



**NOTES FORMING PART OF AUDITED FINANCIAL RESULTS  
FOR THE YEAR ENDED MARCH 31, 2011**

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1. The above results have been approved by the Board of Directors of the Bank at the meeting held on May 6, 2011.
2. The results for the year ended March 31, 2011 have been arrived at after considering provision for Non Performing Assets, Standard Assets, Investment Depreciation as per Prudential Norms issued by Reserve Bank of India and other usual and necessary Provisions.
3. The financial result has been arrived at following generally the same accounting policies as those followed in preparation of financial statement for the year ended 31<sup>st</sup> March 2010.
4. During the year, the Bank has raised ₹.250 crore by way of Perpetual Non-cumulative Preference Shares.
5. In accordance with circular No. DBOD No. BP.BC.80/21.04.018/2010-11, dated 09-02-2011, issued by Reserve Bank of India, the additional liability aggregating to ₹1476.91 crore on account of re-opening of pension option for existing employees who have not opted for pension earlier, as well as the enhancement in the gratuity limit is being amortized over a period of five years beginning with the financial year ended 31<sup>st</sup> March 2011. Accordingly, ₹ 295.38 crore representing one fifth of ₹1476.91 crore has been charged to Profit and Loss account and balance amount of ₹1181.53 crore will be amortized over a period of next four years. Further a sum of ₹ 569.62 crore being 100% liability on account of separated/retired employees has been charged to Profit and Loss account.

6. During the period of nine months ended December, 2010 the Bank was making higher provisioning for NPAs than the prescribed rate as per IRAC norms to achieve PCR of 70%. In the last quarter ended March 2011, the Bank has changed the accounting policy with regard to provision for NPAs and has made provision at normal rates in accordance with the prudential norms issued by RBI.
7. During the year, the Bank has created a counter cyclical provisioning buffer aggregating to ₹141.29 crore as per the guideline issued by Reserve Bank of India vide their circular No. DBOD.No.BP.BC.87/21.04.048/2010-11, dated 21st April, 2011.
8. The Provisioning Coverage Ratio (PCR) of the Bank is 67.64%
9. Status of Investor complaints:

Complaints received and disposed off during the year ended March 31, 2011	425
Pending as on March 31, 2011	NIL

10. The Board of Directors have recommended a final dividend @ 25% on the Equity including an interim dividend @ 10% on Equity declared earlier by the Bank in the Quarter ended December 31, 2010 subject to approval of Government of India and shareholders.
11. Previous years' figures have been regrouped/ rearranged wherever necessary.

S. SRIDHAR  
CHAIRMAN & MANAGING DIRECTOR

V.R. IYER  
EXECUTIVE DIRECTOR

R.K. DUBEY  
EXECUTIVE DIRECTOR

Place : Mumbai

Date : 6th May, 2011