL (I to IV)	2925 28 77	3018 80 81
* Includes Revaluation Reserve of ₹ 9 80 Thousand (₹ 33 Thousand) on sale of Premises		

Schedules to the Financial Statements

(₹ in '000s)

	As at 31-03-2013	As at 31-03-2012
SCHEDULE 11 - OTHER ASSETS		
I Inter office adjustments (net)	-	-
II Interest accrued	2066 27 42	2006 25 43
III Tax paid in advance /tax deducted at source (net)	1314 92 09	1503 17 69
IV Stationery and stamps	12 14	11 94
V Non Banking Assets acquired in satisfaction of claims	55 08 00	-
VI Others		
(a) Deferred Tax Asset (net)	1728 57 32	949 75 76
(b) Shares / Bonds Pending allotment	44 84 03	191 76 80
(c) Sundry deposit and advances	79 29 83	73 03 41
(d) Claims receivable	268 45 20	244 13 14
(e) Expenses / Disbursements in respect of cases transferred to Stressed Assets Stabilization Fund (SASF)	8 91	8 91
(f) Miscellaneous	1253 67 53	523 88 30
TOTAL (I to VI)	6811 32 47	5492 21 38

(₹ in '000s)

	As at 31-03-2013	As at 31-03-2012
SCHEDULE 12 - CONTINGENT LIABILITIES		
I Claims against the Bank not acknowledged as debts	103 13 68	107 41 30
II Liability on account of outstanding forward exchange contracts	36088 97 25	36394 63 78
III Guarantees given on behalf of constituents		
(a) -in India	58917 55 80	53836 57 63
(b) -outside India	4746 02 38	3845 37 44
IV Acceptances, endorsements and other obligations	26027 81 13	25954 96 45
V Liability in respect of interest rate and currency swaps and credit default swaps	52698 32 24	25118 62 50
VI Liability in respect of other derivative contracts	954 27 72	2592 09 93
VII On account of disputed Income tax, Interest tax, penalty and interest demands	1121 15 70	1070 09 98
VIII Others	4 69 67	30 31
TOTAL (I to VIII)	180661 95 57	148920 09 32

Schedules to the Financial Statements

	(₹ in '000s)	
	Year Ended 31-03-2013	Year Ended 31-03-2012
SCHEDULE 13 - INTEREST EARNED		
I Interest/discount on advances/bills	19549 28 95	17971 48 76
II Income on investments	5335 14 69	5290 74 39
III Interest on balances with RBI and other inter-bank funds	156 11 59	46 24 16
IV Others	23 74 81	61 45 68
TOTAL (I to IV)	25064 30 04	23369 92 99

	(₹ in '000s)	
	Year Ended 31-03-2013	Year Ended 31-03-2012
SCHEDULE 14 - OTHER INCOME		
I Commission, exchange and brokerage	2237 34 55	1530 76 01
II Profit/(Loss) on sale of investments (net)	391 17 36	187 96 08
III Profit/(Loss) on revaluation of investments (net)	38 82 47	(39 23 40)
IV Profit/(Loss) on sale of land, buildings and other assets (net)	(41 04)	(1 53 64)
V Profit/(Loss) on exchange transactions / Derivatives (net)	193 38 42	172 40 67
VI Dividend income from subsidiary companies and / or joint ventures in India	5 60 64	18 33 48
VII Recovery from written off cases	237 55 48	141 87 79
VIII Miscellaneous Income	116 02 70	101 61 41
TOTAL (I to VIII)	3219 50 58	2112 18 40

Schedules to the Financial Statements

(₹ in '000s)

	Year Ended 31-03-2013	Year Ended 31-03-2012
SCHEDULE 15 - INTEREST EXPENDED		
I Interest on deposits	15283 97 30	14027 73 46
II Interest on RBI / inter bank borrowings	1276 00 95	1368 76 47
III Others	3131 20 63	3428 58 30
TOTAL (I to III)	19691 18 88	18825 08 23

(₹ in '000s)

	Year Ended 31-03-2013	Year Ended 31-03-2012
SCHEDULE 16 - OPERATING EXPENSES		
I Payments to and provisions for employees	1538 49 77	1160 44 49
II Rent, taxes and lighting	281 48 95	224 41 99
III Printing and stationery	39 38 28	41 76 57
IV Advertisement and publicity	12 63 18	26 21 89
V Depreciation on bank's property *	124 12 08	116 06 16
VI Director's fees, allowances and expenses	16 11	29 14
VII Auditor's fees and expenses	2 66 63	2 30 76
VIII Law charges	13 51 85	8 80 65
IX Postage, telegrams, telephones etc.	66 38 42	74 33 50
X Repairs and maintenance	160 71 97	138 32 18
XI Insurance	147 28 75	164 33 16

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		(₹ in '000s)	
		Year Ended 31-03-2013	Year Ended 31-03-2012
SCHEDULE 16 - OPERATING EXPENSES			
XII	Others		
(a)	Banking expenses	54 70 59	41 34 44
(b)	Card & ATM expenses	199 03 35	191 29 18
(c)	Consultancy expenses	4 86 16	2 38 33
(d)	Expenses for recovery of write off cases	4 90 57	4 60 68
(e)	Outsourcing expenses	153 80 01	192 02 10
(f)	IT expenses	44 38 62	45 69 80
(g)	Staff training & other expenses	30 78 04	26 60 10
(h)	Travelling and conveyance charges	30 78 13	25 08 90
(i)	Treasury expenses	5 47 33	3 45 72
(j)	Fee and other expenses for borrowing	70 69 67	44 38 60
(k)	Other expenditure	148 07 93	73 26 98
TOTAL (I to XII)		3134 36 39	2607 45 32
*Net of revaluation reserve of ₹ 41 84 18 thousand (₹ 41 84 19 thousand)			



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SCHEDULE 17 - SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation

The financial statements have been prepared in accordance with requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949. The accounting policies used in the preparation of these financial statements, in all material aspects, conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by Reserve Bank of India (RBI) from time to time, the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) and notified by the Companies (Accounting Standards) Rules, 2006 (as amended) to the extent applicable and practices generally prevalent in the banking industry in India. The Bank follows the accrual method of accounting, except where otherwise stated, and the historical cost convention.

2 Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, expenses, income and disclosure of contingent liabilities as at the date of the financial statements. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3 Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured

- i. Interest income is recognized on accrual basis except in the case of non-performing assets where it is recognised upon realisation as per the prudential norms of the RBI.

- ii. Commissions on Letter of Credit (LC)/ Bank Guarantee (BG) are reckoned as accrued, upfront in cases where the commission does not exceed ₹ 1 lac and, in other cases, accrued over the period of LC/ BG.
- iii. Fee based income are accrued on certainty of receipt and is based on milestones achieved as per terms of agreement with the client.
- iv. Income on discounted instruments is recognised over the tenure of the instrument on a constant yield basis.
- v. Dividend is accounted on an accrual basis when the right to receive the same is established.
- vi. In case of advances, recovery is appropriated as per the order of appropriation specified in the loan agreement / restructuring package.

4 Advances and Provisions

- i. Advances are classified into Standard, Sub-standard, Doubtful and Loss assets and provisions are made in accordance with the prudential norms prescribed by RBI. Advances are stated net of provisions towards non-performing advances.
- ii. Advances are classified as 'Secured by Tangible Assets' when security of at least 10% of the advance has been stipulated/created against tangible security including book debts. Security in the nature of escrow, guarantee, comfort letter, charge on brand, license, patent, copyright etc are not considered as 'Tangible Assets'.
- iii. Amounts recovered against debts written-off in earlier years and provisions no longer considered necessary in the context of the current status of the borrower are recognised in the Profit And Loss account.

5 Investments

Classification

In terms of extant guidelines of the RBI on investment classification and valuation, the entire investment portfolio is categorised as

Schedules to the Financial Statements

- i. Held To Maturity,
- ii. Available For Sale and
- iii. Held For Trading.

Investments under each category are further classified as

- i. Government Securities
- ii. Other Approved Securities
- iii. Shares
- iv. Debentures and Bonds
- v. Subsidiaries/ Joint Ventures
- vi. Others (Commercial Paper, Mutual Fund Units, Security Receipts and Pass Through Certificate).

Basis of Classification

- a) Investments that the Bank intends to hold till maturity are classified as 'Held to Maturity'.
- b) Investments that are held principally for resale within 90 days from the date of purchase are classified as 'Held For Trading'.
- c) Investments, which are not classified in the above two categories, are classified as 'Available For Sale'.
- d) An investment is classified as 'Held To Maturity', 'Available For Sale' or 'Held For Trading' at the time of its purchase and subsequent shifting amongst categories and its valuation is done in conformity with RBI guidelines.
- e) Investments in subsidiaries, joint venture are classified as 'Held To Maturity'.

Valuation

- i) In determining the acquisition cost of an investment:
 - a) Brokerage, commission, stamp duty and other taxes paid are included in cost of acquisition in respect of acquisition of equity instruments from the secondary market

whereas in respect of other investments, including treasury investments, such expenses are charged to Profit and Loss Account.

- b) Broken period interest paid/ received is excluded from the acquisition cost/ sale and treated as interest expense/ income.
- c) Cost is determined on the weighted average cost method.
- ii) Investments 'Held To Maturity' are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised on straight line basis over the remaining period of maturity. Diminution, other than temporary, in the value of investments in subsidiaries/ joint venture under this category is provided for each investment individually.
- iii) Investments 'Held For Trading' and 'Available For Sale' are marked to market scrip-wise and the resultant net depreciation, if any, in each category is recognized in the Profit and Loss Account, while the net appreciation, if any, are ignored.
 - a) Treasury Bills, commercial papers and certificates of deposit being discounted instruments are valued at carrying cost,
 - b) In respect of traded/ quoted investments, the market price is taken from the trades/ quotes available on the stock exchanges. Government Securities are valued at market prices or prices declared by Primary Dealers Association of India (PDAI) jointly with Fixed Income Money Market and Derivative Association of India (FIMMDA).
 - c) The unquoted shares are valued at break-up value or at Net Asset Value if the latest balance sheet is available, else, at ₹ 1/- per company and units are valued at repurchase



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price as per relevant RBI guidelines. The unquoted fixed income securities (other than government securities) are valued on Yield to Maturity (YTM) basis with appropriate mark-up over the YTM rates for Central Government securities of equivalent maturity. Such mark-up and YTM rates applied are as per the relevant rates published by FIMMDA.

- d) Security receipts issued by the asset reconstruction companies are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time. Accordingly, in cases where the cash flows from security receipts issued by the asset reconstruction companies are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Bank reckons the net asset value obtained from the asset reconstruction company from time to time, for valuation of such investments at each reporting period end.
- e) The debentures/ bonds/ preference shares deemed to be in the nature of advance, are subject to the usual prudential norms of asset classification and provisioning that are applicable to advances.
- f) Preference share valued at market rates, if quoted or on appropriate yield to maturity basis not exceeding redemption value as per RBI guidelines.

Profit or Loss on sale of investments is credited/ debited to Profit and Loss Account. However, profits on sale of investments in Held to Maturity category is first credited to Profit and Loss Account and thereafter appropriated net of applicable taxes to the Capital Reserve Account at the year/period end. Loss on sale is recognized in the Profit and Loss Account.

Investments are shown net of provisions.

Repo and reverse repo transactions

In accordance with the RBI guidelines repo and reverse repo transactions in government securities and corporate debt securities (excluding transactions conducted under Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI) are reflected as borrowing and lending transactions respectively. Borrowing cost on repo transactions is accounted as interest expense and revenue on reverse repo transactions is accounted as interest income.

In respect of repo transactions under LAF and MSF with RBI, amount borrowed from RBI is credited to investment account and reversed on maturity of the transaction. Costs thereon are accounted for as interest expense. In respect of reverse repo transactions under LAF, amount lent to RBI is debited to investment account and reversed on maturity of the transaction. Revenues thereon are accounted as interest income.

6 Derivative Transactions

In Transactions designated as 'Hedge':

- a) Net interest payable/ receivable on derivative transactions is accounted on accrual basis.
- b) On premature termination of Hedge swaps, any profit/ losses are recognised over the remaining contractual life of the swap or the residual life of the asset/ liability whichever is lesser.
- c) Redesignation of hedge swaps by change of underlying liability is accounted as the termination of one hedge and acquisition of another.
- d) Hedge contracts are not marked to market unless the underlying is also marked to market.

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In respect of hedge contracts that are marked to market, changes in the market value are recognized in the profit and loss account.

In Transactions designated as 'Trading':

Outstanding derivative transactions designated as 'Trading', which includes interest rate swaps, cross currency swaps, cross currency options and credit default swaps, are measured at their fair value. The resulting profits/ losses are included in the profit and loss account. Premium on options is recorded as a balance sheet item and transferred to Profit and Loss Account on maturity/ cancellation.

7 Fixed Assets and depreciation

- i Fixed assets are carried at historical cost (inclusive of installation cost) except wherever revalued. The appreciation on revaluation, if any, is credited to the 'Revaluation Reserve' Account. In respect of revalued assets, the additional depreciation consequent to revaluation is transferred from Revaluation Reserve to the Profit And Loss Account.
- ii Fixed assets individually costing less than ₹ 5000 are fully depreciated in the year of addition.
- iii Depreciation is provided on Straight Line Method (SLM) from the date of addition. The rates of depreciation prescribed in Schedule XIV of the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter, depreciation is provided at a higher rate based on management's estimates of the useful life/ remaining useful life. Pursuant to this policy, depreciation has been provided using the following rates:

Asset	Depreciation Rate
Premises	1.63%
Furniture and fixtures	8.33%
Electrical installation and machinery	8.33%
Motor vehicles	20.00%
Computers (including integral software)	33.33%
Automated Teller Machines	12.50%
VSAT equipment	10.00%
Consumer durables with employees	20.00%

- iv Depreciation on additions/ sale of fixed assets during the year is provided for the period for which assets were actually held.
- v Leasehold land is amortised over the period of lease.
- vi Computer Software (non-integral) individually costing more than ₹ 2.50 lacs is capitalised and depreciated over its useful life, not exceeding 5 years.

8 Securitisation Transactions:

Securitisation of various loans results in sale of these assets to Special Purpose Vehicles ('SPVs'), which, in turn issue securities to investors. Financial assets are partially or wholly derecognised when the control of the contractual rights in the securitised assets is lost. The Bank accounts for any loss arising on sale immediately at the time of sale and the profit/ premium arising on account of sale is amortised over the life of the securities issued or to be issued by the SPV to which the assets are sold.

9 Sale of financial assets to Securitization Companies/ Reconstruction Companies:

Sale of financial assets to Securitisation Companies (SCs)/ Reconstruction Companies (RCs) is reckoned

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at the lower of the redemption value of Security Receipts (SRs)/ Pass Through Certificates (PTCs) received and the net book value of the financial asset. Gains arising on such sale or realisation are not recognised in the profit and loss account but earmarked as provisions for meeting the losses/ shortfall arising on sale of other financial assets to SCs/ RCs or sale/ realisation of other SRs/ PTCs. Losses arising on such sale or realisation are first set off against balance of provisions, if any, created out of earlier gains and residual amount of losses are charged to profit and loss account.

10 Foreign Currency Transactions:

- i Foreign currency transactions, on initial recognition are recorded at the exchange rate prevailing on the date of transaction. Monetary foreign currency assets and liabilities are translated at the closing rates prescribed by Foreign Exchange Dealers Association of India (FEDAI) and the resultant gain or loss is recognised in the Profit and Loss account. Exchange differences arising on the settlement of monetary items are recognised as income or expense in the period in which they arise.
- ii Premium or discount arising at the inception of Forward Exchange Contracts which are not intended for trading is amortised as expense or income over the life of the contract. Premium or discount on other Forward Exchange Contracts is not recognised.
- iii Outstanding Forward Exchange Contracts which are not intended for trading are revalued at closing FEDAI rates. Other outstanding Forward Exchange Contracts are valued at rates of exchange notified by FEDAI for specified maturities or at interpolated rates for in-between maturities. The resultant profit/ losses are recognised in the Profit and Loss Account.
- iv Profit/ losses arising on premature termination of Forward Exchange Contracts, together with

unamortized premium or discount, if any, is recognised on the date of termination.

- v Contingent liability in respect of outstanding forward exchange contracts is calculated at the contracted rates of exchange and in respect of guarantees; acceptances, endorsements and other obligations are calculated at the closing FEDAI rates.
- vi Operations of foreign branch are classified as 'Integral Foreign Operations'. Assets and Liabilities are translated at the closing rates prescribed by Foreign Exchange Dealers Association of India (FEDAI) Income and Expenditure items are translated at quarterly average closing rates. The resultant gain or loss is recognised in the Profit and Loss Account.

11 Employee Benefits

i Post-employment benefit plans

- a) Payments to defined contribution schemes are charged to Profit and Loss Account of the year when contribution are due.
- b) For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains or losses are recognized in the profit and loss account for the period in which they occur.

ii Short-term employee Benefit

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

12 Segment Reporting

The Bank operates in three segments wholesale banking, retail banking and treasury services. These segments have been identified in line with AS-17 on

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segment reporting after considering the nature and risk profile of the products and services, the target customer profile, the organization structure and the internal reporting system of the Bank.

Segment revenue, results, assets and liabilities include the amounts identifiable to each of the segments as also amounts allocated, as estimated by the management. Assets and liabilities that cannot be allocated to identifiable segments are grouped under unallocated assets and liabilities.

13 Income Tax

- i Tax expense comprises of current and deferred tax.

Current tax is the amount of Income tax determined to be payable (recoverable) in respect of taxable income (tax loss) for a period.

- ii Deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.
- iii Deferred tax assets in case of unabsorbed losses are recognized only if there is virtual certainty that such deferred tax asset can be realized against future taxable profits.
- iv Disputed taxes not provided for including departmental appeals are included under Contingent Liabilities.

14 Earnings Per Share

- i The Bank reports basic and diluted Earnings Per Share in accordance with AS 20. Basic Earnings Per Share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year.

- ii Diluted Earnings Per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the period. Diluted Earnings Per Share is computed by dividing the net profit after tax by the sum of the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end.

15 Impairment of Assets

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated current realizable value. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds estimated current realizable value of the asset.

16 Provisions, Contingent Liabilities and Contingent Assets

- i In conformity with AS 29, Provisions, Contingent Liabilities and Contingent Assets, the Bank recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.
- ii Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date.
- iii Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.
- iv Contingent Assets are not recognized.





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SCHEDULE 18-NOTES TO ACCOUNTS

A DISCLOSURE REQUIREMENTS AS PER ACCOUNTING STANDARDS

1 FIXED ASSETS (AS-10)

- i. Premises include Leasehold Land (revalued) of ₹ 1339 70 11 Thousand (₹ 1339 70 11 Thousand) which was revalued in the year 2006-07.
- ii. The Bank has revalued its Freehold Land & Residential/ Office building based on valuations made by independent valuers during the year 2006-07. The net appreciation of ₹ 2063 91 00 Thousand arising on revaluation, being the difference between the net book value of ₹ 529 02 00 Thousand and revalued amount of ₹ 2592 93 00 Thousand as on March 31, 2007, was credited to Revaluation Reserve. The balance in revaluation reserve after adjusting depreciation on same is ₹ 1762 78 10 Thousand (₹ 1853 92 65 Thousand).

2 employee benefits (AS-15) (Revised)

- i. Defined Contribution Schemes

The Bank's employees, excluding those who have opted for pension, who have joined Bank before March 31, 2008 are covered by Provident Fund Scheme (PFS). The Bank makes a defined contribution measured as a fixed percentage of basic salary to the PFS. The Provident Fund Scheme is administered by "The Committee of Administrators of IDBI Bank Employees' Provident Fund (Fund)". In respect of employees of IDBI Home Finance Limited (IHFL) and IDBI Gilts Limited (IGL), provident fund contributions were made to Regional Provident Fund Commissioner up to May 2011 and thereafter contributions have been made to the aforementioned Fund. During the year, ₹ 6 36 88 Thousand (₹ 4 54 73 Thousand) has been contributed to PFS and charged to Profit and Loss Account.

The Bank's employees who have joined after April 1, 2008 are covered by Defined Contribution Pension Scheme (DCPS) to which Bank makes a defined contribution as a fixed percentage of Pay and Dearness Allowance. During the year, ₹ 13 73 80 Thousand (₹ 32 04 76 Thousand) has been contributed to DCPS and charged to Profit and Loss Account.

- ii. Defined Benefit Schemes

- a. The Bank makes contributions for the gratuity liability of the employees to the 'IDBI Bank Employees Gratuity Fund Trust'.
- b. Some of the employees of the Bank are also eligible for Pension which is administered by the 'IDBI Pension Fund Trust'.

The present value of these defined benefit obligations and the related current service cost are measured using the Projected Unit Credit Method by an independent actuary at each balance sheet date.

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The following table sets out the status of the defined benefit schemes and the amounts recognised in the Bank's financial statements as at March 31, 2013 which is per AS-15(R).

(₹ in Crore)

SN	Particulars	March 31, 2013		March 31, 2012	
		Pension	Gratuity	Pension	Gratuity
a)	Change in benefit obligations:				
	Projected benefit obligation, beginning of the year	963.78	370.01	820.93	283.20
	Interest cost	86.74	32.38	67.73	23.36
	Current Service cost	32.33	17.59	45.84	18.25
	Past Service cost (Vested Benefit) incurred during the year due to increase in limit	-	-	-	-
	Liability Transferred In/(Out)	-	-	-	0.41
	Benefits paid	(44.70)	(21.81)	(34.21)	(16.23)
	Actuarial (gain)/loss	291.41	3.63	63.49	61.02
	Projected benefit/obligation, end of the year	1329.56	401.80	963.78	370.01
b)	Change in plan assets:				
	Fair value of plan assets, beginning of the year	920.37	302.09	764.65	274.71
	Expected return on plan assets	80.99	26.58	61.17	21.98
	Employer's contributions	201.46	87.89	105.70	17.15
	Transfer from other company	-	-	-	0.41
	Benefits paid	(44.70)	(21.81)	(34.21)	(16.23)
	Actuarial gain / (loss)	(2.36)	7.65	23.06	4.07
	Fair value of plan assets at the end of the year	1155.76	402.40	920.37	302.09
c)	Reconciliation of present value of the obligation and fair value of the plan assets				
	Present value of benefit obligation at end of the year	1329.56	401.80	963.78	370.01
	Transitional (Liability) to be recognized/provided in future	-	-	-	-
	Net Present value of benefit obligation at end of the year	1329.56	401.80	963.78	370.01
	Fair Value of Plan assets at end of the year	1155.76	402.40	920.37	302.09
	Surplus/(Deficit)	(173.80)	0.60	(43.41)	(67.92)
d)	Net cost for the year				
	Service cost	32.33	17.59	45.84	18.25
	Interest cost	86.74	32.38	67.73	23.36
	Expected return on plan assets	(80.99)	(26.58)	(61.17)	(21.98)
	Net Actuarial (gain)/loss	293.77	(4.02)	40.43	56.95
	Past Service Cost (Vested Benefit) recognized during the year due to increase in limit	-	-	-	-
	Transitional liability recognized during the year	-	-	6.15	3.24
	Net cost of the year	331.85	19.37	98.98	79.82

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SN	Particulars	March 31, 2013		March 31, 2012	
		Pension	Gratuity	Pension	Gratuity
e)	Category of Assets				
	Government of India Assets	626.70	-	504.01	-
	Corporate Bonds/ FD	327.78	-	385.76	-
	Insurer Managed Funds	-	402.39	-	302.08
	Others	201.28	0.01	30.60	0.01
	Total	1155.76	402.40	920.37	302.09
f)	Assumptions used in accounting:				
	Discount rate	8.25%	8.00%	9.00%	8.75%
	Rate of return on plan assets	8.50%	8.70%	8.80%	8.80%
	Salary escalation rate	5.00%	5.00%	5.00%	5.00%
	Attrition Rate	4.21%	4.21%	4.82%	4.82%
	Mortality Rate	Indian Assured Lives Mortality (2006-2008) Ult.		LIC (1994-66) Ultimate	

iii. Other long term benefits

Employees of the Bank are entitled to accumulate their earned/ privilege leave up to a maximum of 180 days for officers and 300 days for other staff. A maximum of 15 days leave is eligible for encashment in each year.

Employees of the Bank are eligible for Disability Assistance which is borne by the Bank as and when the disability events occur.

Some employees of the Bank are eligible for Voluntary Health Scheme which is borne by the Bank as and when the liability events occur.

Actuarial valuation of these benefits have been carried out using the Projected Unit Credit Method and ₹ 56 88 75 Thousand (₹ 51 07 18 Thousand) has been charged to Profit and Loss Account during the year.

iv. Transitional Liability

The transitional liability arising on account of adoption of Accounting Standard-15 (Revised 2005) on "Employee Benefits" was ₹ 63 22 00 Thousand which was fully charged to Profit and Loss Account over a period of five years, ending March 31, 2012. There was no transitional liability outstanding at the beginning of the year.

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3 SEGMENT REPORTING (AS-17)

The Bank has disclosed business segment as the primary segment. The Bank primarily operates in India, hence the Bank has considered that its operations are predominantly in the domestic segment and as such there are no reportable geographical segments.

(₹ in '000s)

SN	Particulars	Year Ended	
		March 31, 2013	March 31, 2012
a.	Segment Revenue		
	Corporate/Wholesale banking	24493 98 94	23706 07 39
	Retail banking	18070 22 66	15011 19 00
	Treasury	471 10 76	416 38 00
	Other banking operations	-	-
	TOTAL	43035 32 36	39133 64 39
	Less :- Inter-segment revenue	14751 51 74	13651 53 00
	Net sales / income from operations	28283 80 62	25482 11 39
b.	Segment Results -Profit/(loss) before tax		
	Corporate/Wholesale banking	2372 41 64	2466 94 92
	Retail banking	143 02 48	47 59 00
	Treasury	106 32 54	115 16 00
	TOTAL	2621 76 66	2629 69 92
	Unallocable expenditure	-	-
	Unallocable income	-	-
	Less: Other unallocable expenditure net of unallocable income	-	-
	Total profit before tax	2621 76 66	2629 69 92
	Income taxes	739 68 29	598 08 80
	Net profit	1882 08 37	2031 61 12
c.	Segment assets		
	Corporate/Wholesale banking	217129 50 10	197785 08 96
	Retail banking	83990 09 95	84469 74 95
	Treasury	18605 41 60	6558 31 83
	Other banking operations	-	-
	Unallocated assets	3043 49 41	1503 17 69
	Total assets	322768 51 06	290316 33 43
d.	Segment liabilities		
	Corporate/Wholesale banking	174230 44 72	167597 68 32
	Retail banking	126488 70 89	103121 03 82
	Treasury	814 10 00	170 55 00
	Other banking operations	-	-
	Unallocated liabilities	1791 79 21	1882 93 76
	Total liabilities	303325 04 82	272772 20 90

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4. Related Party Disclosures (AS-18)

i. Subsidiaries

IDBI Capital Market Services Ltd.

IDBI Intech Ltd.

IDBI MF Trustee Company Ltd.

IDBI Asset Management Company Ltd.

IDBI Trusteeship Services Limited.

ii. Jointly controlled entity

IDBI Federal Life Insurance Co Ltd.

iii. Key management personnel of the Bank

Shri R.M Malla, Chairman & Managing Director

Shri Bal Krishan Batra, Deputy Managing Director

iv. Parties with whom transaction were entered into during the year

No disclosure is required in respect of related parties, which are "State-controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

v. Transactions/balances with related parties:

(₹ in '000s)

Particulars	Associates/Joint Ventures	Key Management Personnel	Total
Deposits Received	3 68 23 (17 70 00)	31 42 (98 34)	3 99 65 (18 68 34)
Other Liabilities/ Deposits Outstanding	34 81 88 (69 85 23)	41 84 (1 18 54)	35 2372 (71 03 77)
Maximum amount of deposits outstanding during the year	34 81 88 (69 85 23)	52 89 (173 75)	35 34 77 (71 58 98)
Investments	384 05 00 (384 00 00)	- (-)	384 05 00 (384 00 00)
Advances given	- (-)	- (7 40)	- (7 40)
Advances outstanding	- (-)	22 98 (24 46)	22 98 (24 46)
Maximum amount of advance due during the year	- (-)	24 68 (24 55)	24 68 (24 55)

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(₹ in '000s)

Particulars	Associates/Joint Ventures	Key Management Personnel	Total
Interest paid on advances	- (-)	2 35 (39)	2 35 (39)
Interest accrued on advances	- (-)	14 (16)	14 (16)
Interest on Deposits	3 58 35 (4 23 38)	4 62 (12 48)	3 62 97 (4 35 86)
Remuneration	- (-)	36 95 (53 31)	36 95 (53 31)
Other income	45 35 24 (31 08 67)	9 21 (98)	45 44 45 (31 09 65)
Share of loss during the year	517 (33 53 36)	- (-)	517 (33 53 36)

5. LEASES(AS-19)

Operating leases primarily comprise office premises, staff residences and ATMs, which are cancellable at the option of the Bank. During the year ₹ 187 41 29 Thousand (₹ 157 59 29 Thousand) has been charged to the Profit and Loss Account towards lease charges paid/payable on cancellable operating lease.

6. EARNINGS PER SHARE (EPS) (AS-20)

Particulars	March 31, 2013	March 31, 2012
Net profit considered for EPS calculation (₹ in '000s)	1882 08 37	2031 61 12
Weighted average number of equity shares considered for Basic EPS	1 28 04 99 037	98 69 61 399
Add: Dilutive impact of ESOP granted	42 593	59 214
Weighted average number of equity shares considered for Diluted EPS	1 28 05 41 630	98 70 20 613
EPS (Basic) (₹)	14.70	20.58
EPS (Diluted) (₹)	14.70	20.58
Face value per Equity share (₹)	10	10

Schedules to the Financial Statements

7. ACCOUNTING FOR TAXES ON INCOME (AS-22)

The Component of Deferred Assets and Deferred Liability arising out of timing difference is as follows:

(₹ in '000s)

Particulars	For the year ended March 31, 2013	As at March 31, 2013	As at March 31, 2012
Deferred Tax Liability			
Depreciation on fixed assets	2 58 27	48 95 27	46 37 00
Total (A)	2 58 27	48 95 27	46 37 00
Deferred Tax Asset			
NPA provisions not allowed under Income tax Act, 1961	575 31 15	1143 86 61	568 55 46
Provision for Restructured Advances	175 91 33	482 52 22	306 60 89
Disallowance u/s. 43B, 40(a)(ia) etc. of the Income-tax Act, 1961	30 17 36	151 13 76	120 96 40
Total (B)	781 39 84	1777 52 59	996 12 75
Deferred tax liability/ (asset) (net) (A) - (B)	(778 81 57)	(1728 57 32)	(949 75 75)

8. JOINT VENTURES (AS-27)

Investments include ₹ 384Crores (₹ 384Crores) representing Bank's interest in the following joint venture.

Name of the Company	Country of Residence	Holding %
IDBI Federal Life Insurance Company Ltd.	India	48 %

As required by AS-27, the aggregate amount of each of the assets, liabilities, income, expenses, contingent liabilities and commitments related to the Bank's interests in jointly controlled entity are disclosed as under:

(₹ in '000s)

Particulars	March 31, 2013 (Unaudited)	March 31, 2012 (Unaudited)
Liabilities		
Capital & Reserves	384 00 00	384 00 00
Other Liabilities & Provisions	85 46 49	111 96 30
Total	469 46 49	495 96 30
Assets		
Cash and Bank Balances	47 96 59	38 17 53
Investments	133 08 27	145 28 78
Fixed Assets	6 57 54	8 29 64
Other Assets	78 58 50	96 42 35
Miscellaneous Expenditure/Accumulated Losses	203 25 59	207 78 00
Total	469 46 49	495 96 30

Schedules to the Financial Statements

(₹ in '000s)		
Particulars	March 31, 2013 (Unaudited)	March 31, 2012 (Unaudited)
Capital Commitments	-	-
Other Contingent Liabilities	-	-
Income		
Income from Investments/Interest Income	12 47 84	12 11 22
Other income	2 67	11 27
Total	12 50 51	12 22 49
Expenditure		
Losses from Insurance Business	7 23 62	45 01 84
Operating expenses	82 75	73 35
Provisions & Contingencies	47	66
Total	8 06 84	45 75 85
Profit/(Loss) for the Year	4 43 67	(33 53 36)

B DISCLOSURES REQUIRED AS PER RBI GUIDELINES

I. Capital

(₹ in Crore)					
SN	Particulars	As per Basel I		As per Basel II	
		As at 31-Mar-13	As at 31-Mar-12	As at 31-Mar-13	As at 31-Mar-12
1	CRAR (%)	12.09%	12.84%	13.13%	14.58%
2	CRAR - Tier I Capital (%)	7.06%	7.37%	7.68%	8.38%
3	CRAR - Tier II Capital (%)	5.03%	5.47%	5.45%	6.20%
4	Percentage of the shareholding of the Government of India in the Bank	71.72%	70.52%	71.72%	70.52%
5	Amount raised by issue of Innovative perpetual debt Instrument during the year	850	-	850	-
6	Amount raised by issue of Upper Tier II instruments during the year	-	-	-	-
7	Amount raised by issue of Subordinated debt during the year	1505	2834.4	1505	2834.4

Schedules to the Financial Statements

II Investments

(₹ in Crore)

SN	Items	As at March 31, 2013	As at March 31, 2012
1	Value of Investments		
(i)	Gross Value of Investments		
(a)	In India	100026.75	84286.27
(b)	Outside India	-	0.05
(ii)	Provisions for Depreciation		
(a)	In India	1225.82	1110.96
(b)	Outside India	-	-
(iii)	Net Value of Investments		
(a)	In India	98800.93	83175.31
(b)	Outside India	-	0.05
2	Movement of provisions held towards depreciation on investments		
(i)	Opening Balance	1110.96	1056.78
(ii)	Add: Provisions during the year	267.24	698.92
(iii)	Less: Write-off/ write-back of excess provisions during the year	152.38	644.74
(iv)	Closing balance	1225.82	1110.96

III Repo Transactions

(₹ in Crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As at March 31, 2013
Securities sold under repo (Face Value)				
i. Government securities	20.00	1524.15	36.00	-
ii. Corporate debt securities	-	-	-	-
Securities purchased under reverse repo (Face Value)				
i. Government securities	15.00	5643.54	335.20	-
ii. Corporate debt securities	100.00	100.00	0.27	-

Note - The figures are excluding LAF & MSF transactions, with Reserve Bank of India.

Schedules to the Financial Statements

IV Non-SLR Investment Portfolio

1 Issuer composition of Non-SLR investments

(₹ in Crore)

SN	Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities	Extent of 'unlisted' securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	1469.24	646.28	153.74	165.26	531.16
2	FIs	8339.13	119.21	12.5	12.5	8333.68
3	Banks	7856.05	126.92	-	4.92	2.58
4	Private Corporates	5461.67	1460.31	687.71	1425.81	2871.38
5	Subsidiaries / JV	618.7	190.6	-	-	618.7
6	Others	5086.36	3741.17	-	39	3747.28
	Gross Total	28831.15	6284.49	853.95	1647.49	16104.78
7	Prov held towards Dep.	1212.12	-	-	-	-
	Total	27619.03	6284.49	853.95	1647.49	16104.78

Note - Investment in Equities are not treated as unrated securities

2 Non-performing Non-SLR investments

(₹ in Crore)

Particulars	Amount
Opening balance	950.89
Additions during the year	155.56
Reductions during the year	252.50
Closing balance	853.95
Total provisions held (excludes provision of ₹ 801.49crore for diminution in the value of performing Non SLR investments.)	410.63

V Derivatives

1 Forwards Rate Agreement/Interest Rate Swap

(₹ in Crore)

SN	Particulars	As at March 31, 2013		As at March 31, 2012	
		Hedge Swaps	Trading Swaps	Hedge Swaps	Trading Swaps
(i)	The notional principal of swap agreements	8758.56	31372.7	3200.81	17370.19
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	193.63	91.71	144.21	160.79
(iii)	Collateral required by the bank upon entering into swaps	-	-	-	-
(iv)	Concentration of credit risk arising from the swaps (refer (a) below)	-	-	-	-
(v)	The fair value of the swap book	168.94	-35.7	94.36	-26.16

Schedules to the Financial Statements

- a. Concentration of credit risk (Current exposure to the Bank) to top 5 corporate clients as at March 31 2013 is at 71.54% (74.44 %) of the total current exposure from Corporate Clients to the bank.
- b. The nature and terms of the Swap as on March 31, 2013 are set out below:

Nature	Nos	Notional Principal (₹ in Crore)	Benchmark	Terms
Trading	136	10,125	MIBOR-OIS	Fixed Received v/s floating payable
Trading	139	10,019	MIBOR-OIS	Fixed Payable v/s floating receivable
Trading	22	775	MIFOR	Fixed Payable v/s floating receivable
Trading	53	1,773	MIFOR	Fixed Received v/s floating payable
Trading	11	2,562	SIRS	Fixed Received v/s floating payable
Trading	30	3,318	SIRS	Fixed Payable v/s floating receivable
Trading	12	1,475	CIRS	Fixed Received v/s floating payable
Trading	12	1,325	CIRS	Fixed Payable v/s floating receivable
Hedge	5	720	CIRS	Fixed Received v/s floating payable
Hedge	16	710	SIRS	Fixed Received v/s floating payable
Hedge	9	7,328	SIRS	Fixed Received v/s floating payable
		40,131		

The nature and terms of the Swaps on March 31, 2012 are set out below :

Nature	Nos	Notional Principal (₹ in Crore)	Benchmark	Terms
Trading	121	4,504	MIBOR-OIS	Fixed Received v/s floating payable
Trading	135	5,708	MIBOR-OIS	Fixed Payable v/s floating receivable
Trading	27	973	MIFOR	Fixed Received v/s floating payable
Trading	7	200	MIFOR	Fixed Payable v/s floating receivable
Trading	9	1,045	SIRS	Fixed Received v/s floating payable
Trading	27	1,708	SIRS	Fixed Payable v/s floating receivable
Trading	15	1,669	CIRS	Fixed Received v/s floating payable
Trading	14	1,563	CIRS	Fixed Payable v/s floating receivable
Hedge	5	685	CIRS	Fixed Received v/s floating payable
Hedge	17	735	SIRS	Fixed Received v/s floating payable
Hedge	2	1,781	SIRS	Fixed Received v/s floating payable
		20,571		

2 Exchange Traded Interest Rate Derivatives

(₹ in Crore)

SN	Particulars	Amount
(i)	Notional principal amount of exchange traded interest rate derivatives (91 Day T-bill) undertaken during the accounting year	0.47
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on March 31, 2013 (instrument-wise)	Nil
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	Nil
(iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	Nil

Schedules to the Financial Statements

3 Disclosures on risk exposure in derivatives- Qualitative disclosures

(i)	The Bank uses derivatives for Hedging as well as for Trading purposes. The use of such derivatives gives rise to various risks like credit risk, market risk, operational risk, legal risk etc.
(ii)	The Bank has a well defined structure to manage these risks, consisting of risk policy, risk management organization structure, risk measurement and monitoring process, limit structure and system infrastructure. The Bank has an independent Risk Management Department, headed by a Chief General Manager. The Risk Management Department is functionally responsible for measurement, monitoring and reporting of risks in accordance with the policies, processes, parameters and limits defined by the Board as well as the applicable regulatory guidelines. Risk is managed under the overall supervision of Asset Liability Management Committee with regular reporting to Risk Management Committee of the Board as well as to the Board.
(iii)	Risk exposures in derivative transactions are measured/assessed in both quantitative and qualitative terms to capture credit risk, market risk, operational and legal risk. Prior to the execution of derivative transactions, it is ensured that credit risk exposure to the client/counterparty, measured in terms of Loan Equivalent Risk (LER), is within the approved limit and the client/counterparty has the necessary understanding of the transaction. Market risk exposure is measured and managed in terms of positions, duration or tenor, sensitivities to market rates, gaps, greeks, stop loss etc. Operational risks are addressed by having adequate system infrastructure and control mechanism in place. Legal risks are taken care of by execution of necessary legal agreements and documentation.
(iv)	The accounting policy for derivatives has been drawn up in accordance with RBI guidelines, the details of which are contained in Schedule No 17 "Significant Accounting Policies of the Bank".

4 Disclosures on risk exposure in derivatives- Quantitative disclosures

(₹ in Crore)

SN	Particulars	As at March 31, 2013		As at March 31, 2012	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional principal amount)				
	(a) For hedging	2884.79	8758	520.52	3200.44
	(b) For trading	10626.56	31372.7	6609.57	17370.19
(ii)	Marked to Market Positions (1)				
	(a) Assets (+)	578.48	285.34	344.21	305.00
	(b) Liability (-)	-463.45	-152.11	-298.48	-236.8
(iii)	Credit exposure (2)	1779.45	690.65	741.24	733.06
(iv)	Likely impact of one percent change in interest rate (100*PV01)				
	(a) On hedging derivatives	63.15	353.96	15.34	77.57
	(b) On trading derivatives	0.67	15.2	0.06	3.39
(v)	Maximum and minimum of 100* PV01 observed during the year				
	On hedging				
	- Maximum	-(*)	357.94	-	77.57
	- Minimum	-(*)	4.25	-	7.69
	On trading				
	- Maximum	1.78	16.41	1.36	7.00
	- Minimum	-	0.23	0	0.02

Schedules to the Financial Statements

(*) Since the transaction are undertaken to hedge the interest rate and currency risks in the asset- liability portfolio, the Bank is not calculating the maximum and minimum of 100* PV01 on daily basis.

VI Asset Quality

1. Non-Performing Asset (Loans & Advances, interest accrued thereon)

(₹ in Crore)

SN	Items	As at March 31, 2013	As at March 31, 2012
(i)	Net NPAs to Net Advances (%)	1.58	1.61
(ii)	Movement of NPAs (Gross)		
	(a) Opening Balance	4551.37	2784.73
	(b) Addition during the year	2739.69	2560.24
	(c) Reduction during the year	841.08	793.6
	(d) Closing balance	6449.98	4551.37
(iii)	Movement of Net NPAs		
	(a) Opening Balance	2910.93	1677.91
	(b) Addition during the year	562.43	1485.09
	(c) Reduction /Reclassification during the year	373	252.07
	(d) Closing balance	3100.36	2910.93
(iv)	Movement of provisions for NPAs		
	(excluding provisions on standard assets)		
	(a) Opening balance	1640.44	1106.82
	(b) Provisions made during the year	2177.25	1187.08
	(c) Transferred to Countercyclical Prov. Buffer	-	111.93
	(d) Write-off/write back of excess provision	564.32	541.54
	(e) Closing balance	3253.39	1640.44
(v)	Provisioning Coverage Ratio computed in accordance with the RBI guidelines	70.83	68.28

Schedules to the Financial Statements

2. Details of Loan Assets subjected to Restructuring as at March 31, 2013

(₹ In Crore)

Sr No	Type of Restructuring	Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details																				
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of borrowers	35	5	9	0	49	0	0	0	0	168	35	32	0	235	203	40	41	0	284
Amount outstanding		3199.99	68.26	343.40	0	3611.65	0	0	0	0	0	4940.53	975.35	509.80	0	6425.68	8140.52	1043.61	853.20	0.00	10037.33
Provision thereon		225.96	15.38	30.34	0	271.68	0	0	0	0	0	228.29	74.77	1.95	0	305.01	454.25	90.15	32.29	0.00	576.69
2	Fresh restructuring during the year	No. of borrowers	29	2	1	0	32	0	0	0	0	192	90	9	0	291.00	221	92	10	0	323
Amount outstanding		3604.14	49.57	1.97	0	3655.68	0	0	0	0	0	6313.83	122.14	3.15	0	6439.12	9917.97	171.72	5.12	0.00	10094.81
Provision thereon		257.11	1.31	0.19	0	258.61	0	0	0	0	0	46.92	2.64	0.00	0	49.55	304.02	3.95	0.19	0.00	308.16
3	Upgradations to restructured standard category during the FY	No. of borrowers	1				1	0			0	6				6	7				7
Amount outstanding		1.47				1.47	0			0	52.91					52.91	54.37				54.37
Provision thereon		0.75				0.75	0			0	0.00					0.00	0.75				0.75
4	Restructured standard advances which cease to attract higher provisioning and /or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	7				7	0			0	20				20	27				27
Amount outstanding		140.68				140.68	0			0	2538.15					2538.15	2678.83				2678.83
Provision thereon		1.42				1.42	0			0	82.20					82.20	83.62				83.62
5	Downgradations of restructured accounts during the FY	No. of borrowers		2	1	0	3				0					56		54	4	1	59
Amount outstanding			19.44	5.42	0	24.85				0						403.98		316.38	112	1	428.83
Provision thereon			1.12	0.18	0	1.30				0						2.12		1.96	1	0	342
6	Write-offs of restructured accounts during the FY	No. of borrowers	0	0	1	0	1	0	0	0	0	0	0	1	0	1	0	0	2	0	2
Amount outstanding		0	0	0	0	116.49	0	0	0	0	0	0	0	7.35	0	7.35	0	0	7	0	12384
7	Restructured Accounts as on March 31 of the FY (closing figures*)	No. of borrowers	54	4	9	0	67	0	0	0	0	235	134	65	1	435	289	138	74	1	502
Amount outstanding		5862.79	69.01	222.12	0	6153.92	0.00	0	0	0	0	5708.46	397.64	1303.70	0.65	7410.46	11571.25	466.65	1525.83	0.65	13564.38
Provision thereon		346.03	2.43	17.02	0	365.47	0.00	0	0	0	0	51.62	1.00	75.79	0	128.41	397.65	3.43	92.81	0.00	493.88

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

Schedules to the Financial Statements

3. Details of financial assets sold to Securitisation/Reconstruction Company for Asset Reconstruction

(₹ in Crore)

SN	Particulars	For the year March 31, 2013	For the year March 31, 2012
(i)	No. of Accounts	9	1
(ii)	Aggregate value (net of provisions) of accounts sold to SC/RC	23.7	1.93
(iii)	Aggregate Consideration	34.47	2.8
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain/(loss) over net book value	10.77	0.87

4. Details of non-performing financial assets purchased

(₹ in Crore)

SN	Items	March 31, 2013	March 31, 2012
(i)	(a) No. of accounts purchased during the year	-	-
	(b) Aggregate outstanding	-	-
(ii)	(a) Of these, number of accounts restructured during the year	-	-
	(b) Aggregate outstanding	-	-

5. Details of non-performing financial assets sold

(₹ in Crore)

SN	Items	March 31, 2013	March 31, 2012
(i)	No. of accounts sold	-	-
(ii)	Aggregate outstanding	-	-
(iii)	Aggregate consideration received	-	-

6. Provision on Standard Asset

(₹ in Crore)

Items	March 31, 2013	March 31, 2012
(i) Provisions towards Standard Assets for the year	172	231.87
(ii) Cumulative Balance (included under 'Other Liabilities & Provisions' in Schedule 5 to the Balance sheet)	1064.24	892.24

VII Business Ratios

SN	Items	March 31, 2013	March 31, 2012
1	Interest income as a percentage to working funds\$	9.64%	9.49%
2	Non-interest income as a percentage to working funds	1.24%	0.86%
3	Operating profit as a percentage to working funds\$	2.10%	1.64%
4	Return on assets@	0.72%	0.83%
5	Business (Deposits plus advances) per employee# [₹ in 000's]	256437	238331
6	Profit per employee [₹ in 000's]	1217	1316

\$ Working funds are reckoned as average of total assets (excluding accumulated losses, if any) as reported to Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949, during the 12 months of the financial year.

@ Return on Assets is with reference to average working funds (i.e. total of assets excluding accumulated losses, if any).

For the purpose of computation of business per employee (deposits plus advances) interbank deposits are excluded.

Schedules to the Financial Statements

VIII Exposure

1 Exposure to Real Estate Sector

(₹ in Crore)

Category	March 31, 2013	March 31, 2012
1. Direct exposure		
(a) Residential Mortgages -		
Lendings fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	24811.02	26089.91
Of above individual having loans upto ₹ 20 lakh	11324.96	11683.80
(b) Commercial Real Estate -		
Lendings secured by mortgages on commercial real estates	4606.93	5329.18
Of above non-fund based (NFB) limits	-	-
(c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential,	-	-
b. Commercial Real Estate	-	-
(ii) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	9110.85	5250.90
Any other - Indirect Exposure	108.11	114.48
Total	38636.91	36784.47

2 Exposure to Capital Market

(₹ in Crore)

SN	Particulars	March 31, 2013	March 31, 2012
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	1860.87	1757.48
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	440.66	500.99
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	516.06

Schedules to the Financial Statements

(₹ in Crore)

SN	Particulars	March 31, 2013	March 31, 2012
(iv)	Advances for any other purpose to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	492.50	487.70
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	335.02	345.00
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of rising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/ issues;	-	-
(viii)	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures of units of equity oriented mutual fund;	-	-
(ix)	Financing to stockbrokers for margin trading;	-	-
(x)	All Exposures to venture capital funds (both registered and unregistered) will be deemed to be on par with equity and hence will be reckoned for compliance will the capital market exposure ceiling (both direct and indirect)	267.23	270.33
Total Exposure to Capital Market		3396.28	3877.56

3. Risk Category wise Country Exposure

(₹ in Crore)

Risk Category	Exposure (net) as at March 31, 2013	Provision held as at March 31, 2013	Exposure (net) as at March 31, 2012	Provision held as at March 31, 2012
Insignificant	2991.72	-	2386.74	-
Low	1284.02	-	1211.36	-
Moderate	24.43	-	-	-
High	-	-	15.01	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	4300.17	-	3613.11	-

Schedules to the Financial Statements

IX Prudential Exposure Limits

During the year ended March 31, 2013, the Bank's exposure to single borrowers and group borrowers were within the prudential exposure limits prescribed by RBI, except in one case where single borrower limit of 15% was exceeded with the approval of the Board of Directors. In respect of this case, the sanctioned limit and outstanding as % of capital funds (including non-funded exposure) were as follows, as on March 31, 2013 :

Name of the single borrower/ group	Sanctioned limits as at March 31, 2013, as % of Capital Fund	Outstanding as at March 31, 2013, as % of Capital Fund
(i) Name of the single borrower		
Food Corporation of India	15.09	12.35
(ii) Name of the group		
NIL	-	-

X Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account (₹ in Crore)

Particulars	March 31, 2013	March 31, 2012
Provision for depreciation on Investment	145.43	(60.27)
Provision towards NPA	1612.94	645.54
Provision towards Standard Asset	172.00	231.87
Provision for Restructured Assets (including FITL)	493.08	263.65
Provision made towards Taxes	1518.51	1104.93
Deferred Tax Assets (Net)	(778.82)	(506.84)
Bad debts written off	382.65	319.43
Investments written off	9.28	19.74
Other Provision and Contingencies	21.10	(0.09)
Total	3576.17	2017.96

XI Unsecured Advances

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is ₹ Nil and the estimated value of intangible security as on March 31, 2013 is ₹ Nil on Pari - passu basis .

XII Floating Provisions

SN	Particulars	March 31, 2013	March 31, 2012
1	Opening balance in the floating provisions account	-	-
2	The quantum of floating provisions made during the year	-	-
3	Amount of draw down during the year	-	-
4	Closing balance in the floating provisions account	-	-

Schedules to the Financial Statements

XIII Draw Down from Reserves

During the financial year 2012-13, there has been no draw down from Reserves (previous year Nil).

XIV Disclosure of Complaints/Awards

1. Customer Complaints (Includes complaints related to Bonds)

SN	Particulars	March 31, 2013	March 31, 2012
(i)	No. of Complaints pending at the beginning of the year	1181	1940
(ii)	No. of Complaints received during the year	62948	69846
(iii)	No. of Complaints redressed during the year	63196	70605
(iv)	No. of Complaints pending at the end of the year	933	1181

2. Awards passed by the Banking Ombudsman

SN	Particulars	March 31, 2013	March 31, 2012
(i)	No. of unimplemented awards at the beginning of the year	-	-
(ii)	No. of Awards passed by the Banking Ombudsman during the year	3	2
(iii)	No. of Awards implemented during the year	3	2
(iv)	No. of unimplemented Awards at the end of the year	-	-

XV Securitisation

a. During the year ended March 31, 2013, the Bank has not securitized any pools of retail loans.

The detail of securitisation activity of the Bank is given below :

(₹ in Crore)

Particulars	As at March 31, 2013	As at March 31, 2012
Total number of loan assets securitized/Pools of retail loans securitized	-	-
Total book value of loan assets securitized	-	-
Sale consideration received for the securitized assets	-	-
Net gain / (loss) on account of securitization	-	-
Details of services provided by way of :		
Outstanding credit enhancement (second loss credit facility)	48.64	36.27
Outstanding liquidity facility *	210.36	65.39
Outstanding servicing Liability	-	-

* Includes ₹ 204.69Crore for direct assignment cases of which ₹ 183.78Crore is in the form of a guarantee.

b. There are no SPVs sponsored by the Bank for securitisation transactions.

Schedules to the Financial Statements

XVI The bank has not issued any letter of comfort during the year (Previous year NIL).

XVII Fees and Remuneration Received in respect of Bancassurance Business

(₹ in Crore)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
IDBI Federal Life Insurance Co. Ltd.	45.35	31.08
Bajaj Allianz General Insurance Co. Ltd.	3.87	3.36
	49.22	34.44

XVIII During the year the Reserve Bank of India has not imposed any penalty on the Bank (Previous year Nil).

XIX Asset Liability Management

Maturity Pattern of certain items of assets & liabilities (as at March 31, 2013)

(₹ in Crore)

	Day 1	2 to 7 days	8 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 yrs	Total
Deposits(1)	2,839.22	7,210.03	6,860.94	4,432.60	30,346.90	28,234.43	50,631.19	68,432.06	10,131.28	17,997.82	227,116.47
Advances(1)	1,569.85	2,560.76	2,350.21	2,454.66	12,715.39	7,021.95	11,367.61	82,149.33	25,330.25	48,786.44	196,306.45
Investments	10,242.92	10,703.38	24.94	34.87	4,004.91	1,354.89	1,760.92	12,700.11	12,472.79	45,501.20	98,800.93
Borrowings (1)	54.89	899.31	808.82	507.47	1,694.84	6,013.16	14,002.51	14,769.51	7,171.22	19,887.14	65,808.87
Foreign Currency Assets (2)	29,12.96	5,028.84	220.43	338.76	8,795.32	6,897.44	7,060.68	5,513.67	3,298.76	4,544.42	44,611.28
Foreign Currency Liabilities (3)	178.65	3,104.49	1,300.64	1,031.88	9,300.59	7,210.27	7,607.37	9,305.45	2,824.58	3,299.90	45,163.81

1. includes foreign currency balances.
2. includes foreign currency - Rupee buy-sell assets equivalent to ₹ 22,878.81 Crore and foreign currency advances .
3. includes foreign currency - Rupee sell - buy swap liabilities equivalent to ₹ 20,007.75 Crore and foreign currency deposits and borrowings

XX. Concentration of Deposits, Advances, Exposure and NPAs

1 Concentration of Deposits

(₹ in Crore)

Particulars	March 31, 2013	March 31, 2012
Total Deposits of twenty largest depositors	47637.91	38692.24
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	20.98%	18.38%

Schedules to the Financial Statements

2 Concentration of Advances

(₹ in Crore)

Particulars	March 31, 2013	March 31, 2012
Total Advances to twenty largest borrowers	73070.67	52678.16
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	18.06%	14.63%

3 Concentration of Exposures

(₹ in Crore)

Particulars	March 31, 2013	March 31, 2012
Total Exposure of twenty largest borrowers/customers	73888.60	53444.54
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	17.09%	14.20%

4 Concentration of NPAs

(₹ in Crore)

Particulars	March 31, 2013	March 31, 2012
Total Exposure to top four NPA accounts	1311.34	1155.48

XXI Sector-wise NPAs

		Percentage of Gross NPAs to Gross Advances in that sector	
SN	Sector	March 31, 2013	March 31, 2012
1	Agriculture & allied activities	7.19	3.56
2	Industry (Micro & small, Medium and Large)	3.15	2.56
3	Services	2.89	1.72
4	Personal Loans	1.28	1.24

XXII Movement of NPAs

(₹ in Crore)

Particulars	March 31, 2013	March 31, 2012
Gross NPAs (Opening Balance)	4551.37	2784.73
Additions (Fresh NPAs) during the year	2739.69	2560.24
Total (A)	7291.06	5344.97
Less :-		
(i) Upgradations	207.29	419.47
(ii) Recoveries (excluding recoveries made from upgraded accounts)	251.14	54.70
(iii) Write-offs	382.65	319.43
Total (B)	841.08	793.60
Gross NPAs (Closing Balance) (A-B)	6449.99	4551.37

Schedules to the Financial Statements

XXIII Overseas Assets, NPAs and Revenue

(₹ in Crore)

Particulars	March 31, 2013	March 31, 2012
Total Assets	19 517.86	10125.75
Total NPAs	-	-
Total Revenue	605.53	258.76

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

Name of the SPV sponsored	
Domestic	Overseas
NIL	NIL

XXV Credit Default Swaps

The Bank is using standard model for marking to market the CDS contracts as per FIMMDA published daily CDS curve and day count convention to value their CDS positions. FIMMDA is publishing the CDS curves for this purpose on daily basis.

C OTHER DISCLOSURES

1 EMPLOYEES' STOCK OPTION SCHEME (ESOP)

- In terms of the ESOP, as amended, pursuant to the approval of the shareholders, 1 31 98 965 options (1 31 98 965 options) granted to eligible employees as detailed herein below:

Year Ended	Number of Options Granted
March 31, 2001	16 76 951
March 31, 2002	25 54 352
March 31, 2003	32 77 542
March 31, 2004	21 47 669
March 31, 2005	19 58 451
March 31, 2006	8 85 000
March 31, 2008	6 99 000
Total	1 31 98 965

Schedules to the Financial Statements

ii. Detail of Options:

Grant dates	Number of options	Exercise Price (₹)	Options Outstanding as at March 31, 2012	Exercised During the Year ended March 31, 2013	Lapsed During the year ended March 31, 2013	Options Outstanding as on March 31, 2013	Options upto March 31, 2013	
							Exercised	Lapsed
Tranche I : August 22, 2000	83 317	26.64	-	-	-	-	83 317	-
Tranche II : October 1, 2000	14 26 035	28.49	-	-	-	-	9 63 171	4 62 864
Tranche III : January 1, 2001	1 67 599	30.54	-	-	-	-	1 28 867	38 732
Tranche IV : April 1, 2001	21 34 225	29.73	-	-	-	-	15 97 867	5 36 358
Tranche V : October 1, 2001	4 20 127	26.2	-	-	-	-	2 97 219	1 22 908
Tranche VI : April 1, 2002	32 23 415	23.88	-	-	-	-	25 04 118	7 19 297
Tranche VII : December 1, 2002	54 127	28.5	-	-	-	-	47 881	6 246
Tranche VIII : April 1, 2003	21 47 669	30.3	-	-	-	-	15 03 876	6 43 793
Tranche IX : April 1, 2004	16 41 549	50.95	1 690	1 690	-	-	9 83 721	6 57 828
Tranche X : July 1, 2004	3 16 902	58.06	-	-	-	-	2 81 691	35 211
Tranche XI : April 1, 2006	8 85 000	98.11	1 55 025	26 435	29 410	99 180	2 22 622	5 63 198
Tranche XII : Aug 25, 2007	6 99 000	75.7	2 05 330	17 330	2 505	1 85 495	2 32 320	2 81 185

2 Others

- (a) During the year, 5 43 21 230 Equity Shares (Face Value ₹ 10 per share) were allotted to Government of India on preferential basis on March 18, 2013 at a premium of ₹ 92.17 per share, aggregating an amount of ₹ 555 Crore.
- (b) 45 455 (69 294) equity shares allotted during the year against ESOPs exercised by the employees.
- Interest aggregating ₹ 104.96 Crore, accrued on Tier-I Bonds of ₹ 2130.50 Crore held by Government of India, which were converted into Equity Shares in March 2012, has been written back during the year as it is considered no longer payable.
- Status for Extending Financial Assistance to Sugar Undertakings, 2007 as at 31st March, 2013 is as under:

(₹ in Crore)

Particulars	March 31, 2013	March 31, 2012
Total amount claimed during the year	51.59	51.42
Total amount received during the year	44.77	39.78
Advances classified as Standard Asset in terms of RBI Guidelines	As on March 2013 all 17 accounts were closed.	10.08

Schedules

to the Financial Statements

- iv. Based on the information to the extent received from 'enterprises' regarding their status under the 'Micro, Small & Medium Enterprises Development Act, 2006' there is no micro, small & medium enterprise to which the bank owes dues, which are outstanding for more than 45 days as at March 31, 2013 and hence no disclosure relating to amounts unpaid as at the year ended together with interest paid/payable as required under the said act is given (previous year Nil).
- v. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is ₹ 155 38 59 Thousand (₹ 180 43 38 Thousand).
- vi. Figures of the previous year, are disclosed in brackets and are regrouped / rearranged, so as to confirm with the presentation made for the current year.

Signatures to Schedules '1' to '18' of Accounts

BY ORDER OF THE BOARD

(R.M. Malla)
Chairman & Managing Director

(B.K.Batra)
Dy.Managing Director

(P.Sitaram)
Chief Financial Officer

(Subhash Tuli)
Director

(P. S. Shenoy)
Director

(Ninad Karpe)
Director

Place: Mumbai
Date : April 25, 2013

Cash Flow Statement for the year ended March 31, 2013

(₹ in '000)

	Year ended 31-03-2013	Year ended 31-03-2012
A. Cash flow from Operating Activities		
(1) Net profit before tax and extra-ordinary items	2621 77 66	2629 69 92
(2) Adjustments for non cash items:		
- (Profit)/Loss on sale of Fixed Assets (Net)	41 04	1 53 64
- Depreciation (Net of Revaluation Reserve)	124 12 08	116 06 16
- Provisions/Write off of Loans/Investments and other provisions	2847 24 58	1501 68 83
- Profit/(Loss) on revaluation of Investments	(38 82 47)	32 63 87
	5554 72 89	4281 62 42
(3) Adjustments for (increase)/decrease in operating assets:		
- Investments	(15741 44 57)	(14980 09 82)
- Advances	(18233 58 86)	(25520 87 19)
- Other Assets	(749 65 21)	(757 79 29)
- Refund/(payment) of taxes	(1330 25 26)	(1042 78 94)
(4) Adjustments for increase/(decrease) in operating liabilities:		
- Borrowings	12331 22 97	4038 48 87
- Deposits	16623 91 39	30006 77 21
- Other liabilities and provisions	1199 04 03	865 06 68
Net Cash used in/generated from Operating activities	(346 02 62)	(3109 60 06)
B. Cash Flow from Investing activities		
- Purchase (net of sale) of fixed assets	(122 15 64)	(159 17 03)
Net cash used in / raised from Investing activities	(122 15 64)	(159 17 03)

Cash Flow Statement

for the year ended March 31, 2013

(₹ in '000)

	Year ended 31-03-2013	Year ended 31-03-2012
C. Cash Flow from Financing activities		
- Issue of Equity Shares	555 47 35	1189 11 13
- Dividend and dividend tax paid	(220 41 92)	(628 76 18)
Net cash used in / raised from Financing activities	335 05 43	560 34 95
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(133 12 83)	(2708 42 14)
OPENING CASH & CASH EQUIVALENTS	18057 65 18	20766 07 32
CLOSING CASH & CASH EQUIVALENTS	17924 52 35	18057 65 18
Note to Cash Flow Statement:		
Cash and Cash equivalents included in the cash flow statement comprise the following Balance Sheet items:		
Cash & Balances with Reserve Bank of India	10543 94 99	15090 21 13
Balances with banks & money at call and short notice	7380 57 36	2967 44 05
Total	17924 52 35	18057 65 18

Figures for the previous period have been regrouped, wherever considered necessary

BY ORDER OF THE BOARD

As per our report of even date

For **Khimji Kunverji & Co.**
Chartered Accountants
FRN-105146W

For **G. D. Apte & Co.**
Chartered Accountants
FRN-100515W

(R.M. Malla)
Chairman & Managing Director

Gautam V Shah
Partner (F-117348)

Saurabh S Peshwe
Partner (F-121546)

(B.K. Batra)
Dy. Managing Director

(Subhash Tuli)
Director

(P. S. Shenoy)
Director

(Ninad Karpe)
Director

(P. Sitaram)
Chief Financial Officer

Place: Mumbai
Date : April 25, 2013



Independent Auditor's Report

To
The Board of Directors
IDBI Bank Limited

REPORT ON THE FINANCIAL STATEMENTS

1. We have audited the accompanying consolidated financial statements of IDBI Bank Limited ('the Bank'), its subsidiaries, associate and Joint Venture (Collectively known as 'the group'), which comprise the consolidated Balance Sheet as at March 31, 2013 and the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The audit was planned and conducted as to cover records available at various processing centers/ regional offices/ branches and reports generated through centralized banking applications at central office level covering 77 % of Advances and 64 % of Deposits of the Bank and visit at 65 centers/ offices/ branches of the Bank. Incorporated in the said financial statements are the returns of the Dubai branch of the Bank, audited by another auditor.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

2. Management is responsible for the preparation of these consolidated financial statements that gives true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Bank in accordance with provisions of section 29 of the Banking Regulation Act, 1949 read with section 211 of the Companies Act, 1956 and circulars and guidelines issued by Reserve Bank of India from time to time. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit of the Bank including its branches and central processing unit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We did not audit the financial statement and other financial information of five Subsidiaries of the Bank, whose financial statement as at March 31, 2013 reflects total assets aggregating ₹ 5,365,299 thousand, total revenues aggregating ₹ 3,606,381 thousand and cash flows aggregate ₹ 245,505 thousand for the year then ended. These financial statements have been audited by another auditor, whose report has been furnished to us and which was relied upon by us for our opinion on the financial statements of the Bank.

6. We did not audit the financial statement of the Dubai branch of the Bank, whose financial statement as at March 31, 2013 reflects total assets of ₹ 195,178,629 thousand, total revenues of ₹ 6,055,259 thousand and cash flows of ₹ 26,191,261 thousand for the year then ended. These financial statements have been audited by another auditor, duly qualified to act as an auditor in the country of incorporation of the said branch, whose report has been furnished to us and which was relied upon by us for our opinion on the financial statements of the Bank.
7. Without qualifying our opinion we draw attention to note no 8 of schedule 18 regarding incorporation of unaudited financial statements of a joint venture of the Bank which reflect Bank's share in assets of ₹ 2,662,089 thousand as at March 31, 2013, the Bank's share of revenue of ₹ 52,688 thousands and of cash flow of ₹ 389,575 thousand for the year then ended.
8. The consolidated financial statements of the Bank for the year ended March 31, 2012, were audited by another auditors who expressed an unmodified opinion on those statements on April 21, 2012
9. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

10. In our opinion and to the best of our information and according to the explanations given to us and on the consideration of reports of other auditors on

separate financial statements and on consideration of the unaudited financial statement of Joint Venture and other relevant financial information of the Subsidiaries/ Joint Ventures and branch auditors referred to in para 5, 6 and 7 above, the said consolidated financial statements together with notes thereon give full information required by the Banking Regulation Act, 1949 as well as the Companies Act, 1956, in the manner so required for banking companies and give true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Bank as at March 31, 2013;
- (b) in the case of the consolidated Profit and Loss Account, of the profit of the Bank for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Bank for the year ended on that date.

For **Khimji Kunverji & Co**
Chartered Accountants
FRN: 105146W

Gautam V Shah
Partner (F-117348)

Mumbai
April 25, 2013

For **G. D. Apte & Co.**
Chartered Accountants
FRN: 100515W

Saurabh S Peshwe
Partner (F-121546)

Consolidated Balance Sheet as at 31st March, 2013

(₹ in '000s)

	Schedule	As at 31-03-2013	As at 31-03-2012
CAPITAL AND LIABILITIES			
Capital	1	1332 74 83	1278 38 17
Reserves and surplus	2	19868 50 73	18111 96 15
Employees' Stock Options (Grants) Outstanding		76 89	85 36
Minority Interest		36 39 23	29 84 39
Deposits	3	226889 97 94	210244 16 90
Borrowings	4	65808 87 10	53477 64 13
Other liabilities and provisions	5	8728 92 93	7032 92 90
TOTAL		322666 19 65	290175 78 00
ASSETS			
Cash and balances with Reserve Bank of India	6	10548 65 10	15094 32 12
Balances with banks and money at call and short notice	7	7411 12 33	2957 71 39
Investments	8	98432 90 88	82829 27 63
Advances	9	196306 44 79	180572 29 72
Fixed assets	10	2945 54 51	3042 83 43
Other assets	11	7021 52 04	5679 33 71
TOTAL		322666 19 65	290175 78 00
Contingent liabilities	12	180683 52 02	148934 34 61
Bills for collection		7157 05 03	5277 33 47
Significant Accounting Policies and Notes to Accounts	17 & 18		
The Schedules referred to above form an integral part of the Balance Sheet			

BY ORDER OF THE BOARD

As per our report of even date

For Khimji Kunverji & Co.
Chartered Accountants
FRN-105146W

For G. D. Apte & Co.
Chartered Accountants
FRN-100515W

(R.M. Malla)
Chairman & Managing Director

Gautam V Shah
Partner (F-117348)

Saurabh S Peshwe
Partner (F-121546)

(B.K.Batra)
Dy.Managing Director

(Subhash Tuli)
Director

(P. S. Shenoy)
Director

(Ninad Karpe)
Director

(P.Sitaram)
Chief Financial Officer

Place: Mumbai
Date : April 25, 2013

Consolidated Profit and Loss Account for the year ended March 31, 2013

(₹ in '000s)

	Schedule	Year Ended 31-03-2013	Year Ended 31-03-2012
I INCOME			
Interest earned	13	25075 66 13	23389 05 96
Other Income	14	3333 96 30	2196 49 95
TOTAL		28409 62 43	25585 55 91
II EXPENDITURE			
Interest expended	15	19674 10 56	18818 06 72
Operating expenses	16	3211 97 00	2711 18 55
Provisions and contingencies		3617 25 45	2043 18 94
TOTAL		26503 33 01	23572 44 21
III PROFIT			
Net Profit for the year		1906 29 42	2013 11 70
Less: Share of Loss in Associate		4 48 84	-
Less: Minority Interest		12 90 10	10 61 88
Group Profit		1888 90 48	2002 49 82
Profit brought forward		325 49 80	306 35 99
TOTAL		2214 40 28	2308 85 81
IV APPROPRIATIONS			
Transfer to Statutory Reserve		470 82 93	507 90 28
Transfer to Capital Reserve		191 81 86	17 04 72
Transfer to General Reserve		161 55 90	753 48 00
Transfer to Special Reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961		300 00 00	250 00 00
Proposed Dividend		466 46 18	193 12 36
Interim Dividend		-	198 29 05
Dividend on ESOPs		64	1 89
Dividend distribution tax		75 93 95	63 49 71
Balance carried over to balance sheet		547 78 82	325 49 80
TOTAL		2214 40 28	2308 85 81
Earnings per share (₹) (Face Value ₹ 10 per share)	18(6)		
Basic		14.75	20.29
Diluted		14.75	20.29
Significant Accounting Policies and Notes to Accounts	17 & 18		
The Schedules referred to above form an integral part of the Profit and Loss Account			

BY ORDER OF THE BOARD

As per our report of even date

For Khimji Kunverji & Co.
Chartered Accountants
FRN-105146W

For G. D. Apte & Co.
Chartered Accountants
FRN-100515W

(R.M. Malla)
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Dy.Managing Director

(Subhash Tuli)
Director

(P. S. Shenoy)
Director

(Ninad Karpe)
Director

(P.Sitaram)
Chief Financial Officer

Place: Mumbai
Date : April 25, 2013

Schedules to the Consolidated Financial Statements

(₹ in '000s)

	As at 31-03-2013	As at 31-03-2012
SCHEDULE 1 - CAPITAL		
Authorised capital		
300 00 00 000 (200 00 00 000) Equity Shares of ₹ 10 each	3000 00 00	2000 00 00
	3000 00 00	2000 00 00
Issued, Subscribed & Paid up capital		
133 27 48 347 (127 83 81 662) Equity Shares of ₹ 10 each fully paid up (Refer Schedule 18 Note 9 (i) (a) & (i) (b))	1332 74 83	1278 38 17
TOTAL	1332 74 83	1278 38 17

(₹ in '000s)

	As at 31-03-2013	As at 31-03-2012
SCHEDULE 2 - RESERVES AND SURPLUS		
I Statutory Reserve		
Opening Balance	2049 17 09	1541 26 81
Additions during the year	470 82 93	507 90 28
Deductions during the year	-	-
	2520 00 02	2049 17 09
II Capital Reserve		
Opening Balance	395 00 84	362 26 78
Additions during the year	191 81 86	17 04 72
Additions on account of subsidiary's acquisition	-	15 69 34
Deductions during the year	-	-
	586 82 70	395 00 84
III Revaluation Reserve		
Opening Balance (Refer Schedule 18 Note 1(ii))	1853 92 65	1895 77 17
Additions during the year	-	-
Deductions during the year	91 14 55	41 84 52
	1762 78 10	1853 92 65

Schedules

to the Consolidated Financial Statements

(₹ in '000s)

	As at 31-03-2013	As at 31-03-2012
SCHEDULE 2 - RESERVES AND SURPLUS		
IV Share Premium		
Opening Balance	7648 55 78	4622 63 32
Additions during the year	501 10 68	3025 92 46
Deductions during the year	-	-
	8149 66 46	7648 55 78
V Revenue and other Reserve		
(a) General Reserve		
Opening Balance	4988 43 84	4254 74 71
Additions during the year (Net of Consolidation Adjustments)	161 64 64	753 48 00
Deduction on account of subsidiary's acquisition	-	19 78 87
Deductions during the year	-	-
	5150 08 48	4988 43 84
(b) Staff Welfare Fund		
Opening Balance	29 01 11	29 01 11
Additions during the year	-	-
Deductions during the year	-	-
	29 01 11	29 01 11
(c) Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961		
Opening Balance	6 35 04	6 35 04
Additions during the year	-	-
Deductions during the year	-	-
	6 35 04	6 35 04
(d) Special Reserve created & maintained under Section 36(1)(viii) of the Income Tax Act, 1961		
Opening Balance	816 00 00	566 00 00
Additions during the year	300 00 00	250 00 00
Deductions during the year	-	-
	1116 00 00	816 00 00
VI Balance in Profit and Loss account	547 78 82	325 49 80
TOTAL (I to VI)	19868 50 73	18111 96 15

Schedules to the Consolidated Financial Statements

(₹ in '000s)

	As at 31-03-2013	As at 31-03-2012
SCHEDULE 3 - DEPOSITS		
A		
I. Demand Deposits		
(i) From banks	3086 53 83	2538 11 93
(ii) From others	30147 09 33	29157 35 48
	33233 63 16	31695 47 41
II. Savings Bank Deposits	23760 29 10	19002 41 61
III. Term Deposits		
(i) From banks	23757 13 15	20663 12 44
(ii) From others	146138 92 53	138883 15 44
	169896 05 68	159546 27 88
TOTAL (I to III)	226889 97 94	210244 16 90
B		
(i) Deposits of branches in India	225580 31 02	209166 59 69
(ii) Deposits of branches outside India	1309 66 92	1077 57 21
TOTAL	226889 97 94	210244 16 90

(₹ in '000s)

	As at 31-03-2013	As at 31-03-2012
SCHEDULE 4 - BORROWINGS		
I. Borrowings in India		
(i) Reserve Bank of India	-	-
(ii) Other banks	814 10 00	170 55 00
(iii) Other institutions and agencies	-	-
(iv) Tier I (Innovative Perpetual Debt Instrument)	2558 80 00	1708 80 00
(v) Upper Tier II bonds	4286 20 00	4286 20 00
(vi) Unsecured, Redeemable Bonds (Subordinated for Tier II Capital)	10295 70 00	9032 04 52
(vii) Others	25436 57 23	27915 95 43
II. Borrowings outside India	22417 49 87	10364 09 18
TOTAL (I and II)	65808 87 10	53477 64 13

Secured borrowings included in I and II above- ₹ 14210 81 96 Thousand (₹ 13662 00 26 Thousand)

Schedules

to the Consolidated Financial Statements

	(₹ in '000s)	
	As at	As at
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS	31-03-2013	31-03-2012
I. Bills Payable	910 50 56	949 84 71
II. Inter office adjustments (net)	1 26 96	1 72 34
III. Interest accrued	2290 60 04	2472 92 98
IV Others (Including Provision)		
(a) Prudential provisions against standard assets	1064 23 52	892 23 52
(b) Advance payments received	684 51 53	634 96 13
(c) Dividend and dividend tax payable	544 80 89	222 10 73
(d) Sundry Creditors	331 58 42	342 21 16
(e) Service tax/TDS/Other taxes payable	65 55 70	39 78 00
(f) Sundry Deposits	25 84 28	32 32 95
(g) Other provisions	1523 21 68	977 05 99
(h) Miscellaneous	1286 79 35	467 74 39
TOTAL (I to IV)	8728 92 93	7032 92 90

Schedules to the Consolidated Financial Statements

(₹ in '000s)

	As at 31-03-2013	As at 31-03-2012
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (including foreign currency notes)	1373 92 50	1618 45 39
II. Balances with Reserve Bank of India		
(i) in Current Accounts	9174 72 60	13475 86 73
(ii) in Other Accounts	-	-
TOTAL (I and II)	10548 65 10	15094 32 12

(₹ in '000s)

	As at 31-03-2013	As at 31-03-2012
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I In India		
(i) Balance with banks		
(a) in Current Accounts	483 43 93	386 52 24
(b) in Other Deposit Accounts	69 63 70	334 50 00
(ii) Money at call and short notice		
(a) with banks	3191 52 95	1066 37 94
(b) with other Institutions	-	-
	3744 60 58	1787 40 18
II Outside India		
(i) in Current Accounts	90 43 55	45 15 53
(ii) in Other Deposit Accounts	3490 52 55	885 22 50
(iii) Money at call and short notice	85 55 65	239 93 18
	3666 51 75	1170 31 21
TOTAL (I and II)	7411 12 33	2957 71 39

Schedules to the Consolidated Financial Statements

(₹ in '000s)

	As at 31-03-2013	As at 31-03-2012
SCHEDULE 8 - INVESTMENTS		
I Investments in India in		
(i) Government Securities	71230 85 50	64853 72 20
(ii) Other approved securities	-	63 39 60
(iii) Shares	3522 37 82	3418 07 49
(iv) Debentures and Bonds	6086 88 18	2546 44 98
(v) Subsidiaries and/or joint ventures	25 50 00	27 58 00
(vi) Others (CPs, Units in MFs, SRs and PTC)	17567 29 38	11920 00 83
	98432 90 88	82829 23 10
II Investments outside India in		
(i) Government Securities (including local authorities)	-	-
(ii) Subsidiaries and/or joint ventures	-	-
(iii) Other investments (shares)	-	4 53
	-	4 53
TOTAL (I and II)	98432 90 88	82829 27 63
III Investments in India		
Gross value of investments	99658 73 29	83940 19 18
Less: Aggregate provision / depreciation	1225 82 41	1110 96 08
Net investments	98432 90 88	82829 23 10
IV Investments Outside India		
Gross value of investments	-	4 53
Less: Aggregate provision / depreciation	-	-
Net investments	-	4 53

Schedules to the Consolidated Financial Statements

(₹ in '000s)

	As at 31-03-2013	As at 31-03-2012
SCHEDULE 9 - ADVANCES		
A		
(i) Bills purchased and discounted/rediscouted	4618 84 86	3222 41 19
(ii) Cash credits, overdrafts and loans repayable on demand	50884 64 54	45979 31 91
(iii) Term loans *	140802 95 39	131370 56 62
TOTAL	196306 44 79	180572 29 72
B		
(i) Secured by tangible assets **	181535 66 48	166150 19 42
(ii) Covered by Bank / Government guarantees***	524 48 81	1032 75 87
(iii) Unsecured	14246 29 50	13389 34 43
TOTAL	196306 44 79	180572 29 72
C.		
I Advances in India		
(i) Priority sector	34412 51 86	48425 87 93
(ii) Public sector	10473 46 71	20424 01 37
(iii) Banks	352 76 56	186 74 26
(iv) Others	139381 22 99	106132 71 18
TOTAL	184619 98 12	175169 34 74
II Advances Outside India		
(i) Due from banks	-	-
(ii) Due from others:		
(a) Bills purchased and discounted	201 29 62	204 91 36
(b) Syndicated loans	2086 16 00	-
(c) Others	9399 01 05	5198 03 62
	11686 46 67	5402 94 98
TOTAL (C I and C II)	196306 44 79	180572 29 72
* Includes Inter Bank Participatory Certificate ₹ 1295 60 00 Thousand (Previous Year Nil)		
** Includes advances against book debts		
*** Includes advances against letter of credit issued by other banks.		

Schedules to the Consolidated Financial Statements

	(₹ in '000s)	
	As at 31-03-2013	As at 31-03-2012
SCHEDULE 10 - FIXED ASSETS		
I Premises (Refer Schedule 18 Note (1) (i))		
Opening Balance	2758 14 20	2740 85 99
Addition during the year	6 23 40	37 51 56
Deductions during the year *	14 65	20 02 40
Depreciation to date	358 89 17	256 81 56
	2405 33 78	2501 53 59
II Other fixed assets (including Furniture & Fixtures)		
Opening Balance	1219 54 54	1058 72 11
Addition during the year	133 79 92	180 00 52
Deductions during the year	27 70 68	19 36 91
Depreciation to date	803 28 83	703 88 50
	522 34 95	515 47 22
III Assets given on Lease		
Opening Balance	643 55 77	643 55 77
Addition during the year	-	-
Lease Adjustment account	-	-
Deductions during the year	41 73 98	-
Depreciation to date	600 05 27	641 79 25
Provision for Non Performing assets	1 76 52	1 76 52
	-	-
IV Capital Work-in-Progress	17 85 78	25 82 62
TOTAL (I to IV)	2945 54 51	3042 83 43
* Includes Revaluation Reserve of ₹ 9 80 Thousand (₹ 33 Thousand) on sale of Premises		

Schedules to the Consolidated Financial Statements

(₹ in '000s)

	As at 31-03-2013	As at 31-03-2012
SCHEDULE 11 - OTHER ASSETS		
I Inter office adjustments (net)	-	-
II Interest accrued	2087 69 32	2014 39 66
III Tax paid in advance /tax deducted at source (net)	1375 67 15	1530 98 99
IV Stationery and stamps	12 34	11 94
V Non Banking Assets acquired in satisfaction of claims	55 08 00	-
VI Others		
(a) Deferred Tax Asset (net)	1730 22 94	949 50 23
(b) Shares / Bonds Pending allotment	40 40 19	191 76 80
(c) Sundry deposit and advances	89 54 34	85 06 68
(d) Claims receivable	278 05 84	337 68 15
(e) Expenses / Disbursements in respect of cases transferred to Stressed Assets Stabilization Fund (SASF)	8 91	8 91
(f) Miscellaneous	1364 63 01	569 72 35
TOTAL (I to VI)	7021 52 04	5679 33 71

(₹ in '000s)

	As at 31-03-2013	As at 31-03-2012
SCHEDULE 12 - CONTINGENT LIABILITIES		
I Claims not acknowledged as debts	106 97 66	108 00 10
II Liability on account of outstanding forward exchange contracts	36088 97 25	36394 63 78
III Guarantees given on behalf of constituents		
(a) - in India	58917 40 82	53836 63 61
(b) - outside India	4746 02 38	3845 37 44
IV Acceptances, endorsements and other obligations	26027 96 11	25954 96 45
V Liability in respect of interest rate and currency swaps and credit default swaps	52698 32 24	8454 57 21
VI Liability in respect of other derivative contracts	954 27 72	19256 15 22
VII On account of disputed Income tax, Interest Tax, penalty and interest demands	1138 73 93	1082 94 35
VIII Others	4 83 91	1 06 45
TOTAL (I to VIII)	180683 52 02	148934 34 61

Schedules to the Consolidated Financial Statements

	(₹ in '000s)	
	Year Ended 31-03-2013	Year Ended 31-03-2012
SCHEDULE 13 - INTEREST EARNED		
I Interest/discount on advances/bills	19549 28 95	17971 48 76
II Income on investments	5335 46 54	5309 54 60
III Interest on balances with RBI and other inter-bank funds	158 63 94	46 24 16
IV Others	32 26 70	61 78 44
TOTAL (I to IV)	25075 66 13	23389 05 96

	(₹ in '000s)	
	Year Ended 31-03-2013	Year Ended 31-03-2012
SCHEDULE 14 - OTHER INCOME		
I Commission, exchange and brokerage	2343 74 11	1616 30 38
II Profit/(Loss) on sale of investments (net)	394 76 85	193 58 98
III Profit/(Loss) on revaluation of investments (net)	42 23 83	(39 23 40)
IV Profit/(Loss) on sale of land, buildings and other assets (net)	(51 26)	2 37 14
V Profit/(Loss) on exchange transactions / Derivatives (net)	193 37 94	172 48 33
VI Dividend income from subsidiary companies and / or joint ventures in India	-	-
VII Recovery from written off cases	237 55 48	141 87 79
VIII Miscellaneous Income	122 79 35	109 10 73
TOTAL (I to VIII)	3333 96 30	2196 49 95

Schedules to the Consolidated Financial Statements

(₹ in '000s)

	Year Ended 31-03-2013	Year Ended 31-03-2012
SCHEDULE 15 - INTEREST EXPENDED		
I Interest on deposits	15266 86 45	14020 69 06
II Interest on RBI / inter bank borrowings	1276 00 95	1368 76 47
III Others	3131 23 16	3428 61 19
TOTAL (I to III)	19674 10 56	18818 06 72

(₹ in '000s)

	Year Ended 31-03-2013	Year Ended 31-03-2012
SCHEDULE 16 - OPERATING EXPENSES		
I Payments to and provisions for employees	1742 88 07	1362 49 89
II Rent, taxes and lighting	285 19 09	230 34 46
III Printing and stationery	41 29 95	43 43 08
IV Advertisement and publicity	20 07 41	28 49 17
V Depreciation on bank's property *	128 33 74	120 42 02
VI Director's fees, allowances and expenses	24 60	34 70
VII Auditor's fees and expenses	2 83 47	2 46 23
VIII Law charges	13 83 00	9 84 72
IX Postage, telegrams, telephones etc.	69 37 92	77 14 15
X Repairs and maintenance	162 36 60	140 46 71
XI Insurance	147 63 36	164 49 31

Schedules

to the Consolidated Financial Statements

		(₹ in '000s)	
		Year Ended 31-03-2013	Year Ended 31-03-2012
SCHEDULE 16 - OPERATING EXPENSES			
XII	Others		
(a)	Banking expenses	54 92 32	41 34 67
(b)	Card & ATM expenses	199 03 35	191 30 68
(c)	Consultancy expenses	7 33 25	3 69 22
(d)	Expenses for recovery of write off cases	4 90 57	4 60 68
(e)	Outsourcing expenses	20 76 94	52 41 81
(f)	IT expenses	18 56 01	24 08 60
(g)	Staff training & other expenses	31 02 18	27 15 46
(h)	Travelling and conveyance charges	51 05 48	42 69 65
(i)	Treasury expenses	5 47 33	3 40 18
(j)	Fee and other expenses for borrowing	70 69 67	44 38 60
(k)	Other expenditure	134 12 69	96 14 56
TOTAL (I to XII)		3211 97 00	2711 18 55
*Net of revaluation reserve of ₹ 41 84 18 thousand (₹ 41 84 19 thousand)			

Schedules to the Consolidated Financial Statements

SCHEDULE 17 - CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation:

The Group's financial statements have been prepared in accordance with requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949. The accounting policies used in the preparation of these financial statements, in all material aspects, conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by Reserve Bank of India (RBI), Insurance Regulatory and Development Authority (IRDA) from time to time, the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) and notified by the Companies (Accounting Standards) Rules, 2006 (as amended) to the extent applicable and practices generally prevalent in the banking industry in India. The Bank follows the accrual method of accounting, except where otherwise stated, and the historical cost convention.

2 Preparation of Consolidation:

The consolidated financial statements include the accounts of IDBI Bank Limited (parent company - "the Bank") and all its subsidiaries/associate / joint Venture/ as defined in Accounting Standard (AS)-21 'Consolidated Financial Statements', AS-23 'Accounting for Investments in Associates in Consolidated Financial Statements' and AS-27

'Financial Reporting of Interests in Joint Ventures'. The financial statements of the subsidiaries/ associate/joint venture used in the consolidation are drawn upto the same reporting date as that of the Bank i.e. year ended March 31, 2013.

The financial statements of the Bank have been combined with: (a) its subsidiaries on a line by line basis by adding the book values of like items of assets, liabilities, income & expenses, (b) its joint venture on a line by line basis by consolidating the proportionate book values of like items of assets, liabilities, income & expenses. Intra Group transactions have been eliminated on consolidation.

The difference between cost to the parent of its investment in the subsidiaries and the parent's portion of the equity of the subsidiaries is recognized in the financial statements as goodwill/capital reserve.

Minority interest in the net assets of the consolidated subsidiaries consists of:

- The amount of equity attributable to the minorities at the date on which investment in a subsidiary is made; and
- The minorities' share of movements in equity since the date the parent-subsidiary relationship came into existence.

The entities considered in the consolidated financial statements are:

SN	Name of the company	Country of Incorporation	% of ownership interest as at	
			March 31, 2013	March 31, 2012
A) Financial Subsidiaries:				
1)	IDBI Capital Market Services Limited.	India	100	100
2)	IDBI Asset Management Company Limited.	India	100	100
3)	IDBI MF Trustee Company Limited.	India	100	100
B) Non Financial Subsidiary:				
1)	IDBI Intech Limited.	India	100	100
2)	IDBI Trusteeship Services Ltd	India	54.70	54.70
C) Life Insurance Joint Venture:				
1)	IDBI Federal Life Insurance Company Limited.	India	48	48

Schedules to the Consolidated Financial Statements

IDBI Infrafin Ltd:

The Board of Directors of the Bank had approved the proposal for setting up of IDBI Infrafin Ltd (IIL), an Infrastructure Debt Fund (IDF), with an equity holding of 30%; the balance 70% is to be held by Banks/ Financial Institutions. Reserve Bank of India (RBI) has also given approval for setting up the IDF with 30% equity holding by the Bank. IIL was incorporated on February 27, 2012.

IIL is awaiting approval of GOI for investment of equity by PSU Banks/ Financial Institutions, who have already committed equity investment. Since, the Bank had taken initiative in setting up of IIL, the Bank had invested ₹ 5,00,060/-, against which IIL has allotted equity shares, which is presently the entire equity of IIL.

However, considering the fact that the Board of the Bank and RBI have approved the proposal of setting up of IIL restricting the Bank's equity holding to 30%, and, as IIL is yet to commence its business and can do so only after it meets this condition, IIL is being treated as an associate company and not as a subsidiary and accordingly the amount of loss of the said associate has been deducted from Group Profits.

Except in respect of IIL, though the Bank holds more than 20% of voting power in certain entities, the same are not treated as investment in an Associate under AS-23 'Accounting for Investments in Associates in Consolidated Financial Statements. Since as per Bank's Management, the Bank does not have significant influence over these entities.

3 Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, expenses, income and disclosure of contingent liabilities as at the date of the financial statements. Management believes that these estimates and

assumptions are reasonable and prudent. However, actual results could differ from estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

4 Revenue Recognition:

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

- i. Interest income is recognized on accrual basis except in the case of nonperforming assets where it is recognized upon realization as per the prudential norms of RBI.
- ii. Commissions on Letter of Credit (LC)/Bank Guarantee (BG) are reckoned as accrued, upfront in cases where the commission does not exceed ₹ 1 Lakh and, in other cases, accrued over the period of LC/ BG.
- iii. Fee based income are accrued on certainty of receipt and is based on milestones achieved as per terms of agreement with the client.
- iv. Income on discounted instruments is recognized over the tenure of the instrument on a constant yield basis.
- v. Dividend is accounted on an accrual basis when the right to receive the same is established.
- vi. In case of advances, recovery is appropriated as per the order of appropriation specified in the loan agreement / restructuring package.
- vii. In case of IDBI Capital Market Services Ltd, Total consideration paid or received on purchase or sale, on outright basis, of coupon-bearing debt securities is identified separately as principal consideration and accrued interest. Amount paid as accrued interest on purchase, and received on sale, of such securities is netted and reckoned as expense or income by way of interest



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- viii. In case of IDBI Asset Management Ltd, Investment Management fees are recognized net of service tax on an accrual basis as a percentage of the average daily net assets of the schemes of IDBI Mutual funds, such that it does not exceed the rates prescribed by the Securities and Exchange Board of India ('SEBI') (Mutual Fund) Regulations, 1996 (the 'Regulations') and any other amendments or offer document of the respective schemes.
- ix. In case of IDBI MF Trustee Company Ltd,
 - a) Trusteeship fees are recognized on an accrual basis as a percentage of the average daily net assets of the schemes of IDBI Mutual funds, such that it does not exceed the rates prescribed by the Securities and Exchange Board of India ('SEBI') (Mutual Fund) Regulations, 1996 (the 'Regulations') and any other amendments or offer document of the respective schemes.
 - b) Expenses of the scheme of IDBI Mutual Fund in excess of the limits prescribed by the Securities and Exchange Board of India (Mutual Fund) Regulations Act 1996 are required to be borne by the Company as per the said regulations and as such are charged to the Profit and Loss account.
- x. In case of IDBI Intech Ltd, Revenue from contracts priced on time and material basis are recognized when services are rendered and related costs are incurred. Revenue from sale of products is recognized on achievement of milestone basis and transfer of property of goods as per agreed terms. Annual Technical Services revenue is recognized proportionately over the period in which the services are rendered. Revenue from National Contact Centre is recognized upon receipt of confirmation of sales.
- xi. In case of IDBI Trusteeship Services Ltd, Assignments are to be classified as irregular

assignments if any outstanding dues are not recovered till the end of next two financial years. Income in respect of such irregular assignments is accounted for in the year of receipt. Any previous year/s amount outstanding against, such irregular assignments are written off as bad debt in year of such determination and current year income accrued, if any, is reversed. There is a change in the accounting policy as the write off of bad debts was previously done after completion of one financial year.

Other Debts are considered as bad and written off when ultimate realisation is uncertain.

Life Insurance Joint Venture:

(i) Premium:

Premium (net of service tax) is recognized as income when due. Premium on lapsed policies is recognized as income when such policies are reinstated.

Commuted premium is considered as due in the year of commutation and is considered as renewal premium.

Top up premiums are considered as single premium.

For linked business, premium is recognized as income when the associated units are created.

(ii) Income from Linked fund:

Income from linked funds which includes fund management charges, policy administration charges, cost of insurance, etc. are recovered from the linked fund in accordance with terms and conditions of policy and are accounted on accrual basis.

(iii) Income Earned on Investments:

Interest income on investments is recognized on accrual basis. Accretion of discount and

Schedules to the Consolidated Financial Statements

amortization of premium relating to debt securities is recognized over the holding/maturity period on a straight-line basis.

Dividend income is recognized when the right to receive dividend is established.

Profit or loss on sale of debt securities for other than linked business is the difference between the net sale consideration and the amortized cost, which is computed on a weighted average basis, as on the date of sale.

Profit or Loss on sale of equity shares and mutual funds units for other than linked business is the difference between the net sale consideration and the carrying amount, which is computed on weighted average basis, as on the date of sale and includes the accumulated changes in the fair value previously recognized under "Fair Value Change Account".

Profit or loss on sale of investment held for linked business is the difference between the net sale consideration and the carrying amount, which is computed on a weighted average basis, as on the date of sale.

(iv) Reinsurance premium:

Cost of reinsurance ceded is accounted for at the time of recognition of premium income in accordance with the treaty or in-principle arrangement with the reinsurer. Profit or commission on reinsurance ceded is netted off against premium ceded on reinsurance.

(v) Acquisition Costs:

Acquisition costs are costs that vary with and are primarily related to acquisition of insurance contracts and are expensed in the period in which they are incurred.

(vi) Benefits Paid:

Benefits paid comprise of policy benefits and claim settlement costs, if any.

Death, rider and surrender claims are accounted for on receipt of intimation. Survival benefit claims and maturity claims are accounted when due.

Withdrawals under linked policies are accounted in the respective schemes when the associated units are cancelled.

Reinsurance recoveries on claims are accounted for, in the same period as the related claims.

(vii) Actuarial liability valuation:

In case of Life Insurance Joint Venture IDBI Federal Life Insurance Ltd, Actuarial liability for life policies in force and for policies in respect of which premium has been discontinued but a liability exists, is determined by the Appointed Actuary using the gross premium method, in accordance with accepted actuarial practice, requirements of Insurance Act 1938, IRDA regulations and the Actuarial Practice Standards of the Institute of Actuaries of India. Liabilities under unit linked policies are the sum of the value of units and the prospective non unit reserve in respect of mortality and morbidity risks and future policy expenses, less policy charges.

5 Advances and Provisions:

- i. Advances are classified into Standard, Sub-standard, Doubtful and Loss assets and provisions are made in accordance with the prudential norms prescribed by RBI. Advances are stated net of provisions towards non-performing advances.
- ii. Advances are classified as 'Secured by Tangible Assets' when security of at least 10% of the advance has been stipulated/created against tangible security including book debts. Security in the nature of escrow, guarantee, comfort letter, charge on brand, license, patent, copyright etc are not considered as 'Tangible Assets'.

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- iii. Amounts recovered against debts written-off in earlier years and provisions no longer considered necessary in the context of the current status of the borrower are recognized in the profit and loss account.

6 Investments:

Classification:

In terms of extant guidelines of the RBI on Investment classification and Valuation, the entire investment portfolio is categorized as:

- i. Held To Maturity,
- ii. Available For Sale and
- iii. Held For Trading.

Investments under each category are further classified as:

- i. Government Securities
- ii. Other Approved Securities
- iii. Shares
- iv. Debentures and Bonds
- v. Subsidiaries/ Joint Ventures
- vi. Others (Commercial Paper, Mutual Fund Units, Security Receipts & Pass Through Certificate).

Basis of Classification:

- a) Investments that the Bank intends to hold till maturity are classified as 'Held to Maturity'.
- b) Investments that are held principally for resale within 90 days from the date of purchase are classified as 'Held for Trading'.
- c) Investments, which are not classified in the above two categories, are classified as 'Available for Sale'.

- d) An investment is classified as 'Held to Maturity', 'Available for Sale' or 'Held for Trading' at the time of its purchase and subsequent shifting amongst categories and its valuation is done in conformity with RBI guidelines.

- e) Investments in subsidiaries, joint venture are classified as 'Held to Maturity'.

Valuation:

- i) In determining the acquisition cost of an investment:
 - a) Brokerage, commission, stamp duty and other taxes paid are included in cost of acquisition in respect of acquisition of equity instruments from the secondary market whereas in respect of other investments, including treasury investments, such expenses are charged to Profit and Loss Account.
 - b) Broken period interest paid/ received is excluded from the acquisition cost/ sale and treated as interest expense/ income.
 - c) Cost is determined on the weighted average cost method.
- ii) Investments 'Held To Maturity' are carried at acquisition cost unless it is more than the face value, in which case the premium is amortized on straight line basis over the remaining period of maturity. Diminution, other than temporary, in the value of investments in subsidiaries/ joint venture under this category is provided for each investment individually.
- iii) Investments 'Held for Trading' and 'Available For Sale' are marked to market scrip-wise and the resultant net depreciation, if any, in each category is recognized in the Profit and Loss account, while the net appreciation, if any, are ignored.

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- a) Treasury Bills, commercial papers and certificates of deposit being discounted instruments are valued at carrying cost,
- b) In respect of traded/ quoted investments, the market price is taken from the trades/ quotes available on the stock exchanges. Government Securities are valued at market prices or prices declared by Primary Dealers Association of India (PDAI) jointly with Fixed Income Money Market and Derivative Association of India (FIMMDA)
- c) The unquoted shares are valued at break-up value or at Net Asset Value if the latest balance sheet is available, else at ₹ 1 per company and units are valued at repurchase price, as per relevant RBI guidelines. The unquoted fixed income securities (other than government securities) are valued on Yield to Maturity (YTM) basis with appropriate mark-up over the YTM rates for Central Government securities of equivalent maturity. Such mark up and YTM rates applied are as per the relevant rates published by FIMMDA.
- d) Security receipts issued by the asset reconstruction companies are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time. Accordingly, in cases where the cash flows from security receipts issued by the asset reconstruction companies are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Bank reckons the net asset value obtained from the asset reconstruction company from time to time, for valuation of such investments at each reporting period end
- e) The debentures/ bonds/ preference shares deemed to be in the nature of advance, are

subject to the usual prudential norms of asset classification and provisioning that are applicable to advances.

- f) Preference shares are valued at market rates, if quoted or on appropriate yield to maturity basis not exceeding redemption value as per RBI guidelines.

Profit or Loss on sale of investments is credited/ debited to Profit and Loss Account. However, Profits on sale of investments in Held to Maturity category is first credited to Profit and Loss Account and thereafter appropriated net of applicable taxes to the Capital Reserve Account at the year/period end. Loss on sale is recognized in the Profit and Loss Account.

Investments are shown net of provisions.

Repo and reverse repo transactions:

In accordance with the RBI guidelines repo and reverse repo transactions in government securities and corporate debt securities (excluding transactions conducted under Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI) are reflected as borrowing and lending transactions respectively. Borrowing cost on repo transactions is accounted as interest expense and revenue on reverse repo transactions is accounted as interest income.

In respect of repo transactions under LAF and MSF with RBI, amount borrowed from RBI is credited to investment account and reversed on maturity of the transaction. Costs thereon are accounted for as interest expense. In respect of reverse repo transactions under LAF, amount lent to RBI is debited to investment account and reversed on maturity of the transaction. Revenues thereon are accounted as interest income.





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Other Financial and non financial Subsidiaries:

In case of IDBI Capital Market Services Ltd, Investments are classified into long term and current investment. Securities and other financial assets acquired and held for earning income by way of dividend and interest and for the purpose of capital appreciation are classified as long-term investments and are valued at their cost of acquisition. Decline in their value other than temporary, if any, is recognized. Current investments are carried at lower of cost or market value.

Securities acquired with the intention of short-term holding and trading are considered as stock-in-trade and regarded as current assets.

Securities held as stock-in-trade category wise are valued at lower of cost or market/fair value. Cost is derived by following the weighted average method considering only outright transactions. Market value is determined based on market quotes for actual trades and where such quotes are not available, fair value is determined, in the case of debt securities, with reference to yields on securities of similar maturity and credit standing, and in the case of equities, with reference to the break-up value as per the last available balance sheet. Each security is valued individually. The depreciation, if any, for each security is provided and the appreciation, if any, is ignored.

Premium paid on government securities held as investment is amortized over the tenor of the instrument.

In case of IDBI Trusteeship Services Ltd, all Investments which are readily realizable and intended to be held for not more than 1 year from the date of acquisition are classified as Current Investments. Current Investments are stated at lower of cost or Fair Value. Long

Term Investments are stated at cost. Decline in value of Long Term Investment is recognized, if considered other than temporary.

Life Insurance Joint Venture:

Investments are made in accordance with the Insurance Act, 1938, the IRDA (Investment) Regulations, 2000, and various other circulars/ notifications issued by the IRDA in this context from time to time.

Investments are recorded at cost on the date of purchase, which includes brokerage and taxes, if any, and excludes accrued interest.

Classification:

Investments maturing within twelve months from the balance sheet date and investments made with the specific intention to dispose them off within twelve months from the balance sheet date are classified as current investments.

Investments other than short-term investments are classified as long-term investments.

Valuation - shareholders' investments and non-linked policyholders' investments

All debt securities are considered as 'held to maturity' and accordingly stated at historical cost, subject to amortization of premium or accretion of discount over the period of maturity/holding on a straight line basis.

Listed equity shares as at the balance sheet date is stated at fair value being the closing price on the National Stock Exchange ('NSE') or the Bombay Stock Exchange ('BSE'), as the case may be. Mutual fund units as at the balance sheet date are valued at the previous day's net asset values. Equity shares awaiting listing are stated at historical cost subject to provision for diminution, if any, in the value of such investment determined separately for each individual investment.

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Unrealized gains/losses arising due to changes in the fair value of listed equity shares and mutual fund units are taken to "Fair Value Change Account" and carried forward in the balance sheet.

Any impairment loss is recognized as an expense in Revenue or Profit and Loss Account to the extent of the difference between the re-measured fair value of the security or investment and its acquisition cost as reduced by any previous impairment loss recognized as expense in Revenue or Profit and Loss Account. Any reversal of previously recognized impairment loss is recognized in Revenue or Profit and Loss Account.

Valuation - linked business

Government Securities are valued at prices obtained from Fixed Income Money Market and Derivative Association of India (FIMMDA). Money Market Instruments are valued at historical cost, subject to accretion of discount or amortization of premium over the holding/maturity period on a straight line basis. Debt Securities other than Government Securities are valued at Fair Value using Yield Matrix for Bonds released by Rating Agency, on a daily basis.

Listed equity shares as at the balance sheet date is stated at fair value being the lower of closing price on the National Stock Exchange ('NSE') or the Bombay Stock Exchange ('BSE'), as the case may be. Mutual fund units are valued at the previous day's net asset values. Equity shares awaiting listing are stated at historical cost subject to provision of diminution, if any, in the value of such investment determined separately for each individual investment.

Unrealized gains/losses on investments are recognized in the respective fund's Revenue Account.

Transfer of investments

Transfer of investments from Shareholders' Fund to the Policyholders' Fund is at carrying amount or market price, whichever is lower. However in case of debt securities all transfers are carried out at the net amortized cost. Transfer of investments between unit linked funds is done at market price.

7 Derivative Transactions:

In Transactions designated as 'Hedge':

- Net interest payable/ receivable on derivative transactions is accounted on accrual basis.
- On premature termination of Hedge swaps, any profit/ losses are recognized over the remaining contractual life of the swap or the residual life of the asset/ liability whichever is lesser.
- Redesignation of hedge swaps by change of underlying liability is accounted as the termination of one hedge and acquisition of another.
- Hedge contracts are not marked to market unless the underlying is also marked to market. In respect of hedge contracts that are marked to market, changes in the market value are recognized in the profit and loss account.

In Transactions designated as 'Trading':

Outstanding derivative transactions designated as 'Trading', which includes interest rate swaps, cross currency swaps, cross currency options and credit default swaps, are measured at their fair value. The resulting profits/ losses are included in the profit and loss account. Premium on options is recorded as a balance sheet item and transferred to Profit and Loss Account on maturity/ cancellation.

Transactions in Futures and Options

In case of IDBI Capital Market Services Ltd, Initial Margin payable at the time of entering into futures

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contract/ sale of options is adjusted against the deposits with the exchanges in the form of fixed deposits, cash deposits and securities.

Transactions in Future contracts are accounted as Purchase and Sales at the notional trade value of the contract. The open interest in futures as at the Balance Sheet date is netted by its notional value.

The difference in the settlement price or exchange closing price of the previous day and exchange closing price of the subsequent day, paid to or received from the exchange is treated as Mark to Market Margin. The balance in the Mark to Market Margin Account represents the net amount paid or received on the basis of movement in the prices of open interest in futures contracts till the balance sheet date. Net debit balance in the Mark to Market Margin Account is charged off to revenue whereas net credit balance is shown under current liabilities.

Premium paid or received on purchase and sale of options and the difference paid or received on exercise of options is accounted as Purchases or Sales. In case of open interest in options sold as on the balance sheet date, provision is made for the amount by which premium prevailing on the Balance Sheet date exceeds the premium received for those options. The excess of premium received over the premium prevailing on the Balance Sheet date is not recognized. Similarly, in case of options bought, provision is made for the amount by which the premium paid for the option exceeds the premium prevailing on the Balance Sheet date and the excess of premium prevailing on the Balance Sheet date over the premium paid is ignored. In case of multiple open positions, provision is made or excess premiums are ignored after netting off the balances in buy as well as sell positions.

Interest Rate Swaps

In case of IDBI Capital Market Services Ltd, Assets and Liabilities in respect of notional principal amount of Interest Rate Swaps of the discontinued operations pertaining to Primary Dealership operations are

netted. Gain or loss on Interest Rate Swaps is accounted for on due dates as per the terms of the contract.

8 Fixed Assets and Depreciation

Bank and IDBI Asset Management Services Ltd

- Fixed assets are carried at historical cost (inclusive of installation cost) except wherever revalued. The appreciation on revaluation, if any, is credited to the 'Revaluation Reserve' Account. In respect of revalued assets, the additional depreciation consequent to revaluation is transferred from Revaluation Reserve to the Profit and Loss account.
- Fixed assets individually costing less than ₹ 5000 are fully depreciated in the year of addition.
- Depreciation is provided on Straight Line Method (SLM) from the date of addition. The rates of depreciation prescribed in Schedule XIV of the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter, depreciation is provided at a higher rate based on management's estimates of the useful life/ remaining useful life. Pursuant to this policy, depreciation has been provided using the following rates:

Asset	Depreciation Rate
Premises	1.63%
Furniture and fixtures	8.33%
Electrical installation and machinery	8.33%
Motor vehicles	20.00%
Computers (including integral software)	33.33%
Automated Teller Machines	12.50%
VSAT equipment	10.00%
Consumer durables with employees	20.00%

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- iv. Depreciation on additions/ sale of fixed assets during the year is provided for the period for which assets were actually held.
- v. Leasehold land is amortized over the period of lease.
- vi. Computer Software (non-integral) individually costing more than ₹ 2.50 Lakh is capitalized and depreciated over its useful life, not exceeding 5 years.

Financial and non financial subsidiary

- i. In case of Bank's Subsidiaries, depreciation is provided on Written Down value (WDV) Method. The rates of depreciation prescribed in Schedule XIV of the Companies Act, 1956 are considered as the minimum rates.
- ii. In case of IDBI Intech Ltd, the software sold on which propriety rights continue with the company, are capitalized at cost.
- iii. In case of IDBI Intech Ltd, Computers are depreciated on WDV method at the rate of 60%. Intangible assets (Computer Software) are amortized equally over a period of five years.
- iv. In case of IDBI Capital Market Services Ltd, Intangible Assets (computer software) are amortized over a period of 3 years. Web Trading Portal amortized in 3 years and Stock Exchange membership card amortized at 4.75% PA.
- v. In case of IDBI Capital Market Services Ltd, Management estimates the economic value of Bombay Stock Exchange Trading Rights based on the value in use. The company amortizes it over 21 years unless there is evidence that its useful life is shorter.
- vi. In case of IDBI Asset Management Ltd, Expenses incurred towards marketing and distribution of new fund offers are amortized over a period of 36 months in case of open ended funds and

over the tenure of the close ended funds.

Life Insurance Joint Venture-IDBI Federal Life Insurance Company Ltd

- i. Fixed assets are stated at cost less accumulated depreciation. Cost includes the purchase price and any cost directly attributable to bringing the asset to its working condition for its intended use. Assets costing up to ₹ 20,000 (Rupees twenty thousands) are fully depreciated in the year of acquisition. The rate of depreciation is higher of the managements estimate based on useful life or the rates prescribed under the Companies Act. Depreciation is provided using Straight-Line Method ('SLM') prorated from the date of acquisition/up to the date of sale, based on estimated useful life for each class of asset.
- ii. The company charges depreciation at the rate of 3% on buildings, 25% on furniture & Fixtures & motor Vehicles which is different than the rates adopted by the bank for charging depreciation on the abovementioned assets.
- iii. In case of IDBI Federal Life Insurance Company Ltd, Intangible assets comprising software are stated at cost less amortization. Significant improvements to software are capitalized and amortized over the remaining useful life of original software. Software expenses are amortized using Straight Line Method over a period of 3 years from the date of being put to use.

9 Securitization Transactions:

Securitization of various loans results in sale of these assets to Special Purpose Vehicles ('SPVs'), which, in turn issue securities to investors. Financial assets are partially or wholly derecognized when the control of the contractual rights in the securitized assets is lost. The Bank accounts for any loss arising on sale immediately at the time of sale and the profit/premium arising on account of sale is amortized over



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the life of the securities issued or to be issued by the SPV to which the assets are sold.

10 Sale of financial assets to Securitization Companies/Reconstruction Companies:

Sale of financial assets to Securitization Companies (SCs)/ Reconstruction Companies (RCs) is reckoned at the lower of the redemption value of Security Receipts (SRs)/ Pass through Certificates (PTCs) received and the net book value of the financial asset. Gains arising on such sale or realization are not recognized in the profit and loss account but earmarked as provisions for meeting the losses/ shortfall arising on sale of other financial assets to SCs/ RCs or sale/ realization of other SRs/ PTCs. Losses arising on such sale or realization are first set off against balance of provisions, if any, created out of earlier gains and residual amount of losses are charged to profit and loss account.

11 Foreign Currency Transactions:

- i. Foreign currency transactions, on initial recognition are recorded at the exchange rate prevailing on the date of transaction. Monetary foreign currency assets and liabilities are translated at the closing rates prescribed by Foreign Exchange Dealers Association of India (FEDAI) and the resultant gain or loss is recognized in the profit and loss account. Exchange differences arising on the settlement of monetary items are recognized as income or expense in the period in which they arise.
- ii. Premium or discount arising at the inception of Forward Exchange Contracts which are not intended for trading is amortized as expense or income over the life of the contract. Premium or discount on other Forward Exchange Contracts is not recognized.
- iii. Outstanding Forward Exchange Contracts which are not intended for trading are revalued at closing FEDAI rates. Other outstanding

Forward Exchange Contracts are revalued at rates of exchange notified by FEDAI for specified maturities or at interpolated rates for in-between maturities. The resultant profit/ losses are included in the profit and loss account.

- iv. Profit/ losses arising on premature termination of Forward Exchange Contracts, together with unamortized premium or discount, if any, is recognized on the date of termination.
- v. Contingent liability in respect of outstanding forward exchange contracts is calculated at the contracted rates of exchange and in respect of guarantees, acceptances, endorsements and other obligations are calculated at the closing FEDAI rates.
- vi. Operations of foreign branch are classified as 'Integral Foreign Operations'. Assets and Liabilities are translated at the closing rates prescribed by Foreign Exchange Dealers Association of India (FEDAI) Income and Expenditure items are translated at quarterly average closing rates. The resultant gain or loss is recognized in the Profit and Loss Account.

Financial, non financial subsidiaries and life Insurance Joint Venture

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. At the year end, monetary items denominated in foreign currency are reported using the closing rate of exchange. Exchange difference arising thereon and on realization / payments of foreign exchange are accounted as income or expenses in the relevant year.

12 Employee Benefits:

- i. Post-employment benefit plans
 - a) Payments to defined contribution schemes are charged to Profit and Loss Account of the year when contribution are due.

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- b) For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains or losses are recognized in the profit and loss account for the period in which they occur.

ii. Short-term employee Benefit:

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

- iii. In case of IDBI Trusteeship Services Ltd, the Company provides for gratuity, known as "The Trustees IDBI Trusteeship Services Ltd Employee's Group Gratuity Scheme" based on actuarial valuation as on reporting date 31st March, 2013. The Company is required to pay annual premium contributions. The premium so paid / payable for the year is recognized in profit and loss account.

- iv. In case of IDBI Capital Market Services Ltd, the Company's contribution on account of retirement benefits in the form of Provident Fund and Superannuation Fund is charged to revenue. The gratuity and leave encashment liability of the company are covered under the scheme with Life Insurance Corporation of India and the yearly contribution is paid to LIC.

Provident Fund is a defined contribution scheme and the contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due.

The Company contributes to an approved Group Gratuity Policy with the LIC of India. Gratuity liability are defined benefit obligations and are provided for on the basis of an actuarial valuation as per AS 15 (Revised) made at the end of each

financial year based on the projected unit credit method.

The Company contributes to the Group Leave Encashment Policy with the LIC of India. Short term compensated absences are provided for based on estimates.

Actuarial gains/losses are immediately taken to the profit and loss account and are not deferred.

- v. In case of IDBI Asset Management Ltd, Gratuity liability is a defined benefit obligation and is funded through a Gratuity Fund administered and managed by the Life Insurance Corporation of India. The Company accounts for liability for future gratuity benefits based on the actuarial valuation using Projected Unit Credit Method carried out as at the end of each financial year.

The Company contributes to a recognized provident fund. The contributions are accounted for on an accrual basis and are recognized as an expense in the profit and loss account.

Short term employee benefits are recognized as an expense in the profit & loss account of the year in which the services are rendered.

The company provides for compensated absence subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation carried out as at the end of each financial year.

- vi. In case of IDBI Intech Ltd, Contribution to Provident Fund & ESIC is accounted on accrual basis. The company has created a trust for future payment of Gratuities & Leave Encashment, which is funded with Life Insurance Corporation of India (LIC). Annual Gratuity contributions are made as determined by LIC for purposes of



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payment. The liability for gratuity at the end of each financial year is determined based on actuarial valuation. The difference between such actuarially determined liability and contributions made to the fund is recognized as a liability / asset, as the case may be.

- vii. In case of IDBI Trusteeship Services Ltd, the Company is registered under the provisions of Employee's Provident Funds and Miscellaneous Provisions Act, 1952 and schemes framed there under. Accordingly, the Company is contributing, in equal share of minimum contribution as those of employees, to the funds/ schemes established under the Act to Government Authorities. The eligible employees receive benefits from Government Authorities. The contribution due for the year is charged to profit and loss account.

The Company provides for gratuity, known as "The Trustees IDBI Trusteeship Services Ltd Employee's Group Gratuity Scheme" based on actuarial valuation as on reporting date 31st March, 2013. The Company is required to pay annual premium contributions. The premium so paid / payable for the year is recognized in profit and loss account.

Based on the terms of deputation for the employees on deputation from IDBI, LIC of India and GIC Re, gratuity is provided as per the Payment of Gratuity Act, 1972.

Annual Leave Encashment is accounted on Actuarial valuation as per Accounting Standard - 15 (Revised 2005) "Employee Benefits" issued by the ICAI.

Life Insurance Joint Venture

- i. Liability towards Gratuity is considered as the defined benefit plan and is recognized on the basis of independent actuarial valuation on "Projected Unit Credit Method" at Balance Sheet date.

- ii. Earned Leave which is encashable is considered as long term benefit and is provided on the basis of independent actuarial valuation on "Project Unit Credit Method" at Balance Sheet date.
- iii. The benefit in the form of contribution to the Statutory Provident Fund, Employee State Insurance and Employee Labour Welfare Fund are considered as the defined contribution plans and are recognized on the basis of the amount paid or payable for the period during which services are rendered by the employees.

13 Segment Reporting

The Group operates in four segments wholesale banking, retail banking, treasury services and other banking operations. These segments have been identified in line with AS-17 on segment reporting after considering the nature and risk profile of the products and services, the target customer profile, the organization structure and the internal reporting system of the Group. The Group has disclosed business segment as the primary segment. The Group primarily operates in India, hence the group has considered to operate predominantly in the domestic segment and as such there are no reportable geographical segments.

Segment revenue, results, assets and liabilities include the amounts identifiable to each of the segments as also amounts allocated, as estimated by the management. Assets and liabilities that cannot be allocated to identifiable segments are grouped under unallocated assets and liabilities.

14 Income Tax

- i. Tax expense comprises of current and deferred tax.

Current tax is the amount of Income tax determined to be payable (recoverable) in respect of taxable income (tax loss) for a period.
- ii. Deferred tax for timing differences between the book and tax profits for the year is accounted

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for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

- iii. Deferred tax assets in case of unabsorbed losses are recognized only if there is virtual certainty that such deferred tax asset can be realized against future taxable profits.
- iv. Disputed taxes not provided for including departmental appeals are included under Contingent Liabilities.

15 Earnings Per Share

- i. The Group reports basic and diluted Earnings per Share in accordance with AS 20. Basic Earnings per Share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year.
- ii. Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the period. Diluted Earnings per Share is computed by dividing the net profit after tax by the sum of the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end.

16 Impairment of Assets

- i. Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated current realizable value. If such assets are considered to be impaired, the

impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the estimated current realizable value of the asset.

- ii. In case of IDBI Federal Life Insurance Company Ltd, Management periodically assesses, using external and internal sources, whether there is any indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

17 Provisions, Contingent Liabilities and Contingent Assets

- i. In conformity with AS 29, Provisions, Contingent Liabilities and Contingent Assets, the Group recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.
- ii. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date.
- iii. Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.
- iv. Contingent Assets are not recognized.





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SCHEDULE 18-NOTES TO CONSOLIDATED ACCOUNTS

1. FIXED ASSETS (AS-10)

- i. Premises include Leasehold Land (revalued) of ₹ 1339 70 11 Thousand (₹ 1339 70 11 Thousand) which was revalued in the year 2006-07.
- ii. The Bank has revalued its Freehold Land & Residential / Office building based on valuations made by independent valuers during the year 2006-07. The net appreciation of ₹ 2063 91 00 Thousand arising on revaluation, being the difference between the net book value of ₹ 529 02 00 Thousand and revalued amount of ₹ 2592 93 00 Thousand as on March 31, 2007, was credited to Revaluation Reserve. The balance in revaluation reserve after adjusting depreciation on same is ₹ 1762 78 10 Thousand (₹ 1853 92 65 Thousand).

2. EMPLOYEE BENEFITS (AS-15) (Revised)

i. Defined Contribution Schemes

The Bank's employees, excluding those who have opted for pension, who have joined Bank before March 31, 2008, are covered by Provident Fund Scheme(PFS).The Bank makes a defined contribution measured as a fixed percentage of basic salary to the PFS. The Provident Fund Scheme is administered by "The Committee of Administrators of IDBI Bank Employees' Provident Fund (Fund)". In respect of employees of IDBI Home Finance Ltd (IHFL) and IDBI Gilts Ltd (IGL), provident fund contributions were made to Regional Provident Fund Commissioner up to May 2011 and thereafter contributions have been made to the aforementioned fund. During the year, ₹ 6 36 88 Thousand (₹ 4 54 73 Thousand) has been contributed to PFS and charged to Profit and Loss Account.

The Bank's employees who have joined after April 1, 2008 are covered by Defined Contribution Pension Scheme (DCPS) to which Bank makes a defined contribution as a fixed percentage of Pay and Dearness Allowance. During the year, ₹ 13 73 80 Thousand (₹ 32 04 76 Thousand) has been contributed to DCPS and charged to Profit and Loss Account.

In case of IDBI Capital Market Services Ltd, the company has recognized ₹ 69 71 Thousand (₹ 63 47 Thousand) for the year ended 31st March 2013 for the Provident Fund Contributions in the Profit and Loss Account.

In case of IDBI Asset Management Ltd the company has recognized ₹ 59 88 Thousand (₹ 55 51 Thousand) for the year ended 31st March 2013 for the Provident Fund Contributions in the Profit and Loss Account.

In case of IDBI Trusteeship Services Ltd, the company has recognized ₹ 6 74 Thousand (₹ 5 94 Thousand) for the year ended 31st March 2013 for the Provident Fund Contributions in the Profit and Loss Account.

In case of IDBI Federal Life Insurance Company Ltd, the company has recognized ₹ 2 26 38 Thousand (₹ 2 25 80 Thousand) for the year ended 31st March 2013 for the contribution towards statutory provident fund, Employee State Insurance & Employee Labor Welfare Fund in the Profit and Loss Account.

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ii. Defined Benefit Schemes

- a. The Bank makes contributions for the gratuity liability of the employees to the 'IDBI Bank Employees Gratuity Fund Trust'.
- b. Some of the employees of the Bank are also eligible for Pension which is administered by the 'IDBI Pension Fund Trust'.
- c. In case of IDBI Capital Market Services Ltd, the Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of ₹ 10,00,000.
- d. In case of IDBI Asset Management Ltd, In accordance with Payment of Gratuity Act, the Company provides for gratuity, a defined benefit retirement plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Company.
- e. In case of IDBI Intech Ltd, the company has created a trust for future payment of Gratuities & Leave Encashment, which is funded with Life Insurance Corporation of India (LIC). Annual Gratuity contributions are made as determined by LIC for purposes of payment. The liability for gratuity at the end of each financial year is determined based on actuarial valuation. The difference between such actuarially determined liability and contributions made to the fund is recognized as a liability / asset, as the case may be.
- f. In case of IDBI Trusteeship Services Ltd, the company has created a separate Trust for Gratuity obligations. The Application filed for approval of the Gratuity Trust with the Income Tax Dept is pending. The Trust has taken Group Gratuity Policy from LIC and the annual contributions determined by LIC on actuarial basis are paid and charged to Profit & Loss Account. The accumulations with LIC at year end represent Plan Assets and Funded Part of Gratuity Obligations of the company.

On account of LIC assuming lower rates of salary escalations (4%) and withdrawal (1 to 3%) in actuarial computations, the company has obtained, from Independent Government Approved Actuary Valuer, a certificate for valuation of present value of future obligation of past and current service on more realistic assumptions. The difference between fund accumulation in LIC Scheme and amount determined at year end obligations by Independent Valuer (representing Non-Funded Part of Gratuity Obligation) is recognized and presented as liability in accounts by appropriate charge to Profit & Loss Account.

- g. In case of IDBI Federal Life Insurance Company Ltd, the Gratuity is payable on separation as per the Employees Gratuity Act @ 15 days pay for each completed years of service to eligible employees who have rendered continuous service of 6 months or more.
- h. The present value of these defined benefit obligations and the related current service cost are measured using the Projected Unit Credit Method by an independent actuary at each balance sheet date.



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The following table sets out the status of the defined benefit schemes and the amounts recognised in the Group's financial statements as at March 31, 2013 which is as per AS-15(R).

SN	Particulars	(₹ In Crores)			
		March 31, 2013		March 31, 2012	
		Pension	Gratuity	Pension	Gratuity
a) Change in benefit obligations					
	Projected benefit obligation, beginning of the year	963.78	372.94	820.93	285.59
	Addition on account of acquisition (ITSL)	0.00	0.00	0.00	0.26
	Interest cost	86.74	32.57	67.73	23.54
	Current Service cost	32.33	18.43	45.84	19.22
	Past Service cost (Vested Benefit) incurred during the year due to increase in limit	0.00	0.00	0.00	0.00
	Liability Transferred In/(Out)	0.00	0.00	0.00	0.41
	Benefits paid	(44.70)	(22.21)	(34.21)	(17.09)
	Actuarial (gain)/loss	291.41	4.23	63.49	61.02
	Projected benefit/obligation, end of the year	1329.56	405.97	963.78	372.94
b) Change in plan assets					
	Fair value of plan assets, beginning of the year	920.37	304.08	764.65	276.79
	Expected return on plan assets	80.99	26.77	61.17	22.15
	Employer's contributions	201.46	89.08	105.7	17.82
	Transfer from other company	0.00	0.00	0.00	0.41
	Benefits paid	(44.70)	(22.21)	(34.21)	(17.09)
	Actuarial gain / (loss)	(2.36)	7.54	23.06	4.00
	Fair value of plan assets at the end of the year	1155.76	405.26	920.37	304.08
c) Reconciliation of present value of the obligation and fair value of the plan assets					
	Present value of benefit obligation at end of the year	1329.56	405.55	963.78	372.94
	Transitional (Liability) to be recognized/provided in future	0.00	0.00	0.00	0.00
	Net Present value of benefit obligation at end of the year	1329.56	405.55	963.78	372.94
	Fair Value of Plan assets at end of the year	1155.76	405.26	920.37	304.08
	Surplus/(Deficit)	(173.8)	(0.29)	(43.41)	(68.86)
d) Net cost for the year					
	Service cost	32.33	18.43	45.84	19.22
	Interest cost	86.74	32.57	67.73	23.54
	Expected return on plan assets	(80.99)	(26.77)	(61.17)	(22.15)
	Net Actuarial (gain)/loss	293.77	(3.31)	40.43	57.01
	Past Service Cost (Vested Benefit) recognized during the year due to increase in limit	0.00	0.00	0.00	0.00
	Transitional liability recognized during the year	0.00	0.00	6.15	3.24
	Net cost of the year	331.85	20.93	98.98	80.86

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SN	Particulars	(₹ In Crores)			
		March 31, 2013		March 31, 2012	
		Pension	Gratuity	Pension	Gratuity
e) Category of Assets					
Government of India Assets		626.70	0.86	504.01	0.00
Corporate Bonds / FD		327.78	0.69	385.76	0.00
Insurer Managed Funds		0.00	403.61	0.00	302.77
Others		201.28	0.03	30.6	0.01
Total		1155.76	405.19	920.37	302.78
f) Assumptions used in accounting					
Discount rate		8.25%	8.00%	9.00%	8.75%
Rate of return on plan assets		8.50%	8.70%	8.80%	8.80%
Salary escalation rate		5.00%	5.00%	5.00%	5.00%
Attrition Rate		4.21%	4.82%	4.82%	4.82%
Mortality Rate		Indian Assured Lives Mortality (2006-2008) Ult.		LIC (1994-66) Ultimate	

iii. Other long term benefits

Employees of the Bank are entitled to accumulate their earned/ privilege leave up to a maximum of 180 days for officers and 300 days for other staff. A maximum of 15 days leave is eligible for encashment in each year.

Employees of the Bank are eligible for Disability Assistance which is borne by the Bank as and when the disability events occur.

Some employees of the Bank are eligible for Voluntary Health Scheme which is borne by the Bank as and when the liability events occur.

Actuarial valuation of these benefits have been carried out using the Projected Unit Credit Method and ₹ 56 88 75 Thousand (₹ 51 07 18 Thousand) has been charged to Profit and Loss Account during the year.

In case of IDBI Federal Life Insurance Company Ltd, the Employees of the Company are entitled to accumulate their earned / privilege leave up to a maximum of 30 days which is payable/ encashable as per the policy on their separation. During the year, ₹ 91 70 Thousands (₹ 25 09 Thousands) has been charged to Revenue or Profit and Loss Account towards provision for the said benefits based on actuarial valuation.

Transitional Liability

The transitional liability arising on account of adoption of Accounting Standard-15 (Revised 2005) on "Employee Benefits" was ₹ 63 22 00 Thousand which was fully charged to Profit and Loss Account over a period of five years, ending March 31, 2012 . There was no transitional liability outstanding at the beginning of the year.

3. SEGMENT REPORTING (AS-17)

The Group has disclosed business segment as the primary segment. The Group primarily operates in India, hence the Group has considered that its operations are predominantly in the domestic segment and as such there are no reportable geographical segments.

Schedules to the Consolidated Financial Statements

(₹ In '000s)

SN	Particulars	Year Ended	
		March 31, 2013	March 31, 2012
a.	Segment Revenue		
	Corporate/Wholesale banking	24493 98 93	23706 07 39
	Retail banking	18070 22 66	15011 19 00
	Treasury	569 50 70	435 39 66
	Other banking operations	267 50 75	323 27 00
	TOTAL	43401 23 04	39475 93 05
	Less :- Inter-segment revenue	14991 60 61	13890 37 14
	Net sales / income from operations	28409 62 43	25585 55 91
b.	Segment Results -Profit/(loss) before tax		
	Corporate/Wholesale banking	2339 93 18	2438 00 44
	Retail banking	143 02 48	47 58 60
	Treasury	112 55 23	121 16 52
	Other banking operations	62 00 47	16 17 79
	TOTAL	2657 51 36	2622 93 35
	Unallocable Expenditure	-	-
	Unallocable Income	-	-
	Less: Other unallocable expenditure net of unallocable income	-	-
	Total profit before tax	2657 51 36	2622 93 35
	Income taxes	768 60 88	620 43 53
	Net profit	1888 90 48	2002 49 82
c.	Segment Assets		
	Corporate/Wholesale banking	216475 36 76	197164 57 84
	Retail banking	83990 09 95	84469 74 95
	Treasury	18685 90 97	6653 34 68
	Other banking operations	408 91 88	281 58 36
	Unallocated corporate assets	3105 90 09	1606 52 17
	Total assets	322666 19 65	290175 78 00
d.	Segment Liabilities		
	Corporate/Wholesale banking	174016 22 27	167344 29 37
	Retail banking	126488 70 89	103121 03 82
	Treasury	814 10 00	170 55 00
	Other banking operations	116 15 45	149 55 49
	Unallocated corporate liabilities	1821 54 70	1882 93 76
	Total liabilities	303256 73 31	272668 37 44

Schedules to the Consolidated Financial Statements

4. RELATED PARTIES DISCLOSURE (AS-18)

i) Details of Key Management Personnel

Entity	Key Management Personnel
IDBI Bank Ltd.	
	a. Shri R.M Malla, Chairman & Managing Director
	b. Shri B.K. Batra, Deputy Managing Director
IDBI Capital Market Services Ltd.	Shri. Abhay Bongirwar, Managing Director & C.E.O
IDBI Intech Ltd.	Shri Sanjay Sharma, Managing Director & C.E.O
IDBI Federal Life Insurance Company Ltd.	Shri G. V. Nageswara Rao, Managing Director & C.E.O
IDBI MF Trustee Company Ltd.	Shri Debashish Mallick, Managing Director & C.E.O
IDBI Asset Management Company Ltd.	Shri Debashish Mallick, Managing Director & C.E.O.
IDBI Trusteeship Services Limited	a. Shri S.K. Mitter, Managing Director & CEO (upto Sep 30, 2012)
	b. Shri. H. G. Rokade, Managing Director & CEO (w.e.f from Oct 29, 2012)

ii) Parties with whom transactions were entered into during the year:

In Terms of Paragraph 5 of AS-18, transactions in the nature of Banker-customer Relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

iii) Transactions/balances with related parties:

₹ in('000s)

Particulars	Key Management Personnel
Deposit Received	31 42 (98 34)
Other Liabilities/ Deposits Outstanding	41 84 (1 18 54)
Maximum amount of deposits outstanding during the year	52 89 (1 73 75)
Advances given	- (7 40)
Advances outstanding	22 98 (24 46)
Maximum amount of advance due during the year	24 68 (24 55)
Interest paid on advances	2 35 (39)
Interest accrued on advances	14 (16)
Interest on Deposits	4 62 (12 48)
Remuneration/Reimbursements	2 40 53 (2 47 90)
Other income	9 21 (98)

Schedules to the Consolidated Financial Statements

5. LEASES(AS-19)

Operating leases primarily comprise office premises, office equipments (including computers and modular furniture), staff residences and ATMs, which are either cancellable at the option of the Group or non-cancellable operating lease.

During the year ₹ 193 67 41 Thousand (₹ 162 81 33 Thousand) has been charged to the Profit and Loss Account towards lease charges paid/payable on cancellable operating lease & ₹ 1 37 28 Thousand (₹ 1 24 72 Thousand) has been charged to the Profit & Loss Account towards lease charges paid/payable on non-cancellable operating lease.

The future minimum lease payments in respect of non-cancelable operating leases as at the Balance Sheet date are summarized as under.

(₹ In '000s)

Particulars	March 31, 2013	March 31, 2012
Not Later than One year	94 62	1 48 33
Later than one year but not later than five years	89 89	1 89 58

6. EARNINGS PER SHARE (EPS) (AS-20)

Particulars	March 31, 2013	March 31, 2012
Net profit considered for EPS calculation (₹ in '000s)	1888 90 48	2002 49 82
Weighted average number of equity shares considered for basic EPS	1,28,04,99,037	98,69,61,399
Add : Dilutive impact of ESOP granted	42,593	59,214
Weighted average number of equity shares considered for Diluted EPS	1,28,05,41,630	98,70,20,613
EPS (Basic) (₹)	14.75	20.29
EPS(Diluted) (₹)	14.75	20.29
Face value per Equity share (₹)	10	10

7. ACCOUNTING FOR TAXES ON INCOME (AS-22)

i) Deferred Tax Assets/Liabilities

The component of Deferred Assets & Deferred Liability arising out of timing difference is as follows:

(₹ In '000s)

Particulars	For the year ended March 31, 2013	As at March 31, 2013	As at March 31, 2012
Deferred Tax Liability			
Depreciation on fixed assets	227 64	49 73 08	47 45 55
Amortisation of marketing & distribution expenses	109 96	101 36	(8 62)
Amortisation of preliminary expenses			
Total (A)	337 60	50 74 44	47 36 93
Deferred Tax Asset			
NPA and provisions not allowed under Income tax Act, 1961	575 31 15	1143 86 61	569 17 54
Provision for Doubtful advances	97 20	159 06	
Disallowance u/s. 43B, 40(a)(ia) etc. of the Income-tax Act, 1961	30 17 36	151 15 75	121 10 84
Amortisation of Preliminary expenses	11 03	8 95	(2 11)

Schedules to the Consolidated Financial Statements

(₹ In '000s)

Particulars	For the year ended March 31, 2013	As at March 31, 2013	As at March 31, 2012
Gratuity	5 76	8 62	-
Leave Encashment	7 83	17 50	-
Provision for Restructured Advances	175 91 33	482 52 22	306 60 89
Carried forward Loss	148 66	148 66	-
Total (B)	784 10 32	1780 97 37	996 87 16
Deferred tax liability/ (asset) (net) (A) - (B)	(780 72 72)	(1730 22 93)	(9 49 50 23)

8. Financial Statements of IDBI Federal Life Insurance Company Ltd as incorporated in these accounts has been reviewed by the Audit Committee of the Board of the said Company. However, their Board meeting is scheduled to be held shortly where the accounts would be adopted by the Board.
9. i (a) During the year, 5 43 21 230 Equity Shares (Face Value ₹ 10 per share) were allotted to Government of India on preferential basis on March 18, 2013 at a premium of ₹ 92.17 per share, aggregating an amount of ₹ 555 Crore.
- (b) 45,455 (69,294) equity shares allotted during the year against ESOPs exercised by the Bank employees.
- ii. Interest aggregating ₹ 104.96 Crore, accrued on Tier-I Bonds of ₹ 2130.50 Crore held by Government of India, which were converted into Equity Shares in March 2012, has been written back during the year as it is considered no longer payable.
- iii. Summarized financial information of the subsidiaries under Section 212 of the Companies Act, 1956 as at March 31, 2013 are as under:

(₹ In '000s)

Particulars	IDBI Capital Market Services Ltd.	IDBI Asset Management Company Ltd	IDBI MF Trustee Company Ltd.	IDBI Intech Ltd.	IDBI Trusteeship Services Ltd.
Capital	128 10 00	90 00 00	20 00	13 12 82	6 03 28
Reserves	183 64 63	(65 05 88)	33 13	15 64 24	74 30 36
Total Assets	347 48 31	30 02 93	72 75	45 28 62	113 00 38
Total Liabilities (excluding Capital & Reserves)	35 73 67	5 08 81	19 62	16 51 56	32 66 75
Investments	121 48 20	19 85 54	30 00	0	1 01
Turnover	111 88 04	14 75 19	50 63	184 57 37	48 92 56
Profit before taxation	38 86 16	(21 74 54)	13 09	4 31 68	42 22 71
Tax	14 62 80	(84 19)	4 13	1 33 55	13 74 82
Profit after taxation	24 23 36	(20 90 35)	8 96	2 98 12	28 47 89
Interim Dividend	0.00	0.00	0.00	0.00	100%
Proposed Dividend	15%	0.00	0.00	0.00	100%

Note: None of the above subsidiaries have any subsidiary.



Schedules to the Consolidated Financial Statements

10. IDBI Capital Market Services Ltd., after conversion of their Bombay Stock Exchange (BSE) membership rights into trading rights of Bombay Stock Exchange Ltd (BSEL) and shares of BSEL, continues to carry trading rights at historic cost and shares at face value. However this accounting treatment is not in accordance with the Opinion given by Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI). EAC recommends that accounting standard does not envisage historical cost based accounting treatment in case of transactions involving exchange of assets.
11. Based on the information to the extent received from 'enterprises' regarding their status under the 'Micro, Small & Medium Enterprises Development Act, 2006' there is no micro, small & medium enterprise to which the Group owes dues, which are outstanding for more than 45 days as at March 31, 2013 and hence no disclosure relating to amounts unpaid as at the year ended together with interest paid/payable as required under the said act is given (previous year Nil).
12. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is ₹ 156 57 33 Thousand (₹ 182 53 10 Thousand).
13. Additional statutory information disclosed in separate financial statements of parent, subsidiaries and joint ventures having no bearing on the true and fair view of the consolidated financial statements and also the information pertaining to the items which are not material have not been disclosed in the consolidated financial statement in the view of general clarification issued by ICAI.
14. Previous figures include those for IDBI Trusteeship Services Ltd. (ITSL) for the period Oct 1, 2011 to March 31, 2012. Hence current year figures are strictly not comparable with previous year figures.
15. Figures of the previous year, are disclosed in brackets and are regrouped /rearranged, so as to confirm with the presentation made for the current year.

Signatures to Schedules '1' to '18'

BY ORDER OF THE BOARD

(R.M. Malla)
Chairman & Managing Director

(B.K.Batra)
Dy.Managing Director

(Subhash Tuli)
Director

(P. S. Shenoy)
Director

(Ninad Karpe)
Director

(P.Sitaram)
Chief Financial Officer

Place: Mumbai
Date : April 25, 2013

Consolidated Cash Flow Statement for the year ended March 31, 2013

(₹ in '000s)

	Year ended 31-03-2013	Year ended 31-03-2012
A. Cash flow from Operating Activities		
(1) Net profit before tax and extra-ordinary items	2670 41 45	2633 55 23
(2) Adjustments for non cash items:		
- (Profit)/Loss on sale of Fixed Assets (Net)	51 26	(2 37 14)
- Transfer to General reserve (Fair value adjustment)	8 74	-
- Depreciation (Net of Revaluation Reserve)	128 33 74	120 42 02
- Provisions/Write off of Loans/Investments and other provisions	2873 31 01	1504 56 33
- Profit/(Loss) on revaluation of Investments	(37 74 99)	32 63 87
	5634 91 21	4288 80 31
(3) Adjustments for (increase)/decrease in operating assets:		
- Investments	(15739 22 68)	(14869 67 67)
- Advances	(18233 58 86)	(25520 87 19)
- Other Assets	(745 30 28)	(673 08 53)
- Refund/(payment) of taxes	(1394 01 76)	(1067 75 44)
(4) Adjustments for increase/(decrease) in operating liabilities:		
- Borrowings	12331 22 97	4038 48 87
- Deposits	16645 81 04	29844 35 08
- Other liabilities and provisions	1201 21 41	714 84 97
Net Cash used in/generated from Operating activities	(298 96 95)	(3244 89 60)
B. Cash Flow from Investing activities		
- Additional consideration for Acquisition of Subsidiary	-	(17 37 00)
- Purchase (net of sale) of fixed assets	(122 70 62)	(159 58 53)
Net cash used in / raised from Investing activities	(122 70 62)	(176 95 53)

Consolidated Cash Flow Statement for the year ended March 31, 2013

(₹ in '000s)

	Year ended 31-03-2013	Year ended 31-03-2012
C. Cash Flow from Financing activities		
- Issue of Equity Shares	555 47 35	1189 11 13
- Dividend and dividend tax paid	(226 05 85)	(632 62 24)
Net cash used in / raised from Financing activities	329 41 50	556 48 89
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(92 26 07)	(2865 36 25)
OPENING CASH & CASH EQUIVALENTS	18052 03 50	20916 97 71
Cash and Cash Equivalents transferred from :		
- ITSL, pursuant to acquisition	-	42 04
CLOSING CASH & CASH EQUIVALENTS	17959 77 43	18052 03 50
Note to Cash Flow Statement:		
Cash and Cash equivalents included in the cash flow statement comprise the following Balance Sheet items:		
Cash & Balances with Reserve Bank of India	10548 65 10	15094 32 11
Balances with banks & money at call and short notice	7411 12 33	2957 71 39
Total	17959 77 43	18052 03 50

Figures for the previous period have been regrouped, wherever considered necessary

BY ORDER OF THE BOARD

As per our report of even date

For Khimji Kunverji & Co.
Chartered Accountants
FRN-105146W

For G. D. Apte & Co.
Chartered Accountants
FRN-100515W

(R.M. Malla)
Chairman & Managing Director

Gautam V Shah
Partner (F-117348)

Saurabh S Peshwe
Partner (F-121546)

(B.K. Batra)
Dy. Managing Director

(Subhash Tuli)
Director

(P. S. Shenoy)
Director

(Ninad Karpe)
Director

(P. Sitaram)
Chief Financial Officer

Place: Mumbai
Date : April 25, 2013

Consolidated Pillar III Disclosures (March 31, 2013)

DF-1: Scope of Application

- The name of the top bank in the group to which the Framework applies:
IDBI Bank Ltd (hereinafter referred to as the Bank) is the parent company to which the Basel II framework applies.
- An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group:

The consolidation is done using uniform accounting policies for all transactions and other events in similar circumstances. Where it is not practical, due to statutory/ regulatory requirements, accounting policies as mandated by respective statutes/ regulatory authorities are followed.

The consolidated financial statements of the Bank and its subsidiaries conform with the Generally Accepted Accounting Principles (GAAP) in India, which include statutory provisions, RBI guidelines and Accounting Standards notified under Companies Act, 1956.

i. Entities that are fully consolidated:

Sr. No.	Subsidiaries	Line of Business
1	IDBI Capital Market Services Ltd.	Business includes stock broking, distribution of financial products, merchant banking, corporate advisory services, etc.
2	IDBI Asset Management Ltd.	Manages Assets.
3	IDBI MF Trustee Company Ltd.	Monitors and oversees Mutual Fund business.

ii. Entities that are pro-rata consolidated: Nil

iii. Entities that are given a deduction treatment:

Sr. No.	Entities	Lines of Business
1	IDBI Federal Life Insurance Company Ltd.	Life Insurance business.

iv. Entities that are neither consolidated nor deducted (e.g. where the investment is risk-weighted):

Sr. No.	Entities	Lines of Business
1	IDBI Intech Ltd.	Undertakes activities in IT sector.
2	IDBI Trusteeship Services Ltd.	Provides a wide spectrum of corporate trusteeship services.

- The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation i.e. that are deducted and the name(s) of such subsidiaries: Nil
- The aggregate amounts (e.g. current book value) of the Bank's total interests in insurance entities, which are risk-weighted as well as their name, their country of incorporation or residence, the proportion of ownership interest and, if different, the proportion of voting power in these entities. In addition, the impact on regulatory capital of using this method versus using the deduction or alternate group-wide method: Nil

DF-2: Capital Structure

a. Summary

The capital adequacy norms of RBI classify capital funds into Tier I and Tier II capital. The elements of Tier I capital include; paid up equity capital, statutory reserves, other disclosed free reserves, capital reserves and eligible Innovative Perpetual Debt Instruments (IPDIs), whereas elements of Tier II capital include; revaluation reserves, general provisions & loss reserves, hybrid debt capital instruments and eligible subordinated debts.

The details of components of Tier I and Tier II capital as on March 31, 2013 are discussed below :-

- Tier I Bonds:** IPDI of ₹ 2,558.80 crore are raised in various tranches in accordance with RBI guidelines. IPDI instruments are perpetual in nature, having a call option after completion of 10 years, exercisable with the prior approval of Reserve Bank of India (RBI). Interest on these bonds is not payable if the Bank's Capital to Risk-weighted Assets Ratio (CRAR) is below the regulatory requirement and the unpaid interest on these bonds is not cumulative. As per the prevailing RBI guidelines, coupon on these bonds could carry a step-up option up to a maximum of 100 bps, which could be exercised only once, in conjunction with the call option. However, RBI vide its circular dated January 20, 2011, has since disallowed such step-up option.
- Upper Tier II Bonds:** Unsecured, redeemable Upper Tier II bonds of ₹ 4,286.20 crore with a maturity of 15 years (call option after 10 years exercisable with the prior approval of RBI) were raised by the Bank in various tranches in adherence to norms prescribed in this regards by RBI. Interest on these bonds is not payable if the Bank's CRAR is below the regulatory requirement. The unpaid interest may, however, be paid in later years subject to the regulatory compliance. These bonds are subject to progressive discounting during the last 5 years of residual maturity, for the purpose of calculation of Tier II capital. According to the then RBI guidelines, coupon on these bonds could carry a step-up option up to a maximum of 100

Consolidated Pillar III Disclosures (March 31, 2013)

bps, which could be exercised only once, in conjunction with the call option. However, RBI vide its circular dated January 20, 2011, has since disallowed such step-up option.

- iii. Subordinated (lower) Tier II Bonds: Unsecured, redeemable, subordinated (lower) Tier II Bonds with a minimum maturity of 5 years have been raised in various tranches. Outstanding balance of such bonds aggregated ₹ 10,295.70 crore as on March 31, 2013 (Discounted value of ₹ 8,333.26 crore). Call option, wherever applicable on these Bonds, may be exercised only with the prior approval of RBI, after the instrument has completed at least 5 years. These bonds are subject to progressive discounting during the last 5 years of residual maturity, for the purpose of calculation of Tier II capital. As per the then RBI guidelines, coupon on these bonds could carry a step-up option up to a maximum of 50 bps, which could be exercised only once, in conjunction with the call option. However, RBI vide its circular dated January 20, 2011, has since disallowed such step-up option.

- b. Main features of the instruments being reckoned as Tier I and Tier II capital

Particulars	Date of Issue	Cumulative Amount Outstanding as on 31.3.2013 (₹Crore)	Average Tenure (years)	Weighted average Coupon (% p.a.)	Issue Rating
Innovative Perpetual Debt Instruments	On various dates	2,558.80	Perpetual (Call option after 10 years)	9.40 #	'AA/Stable' by CRISIL 'AA' by ICRA (with stable outlook)
Upper Tier II Bonds	On various dates	4,286.20	15 (Call option after 10 years)	9.69 #	'AA/Stable' by CRISIL 'AA' by ICRA (with stable outlook)
Subordinated (lower) Tier II Bonds	On various dates	10,295.70*	12	9.10 @	'AA+/Stable' by CRISIL 'AA+' by ICRA (with stable outlook)

With step up of 50 bps in most of the bond series, in conjunction with the call option.

@ With step up of 25 bps, in conjunction with the call option, in applicable cases.

* Discounted value of ₹ 8,333.26 crore as on March 31, 2013.

- c. Composition of capital

As on March 31, 2013		(₹. Crore)
Amount of Tier I Capital		
Tier I Capital		
Paid up share capital		1332.75
Reserves		18229.62
Innovative instruments		2558.80
Gross Tier I Capital		22121.17
Deductions:		
Investments in subsidiaries / JVs		192.00
Intangible assets		9.85
Deferred Tax assets		1730.32
Others		24.32
Net Tier I Capital (a)		20164.68
Amount of Tier II Capital		
Tier II Capital		
Revaluation reserves		793.25
Upper Tier II instruments		4286.20
Lower Tier II instruments		8333.26
General Provisions		1064.23
Gross Tier II Capital		14476.94
Deductions:		
Investments in subsidiaries / JVs		192.00

Consolidated Pillar III Disclosures (March 31, 2013)

As on March 31, 2013	(₹. Crore)
Other deductions	24.32
Net Tier II Capital (b)	14260.62
Total Eligible capital (a+b)	34425.30
Capital raised during the year 2012-13:	
Tier I	1405
Upper Tier II	-
Lower Tier II	1505
Total	2910

DF-3: Capital Adequacy:

The Bank manages and maintains capital as a cushion against risk of probable losses and to protect its depositors and creditors. The future capital requirement of the Bank is projected as a part of its annual business plan, in accordance with its business strategy. In calculating the capital requirements of the Bank, broad parameters viz. balance sheet composition, portfolio mix, growth rate and relevant discounting are considered. In addition, views regarding market behaviour of interest rate and liquidity positions are also taken into account. Further, the loan composition and rating matrix is factored in to reflect precision in projections.

The New Capital Adequacy Framework (NCAF) of RBI stipulates the methodology for computation of CRAR which is a ratio of the total capital of the Bank to its risk adjusted assets. The CRAR for the Bank is calculated on a quarterly basis and credit, market and operational risks are considered to arrive at the ratio. The Bank has adopted the Standardised Approach for Credit Risk, the Standardised Measurement Method (SMM) for Market Risk and the Basic Indicator Approach (BIA) for Operational Risk.

The position of the CRAR of the Bank as on March 31, 2013 is as follows:

CRAR %	Minimum Requirement	Stand-alone	Consolidated
Tier - I	6%	7.68%	7.75%
Total	9%	13.13%	13.23%

For identification, quantification and estimation of current and future risks, the Bank has a Board approved Internal Capital Adequacy Assessment Process (ICAAP) policy. The policy covers the process for addressing such risks, measuring their impact on the financial position of the Bank, formulating appropriate strategies for their containment and mitigation; thereby maintaining an adequate level of capital. The ICAAP exercise is conducted periodically to determine that the Bank has adequate capital to meet regulatory requirements in line with its business requirements. The Bank also has a comprehensive stress test policy to have an insight into the impact of severe but plausible stress scenarios on the Bank's risk profile and capital position. Stress test exercise is carried out regularly and the impact of stress scenarios are analysed on the profitability and capital adequacy of the Bank.

Basel III

In order to strengthen the resilience of the banking sector to potential future shocks, together with ensuring adequate liquidity, the Basel Committee on Banking Supervision (BCBS) issued guidelines on Basel III on December 16, 2010. The Basel III rules on capital consist of measures on improving the quality, consistency and transparency of capital, enhancing risk coverage, introducing a supplementary leverage ratio, reducing pro-cyclicality & promoting countercyclical buffers, and addressing systemic risk and interconnectedness. The Basel III rules include a liquidity coverage ratio which is a measure of short-term liquidity and is aimed at building liquidity buffers to meet stress situations; and a measure of long-term net stable funding ratio aimed at promoting longer term structural funding.

The guidelines on Basel III were issued by RBI on May 2, 2012 and the Bank will migrate to these norms as per the stipulations of RBI. The main focus of Basel III norms is on the quality and quantity of Tier I capital. These regulatory requirements will be met with the quantum of capital available with the Bank at present. Going forward the Bank may have to supplement capital funds, especially common equity fund requirements to meet expanding business needs and planned phase in of Basel III stipulations.

The CRAR of the Bank, on a consolidated basis, as on March 31, 2013 is as follow:

(Amount in ₹. Crore)

(a) Credit Risk Capital:	
Portfolios subject to standardised approach	20774.37
Securitisation	0.10
(b) Market Risk Capital:	
Standardised duration approach	
Interest Rate Risk	631.68
Foreign exchange Risk (including Gold)	31.50
Equity Risk	1101.40

Consolidated Pillar III Disclosures (March 31, 2013)

(Amount in ₹. Crore)

(c) Operational Risk Capital:	
Basic indicator approach	887.45
Total Minimum Capital required	23309.97
(Percentage)	
Total and Tier 1 capital ratio:	
Tier I (%)	7.75%
Total (%)	13.23%

DF-4: Credit Risk - General Disclosures

Credit risk is the risk of loss that may occur from default of the counterparty or failure to meet its obligations as per the terms of the financial contract. Any such event has an adverse effect on the financial performance of the Bank. The Bank faces credit risk through its lending, investment and other credit activities. To counter the effect of the credit risks faced by the Bank, a robust risk governance framework has been set up. The risk governing framework provides a clear definition of roles as well as allocation of responsibilities with regard to ownership and management of risks. Allocation of responsibilities is further substantiated by defining clear hierarchy with respect to reporting relationship and Management Information System (MIS) mechanism.

a. Bank's Credit risk management policy

The Bank has defined and implemented various risk management policies, procedures and standards with an objective to clearly articulate minimum processes and procedural requirements that are binding on all concerned Business groups. The Credit Policy of the Bank is guided by the objective to build, sustain and maintain a high quality credit portfolio by measurement, monitoring and control of the credit exposures. The policy also addresses more granular factors such as diversification of the portfolio across companies, business groups, industries, geographies and sectors. The policy reflects the Bank's approach towards lending to corporate clients in the light of prevailing business environment and regulatory stipulations. The Credit policy is reviewed annually and approved by the Board of Directors.

To avoid concentration of credit risk, the Bank has put in place internal guidelines on exposure norms in respect of single borrower, groups, exposure to sensitive sector, industry exposure, unsecured exposures, etc. Norms have also been detailed for soliciting new business as well as for preliminary scrutiny of new clients. The Bank abides by the directives issued by RBI, SEBI and other regulatory bodies in respect of lending to any industry including NBFCs, Commercial Real Estate, Capital Markets and Infrastructure. In addition, internal limits have been prescribed for certain specific segments based on prudential considerations.

The Bank has a specific policy on Counter Party Credit Risk pertaining to exposure on domestic & international banks and a policy on Country Risk Management pertaining to exposure on various countries.

The Bank's Credit Policy also details the standards, processes and systems for growing and maintaining the Retail Assets portfolio of the Bank. The policy also guides the formulation of Individual Product Program Guidelines for various retail products. The policy is reviewed either in anticipation of or in response to the dynamics of the environment (regulatory & market) in which the Bank operates or change in strategic direction or change in risk tolerance, etc.

Credit risk assessment process:

The sanction of credit proposals is in accordance with the delegation structure approved by the Board of Directors. Credit risk rating, used by the Bank is one of the key tools for assessing its credit proposals.

The Bank has implemented internal rating model Risk Assessment Module (RAM), a two - dimensional module for rating viz.; obligor and facility, in line with Basel II requirements. Different risk parameters such as financial, business, management and industry are used for different rating models in accordance with the category and characteristics of the borrower. Qualitative and quantitative information of the proposal is evaluated by the credit risk analyst to ascertain the credit rating of the borrower.

Proposals over a certain threshold amount are rated centrally by the Credit risk group of the Bank. Suitable committee based approach, represented by senior officials, is followed to validate the internal credit ratings. The appropriate rating committee of senior officials of the Bank validates the internal credit ratings. Approval of credit for retail products are guided by the individual retail product paper guidelines and each proposal is appraised through the scoring model.

In addition to the above, a Credit audit process is in place, which aims at reviewing the loans and is an effective tool to evaluate the effectiveness of credit evaluation, monitoring and mitigation process.

b. Definitions of non-performing assets

The Bank classifies its advances into performing and non-performing categories in accordance with extant RBI guidelines. The guidelines inter-alia, define a Non Performing Assets (NPAs) where:

- Interest and/ or installment of principal remains overdue for more than 90 days for a term loan,
- A bill purchased or discounted by the Bank remains 'overdue' for more than 90 days.

Consolidated Pillar III Disclosures (March 31, 2013)

- In respect of an agricultural loan, the interest and / or installment of principal remains overdue for two crop seasons for short duration crops and for one crop season for long duration crops.
- The account remains 'out of order' in respect of overdraft / cash credit continuously for 90 days. An account would be treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power. In cases, where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of Balance Sheet or credits are not enough to cover the interest debited during the same period, these accounts are also treated as 'out of order'.

Further, NPAs are classified into substandard, doubtful and loss assets based on the criteria stipulated by RBI.

In respect of investments in securities, where interest/ principal is in arrears, the Bank does not reckon income on such securities and makes appropriate provisions as per regulatory guidelines. The classification norms of RBI on Non Performing Investments (NPI) are similar to those applicable to NPA.

c. Credit Exposures as on March 31, 2013

i. Total credit exposures without taking into account benefit for credit risk mitigants:

Category	Amount Outstanding (₹. Crore)	
	Domestic	Overseas
Fund Based*	184619.98	11686.47
Non Fund Based#	91811.49	1589.20

* refers to advances

includes LC, BG, LER and acceptances

ii. Top 20 Industry wise exposures

		(₹. Crore)		
Sr. No.	Industry	Fund Based	Non Fund Based	Total Exposure
1	Power	31361.43	17932.03	49293.46
2	Oil & Gas/Petroleum Products	11837.06	13066.32	24903.38
3	Home Loans	24811.02	0.00	24811.02
4	Iron and Steel	15253.73	8417.46	23671.19
5	Roads & Bridges / Ports	11463.54	11331.34	22794.88
6	Infrastructure Others	9464.09	8306.51	17770.60
7	Banking	12508.74	3356.51	15865.25
8	Telecom	10087.98	5630.77	15718.75
9	NBFC	13973.59	308.07	14281.66
10	Construction	3975.67	9188.27	13163.94
11	General Machinery & Equipments	3548.69	8324.43	11873.12
12	Textiles	9995.33	1781.64	11776.97
13	Trading	7534.11	4075.55	11609.66
14	Agriculture & Related Activities	9611.09	644.66	10255.75
15	Metals and Metal Products (Other than mfg.of Basic Iron and Steel)	5240.66	4063.00	9303.66
16	Housing Finance Companies	8708.73	402.13	9110.86
17	Fertilizers	3240.62	4540.00	7780.62
18	Cement	6589.21	1084.93	7674.14
19	Chemical & Chemical Products	3332.30	3131.62	6463.92
20	Sugar & Sugar Products	5014.08	1343.40	6357.48
	Total	207551.67	106928.64	314480.31

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iii. Residual contractual maturity breakdown of assets and liabilities of the Bank on a standalone basis as on March 31, 2013

(₹ Crore)

Maturity Buckets	Cash & Balances with RBI and Other Banks	Investments	Assets Advances	Fixed Assets & Other Assets	Total Assets
Day 1	5385.39	10242.92	1569.85	658.82	17856.98
2 to 7 days	3600.97	10703.38	2560.76	46.75	16911.86
8 to 14 days	104.47	24.94	2350.21	219.62	2699.24
15 to 28 days	465.11	34.87	2454.66	163.19	3117.83
29 days & upto 3 months	1281.12	4004.91	12715.39	852.52	18853.94
Over 3 months & upto 6 months	1879.28	1354.89	7021.95	474.70	10730.82
Over 6 months & upto 1 year	1763.25	1760.92	11367.61	94.55	14986.33
Over 1 year & upto 3 years	2248.30	12700.11	82149.33	23.16	97120.90
Over 3 years & upto 5 years	440.89	12472.79	25330.25	3443.72	41687.65
Over 5 yrs	755.74	45501.20	48786.44	3759.58	98802.96
Total	17924.52	98800.93	196306.45	9736.61	322768.51

d. Non Performing Assets as on March 31, 2013

(₹ Crore)

Amount of NPAs (Gross)	6449.98
a. Substandard	2144.45
b. Doubtful 1	1856.11
c. Doubtful 2	2069.45
d. Doubtful 3	183.20
e. Loss	196.77
f. Net NPAs	3100.36
g. NPA Ratios	
• Gross NPAs to Gross Advances	3.22%
• Net NPAs to Advances	1.58%
h. Movement of NPAs (Gross)	
• Opening Balance	4551.37
• Additions	2739.69
• Reductions	841.08
• Closing Balances	6449.98
i. Movement of Provisions for NPAs	
• Opening Balance	1640.44
• Provisions made during the period	2177.25
• Less : Transferred to Counter-Cyclical Provisioning Buffer	0
• Write off/ Write back of excess provisions	564.32
• Closing Balances	3253.37
(j) Amount of Non-Performing Investments	853.95
(k) Amount of provisions held for Non- performing Investments	410.63
(l) Movement of provisions for depreciation on investments (including bonds and debentures)	
Opening Balance	1110.96
Provisions made during the period	371.44
Write offs / Write Back of excess provisions	256.58
Closing Balance	1225.82

Consolidated Pillar III Disclosures (March 31, 2013)

DF-5: Credit Risk- Disclosures of Portfolios subject to the Standardised Approach.

The Bank uses the solicited ratings assigned by the external credit rating agencies specified by RBI for calculating the risk weights on its exposures for capital calculations. In line with NCAF, banks are required to use the external ratings assigned by domestic credit rating agencies Crisil, CARE, ICRA, India Ratings (formerly Fitch India), Brickwork and SMERA.

The ratings assigned are used for all eligible exposures; on balance sheet and off balance sheet; short term and long term in the manner permitted by RBI guidelines. Only those ratings which are publicly available and in force as per the monthly bulletin of the rating agencies are considered.

To be eligible for risk weighting purposes, the entire amount of credit risk exposure to the Bank is taken into account for external credit assessment. The Bank uses short term ratings for exposures with contractual maturity of less than or equal to one year and long term ratings for those exposures which have a contractual maturity of over one year.

The process used to assign the ratings to a corporate exposure and apply the appropriate risk weight is as per the regulatory guidelines prescribed by RBI. In cases where multiple external ratings are available for a given corporate, the lower rating, where there are two ratings and the second lowest rating, where there are three or more ratings is applied.

The amount of outstanding of Assets in banking book and non fund based non market related facilities in various risk buckets, net of credit risk mitigants, is stated below:

(₹ Crore)	
Risk Weight	Total Outstanding
Less than 100%	191793.48
At 100%	125643.67
More than 100%	40469.40
Deduction from Capital	48.64
Total	357955.19

DF-6: Credit Risk Mitigation: Disclosures for Standardised Approach

Collateral is an asset or a right provided to the lender to secure a credit facility by the borrower. To mitigate credit risk, the Bank obtains collaterals against its exposures. The Bank has a Board approved policy on Collateral Management and Credit Risk Mitigation (CRM) Techniques, which includes norms on acceptable collaterals, procedures & processes to enable classification and valuation of such collaterals.

On-Balance sheet netting is confined to loans and deposits, where the Bank has legally enforceable netting arrangements, involving specific lien in addition to other stipulated conditions. The netting is only undertaken for loans against collaterals of the same counterparty and subject to identifiable netting arrangement.

Both financial as well as non-financial collaterals are used by the Bank to hedge its credit exposures. Appropriate collateral for a product is determined after taking into account the type of borrower, the risk profile and the facility. The main types of eligible financial collaterals accepted by the Bank are Cash, Bank's own deposits, Gold, National Savings Certificates, Kisan Vikas Patra, Insurance policies with a declared surrender value and various Debt securities. The non-financial collaterals include Land and Building, Plant and Machinery, Stock, etc. However, under the retail portfolio the collaterals are defined as per the type of product e.g. collateral for housing loan would be residential mortgage and automobile for auto loan. Most of the eligible financial collaterals, where the Bank has availed capital benefits under CRM techniques, are in the form of Bank's own FDs which are not subject to credit or market risk.

The Bank also considers guarantees for securing its exposures; however it only considers those guarantees which are direct, explicit and unconditional. Sovereigns, Public Sector Entities, Banks, Primary Dealers, Credit Guarantee fund Trust for Micro and Small Enterprises (CGTMSE), Export Credit Guarantee Corporation (ECGC) and highly rated corporate entities (having external rating of AA and above) are considered as eligible guarantors by the Bank for availing capital benefits as stipulated in NCAF.

The Bank utilizes various processes and techniques to reduce the impact of the credit risk to which it is exposed. CRM is one such tool designed to reduce the Bank's credit exposure to the counterparty while calculating its capital requirement to the extent of the value of eligible financial collateral. The credit exposure to a counter party is adjusted by the value of eligible financial collaterals after applying appropriate haircuts. The haircuts are applied to account for volatility in value, including those arising from currency mismatch for both the exposure and the collateral. For availing capital savings under eligible guarantees, the amount of exposure is divided into covered and uncovered portions. The covered portion of the exposure attracts the risk weight of guarantor, while the uncovered portion continues to attract the risk weight of the obligor subject to meeting requirements stipulated in NCAF.

The Bank's exposures where CRM techniques were applied are as follows:

(₹ Crore)		
Particulars	Fund Based	Non-Fund Based *
Total Exposures covered by eligible financial collateral	8070.70	15437.91
Exposure after taking benefit of eligible collateral	3105.31	12312.60

* Non-Market Related

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The exposure covered by corporate guarantees where CRM techniques as per RBI guidelines were applied amounted to ₹ 2105.20 crore as on March 31, 2013.

DF-7: Securitization exposure-Disclosure for Standardized Approach

The main securitized exposures of the Bank are the investments made in securitized papers in the form of Pass Through Certificates (PTCs) and the providing credit enhancements in the form of Second Loss and Liquidity facility. The loans/ receivables are acquired through the Securitization route from the NBFCs/MFIs in accordance with the prevalent RBI guidelines.

The Bank plays either some or all of the following roles in securitization transactions:

- i. **Investor:** As an investor who invests in the securitized papers viz. Pass Through Certificates (PTCs) issued by the Special Purpose Vehicle (SPV).
- ii. **Provider of Credit Enhancement (CE):** Securitization transactions of retail loans are generally backed by Liquidity Facility (LF), First Loss Credit Facility (FLCF) and Second Loss Credit Facility (SLCF), collectively known as Credit Enhancement. While LF is used for meeting temporary mismatch in pool inflows, FLCF and SLCF are meant for meeting pool delinquencies.

a. The general qualitative disclosures with respect to securitization activities of the Bank are as follows:

The Bank's objectives in relation to securitization activity, including the extent to which these activities transfer credit risk of the underlying securitized exposures away from the bank to other entities.	In order to supplement, achievement of target in Priority Sector Lending (PSL), the Bank undertakes these activities. The loans are securitized on non-recourse basis whereby the credit risk of the underlying loans is fully transferred to the acquirers.																				
The nature of other risks.	Nil																				
The various roles played by the Bank in the securitisation process and an indication of the extent of the bank's involvement in each of them;	<div>During FY 2012-13, the Bank has played the roles of an Investor, Provider of Credit Enhancement and Liquidity Facility in Securitisation exposures as per the following details:</div> <table><tr><th colspan="3"></th><th>(₹ Crore.)</th></tr><tr><th>Sr. No</th><th>Role played</th><th>No. of transactions</th><th>Amount involved</th></tr><tr><td>1</td><td>Investor (o/s)</td><td>33</td><td>3740.78</td></tr><tr><td>2</td><td>Provider of Credit enhancement (Second Loss Facility)</td><td>2</td><td>48.64</td></tr><tr><td>3</td><td>Provider of Liquidity Facility</td><td>1</td><td>5.67</td></tr></table>				(₹ Crore.)	Sr. No	Role played	No. of transactions	Amount involved	1	Investor (o/s)	33	3740.78	2	Provider of Credit enhancement (Second Loss Facility)	2	48.64	3	Provider of Liquidity Facility	1	5.67
			(₹ Crore.)																		
Sr. No	Role played	No. of transactions	Amount involved																		
1	Investor (o/s)	33	3740.78																		
2	Provider of Credit enhancement (Second Loss Facility)	2	48.64																		
3	Provider of Liquidity Facility	1	5.67																		
A description of the processes in place to monitor changes in the credit and market risk of securitisation exposures.	The Bank has acquired PTCs backed by pool of retail loans/Loan Against Property (LAP). The pools are rated AAA (SO) /AA (SO) and supported by adequate credit enhancement (CE). The Bank periodically monitors the collection performance, repayments, prepayments, utilization of CE, Mark to Market and rating of the pools.																				
A description of the bank's policy governing the use of credit risk mitigation to mitigate the risks retained through securitisation exposures;	The Bank meticulously follows extant RBI guidelines on Securitisation of Standard Assets as outlined in RBI circular dated May 07, 2012. The Bank acquires securitized assets with adequate CE as stipulated by the rating agencies.																				

b. Summary of the bank's accounting policies for securitisation activities, including:

Whether the transactions are treated as sales or financings;	Acquisition of securitized papers is treated as investments in the books of the Bank.
Methods and key assumptions (including inputs) applied in valuing positions retained or purchased	The securitized papers are categorized under Available For Sale category and are marked to market based on FIMMDA valuations as per extant RBI guidelines.
Changes in methods and key assumptions from the previous period and impact of the changes;	NIL
Policies for recognizing liabilities on the balance sheet for arrangements that could require the bank to provide financial support for securitized assets.	Liabilities are recognized on the balance sheet as per relevant RBI guidelines.

Consolidated Pillar III Disclosures (March 31, 2013)

c	In the banking book, the names of External Credit Assessment Institutions (ECAIs) used for securitization and the types of securitization exposure for which each agency is used.	The exposures securitized are externally rated by CRISIL, CARE, ICRA and India Ratings.			
Quantitative disclosures : Banking Book					
d	The total amount of exposures securitized by the bank	₹ 48.64 crore by way of second loss facility. ₹ 5.67 crore by way of Liquidity facility.			
e	For exposures securitized, losses recognized by the bank during the current period broken by the exposure type.	NIL			
f	Amount of assets intended to be securitized within a year	NIL			
g	Of the above, the amount of assets originated within a year before securitization.	NIL			
h	The total amount of exposures securitized (by exposure type) and unrecognized gain or losses on sale by exposure type.	NIL			
i	Aggregate amount of:				
	on-balance sheet securitization exposures retained or purchased broken down by exposure type and	(₹ Crore)			
		Particulars			
		Second Loss Facility		36.27	
		Liquidity Facility		5.67	
		Total		41.94	
	off-balance sheet securitization exposures broken down by exposure type	Bank Guarantee issued towards second loss facility of ₹ 12.37 crore			
j	Aggregate amount of securitization exposures retained or purchased and the associated capital charges, broken down between exposures and further broken down into different risk weight bands for each regulatory capital approach	(₹ Crore)			
		Facility	Amt. At 100% CCR	Rating	Risk Weight
		Liquidity Facility	5.67	AAA (SO)	20%
	Exposures that have been deducted entirely from Tier 1 capital, credit enhancing Interest Only Strips (I/Os) deducted from total capital, and other exposures deducted from total capital.	Second Loss facility of ₹ 48.64 crore of which ₹ 24.32 crore is deductible from Tier I capital and ₹ 24.32 crore is deductible from Tier II capital			
Quantitative disclosures : Trading Book					
k	Aggregate amount of exposures securitized by the bank for which the bank has retained some exposures and which is subject to the market risk approach, by exposure type.	Securitized papers acquired during FY 2012-13 : ₹ 3984.11 crore Securitized papers o/s as on March 31, 2013 : ₹ 3740.78 crore			
l	Aggregate amount of:				
	On-balance sheet securitization exposures retained or purchased broken down by exposure type; and	Securitization exposures purchased : ₹ 3984.11 crore Securitization exposures o/s : ₹ 3740.78 crore			
	Off-balance sheet securitization exposures broken down by exposure type.	NIL			

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m	Aggregate amount of securitization exposures retained or purchased separately for: Securitization exposures retained or purchased subject to Comprehensive Risk Measure for specific risk; and Securitization exposures subject to the securitization framework for specific risk broken down into different risk weight bands.	NIL Securitization exposure o/s as on March 31, 2013 : ₹ 3740.78 crore			
n	Aggregate amount of. The capital requirements for the securitization exposures, subject to the securitization framework broken down into different risk weight bands.	(₹ Crore)			
		Facility	Amt. at 100% CCR	Rating	Risk Weight
		Investment	298.07	AAA(SO)	20%
			2558.87	AA(SO)	30%
		Outstanding	760.64	A(SO)	50%
			123.20	BBB(SO)	100%
	Securitization exposures that are deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital.	NIL			

DF-8: Market Risk in Trading Book

Market Risk is the risk of loss in the value of an investment due to adverse movements in market variables such as interest rates, equity prices, exchange rates and commodity prices as well as their volatilities. The Bank is exposed to market risk through its trading activities, which are carried out on its own account as well as on behalf of its customers. The Bank monitors and manages the financial exposures arising out of these activities as an integral part of its overall risk management system. The risk management system takes cognizance of the unpredictable nature of the financial markets and endeavours to minimize any adverse impact on the Shareholders' wealth.

In order to capture each dimension of Market Risk, the Bank has formulated the Asset Liabilities Management (ALM) Policy, Market Risk Policy, Investment Policy and Derivatives Policy, which are approved by the Board. These policies ensure that operations in securities, foreign exchange and derivatives are conducted in accordance with sound and acceptable business practices and are as per the extant regulatory guidelines. These policies contain the limit structure that governs transactions in financial instruments and are reviewed periodically to incorporate changed business requirements, economic environment and revised regulatory guidelines.

The Asset Liability Management Committee (ALCO) comprising top executives of the Bank meets regularly to manage balance sheet risks in a coordinated manner. ALCO focuses on the management of liquidity, interest rate, foreign exchange risks, etc.

The Market Risk Policy identifies the trading risks to be managed by the Bank. It also lays down the organizational structure, tools, limits, systems, processes, etc., necessary for appropriate levels of risk management in the trading book. The major risk management tools employed by the Bank are Marked to Market (MTM) of trading portfolio, Price Value of basis point (PV01), Stop loss limits, Potential Future Exposure, stress testing etc.

The Investment and Derivatives policies have been framed keeping in view various circulars issued by RBI. The Investment policy lays down the parameters for investments in instruments, the purpose for such investments and the eligible customers with whom the Bank can transact. The Derivatives policy outlines the guidelines to deal in financial derivatives. The Bank offers derivative products (swaps and options) to clients for their risk management, which are mostly carried out on a back-to-back basis. The Bank also runs a proprietary trading book on interest rate swaps, currency swaps and options, subject to the overall risk limits approved by the Board as part of its Market Risk Policy and Derivatives Policy.

The Bank manages its market risks with the broad objectives of:

- Management of interest rate risk, currency risk and equity risk arising from the investments, foreign currency and derivatives portfolio.
- Proper classification, valuation and accounting of transactions in various portfolios.

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- iii. Adequate and proper reporting of the transactions pertaining to derivatives, investment and foreign exchange products.
- iv. Effective control over the operation and execution of market related transactions.
- v. Compliance with regulatory requirements.

The Market Risk Group (MRG) is responsible for identification, assessment, monitoring and reporting of market risk in Treasury operations. The group also recommends changes in policies and methodologies for measuring market risk. The main strategies and processes of the group are as follows:-

- i. Delegation: Appropriate delegation of powers has been put in place for treasury operations. Investment decisions are vested with Investment Committee. MRG monitors various limits as outlined in relevant policies.
- ii. Controls: System based control mechanisms, which reflect adequate data integrity is present. These controls are also used for audit purpose.
- iii. Exception handling processes: The limits defined in the policies have been set in the system for ensuring that the same is being enforced and exceptions are kept to the minimum. Limit breaches/exceptions, if any, are ratified immediately from the delegated authorities.

The MRG periodically reports on risk measures related to forex, investment and derivative products to the senior management and committees of the Board. The Bank also submits various regulatory reports as per the requirements.

The Bank has devised various risk parameters for different products in line with the guidelines issued by RBI from time to time. These risk parameters are measured and reported to the senior management independently by MRG.

The risk parameters adopted by the Bank for monitoring its risks are modified duration, PV01, stop loss, gap limits, threshold on positions, net open position limits, option greeks etc. Based on the risk appetite of the Bank, limits are placed on the risk metrics which are monitored on a regular basis.

Aggregation of capital charge for market risks

Risk Category	(₹ Crore) Capital charge
a. Capital Charge on account of specific risk	911.67
i) On interest rate related	312.80
ii) On equities	598.87
iii) On derivatives	0.00
b. Capital charge on account of general market risk	852.91
i) On interest rate related instruments	314.93
ii) On equities	502.53
iii) On Foreign exchange	31.50
iv) On precious metals	
v) On derivatives (FX Options)	3.95
Total Capital Charge on Trading Book (a+b)	1764.58
Total Risk Weighted Assets on Trading Book	19606.40

DF-9: Operational Risk

Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes, people & systems or from external events. The Bank has a well-defined Operational Risk & Business Continuity Management (OR & BCM) Policy. The main objectives of the policy are identification, assessment, measurement and mitigation of operational risks inherent in business. It also focuses on developing capabilities, tools, systems and processes to monitor and mitigate these risks.

The Bank has created an enabling organizational structure for effective operational risk management and adherence to sound operating procedures. In order to monitor the various aspects of operational risk at the apex level, the Bank has set up top management level committee called the Operational Risk Group (ORG). The primary role of operational risk management of the Bank is to support/assist the line management in better understanding and management of their operational risks. A review report on operational risk management activities is periodically presented to the Risk Management Committee (RMC) of the Board.

At present, the Bank is following BIA for computation of capital charge for Operational Risk. However, as a part of intended migration to Advanced Measurement Approach (AMA), the Bank is putting concentrated efforts to further improve its operational risk management system and procedure.

In order to ensure uninterrupted banking services during disaster and to comply with regulatory norms, the Bank has put in place a well defined Business Continuity Plan (BCP) for its critical functions. The BCP document, inter alia, outlines modalities in the event of business disruption and consequent BCP invocation. The Business Continuity Management within the Bank encompassing critical core & support functions has been awarded the globally recognized BS 25999 certification.

DF-10: Interest Rate Risk in Banking Book (IRRBB)

IRRBB refers to the potential impact on the Bank's earnings and economic value of assets and liabilities due to adverse movement in interest rates. Besides the general change in interest rate, variation in the magnitude of interest rate change among the different products/ instruments (e.g., yield on Government securities, interest rate on term deposits, lending rate on advances etc.) is also a significant source of interest rate risk. Changes in interest rates affect the Bank's earning through variation in its Net Interest Income (Interest Income minus Interest Expenses) as well as economic value of equity through net variation in economic value of assets and liabilities. The extent of change in earning and economic value of equity primarily depends on the nature and magnitude of maturity and re-pricing mismatches between the Bank's assets and liabilities.

Recognizing the importance of interest rate risk management, the Bank has put in place an appropriate ALM system which incorporates the Board approved interest rate risk management policy, procedures and limit structure in line with the RBI guidelines. The objectives of interest rate risk management are to identify the sources of risks and measure their magnitude in terms of appropriate methods. It also includes appropriate funding, lending and off-balance sheet strategies with respect to maturity structure, pricing, product and customer group mix within the overall framework. The Bank's tolerance level for IRRBB is specified in terms of potential impact of net interest income and economic value of equity. ALCO of the Bank is responsible to ensure regular measurement, monitoring and risk control initiatives for the Bank's interest rate risk management. Balance Sheet Management Group (BSMG) regularly measures and monitors ALM mismatches and recommends strategies to ALCO for effective management. Adequate information system has also been put in place for system based ALM report generation on a daily basis.

Measurement and monitoring of IRRBB are carried out through the methods of Interest Rate Sensitivity (repricing) gap, Duration gap and Scenario based analysis covering both earning (impact on net interest income) and economic value perspective (impact on economic value of equity). Preparation of interest rate sensitivity gap report involves bucketing of all interest rate sensitive assets and liabilities into different time buckets based on their respective remaining term to maturity or next repricing date, whichever is earlier. Assumptions made for this report are for bucketing of core saving bank deposits into "over 3 months to 6 months", core current account deposits into "over 1 year to 3 years" and advances linked to BPLR or Base Rate into "over 3 months - 6 months" as these liabilities and assets do not have prior-specified re-pricing date. Duration gap analysis is undertaken based on computation of duration and present value of future cash flows of the interest rate sensitive assets and liabilities. Scenario analysis is carried out to measure impact on net interest income and economic value of capital under different interest rate scenario.

ALCO regularly monitors the interest rate risk exposures and suggests appropriate steps/ provides directions on composition and growth of deposits and advances, pricing of deposits and advances and management of money market operations and investment books etc., to control IRRBB within the prescribed internal limits. Interest rate risk position is periodically reported to RMC of the Board and RBI.

Magnitude of interest rate risks in the banking book in terms of the potential decline (increase) in earnings and economic value for upward (downward) interest rate shocks as per usual methods as on March 31, 2013 is given below:

Impact of parallel shift in Interest Rate by 100 basis points	
	(₹ Crore)
Sensitivity of Net Interest Income to Interest rate change (Earning at Risk) (Time Horizon: 1 year)	Sensitivity of Economic Value of Equity (EVE) to Interest rate change (Economic Value at Risk)
Impact on NII	Impact on EVE
149.62	1009.70

Corporate Information

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Delhi (UT - NCT)
- 44, Shakespeare Sarani
PB No 16102
Kolkata 700017
West Bengal
- 3rd Floor, Khivraj Complex - I,
480, Anna Salai, Nandanam,
Chennai 600035
Tamil Nadu
- IDBI Complex
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Gujarat
- IDBI Tower, WTC Complex
Cuffe Parade, Colaba
Mumbai 400005
Maharashtra

REGISTRAR & TRANSFER AGENT

Karvy Computershare Pvt. Ltd.

COMPANY SECRETARY

Shri Pawan Agrawal

BSE/NSE CODES

500116 (BSE) & IDBI/EQ (NSE)

COMPANY IDENTIFICATION NUMBER

L65190MH2004G0I148838





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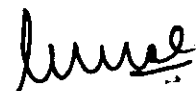


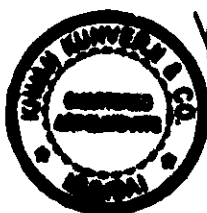
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Form A

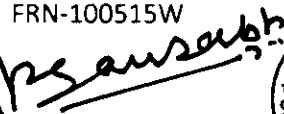
Name of the Bank	IDBI Bank Limited
Annual financial statements for the year ended	31st March 2013
Type of audit observation	Unqualified-Standalone Financial Statements Unqualified-Consolidated Financial Statements
Frequency of observation	-

For Khimji Kunverji & Co.
Chartered Accountants
FRN-105146W


Gautam V Shah
Partner (F-117348)



For G. D. Apte & Co.
Chartered Accountants
FRN-100515W


Saurabh S Peshwe
Partner (F-121546)




(M.S. Raghavan)
Chairman & Managing Director


(Subhash Tuli)
Audit Committee Chairman


(P. Sitaram)
Chief Financial Officer

Khimji Kunverji & Co
Chartered Accountants

Sunshine Tower, Level 19
Senapati Bapat Marg
Elphinstone Road
Mumbai-400013, India

G. D. Apte & Co
Chartered Accountants

GDA House, Plot No. 85
Bhusari Colony (Right)
Paud Road
Pune-411038, India

Auditors' Report

To
The Members of
IDBI Bank Limited

Report on the Financial Statements

- 1 We have audited the accompanying financial statements of the IDBI Bank Limited ('the Bank'), which comprise the Balance Sheet as at March 31, 2013 and the Profit and Loss Account and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

The audit was planned and conducted as to cover records available at various processing centers/ regional offices/ branches and reports generated through centralized banking applications at central office level covering 77 % of Advances and 64 % of Deposits of the Bank and visit at 65 centers/ offices/ branches of the Bank. Incorporated in the said financial statements are the returns of the Dubai branch of the Bank, audited by another auditor.

Management's Responsibility for the Financial Statements

- 2 Management is responsible for the preparation of these financial statements that gives true and fair view of financial position, financial performance and cash flows of the bank in accordance with provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 211 of the Companies Act, 1956 and circulars and guidelines issued by Reserve Bank of India from time to time. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of the Bank including its branches and central processing unit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.



- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

- 6 In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with notes thereon give full information required by the Banking Regulation Act, 1949 as well as the Companies Act, 1956, in the manner so required for banking companies and give 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 Bank as at March 31, 2013;
- (b) in case of the Profit and Loss Account, of the profit of the Bank for the year ended on that date;
- (c) in the case of the Cash Flow Statement, of the cash flows of the Bank for the year ended on that date.

Other Matter

We did not audit the financial statement of the Dubai branch of the Bank, whose financial statement as at March 31, 2013 reflects total assets of Rs.195,178,629 thousand, total revenues of Rs.6,055,259 thousand and cash flows of Rs.26,191,261 thousand for the year then ended. These financial statements have been audited by another auditor, duly qualified to act as an auditor in the country of incorporation of the said branch, whose report has been furnished to us and which was relied upon by us for our opinion on the financial statements of the Bank.

The financial statements of the Bank for the year ended March 31, 2012, were audited by another auditors who expressed an unmodified opinion on those statements on April 21, 2012

Report on Other Legal and Regulatory Requirements

- 7 The Balance Sheet and Profit and Loss Account and the Cash Flow Statement have been drawn up in accordance with the provisions of Section 29 of the banking regulation Act, 1949 read with Section 211 of the Companies Act, 1956.



8 We report that:


- (a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
- (b) The transactions of the Bank, which have come to our notice have been within the powers of the Bank;
- (c) The key operations of the Bank are completely automated and key applications are integrated with the core banking systems, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are centrally available therein.

9 In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with accounting standards referred to in Subsection (3C) of Section 211 of the Companies Act, 1956, to the extent they are not inconsistent with the accounting policies prescribed by Reserve Bank of India

10 We further report that :

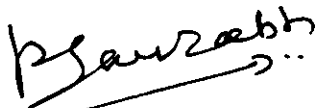
- (i) the Balance Sheet, Profit and Loss Account dealt with by this report are in agreement with the books of account;
- (ii) the financial accounting system of the Bank are centralised and therefore, accounting returns are not submitted by the branches ;
- (iii) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books;
- (iv) provision of Section 274(1)(g) of the Companies Act, 1956 are not applicable in terms of Notification No. G.S.R.829 (E) dated October 21, 2003 issued by Department of Company Affairs, Government of India

For **Khimji Kunverji & Co**
Chartered Accountants
FRN: 105146W


Gautam V Shah
Partner (F-117348)



For **G. D. Apte & Co.**
Chartered Accountants
FRN: 100515W


Saurabh S Peshwe
Partner (F-121546)



Mumbai
April 25, 2013

Khimji Kunverji & Co**Chartered Accountants**

Sunshine Tower, Level 19,
SenapatiBapatMarg,
Elphinstone Road,
Mumbai 400013, India

G. D. Apte & Co**Chartered Accountants**

GDA House, Plot No. 85,
Bhusari Colony (Right),
Paud Road,
Pune-411038, India

INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors
IDBI Bank Limited

Report on the Financial Statements

1. We have audited the accompanying consolidated financial statements of IDBI Bank Limited ('the Bank'), its subsidiaries, associate and Joint Venture (Collectively known as 'the group'), which comprise the consolidated Balance Sheet as at March 31, 2013 and the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The audit was planned and conducted as to cover records available at various processing centers/ regional offices/ branches and reports generated through centralized banking applications at central office level covering 77 % of Advances and 64 % of Deposits of the Bank and visit at 65 centers/ offices/ branches of the Bank. Incorporated in the said financial statements are the returns of the Dubai branch of the Bank, audited by another auditor.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that gives true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Bank in accordance with provisions of section 29 of the Banking Regulation Act, 1949 read with section 211 of the Companies Act, 1956 and circulars and guidelines issued by Reserve Bank of India from time to time. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

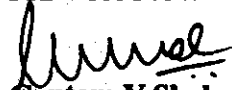


5. We did not audit the financial statement and other financial information of five Subsidiaries of the Bank, whose financial statement as at March 31, 2013 reflects total assets aggregating Rs. 5,365,299 thousand, total revenues aggregating Rs. 3,606,381 thousand and cash flows aggregate Rs. 245,505 thousand for the year then ended. These financial statements have been audited by another auditor, whose report has been furnished to us and which was relied upon by us for our opinion on the financial statements of the Bank.
6. We did not audit the financial statement of the Dubai branch of the Bank, whose financial statement as at March 31, 2013 reflects total assets of Rs. 195,178,629 thousand, total revenues of Rs. 6,055,259 thousand and cash flows of Rs. 26,191,261 thousand for the year then ended. These financial statements have been audited by another auditor, duly qualified to act as an auditor in the country of incorporation of the said branch, whose report has been furnished to us and which was relied upon by us for our opinion on the financial statements of the Bank.
7. Without qualifying our opinion we draw attention to note no 8 of schedule 18 regarding incorporation of unaudited financial statements of a joint venture of the Bank which reflect Bank's share in assets of Rs. 2,662,089 thousand as at March 31, 2013, the Bank's share of revenue of Rs. 52,688 thousands and of cash flow of Rs. 389,575 thousand for the year then ended.
8. The consolidated financial statements of the Bank for the year ended March 31, 2012, were audited by another auditors who expressed an unmodified opinion on those statements on April 21, 2012
9. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

10. In our opinion and to the best of our information and according to the explanations given to us and on the consideration of reports of other auditors on separate financial statements and on consideration of the unaudited financial statement of Joint Venture and other relevant financial information of the Subsidiaries/ Joint Ventures and branch auditors referred to in para 5, 6 and 7 above, the said consolidated financial statements together with notes thereon give full information required by the Banking Regulation Act, 1949 as well as the Companies Act, 1956, in the manner so required for banking companies and give true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Bank as at March 31, 2013;
 - (b) in the case of the consolidated Profit and Loss Account, of the profit of the Bank for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Bank for the year ended on that date.

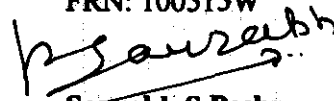
For Khimji Kunverji & Co
Chartered Accountants
FRN: 105146W


Gautam V Shah
Partner (F-117348)



Mumbai
April 25, 2013

G. D. Apte & Co.
For G. D. Apte & Co.
Chartered Accountants
FRN: 100515W


Saurabh S Peshwe
Partner (F-121546.)

