F. No. 1303 (H.O.)

Karnataka Bank Ltd.

Estd : 1924 CIN : L85110KA1924PLC001128

Regd. & Head Office
P.B. No. 599, Mahaveera Circle
Kankanady, Mangalore – 575 002

Phone : 0824 - 2228222 Fax : 0824-2225588
Website : www.karnatakabank.com
email : info@ktkbank.com

22.06.2015 SECRETARIAL DEPARTMENT

HO:SEC:AU2015-16

The Manager
Listing Department
National Stock Exchange Of India Limited.,
Exchange Plaza,C-1, Block G
Bandra-Kurla Complex,
Bandra (E),
Mumbai-400 051

Dear Sir, Kind Attn: Listing Department

Re: Compliance of Listing Agreement-Clause 31.

-*-

Please find enclosed the copy of the Annual Report of the Bank for the F.Y 2014-15 along with Form A.

Thank You,

Yours faithfully,

COMPANY SECRETARY

91st

ANNUAL REPORT 2014-15

Karnataka Bank Ltd.

Your Family Bank. Across India.

Regd. & Head Office: Mangaluru- 575 002 CIN: L85110KA1924PLC001128 E-mail: info@ktkbank.com visit us at: www.karnatakabank.com

BOARD OF DIRECTORS - ನಿರ್ದೇಶಕರ ಮಂಡಳಿ

SRI ANANTHAKRISHNA
ಶ್ರೀ ಅನಂತಕೃಷ್ಣ
NON-EXECUTIVE CHAIRMAN
ಕಾರ್ಯನಿರ್ವಾಹಕೇತರ ಅಧ್ಯಕ್ಷರು

SRI P. JAYARAMA BHAT
ಶ್ರೀ ಪಿ. ಜಯರಾಮ ಭಟ್
MANAGING DIRECTOR
ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು

SRI S.V. MANJUNATH
ಶ್ರೀ ಎಸ್.ವಿ. ಮಂಜುನಾಥ

SRI D. HARSHENDRA KUMAR
ಶ್ರೀ ಡಿ. ಹರ್ಷೇಂದ್ರ ಕುಮಾರ್

DR H. RAMAMOHAN
ಡಾ. ಎಚ್. ರಾಮಮೋಹನ್

SRI T.R. CHANDRASEKARAN
ಶ್ರೀ ಟಿ.ಆರ್. ಚಂದ್ರಶೇಖರನ್

SRI ASHOK HARANAHALLI
ಶ್ರೀ ಅಶೋಕ್ ಹಾರನಹಳ್ಳಿ

SMT. USHA GANESH
ಶ್ರೀಮತಿ ಉಷಾ ಗಣೇಶ್

SRI RAMMOHAN RAO BELLE
ಶ್ರೀ ರಾಮ್‌ಮೋಹನ್ ರಾವ್ ಬೆಳ್ಳೆ

SRI B.A. PRABHAKAR
ಶ್ರೀ ಬಿ.ಎ. ಪ್ರಭಾಕರ್

CHIEF GENERAL MANAGER	**ಮುಖ್ಯ ಮಹಾಪ್ರಬಂಧಕರು**
Sri M.S. Mahabaleshwara	ಶ್ರೀ ಎಮ್.ಎಸ್. ಮಹಾಬಲೇಶ್ವರ
SENIOR GENERAL MANAGER	**ಹಿರಿಯ ಮಹಾ ಪ್ರಬಂಧಕರು**
Sri P. Jairama Hande	ಶ್ರೀ ಪಿ. ಜೈರಾಮ ಹಂದೆ
GENERAL MANAGERS	**ಮಹಾ ಪ್ರಬಂಧಕರು**
Sri N. Upendra Prabhu	ಶ್ರೀ ಎನ್. ಉಪೇಂದ್ರ ಪ್ರಭು
Dr. Meera Laetitia B. Aranha	ಡಾ। ಮೀರಾ ಲೆಟಿಶಿಯಾ ಬಿ. ಅರಾನ್ಹ
Sri Raghurama	ಶ್ರೀ ರಘುರಾಮ
Sri Raghavendra Bhat M.	ಶ್ರೀ ರಾಘವೇಂದ್ರ ಭಟ್ ಎಂ.
Sri B. Chandrashekar Rao	ಶ್ರೀ ಬಿ. ಚಂದ್ರಶೇಖರ ರಾವ್
DEPUTY GENERAL MANAGERS	**ಉಪ ಮಹಾ ಪ್ರಬಂಧಕರು**
Sri I. Santhosh Kumar	ಶ್ರೀ ಐ. ಸಂತೋಷ್ ಕುಮಾರ್
Sri Gajanan T. Hegde	ಶ್ರೀ ಗಜಾನನ ಟಿ. ಹೆಗಡೆ
Sri Subhaschandra Puranik	ಶ್ರೀ ಸುಭಾಸ್‌ಚಂದ್ರ ಪುರಾಣಿಕ್
Sri S. Ramesh	ಶ್ರೀ ಎಸ್. ರಮೇಶ್
Sri K.V. Vijayashankar Rai	ಶ್ರೀ ಕೆ.ವಿ. ವಿಜಯಶಂಕರ ರೈ
Sri Muralidhar K. Rao	ಶ್ರೀ ಮುರಳೀಧರ ಕೆ. ರಾವ್
Sri Nagaraja Rao B.	ಶ್ರೀ ನಾಗರಾಜ ರಾವ್ ಬಿ.
Sri Nirmal Kumar K. Hegde	ಶ್ರೀ ನಿರ್ಮಲ್ ಕುಮಾರ್ ಕೆ. ಹೆಗ್ಡೆ
Sri Manjunatha Bhat B.K.	ಶ್ರೀ ಮಂಜುನಾಥ ಭಟ್ ಬಿ.ಕೆ.
Sri Gokuldas Pai	ಶ್ರೀ ಗೋಕುಲದಾಸ್ ಪೈ
Sri Ananthapadmanabha B.	ಶ್ರೀ ಅನಂತಪದ್ಮನಾಭ ಬಿ.
Sri Suresh K.	ಶ್ರೀ ಸುರೇಶ್ ಕೆ.
Sri Mahalingeshwara K.	ಶ್ರೀ ಮಹಾಲಿಂಗೇಶ್ವರ ಕೆ.
Sri Ranganatha	ಶ್ರೀ ರಂಗನಾಥ
Sri Ravishankar N.R.	ಶ್ರೀ ರವಿಶಂಕರ ಎನ್.ಆರ್.
Sri Ravi S.	ಶ್ರೀ ರವಿ ಎಸ್.
COMPANY SECRETARY	**ಕಂಪೆನಿ ಕಾರ್ಯದರ್ಶಿ**
Sri Y.V. Balachandra	ಶ್ರೀ ವೈ.ವಿ. ಬಾಲಚಂದ್ರ
LEGAL ADVISER	**ಕಾನೂನು ಸಲಹೆಗಾರರು**
Sri M.V. Shanker Bhat	ಶ್ರೀ ಎಂ.ವಿ. ಶಂಕರ್ ಭಟ್
AUDITORS	**ಲೆಕ್ಕ ಪರಿಶೋಧಕರು**
M/s. Kamath and Rau, Mangaluru	ಮೆ। ಕಾಮತ್ ಎಂಡ್ ರಾವ್, ಮಂಗಳೂರು
M/s. Abarna and Ananthan, Bengaluru	ಮೆ। ಅಬರ್ಣ ಎಂಡ್ ಅನಂತನ್, ಬೆಂಗಳೂರು
REGISTRAR & SHARE TRANSFER AGENT	**ನೋಂದಣಾಧಿಕಾರಿ ಮತ್ತು ಶೇರು ವರ್ಗಾವಣಾ ಪ್ರತಿನಿಧಿ**
M/s. Integrated Enterprises (India) Ltd., Bengaluru	ಮೆ। ಇಂಟಿಗ್ರೇಟೆಡ್ ಎಂಟರ್‌ಪ್ರೈಸಸ್ (ಇಂಡಿಯಾ) ಲಿ., ಬೆಂಗಳೂರು
Regd. & Head Office: Mahaveera Circle, Mangaluru	**ನೋಂದಾಯಿತ ಮತ್ತು ಪ್ರಧಾನ ಕಛೇರಿ: ಮಹಾವೀರ ವೃತ್ತ, ಮಂಗಳೂರು**

Progress over a Decade

(Rupees in lakh)

Year	Capital & Reserves	Deposits	Advances	Gross Earnings	Net Profit	Dividend Paid %	No. of Branches	No. of Employees
2005-2006	111113.06	1324316.04	779156.78	118483.88	17603.39	30	395	4346
2006-2007	123862.77	1403743.54	955267.99	143052.31	17703.44	35	410	4456
2007-2008	137960.33	1701619.23	1084197.46	179789.76	24174.10	50	431	4677
2008-2009	156702.70	2033328.53	1181004.50	227055.14	26670.50	60	447	4947
2009-2010	183274.93	2373064.88	1443568.33	235468.10	16711.97	40	464	5244
2010-2011	242908.10	2733644.63	1734807.09	266260.26	20461.13	30	478	5795
2011-2012	259821.05	3160832.43	2072069.83	344726.74	24607.02	35	503	6087
2012-2013	285708.14	3605622.13	2520767.88	416192.94	34808.21	40	550	6339
2013-2014	305219.76	4058282.87	2834548.95	469440.99	31103.43	40	600	7185
2014-2015	338906.05	4600860.55	3167998.76	520541.44	45145.02	50	675	7382

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DIRECTORS' 91st ANNUAL REPORT

Your Directors have pleasure in presenting the Ninety First Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2015 and the Auditors' Report.

PERFORMANCE HIGHLIGHTS

Your Directors are pleased to inform that during the year under report, your Bank has been able to achieve satisfactory growth in all the areas of operation. Performance highlights for the financial year in the key financial areas are as under: -

(₹ in crore)

Particulars	As on / for the year ended 31.03.2015	As on / for the year ended 31.03.2014
Deposits	46008.61	40582.83
Advances	31679.99	28345.49
Investments	15988.06	15226.78
Gross Income	5205.41	4694.41
Operating Profit	773.38	687.05
Net Profit	451.45	311.03

The total business turnover of the Bank was ₹77688.60 crore as on 31st March 2015, an increase of 12.71 per cent over the preceding year. The total assets of the Bank increased from ₹47028.80 crore to ₹51836.60 crore recording a growth of 10.22 per cent for the year 2014-15.

The total deposits of the Bank grew from ₹40582.83 crore as on 31st March 2014 to ₹46008.61 crore as on 31st March 2015, registering a growth of 13.37 per cent. During the year, low cost deposits of the Bank, viz. Savings and Current Account Deposits have shown growth of 11.31 per cent and constitute 24.94 per cent of the total deposits of the Bank. The market share of the Bank in deposits was 0.524 per cent.

The total advances grew from ₹28345.49 crore as on 31st March 2014 to ₹31679.99 crore as on 31st March 2015, an increase of 11.76 per cent. The priority sector advances increased from ₹12996.34 crore to ₹14344.96 crore which, together with RIDF exposure, formed 46.82 per cent of Adjusted Net Bank Credit (ANBC) and agricultural advances increased from ₹4790.27 crore to ₹ 5145.55 crore which, together with eligible RIDF exposure, constituted 16.79 per cent of ANBC. Lending under various socio-economic schemes has shown satisfactory progress. The market share of the Bank in loans and advances was 0.465 per cent.

As on 31st March 2015, the total investments of the Bank stood at ₹15988.06 crore as against ₹15226.78 crore as on 31st March 2014, an increase of 5.00 per cent.

ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ 91ನೇ ವಾರ್ಷಿಕ ವರದಿ

ಬ್ಯಾಂಕಿನ 91ನೇ ವಾರ್ಷಿಕ ವರದಿ, 31ನೇ ಮಾರ್ಚ್ 2015ಕ್ಕೆ ಅಂತ್ಯಗೊಂಡ ಆರ್ಥಿಕ ವರ್ಷದ ಪರಿಶೋಧಿಸಲ್ಪಟ್ಟ ಆಸ್ತಿ ಹೊಣೆ ಪಟ್ಟಿ ಮತ್ತು ಲಾಭ ನಷ್ಟ ತಖ್ತೆಯನ್ನು ಲೆಕ್ಕಪರಿಶೋಧಕರ ವರದಿಯೊಂದಿಗೆ ನಿಮ್ಮ ಮುಂದಿರಿಸಲು ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ಸಂತೋಷಪಡುತ್ತಾರೆ.

ಸಾಧನೆಯ ಹೆಗ್ಗುರುತುಗಳು

ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು, ತನ್ನ ವಹಿವಾಟಿನ ವಿವಿಧ ಕ್ಷೇತ್ರಗಳಲ್ಲಿ ತೃಪ್ತಿಕರವಾದ ಸಾಧನೆ ಮಾಡಿದೆ ಎನ್ನಲು ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ಹರ್ಷಿಸುತ್ತಾರೆ. ಆರ್ಥಿಕ ವರ್ಷದ ಸಾಧನೆಯ ಪ್ರಮುಖ ಸೂಚಕಗಳು ಈ ಕೆಳಗಿನಂತಿವೆ:

(₹ ಕೋಟಿಗಳಲ್ಲಿ)

ವಿವರಗಳು	31.03.2015 ಕ್ಕೆ/ ವರ್ಷಾಂತ್ಯದಂತೆ	31.03.2014 ಕ್ಕೆ/ ವರ್ಷಾಂತ್ಯದಂತೆ
ಠೇವಣಿಗಳು	46008.61	40582.83
ಮುಂಗಡಗಳು	31679.99	28345.49
ಹೂಡಿಕೆಗಳು	15988.06	15226.78
ಒಟ್ಟು ಆದಾಯ	5205.41	4694.41
ನಿರ್ವಹಣಾ ಲಾಭ	773.38	687.05
ನಿವ್ವಳ ಲಾಭ	451.45	311.03

ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ವ್ಯವಹಾರವು 31 ಮಾರ್ಚ್, 2015ಕ್ಕೆ ₹77688.60 ಕೋಟಿಗೆ ಏರಿದ್ದು, ಇದು ಹಿಂದಣ ವರ್ಷಕ್ಕಿಂತ ಶೇ. 12.71 ಹೆಚ್ಚಳವಾಗಿದೆ. ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಆಸ್ತಿಯು ₹47028.80 ಕೋಟಿಯಿಂದ ₹51836.60 ಕೋಟಿಗೆ ಏರಿದ್ದು, 2014–15ಕ್ಕೆ ಶೇ. 10.22 ಅಭಿವೃದ್ಧಿ ದಾಖಲುಗೊಂಡಿದೆ.

ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಠೇವಣಿಯು 31 ಮಾರ್ಚ್ 2014ರಂದು ಇದ್ದ ₹40582.83 ಕೋಟಿಯಿಂದ, 31 ಮಾರ್ಚ್, 2015ಕ್ಕೆ ₹46008.61 ಕೋಟಿಗೆ ಏರಿದ್ದು ಶೇ. 13.37 ವೃದ್ಧಿ ದಾಖಲಾಗಿರುತ್ತದೆ. ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ವ್ಯಯದ ಠೇವಣಿಗಳಾದ ಉಳಿತಾಯ ಮತ್ತು ಚಾಲ್ತಿ ಖಾತೆಗಳು ಶೇ. 11.31ರಷ್ಟು ಏರಿದ್ದು, ಇದು ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಠೇವಣಿಯ ಶೇ. 24.94 ಭಾಗದಷ್ಟಿದೆ. ಮಾರುಕಟ್ಟೆಯ ಒಟ್ಟು ಠೇವಣಿಯಲ್ಲಿ ಬ್ಯಾಂಕಿನ ಅಂಶ ಶೇ. 0.524.

ಒಟ್ಟು ಮುಂಗಡವು 31 ಮಾರ್ಚ್ 2014ರಂದು ಇದ್ದ ₹28345.49 ಕೋಟಿಯಿಂದ, 31 ಮಾರ್ಚ್ 2015ಕ್ಕೆ ₹31679.99 ಕೋಟಿಗೆ ಏರಿದ್ದು, ಶೇ. 11.76 ವೃದ್ಧಿ ಸಾಧ್ಯಗೊಂಡಿದೆ. ಆದ್ಯತಾರಂಗದ ಮುಂಗಡವೂ ₹12996.34 ಕೋಟಿಯಿಂದ ₹14344.96 ಕೋಟಿಗೆ ಏರಿದ್ದು, ಆರ್‌ಐಡಿಎಫ್ ಪಾಲನ್ನು ಒಳಗೊಂಡಂತೆ ಸರಿದೂಗಿಸಲ್ಪಟ್ಟ ನಿವ್ವಳ ಮುಂಗಡದಲ್ಲಿ (ಎಎನ್‌ಬಿಸಿ) ಶೇ.46.82 ಭಾಗವನ್ನು ಹೊಂದಿದೆ ಮತ್ತು ಕೃಷಿರಂಗದ ಮುಂಗಡವು ₹4790.27 ಕೋಟಿಯಿಂದ ₹5145.55 ಕೋಟಿಗೆ ಏರಿದ್ದು, ಆರ್‌ಐಡಿಎಫ್ ಪಾಲನ್ನು ಒಳಗೊಂಡಂತೆ ಎಎನ್‌ಬಿಸಿ ಯಲ್ಲಿ ಶೇ. 16.79 ಪಾಲು ಹೊಂದಿದೆ. ವಿವಿಧ ಸಾಮಾಜಿಕ–ಆರ್ಥಿಕ ಯೋಜನೆಗಳನ್ವಯ ವಿತರಿಸಲಾದ ಮುಂಗಡಗಳಲ್ಲೂ ತೃಪ್ತಿಕರವಾದ ಅಭಿವೃದ್ಧಿ ದಾಖಲಾಗಿರುತ್ತದೆ. ಮಾರುಕಟ್ಟೆಯ ಒಟ್ಟು ಮುಂಗಡಗಳಲ್ಲಿ ಬ್ಯಾಂಕಿನ ಅಂಶ ಶೇ. 0.465 ಆಗಿರುತ್ತದೆ.

31 ಮಾರ್ಚ್, 2015ಕ್ಕೆ ಬ್ಯಾಂಕಿನ ಹೂಡಿಕೆಯು ₹15988.06 ಕೋಟಿಗೇರಿದ್ದು, ಇದು 31 ಮಾರ್ಚ್ 2014ರಂದು ₹15226.78 ಕೋಟಿಯಷ್ಟಿತ್ತು. ಶೇ. 5.00 ವೃದ್ಧಿ ಇಲ್ಲಿ ದಾಖಲಾಗಿದೆ.

OPERATIONAL PERFORMANCE

In the competitive and challenging business environment, the overall performance of your Bank during the year 2014-15 was fairly satisfactory. The gross income of the Bank was ₹5205.41 crore and total expenditure (excluding provisions and contingencies) was ₹4432.04 crore. The net interest income was ₹ 1168.85 crore.

PROFIT

Your Bank earned an operating profit of ₹773.38 crore for the year 2014-15 as against ₹687.05 crore for the previous year showing a growth of 12.57 per cent. The net profit of the Bank increased from ₹311.03 crore to ₹451.45 crore on account of lesser provision requirement for depreciation. The net profit showed a growth of 45.15 per cent.

APPROPRIATIONS

The net profit of ₹451.45 crore which along with a sum of ₹0.16 crore brought forward from the previous year, aggregating ₹451.61 crore, is appropriated as under. The corresponding figure for the previous year was ₹311.12 crore

Appropriation	₹ in crore
Transfer to Statutory Reserve	230.00
Transfer to Capital Reserve	3.15
Transfer to Revenue, General & Special Reserves	84.87
Transfer to Investment Reserve	19.25
Transfer to Proposed Dividend (including tax)	113.94
Balance carried to Balance Sheet	0.40
Total	**451.61**

DIVIDEND

Having regard to the overall performance of the Bank and the positive outlook for the future, the Board of Directors recommended a dividend of ₹5 per share i.e. 50 per cent on the paid up capital (previous year 40 per cent) for the reporting year. The dividend payout ratio for the year works out to 20.87 per cent.

EARNINGS PER SHARE/BOOK VALUE

The earnings per share (basic) and the book value per share as on 31st March 2015 stood at ₹23.96 and ₹179.84 respectively.

CAPITAL FUNDS AND CAPITAL ADEQUACY RATIO

During the year under report, the capital funds of your Bank increased from ₹3729.55 crore to ₹3973.18 crore, registering a growth of 6.53 per cent. The Capital Adequacy Ratio stood at 12.67 per cent as on March 31, 2015, as per BASEL II norms (Previous year 13.30 per cent) and 12.41 per cent as per BASEL III norms (Previous year 13.20 per cent). The Bank has been

ವ್ಯಾವಹಾರಿಕ ನಿರ್ವಹಣೆ

ಸ್ಪರ್ಧಾತ್ಮಕ ಮತ್ತು ಪಂಥಾಹ್ವಾನ ಪೂರ್ಣ ವ್ಯಾವಹಾರಿಕ ಪರಿಸರದಲ್ಲಿ, 2014–15ರಲ್ಲಿನ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಒಟ್ಟಾರೆ ನಿರ್ವಹಣೆ ತೃಪ್ತಿಕರವಾಗಿರುತ್ತದೆ. ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಆದಾಯವು ₹5205.41 ಕೋಟಿಯಾಗಿದ್ದು, ಒಟ್ಟು ವೆಚ್ಚವು (ಸವಕಳಿ ಮತ್ತು ಆಕಸ್ಮಿಕ ಮೀಸಲಿನ ಹೊರತಾಗಿ) ₹4432.04 ಕೋಟಿಯಷ್ಟಾಗಿದೆ. ನಿವ್ವಳ ಬಡ್ಡಿ ಆದಾಯವು ₹1168.85 ಕೋಟಿ ಆಗಿರುತ್ತದೆ.

ಲಾಭ

ನಿಮ್ಮ ಬ್ಯಾಂಕು 2014–15ರಲ್ಲಿ ₹773.38 ಕೋಟಿ ನಿರ್ವಹಣಾ ಲಾಭವನ್ನು ದಾಖಲಿಸಿದ್ದು, ಇದು ಹಿಂದಣ ವರ್ಷದಲ್ಲಿ ₹687.05 ಕೋಟಿಯಷ್ಟಿದ್ದು, ಶೇ. 12.57 ವೃದ್ಧಿ ದಾಖಲಾಗಿದೆ. ಬ್ಯಾಂಕಿನ ನಿವ್ವಳ ಲಾಭವು ₹311.03 ಕೋಟಿಯಿಂದ ₹451.45 ಕೋಟಿಗೆ ಏರಿದೆ. ಇದು ಕಡಿಮೆ ಸವಕಳಿ ಮೀಸಲು ಅವಶ್ಯಕತೆಯಿಂದಾಗಿದೆ. ಒಟ್ಟು ಅಭಿವೃದ್ಧಿ ಶೇ. 45.15 ಆಗಿದೆ.

ವಿನಿಯೋಗಗಳು

ನಿವ್ವಳ ಲಾಭ ₹451.45 ಕೋಟಿಯೊಂದಿಗೆ, ಹಿಂದಣ ವರ್ಷದ ಸೇರ್ಪಡೆ ₹0.16 ಕೋಟಿಯೂ ಒಳಗೊಂಡಂತೆ ಒಟ್ಟು ₹451.61 ಕೋಟಿಯನ್ನು ಕೆಳಗೆ ಕಾಣಿಸಿರುವಂತೆ ವಿನಿಯೋಗಿಸಲಾಗಿದೆ. ಹಿಂದಣ ವರ್ಷದ ಅನುರೂಪಿ ಅಂಕಿ ಅಂಶ ₹311.12 ಕೋಟಿ.

ವಿನಿಯೋಗಗಳು	₹ ಕೋಟಿಗಳಲ್ಲಿ
ಶಾಸನಾತ್ಮಕ ಕಾದಿಟ್ಟ ನಿಧಿಗೆ ವರ್ಗಾವಣೆ	230.00
ಬಂಡವಾಳ ಮೀಸಲಿಗೆ ವರ್ಗಾವಣೆ	3.15
ಕಂದಾಯ–ಸಾಮಾನ್ಯ ಮತ್ತು ವಿಶೇಷ ಕಾದಿಟ್ಟ ನಿಧಿಗೆ ವರ್ಗಾವಣೆ	84.87
ಹೂಡಿಕೆ ಮೀಸಲು ಖಾತೆಗೆ ವರ್ಗಾವಣೆ	19.25
ಉದ್ದೇಶಿತ ಲಾಭಾಂಶ ವಿತರಣೆಗಾಗಿ (ತೆರಿಗೆ ಸೇರಿದಂತೆ) ವರ್ಗಾವಣೆ	113.94
ಆಸ್ತಿ ಹೊಣೆ ಪಟ್ಟಿಗೆ ಶೇಷಾಂಶ ಸೇರಿಕೆ	0.40
ಒಟ್ಟು	**451.61**

ಲಾಭಾಂಶ

ಬ್ಯಾಂಕಿನ ಸರ್ವಾಂಗೀಣ ನಿರ್ವಹಣೆ ಮತ್ತು ಭವಿಷ್ಯದ ಧನಾತ್ಮಕ ನೋಟಗಳನ್ನು ಗಮನದಲ್ಲಿ ಇರಿಸಿಕೊಂಡು, ಪ್ರಸಕ್ತ ವರ್ಷದಲ್ಲಿ ಶೇರು ಒಂದರ ₹5/– ಅಂದರೆ ಸಂದಾಯಿತ ಬಂಡವಾಳದ ಶೇ. 50ರಷ್ಟು (ಹಿಂದಣ ವರ್ಷ ಇದು ಶೇ. 40ರಷ್ಟು) ಲಾಭಾಂಶ ನೀಡಿಕೆಯನ್ನು ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು ಶಿಫಾರಸ್ಸು ಮಾಡಿರುತ್ತದೆ. ಪ್ರಸ್ತಾವಿತ ಲಾಭಾಂಶ ಹೊರಹರಿವಿನ ಪ್ರಸಕ್ತ ವರ್ಷದ ಪರಿಮಾಣವು ಶೇ. 20.87 ಆಗಿರುತ್ತದೆ.

ಶೇರಿನ ತಲಾ ಆದಾಯ / ಪುಸ್ತಕ ಮೌಲ್ಯ

31 ಮಾರ್ಚ್, 2015ಕ್ಕೆ ಬ್ಯಾಂಕಿನ ಶೇರಿನ ತಲಾ ಆದಾಯ (ಮೂಲಭೂತ) ಮತ್ತು ಪುಸ್ತಕ ಮೌಲ್ಯ ಅನುಕ್ರಮವಾಗಿ ₹23.96 ಮತ್ತು ₹179.84 ಆಗಿರುತ್ತವೆ.

ಬಂಡವಾಳ ನಿಧಿ ಮತ್ತು ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಅನುಪಾತ

ಪ್ರಸಕ್ತ ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಬಂಡವಾಳ ನಿಧಿಯು ₹3729.55 ಕೋಟಿಯಿಂದ ₹3973.18 ಕೋಟಿಗೆ ಏರಿದ್ದು, ಶೇ. 6.53 ಅಭಿವೃದ್ಧಿ ದಾಖಲಾಗಿರುತ್ತದೆ. 31 ಮಾರ್ಚ್, 2015ಕ್ಕೆ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಅನುಪಾತವು ಬೇಸೆಲ್ II ರಲ್ಲಿ ಸೂಚಿಸಿದ ಮಾನದಂಡದಂತೆ 12.67 ಆಗಿದ್ದು (ಹಿಂದಣ ವರ್ಷ ಶೇ 13.30 ಆಗಿದೆ), ಬೇಸೆಲ್ III ಮಾನದಂಡದಂತೆ ಶೇ. 12.41 (ಹಿಂದಣ ವರ್ಷ ಶೇ 13.20) ಆಗಿರುತ್ತದೆ. ಈ ನಿಟ್ಟಿನಲ್ಲಿ

consistently maintaining the Ratio well above the minimum of 9 per cent stipulated by the Reserve Bank of India. The market capitalisation as on March 31, 2015 was ₹2348.99 crore.

FOREX BUSINESS

During the year under report, your Bank achieved a turnover of ₹15005.22 crore in foreign exchange business as against ₹12840.35 crore in the previous year. The outstanding advances to export sector stood at ₹1680.42 crore as on March 31, 2015.

NON-PERFORMING ASSETS AND PROVISION COVERAGE RATIO

Your Bank has been focusing on containing the non-performing assets through better credit monitoring as well as intensified efforts to recover the impaired assets. However, in view of continuing slow down in the economy and delinquencies in select sectors, the Bank's, Gross NPAs as on March 31, 2015 has increased from ₹835.93 crore (2.92 per cent) to ₹944.21 crore by the year end (2.95 per cent). The Net NPAs stood at ₹623.55 crore (1.98 per cent) as against ₹538.04 crore (1.91 per cent) as on 31st March 2014. The Provision Coverage Ratio (PCR) computed in accordance with the RBI guidelines works out to 50.54 per cent as on March 31, 2015 (Previous year 53.21 per cent).

CREDIT RATING

ICRA Limited and Credit Analysis and Research Limited, ("CARE") who had rated the Unsecured Redeemable Non-Convertible Subordinated (Lower Tier-II) debt instruments issued during the earlier years aggregating ₹600 crore have retained the rating "ICRA A" and "CARE A" respectively. The instruments with these rating are considered to have adequate/high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

DISTRIBUTION NETWORK

During the year under report, your Bank has opened 75 new branches in 15 states - 6 in Andhra Pradesh, 2 in Delhi, 1 in Gujarat, 1 in Haryana, 44 in Karnataka, 1 in Kerala, 2 in Madhya Pradesh, 3 in Maharashtra, 1 in Odisha, 1 in Punjab, 1 in Rajasthan, 8 in Tamilnadu, 1 in Telangana, 1 in Uttarakhand and 2 in West Bengal. Out of 44 new branches opened in Karnataka, 19 are in Unbanked Rural Centres under Financial Inclusion Initiatives of the Bank. Further, your Bank has added 300 ATM outlets at various locations during the year 2014-15.

As at 31st March 2015, your Bank had 1,679 Service Outlets i.e. 675 branches (which include 2 Corporate Finance branches at Fort Mumbai & New Delhi-Connaught Place, 10 Agricultural Development branches, 160 specialised MSME Branches and 79 Financial Inclusion Branches), 4 Extension Counters & 1,000 ATMs spread across 21 States and 2 Union Territories. Apart from the above, your Bank has 10

ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕು ನಿಗದಿಪಡಿಸಿದ ಕನಿಷ್ಠ ಮಿತಿ ಶೇ. 9.00ಕ್ಕಿಂತ ಹೆಚ್ಚಿನ ಮಟ್ಟವನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕು ನಿರಂತರವಾಗಿ ಕಾಯ್ದುಕೊಂಡು ಬಂದಿರುತ್ತದೆ. 31 ಮಾರ್ಚ್, 2015ಕ್ಕೆ ಮಾರುಕಟ್ಟೆ ಬಂಡವಾಳೀಕರಣ ₹2348.99 ಕೋಟಿ ಆಗಿರುತ್ತದೆ.

ವಿದೇಶಿ ವಿನಿಮಯ ವ್ಯವಹಾರ

ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ವಿದೇಶಿ ವಿನಿಮಯ ವ್ಯವಹಾರವು ₹15005.22 ಕೋಟಿ ತಲಪಿದ್ದು, ಹಿಂದಣ ವರ್ಷದಲ್ಲಿ ಇದು ₹12840.35 ಕೋಟಿಯಾಗಿತ್ತು. 31 ಮಾರ್ಚ್ 2015ಕ್ಕೆ ನಿರ್ಯಾತ ರಂಗದ ಮುಂಗಡದ ಮಟ್ಟ ₹1680.42 ಕೋಟಿ ಆಗಿರುತ್ತದೆ.

ಅನುತ್ಪಾದಕ ಆಸ್ತಿಗಳು ಮತ್ತು ಹಂಚಿಕಾ ಅಭಿರಕ್ಷೆ ಅನುಪಾತ

ಅನುತ್ಪಾದಕ ಮುಂಗಡಗಳನ್ನು ತಹಬಂದಿಗೆ ತರಲು ನಿಮ್ಮ ಬ್ಯಾಂಕು ಜಾಗೃತ ಮುಂಗಡ ನಿಗಾ ಮತ್ತು ದುರ್ಬಲ ಅನುತ್ಪಾದಕ ಆಸ್ತಿಗಳ ವಸೂಲಾತಿಗಳಲ್ಲಿ ಕ್ಷಿಪ್ರ ಸ್ವರೂಪದ ಸಂಚಾಲನೆ ಕೈಗೊಂಡಿರುತ್ತದೆ. ಏನಿದ್ದರೂ, ಒಟ್ಟಾರೆ ಆರ್ಥಿಕತೆಯ ದುರ್ಬಲತೆ ಮತ್ತು ಆಯ್ದ ವಲಯಗಳಲ್ಲಿನ ಸೊರಗುವಿಕೆ ಕಾರಣಗಳಿಂದಾಗಿ, ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಅನುತ್ಪಾದಕ ಆಸ್ತಿಯ ಮಟ್ಟ 31 ಮಾರ್ಚ್ 2015ಕ್ಕೆ ₹835.93 ಕೋಟಿಗಳಿಂದ (ಶೇ. 2.92) ₹944.21 ಕೋಟಿಗಳಿಗೆ ಏರಿದೆ (ಶೇ. 2.95). ನಿವ್ವಳ ಅನುತ್ಪಾದಕ ಆಸ್ತಿಯ ಮಟ್ಟ, 31 ಮಾರ್ಚ್ 2015ಕ್ಕೆ ₹623.55 ಕೋಟಿ (ಶೇ. 1.98) ಆಗಿದ್ದು, ಇದು 31 ಮಾರ್ಚ್ 2014ರಲ್ಲಿ ₹538.04 ಕೋಟಿ (ಶೇ. 1.91) ಆಗಿತ್ತು. ಹಂಚಿಕಾ ಅಭಿರಕ್ಷೆ ಅನುಪಾತವನ್ನು ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ ಮಾರ್ಗದರ್ಶಿಕೆಯನ್ವಯ ಲೆಕ್ಕ ಹಾಕಲಾಗಿದ್ದು, ಅದು 31 ಮಾರ್ಚ್ 2015ಕ್ಕೆ ಶೇ. 50.54 ಆಗಿದೆ (ಹಿಂದಣ ವರ್ಷದ ಗಣನೆ ಶೇ. 53.21)

ವಿಶ್ವಾಸಾರ್ಹತೆ ಮೌಲ್ಯಮಾಪನ

ಉದರಿ ಮಾನದಂಡ ನಿರ್ಣಯಿಸುವ ಸಂಸ್ಥೆಯಾದ ಇಕ್ರಾ (ಐಸಿಆರ್‌ಎ) ಮತ್ತು ಕ್ರೆಡಿಟ್ ಅನಾಲಿಸಿಸ್ ಮತ್ತು ರಿಸರ್ಚ್ ಲಿಮಿಟೆಡ್ (ಸಿಎಆರ್‌ಇ)ಗಳು, ಹಿಂದಣ ವರ್ಷಗಳಲ್ಲಿ ಬಿಡುಗಡೆಗೊಳಿಸಿರುವ ಒಟ್ಟುಗೂಡಿದ ₹600 ಕೋಟಿ ಮೊತ್ತದ ಭದ್ರತಾರಹಿತ ವಿಮೋಚನೀಯ ಪರಿವರ್ತನಾರಹಿತ ಅಧೀನ (ಕೆಳಸ್ತರ ಶ್ರೇಣಿ II) ಋಣಪತ್ರಗಳ ಮೇಲೆ 'ಇಕ್ರಾ–ಎ' ಮತ್ತು 'ಕೇರ್–ಎ' ಮೌಲ್ಯಾಂಕಗಳನ್ನು ಅನುಕ್ರಮವಾಗಿ ನೀಡಿವೆ. ಈ ಮೌಲ್ಯಾಂಕವು ಉನ್ನತ ಮಟ್ಟದ್ದಾಗಿದ್ದು, ಸಾಕಷ್ಟು ಸುರಕ್ಷತೆಗೆ ಉನ್ನತ ಸಂಕೇತವಾಗಿರುತ್ತದೆ. ಆರ್ಥಿಕ ಭದ್ರತೆಗೆ ಸಕಾಲಿಕ ಸೇವೆಯನ್ನು ನೀಡುವ ಸಾಮರ್ಥ್ಯವನ್ನೂ ಬಿಂಬಿಸುತ್ತವೆ. ಇಂತಹ ಋಣಪತ್ರಗಳು ಬಹಳ ಕಡಿಮೆ ಮುಂಗಡ ಅಪಾಯವನ್ನು ಹೊಂದಿರುತ್ತವೆ.

ಕಾರ್ಯಜಾಲ ಹಂಚಿಕೆ

ಪ್ರಸಕ್ತ ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ದೇಶದ 15 ರಾಜ್ಯಗಳಲ್ಲಿ ಒಟ್ಟು 75 ನೂತನ ಶಾಖೆಗಳನ್ನು ಈ ಕೆಳಕಂಡಂತೆ ತೆರೆದಿದೆ. ಆಂಧ್ರಪ್ರದೇಶದಲ್ಲಿ 6, ದೆಹಲಿಯಲ್ಲಿ 2, ಗುಜರಾತ್‌ನಲ್ಲಿ 1, ಹರ್ಯಾಣದಲ್ಲಿ 1, ಕರ್ನಾಟಕದಲ್ಲಿ 44, ಕೇರಳದಲ್ಲಿ 1, ಮಧ್ಯಪ್ರದೇಶದಲ್ಲಿ 2, ಮಹಾರಾಷ್ಟ್ರದಲ್ಲಿ 3, ಓಡಿಸ್ಸಾದಲ್ಲಿ 1, ಪಂಜಾಬ್‌ನಲ್ಲಿ 1, ರಾಜಸ್ಥಾನದಲ್ಲಿ 1, ತಮಿಳುನಾಡಿನಲ್ಲಿ 8, ತೆಲಂಗಾಣದಲ್ಲಿ 1, ಉತ್ತರಾಖಂಡದಲ್ಲಿ 1 ಮತ್ತು ಪಶ್ಚಿಮ ಬಂಗಾಳದಲ್ಲಿ 2. ಕರ್ನಾಟಕದಲ್ಲಿ ಪ್ರಾರಂಭಿಸಲಾದ 44 ನೂತನ ಶಾಖೆಗಳಲ್ಲಿ 19 ಶಾಖೆಗಳು ಬ್ಯಾಂಕ್‌ರಹಿತ ಗ್ರಾಮಗಳಲ್ಲಿ ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ ಯೋಜನೆಯನ್ವಯ ತೆರೆದ ಶಾಖೆಗಳಾಗಿದ್ದು, ಬ್ಯಾಂಕು ಇಟ್ಟ ಪುರೋಗಾಮಿ ಹೆಜ್ಜೆಯ ದ್ಯೋತಕವಾಗಿದೆ. ಅಲ್ಲದೇ ನಿಮ್ಮ ಬ್ಯಾಂಕು 2014–15ನೇ ಸಾಲಿನಲ್ಲಿ 300 ನೂತನ ಎಟಿಎಂ ಕೇಂದ್ರಗಳನ್ನು ವಿವಿಧ ಪ್ರದೇಶಗಳಲ್ಲಿ ಹೆಚ್ಚುವರಿಯಾಗಿ ತೆರೆದಿದೆ.

31 ಮಾರ್ಚ್ 2015ಕ್ಕೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು 1,679 ಸೇವಾಕೇಂದ್ರಗಳನ್ನು ಹೊಂದಿದ್ದು ಅವುಗಳಲ್ಲಿ 675 ಶಾಖೆಗಳಿದ್ದು (ಇವುಗಳಲ್ಲಿ ಮುಂಬೈ ಫೋರ್ಟ್ ಮತ್ತು ನವದೆಹಲಿಯ ಕನ್ಸಾಟ್ ಪ್ಲೇಸ್‌ನ ಕಾರ್ಪೋರೇಟ್ ಫೈನಾನ್ಸ್ ಶಾಖೆಗಳು, 10 ಕೃಷಿ ಅಭಿವೃದ್ಧಿ ಶಾಖೆಗಳು, 160 ವಿಶೇಷತಃ ಎಂಎಸ್‌ಎಂಇ ಶಾಖೆಗಳು ಮತ್ತು 79 ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ ಶಾಖೆಗಳು ಸೇರಿವೆ) ಉಳಿದಂತೆ 4 ವಿಸ್ತರಣಾ ಕೌಂಟರ್‌ಗಳು ಮತ್ತು 1000 ಸಂಖ್ಯೆಯ ಎಟಿಎಂ ಕೇಂದ್ರಗಳು, ದೇಶದ 21 ರಾಜ್ಯಗಳಲ್ಲಿ ಮತ್ತು 2 ಕೇಂದ್ರಾಡಳಿತ ಪ್ರದೇಶದಲ್ಲಿ ವ್ಯಾಪಿಸಿಕೊಂಡಿವೆ. ಇವಲ್ಲದೇ 10

Regional Offices, an International Division, a Data Centre, a Customer Care Centre, 4 Service branches, 2 Currency Chests, 2 Central Processing Centres and 3 Asset Recovery management branches. Your Bank has also successfully launched 24X7 e-lobby facility at 4 locations.

Further, for better ambience and improved customer service, your Bank shifted 16 branches/offices to new premises during the year 2014-15.

EMPLOYEES STOCK OPTION SCHEME

During the year under report, a total of 32,263 equity shares have been allotted to the employees of your Bank, pursuant to the exercise of options vested under the Employees Stock Option Scheme of the Bank. Disclosure in respect of Employee Stock Options Scheme pursuant to SEBI (Employees Stock Options Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 is given in Annexure I to this report.

MANAGEMENT DISCUSSION AND ANALYSIS

Macro- economic and industry Developments :

Macroeconomic fundamentals have improved with the inflation declining by over 6 per cent since late 2013, current account deficit has comedown from a peak of 6.7 per cent of GDP to an estimated 1.0 per cent in the coming financial year. Since 2013-14 economy is growing at 7.2 per cent on an average, based on the new growth estimates.

Domestic economic activity is exhibiting the signs of recovery and has strengthened during quarter ended March 2015. Second advance estimates of the Ministry of Agriculture suggest that the contraction in food grains production in 2014-15 may turn out to be less than earlier anticipated. The industrial sector particularly the manufacturing sector appears to be regaining momentum with the growth of production. For the full fiscal year 2014-15, the government estimated that the economy would have expanded by about 7.4% representing a significant acceleration over revised 6.9 per cent increase for the previous year. Sustained foreign portfolio flows aggregating US$ 38.4 billion since April 2014 have stabilised the rupee exerting downward pressure on long term interest rates, reflecting in the yield on 10 year G-Sec and contributing surge in the equity prices.

The annual rate of inflation, based on monthly WPI, stood at -2.33% for the month of March 2015 (over March 2014) as compared to -2.06% for the previous month and 5.70% during the corresponding month of the previous year. Annual average CPI inflation has also come down to 5-6% compared to double digits or just below for the last six years. The headline CPI inflation receded over the last twelve months from 8.59 per cent in April 2014 to 5.17 per cent in March 2015. As both CPI and WPI data continues to comprehensively address concerns over inflation, it is expected that the rates may come down during the next financial year.

ಪ್ರಾದೇಶಿಕ ಕಚೇರಿಗಳು, 1 ಅಂತಾರಾಷ್ಟ್ರೀಯ ವಿಭಾಗ, 1 ದತ್ತಾಂಶ ಕೇಂದ್ರ, 1 ಗ್ರಾಹಕ ಸೇವಾ ನಿಗಾಕೇಂದ್ರ, 4 ಸೇವಾ ಶಾಖೆಗಳು, 2 ಕರೆನ್ಸಿ ಕೋಠಿಗಳು, 2 ಕೇಂದ್ರೀಯ ಸಂಸ್ಕರಣಾ ಕೇಂದ್ರಗಳು ಮತ್ತು 3 ಮುಂಗಡ ವಸೂಲಾತಿ ನಿರ್ವಹಣಾ ಶಾಖೆಗಳನ್ನು ಬ್ಯಾಂಕು ಹೊಂದಿದೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕು ಯಶಸ್ವಿಯಾಗಿ 24x7 ಇ–ಲಾಬಿ ಸೇವೆಯನ್ನು ಪ್ರಾರಂಭಿಸಿದ್ದು, ಇದನ್ನು 4 ನೆಲೆಗಳಿಂದ ಒದಗಿಸಲಾಗಿದೆ.

ಇಷ್ಟಲ್ಲದೇ, ಶಾಖೆಗಳ ಆಕರ್ಷಕ ಸುಶೋಭೆಗಾಗಿ ಮತ್ತು ಗ್ರಾಹಕ ಸೇವಾ ಸುಧಾರಣೆಯ ಆದ್ಯ ನೆಲೆಯಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು 2014–15ರಲ್ಲಿ 16 ಶಾಖೆಗಳನ್ನು/ಕಚೇರಿಗಳನ್ನು ನೂತನ ವಿಸ್ತೃತ ಸುಸಜ್ಜಿತ ಆವರಣಗಳಿಗೆ ಸ್ಥಳಾಂತರಿಸಿದೆ.

ನೌಕರರ ನಿಧಿಪತ್ರ ಆಯ್ಕೆ

ಬ್ಯಾಂಕಿನ ನೌಕರರ ನಿಧಿಪತ್ರ ಆಯ್ಕೆ ಪ್ರಕ್ರಿಯೆಯನ್ವಯ ಒಟ್ಟು 32,263 ಇಕ್ವಿಟಿ ಶೇರುಗಳನ್ನು ನೌಕರರಿಗೆ ಬಿಡುಗಡೆಗೊಳಿಸಲಾಗಿದೆ. "ಸೆಬಿ" (ಎಂಪ್ಲಾಯಿಸ್ ಸ್ಟಾಕ್ ಆಪ್ಶನ್ ಸ್ಕೀಮ್ ಎಂಡ್ ಎಂಪ್ಲಾಯಿಸ್ ಸ್ಟಾಕ್ ಪರ್ಚೇಸ್ ಸ್ಕೀಮ್) ನಿಯಮಾವಳಿಯಂತೆ ನಿಧಿಪತ್ರ ಆಯ್ಕೆ ಕುರಿತಂತೆ ಮಾರ್ಗದರ್ಶಿಕೆ 1999ರ ಅನ್ವಯ ಪ್ರಕಟಿಸಲಿಕ್ಕಿರುವ ಮಾಹಿತಿಗಳನ್ನು ಈ ವರದಿಯ ಅನುಬಂಧ–Iರಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

ಕಾರ್ಯಕಾರಿ ಮಂಡಳಿ ಕಲಾಪ ಮತ್ತು ವಿಶ್ಲೇಷಣೆ

ಸ್ಥೂಲ–ಆರ್ಥಿಕತೆ ಮತ್ತು ಉದ್ಯಮ ಅಭಿವೃದ್ಧಿ :

ಸೂಕ್ಷ್ಮ ಆರ್ಥಿಕತಾ ಮೂಲಭೂತಿಗಳ ಚೇತರಿಕೆಯಿಂದ ಹಣದುಬ್ಬರ ಪರಿಮಾಣವು 2013ರ ಕೊನೆಯಿಂದ ಇಳಿಮುಖವಾಗಿದ್ದು ಶೇ.6ರಷ್ಟು ಸುಧಾರಣೆ ಸಾಧ್ಯವಾಗಿ, ಸಂಪೂರ್ಣ ದೇಶೀಯ ಉತ್ಪನ್ನದ ಪರಮಾವಧಿ ಶೇ. 6.7ರಿಂದ ಚಾಲ್ತೀ ಖಾತೆ ಕೊರತೆ ಸುಧಾರಿಸುತ್ತಾ ಬಂದಿದ್ದು ಮುಂದಣ ಆರ್ಥಿಕ ವರ್ಷಕ್ಕೆ ಈ ಕೊರತೆ ಮತ್ತಷ್ಟು ಸುಧಾರಿಸಿ ಜಿಡಿಪಿಯ ಶೇ. 1ರಷ್ಟು ಇರಬಹುದೆಂದು ಅಂದಾಜಿಸಲಾಗಿದೆ. ನವೀನ ವೃದ್ಧಿ ಅಂದಾಜಿನಂತೆ 2013–14ರಿಂದ ಆರ್ಥಿಕತೆಯ ಅಭಿವೃದ್ಧಿಯ ದರವು ಉತ್ಕರ್ಷಗೊಂಡು ಸರಾಸರಿ ಶೇ. 7.2ರಷ್ಟು ಆಗಿದೆ.

2015 ಮಾರ್ಚ್ ತ್ರೈಮಾಸಿಕಾಂತ್ಯದಲ್ಲಿ, ದೇಶೀಯ ಆರ್ಥಿಕ ಚಟುವಟಿಕೆಗಳು ಪ್ರಬಲಗೊಂಡು ಉತ್ತಮ ಚೇತರಿಕೆಯ ಮುನ್ಸೂಚನೆ ನೀಡಿವೆ. ಕೃಷಿ ಮಂತ್ರಾಲಯದ ದ್ವಿತೀಯ ಮುಂಗಡ ಅಂದಾಜಿನಂತೆ 2014–15ರಲ್ಲಿನ ಆಹಾರ ಧಾನ್ಯಗಳ ಉತ್ಪಾದನೆಯ ಕುಗ್ಗುವಿಕೆಯು ಮೊದಲು ಅಂದಾಜಿಸಿರುವುದಕ್ಕಿಂತ ಕಡಿಮೆ ಮಟ್ಟ ತಲುಪಬಹುದೆಂದು ನಿರೀಕ್ಷಿಸಲಾಗಿದೆ. ಕೈಗಾರಿಕಾ ವಲಯ ವಿಶೇಷತಃ ಉತ್ಪಾದನಾ ರಂಗ, ವಿಶೇಷ ವೇಗವರ್ಧನೆ ಪಡೆದಂತೆ ಗೋಚರಗೊಂಡಿದ್ದು, ಉತ್ಪಾದನೆಯ ಅಭಿವೃದ್ಧಿ ಸಾಧಿತಗೊಂಡಿದೆ. ಆರ್ಥಿಕ ವರ್ಷ 2014–15ಕ್ಕೆ ಸರಕಾರ ಅಂದಾಜಿಸಿರುವಂತೆ ಆರ್ಥಿಕತೆಯ ಉತ್ಕರ್ಷ ಶೇ. 7.4 ತಲುಪಲಿದ್ದು, ಇದು ಹಿಂದಣ ವರ್ಷಕ್ಕಿಂತ ಶೇ. 6.9ರ ಮಹತ್ವದ ವೇಗೋತ್ಕರ್ಷವಾಗಿರುತ್ತದೆ. ಸುಸ್ಥಿರ ವಿದೇಶಿ ವಿಭಾಗದಲ್ಲಿ 2014 ಏಪ್ರಿಲ್‌ನಿಂದ ಒಟ್ಟು ಯು.ಎಸ್. ಡಾಲರ್ 38.4 ಬಿಲಿಯನ್‌ನಷ್ಟು ಹರಿವು ದಾಖಲಿಸಿರುವುದು. ದೀರ್ಘಾವಧಿ ಬಡ್ಡಿದರ ಸಂಬಂಧಿಸಿದಂತೆ ರೂಪಾಯಿಯ ಮೇಲೆ ಬೀಳುವ ಕೆಳಮುಖ ಒತ್ತಡವನ್ನು ನಿಭಾಯಿಸುವಲ್ಲಿ ಕೆಲಸ ಮಾಡಿದ್ದು ಇದರ ಪರಿಣಾಮವಾಗಿ 10 ವರ್ಷದ ಜಿ–ಸೆಕ್ ಮತ್ತು ಈಕ್ವಿಟಿ ದರ ಸಂಚಲನಕ್ಕೆ ಕಾರಣೀಭೂತವಾಗಿದೆ.

ಡಬ್ಲ್ಯುಪಿಐ ಆಧರಿಸಿದ ವಾರ್ಷಿಕ ಹಣದುಬ್ಬರ ಮಾರ್ಚ್ 2014 ರಿಂದ 2015 ರವರೆಗೆ ಶೇ. –2.33 ಆಗಿದ್ದು, ಹಿಂದಣ ಮಾಸದಲ್ಲಿ ಇದು ಶೇ. –2.06 ಇತ್ತು ಮತ್ತು ಹಿಂದಣ ವರ್ಷದ ಅನುರೂಪ ಮಾಸದಲ್ಲಿ ಇದು ಶೇ. 5.70 ಆಗಿತ್ತು. ಹಿಂದಣ ಆರು ವರ್ಷಗಳಲ್ಲಿ ಗರಿಷ್ಠ ಏರಿಕೆ ಕಂಡು ಎರಡಂಕಿಯ ಏರಿಕೆಯನ್ನು ಕಂಡಿದ್ದ ವಾರ್ಷಿಕ ಸರಾಸರಿ ಸಿಪಿಐ ಆಧರಿತ ಹಣದುಬ್ಬರ ಶೇ. 5–6 ಕ್ಕೆ ಇಳಿಮುಖಗೊಂಡಿದೆ. ಪ್ರಮುಖ ಸಿಪಿಐ ಹಣದುಬ್ಬರವು ಹಿಂದಣ 12 ತಿಂಗಳಲ್ಲಿ ಇಳಿಮುಖವಾಗಿದ್ದು ಏಪ್ರಿಲ್ – 2014ರಂದು ಇದ್ದ ಶೇ. 8.59ರಿಂದ ಮಾರ್ಚ್ – 2015ಕ್ಕೆ ಶೇ. 5.17ಕ್ಕೆ ಇಳಿಕೆಗೊಂಡಿತು. ಹೀಗಿರುವಾಗ, ಸಿಪಿಐ ಮತ್ತು ಡಬ್ಲ್ಯುಪಿಐ ದತ್ತಾಂಶಗಳು ಅನುಕೂಲಕರ ಸನ್ನಿವೇಶವನ್ನು ಸೃಜಿಸಿದ್ದು, ಹಣದುಬ್ಬರದ ಇಳಿಮುಖತೆಯನ್ನು ಪ್ರದರ್ಶಿಸಿದ್ದು, ಮುಂದಣ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ಬಡ್ಡಿ ದರ ಇನ್ನೂ ಇಳಿಯಬಹುದೆಂದು ಅಂದಾಜಿಸಲಾಗಿದೆ.

As a part of monitory policy measure, RBI cut Repo rate by 25 basis points twice on 15th January 2015 and 4th March 2015. Cash Reserve Ratio (CRR) was maintained at 4.00 per cent throughout the year. There were frequent changes to the overnight borrowing limits under Repo and term Repo.

Benchmark ten year bond yields were 8.961 per cent at the start of the financial year 2014-15 and closed the year at 7.863 per cent. Benchmark yield fell between Oct-Feb (Repo cut) and yield touched a low of 7.653 per cent during the financial year.

Current Account Deficit (CAD) decreased to USD 8.2 billion (estimated) in FY15 from USD 10.1 billion in FY14. Indian Rupee (INR) started the fiscal at 59.65 per US $ and ended the year at 62.59. INR was fairly stable and touched a low 63.75 in December 2014. Forex reserve increased to USD 341.38 bn in March 2015 from USD 303.67 bn in March 2014.

Development in the banking sector

The overall growth in bank deposits was in the range of 11.40 per cent during the year 2014-15 and gross bank credit had grown at a rate of 9.5 per cent during the same period. The Bank credit by Scheduled Commercial banks including RRB stood at ₹65,64,673 crore as on March 20, 2015 (Previous year ₹59,94,096 crore) registering a growth of 9.5 per cent of which Food credit accounted for ₹94,418 crore and non food credit was ₹64,70,255 crore. Non performing Assets of the banking system continued to be on the higher side during the financial year also.

SCB's investments in Govt. Securities increased by 12.76 per cent during 2014-15 compared to 15.08 per cent in the previous year and stood at ₹25,05,237 crore (previous year ₹22,21,650 crore) at the end of the year.

Opportunities

With the stable government at the centre and renewed impetus being given to infrastructure by removing the bottlenecks there are optimism and renewed interest to invest in the Indian market. The thrust on skill development and manufacturing sector emphasizing on 'Make in India', is expected to unleash the held back investment decisions in the coming years thus creating large lending opportunities to the banking sector. The priority on Micro and Small Enterprises (MSME) is another segment where Banks would find enough space for lending in the coming days. Your Bank has already identified the growth centres and prioritised the sectors for credit growth. Retail credit especially the residential mortgages is very promising and your Bank considers this sector as one of the prioritized areas in the coming year/s.

Outlook

From 2014 onwards, global growth prospects are projected to improve over the medium term at a gradual pace. In India, several reform measures have been

ಆರ್ಥಿಕ ಧೋರಣೆಯ ಸುಧಾರಣೆಯ ಅಂಗವಾಗಿ, ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕು, 15 ಜನವರಿ 2015 ಮತ್ತು 4 ಮಾರ್ಚ್ 2015 ಹೀಗೆ ಎರಡು ಬಾರಿ, ಅಭಿವೃದ್ಧಿಗೆ ವೇಗೋತ್ಕರ್ಷ ನೀಡಲು ರೇಪೋ ದರವನ್ನು ಪ್ರತಿ ಬಾರಿ 25ರಷ್ಟು ತಳಹದಿ ಬಿಂದುವಿಗೆ ಇಳಿಸಿತು. ನಗದು ಮೀಸಲು ಅನುಪಾತವನ್ನು ಶೇ. 4.00ರಲ್ಲೇ ವರ್ಷ ಪೂರ್ತಿ ಕಾಯ್ದುಕೊಳ್ಳಲಾಯ್ತು. ರೇಪೋ ಮತ್ತು ಸಾವಧಿ ರೇಪೋಗಳ ಓವರ್‌ನೈಟ್ ಮುಂಗಡ ಮಿತಿಗಳು ಆಗಿಂದ್ದಾಗ್ಗೆ ಬದಲಾವಣೆಗೊಳ್ಳುತ್ತಿದ್ದವು.

ಬೆಂಚ್ ಮಾರ್ಕ್ ಆಗಿರುವ ಹತ್ತು ವರ್ಷ ಬಾಂಡಿನ ಇಳುವರಿ 2014–15ನೇ ವರ್ಷದ ಪ್ರಾರಂಭದಲ್ಲಿ ಶೇ. 8.961ರಷ್ಟಿದ್ದದ್ದು ವರ್ಷಾಂತ್ಯಕ್ಕೆ ಶೇ. 7.863 ಆಯ್ತು. ಅಕ್ಟೋಬರ್–ಫೆಬ್ರವರಿ ನಡುವೆ ಬೆಂಚ್ ಮಾರ್ಕ್ ಬಾಂಡಿನ ಇಳುವರಿ ಕೆಳಜಾರಿದ್ದು (ರೇಪೋ ಕಡಿತದಿಂದಾಗಿ), ಪ್ರಸಕ್ತ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ಇಳುವರಿ ಮತ್ತೂ ಕೆಳಜಾರಿ ಶೇ. 7.653ರಲ್ಲಿದೆ.

ಚಾಲ್ತಿಖಾತೆಯ ಕೊರತೆಯು (ಸಿಎಡಿ) ಸಹ ತೀವ್ರವಾಗಿ ಕುಸಿದು ಆರ್ಥಿಕ ವರ್ಷ 2015ಕ್ಕೆ ಯು.ಎಸ್. ಡಾಲರ್ 8.2 ಬಿಲಿಯನ್ (ಅಂದಾಜಿಸಿನಂತೆ) ಇದು ಆರ್ಥಿಕ ವರ್ಷ 2014ರಲ್ಲಿ ಯು.ಎಸ್. ಡಾಲರ್ 10.1 ಬಿಲಿಯನ್‌ನಷ್ಟಿತ್ತು. ಭಾರತೀಯ ರೂಪಾಯಿ ಆರ್ಥಿಕ ವರ್ಷಾರಂಭದಲ್ಲಿ ಡಾಲರ್‌ಗೆ 59.65ರಷ್ಟಿದ್ದದ್ದು, ವರ್ಷಾಂತ್ಯಕ್ಕೆ ರೂಪಾಯಿ ದರ ಅಪಮೌಲ್ಯಗೊಂಡು 62.59ಕ್ಕೆ ನಿಂತಿತು. ಭಾರತೀಯ ರೂಪಾಯಿಯ ಬೆಲೆ ಬಹುತೇಕ ಸ್ಥಿರವೇ ಆಗಿದ್ದು ಡಿಸೆಂಬರ್ 2014ರಲ್ಲಿ ಬಹಳ ನಿಮ್ನ ಮಟ್ಟಕ್ಕೆ ಜಾರಿದ್ದು 63.75ನ್ನು ಸ್ಪರ್ಶಿಸಿತು. 2014 ಮಾರ್ಚ್‌ನಲ್ಲಿ ಯು.ಎಸ್. ಡಾಲರ್ 303.67 ಬಿಲಿಯನ್‌ನಷ್ಟಿದ್ದ ವಿದೇಶಿ ಮೀಸಲು 2015 ಮಾರ್ಚ್‌ನಲ್ಲಿ ಯು.ಎಸ್.ಡಾಲರ್ 341.38 ಬಿಲಿಯನ್‌ಗೆ ಏರಿತು.

ಬ್ಯಾಂಕಿಂಗ್ ಕ್ಷೇತ್ರದಲ್ಲಿನ ಅಭಿವೃದ್ಧಿ

2014–15ರಲ್ಲಿ ಬ್ಯಾಂಕುಗಳ ಒಟ್ಟು ಠೇವಣಿ ಅಭಿವೃದ್ಧಿಯು ಶೇ. 11.40ರ ಶ್ರೇಣಿಯಲ್ಲಿ ಆಗಿದ್ದು, ಇದೇ ಅವಧಿಯಲ್ಲಿ ಒಟ್ಟು ಮುಂಗಡಗಳ ವೃದ್ಧಿ ಶೇ. 9.5ರಷ್ಟು ಆಗಿದೆ. ಮಾರ್ಚ್ 20, 2015ಕ್ಕೆ ಅನುಸೂಚಿತ ವಾಣಿಜ್ಯ ಬ್ಯಾಂಕುಗಳ ಮತ್ತು ಪ್ರಾದೇಶಿಕ ಗ್ರಾಮೀಣ ಬ್ಯಾಂಕುಗಳ ಒಟ್ಟು ಮುಂಗಡವು ರೂ. 65,64,673 ಕೋಟಿಗಳಾಗಿದ್ದು (ಹಿಂದಣ ವರ್ಷ ₹59,94,096 ಕೋಟಿ) ಶೇ. 9.5 ರಷ್ಟು ವೃದ್ಧಿಯಾಗಿದೆ. ಇದರಲ್ಲಿ ಆಹಾರ ಮುಂಗಡವು ₹94,418 ಕೋಟಿಯಾಗಿದ್ದು ಮತ್ತು ಆಹಾರೇತರ ಮುಂಗಡವು ₹64,70,255 ಕೋಟಿ ಆಗಿದೆ. ಪ್ರಸಕ್ತ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲೂ ಬ್ಯಾಂಕಿಂಗ್ ವ್ಯವಸ್ಥೆಯಲ್ಲಿನ ಅನುತ್ಪಾದಕ ಆಸ್ತಿಗಳ ಮೊತ್ತ ಉನ್ನತ ಮಟ್ಟದಲ್ಲೇ ಇದೆ.

2014 – 15ರಲ್ಲಿ ಅನುಸೂಚಿತ ವಾಣಿಜ್ಯ ಬ್ಯಾಂಕುಗಳ ಸರಕಾರಿ ಭದ್ರತೆಗಳಲ್ಲಿನ ಹೂಡಿಕೆಗಳು ಶೇ. 12.76ರಷ್ಟು ಹೆಚ್ಚುವರಿಗೊಂಡಿದ್ದು, ಹಿಂದಣ ವರ್ಷದಲ್ಲಿ ಇದು ಶೇ. 15.08 ಆಗಿದ್ದು, ವರ್ಷಾಂತ್ಯದ ಹೂಡಿಕೆಯ ಒಟ್ಟು ಮೊತ್ತ ₹25,05,237 ಕೋಟಿಗಳು ಆಗಿದೆ. (ಹಿಂದಣ ವರ್ಷದಲ್ಲಿ ₹22,21,650 ಕೋಟಿಗಳು).

ಅವಕಾಶಗಳು

ಕೇಂದ್ರದಲ್ಲಿ ಸುಸ್ಥಿರ ಸರಕಾರ ಸ್ಥಾಪನೆಯಾದ ಬಳಿಕ ಹತ್ತಾರು ಉತ್ತೇಜಿತ ಯೋಜನೆಗಳ ಮೂಲಭೂತ ಸೌಲಭ್ಯಗಳ ಅಭಿವೃದ್ಧಿಗೆ ಪೂರಕವಾಗಿ ಬಿಡುಗಡೆ ಮಾಡಿ ಅಡಚಣೆಗಳನ್ನು ಹೋಗಲಾಡಿಸಿ ಹೊಸ ಆಶೋತ್ತರಗಳತ್ತ ಭಾರತೀಯ ಮಾರುಕಟ್ಟೆಯಲ್ಲಿ ಹೂಡಿಕೆ ಮಾಡುವತ್ತ ಜಾಗತಿಕ ಗಮನ ಸೆಳೆದಿದೆ. ಕೌಶಲ ಅಭಿವೃದ್ಧಿಯತ್ತ ಒತ್ತು ಮತ್ತು ಉತ್ಪಾದನಾ ರಂಗದಲ್ಲಿ 'ಮೇಕ್ ಇನ್ ಇಂಡಿಯಾ' ಘೋಷಣೆ, ಹೂಡಿಕಾ ವಲಯದಲ್ಲಿ ಧನಾತ್ಮಕ ಸಂಚಲನವನ್ನು ಮೂಡಿಸಿದ್ದು, ಬ್ಯಾಂಕಿಂಗ್ ರಂಗಕ್ಕೆ ಮುಂಗಡ ನೀಡಿಕೆಯ ವಿಪುಲ ಅವಕಾಶಗಳು ಮುಕ್ತವಾಗಿ ತೆರೆಯಲಿವೆ. ಸೂಕ್ಷ್ಮ ಮತ್ತು ಸಣ್ಣ ಉದ್ಯಮ (ಎಂಎಸ್‌ಎಂಇ) ರಂಗಕ್ಕೆ ನೀಡಲಾಗುವ ಆದ್ಯತೆಯೂ, ಮುಂಬರುವ ದಿನಗಳಲ್ಲಿ ಈ ವಲಯಕ್ಕೆ ಬ್ಯಾಂಕುಗಳು ವಿಪುಲ ಮುಂಗಡಗಳನ್ನು ವಿಸ್ತರಿಸಲು ಅವಕಾಶ ಮಾಡಿಕೊಡುತ್ತವೆ. ಈ ನಿಟ್ಟಿನಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಈಗಾಗಲೇ ಬೆಳವಣಿಗೆಯ ಕೇಂದ್ರಗಳನ್ನು ಗುರುತಿಸಿದ್ದು, ಮುಂಗಡಾಭಿವೃದ್ಧಿಗೆ ಆದ್ಯತಾ ವಲಯಗಳನ್ನು ನಿಗದಿಪಡಿಸಿದೆ. ಚಿಲ್ಲರೆ ಮುಂಗಡ ವಿಶೇಷತಃ ವಾಸ್ತವ್ಯ ಗೃಹ ಭೋಗ್ಯ ಸಾಲ ಬಹಳಷ್ಟು ಭರವಸೆದಾಯಕವಾಗಿದ್ದು, ಮುಂಬರುವ ದಿನಗಳಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಈ ವಲಯವನ್ನು ಆದ್ಯತಾರಂಗದ ಕಕ್ಷೆಯೊಳಗೆ ತರುವ ಆಕಾಂಕ್ಷೆ ಹೊಂದಿದೆ.

ಹೊರನೋಟ

2014ರ ನಂತರ, ಜಾಗತಿಕ ಬೆಳವಣಿಗೆ ಅವಕಾಶಗಳು ಮಧ್ಯಮ ಸ್ತರದಲ್ಲಿ ಕ್ರಮೇಣ ವೇಗೋತ್ಕರ್ಷ ಹೊಂದುವ ಆಶಾವಾದದ ನಿರೀಕ್ಷೆ ಇದೆ. ಭಾರತದಲ್ಲಿ ಹಲವಾರು ಪುನರ್‌ರೂಪಣೆ ಕಾರ್ಯ ಯೋಜನೆಗಳನ್ನು ಆಯೋಜಿಸಿದ್ದು, ಹಲವಾರು

undertaken including clearance of several large projects by the Cabinet Committee on Investment. These steps could help in revival of investment and growth in the economy. In addition, resurgence of exports, prospects of revival in the global economy and moderation in inflation observed recently, point to a better outlook for the Indian economy in 2015-16 vis-à-vis 2014-15. Increased economic activities, benign interest rate environment and proactive policy initiatives from the new Government may provide ample opportunities to the Banks to increase the credit to various sectors of the economy including agriculture, export, industry etc.

ಬೃಹತ್ ಯೋಜನೆಗಳಿಗೆ, ಹೂಡಿಕೆಗಳಿಗೆ ಕ್ಯಾಬಿನೆಟ್ ಕಮಿಟಿ ಹಸಿರು ನಿಶಾನೆ ತೋರಿಸಿದೆ. ಇಂತಹ ಹೆಜ್ಜೆಗಳು ಹೂಡಿಕಾರಂಗದ ಚೇತರಿಕೆ ಮತ್ತು ಆರ್ಥಿಕತೆಯ ಸಶಕ್ತ ಬೆಳವಣಿಗೆಗೆ ಪೂರಕವಾಗುತ್ತವೆ. ಇದರೊಂದಿಗೆ ರಫ್ತುರಂಗಕ್ಕೆ ವಿಪುಲ ಬೆಂಬಲ, ಜಾಗತಿಕ ಆರ್ಥಿಕತೆಯ ಚೇತರಿಕೆಯಿಂದ ಹೊಸ ಅವಕಾಶ, ಈಗಾಗಲೇ ಹಣದುಬ್ಬರ ನಿಯಂತ್ರಣದಲ್ಲಿ ಕಂಡುಬಂದ ಯಶಸ್ಸು, ಭಾರತದ ಆರ್ಥಿಕ ಸಶಕ್ತತೆಯ ಬಗ್ಗೆ 2014–15ಕ್ಕಿಂತ 2015–16 ರಲ್ಲಿ ಉತ್ತಮ ಅವಕಾಶಗಳನ್ನು ಮತ್ತು ಧನಾತ್ಮಕ ಹೊರ ನೋಟವನ್ನು ಇರಿಸಿಕೊಳ್ಳಬಹುದೆಂದು ಸೂಚಿಸುತ್ತವೆ. ವೇಗೋತ್ಕರ್ಷಗೊಂಡ ಆರ್ಥಿಕ ಚಟುವಟಿಕೆಗಳು, ವ್ಯವಹಾರಸ್ನೇಹಿ ಬಡ್ಡಿದರಗಳ ವಾತಾವರಣ ಮತ್ತು ನೂತನ ಸರ್ಕಾರದ ಪ್ರೋತ್ಸಾಹದಾಯಕ–ಧನಾತ್ಮಕ ಧೋರಣೆಗಳಿಂದ ಬ್ಯಾಂಕುಗಳು ವಿವಿಧ ರಂಗಗಳಿಗೆ (ಕೃಷಿ ಮತ್ತು ರಫ್ತು ರಂಗಗಳನ್ನೊಳಗೊಂಡಂತೆ) ಮುಂಗಡ ಒದಗಿಸುವಲ್ಲಿ ವಿಪುಲ ಅವಕಾಶಗಳನ್ನು ಒದಗಿಸಿವೆ.

BUSINESS GOALS FOR THE CURRENT YEAR

Your Bank has projected a growth rate at 17.1 per cent in its business during the financial year 2015-16. While deposits are projected to grow at 16.3 per cent, advances growth has been estimated at 18.3 per cent. Your Bank is confident of achieving the growth through better customer service and operational efficiency. Besides, the Bank also plans to increase its number of branches to 725 by opening of 50 new branches (including 13 Financial Inclusion branches) and ATMs to 1275 by opening 275 new ATMs. Your Bank is also aiming at rolling out innovative technology based products to suit the changing profile of our customers such as Social Media Banking, Student Combo Card, Card Less Cash, Mobile Apps, New Version of Internet Banking, Image Card Solution, M-POS etc.

ಪ್ರಸ್ತುತ ವರ್ಷದ ವ್ಯವಹಾರದ ಗುರಿ

31 ಮಾರ್ಚ್ 2016ಕ್ಕೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು ತನ್ನ ಒಟ್ಟು ವ್ಯವಹಾರವನ್ನು ಶೇ. 17.1 ಅಭಿವೃದ್ಧಿ ಪರಿಮಾಣದಲ್ಲಿ ಹೆಚ್ಚಿಸುವ ಗುರಿಯನ್ನು ಹೊಂದಿದೆ. ಅದರಲ್ಲಿ ಠೇವಣಿ ಅಭಿವೃದ್ಧಿಯ ಗುರಿ ಶೇ. 16.3 ಮತ್ತು ಮುಂಗಡ ವೃದ್ಧಿಯ ಗುರಿ ಶೇ. 18.3ರಷ್ಟನ್ನು ಅಂದಾಜಿಸಲಾಗಿದೆ. ಅತ್ಯುತ್ತಮ ಗ್ರಾಹಕ ಸೇವೆ ಮತ್ತು ನಿರ್ವಹಣಾ ಶ್ರೇಷ್ಠತೆಯ ಮೂಲಕ ಈ ಗುರಿಗಳನ್ನು ಸಾಧಿಸುವ ವಿಶ್ವಾಸವನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕು ಹೊಂದಿದೆ. ಇದರೊಂದಿಗೇ ಬ್ಯಾಂಕು ನೂತನ 50 ಶಾಖೆಗಳನ್ನು (ಇವುಗಳಲ್ಲಿ 13 ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ ಶಾಖೆಗಳು) ಸ್ಥಾಪಿಸಿ ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಶಾಖಾ ಸಂಖ್ಯೆಯನ್ನು 725ಕ್ಕೂ ಮತ್ತು 275 ನೂತನ ಎಟಿಎಂ ಸ್ಥಾವರಗಳನ್ನು ಸ್ಥಾಪಿಸಿ, ಒಟ್ಟು ಎಟಿಎಂ ಸ್ಥಾವರಗಳ ಸಂಖ್ಯೆಯನ್ನು 1275ಕ್ಕೆ ಏರಿಸುವುದಕ್ಕೂ ಯೋಜನೆ ಹಾಕಿಕೊಂಡಿದೆ. ಅಲ್ಲದೇ ನಿಮ್ಮ ಬ್ಯಾಂಕು ತಂತ್ರಜ್ಞಾನದ ಅತ್ಯಾಧುನಿಕ ಪರಮೋಚ್ಚ ಆವಿಷ್ಕಾರಗಳನ್ನು ತನ್ನಲ್ಲಿ ಅಳವಡಿಸಿಕೊಂಡು ಸಂಪೂರ್ಣ ಗ್ರಾಹಕ ಸಂತೃಪ್ತಿಗಾಗಿ ತಂತ್ರಜ್ಞಾನಾವೃತ ಉತ್ಪನ್ನಗಳಾದ ಸೋಶಿಯಲ್ ಮೀಡಿಯಾ ಬ್ಯಾಂಕಿಂಗ್, ಸ್ಟೂಡೆಂಟ್ ಕೊಂಬೋ ಕಾರ್ಡ್, ಕಾರ್ಡ್‌ಲೆಸ್ ಕ್ಯಾಶ್, ಮೊಬೈಲ್ ಆ್ಯಪ್ಸ್, ಇಂಟರ್‌ನೆಟ್ ಬ್ಯಾಂಕಿಂಗ್‌ನ ವಿನೂತನ ಆವೃತ್ತಿ, ಇಮೇಜ್ ಕಾರ್ಡ್ ಸೊಲ್ಯೂಶನ್, ಎಂ–ಪಿಓಎಸ್ ಇತ್ಯಾದಿಗಳನ್ನು ಶೀಘ್ರದಲ್ಲಿ ಚಾಲನೆಗೆ ತರಲಿದೆ.

SEGMENT REPORTING

Pursuant to the Guidelines issued by RBI on Accounting Standard 17 (Segment Reporting), the Bank has identified four business segments viz., Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations for the year ended 31st March 2015 as under:

ವರದಿ ಮಾಡಲಿಕ್ಕರುವ ಭಾಗಗಳು

ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ನಿರ್ದೇಶಿಸಿದ ಅಕೌಂಟಿಂಗ್ ಸ್ಟಾಂಡರ್ಡ್ 17 (ವರದಿ ಮಾಡಲಿಕ್ಕರುವ ಭಾಗಗಳು) ಮಾರ್ಗದರ್ಶಿಕೆಗೆ ಅನುಸಾರವಾಗಿ ಬ್ಯಾಂಕು ವರ್ಷಾಂತ್ಯ 31 ಮಾರ್ಚ್ 2015ಕ್ಕೆ ಈ ಕೆಳಗಿನಂತೆ ನಾಲ್ಕು ವ್ಯವಹಾರ ಅಂಗಗಳನ್ನು ಗುರುತಿಸಿದ್ದು, ಅವುಗಳು ಖಜಾನೆ, ಸಾಂಸ್ಥಿಕ/ಸಗಟು ಬ್ಯಾಂಕಿಂಗ್, ಚಿಲ್ಲರೆ ಬ್ಯಾಂಕಿಂಗ್ ಮತ್ತು ಇತರ ಬ್ಯಾಂಕಿಂಗ್ ಚಟುವಟಿಕೆಗಳು ಆಗಿವೆ.

Treasury Operations

During the year ended 31st March 2015, your Bank has earned total revenue of ₹1341.19 crore from Treasury operations with a net result of ₹124.90 crore.

ಖಜಾನೆ ವಹಿವಾಟು

ಪ್ರಸ್ತುತ ವರ್ಷಾಂತ್ಯ 31 ಮಾರ್ಚ್ 2015ಕ್ಕೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಖಜಾನೆ ವಹಿವಾಟಿನಿಂದ ಒಟ್ಟು ₹1341.19 ಕೋಟಿ ಆದಾಯ ಗಳಿಸಿದ್ದು ನಿವ್ವಳ ಫಲಿತಾಂಶ ₹124.90 ಕೋಟಿ ಆಗಿದೆ.

Corporate / Wholesale Banking

The revenue earned by the Bank during year under report from this Segment was ₹1728.21 crore with a contribution of ₹125.33 crore.

ಸಾಂಸ್ಥಿಕ/ಸಗಟು ಬ್ಯಾಂಕಿಂಗ್

ಈ ಅಂಗದಲ್ಲಿ ಸದರಿ ವರ್ಷ 2014–15ರಲ್ಲಿ ₹1728.21 ಕೋಟಿ ಹುಟ್ಟುವಳಿ ಲಭ್ಯವಾಗಿದ್ದು, ಕೊಡುಗೆ ₹125.33 ಕೋಟಿ ಆಗಿದೆ.

Retail Banking

During the year 2014-15, this Segment has earned revenue of ₹2028.88 crore with a net result of ₹215.43 crore.

ಚಿಲ್ಲರೆ ಬ್ಯಾಂಕಿಂಗ್

ಈ ಅಂಗದಲ್ಲಿ ಸದರಿ ವರ್ಷ 2014–15ರಲ್ಲಿ ₹2028.88 ಕೋಟಿ ಹುಟ್ಟುವಳಿ ಉತ್ಪನ್ನಗೊಂಡಿದ್ದು, ನಿವ್ವಳ ಫಲಿತಾಂಶ ₹215.43 ಕೋಟಿ ಆಗಿದೆ.

Other Banking Operations

During the year ended 31st March 2015, this segment has generated revenues of ₹107.13 crore and a net result of ₹79.57 crore.

ಇತರ ಬ್ಯಾಂಕಿಂಗ್ ವಹಿವಾಟುಗಳು

31, ಮಾರ್ಚ್ 2015ಕ್ಕೆ ಈ ಅಂಗದಲ್ಲಿ ₹107.13 ಕೋಟಿ ಹುಟ್ಟುವಳಿ ಲಭಿಸಿದ್ದು, ನಿವ್ವಳ ಫಲಿತಾಂಶ ₹79.57 ಕೋಟಿ ಆಗಿರುತ್ತದೆ.

RISKS AND CONCERNS

In the normal course of business a Bank is exposed to various risks, namely, Credit Risk, Market Risk and Operational Risk, besides other residual risks such as Liquidity Risk, Interest Rate Risk, Concentration Risk, Strategic Risk, Reputation Risk etc. With a view to efficiently manage such risks, your Bank has put in place various risk management systems and practices. In line with the guidelines issued by the Reserve Bank of India from time to time, your Bank continues to strengthen various risk management systems that include policies, tools, techniques, systems and other monitoring mechanisms.

Your Bank aims at enhancing and maximizing the shareholder value by achieving appropriate trade-off between risks and returns. Your Bank's risk management objectives broadly cover proper identification, assessment, measurement, monitoring, controlling, mitigation and reporting of the risks across the various business segments of the Bank. The risk management strategy adopted by your Bank is based on a clear understanding of the risks and the level of risk appetite that is dependent on the willingness to take risks in the normal course of business. A Board level committee, viz., Integrated Risk Management Committee of your Bank periodically reviews the risk profile, evaluates the overall risks faced by the Bank and develops policies and strategies for their effective management.

Various senior management committees such as Credit Policy Committee (CPC), Asset–Liability Management Committee (ALCO), Operational Risk Management Committee (ORMC) etc operate within the broad policy framework of the Bank to ensure and enhance the risk control and governance framework within the Bank. The Risk Management Department at Head Office oversees the overall implementation of various risk management initiatives across the Bank.

In line with the guidelines issued by RBI, your Bank has implemented the New Capital Adequacy Framework and is Basel II compliant with effect from March 31, 2009, by adopting the basic approaches available under the guidelines. While complying with all the requirements of the basic approaches under Basel II, your Bank has taken the necessary steps to move over to Basel II Advanced Approaches as per the Road Map approved by the Bank's Board in this regard. As a part of the Basel III, Pillar III –Market Disclosure requirement, your Bank has made a detailed Pillar III Disclosure, which is appended to this report as Annexure II. The Bank conforms to the Basel III guidelines from April 1, 2013 and has also assessed the future capital impacts.

In compliance with Basel guidelines, the Bank has put in place a policy document for Internal Capital Adequacy Assessment Process (ICAAP) to evaluate its capital adequacy relative to its risks. Stress testing framework for various stress scenarios is also put in place for better understanding of the likely impact of adverse market movements/events on the capital and earnings. The

ಸಂಭಾವ್ಯ ಅಪಾಯಗಳು ಮತ್ತು ಕಳಕಳಿಗಳು

ಬ್ಯಾಂಕಿನ ದೈನಂದಿನ ವ್ಯವಹಾರಗಳಲ್ಲಿ ಸಾಮಾನ್ಯವಾಗಿ ಹಲವಾರು ಅಪಾಯಗಳಿಗೆ ಒಡ್ಡಿಕೊಳ್ಳಬೇಕಾಗಿರುವುದು ಅನಿವಾರ್ಯವಾಗಿದ್ದು, ಅವುಗಳಲ್ಲಿ ಪ್ರಮುಖವಾಗಿ ಮುಂಗಡ ಅಪಾಯ, ಮಾರುಕಟ್ಟೆ ಅಪಾಯ, ನಿರ್ವಹಣಾ ಅಪಾಯ ಮತ್ತು ಇತರ ಉಳಿಕೆ ಅಪಾಯಗಳಾದ ದ್ರವತ್ವದ ಅಪಾಯ. ಬಡ್ಡಿದರ ಅಪಾಯ, ಕೇಂದ್ರೀಕರಣ ಅಪಾಯ, ವ್ಯೂಹಾತ್ಮಕ ಅಪಾಯ, ಪ್ರತಿಷ್ಠೆಯ ಅಪಾಯ ಇತ್ಯಾದಿಗಳಾಗಿವೆ. ಇಂತಹ ಅಪಾಯಗಳನ್ನು ದಕ್ಷತೆಯಿಂದ ನಿರ್ವಹಿಸಲು, ನಿಮ್ಮ ಬ್ಯಾಂಕು ಹಲವಾರು ಅಪಾಯ ನಿರ್ವಹಣಾ ವ್ಯವಸ್ಥೆಗಳನ್ನು ರಚಿಸಿ ಕಾರ್ಯರೂಪಕ್ಕೆ ತಂದಿರುತ್ತದೆ. ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ಆಗಿಂದಾಗ್ಗೆ ನೀಡಿದ ಮಾರ್ಗದರ್ಶಿಕೆಯಂತೆ, ಹಲವಾರು ಅಪಾಯ ನಿರ್ವಹಣಾ ವ್ಯವಸ್ಥೆಗಳ ಮೂಲಕ ಧೋರಣೆ, ತಾಂತ್ರಿಕತೆ, ಪರಿಕರ ಅತ್ಯುತ್ತಮ ನಿರ್ವಹಣೆಯನ್ನು ಬಲಿಷ್ಠಗೊಳಿಸಿದ್ದು, ಅದನ್ನು ಬ್ಯಾಂಕು ಮುಂದುವರಿಸಿಕೊಂಡು ಬರುತ್ತಿದೆ.

ನಿಮ್ಮ ಬ್ಯಾಂಕು, ಶೇರುದಾರರ ಹಿತಾಸಕ್ತಿ ಮೌಲ್ಯವನ್ನು ಗರಿಷ್ಠವಾಗಿ ಕಾಪಾಡಿಕೊಂಡು ಬರುತ್ತಿದ್ದು, ಅಪಾಯ ಮತ್ತು ಉತ್ಪತ್ತಿಗಳ ನಡುವೆ ಸೂಕ್ತ ವಹಿವಾಟು ಸೂಕ್ತ ಸಮತೋಲನದ ಮೂಲಕ ಕಾಳಜಿ ವಹಿಸುತ್ತಿದೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಅಪಾಯ ನಿರ್ವಹಣಾ ವಿಭಾಗವು ಪ್ರಮುಖವಾಗಿ ಅಪಾಯಗಳ ಸಕಾಲಿಕ ಗುರುತಿಸುವಿಕೆ, ಅಪಾಯಗಳ ಮಟ್ಟದ ತುಲನೆ, ಮೇಲ್ವಿಚಾರಣೆ ಹಾಗೂ ದಕ್ಷ ನಿರ್ವಹಣೆಯನ್ನು ಕೈಗೊಂಡು ವ್ಯವಹಾರದ ಪ್ರಕ್ರಿಯೆಯಲ್ಲಿ ಅಪಾಯ ಪಂಥಾಹ್ವಾನವನ್ನು ಸಮರ್ಥವಾಗಿ ನಿರ್ವಹಿಸುತ್ತಿದೆ. ಬ್ಯಾಂಕು ಅಳವಡಿಸಿಕೊಂಡ ಅಪಾಯ ಸಂಭಾವ್ಯತೆ ನಿರ್ವಹಣಾ ಧೋರಣೆಯು ಅಪಾಯಗಳ ಬಗ್ಗೆ ಸಂಪೂರ್ಣ ಅರಿವು ಮತ್ತು ಅಪಾಯ ಸಂಭಾವ್ಯತೆಯ ಮಟ್ಟದ ಪೂರ್ಣ ತಿಳುವಳಿಕೆ ಹೊಂದಿದ್ದು, ಅಂತಹ ಅಪಾಯ ಸಂಭಾವ್ಯತೆಯನ್ನು ಅಭಿವೃದ್ಧಿಯ ದೃಷ್ಟಿಯಿಂದ ಸ್ವೀಕರಿಸಲು ಬ್ಯಾಂಕು ಮುಂದಾಗಿದೆ. ನಿರ್ದೇಶಕರ ಮಂಡಳಿ ಮಟ್ಟದ ಸಂಕೀರ್ಣ ಸಮಗ್ರ ಅಪಾಯ ನಿರ್ವಹಣಾ ಸಮಿತಿ ಆಗಿಂದಾಗ್ಗೆ ಬ್ಯಾಂಕಿಗೆ ಇದಿರಾಗುವ ಅಪಾಯ ಸಂಭಾವ್ಯತೆಯ ಬಗ್ಗೆ ಅವಲೋಕನ, ಬ್ಯಾಂಕು ಒಟ್ಟಾರೆ ಎದುರಿಸುತ್ತಿರುವ ಅಪಾಯಗಳ ಬಗ್ಗೆ ಸೂಕ್ತ ಪುನರಾವಲೋಕನ, ಸೂಕ್ತ ಮೌಲೀಕರಣ ಮತ್ತು ಅತ್ಯುತ್ತಮ ನಿರ್ವಹಣೆಗಾಗಿ ಧೋರಣೆ ಮತ್ತು ಅನುಷ್ಠಾನಗಳ ಕಡೆ ಆದ್ಯ ಗಮನ ಹರಿಸುತ್ತದೆ.

ವರಿಷ್ಠ ಮಟ್ಟದ ವಿವಿಧ ವ್ಯವಸ್ಥಾಪನಾ ಸಮಿತಿಗಳನ್ನು ರಚಿಸಲಾಗಿದ್ದು ಅವುಗಳಲ್ಲಿ ಮುಂಗಡ ಧೋರಣೆ ಸಮಿತಿ, ಆಸ್ತಿ–ಋಣ ಸಮಿತಿ, ನಿರ್ವಹಣಾ ಅಪಾಯ ವ್ಯವಸ್ಥಾಪನಾ ಸಮಿತಿ ಮುಂತಾದುವುಗಳು ಬ್ಯಾಂಕಿನ ವಿಸ್ತೃತ ಧೋರಣಾ ಚೌಕಟ್ಟಿನಲ್ಲಿ ಕಾರ್ಯವೆಸಗುತ್ತಿದ್ದು, ಅಪಾಯ ನಿಯಂತ್ರಣಕ್ಕಾಗಿ ಬ್ಯಾಂಕಿನ ಪರಿಮಿತಿಯಲ್ಲಿ ಗರಿಷ್ಠ ಕ್ರಮ ನಿರ್ವಹಿಸುತ್ತಿವೆ. ಪ್ರಧಾನ ಕಚೇರಿಯ ಅಪಾಯ ನಿರ್ವಹಣಾ ವಿಭಾಗವು ಅಪಾಯ ನಿರ್ವಹಣೆಯ ಮತ್ತು ನಿಯಂತ್ರಣ ಕ್ರಮದ ಸಕಾಲಿಕ ಅನುಷ್ಠಾನದ ವಿವಿಧ ಚಟುವಟಿಕೆಗಳ ಮೇಲ್ವಿಚಾರಣೆ ನಡೆಸುತ್ತಿದೆ.

ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ ಮಾರ್ಗದರ್ಶಿಕೆಯಂತೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು ನೂತನ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಚೌಕಟ್ಟಿನಲ್ಲಿ ಬೇಸಲ್ II ಅನುಸರಣೆಯನ್ನು 31 ಮಾರ್ಚ್, 2009ಕ್ಕೆ ಸಂಪೂರ್ಣ ಅನುಷ್ಠಾನಗೊಳಿಸಿರುತ್ತದೆ. ಬೇಸಲ್ II ಅನುಸರಣೆಯನ್ನು ಪೂರ್ಣವಾಗಿ ಕಾರ್ಯಗತಗೊಳಿಸುವಾಗಲೇ ನಿಮ್ಮ ಬ್ಯಾಂಕು, ಬೇಸಲ್ II ಪಥದರ್ಶಕದ ಮುಂದುವರಿಕೆಯ ಅನುಸರಣೆಯನ್ನು ಬ್ಯಾಂಕಿನ ಆಡಳಿತ ಮಂಡಳಿಯ ಅನುಮೋದನೆಯೊಂದಿಗೆ ಕಾರ್ಯರೂಪಕ್ಕೆ ತರಲು ಸರ್ವ ಕ್ರಮಗಳನ್ನು ಕೈಗೊಂಡಿತ್ತು. ಈ ಕುರಿತಂತೆ ಬೇಸಲ್ III ಸ್ತಂಭಸೂಚಿ III – ಮಾರುಕಟ್ಟೆ ಪ್ರಕಾಶನ ಅಗತ್ಯತೆ ಸಂಬಂಧಿಸಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಒಂದು ವಿವರಣಾತ್ಮಕ ಸ್ತಂಭಸೂಚಿ III ರ ಪ್ರಕಾಶನವನ್ನು ಮಾಡಿದ್ದು, ಅದನ್ನು ಅನುಬಂಧ II ರಲ್ಲಿ ಲಗ್ತೀಕರಿಸಲಾಗಿದೆ. ಬೇಸಲ್ III ಗುಣಮಟ್ಟ ಅಳವಡಿಕೆಯ ಬಳಿಕ, ಭವಿಷ್ಯದಲ್ಲಿನ ಬಂಡವಾಳ ಪರಿಣಾಮವನ್ನು ವಿಶ್ಲೇಷಿಸಲೂ ಸಹ ಬ್ಯಾಂಕ್ ಏಪ್ರಿಲ್ 1, 2013ರಿಂದ ಪ್ರಾರಂಭಿಸಿದೆ.

ಬೇಸಲ್ ಪಥದರ್ಶಿಕೆಗಳ ಅನುಷ್ಠಾನದೊಂದಿಗೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಅಂತರಿಕ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಮೌಲ್ಯಮಾಪನ ಆದೇಶಿಕೆಯ ಧೋರಣಾ ದಾಖಲೆ (ಐಸಿಎಎಪಿ) ಪ್ರಕ್ರಿಯೆಯನ್ನು ಆರಂಭಿಸಿದ್ದು, ಇದು ಅಪಾಯಕ್ಕೆ ಸಂಬಂಧಿಸಿದ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತೆಯ ಅಂದಾಜು ನಿಖರವಾಗಿಸುವಲ್ಲಿ ಸಹಾಯ ಮಾಡುತ್ತದೆ. ಹಲವಾರು ಒತ್ತಡ ಪರೀಕ್ಷಣಾ ಚೌಕಟ್ಟುಗಳನ್ನು ಬ್ಯಾಂಕ್ ಸ್ಥಾಪಿಸಿದ್ದು, ಇದು ತೀವ್ರ ಒತ್ತಡ ಸಾಧ್ಯತೆಯ ಪರಿಣಾಮ ತಿಳಿಯುವಲ್ಲಿ ಸಹ ಸಹಕಾರಿಯಾಗಿದೆ. ಆಂತರಿಕ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಮೌಲ್ಯಮಾಪನ ಆದೇಶಿಕೆ ಮತ್ತು ಒತ್ತಡ ಪರೀಕ್ಷಣೆಯ ಬಗ್ಗೆ ಆಗಿಂದಾಗ್ಗೆ ನಿಯಮಿತವಾಗಿ

results of the ICAAP and Stress testing are reviewed periodically to assess the capital requirement for the projected business growth, keeping in view the risk appetite and risk profile of the Bank. A Board level committee, viz., Internal Capital Adequacy Assessment Committee(ICAAC), reviews the risk appetite, risk profile, business projections as well as capital assessment of your Bank at periodical intervals.

In line with guidelines issued by RBI, your Bank has reviewed the set-up of Chief Information Security Officer (CISO), who is responsible for articulating and enforcing the policies that Bank uses to protect the information assets apart from coordinating the security related issues/implementation within the Bank.

To evaluate and review the business performance of various business units/customers, your Bank has initiated the Fund Transfer Pricing (FTP) and Customer Profitability Management System (CPMS).

INTERNAL CONTROL SYSTEMS AND COMPLIANCE

Your Bank has put in place an effective and robust internal control apparatus, commensurate with its size, geographical spread and complexity of its operations. The macro level guidance and direction on the control aspects is vested with the Audit Committee of the Board of Directors which takes an overall view on the internal control aspects and formulates all the related policy guidelines. The Bank has put in place an independent Compliance Department in charge of the entire compliance functions of the Bank.

An effective and sound internal audit function plays an important role in contributing to the effectiveness of the internal control system. The audit function would provide high quality counsel to the management on the effectiveness of risk management and internal controls, including the regulatory compliance by the Bank. Historically, the internal audit system in the Bank has been concentrating on transaction testing, testing of accuracy and reliability of accounting records and financial reports, integrity, reliability and timeliness of control reports and adherence to legal and regulatory requirements. With the implementation of Risk-Based Internal Audit (RBIA), greater emphasis is placed on the internal auditor's role in mitigating various risks. While continuing with the traditional risk management and control methods involving transaction testing etc., the risk-based internal audit would, not only offer suggestions for mitigating current risks but also on potential future risks, thereby playing an important role in the risk management process of the Bank.

The RBIA assessment is undertaken, inter-alia, for the purpose of drawing the annual audit plan. The risk assessment would, as an independent activity, cover risks at various levels (corporate and branch; portfolio and individual transactions etc.) as also the processes in place to identify, measure, monitor and control the risks. The internal audit department is devising the RBIA risk assessment methodology, with the approval of the

ಮೇಲ್ನೋಟ ಹರಿಸುವುದರಿಂದ, ಯೋಜಿತ ವ್ಯವಹಾರಾಭಿವೃದ್ಧಿಗೆ ಅಗತ್ಯವಾದ ಬಂಡವಾಳ ಅಗತ್ಯತೆಯನ್ನು ಅಂದಾಜಿಸುವಲ್ಲಿಯೂ, ಬ್ಯಾಂಕಿನ ಅಪಾಯ ನಿರ್ವಹಣಾ ಸಾಮರ್ಥ್ಯ ಸುಧಾರಿಸುವಲ್ಲಿಯೂ ಸಹಕಾರಿಯಾಗಿದೆ. 'ಆಂತರಿಕ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಮೌಲ್ಯಮಾಪನ ಸಮಿತಿ'ಯು ನಿರ್ದೇಶಕರ ಮಂಡಳಿ ಮಟ್ಟದ ಸಮಿತಿಯಾಗಿದ್ದು, ಇದು ಆಗಿಂದಾಗ್ಗೆ ಸೂಕ್ತ ಕಾಲಾವಧಿಯಲ್ಲಿ ಅಪಾಯದ ಅಭಿಲಾಷೆ, ಅಪಾಯದ ಬಾಹ್ಯರೂಪ, ವ್ಯವಹಾರ ಅಂದಾಜುಗಳೊಂದಿಗೆ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಬಂಡವಾಳ ಮೌಲ್ಯಮಾಪನವನ್ನೂ ಸಮೀಕ್ಷಿಸುತ್ತದೆ.

ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ ಮಾರ್ಗದರ್ಶಿಕೆಯಂತೆ, ನಿಮ್ಮ ಬ್ಯಾಂಕು, ಬ್ಯಾಂಕಿನಲ್ಲಿ "ಚೀಫ್ ಇನ್‌ಫಾರ್ಮೇಶನ್ ಸೆಕ್ಯೂರಿಟಿ ಆಫೀಸರ್"ರನ್ನು ನೇಮಕ ಮಾಡಿದ್ದು, ಅವರು ಈ ಕಾರ್ಯಭಾರಗಳನ್ನು ಪರಾಮರ್ಶಿಸುತ್ತಾರೆ. ಇವರು ಬ್ಯಾಂಕಿನ ಧೋರಣೆಗಳನ್ನು ಕಾರ್ಯರೂಪಕ್ಕೆ ತರುವಲ್ಲಿ ಹೊಣೆಗಾರರಾಗಿದ್ದು ಅಂತೆಯೇ ಮಾಹಿತಿ ಆಸ್ತಿಯ ಗೌಪ್ಯತೆ ಕಾಪಾಡಿಕೆಯ ಹೊಣೆಯೂ ಸೇರಿದಂತೆ ಇವರ ಜವಾಬ್ದಾರಿ ನಿರ್ದೇಶಿಸಲ್ಪಟ್ಟಿದೆ.

ವ್ಯವಹಾರಗಳ ಯೂನಿಟ್ ಮತ್ತು ಗ್ರಾಹಕ ವ್ಯವಹಾರ ನಿರ್ವಹಣೆಯ ಕುರಿತಂತೆ ಮೌಲೀಕರಣ ಮತ್ತು ಪುನರ್‌ನೋಟವನ್ನು ಹರಿಸಲು ನಿಮ್ಮ ಬ್ಯಾಂಕು 'ಫಂಡ್ ಟ್ರಾನ್ಸ್‌ಫರ್ ಪ್ರೈಸಿಂಗ್' (ಎಫ್‌ಟಿಪಿ) ಮತ್ತು 'ಕಸ್ಟೋಮರ್ ಪ್ರಾಫಿಟೆಬಿಲಿಟಿ ಮ್ಯಾನೇಜ್‌ಮೆಂಟ್ ಸಿಸ್ಟಮ್' (ಸಿಪಿಎಂಎಸ್) ಇವುಗಳನ್ನು ಜಾರಿಗೆ ತಂದಿದೆ.

ಆಂತರಿಕ ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆಗಳು ಮತ್ತು ಅನುಸರಣೆ

ನಿಮ್ಮ ಬ್ಯಾಂಕು, ಬ್ಯಾಂಕಿನ ಗಾತ್ರ ಮತ್ತು ವ್ಯವಹಾರಗಳಲ್ಲಿನ ಸೂಕ್ಷ್ಮತೆ ಹಾಗೂ ಭೌಗೋಳಿಕ ವ್ಯಾಪಕತೆಗೆ ಅನುಗುಣವಾಗಿ, ಪರಿಣಾಮಕಾರಿ ಆಂತರಿಕ ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆಯನ್ನು ಪಾಲಿಸುತ್ತಿದೆ. ಸ್ಥೂಲ ಮಟ್ಟದ ಮಾರ್ಗದರ್ಶನ ಮತ್ತು ನಿರ್ದೇಶನ, ನಿಯಂತ್ರಣ ಪರಿಣಾಮಕಾರಿತ್ವದ ಕುರಿತಾಗಿ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಆಡಿಟ್ ಸಮಿತಿ ಸಲಹೆ ನೀಡುತ್ತಿದ್ದು, ಇದು ಆಂತರಿಕ ನಿಯಂತ್ರಣದ ಸರ್ವಾಂಗೀಣ ಮೇಲ್ನೋಟ ಹಾಗೂ ಧೋರಣಾ ಮಾರ್ಗದರ್ಶಿಕೆಯ ಪರಾಮರ್ಶೆ ನಡೆಸುತ್ತದೆ. ಅಲ್ಲದೇ, ಬ್ಯಾಂಕು ಸ್ವತಂತ್ರವಾದ ಪರಿಪಾಲನಾ ವಿಭಾಗವನ್ನು ಸ್ಥಾಪಿಸಿದ್ದು ಇದು ಆಂತರಿಕ ಕಾರ್ಯಭಾರದ ವೀಕ್ಷಣೆಯನ್ನು ಸದಾ ಜಾಗೃತಿಯಿಂದ ನೋಡುತ್ತಿದೆ.

ಪರಿಣಾಮಕಾರಿ ಆಂತರಿಕ ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆಯಲ್ಲಿ, ಸದೃಢವಾದ ಆಂತರಿಕ ಲೆಕ್ಕಪರಿಶೋಧನಾ ಕೌಶಲ್ಯ ಪ್ರಮುಖ ಪಾತ್ರ ವಹಿಸುತ್ತದೆ. ಲೆಕ್ಕಪರಿಶೋಧನಾ ಪ್ರಕ್ರಿಯೆಯು, ಬ್ಯಾಂಕ್ ಆಡಳಿತಕ್ಕೆ ಉತ್ತಮ ಗುಣಮಟ್ಟದ ನಿಖರ ಅಭಿಪ್ರಾಯವನ್ನು ಒದಗಿಸುವಲ್ಲಿ ಸಹಕಾರಿ. ಈ ಅಭಿಪ್ರಾಯವು ಪರಿಣಾಮಕಾರಿ ಅಪಾಯ ನಿರ್ವಹಣೆ ಮತ್ತು ಆಂತರಿಕ ನಿಯಂತ್ರಣ, ಬ್ಯಾಂಕು ಪೂರೈಸಬೇಕಾದ ನಿಯಮಿತ ನೀಡಿಕೆಗೆ ವಿಶೇಷ ಸಹಕಾರಿಯಾಗುತ್ತದೆ. ಚಾರಿತ್ರಿಕವಾಗಿ ಬ್ಯಾಂಕುಗಳ ಲೆಕ್ಕಪರಿಶೋಧನಾ ವ್ಯವಸ್ಥೆಯ ಕಾರ್ಯ ಚಟುವಟಿಕೆಗಳ ಪರಿವೀಕ್ಷಣೆ, ನಿಖರತೆಯ ಪರೀಕ್ಷೆ, ವಿಶ್ವಾಸಾರ್ಹತೆಯ ಪರೀಕ್ಷೆ, ನಿಯಂತ್ರಕ ವರದಿಗಳ ಸಕಾಲಿಕ ಸಲ್ಲಿಕೆಯ ಪರಿವೀಕ್ಷಣೆ, ಕಾನೂನು ಮತ್ತು ನಿಯಂತ್ರಕ ಅಗತ್ಯಗಳಿಗೆ ಬದ್ಧವಾಗಿದೆಯೇ ಎನ್ನುವುದನ್ನು ಖಚಿತಪಡಿಸಿಕೊಳ್ಳುವುದನ್ನು ಒಳಗೊಂಡಿರುತ್ತದೆ. ವಿವಿಧ ಅಪಾಯಗಳನ್ನು ಮಿತಗೊಳಿಸುವುರಲ್ಲಿ ಅಪಾಯ–ತಳಹದಿಯ ಆಂತರಿಕ ಲೆಕ್ಕಪರಿಶೋಧನೆಯಿಂದಾಗಿ, ಆಂತರಿಕ ಲೆಕ್ಕಪರಿಶೋಧಕರ ಪಾತ್ರ ಹೆಚ್ಚಿನ ಮಹತ್ವ ಹೊಂದಿದೆ. ಪರಿಣಾಮಕಾರಿ ಅಪಾಯ ನಿರ್ವಹಣೆ ಮತ್ತು ನಿಯಂತ್ರಣವನ್ನು ಕೇಂದ್ರೀಕರಿಸುವುದರೊಂದಿಗೆ ವಹಿವಾಟಿನ ಸಾಚಾತನ ಪರೀಕ್ಷೆಯನ್ನು ಒಡಗೂಡಿ, ಅಪಾಯ ಸಂಭಾವ್ಯತಾ ಆಧಾರಿತ ಆಂತರಿಕ ಲೆಕ್ಕಪರಿಶೋಧನೆಯು ಚಾಲ್ತೀ ಅಪಾಯಗಳನ್ನು ಮಿತಗೊಳಿಸುವುದರೊಂದಿಗೆ, ವಿವಿಧ ಕ್ಷೇತ್ರಗಳಲ್ಲಿ ಬಂದೆರಗಬಹುದಾದ ಅಪಾಯ ಸಂಭಾವ್ಯತೆಯನ್ನು ನಿಖರವಾಗಿ ಅಂದಾಜಿಸುವ ಗುರುತರವಾದ ಹೊಣೆಯನ್ನು ಬ್ಯಾಂಕಿನ ಪರವಾಗಿ ಅಪಾಯ ನಿರ್ವಹಣಾ ವ್ಯವಸ್ಥೆಯು ಹೊರುತ್ತದೆ.

ಅಪಾಯ ಸಂಭಾವ್ಯತೆ ಆಧಾರಿತ ಆಂತರಿಕ ಲೆಕ್ಕಪರಿಶೋಧನೆಯಲ್ಲಿ ಇತರ ವಿಷಯಗಳ ಜತೆಗೆ ಅಪಾಯದ ಮಾಪನವೂ ಸೇರಿದ್ದು, ಲೆಕ್ಕಪರಿಶೋಧನೆಯು ಯೋಜನೆಯ ರೂಪಣೆಗೆ ಸಹಕಾರಿ ಆಗುತ್ತದೆ. ಅಪಾಯ ನಿರ್ಧಾರಣೆ –ಯಾ– ಮಾಪನ ಒಂದು ಸ್ವತಂತ್ರ ಕಾರ್ಯಭಾರವಾಗಿದ್ದರೂ ವಿವಿಧ ಸ್ತರಗಳಲ್ಲಿ (ಸಾಂಸ್ಥಿಕ ಮತ್ತು ಶಾಖಾ ಹಂತಗಳಲ್ಲಿ, ಪೋರ್ಟ್‌ಪೋಲಿಯೋ ಮತ್ತು ಏಕವ್ಯಕ್ತಿ ಪರ ವಹಿವಾಟು ಇತ್ಯಾದಿ) ಕಾರ್ಯ ಜರಗಿಸುತ್ತಾ ಅಪಾಯದ ಗುರುತಿಸುವಿಕೆ, ಮೌಲ್ಯಮಾಪನ, ನಿಗಾ ಮತ್ತು ನಿಯಂತ್ರಣಕ್ಕೆ ಸಹಾಯವೆಸಗುತ್ತದೆ. ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಅನುಮತಿಯೊಂದಿಗೆ ಆಂತರಿಕ ಲೆಕ್ಕಪರಿಶೋಧನಾ ವಿಭಾಗವು

Board of Directors, keeping in view the size and complexity of the business undertaken by the Bank. The risk assessment process would include the identification of 'inherent business risks' in the various activities undertaken by the Bank, and evaluate the effectiveness of the control systems for monitoring the inherent risks of the business activities ('Control Risk') and then draw up a risk-matrix by taking into account both the factors viz., inherent business and control risks.

In pursuance of seeking periodic assurances on the adequacy and efficacy of internal control functions, the Bank causes periodic Regular Inspections and Information System (IS) Audit of all the branches and offices. Your Bank also covers select branches under concurrent audit, the aggregate turnover of which account for over 66% of the gross bank credit and over 51% of aggregate deposits of the Bank. Short Inspection of all the branches which are not subjected to concurrent audit is also caused besides, concurrent audit of treasury functions (both domestic and forex), International Division, Forex designated offices, Central Processing Centre, Currency Chests, Information Systems audit of Data Centre and DR Site etc. Besides, the Bank has also been causing Stock and Credit audits of large borrowal accounts by external, professional audit firms in furtherance of effective credit administration. The Bank has also taken prompt action on the implementation of the RBI Guidelines on Information Security, Electronic Banking, Technology Risk Management and Cyber Frauds. Bank may also be covered under Risk Based Supervision under Supervisory Programme for Assessment of Risk and Capital (SPARC) of Reserve Bank of India in the coming years.

As an important element in Corporate Governance structure, the Bank has set up a robust Compliance function with sufficient independence supported by a healthy compliance culture within the organization. The Bank's compliance function ensures strict observance of, all statutory provisions, guidelines from RBI & other regulators, standards and codes prescribed by regulatory bodies besides Bank's internal policies and fair practices code. Further, the compliance function includes interpretation/ dissemination of regulatory and statutory guidelines, observing proper standards of market conduct, managing conflicts of interest and treating customers fairly. The Bank's compliance function assists the top management in managing the Compliance Risk effectively. The risk- based compliance programme of the bank, subject to the oversight by head of compliance, ensures appropriate coverage across businesses and co-ordination among risk management functions besides verifying the level of compliance through 'Compliance Testing' of branches. The Bank carries out an annual compliance risk assessment to identify and assess major compliance risks faced by it and takes steps to manage the risks effectively.

ಅಪಾಯ ಸಂಭಾವ್ಯತೆ ಆಧಾರಿತ ಆಂತರಿಕ ಲೆಕ್ಕಪರಿಶೋಧನೆಯನ್ನು, ಅಪಾಯ ಮಾಪನ ವ್ಯವಸ್ಥೆಯನ್ನು ಕಾರ್ಯರೂಪಕ್ಕೆ ತಂದು, ಬ್ಯಾಂಕು ನಡೆಸುವ ವ್ಯವಹಾರದ ಗಾತ್ರ ಮತ್ತು ಸಂಕೀರ್ಣತೆಗೆ ಅನುಸಾರವಾಗಿ ನಿರ್ವಹಿಸುತ್ತದೆ. ಅಪಾಯಮಾಪನಾ ಪ್ರಕ್ರಿಯೆಯು ಬ್ಯಾಂಕು ಕೈಗೊಳ್ಳುವ ವಿವಿಧ ವ್ಯವಹಾರಗಳಲ್ಲಿ ಸಹಜವಾಗಿ ಅಂತರ್ಗತವಾಗಿರುವ ವ್ಯವಹಾರ ಅಪಾಯವನ್ನು ಗುರುತಿಸುವ ಜವಾಬ್ದಾರಿಯನ್ನು ಹೊಂದಿದ್ದು, ಅಂತರ್ಗತ ಅಪಾಯದ ಮೌಲ್ಯಮಾಪನವನ್ನು ಪರಿಣಾಮಕಾರಿ ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆಯ ರೂಪಣೆಯನ್ನು ವ್ಯವಹಾರ ಚಟುವಟಿಕೆಯೊಂದಿಗೆ ಅಂತರ್ಗತವಾದ ಅಪಾಯದ ಮೇಲೆ ನಿಗಾ, ಅಪಾಯ ನಿಯಂತ್ರಣ ಹಾಗೂ ನಿಯಂತ್ರಣಕ್ಕೆ ಅನುರೂಪವಾದ ಅಪಾಯದ ವಿರುದ್ಧ ಕ್ಷಿಪ್ರ ಕಾರ್ಯಾಚರಣೆಯನ್ನು ಅಂತರ್ಗತವಾದ ವ್ಯವಹಾರದ ಅಪಾಯ ಮತ್ತು ಅಪಾರ ನಿಯಂತ್ರಣದಲ್ಲಿ ಬಳಸುತ್ತದೆ.

ಇದರೊಂದಿಗೆ ಬ್ಯಾಂಕು ಕಾಲಕಾಲಕ್ಕೆ ಆಂತರಿಕ ನಿಯಂತ್ರಣ ಚಟುವಟಿಕೆಯ ದಕ್ಷತೆ ಮತ್ತು ಅನುರೂಪತೆ ಖಾತ್ರಿಗೋಸ್ಕರವಾಗಿ ನಿಯಮಿತ ಪರಿವೀಕ್ಷಣೆ, ಮಾಹಿತಿ ವ್ಯವಸ್ಥೆ (ಐ.ಎಸ್.) ಪರಿವೀಕ್ಷಣೆ ಎಲ್ಲಾ ಶಾಖೆ ಮತ್ತು ಕಚೇರಿಗಳಲ್ಲೂ ನಡೆಸುತ್ತಿದೆ. ಹಾಗೂ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಆಯ್ದ ಶಾಖೆಗಳಲ್ಲಿ (ಇವುಗಳ ವ್ಯವಹಾರದ ಮೊತ್ತ ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಮುಂಗಡದ ಶೇ. 66 ಹಾಗೂ ಠೇವಣಿಯ ಶೇ. 51 ರಷ್ಟನ್ನು ಒಳಗೊಂಡಿರುತ್ತದೆ) ಸಹಗಾಮಿ ಲೆಕ್ಕಪರಿಶೋಧನೆ ಜರಗುತ್ತಿದೆ. ಸಹಗಾಮಿ ಲೆಕ್ಕಪರಿಶೋಧನೆಯಿಂದ ಹೊರತಾದ ಶಾಖೆಗಳಲ್ಲಿ ಕಿರುಪರಿವೀಕ್ಷಣೆ ಜರಗುತ್ತದೆ. ಅಲ್ಲದೇ ಖಜಾನೆ (ಆಂತರಿಕ ಮತ್ತು ವಿದೇಶಿ ವಿನಿಮಯ ಕೂಡಿ) ವಿಭಾಗದ ಸಹಗಾಮಿ ಲೆಕ್ಕಪರಿಶೋಧನೆಯೊಂದಿಗೆ ಅಂತಾರಾಷ್ಟ್ರೀಯ ವಿಭಾಗ ವಿದೇಶಿ ವಿನಿಮಯ ವ್ಯವಹಾರಕ್ಕಾಗಿರುವ ಶಾಖೆಗಳು, ದತ್ತಾಂಶ ಕೇಂದ್ರ, ಮಾಹಿತಿ ವ್ಯವಸ್ಥೆ ವಿಭಾಗ, ಡಿ.ಆರ್. ಕೇಂದ್ರ, ಕೇಂದ್ರೀಯ ಸಂಸ್ಕರಣಾ ಕೇಂದ್ರಗಳು, ಕರೆನ್ಸಿ ಕೋಠಿಗಳು ಮುಂತಾದವುಗಳ ಪರಿವೀಕ್ಷಣೆ, ಸಹಗಾಮಿ ಪರಿವೀಕ್ಷಣೆಗಳು ಜರಗುತ್ತವೆ. ಇದರೊಂದಿಗೆ, ಬೃಹತ್ ಮುಂಗಡ ಖಾತೆಗಳ ದಾಸ್ತಾನು ಲೆಕ್ಕಪರಿಶೋಧನೆ ಮತ್ತು ಮುಂಗಡ ಪರಿಶೋಧನೆಗಳನ್ನು ವೃತ್ತಿಪರ ಲೆಕ್ಕಪರಿಶೋಧನಾ ಸಂಸ್ಥೆಗಳ ನೆರವಿನಿಂದ ಮುಂದುವರಿಸಿಕೊಂಡು ಬರುತ್ತಿದ್ದು, ಇದು ಮುಂಗಡ ಖಾತೆಗಳ ಪರಿಣಾಮಕಾರಿ ನಿರ್ವಹಣೆಗೆ ಸಹಕಾರಿಯಾಗಿದೆ. ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ ಮಾರ್ಗದರ್ಶಿಕೆಗಳನ್ನು ಚಾಚೂ ತಪ್ಪದೇ ಬ್ಯಾಂಕು ಪಾಲಿಸಿಕೊಂಡು ಬರುತ್ತಿದ್ದು, ಮಾಹಿತಿ ಭದ್ರತೆ, ಇಲೆಕ್ಟ್ರಾನಿಕ್ ಬ್ಯಾಂಕಿಂಗ್, ಟೆಕ್ನೋಲಜಿ ರಿಸ್ಕ್ ಮ್ಯಾನೇಜ್‌ಮೆಂಟ್ ಮತ್ತು ಸೈಬರ್ ಫ್ರಾಡ್‌ಗಳ ಬಗ್ಗೆ ಸಕಲ ಮುನ್ನೆಚ್ಚರಿಕೆಗಳನ್ನು ಪಾಲಿಸುತ್ತಿದೆ. ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ ನವೀನ ಆದೇಶಿಕೆಯಂತೆ ಮುಂಬರುವ ವರ್ಷದಲ್ಲಿ 'ಸೂಪರ್‌ವೈಸರಿ, ಪ್ರೋಗ್ರಾಮ್ ಫಾರ್ ಎಸೆಸ್‌ಮೆಂಟ್ ಆಫ್ ರಿಸ್ಕ್ ಆ್ಯಂಡ್ ಕ್ಯಾಪಿಟಲ್' ಯೋಜನೆಯನ್ನು ರಿಸ್ಕ್ 'ಬೇಸ್‌ಡ್ ಸೂಪರ್‌ವಿಶನ್'ನಡಿ ಅಳವಡಿಸಿಕೊಳ್ಳಲು ತಯಾರಿ ನಡೆಸಿದೆ.

ಕಾರ್ಪೊರೇಟ್ ಆಡಳಿತ ಸಂರಚನೆಯ ಪ್ರಮುಖ ಅಂಗವಾಗಿ ಬ್ಯಾಂಕು, ಅನುಕರಣೀಯ ಪರಿಪಾಲನಾ ಚಟುವಟಿಕೆಯನ್ನು ಆದ್ಯೋಪಾದಿಯಲ್ಲಿ ಪೂರೈಸಿಕೊಂಡು ಬರುತ್ತಿದ್ದು, ಇದು ಸಾಕಷ್ಟು ಪರಿಮುಕ್ತ ವಾತಾವರಣದಲ್ಲಿ ಜರಗುತ್ತಿದ್ದು, ಸಂಸ್ಥೆಯ ಸಕಲ ಚಟುವಟಿಕೆಗಳಲ್ಲಿ ಪರಿಪಾಲನೆಯೂ ಒಂದು ಉದ್ಯಮ ಸಂಸ್ಕೃತಿ ಆಗಿ ರೂಪುಗೊಂಡಿರುತ್ತದೆ. ಪರಿಪಾಲನಾ ಚಟುವಟಿಕೆಯು ಬಿಗು ಉಸ್ತುವಾರಿಯಲ್ಲಿ ಪರ್ಯಾಪ್ತ ಮೀಸಲು, ಆರ್‌ಬಿಐ ಮಾರ್ಗದರ್ಶಿಕೆ ಮತ್ತು ಇತರ ನಿಯಂತ್ರಣಗಳು, ಸ್ಟಾಂಡರ್ಡ್ಸ್ ಮತ್ತು ಕೋಡ್ (ನಿಯಂತ್ರಕ ಸಂಸ್ಥೆಗಳ ಆದೇಶಿತ) ಮುಂತಾದವುಗಳ ಪರಿಪಾಲನೆಯನ್ನು ಜರಗಿಸುತ್ತದೆ. ಅಲ್ಲದೇ, ಪರಿಪಾಲನಾ ಚಟುವಟಿಕೆಯು, ಪರ್ಯಾಪ್ತ ಮತ್ತು ನಿಯಂತ್ರಕಗಳ ಆದೇಶಿಕೆಗಳ ವಿವರಣಾತ್ಮಕತೆಯನ್ನು / ವಿಸ್ತಾರವನ್ನು ಒಳಗೊಂಡಿದ್ದು, ಮಾರುಕಟ್ಟೆ ನಡತೆಯ ಗುಣಮಟ್ಟ, ಗ್ರಾಹಕಸ್ನೇಹಿ ಹಾಗೂ ಕುಂದುಕೊರತೆ ನಿವಾರಣೆ ಮುಂತಾದವುಗಳ ಬಗ್ಗೆ ವಿಶೇಷ ನಿಗಾ ವಹಿಸಿ ಪರಿಪಾಲನೆ ಪೂರೈಸುತ್ತಿದೆ. ಬ್ಯಾಂಕಿನ ಪರಿಪಾಲನಾ ಚಟುವಟಿಕೆಯು, ಉನ್ನತ ಆಡಳಿತಕ್ಕೆ ಪರಿಪಾಲನಾ ಅಪಾಯವನ್ನು ಸಮರ್ಥವಾಗಿ ನಿರ್ವಹಿಸುವಲ್ಲಿ ಬೆಂಬಲಿಸುತ್ತದೆ. ಬ್ಯಾಂಕಿನ ಅಪಾಯ ತಳಹದಿಯ ಮೇಲಣ ಪರಿಪಾಲನಾ ಕಾರ್ಯಕ್ರಮವು ಬ್ಯಾಂಕಿನ ಪರಿಪಾಲನಾ ಪ್ರಮುಖರ ಕಣ್ಗಾವಲಿನಲ್ಲಿ ನಡೆಯುತ್ತಿದ್ದು, ಶಾಖೆಗಳ 'ಪರಿಪಾಲನಾ ಪರೀಕ್ಷೆ' ಯಾದಿಯಾಗಿ, ಅಪಾಯ ನಿರ್ವಹಣೆ ಕಾರ್ಯವಿಧಾನ, ಪರಿಪಾಲನಾ ಮರುಪರೀಕ್ಷೆ – ತುಲನೆ ಮೂಲಕ ಸಾಕಷ್ಟು ಪರಿಪೂರ್ಣ ಹಾಗೂ ವ್ಯವಹಾರಗಳ ನಿಖರ ಮಾಹಿತಿಯ ಬಗ್ಗೆ ಆತ್ಮವಿಶ್ವಾಸ ತಾಳುವಂತೆ ಕಾರ್ಯ ನಿರ್ವಹಿಸುತ್ತದೆ. ಬ್ಯಾಂಕು ವಾರ್ಷಿಕ ಅಪಾಯ ಪರಿಪಾಲನಾ ಅಂದಾಜನ್ನು ಜರಗಿಸುತ್ತಾ, ಅಪಾಯದ ಅಂದಾಜಿನ ಗುರುತಿಸುವಿಕೆ ಮತ್ತು ಪ್ರಮುಖ ಪರಿಪಾಲನಾ ಅಂದಾಜಿನ ಮೇಲುಸ್ತುವಾರಿ ನಡೆಸುತ್ತಾ, ಅಪಾಯಗಳ ಮಟ್ಟ ಮತ್ತು ನಿರ್ವಹಣೆ ಗ್ರಹಿಸುವಲ್ಲಿ ಮತ್ತು ಪರಿಹರಿಸುವಲ್ಲಿ ಪ್ರಮುಖ ಮತ್ತು ಸಕಾಲಿಕ ಪಾತ್ರ ವಹಿಸುತ್ತಿದೆ.

HUMAN RESOURCES

The present banking system is a result of reforms and policy changes that have taken place in the past. A globally competitive economy requires a robust and competitive banking system.

Efficient human resource management is one of the most essential requirements for banking sector to succeed in this competitive world. Technology plays an important role in the development of able human resource management system. In this regard your Bank is in the process of implementing a comprehensive Human Resource Management System (HRMS) encompassing a robust employee information and streamline various HR functions ultimately aiming at improving the efficiency of the employees.

Recognizing the vital role the training plays in improving the productivity and efficiency, shouldering higher responsibilities and to understand fast changing scenario of banking industry, your Bank has in place a well equipped training college with experienced faculty members to impart training to the various categories of staff members throughout the year. Apart from conducting training programmes at its staff training college your Bank deputes its staff members to the training programmes conducted by reputed institutions such as IIM, Ahmedabad, National Institute of Bank Management (NIBM), Pune, College of Agricultural Banking (CAB), Pune, Institute for Development and Research in Banking Technology (IDRBT), Hyderabad, SIBSTC, Bengaluru, Indian Institute of Banking and Finance (IIBF), Mumbai etc. During the year 2014-15, the Bank has deputed as many as 1476, 652 and 161 personnel to various trainings/ workshops/ conferences in the category of Officers, Clerks & Attenders respectively.

Maintaining cordial industrial relations is one of the top priorities of your Bank and your Bank was able to keep a very amiable industrial relationship during the year under report. The number of employees in the Bank stood at 7382 as on 31st March 2015. The Business per employee (excluding inter bank deposits) has improved from ₹958.76 lakh as on 31st March 2014 to ₹1051.78 lakh as on 31st March 2015.

Your Bank has put in place institutional mechanism for protection of women employees at the workplace and adopted a policy pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, providing for protection of women employees against the sexual harassment of women at workplace and redressal of such complaints. The details of the complaints received under the above Policy for the year under report are as under:

ಮಾನವ ಸಂಪನ್ಮೂಲ

ಆಧುನಿಕ ಬ್ಯಾಂಕಿಂಗ್ ವ್ಯವಸ್ಥೆಯ ಪರಿಷ್ಕರಣೆ ಮತ್ತು ಧೋರಣೆಗಳ ಬದಲಾವಣೆಗಳಿಗೆ ಮತ್ತು ನವೀನ ಆವಿಷ್ಕಾರಕ್ಕೆ ತನ್ನನ್ನು ತೆರೆದುಕೊಂಡಿದೆ. ಸ್ಪರ್ಧಾತ್ಮಕ ಜಾಗತಿಕ ಆರ್ಥಿಕತೆಗಾಗಿ ಅತ್ಯುತ್ತಮ ಪಂಥಾಹ್ವಾನ ಸ್ವೀಕಾರಾರ್ಹ ಬ್ಯಾಂಕಿಂಗ್ ವ್ಯವಸ್ಥೆಯು ಅವಶ್ಯವಾಗಿದೆ.

ಸ್ಪರ್ಧಾತ್ಮಕ ಜಾಗತಿಕ ಕ್ಷೇತ್ರ ವಿಸ್ತಾರದಲ್ಲಿ ಬ್ಯಾಂಕಿಂಗ್ ವ್ಯವಸ್ಥೆ ಯಶಸ್ವಿಯಾಗಲು ಮಾನವ ಸಂಪನ್ಮೂಲ ಅತ್ಯಂತ ಪ್ರಮುಖ ಅಂಗವಾಗಿರುತ್ತದೆ. ಮಾನವ ಸಂಪನ್ಮೂಲ ಆಡಳಿತ ವ್ಯವಸ್ಥೆಯಲ್ಲಿ ತಾಂತ್ರಿಕತೆ – ಕೌಶಲ್ಯ ಅತ್ಯುತ್ತಮ ಪಾತ್ರ ವಹಿಸುತ್ತದೆ. ಈ ನಿಟ್ಟಿನಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು 'ಮಾನವ ಸಂಪನ್ಮೂಲ ನಿರ್ವಹಣಾ ವ್ಯವಸ್ಥೆ' (ಎಚ್‌ಆರ್‌ಎಂಎಸ್) ಎನ್ನುವ ಮಹತ್ವಾಕಾಂಕ್ಷಿ ಯೋಜನೆಯ ಅನುಷ್ಠಾನದ ನಿಟ್ಟಿನಲ್ಲಿ ಹೆಜ್ಜೆಯಿಟ್ಟಿದ್ದು ತನ್ಮೂಲಕ ಸಿಬ್ಬಂದಿಯ ಕುರಿತಾಗಿ ಸಂಪೂರ್ಣ ಮಾಹಿತಿಗಳನ್ನು ಕ್ರೋಢೀಕರಿಸಿ, ಮಾನವ ಸಂಪನ್ಮೂಲದ ಮೌಲ್ಯವನ್ನು ಗರಿಷ್ಠ ಮಟ್ಟಕ್ಕೆ ಒಯ್ಯುವಲ್ಲಿ, ಸಿಬ್ಬಂದಿಯ ನೈಪುಣ್ಯಾಭಿವೃದ್ಧಿಗಾಗಿ ಸಕಲ ಪ್ರಯತ್ನ ಮಾಡುತ್ತಾ ಸರ್ವತೋಮುಖ ಅಭಿವೃದ್ಧಿಯ ಪಥದಲ್ಲಿ ಸಾಗಿದೆ.

ಉತ್ಪಾದಕತೆ ಮತ್ತು ದಕ್ಷತೆ ಅಭಿವೃದ್ಧಿಯಲ್ಲಿ ತರಬೇತಿ ವಹಿಸುವ ಅಪಾರ ಪಾತ್ರವನ್ನು ಮನಗಂಡಿರುವ ನಿಮ್ಮ ಬ್ಯಾಂಕು, ಹೆಚ್ಚಿನ ಜವಾಬ್ದಾರಿ, ಬದಲಾಗುತ್ತಿರುವ ಬ್ಯಾಂಕಿಂಗ್ ಕ್ಷೇತ್ರದ ಆಧುನಿಕ ಅಪೇಕ್ಷೆಗಳ ಪೂರೈಕೆಗೆ ಬೇಕಾದ ನೈಪುಣ್ಯತೆ ಹಾಗೂ ಕೌಶಲವನ್ನು ಪ್ರತಿಯೊಬ್ಬ ಸಿಬ್ಬಂದಿ ಸಮರ್ಥವಾಗಿ ಪರಿಪುಷ್ಟಗೊಳ್ಳಲೋಸುಗ, ಬ್ಯಾಂಕು ತನ್ನದೇ ಆದ ಸುಸಜ್ಜಿತ ಅತ್ಯುತ್ತಮ ಬೋಧನಾ ಸಾಮರ್ಥ್ಯ ಹೊಂದಿದ ಸಿಬ್ಬಂದಿ ತರಬೇತಿ ಕಾಲೇಜನ್ನು ಹೊಂದಿದ್ದು, ಪ್ರತಿ ವರ್ಷವೂ ವಿವಿಧ ವರ್ಗದ ಸಿಬ್ಬಂದಿಗಳಿಗೆ ನಿರಂತರವಾಗಿ ತರಬೇತಿ ನೀಡುತ್ತಾ ಬಂದಿದೆ. ತನ್ನ ಸ್ವಂತ ತರಬೇತಿ ವಿದ್ಯಾಲಯದಲ್ಲಿ ತರಬೇತಿ ನೀಡುವುದರೊಂದಿಗೆ, ವಿಶೇಷ ತರಬೇತಿಗಾಗಿ ಐಐಎಂ–ಅಹ್ಮದಾಬಾದ್, ಎನ್‌ಐಬಿಎಂ–ಪೂನಾ, ಕಾಲೇಜ್ ಆಫ್ ಅಗ್ರಿಕಲ್ಚರಲ್ ಬ್ಯಾಂಕಿಂಗ್–ಪೂನಾ, ಐಡಿಆರ್‌ಬಿಟಿ–ಹೈದರಾಬಾದ್, ಎಸ್‌ಐಬಿಎಸ್‌ಟಿಸಿ–ಬೆಂಗಳೂರು, ಇಂಡಿಯನ್ ಇನ್ಸ್ಟಿಟ್ಯೂಟ್ ಆಫ್ ಬ್ಯಾಂಕಿಂಗ್ ಮತ್ತು ಫೈನಾನ್ಸ್ (ಐಐಬಿಎಫ್), ಮುಂಬೈ ಮುಂತಾದೆಡೆಗೆ ತನ್ನ ಸಿಬ್ಬಂದಿಗಳನ್ನು ಬ್ಯಾಂಕು ನಿಯೋಜಿಸುತ್ತದೆ. 2014–15ನೇ ವರ್ಷದಲ್ಲಿ ಬ್ಯಾಂಕು 1476 ಅಧಿಕಾರಿಗಳನ್ನು 652 ಗುಮಾಸ್ತರುಗಳನ್ನು ಮತ್ತು 161 ಉಪಸಿಬ್ಬಂದಿಗಳನ್ನು ವಿವಿಧ ತರಬೇತಿ / ಕಾರ್ಯಾಗಾರ / ಸಮ್ಮೇಳನಗಳಿಗೆ ನಿಯೋಜಿಸಿದೆ.

ಬ್ಯಾಂಕಿನ ನೌಕರರ–ಆಡಳಿತ ಸಂಬಂಧವನ್ನು ಸೌಹಾರ್ದಮಯವಾಗಿಸುವುದು ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಆದ್ಯತೆಗಳಲ್ಲಿ ಪ್ರಧಾನವಾಗಿದ್ದು, ಅದನ್ನು ವರದಿವರ್ಷದಲ್ಲೂ ಮುಂದುವರಿಸಿಕೊಂಡು ಬರಲಾಗಿದೆ. 31 ಮಾರ್ಚ್ 2015ಕ್ಕೆ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಸಿಬ್ಬಂದಿ ಸಂಖ್ಯೆ 7382. ತಲಾ ಉದ್ಯೋಗಿ ವ್ಯವಹಾರ (ಇಂಟರ್‌ಬ್ಯಾಂಕ್ ಠೇವಣಿ ಹೊರತಾಗಿ) 31 ಮಾರ್ಚ್ 2014ಕ್ಕೆ ಇದ್ದ ₹958.76 ಲಕ್ಷದಿಂದ 31, ಮಾರ್ಚ್ 2015ಕ್ಕೆ ₹1051.78 ಲಕ್ಷಕ್ಕೆ ಏರಿದೆ.

'ಸೆಕ್ಸುವಲ್ ಹ್ಯಾರಾಸ್‌ಮೆಂಟ್ ಆಫ್ ವಿಮೆನ್ ಎಟ್ ವರ್ಕ್ ಪ್ಲೇಸ್' (ಪ್ರತಿಬಂಧ, ನಿಷೇಧ ಮತ್ತು ನಿವಾರಣೆ) ಕಾಯಿದೆ 2013 ಹಾಗೂ ವಿಭಾಗ 22ಕ್ಕೆ ಅನುಸಾರವಾಗಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಅಗತ್ಯವಿರುವ ಕ್ರಮ ಹಾಗೂ ಸಾಂಸ್ಥಿಕ ರಕ್ಷಣಾತ್ಮಕ ಚೌಕಟ್ಟನ್ನು ನಿರ್ಮಿಸಿದ್ದು, ಮಹಿಳಾ ಉದ್ಯೋಗಿಗಳಿಗೆ ಲೈಂಗಿಕ ಕಿರುಕುಳದ ವಿಲೇವಾರಿಗಾಗಿ ಆಡಳಿತಾತ್ಮಕ ಕ್ರಮಗಳನ್ನು ತೆಗೆದುಕೊಳ್ಳಲಾಗಿದೆ. ಮೇಲ್ಕಂಡ ಧೋರಣೆಯನ್ವಯ ವರದಿ ವರ್ಷದಲ್ಲಿ ಬಂದ ದೂರಿನ ವಿವರಗಳು ಈ ಕೆಳಗಿನಂತಿವೆ.

Number of complaints pending as at the beginning of the financial year	NIL
Number of complaints filed during the financial year	NIL
Number of complaints pending as on end of the financial year	NIL

ಆರ್ಥಿಕ ವರ್ಷದ ಪ್ರಾರಂಭದಲ್ಲಿ ಬಾಕಿ ಉಳಿದಿರುವ ದೂರುಗಳ ಸಂಖ್ಯೆ	ಯಾವುದೂ ಇಲ್ಲ
ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ಬಂದ ದೂರುಗಳ ಸಂಖ್ಯೆ	ಯಾವುದೂ ಇಲ್ಲ
ಆರ್ಥಿಕ ವರ್ಷದ ಅಂತ್ಯದಲ್ಲಿ ಬಾಕಿ ಉಳಿದಿರುವ ದೂರುಗಳ ಸಂಖ್ಯೆ	ಯಾವುದೂ ಇಲ್ಲ

DIRECTORS

Your Bank has ten Directors, all of them except Mr. P Jayarama Bhat, Managing Director and CEO are Independent Directors as on March 31, 2015. The details of the criteria for appointment and remuneration of Directors are provided in the report on Corporate Governance forming part of this report.

ನಿರ್ದೇಶಕರು

31 ಮಾರ್ಚ್ 2015ರಂದು ನಿಮ್ಮ ಬ್ಯಾಂಕು ಹತ್ತು ಮಂದಿ ನಿರ್ದೇಶಕರನ್ನು ಹೊಂದಿದ್ದು ಅವರ ಪೈಕಿ ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು ಮತ್ತು ಪ್ರಧಾನ ಕಾರ್ಯನಿರ್ವಾಹಕ ಅಧಿಕಾರಿಗಳು ಆದ ಶ್ರೀ ಪಿ. ಜಯರಾಮ ಭಟ್ ಅವರನ್ನು ಹೊರತುಪಡಿಸಿ ಉಳಿದವರು ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರುಗಳಾಗಿದ್ದಾರೆ. ಅವರೆಲ್ಲರ ನೇಮಕಾತಿಯ ಅರ್ಹತೆ, ಮಾನದಂಡಗಳ ವಿವರ ಮತ್ತು ನಿರ್ದೇಶಕರುಗಳಿಗೆ ನೀಡಲಾದ ಸಂಭಾವನೆ ಇವೆಲ್ಲದರುಗಳ ವಿವರಗಳನ್ನು ಇದೇ ವರದಿಯ ಭಾಗವಾಗಿ ಸಾಂಸ್ಥಿಕ ಪ್ರಶಾಸನ ಪರಿಚ್ಛೇದದಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

INDEPENDENT AND NON-EXECUTIVE DIRECTORS

Pursuant to the provisions of Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into with the Stock Exchanges, your Bank has received necessary declarations from all the non-executive directors viz., Messrs. Ananthakrishna, S V Manjunath, D Harshendra Kumar, Dr. H Ramamohan, T R Chandrasekaran, Ashok Haranahalli, Mrs. Usha Ganesh, Rammohan Rao Belle and B A Prabhakar confirming that they meet the criteria of independence for Independent Directors.

ಸ್ವತಂತ್ರ ಮತ್ತು ಕಾರ್ಯನಿರ್ವಾಹಕೇತರ ನಿರ್ದೇಶಕರು

ಕಂಪೆನಿ ಕಾಯ್ದೆ, 2013, ವಿಭಾಗ 149(6) ಮತ್ತು ಲಿಸ್ಟಿಂಗ್ ಕರಾರು 49 ಅನ್ವಯ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಎಲ್ಲಾ ಕಾರ್ಯನಿರ್ವಾಹಕೇತರ ನಿರ್ದೇಶಕರುಗಳಾದ ಸರ್ವಶ್ರೀ ಅನಂತಕೃಷ್ಣ, ಎಸ್. ವಿ. ಮಂಜುನಾಥ್, ಡಿ. ಹರ್ಷೇಂದ್ರ ಕುಮಾರ್, ಡಾ। ಎಚ್. ರಾಮಮೋಹನ್, ಟಿ. ಆರ್. ಚಂದ್ರಶೇಖರನ್, ಅಶೋಕ್ ಹಾರನಹಳ್ಳಿ, ಶ್ರೀಮತಿ ಉಷಾ ಗಣೇಶ್, ರಾಮಮೋಹನ ರಾವ್ ಬೆಳ್ಳೆ ಮತ್ತು ಬಿ.ಎ. ಪ್ರಭಾಕರ ಇವರುಗಳಿಂದ ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರಾಗಲು ಸೂಕ್ತ ಅರ್ಹತೆ ಉಳ್ಳವರಾಗಿದ್ದಾರೆ ಎಂಬ ದೃಢೀಕರಣವನ್ನು ಪಡೆದುಕೊಂಡಿರುತ್ತದೆ.

WOMAN DIRECTOR

Mrs. Usha Ganesh is on the Board of the Bank since July 31, 2013 and thus the Bank complies with the requirement of having a woman director on the Board as per Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

ಮಹಿಳಾ ನಿರ್ದೇಶಕಿ

ಶ್ರೀಮತಿ ಉಷಾ ಗಣೇಶ್‌ರವರು ದಿನಾಂಕ 31 ಜುಲೈ 2013 ರಿಂದ ಬ್ಯಾಂಕಿನ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯಲ್ಲಿದ್ದು, ಕಂಪೆನಿ ಕಾಯ್ದೆ 2013, ವಿಭಾಗ 149 ಖಂಡ 49ರ ಆದೇಶದಂತೆ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯಲ್ಲಿ ಮಹಿಳಾ ನಿರ್ದೇಶಕರು ಇರಲೇಬೇಕೆನ್ನುವ ಕಾಯಿದೆಯ ಆಶಯವನ್ನು ಇವರ ಸೇರ್ಪಡೆ ಪೂರ್ಣಗೊಳಿಸಿದೆ.

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER (MD & CEO)

Mr. P Jayarama Bhat has been the MD & CEO of the Bank since July 14, 2009 with the approval of the Reserve Bank of India and the members of the Bank from time to time and his present term would come to an end on July 13, 2015. The Board at the meeting held on March 27, 2015 has re-appointed him for a further period of three years and also revised the remuneration etc., subject to the approval of the Reserve Bank of India and the members of the Bank. Accordingly approval of the members is being sought for his re-appointment and revision in the remuneration etc., subject to approval of Reserve Bank of India.

ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕ ಮತ್ತು ಪ್ರಧಾನ ಕಾರ್ಯನಿರ್ವಾಹಕ ಅಧಿಕಾರಿ (ಎಂ.ಡಿ. ಮತ್ತು ಸಿ.ಇ.ಓ)

ಶ್ರೀ ಪಿ. ಜಯರಾಮ ಭಟ್ ಅವರು ಜುಲೈ 14, 2009ರಿಂದ ಬ್ಯಾಂಕಿನ ಎಂ.ಡಿ. ಮತ್ತು ಸಿ.ಇ.ಓ. ಆಗಿ ಕಾರ್ಯ ನಿರ್ವಹಿಸುತ್ತಿದ್ದು ಈ ನೇಮಕಾತಿಯು ಕಾಲ ಕಾಲಕ್ಕೆ ಬ್ಯಾಂಕಿನ ಸದಸ್ಯರ ಮತ್ತು ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ ಒಪ್ಪಿಗೆಯೊಂದಿಗೆ ಆಗಿರುತ್ತದೆ. ಇವರ ಪ್ರಸ್ತುತ ಕಾಲಾವಧಿ ಜುಲೈ 13, 2015ಕ್ಕೆ ಮುಗಿಯಲಿದೆ. ದಿನಾಂಕ ಮಾರ್ಚ್ 27, 2015ರಂದು ಜರಗಿದ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಸಭೆಯಲ್ಲಿ ಶ್ರೀಯುತರ ಅಧಿಕಾರಾವಧಿಯನ್ನು ಮುಂದಣ ಮೂರು ವರ್ಷಕ್ಕೆ ಮುಂದುವರಿಸುವ ನಿರ್ಣಯ ಹಾಗೂ ಸಂಭಾವನೆ ಇತ್ಯಾದಿ ಹೆಚ್ಚಳವನ್ನೂ ನಿರ್ಣಯಿಸಿದ್ದು, ಇದಕ್ಕೆ ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ಮತ್ತು ಬ್ಯಾಂಕಿನ ಸದಸ್ಯರುಗಳ ಅನುಮೋದನೆ ದೊರೆಯಬೇಕಾಗಿದೆ. ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಇಂಡಿಯಾದ ಅನುಮೋದನೆಯನ್ನು ನಿರೀಕ್ಷಿಸುತ್ತಾ, ಬ್ಯಾಂಕಿನ ಸರ್ವ ಸದಸ್ಯರಲ್ಲಿ ಈ ಸಂದರ್ಭದಲ್ಲಿ ಶ್ರೀಯುತರ ಅಧಿಕಾರ ಕಾಲಾವಧಿಯ ಮೂರು ವರ್ಷಗಳ ಮುಂದೂಡಿಕೆ, ಸಂಭಾವನೆ ಇತ್ಯಾದಿಗಳ ಹೆಚ್ಚಳಕ್ಕೆ ಅನುಮೋದನೆ ಯಾಚಿಸಲಾಗಿದೆ.

OTHER CHANGES IN THE BOARD

Mr. T S Vishwanath, after completing the term of eight years, has retired from the office of Director in accordance with Section 10A(2A)(i) of the Banking Regulation Act, 1949 on January 4, 2015. The Board places on record its appreciation of the active involvement and useful contributions made by Mr. T S Vishwanath during his tenure.

ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯಲ್ಲಿ ಇತರ ಬದಲಾವಣೆಗಳು

ಶ್ರೀ ಟಿ.ಎಸ್. ವಿಶ್ವನಾಥ ಅವರು ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಸದಸ್ಯರಾಗಿರಬಹುದಾದ ಗರಿಷ್ಠ ಕಾಲಾವಧಿ ಎಂಟು ವರ್ಷಗಳನ್ನು ಕ್ರಮಿಸಿರುವುದರಿಂದ, ಬ್ಯಾಂಕಿಂಗ್ ನಿಯಂತ್ರಣ ಕಾಯ್ದೆ 1949, ವಿಭಾಗ 10ಎ (2ಎ)(i)ರಂತೆ ದಿನಾಂಕ ಜನವರಿ 4, 2015ರಂದು ನಿವೃತ್ತರಾಗಿದ್ದಾರೆ. ಶ್ರೀ ಟಿ.ಎಸ್. ವಿಶ್ವನಾಥ ಅವರ ತಮ್ಮ ಕಾಲಾವಧಿಯಲ್ಲಿನ ಸಕ್ರಿಯ ಪಾಲ್ಗೊಳ್ಳುವಿಕೆ ಮತ್ತು ಉಪಯುಕ್ತ ಕೊಡುಗೆಗಳಿಗಾಗಿ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು ತನ್ನ ನೆಚ್ಚಿಗೆಯನ್ನು ದಾಖಲಿಸುತ್ತದೆ.

Further, the Board has appointed Mr. B A Prabhakar, former Chairman & Managing Director of Andhra Bank as an additional director on September 6, 2014 and as per Section 161 of the Companies Act, 2013 would hold office upto the date of ensuing Annual General Meeting. Bank has received necessary notice under Section 160 of the Companies Act, 2013 he proposing his candidature for appointment as an Independent Director of the Bank at the ensuing Annual General Meeting. Having regard to his vast and rich knowledge and experience in the field of Banking and Finance, your Directors recommend his appointment. The brief resume and other details relating to Mr. B A Prabhakar are furnished in the notice of the Annual General Meeting.

NUMBER OF BOARD MEETINGS

During the year under report the Board had met 16 times and the details thereof are provided in the report on Corporate Governance forming part of this report.

COMMITTEES OF THE BOARD

The Bank has several Committees which were constituted as part of the best corporate practices and to comply with the requirements of relevant provisions of the applicable laws.

Details of the meetings of the Board and the Committees, their composition, terms of reference, powers, roles etc are furnished in the report on Corporate Governance forming part of this report.

CORPORATE GOVERNANCE

Your Bank is committed to follow the best practices of corporate governance to protect the interests of all the stakeholders of the Bank, viz. shareholders, depositors, other customers, employees and the society in general and maintain transparency at all levels. A detailed report on corporate governance practices is given as Annexure III to this report.

EXTRACT OF THE ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return of the Bank as on March 31, 2015 is annexed (Annexure IV).

PERFORMANCE EVALUATION OF THE BOARD

The Nomination and Remuneration Committee at its meeting held on November 22, 2014 and the Board of Directors at its meeting held on December 29, 2014 respectively, had laid down criteria for performance evaluation of Directors, Chairman, MD & CEO, Committees of the Board and Board as a whole and also the evaluation process for the same. The statement indicating the manner in which formal annual evaluation of the Directors, the Board and Committees of the Board etc., are given in detail in the report on Corporate Governance, which forms part of this Annual Report. In pursuance to the above, Independent Directors in their separate meeting held on March 27, 2015 have reviewed and evaluated the performance of Board as a whole, Chairman of the Board and the Managing Director and CEO.

ಅಲ್ಲದೇ ಶ್ರೀ ಬಿ.ಎ. ಪ್ರಭಾಕರ, ಆಂಧ್ರ ಬ್ಯಾಂಕಿನ ಹಿಂದಣ ಅಧ್ಯಕ್ಷರು ಮತ್ತು ವ್ಯವಸ್ಥಾಪಕರ ನಿರ್ದೇಶಕರು, ಇವರನ್ನು ಬ್ಯಾಂಕು ಆಡಳಿತ ಮಂಡಳಿಯ ಹೆಚ್ಚುವರಿ ಸದಸ್ಯರನ್ನಾಗಿ ಸೆಪ್ಟೆಂಬರ್ 6, 2014ರಂದು ಕಂಪೆನಿ ಕಾಯ್ದೆ 2013, ವಿಭಾಗ 161ರ ಅನ್ವಯ ಸೇರ್ಪಡೆಗೊಳಿಸಿಕೊಂಡಿದ್ದು, ಅವರು ಬರಲಿರುವ ಬ್ಯಾಂಕಿನ ಮಹಾಸಭೆಯ ದಿನಾಂಕದವರೆಗೆ ಅಧಿಕಾರಾಸೀನರಾಗಿರಬಹುದು. ಕಂಪೆನಿ ಕಾಯ್ದೆ 2013 ವಿಭಾಗ 160ರ ಅನ್ವಯ, ಬ್ಯಾಂಕಿನ ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರಾಗಿ ತನ್ನ ಅಭ್ಯರ್ಥಿತನವನ್ನು ಸೂಚಿಸಿ ನೀಡಿದ ಇವರ ನೋಟೀಸು ಬ್ಯಾಂಕಿಗೆ ತಲಪಿದ್ದು, ಬ್ಯಾಂಕಿನ ಮಹಾಸಭೆಯಂದು ಅದು ಇತ್ಯರ್ಥಗೊಳ್ಳಲಿದೆ. ಶ್ರೀಯುತರ, ವಿತ್ತೀಯ ಬ್ಯಾಂಕಿಂಗ್ ಕ್ಷೇತ್ರದಲ್ಲಿನ ಪ್ರಬುದ್ಧ ಜ್ಞಾನ ಮತ್ತು ಅನುಭವಗಳನ್ನು ಪರಿಗಣಿಸಿ, ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ಅವರ ನೇಮಕಾತಿಯನ್ನು ಶಿಫಾರಸ್ಸು ಮಾಡುತ್ತಾರೆ. ಶ್ರೀ ಬಿ.ಎ.ಪ್ರಭಾಕರ ಇವರ ಕಿರುಪರಿಚಯ ಮತ್ತು ಇತರ ವಿವರಗಳನ್ನು ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯ ನೋಟೀಸಿನೊಂದಿಗೆ ಪ್ರಕಟಿಸಲಾಗಿದೆ.

ಆಡಳಿತ ಮಂಡಳಿಯ ಸಭೆಯ ಸಂಖ್ಯೆ

ವರದಿ ವರ್ಷದಲ್ಲಿ ಆಡಳಿತ ಮಂಡಳಿಯ ಸದಸ್ಯರು ಒಟ್ಟು 16 ಬಾರಿ ಸಭೆ ಜರಗಿಸಿದ್ದು, ವರದಿಯ ವಿವರಗಳನ್ನು ಈ ವರದಿಯ ಭಾಗವಾಗಿ ಸಾಂಸ್ಥಿಕ ಪ್ರಶಾಸನ ಪರಿಚ್ಛೇದದಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಸಮಿತಿಗಳು

ಬ್ಯಾಂಕು ಹಲವಾರು ಸಮಿತಿಗಳನ್ನು ಹೊಂದಿದ್ದು, ಇವುಗಳು ಅತ್ಯುತ್ತಮ ಸಾಂಸ್ಥಿಕ ಸೇವಾ ನೀಡಿಕೆಗಾಗಿ ಮತ್ತು ಲಗಾವು ಆಗುವ ಕಾನೂನು ಅಗತ್ಯಗಳ ಪೂರೈಕೆ ಹಾಗೂ ಪರಿಪಾಲನೆಗಾಗಿಯೂ ದುಡಿಯುತ್ತವೆ.

ಆಡಳಿತ ಮಂಡಳಿ ಸಭೆ ಮತ್ತು ಸಮಿತಿಗಳ ಸಭೆಯ ವಿವರಗಳು, ಅವುಗಳ ರಚನೆ, ಶರ್ತಗಳು/ಉಲ್ಲೇಖಗಳ ಅಧಿಕಾರ, ಪಾತ್ರ ಇತ್ಯಾದಿಗಳನ್ನು ಈ ವರದಿಯ ಭಾಗವಾಗಿ ಸಾಂಸ್ಥಿಕ ಪ್ರಶಾಸನದಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

ಸಾಂಸ್ಥಿಕ ಪ್ರಶಾಸನ

ನಿಮ್ಮ ಬ್ಯಾಂಕು ಅತ್ಯುತ್ತಮ ಸಾಂಸ್ಥಿಕ ಪ್ರಶಾಸನವನ್ನು ಪಾಲಿಸಲು ಬದ್ಧವಾಗಿದ್ದು, ತನ್ಮೂಲಕ ಬ್ಯಾಂಕಿನ ಸರ್ವ ಪಾಲುದಾರರಾದ ಶೇರುದಾರರು, ಠೇವಣಿದಾರರು, ಗ್ರಾಹಕರು ಮತ್ತು ನೌಕರರು ಹಾಗೂ ಪ್ರಮುಖವಾಗಿ ಸಮಾಜದ ಹಿತಾಸಕ್ತಿಯನ್ನು ಕಾಯ್ದುಕೊಂಡಿದ್ದು, ನಿರ್ವಹಣೆಯ ಸರ್ವ ಸ್ತರದಲ್ಲೂ ಪಾರದರ್ಶಕತೆಯನ್ನು ಕಾಪಾಡುವ ಗುರಿ ಮತ್ತು ಬದ್ಧತೆಗಳನ್ನು ಹೊಂದಿರುತ್ತದೆ. ಸಾಂಸ್ಥಿಕ ಪ್ರಶಾಸನಕ್ಕೆ ಸಂಬಂಧಿಸಿದ ವಿವರವಾದ ವರದಿಯನ್ನು ಈ ವಾರ್ಷಿಕ ವರದಿಯ ಅನುಬಂಧ III ರಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

ವಾರ್ಷಿಕ ಮಾಹಿತಿ ಸಲ್ಲಿಕೆಯ ಸಾರ

ಕಂಪೆನಿ ಕಾಯ್ದೆ 2013, ವಿಭಾಗ 92(3) ಹಾಗೂ ಕಂಪೆನಿ (ಮ್ಯಾನೇಜ್‌ಮೆಂಟ್ ಮತ್ತು ಎಡ್ಮಿನಿಸ್ಟ್ರೇಶನ್) ರೂಲ್ಸ್ 2014ರ ನಿಯಮ 12(1)ರ ಅನುಸಾರವಾಗಿ, ಬ್ಯಾಂಕಿನ ವಾರ್ಷಿಕ ಮಾಹಿತಿ ಸಲ್ಲಿಕೆಯ ಸಾರವನ್ನು / ಪ್ರತಿಯನ್ನು 31, ಮಾರ್ಚ್ 2015ಕ್ಕೆ ಸಂಬಂಧಿಸಿದಂತೆ ನೀಡಲಾಗಿದೆ (ಅನುಬಂಧ IV).

ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ನಿರ್ವಹಣಾ ಮೌಲ್ಯಮಾಪನ

ನವೆಂಬರ್ 22, 2014 ರಂದು ನಡೆದ ನಾಮನಿರ್ದೇಶನ ಮತ್ತು ಸಂಭಾವನೆ ಸಮಿತಿಯ ಸಭೆ ಮತ್ತು ಡಿಸೆಂಬರ್ 29, 2014ರಂದು ಜರಗಿದ ನಿರ್ದೇಶಕ ಮಂಡಳಿಯ ಸಭೆಗಳಲ್ಲಿ, ನಿರ್ದೇಶಕ ಮಂಡಳಿಯ ಸದಸ್ಯರ, ಅಧ್ಯಕ್ಷೀಯ ಪೀಠಸ್ಥರ, ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕ ಮತ್ತು ಪ್ರಧಾನ ಕಾರ್ಯನಿರ್ವಾಹಕ ಅಧಿಕಾರಿಗಳ, ನಿರ್ದೇಶಕ ಮಂಡಳಿಯ ಸಮಿತಿಗಳ ಮತ್ತು ಒಟ್ಟಾರೆಯಾಗಿ ನಿರ್ದೇಶಕ ಮಂಡಳಿಯ ಮೌಲ್ಯಮಾಪನ ಮಾಡುವ ಪ್ರಕ್ರಿಯೆಯನ್ನು ಕೈಗೊಳ್ಳುವ ನಿರ್ಣಯವನ್ನು ಅಂಗೀಕರಿಸಲಾಯ್ತು. ಅದರಂತೆ ನಿರ್ದೇಶಕರ, ನಿರ್ದೇಶಕ ಮಂಡಳಿಯ ಮತ್ತು ಸಮಿತಿಗಳ ಮೌಲ್ಯಮಾಪನ ಮಾಡಿ ಈ ಕುರಿತು ನೀಡಿದ ಹೇಳಿಕೆಯನ್ನು ಈ ವರದಿಯ ಭಾಗವಾಗಿ ಸಾಂಸ್ಥಿಕ ಪ್ರಶಾಸನ ಪರಿಚ್ಛೇದದಲ್ಲಿ ನೀಡಲಾಗಿದೆ. ಇದರೊಂದಿಗೆ 27 ಮಾರ್ಚ್ 2015ರಂದು ನಡೆದ ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರುಗಳ ಪ್ರತ್ಯೇಕ ಸಭೆಯಲ್ಲಿ, ನಿರ್ದೇಶಕ ಮಂಡಳಿಯ ಅಧ್ಯಕ್ಷರ, ಎಂ.ಡಿ. ಮತ್ತು ಸಿ.ಎ.ಓ.ರವರ ಮತ್ತು ಒಟ್ಟಾರೆಯಾಗಿ ನಿರ್ದೇಶಕ ಮಂಡಳಿಯ ಸಮೀಕ್ಷೆ ಮತ್ತು ಮೌಲ್ಯಮಾಪನಗೈಯ್ಯಲಾಗಿದೆ.

Further, the Board also reviewed the performance of committees of the Board and that of individual Independent Directors at its Meeting held on March 27, 2015.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Section 134(3)(c), 134(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rule, 2014, your Directors state that:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the directors have selected 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 the Bank as at the end of financial year March 31, 2015 and profit and loss account for that period.

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities.

(d) the directors have prepared the annual accounts on a going concern basis.

(e) the directors have laid down the internal financial controls followed by the Bank and that such internal financial controls are adequate and are operating effectively.

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Management Discussion and Analysis

The Management Discussion and Analysis Report for the year under review pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges is presented in a separate section forming part of this report.

WHISTLE BLOWER POLICY

The Bank has implemented a Whistle Blower Policy intended to promote participation of employees at all levels and detection of corruption, misuse of Office, criminal offences, suspected /actual fraud, failure to comply with the rules and regulations prescribed by the Bank and any events /acts detrimental to the interest of the Bank, depositors and the public resulting in financial loss/operational risk, loss of reputation etc.

ಇದರ ಮುಂದುವರೆದ ಭಾಗವಾಗಿ ನಿರ್ದೇಶಕ ಮಂಡಳಿಯು ಮಾರ್ಚ್ 27, 2015 ರಂದು ಜರುಗಿದ ತನ್ನ ಸಭೆಯಲ್ಲಿ ನಿರ್ದೇಶಕ ಮಂಡಳಿಯ ಸಮಿತಿಗಳ ಮತ್ತು ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರುಗಳ ಕಾರ್ಯ ನಿರ್ವಹಣೆಯ ಬಗ್ಗೆ ವಿಶ್ಲೇಷಣೆ ನಡೆಸಿದೆ.

ನಿರ್ದೇಶಕರ ಜವಾಬ್ದಾರಿಗಳ ಬಗ್ಗೆ ಹೇಳಿಕೆ

ಕಂಪೆನಿ ಕಾಯ್ದೆ 2013, ವಿಭಾಗ 134(3)(c), 134(5) ಮತ್ತು ಕಂಪೆನೀಸ್ (ಅಕೌಂಟ್ಸ್) ರೂಲ್ 2014ರ ನಿಯಮ 8ರ ಅನುಗುಣವಾಗಿ ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ತಿಳಿಸುವುದೇನೆಂದರೆ:

(ಎ) ವಾರ್ಷಿಕ ಲೆಕ್ಕಪತ್ರಗಳನ್ನು ತಯಾರಿಸುವಾಗ, ಸೂಕ್ತವಾದ 'ಅಕೌಂಟಿಂಗ್ ಸ್ಟಾಂಡರ್ಡ್ಸ್'ನ್ನು ಬಳಕೆ ಮಾಡಿಕೊಂಡಿದ್ದು, ಸೂಕ್ತ ವಿಶ್ಲೇಷಣೆಗಳನ್ನು, ಆವಶ್ಯಕ ವಿವರಗಳನ್ನು ಸಲ್ಲಿಸಲಾಗಿದೆ.

(ಬಿ) ನಿರ್ದೇಶಕರು ಸೂಕ್ತವಾದ ಅಕೌಂಟಿಂಗ್ ಧೋರಣೆಗಳನ್ನು ಅಂಗೀಕರಿಸಿದ್ದು, ಅವುಗಳನ್ನು ನಿಖರವಾಗಿ ಪ್ರಯೋಗಿಸಿ, ಅಂದಾಜು ಮತ್ತು ತೀರ್ಪುಗಳನ್ನು ಸೂಕ್ತವಾಗಿ ವಿಮರ್ಶಿಸಿ ಸಕಾರಣವಾಗಿವೆ ಎಂದು ತಿಳಿದು, 31 ಮಾರ್ಚ್ 2015ಕ್ಕೆ ಬ್ಯಾಂಕಿನ ಸತ್ಯ ಮತ್ತು ನೈಜ ನೋಟದ ಲೆಕ್ಕಪತ್ರಗಳನ್ನು ಮತ್ತು ಲಾಭ ನಷ್ಟ ತಖ್ತೆಯನ್ನು ತಯಾರಿಸುವಲ್ಲಿ ಆದ್ಯ ಗಮನ ಹರಿಸಿರುತ್ತಾರೆ.

(ಸಿ) ಕಂಪೆನಿ ಕಾಯ್ದೆ, 2013ರ ಅನುಸಾರವಾಗಿ ನಿರ್ದೇಶಕರು ಸೂಕ್ತವಾದ ಹಾಗೂ ಸಾಕಷ್ಟು ಎಚ್ಚರಿಕೆಯಿಂದ ಅಕೌಂಟಿಂಗ್ ದಾಖಲೆಗಳನ್ನು ಕಾಯ್ದೆಗನುಸಾರವಾಗಿದೆಯೇ ಎಂದು ಒರೆಗೆ ಹಚ್ಚಿ ಪರೀಕ್ಷಿಸಿ, ಬ್ಯಾಂಕಿನ ಆಸ್ತಿಯನ್ನು ಸುಸ್ಥಿರವಾಗಿ ಕಾಪಾಡಿಕೊಂಡು ಬರುವಲ್ಲಿ, ವಂಚನೆ ಹಾಗೂ ನಿಯಮಬಾಹಿರತೆ ಮುಕ್ತತೆ ಕುರಿತಾಗಿ ಸಾಕಷ್ಟು ಎಚ್ಚರ ವಹಿಸಿರುತ್ತಾರೆ.

(ಡಿ) ನಿರ್ದೇಶಕರು ವಾರ್ಷಿಕ ಲೆಕ್ಕಪತ್ರಗಳನ್ನು 'ಗೋಯಿಂಗ್ ಕನ್‌ಸರ್ನ್' ತಳಹದಿಯಲ್ಲಿ ರಚಿಸಿರುತ್ತಾರೆ.

(ಇ) ಆಂತರಿಕ ಆರ್ಥಿಕತೆ ನಿಯಂತ್ರಣವನ್ನು ಧೋರಣಾತ್ಮಕವಾಗಿ ನಿರ್ದೇಶಕರು ಸ್ವೀಕರಿಸಿದ್ದು, ಅದನ್ನೇ ಬ್ಯಾಂಕು ಅನುಸರಿಸಿಕೊಂಡು ಬರುತ್ತಿದ್ದು, ಬ್ಯಾಂಕಿನ ಧೋರಣೆಯಾ ರೀತ್ಯಾ ಆಂತರಿಕ ನಿಯಂತ್ರಣವನ್ನುಗೈದಿದ್ದು, ಅದು ಸಾಕಷ್ಟು ಮತ್ತು ಪರಿಣಾಮಕಾರಿಯಾಗಿ ನಿರ್ವಹಿಸಲ್ಪಡುತ್ತಿದೆ.

(ಎಫ್)ನಿರ್ದೇಶಕರು ಸಂಬಂಧಪಟ್ಟ ಕಾನೂನುಗಳಿಗೆ ಸಂಬಂಧಿಸಿ ಪೂರೈಕೆಗೊಳ್ಳಬೇಕಾಗಿರುವ ವಿವರಗಳನ್ನು ನೀಡುವಲ್ಲಿ ಸೂಕ್ತ ಹಾಗೂ ಸಕಾಲಿಕ ವ್ಯವಸ್ಥೆಗಳನ್ನು ಸಂಯೋಜಿಸಿದ್ದು, ಈ ವ್ಯವಸ್ಥೆಯು ಸೂಕ್ತವಾಗಿ, ಸಕಾಲಿಕವಾಗಿ, ಪರಿಣಾಮಕಾರಿಯಾಗಿ ಕಾರ್ಯ ನಿರ್ವಹಿಸುತ್ತಿದೆ.

ಕಾರ್ಯಕಾರಿ ಮಂಡಳಿ ಕಲಾಪ ಮತ್ತು ವಿಶ್ಲೇಷಣೆ

ಸಮೀಕ್ಷಿಸಲ್ಪಡುವ ಪ್ರಸಕ್ತ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ಕಾರ್ಯಕಾರಿ ಮಂಡಳಿ ಕಲಾಪ ಮತ್ತು ವಿಶ್ಲೇಷಣೆಯು ಸ್ಟಾಕ್ ಎಕ್ಸ್‌ಚೇಂಜ್‌ನಲ್ಲಿ ಮಾಡಿಕೊಂಡ ಲಿಸ್ಟಿಂಗ್ ಒಪ್ಪಂದದಂತೆ, ವ್ಯಾಖ್ಯೆ 49ರ ಅನುಸಾರವಾಗಿ, ವಿವರಗಳನ್ನು ಈ ವರದಿಯ ಭಾಗವಾಗಿ, ಬೇರೆಯೇ ಆದ ವಿಭಾಗದಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

ಸೀಟಿ ಮೊಳಗು ಧೋರಣೆ

ಸೀಟಿ ಮೊಳಗು ಧೋರಣೆ ಎನ್ನುವ ವಿಶಿಷ್ಟ ಸ್ವರೂಪದ ಯೋಜನೆಯನ್ನು ಬ್ಯಾಂಕು ಅನುಷ್ಠಾನಕ್ಕೆ ತಂದಿದೆ. ಬ್ಯಾಂಕಿನ ಯಾವುದೇ ಸ್ತರದ ಸಿಬ್ಬಂದಿಯೂ ತಾನು ಕಂಡ ಭ್ರಷ್ಟಾಚಾರ, ಅಧಿಕಾರದ ದುರ್ಬಳಕೆ, ಕ್ರಿಮಿನಲ್ ಅಪರಾಧ, ಸಂಶಯಿತ/ನೈಜ ವಂಚನೆಗಳು, ಬ್ಯಾಂಕಿನ ನೀತಿ–ನಿಯಮ ಉಲ್ಲಂಘನೆ ಮತ್ತು ಬ್ಯಾಂಕಿನ ಹಿತಾಸಕ್ತಿಗೆ ಧಕ್ಕೆ ಬರುವ ಯಾವುದೇ ಘಟನೆ/ ಸನ್ನಿವೇಶಗಳು – ಇದರಿಂದ ಬ್ಯಾಂಕ್ ಠೇವಣಿದಾರರು ಮತ್ತು ಸಮಾಜಕ್ಕೆ ಉಂಟಾಗುವ ಆರ್ಥಿಕ ನಷ್ಟ, ನಿರ್ವಹಣಾ ಅಪಾಯ, ಪ್ರತಿಷ್ಠಾಭಂಗ ಇತ್ಯಾದಿ ಯಾವುದೇ ಘಟನೆಗಳ ಸುಳಿವನ್ನು ಬ್ಯಾಂಕ್ ಆಡಳಿತಕ್ಕೆ ತಿಳಿಸುವ ಅವಕಾಶವನ್ನು ಈ ಯೋಜನೆಯ ಮೂಲಕ ಒದಗಿಸಿಕೊಡಲಾಗಿದೆ.

Further, the mechanism adopted by the Bank encourages the Whistle Blower to report genuine concerns or grievances and provides for adequate safeguards against victimization of Whistle Blower who avails such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of the Vigil mechanism is reviewed by the Audit Committee from time to time. The details of Whistle Blower Policy is posted in our website and available at the link

www.karnatakabank.com/ktk/ProtectedDisclosure.jsp

ಇದಲ್ಲದೇ ಸೀಟಿ ಮೊಳಗುವವರ ನೈಜ ಕಾಳಜಿಗಳನ್ನು ಪರಿಗಣಿಸಿ ದೂರುದಾರರ ಹಿತಕಾಯಲು ಅವಶ್ಯವಾದ ರಕ್ಷಣೆಯನ್ನು ನೀಡುವುದರ ಮೂಲಕ ಉತ್ತೇಜಿಸುವ ಉದ್ದೇಶವನ್ನು ಈ ವ್ಯವಸ್ಥೆ ಹೊಂದಿರುತ್ತದೆ. ಇದರಲ್ಲಿ ದೂರುದಾರರಿಗೆ ಕೆಲವು ವಿಶೇಷ ಸಂದರ್ಭಗಳಲ್ಲಿ ಲೆಕ್ಕಪತ್ರ ಸಮಿತಿಯ ಅಧ್ಯಕ್ಷರನ್ನು ನೇರವಾಗಿ ಸಂಪರ್ಕಿಸುವ ಅವಕಾಶವಿರುತ್ತದೆ. ಈ ವ್ಯವಸ್ಥೆಯನ್ನು ಲೆಕ್ಕಪತ್ರ ಸಮಿತಿಯು ಆಗಾಗ್ಗೆ ಪರಿಶೀಲಿಸುತ್ತದೆ. ಈ ನೀತಿಯ ಹೆಚ್ಚಿನ ವಿವರಗಳು ಬ್ಯಾಂಕಿನ ಜಾಲತಾಣದಲ್ಲಿ ಲಭ್ಯವಿದ್ದು, ವಿಳಾಸದ ಕೊಂಡಿ ಈ ಕೆಳಗಿನಂತಿದೆ.

www.karnatakabank.com/ktk/ProtectedDisclosure.jsp

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered during the financial year were in the ordinary course of the business of the Bank and were on arm`s length basis. There were no materially significant related party transactions entered into by the Bank with Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Bank.

The policy on dealing with Related Party Transactions as approved by the Audit Committee / Board has been placed in the website of the Bank.

Considering the fact that all related party transactions were entered into by the Bank in the ordinary course of the business of the Bank and were on arm`s length basis, form AOC-2 is not applicable to the Bank.

ಗುತ್ತಿಗೆ ಅಥವಾ ಸಂಬಂಧಿತರೊಂದಿಗೆ ವ್ಯವಸ್ಥೆ

ಪ್ರಸ್ತುತ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ನಡೆದ ಎಲ್ಲಾ ಸಂಬಂಧಿತ ವ್ಯಕ್ತಿಗಳ ವಹಿವಾಟುಗಳು, ಸಾಮಾನ್ಯ ವ್ಯಾವಹಾರಿಕ ನೆಲೆಯಲ್ಲಿದ್ದು, ಅವುಗಳು ಸಂಬಂಧಿಸಿದ ವ್ಯಕ್ತಿ / ಪಕ್ಷಗಳಿಂದ ನಿರ್ದಿಷ್ಟ ದೂರವನ್ನು ಕಾಪಾಡಿಕೊಂಡು ಬರುವ ನೀತಿಯ ತಳಹದಿಯಲ್ಲಿರುತ್ತವೆ. ಸದ್ರಿ ಅವಧಿಯಲ್ಲಿ ಬ್ಯಾಂಕು ತನ್ನ ನಿರ್ದೇಶಕರುಗಳೊಂದಿಗಾಗಲೀ, ತನ್ನ ಪ್ರಮುಖ ಆಡಳಿತಾತ್ಮಕ ಹೊಣೆ ಹೊತ್ತಿರುವ ವ್ಯಕ್ತಿಗಳೊಂದಿಗಾಗಲೀ ಅಥವಾ ಇನ್ನಿತರ ವ್ಯಕ್ತಿಗಳೊಂದಿಗಾಗಲೀ ನಡೆಸಿದ ವಹಿವಾಟುಗಳಲ್ಲಿ ಬ್ಯಾಂಕಿನ ಹಿತಾಸಕ್ತಿಗಳಿಗೆ ವಿರೋಧವಾಗಬಲ್ಲ ಯಾವುದೇ ಪ್ರಮುಖಾಂಶಗಳು ಇರುವುದಿಲ್ಲ.

ಸಂಬಂಧಿತ ವ್ಯಕ್ತಿಗಳೊಂದಿಗಿನ ವಹಿವಾಟು ನಡೆಸುವ ಧೋರಣೆಗೆ ಲೆಕ್ಕಪತ್ರ ಸಮಿತಿ / ನಿರ್ದೇಶಕ ಮಂಡಳಿ ಅನುಮೋದನೆ ನೀಡಿದಂತೆ ಅದನ್ನು ಬ್ಯಾಂಕಿನ ವೆಬ್‌ಸೈಟ್‌ನ ತಾಣದಲ್ಲಿ ಇರಿಸಲಾಗಿದೆ.

ಬ್ಯಾಂಕು ನಿರ್ವಹಿಸಿದ ಎಲ್ಲಾ ಸಂಬಂಧಿತ ವ್ಯಕ್ತಿಗಳ ವಹಿವಾಟುಗಳು ಬ್ಯಾಂಕಿನ ಸಾಮಾನ್ಯ ವ್ಯಾವಹಾರಿಕ ನೆಲೆಯಲ್ಲಿದ್ದು ನಿರ್ದಿಷ್ಟ ದೂರ ಕಾಯ್ದುಕೊಳ್ಳುವ ತಳಹದಿಯಲ್ಲಿದ್ದುದರಿಂದ, ನಮೂನೆ AOC-2 ಇದು ಬ್ಯಾಂಕಿಗೆ ಅನ್ವಯ ಆಗುವುದಿಲ್ಲ.

STATUTORY DISCLOSURES

The disclosures under sub-section (3) of Section 134 of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 are as under:

a) Conservation of Energy and technology absorption

Considering the nature of the Bank's business, the provisions of Section 134(3)(m) of the Companies Act, 2013 relating to conservation of energy and technology absorption are not applicable to your Bank. The Bank has, however, used information technology in its operations extensively.

b) Foreign Exchange Earnings and outgo: During the year ended March 31, 2015, the Bank has earned ₹44.79 crore and spent ₹10.98 crore in foreign currency.

c) There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Bank`s operations in future.

d) Internal Financial Control Systems and their adequacy: Your Bank has laid down standards, processes and structure facilitating the implementation of internal financial control across Bank and ensure that same are adequate and operating effectively.

ಶಾಸನಬದ್ಧ ಪ್ರಕಟಣೆಗಳು

ಕಂಪೆನಿ ಕಾಯ್ದೆ, 2013 ವಿಭಾಗ 134, ಉಪವಿಭಾಗ (3) ಮತ್ತು ಕಂಪೆನೀಸ್ (ಅಕೌಂಟ್ಸ್) ರೂಲ್ಸ್ 2014, ನಿಯಮ 8 (3) ಅನ್ವಯ ಪ್ರಕಟಗೊಳಿಸಲಿಕ್ಕಿರುವ ಪ್ರಕಟಣೆಗಳು ಈ ಕೆಳಗಿನಂತಿವೆ:

ಎ) ಶಕ್ತಿಯ ಬಳಕೆ ಮತ್ತು ತಾಂತ್ರಿಕತೆ ಅಳವಡಿಕೆ

ಬ್ಯಾಂಕಿನ ವ್ಯವಹಾರ ಸ್ವರೂಪದ ದೃಷ್ಟಿಯಿಂದ ಶಕ್ತಿಯ ಬಳಕೆ ಮತ್ತು ತಾಂತ್ರಿಕತೆ ಅಳವಡಿಕೆ ಕುರಿತಾದ ಕಂಪೆನಿ ಕಾಯ್ದೆ, 2013 ವಿಭಾಗ 134(3)(ಎಂ) ಅನ್ವಯ, ಬ್ಯಾಂಕಿಗೆ ಇದು ಲಾಗೂ ಆಗುವುದಿಲ್ಲ. ಏನಿದ್ದರೂ ಬ್ಯಾಂಕು ತನ್ನ ಚಟುವಟಿಕೆಯ ಸರ್ವ ಅಂಗೋಪಾಂಗಗಳಲ್ಲಿ ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನದ ವಿಪುಲ ಬಳಕೆ ಮಾಡುತ್ತಿದೆ.

(ಬಿ) **ವಿದೇಶಿ ವಿನಿಮಯ ಗಳಿಕೆ ಮತ್ತು ಹೊರ ಹರಿವು:** ಪ್ರಸ್ತುತ ವರ್ಷಾಂತ್ಯ 31 ಮಾರ್ಚ್, 2015ಕ್ಕೆ ಬ್ಯಾಂಕು ವಿದೇಶಿ ಕರೆನ್ಸಿ ರೂಪದಲ್ಲಿ ₹44.79 ಕೋಟಿ ಗಳಿಸಿದ್ದು ಮತ್ತು ₹10.98 ಕೋಟಿ ವ್ಯಯ ಮಾಡಿರುತ್ತದೆ.

(ಸಿ) ಬ್ಯಾಂಕಿನ ಭವಿಷ್ಯದ ವಹಿವಾಟಿಗೆ ತಡೆಯಾಗಬಲ್ಲ ಯಾವುದೇ ಆಜ್ಞೆಗಳು, ವಿಧೇಯಕಗಳು ಬ್ಯಾಂಕಿಗೆ ಲಿಖಿತವಾಗಿ ಯಾವುದೇ ನಿಯಂತ್ರಣ ಕಚೇರಿಗಳಿಂದ, ಕೋರ್ಟುಗಳಿಂದ ಬಂದಿಲ್ಲ.

(ಡಿ) **ಆಂತರಿಕ ಆರ್ಥಿಕತಾ ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆ ಮತ್ತು ಅದರ ಪರ್ಯಾಪ್ತತೆ:** ಆಂತರಿಕ ಆರ್ಥಿಕತಾ ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆಯನ್ನು ಸಮರ್ಥವಾಗಿ ನಿರ್ವಹಿಸಲು ನಿಮ್ಮ ಬ್ಯಾಂಕು ಸೂಕ್ತವಾಗಿ ಹಾಗೂ ಸಮಗ್ರವಾಗಿ ಕೆಲವು ಮಾನದಂಡಗಳು, ಪ್ರಯೋಗಗಳು ಮತ್ತು ಸಂರಚನೆಗಳನ್ನು ಪಾಲಿಸಿಕೊಂಡು ಬಂದಿದ್ದು, ಈ ವ್ಯವಸ್ಥೆ ಸಾಕಷ್ಟು ಪರಿಪೂರ್ಣವಾಗಿದ್ದು ಚುರುಕಾಗಿ ಪರಿಣಾಮಕಾರಿಯಾಗಿ ಕಾರ್ಯ ನಿರ್ವಹಿಸುತ್ತಿದೆ.

e) **Key Managerial Personnel:** Mr. P Jayarama Bhat, MD & CEO, Mr. P Jairama Hande, CFO and Mr. Y V Balachandra, Company Secretary of the Bank were the Key Managerial Personnel of the Bank as on March 31, 2015 as per the provisions of the Companies Act, 2013. None of the Key Managerial Personnel has resigned. However, the Board has designated Mr. Raghurama as CFO in the place of Mr. P Jairama Hande w.e.f. May 7, 2015.

f) **Remuneration of directors:** Disclosures pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure VII to this report.

g) **Employees who are in receipt of remuneration exceeding rupees sixty lakhs etc.:** There were no employees who were in receipt of remuneration during the year 2014-15 requiring disclosure under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

AUDITORS

a. Statutory Auditors

M/s. Kamath & Rau, Chartered Accountants, Karangalpady, Mangaluru-575003 and M/s. Abarna & Ananthan, Chartered Accountants, # 521, 3rd Main, 6th Block, 2nd Phase, BSK 3rd Stage, Bengaluru-560085 would retire as joint Statutory Central Auditors of the Bank at the ensuing Annual Meeting of the members of the Bank and are eligible for re-appointment subject to approval from Reserve Bank of India. The Bank has received consent from the above auditors and necessary confirmation from them that they are not disqualified to be appointed as auditors of the Bank pursuant to the provisions of the Companies Act, 2013 and the Rules made thereunder. Accordingly the Board of Directors of the Bank has recommended their re-appointment as Statutory Central Auditors of the Bank to hold office from the conclusion of ensuing AGM till the conclusion of next AGM on remuneration to be decided by the Board/Audit Committee for the approval of the shareholders.

b. Secretarial Auditor and Secretarial Audit Report

Pursuant to Section 204 of the Companies Act, 2013 and the rules thereunder, your Bank had appointed M/s. Ullas Kumar Melinamogaru, Practising Company Secretary, Mangaluru as Secretarial Auditors to conduct the Secretarial Audit for the year ended March 31, 2015. The audit report from the Secretarial Auditor is annexed to this report as Annexure V.

CORPORATE SOCIAL RESPONSIBILITY

Businesses are an integral part of society and play a critical role in the sustenance and improvement of a healthy ecosystem, in fostering social inclusiveness and equity and in upholding the ethical practices and

(ಇ) **ಪ್ರಮುಖ ವ್ಯವಸ್ಥಾಪನಾ ವ್ಯಕ್ತಿ:** ಶ್ರೀ ಪಿ. ಜಯರಾಮ ಭಟ್, ಎಂಡಿ ಮತ್ತು ಸಿಇಓ, ಶ್ರೀ ಪಿ. ಜೈರಾಮ ಹಂದೆ, ಸಿಎಫ್‌ಓ ಮತ್ತು ಶ್ರೀ ವೈ.ವಿ. ಬಾಲಚಂದ್ರ, ಬ್ಯಾಂಕಿನ ಕಂಪೆನಿ ಸೆಕ್ರೆಟರಿ ಇವರುಗಳು ಮಾರ್ಚ್ 31, 2015ಕ್ಕೆ ಬ್ಯಾಂಕಿನ ಪ್ರಮುಖ ವ್ಯವಸ್ಥಾಪನಾ ವ್ಯಕ್ತಿಗಳಾಗಿದ್ದು, ಇದು ಕಂಪೆನೀಸ್ ಕಾಯ್ದೆ 2013ರ ಅನುಸಾರವಾಗಿ ನೇಮಕಾತಿ ಆಗಿದೆ. ಈ ಪ್ರಮುಖ ವ್ಯವಸ್ಥಾಪನಾ ವ್ಯಕ್ತಿಗಳಲ್ಲಿ ಯಾರೊಬ್ಬರೂ ರಾಜೀನಾಮೆ ನೀಡಿರುವುದಿಲ್ಲ. ಆದರೆ ಶ್ರೀ ಪಿ. ಜೈರಾಮ ಹಂದೆಯವರ ಸ್ಥಾನದಲ್ಲಿ ದಿನಾಂಕ ಮೇ 7, 2015ರಂದು ಶ್ರೀ ರಘುರಾಮ ಇವರನ್ನು ಸಿಎಫ್‌ಓ ಆಗಿ ಬೋರ್ಡ್ ನೇಮಕಾತಿ ಮಾಡಿದೆ.

(ಎಫ್)**ನಿರ್ದೇಶಕರ ಸಂಭಾವನೆ:** ಕಂಪೆನಿ ಕಾಯ್ದೆ 2013, ವಿಭಾಗ 197(12) ಮತ್ತು ಕಂಪೆನಿ (ವ್ಯವಸ್ಥಾಪನಾ ವ್ಯಕ್ತಿಗಳ ನೇಮಕಾತಿ ಮತ್ತು ಸಂಭಾವನೆ) ನಿಯಮಗಳು 2014ರ ನಿಯಮ 5ರ ಪ್ರಕಾರ ಪ್ರಕಟಿಸಬೇಕಾಗಿರುವ ವಿವರಗಳನ್ನು ಈ ವರದಿಯ ಅನುಬಂಧ VII ರಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

(ಜಿ) **₹60 ಲಕ್ಷ ವೇತನ ಪಡೆಯುವ ಉದ್ಯೋಗಿಗಳ ವಿವರ ಇತ್ಯಾದಿ:** 2014–15ರಲ್ಲಿ ₹60 ಲಕ್ಷಗಳ ವೇತನ ಪಡೆಯುವ ಯಾವೊಬ್ಬ ಉದ್ಯೋಗಿಗಳೂ ಬ್ಯಾಂಕಿನಲ್ಲಿ ಇಲ್ಲದಿದ್ದು, ಕಂಪೆನಿ (ನಿಯುಕ್ತ ಮತ್ತು ವ್ಯವಸ್ಥಾಪನ ವ್ಯಕ್ತಿಗಳ ವೇತನ) ನಿಯಮಗಳು 2014ರ ನಿಯಮ 5(2) ರಂತೆ ಪ್ರಕಟಿಸಬೇಕಾದ ವಿಷಯವೇನೂ ಇರುವುದಿಲ್ಲ.

ಲೆಕ್ಕಪರಿಶೋಧಕರು

(ಎ) ಪರಿನಿಯತ ಲೆಕ್ಕಪರಿಶೋಧಕರು

ಮೆ। ಕಾಮತ್ ಮತ್ತು ರಾವ್, ಚಾರ್ಟರ್ಡ್ ಅಕೌಂಟೆಂಟ್‌ಗಳು, ಕರಂಗಲಪಾಡಿ, ಮಂಗಳೂರು – 575003 ಮತ್ತು ಮೆ। ಅಬರ್ಣ ಮತ್ತು ಅನಂತನ್, ಚಾರ್ಟರ್ಡ್ ಅಕೌಂಟೆಂಟ್‌ಗಳು, ನಂ.521, 3ನೇ ಮುಖ್ಯ ರಸ್ತೆ, 6ನೇ ಬ್ಲಾಕ್, 2ನೇ ಮಜಲು, ಬನಶಂಕರಿ III ಹಂತ, ಬೆಂಗಳೂರು – 560085, ಇವರುಗಳು ಪರಿನಿಯತ ಕೇಂದ್ರ ಲೆಕ್ಕಪರಿಶೋಧಕರ ಹುದ್ದೆಯಿಂದ ಮುಂಬರುವ ಬ್ಯಾಂಕಿನ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯಂದು ನಿವೃತ್ತರಾಗಲಿರುವರು. ಅಲ್ಲದೇ, ಇವರು ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ ಅನುಮೋದನೆಯೊಂದಿಗೆ ಪುನರ್ ನೇಮಕಗೊಳ್ಳಲು ಅರ್ಹತೆ ಹೊಂದಿರುತ್ತಾರೆ. ಮೇಲ್ಕಂಡ ಲೆಕ್ಕ ಪರಿಶೋಧಕರಿಂದ ಕಂಪೆನಿ ಕಾಯ್ದೆ, 2013ರ ಅನ್ವಯ ಅವರುಗಳು ಬ್ಯಾಂಕಿನ ಲೆಕ್ಕ ಪರಿಶೋಧಕರಾಗಿ ಪುನರ್ ನೇಮಕಗೊಳ್ಳಲು ಯಾವುದೇ ರೀತಿಯಲ್ಲಿ ಅನರ್ಹತೆಯನ್ನು ಹೊಂದಿಲ್ಲವೆನ್ನುವ ಸಮ್ಮತಿ ಮತ್ತು ದೃಢೀಕರಣವನ್ನು ಬ್ಯಾಂಕಿಗೆ ನೀಡಿದ್ದು, ಅದು ನಿಯಮಾವಳಿಗೆ ಅನುಸಾರವಾಗಿ ಬ್ಯಾಂಕಿಗೆ ಲಭಿಸಿದೆ. ಅಂತೆಯೇ, ಬ್ಯಾಂಕಿನ ಆಡಳಿತ ಮಂಡಳಿಯ ಸದಸ್ಯರು, ಬ್ಯಾಂಕಿನ ಪರಿನಿಯತ ಕೇಂದ್ರೀಯ ಲೆಕ್ಕ ಪರಿಶೋಧಕರನ್ನಾಗಿ ಮೇಲ್ಕಾಣಿಸಿದವರನ್ನು ಬ್ಯಾಂಕಿನ ನಿರ್ದೇಶಕ ಮಂಡಳಿ / ಲೆಕ್ಕ ಪರಿಶೋಧನಾ ಸಮಿತಿ ನಿಗದಿಪಡಿಸಬಹುದಾದಂತಹ ಸಂಭಾವನೆಯೊಂದಿಗೆ ಮುಂಬರುವ ಶೇರುದಾರರ ಮಹಾಸಭೆ ಕೊನೆಗೊಳ್ಳುವುದರಿಂದ ಮುಂದಿನ ವರ್ಷದ ಶೇರುದಾರರ ಮಹಾಸಭೆಯವರೆಗೆ ಕಾರ್ಯನಿರ್ವಹಿಸುವಂತೆ ಪುನರ್ ನೇಮಕಗೊಳ್ಳಲು ಶಿಫಾರಸ್ಸು ಮಾಡಿದ್ದು, ಅದನ್ನು ಶೇರುದಾರರ ಸಮ್ಮತಿಗಾಗಿ ಇರಿಸಲಾಗಿದೆ.

(ಬಿ) ಸೆಕ್ರೆಟರಿಯಲ್ ಅಡಿಟರ್ ಮತ್ತು ಸೆಕ್ರೆಟರಿಯಲ್ ಅಡಿಟ್ ವರದಿ

ಕಂಪೆನಿ ಕಾಯ್ದೆ, 2013 ಮತ್ತು ಅಲ್ಲಿ ಉಕ್ತಗೊಂಡ ನಿಯಮಾವಳಿ ಗನುಸಾರವಾಗಿ, ನಿಮ್ಮ ಬ್ಯಾಂಕು ಮೆ। ಉಲ್ಲಾಸ್ ಕುಮಾರ್ ಮೇಲಿನಮೊಗರು, ವೃತ್ತಿನಿರತ ಕಂಪೆನಿ ಕಾರ್ಯದರ್ಶಿ, ಮಂಗಳೂರು ಇವರನ್ನು ಬ್ಯಾಂಕಿನ ಸೆಕ್ರೆಟರಿಯಲ್ ಅಡಿಟರ್ ಆಗಿ ನೇಮಿಸಿದ್ದು ಇವರು 31, ಮಾರ್ಚ್ 2015ರಂದು ಕೊನೆಗೊಂಡ ವರ್ಷದ ಸೆಕ್ರೆಟರಿಯಲ್ ಅಡಿಟ್‌ನ್ನು ಕೈಗೊಂಡಿರುತ್ತಾರೆ. ಸೆಕ್ರೆಟರಿಯಲ್ ಅಡಿಟ್‌ನ ಅಡಿಟ್ ವರದಿಯನ್ನು ಅನುಬಂಧ Vರಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

ಸಾಂಸ್ಥಿಕ ಸಾಮಾಜಿಕ ಹೊಣೆಗಾರಿಕೆ

ವ್ಯವಹಾರವೆನ್ನುವುದು ಸಮಾಜದೊಂದಿಗಿನ ನಿಕಟ ಬಾಂಧವ್ಯದ ದ್ಯೋತಕವಾಗಿದ್ದು, ಬ್ಯಾಂಕು ಸಮಾಜದ ಅವಿಭಾಜ್ಯ ಅಂಗವೂ ಹೌದು. ಸಾಮಾಜಿಕ ಅರ್ಥವ್ಯವಸ್ಥೆಯ ಉನ್ನತಿಗಾಗಿ ಸಾಮಾಜಿಕ ಒಗ್ಗೂಡಿಕೆ ಹಾಗೂ ಸಮಾನತೆಯನ್ನು ಎತ್ತಿ ಹಿಡಿಯುವುದು, ಸಂಕೀರ್ಣ ಪಾತ್ರದೊಂದಿಗೆ ಸಾಮಾಜಿಕ

good governance. It is believed that integrating social, environmental and ethical responsibilities into governance of business ensures long term successes, competencies and sustainability. With this in mind your Bank continues to fulfil its various social responsibilities. The Corporate Social Responsibility initiatives of the Bank are designed to ensure that the Bank adds social, environmental and economic value in all its activities to make a positive, sustainable impact on both society and business. In this direction, your Bank has been responding well over the years through various initiatives like participation in social, cultural, educational, environment awareness activities etc., aimed at improving the social values, promotion of cultural heritage, knowledge, standard of living and the quality of life of the people and the environment at large. The Bank firmly believes that being an integral part of society, it is the inclusive growth of society which contributes ultimately to the growth of the Bank and in this direction, your Bank has been strengthening its rural orientation through initiatives aimed at imparting financial literacy and extending banking services to the people in rural unbanked areas, in a fair and transparent manner, at an affordable cost. Towards this end, your Bank had opened 19 branches in unbanked rural centres during the financial year 2014-15 as part of its financial inclusion initiative, thus taking the total Financial Inclusion branches to 79.

ಹಿತಾಸಕ್ತಿ ಪೋಷಣೆ, ನೇತ್ಯಾತ್ಮಕ ಸೇವೆ ಹಾಗೂ ಉತ್ತಮ ಆಡಳಿತ ಒಂದು ಸಂಸ್ಥೆಯ ಹೊಣೆಯಾಗಿರುತ್ತದೆ. ಸಮಾಜ, ಪರಿಸರಗಳ ಸಮಗ್ರ ಪರಿಕಲ್ಪನೆಯಲ್ಲಿ ವ್ಯವಹಾರ ಪ್ರಶಾಸನ ನಡೆಸುವುದು ದೂರಗಾಮಿ ಯಶಸ್ಸು, ಅರ್ಹತೆ ಮತ್ತು ಬಾಳಿಕೆಗೆ ತಳಹದಿಯಾಗಿದೆ. ಇದರ ಸಂಪೂರ್ಣ ಅರಿವಿನೊಂದಿಗೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು, ಸಾಮಾಜಿಕ ಹೊಣೆಗಾರಿಕೆಯನ್ನು ಸತತವಾಗಿ ಸ್ವೀಕರಿಸುವಲ್ಲಿ ನಿರಂತರವಾಗಿ ಶ್ರಮಿಸುತ್ತಿದೆ. ಹೀಗೆ ಸಾಂಸ್ಥಿಕ ಹೊಣೆಗಾರಿಕೆಯನ್ನು ಬ್ಯಾಂಕಿನ ಉಪಕ್ರಮವು, ಸಮಾಜ, ಪರಿಸರ ಹಾಗೂ ಆರ್ಥಿಕ ಮೌಲ್ಯಗಳ ಉನ್ನತಿಗೆ ಧನಾತ್ಮಕ ಚಟುವಟಿಕೆಗಳಾಗಿ ಯೋಜಿತಗೊಂಡಿದ್ದು, ತನ್ಮೂಲಕ ಸಮಾಜ ಮತ್ತು ವ್ಯವಹಾರ ಉನ್ನತಿಗೆ ಇದು ಸಹಕಾರಿಯಾಗುತ್ತದೆ. ಈ ದಿಸೆಯಲ್ಲಿ ಬ್ಯಾಂಕು ಸುದೀರ್ಘ ಕಾಲದಿಂದ ಸಾಮಾಜಿಕ ಉಪಕ್ರಮದಲ್ಲಿ ತನ್ನನ್ನು ತೊಡಗಿಸಿಕೊಳ್ಳುತ್ತಾ, ಅನೇಕ ಸಾಮಾಜಿಕ, ಸಾಂಸ್ಕೃತಿಕ, ಶೈಕ್ಷಣಿಕ ಇತ್ಯಾದಿ ಚಟುವಟಿಕೆಗಳಲ್ಲಿ ಭಾಗಿಯಾಗುತ್ತಾ, ಸಾಮಾಜಿಕ ಮೌಲ್ಯ, ಸಂಸ್ಕೃತಿ ಐಸಿರಿಯ ಪುನರುತ್ಥಾನ, ಜ್ಞಾನಾಭಿವೃದ್ಧಿ – ಹೀಗೆ ಜನಸಾಮಾನ್ಯರ ಬದುಕಿನ ಮಟ್ಟದ ಸುಧಾರಣೆ ಹಾಗೂ ಪ್ರಗತಿಗಾಗಿ ನಿರಂತರವಾಗಿ ಪರಿಶ್ರಮಿಸುತ್ತಿದೆ. ಹೀಗೆ, ಸಮಾಜದ ಒಂದು ಭಾಗವೇ 'ತಾನು' ಎನ್ನುವುದನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕು ದೃಢವಾಗಿ ನಂಬಿದ್ದು, ಸಮಾಜದ ಸರ್ವಾಂಗೀಣ ಅಭಿವೃದ್ಧಿಯೇ ಬ್ಯಾಂಕಿನ ಸರ್ವತೋಮುಖ ಅಭಿವೃದ್ಧಿಗೆ ಪೂರಕವಾಗುತ್ತದೆ ಎನ್ನುವ ನಿಲುವನ್ನು ಸ್ಥಿರವಾಗಿ ಹೊಂದಿರುತ್ತದೆ. ಈ ನಿಟ್ಟಿನಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಗ್ರಾಮೀಣ ಅಭಿಮುಖತೆಯ ಒಳಗೊಳ್ಳುವಿಕೆಯನ್ನು ತೀವ್ರಗೊಳಿಸಿದ್ದು, ಜನಸಾಮಾನ್ಯರಲ್ಲಿ ಕೂಡಾ ಆರ್ಥಿಕ ಸಾಕ್ಷರತೆಯನ್ನು ಮೂಡಿಸುವ ಭಗೀರಥ ಯತ್ನದಲ್ಲಿ ತೊಡಗಿದ್ದು, ಬ್ಯಾಂಕು, ಶಾಖಾರಹಿತ ಕುಗ್ರಾಮಗಳಲ್ಲಿ ನವನವೀನ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಯನ್ನು ಪರಿಚಯಿಸುತ್ತಾ, ಗ್ರಾಮೀಣ ಮಂದಿಯ ಒಳಗೊಳ್ಳುವಿಕೆಯನ್ನು ಪ್ರೋತ್ಸಾಹಿಸುತ್ತಾ, ಉತ್ತಮ ಹಾಗೂ ಪಾರದರ್ಶಕತೆಯ ತಂತ್ರಜ್ಞಾನಾವೃತ ಸೇವೆಯನ್ನು ಅತ್ಯಂತ ನಿಮ್ನ ಬೆಲೆಯಲ್ಲಿ ಜನಸಾಮಾನ್ಯರಿಗೆ ಒದಗಿಸುತ್ತಾ ಇದೆ. ಈ ನೆಲೆಯಲ್ಲಿ ಬ್ಯಾಂಕು 2014–15ನೇ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ಶಾಖಾರಹಿತ ಗ್ರಾಮೀಣ ಪ್ರದೇಶಗಳಲ್ಲಿ ತನ್ನ 19 ನೂತನ ಶಾಖೆಗಳನ್ನು ಸ್ಥಾಪಿಸಿ, ತನ್ಮೂಲಕ ಮಹತ್ವಾಕಾಂಕ್ಷಿ ಯೋಜನೆ, ಆರ್ಥಿಕ ಸೇವಾ ವಿಸ್ತರಣೆಯ ತನ್ನ ಕಾಯಕಕ್ಕೆ ವೇಗೋತ್ಕರ್ಷ ಒದಗಿಸಿದೆ. ಇದರಿಂದಾಗಿ ವಿತ್ತೀಯ ಸೇರ್ಪಡೆಯ ಯೋಜನಾ ಅನುಷ್ಠಾನಕ್ಕಾಗಿ ತೆರೆದ ವಿಶೇಷ ಶಾಖೆಗಳು ಒಟ್ಟು ಸಂಖ್ಯೆ 79ಕ್ಕೆ ಏರಿದೆ.

Further, pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board has setup a Committee of Directors namely, 'Corporate Social Responsibility (CSR) Committee' and has also put in place a Policy on Corporate Social Responsibility (CSR Policy) to undertake projects/programmes in pursuance to the above Policy. The contents of the CSR Policy along with the report on amount spent on various projects/programmes during the financial year 2014-15 is detailed in Annexure VI to this report pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

ಅಲ್ಲದೇ, ಕಂಪೆನಿ ಕಾಯ್ದೆ 2013, ವಿಭಾಗ 135 ಮತ್ತು ಕಂಪೆನಿ (ಸಾಂಸ್ಥಿಕ ಸಾಮಾಜಿಕ ಜವಾಬ್ದಾರಿ ಧೋರಣೆ) ನಿಯಮ 2014ರ ಆಶಯಕ್ಕೆ ಅನುಸಾರವಾಗಿ ಬ್ಯಾಂಕಿನ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು ನಿರ್ದೇಶಕರ ಸಮಿತಿಯೊಂದನ್ನು 'ಸಾಂಸ್ಥಿಕ ಸಾಮಾಜಿಕ ಹೊಣೆಗಾರಿಕೆ' ಸಮಿತಿ ಎನ್ನುವ ನಾಮಧೇಯದಲ್ಲಿ ರಚಿಸಿದ್ದು, ಈಗಾಗಲೇ ಬ್ಯಾಂಕು ಸಾಂಸ್ಥಿಕ ಸಾಮಾಜಿಕ ಜವಾಬ್ದಾರಿಗಳಿಗಾಗಿ ಧೋರಣಾತ್ಮಕ ಉಪಕ್ರಮಗಳನ್ನು ಅನುಸ್ಥಾಪಿಸಿದ್ದು, ಈ ಧೋರಣೆಯನ್ವಯ ಅತ್ಯಂತ ಸೂಕ್ತ ಪ್ರಾಜೆಕ್ಟ್‌ಗಳನ್ನು, ಕಾರ್ಯಕ್ರಮಗಳನ್ನು ಜರಗಿಸುತ್ತಾ ಇದೆ. ಕಂಪೆನಿ (ಸಾಂಸ್ಥಿಕ ಸಾಮಾಜಿಕ ಹೊಣೆಗಾರಿಕೆ ಧೋರಣೆ) ನಿಯಮ 2014ರ ನಿಯಮ 8ರಂತೆ ಸಾಂಸ್ಥಿಕ ಸಾಮಾಜಿಕ ಹೊಣೆಗಾರಿಕೆಯನ್ವಯ ಪ್ರಸ್ತುತ ವರ್ಷ 2014–15ರಲ್ಲಿ ನಡೆಸಿದ ಉಪಕ್ರಮಗಳ ವಿವರ ಹಾಗೂ ವೆಚ್ಚವಾದ ಮೊತ್ತದ ವರದಿಯನ್ನು ವಿವರವಾಗಿ ಅನುಬಂಧ VI ರಲ್ಲಿ ಒದಗಿಸಲಾಗಿದೆ.

CUSTOMER SERVICE

The customer has always been the focal point of our initiatives. We have been endeavouring to empower our customers by rolling out innovative products and services through optimal use of technology without compromising on the quality of service rendered across the counter and without losing sight of the safety and security aspects. In this direction, the Bank has introduced the Online Grievance Redressal System to ensure quick and speedy redressal of complaints of the customers in order to provide hassle free banking experience. Through this system, the customer can lodge a complaint and track the status of the complaint online, through the Bank's website. The Bank is actively involved in putting in place systems and procedures to comply with the recommendations of the Damodaran Committee on Customer Service, constituted by the Reserve Bank of India, to look into the banking services rendered to customers and the grievance redressal mechanism prevalent in banks. Most of the

ಗ್ರಾಹಕರ ಸೇವೆ

ಬ್ಯಾಂಕಿನ ಯಾವುದೇ ಉಪಕ್ರಮ ಅಥವಾ ಮೊದಲ ಹೆಜ್ಜೆಯ ಅಂತಿಮ ಗುರಿ ಗ್ರಾಹಕರ ಸೇವೆಯೇ ಆಗಿದ್ದು, ಗ್ರಾಹಕರ ಪೂರ್ಣ ಸಂತೃಪ್ತಿಯೇ ಬ್ಯಾಂಕಿನ ಆಸ್ತಿಯಾಗಿದೆ. ನಾವು ಗ್ರಾಹಕರಿಗಾಗಿ ಮುಡಿಪಾಗಿದ್ದು, ನಮ್ಮ ನವನವೋನ್ಮೇಶಶಾಲಿ ಬ್ಯಾಂಕಿಂಗ್ ಉತ್ಪನ್ನಗಳು ಮತ್ತು ಸೇವೆಗಳು, ತಂತ್ರಜ್ಞಾನದ ಗರಿಷ್ಠ ಬಳಕೆಯ ಸಾಧ್ಯತೆಯಿಂದ, ಸೇವೆಯಲ್ಲಿ ಯಾವುದೇ ಹೊಂದಾಣಿಕೆ ಮಾಡಿಕೊಳ್ಳದೇ ಕೌಂಟರಿನಲ್ಲಿ ಗ್ರಾಹಕರ ಮುಖಾಮುಖಿಯಾಗಿ ಒದಗಿಸುತ್ತಾ ಬಂದಿರುವುದು, ಸುರಕ್ಷತೆ ಮತ್ತು ಭದ್ರತೆಯ ಕುರಿತಾಗಿ ಗರಿಷ್ಠ ಕಾಳಜಿ ಹೊಂದಿರುವುದರ ದ್ಯೋತಕವೂ ಆಗಿರುತ್ತದೆ. ಈ ನಿಟ್ಟಿನಲ್ಲಿ ಬ್ಯಾಂಕು 'ಆನ್‌ಲೈನ್ ಗ್ರಿವೇನ್ಸ್ ರಿಡ್ರೆಸಲ್ ಸಿಸ್ಟಮ್'ನ್ನು ಅನುಷ್ಠಾನಿಸಿದ್ದು, ಗ್ರಾಹಕ ದೂರು ಏನಾದರೂ ಇದ್ದರೆ ಅತ್ಯಂತ ಕ್ಷಿಪ್ರವಾಗಿ ಅದರ ಉಪಶಮನ/ಪರಿಹಾರಗೊಳಿಸುವ ನಿಟ್ಟಿನಲ್ಲಿ ಕ್ರಮ ಜರಗಿಸುತ್ತದೆ. ತನ್ಮೂಲಕ ನಿರಂತರವಾಗಿ ಅಡೆತಡೆರಹಿತ, ದೋಷರಹಿತ, ಆತಂಕರಹಿತ ಸೇವೆ ನೀಡುತ್ತಾ ಇದೆ. ಈ ವ್ಯವಸ್ಥೆಯ ಮೂಲಕ ಅತೃಪ್ತ ಗ್ರಾಹಕರು ಆನ್‌ಲೈನಿನಲ್ಲಿ ತಮಗಾದ ಕುಂದುಕೊರತೆ ಕುರಿತು ದೂರು ಸಲ್ಲಿಸಬಹುದಾಗಿದ್ದು, ದೂರಿನ ಸ್ಥಿತಿಗತಿ / ದಿಕ್ಕುದಿಶೆಗಳನ್ನು ಬ್ಯಾಂಕಿನ ವೆಬ್‌ಸೈಟ್ ಮೂಲಕ ಪರಾಮರ್ಶಿಸಬಹುದು. ಅಲ್ಲದೇ, ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ ಮಾರ್ಗದರ್ಶಿಕೆ ಹಾಗೂ ಗ್ರಾಹಕರ ಸೇವೆ ಬಗೆಗಿನ ದಾಮೋದರನ್ ಸಮಿತಿ ಅನುಮೋದನೆಗಳನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕು ನಿಷ್ಠವಾಗಿ ಪಾಲಿಸಿಕೊಂಡು, ಬ್ಯಾಂಕಿಂಗ್ ವ್ಯವಸ್ಥೆ ಮತ್ತು ನಡಾವಳಿಯನ್ನು ಪೂರೈಸುತ್ತಾ, ಅತ್ಯುತ್ತಮ ಗ್ರಾಹಕರ ಸೇವೆಯನ್ನು ವಿಸ್ತರಿಸುತ್ತಾ, ಕುಂದುಕೊರತೆ ಸುಧಾರಣಾ ವ್ಯವಸ್ಥೆಯ ಪ್ರಕ್ರಿಯೆಯನ್ನು ಬ್ಯಾಂಕು ಸಮರ್ಥವಾಗಿ ಅನುಷ್ಠಾನಿಸುತ್ತಾ ಬರುತ್ತಿದೆ. ಮೇಲೆ ತಿಳಿಸಿದ ಸಮಿತಿ ಅನುಮೋದಿಸಿದ ಉಪಕ್ರಮಗಳಲ್ಲಿ ಹೆಚ್ಚಿನವುಗಳನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕು ಈಗಾಗಲೇ

recommendations made by the said Committee have been complied with and the remaining few which require up-gradation of the Bank's Core Banking Solution are being pursued for early compliance.

FINANCIAL INCLUSION

Financial Inclusion means making available the full range of banking services at an affordable cost to the people who do not have access to banking services. It mainly focuses on the section of society not having formal financial institutional support. Through the Financial Inclusion Plan, Bank aims at 'connecting people' with the Bank and not just opening accounts. This includes meeting the small credit needs of the rural public, giving them access to the payments system, providing remittance facility and life and health insurance. Efforts are being made to optimize the resources to achieve the goal of extending banking facilities to the un-banked areas/deprived sections.

All the branches of the Bank are under Core Banking Solution (CBS) and all the branches to be opened in future will also be under CBS. Out of 675 branches, Bank has 140 rural branches and all these branches are provided with CBS offering all banking facilities to the rural clientele in the gram panchayats or villages where these branches are located. All the rural branches are acting as financial literacy centers (FLCs) and imparting Banking literacy among the rural Populace.

In accordance with announcement of Prime Minister Jan Dhan Yojana (PMJDY) on August 15, 2014 revised Strategy & Guidelines of Department of Financial Services (DFS), Ministry of Finance, Govt. of India, has been considered for implementation of Financial Inclusion activity of the Bank. PMJDY takes in to account both rural sub service areas (SSAs) and urban wards for Financial Inclusion. Under the revised financial inclusion plan, in rural areas Bank is allocated with 214 Gram Panchayats (GPs) for Financial Inclusion, covering 297 Sub service Areas (SSAs) consisting of 1039 villages in the states of Karnataka, Chattisgarh Maharashtra and Andhra Pradesh and in urban areas 313 wards are allocated in Karnataka and other states. The Gram Panchayats are being financially included through Brick and Mortar Branches and Business Correspondents (BC). Your Bank has been issuing *RuPay* PMJDY Debit Card under the domestic card payment scheme launch by the National Payments Corporation of India (NPCI).

Brick and Mortar Branches:

As on March 31, 2015 Bank has covered 529 villages of 101 GPs through Brick & Mortar Branches.

Business Correspondent Services (BC Services):

Bank has entered into an agreement with M/s BASIX Sub-ki Transaction Ltd and M/s Integra Micro Systems Pvt. Ltd. to provide online transaction facility and as on March 31, 2015, 121 GPs with 149 SSAs covering 561 villages of Karnataka, Andhra Pradesh and

ಕಾರ್ಯಗತಗೊಳಿಸಿದ್ದು, ಬಾಕಿ ಉಳಿದಿರುವ ಕೆಲವೊಂದು ಅಂಗಗಳ ಅನುಷ್ಠಾನಕ್ಕಾಗಿ ಬ್ಯಾಂಕಿನ 'ಕೋರ್ ಬ್ಯಾಂಕಿಂಗ್ ಸೊಲ್ಯೂಶನ್' ವ್ಯವಸ್ಥೆ ಇನ್ನೂ ಉನ್ನತ ಮಟ್ಟಕ್ಕೆ ತಲುಪಬೇಕಾದ ಅವಶ್ಯಕತೆಯಿರುವುದರಿಂದ ಅದನ್ನು ಅತೀ ಶೀಘ್ರದಲ್ಲಿ ಅನುಷ್ಠಾನಕ್ಕೆ ತರಲಾಗುವುದು.

ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ

ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ ಎಂದರೆ, ಆಧುನಿಕ, ಸುಸಜ್ಜಿತ, ಪೂರ್ಣಸ್ತರದ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಯನ್ನು ಕೈಗಟಕುವ ವೆಚ್ಚದಲ್ಲಿ, ಕಡಿಮೆ ಆದಾಯದ ಜನಸಾಮಾನ್ಯರಿಗೆ, ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಯನ್ನು ಪಡೆಯುವಷ್ಟು ಸ್ಥಿತಿ ಇಲ್ಲದವರಿಗೆ ತಲುಪಿಸುವುದೇ ಆಗಿದೆ. ಯಾವುದೊಂದೂ ಸಾಮಾನ್ಯ ಆರ್ಥಿಕ ಸಂಸ್ಥೆಗಳ ಬೆಂಬಲವಿಲ್ಲದ ಸಮಾಜದ ದೀನಾತಿದೀನ ಮಂದಿಯ ಮನೆ ಬಾಗಿಲಿಗೆ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಯನ್ನು ತಲಪಿಸುವುದು ವಿತ್ತೀಯ ಸೇರ್ಪಡೆಯ ಮೂಲ ಉದ್ದೇಶ. ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ ಯೋಜನೆಯು ಬರೇ ಖಾತೆಗಳನ್ನು ತೆರೆಸುವುದಕ್ಕಷ್ಟಕ್ಕೇ ಪರಿಮಿತವಾಗಿರದೇ, ಜನರನ್ನು ಬ್ಯಾಂಕಿಗೆ ಆಕರ್ಷಿಸಿ ಅವರನ್ನು ಬ್ಯಾಂಕ್ ವ್ಯವಹಾರಗಳೊಂದಿಗೆ ನಿಕಟಗೊಳಿಸುವುದು ಇದರ ಪ್ರಮುಖ ಧ್ಯೇಯವಾಗುತ್ತದೆ. ಜನಸಾಮಾನ್ಯರ ಸಣ್ಣ ಸ್ವರೂಪದ ಆರ್ಥಿಕ ಬೇಡಿಕೆಯನ್ನು ತತ್‌ಕ್ಷಣ ಪೂರೈಸುವುದು, ಬ್ಯಾಂಕಿನ ಪಾವತಿ ವ್ಯವಸ್ಥೆಯನ್ನು ಸದಾ ಅವರಿಗೆ ಒದಗಿಸುವುದು, ಹಣ ವರ್ಗಾವಣೆಯ ಸೌಲಭ್ಯವನ್ನು ಅವರಿಗೆ ತಿಳಿಯಪಡಿಸಿ ಪರಿಚಯಿಸುವುದು, ಆರೋಗ್ಯ ಮತ್ತು ಜೀವವಿಮಾ ಪಾಲಿಸಿಗಳ ಬಗ್ಗೆ ಅವರಿಗೆ ಮನದಟ್ಟಾಗಿಸುವುದು ಒಗ್ಗೂಡಿಕೆಯ ಕೆಲವೊಂದು ಇತರ ಮಗ್ಗುಲುಗಳಾಗಿವೆ. ಬ್ಯಾಂಕಿಂಗ್ ಸೇವಾ ವಂಚಿತರಿಗೆ / ಬ್ಯಾಂಕ್ ಶಾಖೆಗಳಿಲ್ಲದ ಹಳ್ಳಿಗಳಿಗೂ ಬ್ಯಾಂಕ್ ಶಾಖೆಗಳನ್ನು ತೆರೆಯುವಲ್ಲಿ ಸಂಪನ್ಮೂಲ ಆಕರಣೆಯ ಸಾಕಷ್ಟು ಪ್ರಯತ್ನಗಳು, ಪ್ರಯೋಗಗಳು ಸಾಗಿವೆ.

ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಎಲ್ಲಾ ಶಾಖೆಗಳು 'ಕೋರ್ ಬ್ಯಾಂಕಿಂಗ್ ಸೊಲ್ಯೂಶನ್' ಅಧೀನ ಕಾರ್ಯ ನಿರ್ವಹಿಸುತ್ತಿದ್ದು ಮುಂದೆ ಸ್ಥಾಪಿಸಲ್ಪಡುವ ಎಲ್ಲಾ ಶಾಖೆಗಳು ಇದೇ ತಂತ್ರಜ್ಞಾನದಿಂದ ಆಧರಿಸಲ್ಪಡುತ್ತವೆ. ಪ್ರಸಕ್ತವಿರುವ 675 ಶಾಖೆಗಳಲ್ಲಿ, 140 ಶಾಖೆಗಳು ಗ್ರಾಮಾಂತರ ಪ್ರದೇಶಗಳಲ್ಲಿದ್ದು, ಇವೆಲ್ಲವೂ 'ಸಿಬಿಎಸ್' ತಂತ್ರಜ್ಞಾನದಲ್ಲಿ ಕಾರ್ಯ ನಿರ್ವಹಿಸುತ್ತಿವೆ. ಇವುಗಳು ತಂತ್ರಜ್ಞಾನಾವೃತ ಅತ್ಯಾಧುನಿಕ ತ್ವರಿತ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಯನ್ನು ಗ್ರಾಮ ಪಂಚಾಯತ್‌ನಲ್ಲಿರುವ ಗ್ರಾಮಾಂತರ ಶ್ರೀಸಾಮಾನ್ಯರಿಗೂ ಒದಗಿಸುತ್ತಿವೆ. ಈ ಎಲ್ಲಾ ಶಾಖೆಗಳು ಆರ್ಥಿಕ ಸಾಕ್ಷರತೆಯನ್ನು ಬಿತ್ತರಿಸುವ ಪ್ರತಿನಿಧಿಗಳಾಗಿಯೂ ಕಾರ್ಯ ನಿರ್ವಹಿಸುತ್ತವೆ.

ದಿನಾಂಕ 15.08.2014ರಂದು ಉದ್ಘಾಟನೆಗೊಂಡಂತಹ ಕೇಂದ್ರ ಸರಕಾರದ 'ಪ್ರಧಾನಮಂತ್ರಿ ಜನ್ ಧನ್ ಯೋಜನೆ' ಆರ್ಥಿಕ ಮಂತ್ರಾಲಯದ, ವಿತ್ತೀಯ ಸೇವಾ ವಿಭಾಗದ ಮಹತ್ವಾಕಾಂಕ್ಷಿ ಯೋಜನೆ ಆಗಿದ್ದು, ಇದರ ರೂಪುರೇಷೆ, ಮಾರ್ಗದರ್ಶಿಕೆ, ಕಾರ್ಯೋನ್ಮುಖತೆಯು ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ ಚಟುವಟಿಕೆಗೆ ಮತ್ತಷ್ಟು ವೇಗೋತ್ಕರ್ಷ ನೀಡಿದೆ. ಪ್ರಧಾನಮಂತ್ರಿ ಜನ್ ಧನ್ ಯೋಜನೆಯು ಅರೆಸೇವಾ ಗ್ರಾಮೀಣ ಪ್ರದೇಶಗಳಲ್ಲಿ ಅಂತೆಯೇ ಅರ್ಬನ್ ವಾರ್ಡ್‌ಗಳಲ್ಲಿ ವಿತ್ತೀಯ ಸೇರ್ಪಡೆಗೆ ಜನಾಕರ್ಷಣೀಯ ಯೋಜನೆಯಾಗಿದೆ. ಈ ಪರಿಷ್ಕೃತ ವಿತ್ತೀಯ ಸೇರ್ಪಡೆಯ ಯೋಜನೆಯಲ್ಲಿ 214 ಗ್ರಾಮ ಪಂಚಾಯತಿಗಳಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕಿಗೆ 297 ಅರೆಸೇವಾ ಗ್ರಾಮೀಣ ಕ್ಷೇತ್ರಗಳು ಹಂಚಿಲ್ಪಟ್ಟಿದ್ದು ಒಟ್ಟು 1039 ಹಳ್ಳಿಗಳು, ಕರ್ನಾಟಕ, ಛತ್ತೀಸ್‌ಗಢ, ಮಹಾರಾಷ್ಟ್ರ ಮತ್ತು ಆಂಧ್ರ ರಾಜ್ಯಗಳಲ್ಲಿ, ಅಂತೆಯೇ ಅರ್ಬನ್ ವಾರ್ಡ್ ಕ್ಷೇತ್ರದಲ್ಲಿ 313 ವಾರ್ಡ್‌ಗಳು ಹಂಚಿಲ್ಪಟ್ಟಿದ್ದು ಇವು ಕರ್ನಾಟಕ ಇತರ ರಾಜ್ಯಗಳಲ್ಲಿವೆ. ಗ್ರಾಮ ಪಂಚಾಯತ್‌ಗಳೂ ವಿತ್ತೀಯ ಸೇರ್ಪಡೆಯಲ್ಲಿ ಬ್ರಿಕ್ ಮತ್ತು ಮೋರ್ಟರ್ ಶಾಖೆಗಳಿಂದ ಮತ್ತು ವ್ಯವಹಾರ ಪ್ರತಿನಿಧಿಗಳಿಂದ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಗಳನ್ನು ಪಡೆಯುತ್ತಿವೆ. ಹಾಗೂ ನಿಮ್ಮ ಬ್ಯಾಂಕು *RuPay* ಪಿಎಮ್‌ಜೆಡಿವೈ ಡೆಬಿಟ್ ಕಾರ್ಡನ್ನು ನ್ಯಾಶನಲ್ ಪೇಮೆಂಟ್ ಕಾರ್ಪೋರೇಶನ್ ಆಫ್ ಇಂಡಿಯಾ (ಎನ್‌ಪಿಸಿಐ) ಪ್ರಾರಂಭಿಸಿದ ದೇಶೀಯ ಕಾರ್ಡ್ ವ್ಯವಸ್ಥೆಯ ಅಡಿಯಲ್ಲಿ ವಿತರಣೆ ಮಾಡಿದೆ.

ಬ್ರಿಕ್ ಮತ್ತು ಮೋರ್ಟರ್ ಶಾಖೆಗಳು

ಮಾರ್ಚ್ 31, 2015ಕ್ಕೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು 101 ಗ್ರಾಮ ಪಂಚಾಯತ್‌ನಲ್ಲಿ 529 ಗ್ರಾಮಗಳಲ್ಲಿ ಬ್ರಿಕ್ ಮತ್ತು ಮೋರ್ಟರ್ ಶಾಖೆಗಳ ಮೂಲಕ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆ ನೀಡುತ್ತಿದೆ.

ಬ್ಯುಸಿನೆಸ್ ಕರೆಸ್ಪಾಂಡೆನ್ಸ್ ಸರ್ವೀಸಸ್

ಮೆ। ಬಾಸಿಕ್ಸ್ ಸಬ್-ಕೆಐ ಟ್ರಾನ್ಸಾಕ್ಷನ್ ಲಿಮಿಟೆಡ್ ಮತ್ತು ಇಂಟೆಗ್ರಾ ಮೈಕ್ರೋ ಸಿಸ್ಟಮ್ಸ್ ಪ್ರೈ. ಲಿಮಿಟೆಡ್‌ಗಳೊಂದಿಗೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಒಪ್ಪಂದ ವನ್ನೇರ್ಪಡಿಸಿಕೊಂಡಿದ್ದು, ಕರ್ನಾಟಕ, ಆಂಧ್ರಪ್ರದೇಶ ಮತ್ತು ಛತ್ತೀಸ್‌ಗಢ ರಾಜ್ಯಗಳ 121 ಗ್ರಾಮ ಪಂಚಾಯತ್ ವ್ಯಾಪ್ತಿಯ 149 ಅರೆಸೇವಾ ಗ್ರಾಮೀಣ

Chhattisgarh States were covered under the above arrangement.

Ultra Small Branches (USBs):

The Reserve Bank of India has allowed banks to open 'ultra small branches' in rural areas of the country such that business correspondents (BCs) can conduct operations and thereby boost confidence of customers to use their financial services. Bank has 37 USBs as on March 31, 2015.

Electronic Benefit Transfer (EBT) - Pilot Project of Govt. of Karnataka:

Bank is participating in Govt. of Karnataka (GOK) EBT Pilot project for NREGA/SSP beneficiaries under - "One District - Many Bank Model" and is disbursing the payments under the above schemes to the beneficiaries using smart card and hand held machines at 5 Gram Panchayat locations in Chitradurga, Ballary and Yadgir districts.

Direct Benefit Transfer (DBT):

Bank is actively participating in Direct Benefit Transfer (DBT) Programme of Govt. India, wherein, the Govt. would transfer benefits of various Schemes directly to the beneficiaries Aadhaar enabled bank accounts and also accounts seeded with LPG ID in case of transfer of subsidy for LPG. For this purpose, Bank has on boarded with NPCI for Aadhaar Payment Bridge System (APBS) under National Automated Clearing House (NACH). Revised DBTL was introduced on November 15, 2014 and launched throughout the country on January 1, 2015. Both the Aadhaar based and LPG ID based approaches are made available to customers across all branches of the Bank.

Financial Literacy and Credit Counseling Centers (FLCCs)

Bank has sponsored four FLCs at BC Road, Hangal, Tiptur and Kundagol in Karnataka. During the financial year FLCs sponsored by the Bank have conducted 757 Financial Literacy campaigns and 33,910 participants had been covered. In adherence to RBI guidelines, all the rural branches of our Bank are conducting financial literacy Camps.

AWARDS AND RECOGNITIONS

Your Bank bagged the following awards during the year under report in recognition of its achievement under HR, technology initiatives as well as for social banking.

- ❖ Certificate of Excellence for Social Banking by ASSOCHAM, India, at 10th Annual Banking Summit cum Social Banking Excellence Awards 2014.
- ❖ "MSME BANKING EXCELLENCE AWARDS - 2014", initiated by CIMSME [Chamber of Indian Micro Small & Medium Enterprises], under the following categories:

ಕ್ಷೇತ್ರಗಳು ಮತ್ತು 561 ಹಳ್ಳಿಗಳನ್ನು ವ್ಯಾಪಿಸಿಕೊಂಡಂತೆ 31 ಮಾರ್ಚ್ 2015ಕ್ಕೆ, ಜನಸಾಮಾನ್ಯ ಗ್ರಾಮಾಂತರ ಗ್ರಾಹಕರಿಗೆ ಆನ್‌ಲೈನಿನಲ್ಲಿ ವಿದ್ಯುನ್ಮಾನದ ಮೂಲಕ ವಹಿವಾಟು ನಡೆಸಲು ಆಸ್ಪದ ಕಲ್ಪಿಸಿದೆ.

ಅತೀ ಸಣ್ಣ ಶಾಖೆಗಳು

ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕು, ಅತೀ ಸಣ್ಣ ಶಾಖೆಗಳನ್ನು ಗ್ರಾಮಾಂತರ ಪ್ರದೇಶಗಳಲ್ಲಿ ತೆರೆಯಲು ಬ್ಯಾಂಕುಗಳಿಗೆ ಅನುಮತಿ ನೀಡಿದ್ದು, ಈ ಶಾಖೆಗಳು ವ್ಯವಹಾರ ಪ್ರತಿನಿಧಿಗಳ ಮೂಲಕ ಗ್ರಾಮಾಂತರ ಮಂದಿಗೆ ತಮ್ಮ ಆರ್ಥಿಕ ಚಟುವಟಿಕೆ ವ್ಯವಹಾರ ನಡೆಸುವಂತೆ ಆತ್ಮವಿಶ್ವಾಸ ಹೆಚ್ಚಳಕ್ಕೆ ಒತ್ತು ನೀಡುತ್ತವೆ. ಮಾರ್ಚ್ 31, 2015ಕ್ಕೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು 37 ಅತೀ ಸಣ್ಣ ಶಾಖೆಗಳನ್ನು ಹೊಂದಿದೆ.

ವಿದ್ಯುನ್ಮಾನ ಫಲ ವರ್ಗಾವಣೆ – ಕರ್ನಾಟಕ ಸರಕಾರದ ಮಾರ್ಗದರ್ಶಿ ಯೋಜನೆ

ಕರ್ನಾಟಕ ಸರಕಾರದ ಮಾರ್ಗದರ್ಶಿ ಯೋಜನೆ, ವಿದ್ಯುನ್ಮಾನ ಫಲ ವರ್ಗಾವಣೆಯಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಕೈಜೋಡಿಸಿದೆ. ಈ ಯೋಜನೆಯು "ನ್ಯಾಶನಲ್ ರೂರಲ್ ಎಂಪ್ಲಾಯಿಮೆಂಟ್ ಗ್ಯಾರಂಟಿ ಆ್ಯಕ್ಟ್" ಮತ್ತು "ಸೋಶಿಯಲ್ ಸೆಕ್ಯುರಿಟಿ ಪೆನ್‌ಶನ್" ಫಲಾನುಭವಿಗಳಿಗೆ 'ಒಂದು ಜಿಲ್ಲೆ–ಬಹು ಬ್ಯಾಂಕ್ ಮಾದರಿ' ಎನ್ನುವ ಶಿರೋನಾಮೆಯಡಿ ವಿದ್ಯುನ್ಮಾನ ಫಲ ವರ್ಗಾವಣಾ ಸೇವೆಗೈಯ್ಯುತ್ತಿದೆ. ಚಿತ್ರದುರ್ಗ, ಬಳ್ಳಾರಿ ಮತ್ತು ಯಾದಗಿರಿ ಜಿಲ್ಲೆಗಳ 5 ಗ್ರಾಮ ಪಂಚಾಯತ್ ವ್ಯಾಪ್ತಿಯಲ್ಲಿನ ಯಂತ್ರಗಳಿಂದ ಸರ್ವ ಫಲಾನುಭವಿಗಳಿಗೂ ಸಹ ವಿದ್ಯುನ್ಮಾನ ಫಲ ವರ್ಗಾವಣೆ ಸೇವೆ, 'ಸ್ಮಾರ್ಟ್ ಕಾರ್ಡ್' ಬಳಕೆಯ ಮೂಲಕ ನಡೆಯುತ್ತಿದೆ.

ನೇರ ಫಲ ವರ್ಗಾವಣೆ

ಕೇಂದ್ರ ಸರಕಾರದ 'ನೇರ ಫಲ ವರ್ಗಾವಣೆ' ಯೋಜನೆಯಲ್ಲಿ ಬ್ಯಾಂಕು ಭಾಗವಹಿಸಿದ್ದು, ವಿವಿಧ ಯೋಜನೆಗಳ ಫಲಾನುಭವಿಗಳ ಫಲವು ಬ್ಯಾಂಕಿನ ಶಾಖೆಗಳ ಮೂಲಕ ನೇರವಾಗಿ ಆಧಾರ್ ಕಾರ್ಡ್ ಸಂಯೋಜಿತ ಬ್ಯಾಂಕ್ ಖಾತೆಗೆ ಜಮಾಗೊಳ್ಳುತ್ತದೆ. ಅಡುಗೆ ಅನಿಲ ಸಿಲಿಂಡರ್ ಮೇಲಣ ಸಬ್ಸಿಡಿ ಸಹ ಎಲ್‌ಪಿಜಿ–ಐಡಿ ಸಂಯೋಜನೆಯೊಂದಿಗೆ ನೇರವಾಗಿ ಖಾತೆಗೆ ಜಮಾಗೊಳ್ಳುತ್ತದೆ. ಈ ಉದ್ದೇಶಕ್ಕಾಗಿ ಬ್ಯಾಂಕು ಆಧಾರ್ ಕಾರ್ಡ್ ಬ್ರಿಡ್ಜ್ ಸಿಸ್ಟಮ್‌ಗಾಗಿ ಎನ್‌ಪಿಸಿಐ ಸಹಯೋಗದೊಂದಿಗೆ ನ್ಯಾಶನಲ್ ಆಟೋಮೆಟೆಡ್ ಕ್ಲಿಯರಿಂಗ್ ಹೌಸ್‌ನೊಂದಿಗೂ ಒಪ್ಪಂದಕ್ಕೆ ಬಂದಿದೆ. ದಿನಾಂಕ 15 ನವಂಬರ್ 2014ರಂದು ಪರಿಷ್ಕೃತ ಡಿಬಿಟಿಎಲ್ ಜಾರಿಗೆ ಬಂದಿದ್ದು, ದೇಶಾದ್ಯಂತ ಇದು 1 ಜನವರಿ 2015 ಪ್ರತಿಷ್ಠಾಪನೆಗೊಂಡು ಆಧಾರ್ ಆಧಾರಿತ ಮತ್ತು ಎಲ್‌ಪಿಜಿ ಐಡಿ ಆಧಾರಿತ ಅಭಿಗಮನವು ದೇಶಾದ್ಯಂತ ಫಲಾನುಭವಿಗಳಿಗೆ ಲಭಿಸುವಂತಾಗಿದೆ.

ವಿತ್ತೀಯ ಸಾಕ್ಷರತೆ ಮತ್ತು ಮುಂಗಡ ಸಮಾಲೋಚನಾ ಕೇಂದ್ರಗಳು

ಬ್ಯಾಂಕು ಕರ್ನಾಟಕದಲ್ಲಿ ಈಗಾಗಲೇ ನಾಲ್ಕು ವಿತ್ತೀಯ ಸಾಕ್ಷರತೆ ಮತ್ತು ಮುಂಗಡ ಸಮಾಲೋಚನಾ ಕೇಂದ್ರಗಳನ್ನು ಬಿ.ಸಿ. ರಸ್ತೆ, ಹಾನಗಲ್, ತಿಪಟೂರು ಮತ್ತು ಕುಂದಗೋಳದಲ್ಲಿ ಪ್ರಾಯೋಜಿಸಿರುತ್ತದೆ. ಪ್ರಸ್ತುತ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ, ಬ್ಯಾಂಕಿನ ಪ್ರಾಯೋಜನೆಯಲ್ಲಿ ವಿವಿಧ ಭಾಗಗಳಲ್ಲಿ 757 ವಿತ್ತೀಯ ಸಾಕ್ಷರತಾ ಕ್ಯಾಂಪುಗಳು ಜರಗಿದ್ದು, 33910 ಭಾಗಾಳುಗಳು ಪ್ರಯೋಜನವನ್ನು ಹೊಂದಿರುತ್ತಾರೆ. ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ ಮಾರ್ಗದರ್ಶಿ ಸೂತ್ರದಂತೆ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಎಲ್ಲಾ ಗ್ರಾಮಾಂತರ ಶಾಖೆಗಳು ವಿತ್ತೀಯ ಸಾಕ್ಷರತಾ ಕ್ಯಾಂಪುಗಳನ್ನು ಯಶಸ್ವಿಯಾಗಿ ಜರಗಿಸುತ್ತಿವೆ.

ಪ್ರಶಸ್ತಿಗಳು ಮತ್ತು ಸನ್ನದುಗಳು

ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಈ ಕೆಳಕಾಣಿಸಿದ ಪ್ರಶಸ್ತಿ ಹಾಗೂ ಸನ್ನದುಗಳನ್ನು ಮಾನವ ಸಂಪನ್ಮೂಲ, ತಾಂತ್ರಿಕ ಅಭಿಗಮನ ಹಾಗೂ ಸಾಮಾಜಿಕ ಬ್ಯಾಂಕಿಂಗ್ ನಿರ್ವಹಣೆಯಲ್ಲಿನ ಔನ್ನತ್ಯಕ್ಕಾಗಿ ಪಡೆದಿದೆ.

- ❖ ಸರ್ಟಿಫಿಕೇಟ್ ಆಫ್ ಎಕ್ಸಲೆನ್ಸ್ ಫಾರ್ ಸೋಶಿಯಲ್ ಬ್ಯಾಂಕಿಂಗ್ – ಎಸ್ಸೋಚಾಮ್–ಇಂಡಿಯಾ 10ನೇ ವಾರ್ಷಿಕ ಬ್ಯಾಂಕಿಂಗ್ ಸಮ್ಮಿಟ್ – ಸೋಶಿಯಲ್ ಬ್ಯಾಂಕಿಂಗ್ ಎಕ್ಸಲೆನ್ಸ್ ಅವಾರ್ಡ್–2014.
- ❖ ಎಂ.ಎಸ್.ಎಂ.ಇ. ಬ್ಯಾಂಕಿಂಗ್ ಎಕ್ಸಲೆನ್ಸ್ ಅವಾರ್ಡ್ – 2014 – ಸಿಐಎಮ್‌ಎಸ್‌ಎಮ್‌ಇ – ಪ್ರಾಯೋಜಿತ ಈ ಕೆಳಗಿನ ವಿಭಾಗಗಳಲ್ಲಿನ ಶ್ರೇಷ್ಠತೆಗಾಗಿ –

i. Best Bank Award for New Initiatives - Runner Up

ii. Best Bank Award for CSR & Green Initiatives - Runner Up.

❖ Your Bank's MD & CEO, Mr. P Jayarama Bhat, has been awarded the Asia Pacific HRM Congress Awards 2014, under the category "CEO with HR Orientation".

❖ Your Bank's MD & CEO has been honoured with the "New Year Award, 2015", by the President of Academy of Higher Education, Manipal University, Manipal.

Further NQA, a leading assessment, verification and certification body accredited to the United Kingdom Accreditation Service (UKAS) has renewed ISO 27001:2013 certificate for our three IT set-ups viz. Data Centre, Near Line Site and Head Office-IT Department including Disaster Recovery Site.

ACKNOWLEDGEMENTS

Your Directors would like to place on record their sincere gratitude to the Reserve Bank of India, other government and regulatory authorities, financial institutions and correspondent banks for their continued guidance and support. Your directors also place on record their gratitude to the Bank's shareholders, depositors and other customers for their continued support, patronage and goodwill. Your directors express their deep sense of appreciation to all the staff members, for their contribution in your Bank's quest for sustained growth and profitability and look forward to their continued contribution in scaling greater heights.

i) ಬೆಸ್ಟ್ ಬ್ಯಾಂಕ್ ಅವಾರ್ಡ್ ಫಾರ್ ನ್ಯೂ ಇನಿಷಿಯೇಟಿವ್ – ರನ್ನರ್ ಅಪ್.

ii) ಬೆಸ್ಟ್ ಬ್ಯಾಂಕ್ ಅವಾರ್ಡ್ ಸಿಎಸ್‌ಆರ್ ಮತ್ತು ಗ್ರೀನ್ ಇನಿಷಿಯೇಟಿವ್ – ರನ್ನರ್ ಅಪ್.

❖ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಎಂ.ಡಿ. ಮತ್ತು ಸಿ.ಇ.ಓ. ಶ್ರೀ ಪಿ. ಜಯರಾಮ ಭಟ್‌ರಿಗೆ ಏಶಿಯಾ ಫೆಸಿಫಿಕ್ ಎಚ್‌ಆರ್‌ಎಂ ಕಾಂಗ್ರೆಸ್ ಅವಾರ್ಡ್–2014 – ಸಿ.ಇ.ಓ. ವಿತ್ ಎಚ್.ಆರ್. ಓರಿಯಂಟೇಶನ್ ವಿಭಾಗದಲ್ಲಿ

❖ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಎಂ.ಡಿ. ಮತ್ತು ಸಿ.ಇ.ಓ. ಅವರಿಗೆ 'ನ್ಯೂ ಇಯರ್ ಅವಾರ್ಡ್–2015' – ಅಕಾಡೆಮಿ ಆಫ್ ಹೈಯರ್ ಎಜ್ಯುಕೇಶನ್, ಮಣಿಪಾಲ ಯೂನಿವರ್ಸಿಟಿ, ಮಣಿಪಾಲ – ಇವರಿಂದ.

ಹೆಚ್ಚುವರಿಯಾಗಿ, ಎನ್.ಕ್ಯೂ.ಎ. – ಒಂದು ನಾಮಾಂಕಿತ ಮೌಲ್ಯಮಾಪನ, ಪ್ರಮಾಣೀಕರಣ ಮತ್ತು ದೃಢೀಕರಣ (ಯುನೈಟೆಡ್ ಕಿಂಗ್‌ಡಮ್ ಎಕ್ರೀಡಿಟೇಶನ್ ಸರ್ವಿಸ್ ಪ್ರಾಯೋಜಿತ) ವಿಶ್ವಸ್ಥ ಸಂಸ್ಥೆ, ಐಎಸ್‌ಓ 27001:2013 ದೃಢೀಕರಣ ಪತ್ರವನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನದ ಮೂರು ಅಂಗಗಳಾದ ದತ್ತಾಂಶ ಕೇಂದ್ರ, ನಿಯರ್ ಲೈನ್ ಸೈಟ್ ಮತ್ತು ಪ್ರಧಾನ ಕಚೇರಿ – ಐಟಿ ವಿಭಾಗದ ವಿಪತ್ತು ನಿವಾರಣಾ ಸೈಟ್ ಇವುಗಳ ಉತ್ತಮ ನಿರ್ವಹಣೆಗಾಗಿ ನವೀಕರಿಸಿದೆ.

ಕೃತಜ್ಞತೆಗಳು

ನಿಮ್ಮ ನಿರ್ದೇಶಕರು, ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ, ಇತರ ಸರಕಾರಿ ನಿಯಂತ್ರಣ ಪ್ರಾಧಿಕಾರದ, ಆರ್ಥಿಕ ಸಂಸ್ಥೆಗಳ, ಸಹಭಾಗಿ ಬ್ಯಾಂಕುಗಳ ನಿರಂತರ ಮಾರ್ಗದರ್ಶನ ಮತ್ತು ಬೆಂಬಲಗಳಿಗಾಗಿ ತಮ್ಮ ಹೃತ್ಪೂರ್ವಕ ಕೃತಜ್ಞತೆಗಳನ್ನು ದಾಖಲಿಸಲು ಇಚ್ಛಿಸುತ್ತಾರೆ. ಬ್ಯಾಂಕಿನ ಶೇರುದಾರರ, ಠೇವಣಿದಾರರ ಮತ್ತು ಸರ್ವ ಗ್ರಾಹಕರ ನಿರಂತರ ಬೆಂಬಲ, ಸಹಕಾರ ಮತ್ತು ವಿಶ್ವಾಸಗಳಿಗಾಗಿ ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ಚಿರಋಣಿಗಳಾಗಿದ್ದಾರೆ. ಬ್ಯಾಂಕಿನ ಎಲ್ಲಾ ಉದ್ಯೋಗಿ ಸದಸ್ಯರು ನೀಡಿದ ಸಕ್ರಿಯ ಬೆಂಬಲ, ಬ್ಯಾಂಕಿನ ನಿರಂತರ ಪ್ರಗತಿ ಮತ್ತು ಆದಾಯಕ್ಕಾಗಿ ನೀಡಿದ ಸಹಕಾರಕ್ಕಾಗಿ ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ಹೃತ್ಪೂರ್ವಕ ಮೆಚ್ಚುಗೆಯನ್ನು ದಾಖಲಿಸುತ್ತಾ ಮತ್ತು ಮುಂಬರುವ ದಿನಗಳಲ್ಲಿ ಬ್ಯಾಂಕನ್ನು ಇನ್ನೂ ಎತ್ತರಕ್ಕೆ ಕೊಂಡೊಯ್ಯುವಲ್ಲಿ ಇವರೆಲ್ಲರ ನಿರಂತರ ಸಹಕಾರವನ್ನು ನಿರೀಕ್ಷಿಸುತ್ತಾರೆ.

For and on behalf of the Board of Directors

Place : Mangaluru
Date : May 22, 2015

Sd/-
Ananthakrishna
Chairman

ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಪರವಾಗಿ ಮತ್ತು ಅಪ್ಪಣೆಯೊಂದಿಗೆ

ಸ್ಥಳ : ಮಂಗಳೂರು
ದಿನಾಂಕ : ಮೇ 22, 2015

ಸಹಿ/–
ಅನಂತಕೃಷ್ಣ
ಅಧ್ಯಕ್ಷರು

ANNEXURES FORMING PART OF DIRECTORS' REPORT

ANNEXURE I

Disclosure in respect of Employee Stock Options Scheme pursuant to SEBI (Employees Stock Options Scheme and Employees Stock Purchase Scheme) Guidelines, 1999.

In the year 2006, shareholders of the Bank had approved a stock options scheme to be implemented in the Bank. Under the Scheme a total of 15,00,000 stock options were available for grant. The Bank is yet to implement the second stock options scheme as approved by the shareholders at the Annual General Meeting held on August 8, 2009.

The status of the options outstanding under the Employee Stock Options Scheme (ESOS - 2006) as at March 31, 2015 is as under:

Total grants authorized under the Scheme	15,00,000 shares		
	Series 1	Series 2	Series 3
Number of Options outstanding at the beginning of the year.	116271	932	114158
Number of Options granted during the year	Nil	Nil	Nil
Pricing formula-After adjustments for the rights issue	₹ 46.20 per option/share	₹ 46.20 per option/share	₹ 46.20 per option/share
Number of Options vested during the year	Nil	Nil	Nil
Number of Options exercised during the year	12525	0	19738
Total Number of shares arising as a result of exercise of options during the year	12525	0	19738
Options lapsed / forfeited / cancelled (nos)	30229	680	21552
Variation of terms of options	Nil	Nil	Nil
Money realized by exercise of options, including premium (₹)	578655	0	911895.60
Total Number of Options in force as on March 31, 2015	73517	252	72868
Grant to Senior Managerial Personnel during the year	Nil	Nil	Nil
Employees receiving 5 per cent or more of the total number of options granted during the year	Nil	Nil	Nil
Employees granted options equal to or exceeding 1 per cent of the issued capital	Nil	Nil	Nil

The Bank had followed the intrinsic value method for valuing the stock options. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option. As all the cost on the basis of intrinsic value of options granted has already been accounted in the earlier year itself, there is no charge to the profit and loss account during this year and therefore there is no impact on the Earnings per share on account of Bank following intrinsic value method of accounting vis-a-vis the fair value method of accounting.

ANNEXURE II

DISCLOSURE UNDER PILLAR III OF BASEL III ACCORD

1. SCOPE OF APPLICATION

The Karnataka Bank Limited, a premier private sector Bank, was incorporated on 18th February 1924 in Mangaluru. The Bank does not have any subsidiary/Associate companies under its Management.

The Bank presently is not involved in insurance business. However, Bank has entered into a Joint venture agreement and holds equity investments to the extent of 15 per cent in M/s Universal Sompo General Insurance Company Limited. The financials of the joint venture company are not consolidated with the balance sheet of the Bank. The investment in the joint venture is not deducted from the capital funds of the Bank but is assigned risk weights as an investment.

2. CAPITAL STRUCTURE

	Particulars	No. of equity Shares	Face value per share	Amount (₹ in crore)
1	Authorized Capital	300000000	10	300.00
2	Issued Capital	188469383	10	188.47
3	Subscribed Capital	188463305	10	188.46
4	Called up/Paid up Capital	188446755	10	*188.46

*inclusive of forfeited shares

The Bank's shares are listed on the National Stock Exchange of India Ltd and Bombay Stock Exchange Ltd.

During the year ended March 31, 2015 the Bank has allotted 32,263 equity shares to employees under its Employee Stock Option Plan and 2120 shares issued upon release of entitlements kept in abeyance in relation to issues of earlier years. Apart from the above, Bank has not raised any capital by IPO, Rights or by Public offer during the year ended March 31, 2015.

Breakup of Capital Funds:

The Tier I Capital of the Bank comprises of

(₹ in crore)

1	Paid up Capital (Including forfeited shares)	188.46
2	Reserves	3180.67
	Total	**3369.13**

The Tier II Capital of the Bank comprises of

(₹ in crore)

1	Undisclosed reserves	16.75
2	General Provisions and Loss Reserves	232.30
3	Subordinated debts eligible for inclusion in Lower Tier 2 Capital	355.00
	Total	**604.05**

The Total Capital comprises of

(₹ in crore)

1	Tier I Capital	3369.13
2	Tier II Capital	604.05
	Total	**3973.18**

Details of the aggregate amounts of the Bank's total interests in insurance entities, which are risk-weighted:

Name of the insurance entities / country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of Bank's holding in the total equity / proportion of voting power	Quantitative impact on regulatory capital of using risk weighting method versus using the full deduction method
Universal Sompo General Insurance Co Ltd/India	General Insurance	₹350 crore	15%	CRAR is reduced by 0.07%

Assessment of Capital Adequacy

An assessment of the capital requirement of the Bank is carried out through comprehensive projections of future business that takes cognizance of the strategic intent of the Bank, profitability of particular business and opportunities for growth. The proper mapping of credit, operational and market risks to this projected business growth enables assignment of capital that not only adequately covers the minimum regulatory capital requirements but also provides headroom for growth. The calibration of risk to business is enabled by a strong risk culture in the Bank aided by effective, technology based risk management systems.

A summary of the Bank's Capital requirement under Basel III for credit, market and operational risk and the capital adequacy ratio is detailed below.

(₹ in crore)

A	Capital requirement for Credit Risk	
	- Portfolios subject to Standardized approach	2534.85
	- Securitization exposures	-
B	Capital requirement for Market Risk	
	Standardized duration approach	150.04
	- Interest Rate Risk	96.72
	- Foreign Exchange Risk	1.35
	- Equity Risk	51.97
C	Capital requirement for Operational Risk	
	- Basic Indicator approach	196.90
D	Total Capital requirement	2881.79
E	Total eligible Capital Funds of the Bank as per Basel III	3973.18
F	Total Risk Weighted Assets	32019.91
G	Common Equity Tier I ratio (CET1) (%)	10.52%
H	Tier I CRAR (%)	10.52%
I	Tier II CRAR (%)	1.89%
J	Total CRAR (%)	12.41%

3. RISK MANAGEMENT: OBJECTIVES AND ORGANIZATION STRUCTURE

The various risks taken by the Bank during the course of the business development are identified, assessed, measured, controlled, monitored, mitigated and reported effectively. The key components of the Bank's risk management rely on the risk governance architecture, comprehensive processes and internal control mechanism. The Bank's risk governance architecture focuses attention on key areas of risk such as credit, market and operational risk and quantification of these risks wherever possible for effective and continuous monitoring.

a. Objectives and Policies

The Bank's risk management processes are guided by well-defined policies appropriate for various risk categories, independent risk oversight and periodic monitoring through the sub-committees of the Board of Directors. The Bank has a well documented Board approved 'Risk Management Policy' in place. The Board sets the overall risk appetite and philosophy for the Bank. The Board of Directors, the Integrated Risk Management Committee and the Audit Committee of the Board review various aspects of risk arising from the businesses of the Bank.

b. Structure and Organization

The Bank has a risk management system that is centralized with a three track committee approach. The committees are- Credit Policy Committee (CPC), Asset Liability Management Committee (ALCO) and Operational Risk Management Committee (ORMC). An Integrated Risk Management Committee (IRMC) evaluates the overall risk factors faced by the Bank and directly reports to the Board of directors.

CPC deals with credit policies and procedures, ALCO deals with Asset Liability Management (ALM) and Investment Policy of the Bank and ORMC formulates policies and procedures for managing operational risk.

4. CREDIT RISK MANAGEMENT

Bank has developed online comprehensive credit risk rating system for all borrower accounts. Risk rating of borrowers intended to help banks in quantifying and aggregating the credit risk across various exposures. The Bank has validated its existing rating models and refined/revised the corporate models, besides introduction of Specialized lending rating models, Retail score card models [Pool based approach] and Facility rating. Accordingly, Bank is rating its credit portfolio as per the criteria laid down for rating in the Loan Policy of the Bank. The rating serves as a single point indicator of diverse risk factors of counter-party and for taking credit decisions. The risk rating system is drawn up in a structured manner, incorporating different factors such as borrower and industry specific characteristics. The Bank also undertakes periodic validation exercise of its rating models and also conducts migration and default rate analysis to test robustness of its rating models.

The Bank has formulated a comprehensive Loan Policy by incorporating various parameters and prudential limits to manage and control default, transaction and intrinsic/concentration risk. The credit exposures are taken after subjecting the proposals to analysis of various risk factors such as financial risk, industry risk, management risk, business risk, transaction risk etc.

The Bank analyses the migration of borrowers in various risk rating categories to gauge the quality of the loan portfolio. The Bank also conducts periodical review of the loan assets to ascertain conduct of the accounts. The Bank conducts periodical Credit Audit and Stock Audit of large credit exposures to limit the magnitude of credit risk and interest rate risk.

Credit sanction and related processes

Know Your Customer is a leading principle for all business activities. The other components of the credit processes are:

1. Sound credit approval process with well laid credit sanctioning criteria.
2. The acceptability of credit exposure, primarily based on the sustainability and adequacy of borrower's normal business operations and not based solely on the availability of security.
3. Portfolio level risk analysis and reporting to ensure optimal spread of risk across various rating classes to prevent undue risk concentration across any particular industry segments and monitor credit risk migration.
4. Sector specific studies at periodic intervals to highlight risks and opportunities in those sectors.
5. Adoption of rating linked exposure norms.
6. Industry-wise exposure ceilings based on the industry performance, prospects and the competitiveness of the sector.
7. Separate risk limits for credit portfolios like advances to NBFC and unsecured loans that require special monitoring.

Review and Monitoring

1. All credit exposures, once approved, are monitored and reviewed periodically against the approved limits. Borrowers with lower credit rating are subject to more frequent reviews.
2. Credit monitoring involves independent review of credit risk assessment, compliance with internal policies of the Bank and with the regulatory framework, compliance with the sanction terms and conditions and effectiveness of loan administration.
3. Customers with emerging credit problems are identified early and classified accordingly. Remedial action is initiated promptly to minimize the potential loss to the Bank.

Concentration Risk

The Bank controls concentration risk by means of appropriate sectoral limits and borrowers limits based on creditworthiness. The Bank also captures the Concentration risk by monitoring the geographical exposure.

Large exposures to individual clients or group

The Bank has individual borrower-wise exposure ceilings based on the internal rating of the borrower as well as group-wise borrowing limits. The Bank monitors the level of credit risk (Low/Moderate/High/Very High) and direction of change in credit risk (increasing /decreasing/ stable) at the portfolio level.

Definition of Non-Performing Assets

Bank has adopted the definition of the impaired assets (for accounting purposes) as defined by the regulator for income recognition and asset classification norms.

Exposures

A. Total gross credit exposure including geographic distribution of exposure

(₹ in crore)

	Domestic	Overseas	Total
Fund Based	36254.98	-	36254.98
Non Fund based	5149.18	-	5149.18
Total	41404.16	-	41404.16

Geographic distribution of credit exposure

(₹ in crore)

S.No.	State / Union Territory	Funded Exposure	Non Funded Exposure	Total
1	Andhra Pradesh	1295.93	125.70	1421.63
2	Assam	71.95	56.41	128.36
3	Bihar	7.81	110.00	117.81
4	Chandigarh	46.57	2.40	48.97
5	Chhattisgarh	338.17	37.33	375.50
6	Delhi	3881.54	403.01	4284.55
7	Goa	185.07	37.02	222.09
8	Gujarat	339.39	61.40	400.79
9	Haryana	1022.45	320.46	1342.91
10	Jharkhand	48.50	1.69	50.19
11	Karnataka	14746.26	1832.96	16579.22
12	Kerala	385.57	11.13	396.70
13	Madhya Pradesh	285.42	11.47	296.89
14	Maharashtra	5177.98	740.15	5918.13
15	Orissa	494.74	46.97	541.71
16	Pondicherry	35.73	2.24	37.97
17	Punjab	436.13	94.35	530.48
18	Rajasthan	724.10	48.09	772.19
19	Tamil Nadu	3364.52	317.64	3682.16
20	Telangana	1588.34	544.15	2132.49
21	Uttar Pradesh	563.14	176.80	739.94
22	Uttarakhand	69.49	1.81	71.30
23	West Bengal	1146.18	166.00	1312.18
	Total Exposure	**36254.98**	**5149.18**	**41404.16**

While determining level and direction of credit risk, parameters like percentage of low- risk credit (investment grade and above) to credit risk exposure and migration from investment to non-investment grade (quantum as percentage of credit risk exposure) are also considered. The Bank monitors the rating-wise distribution of its borrowers also.

Exposure to Industries

Industry analysis plays an important part in assessing the concentration risk within the loan portfolio. Particular attention is given to industry sectors where the Bank believes that there is a high degree of risk or potential for volatility in the future. The Bank has fixed internal limits for aggregate commitments to different sectors so that the exposures are evenly spread over various sectors.

The credit policy deals with short term as well as long term approach to credit risk management. The policy of the Bank embodies in itself the areas of risk identification, risk measurement, risk grading techniques, reporting and risk control systems /mitigation techniques, documentation practice and the system for management of problematic loans.

B. Distribution of Credit Exposure by Industry sector (₹ in Crore)

Sl. No.	Industry	Fund based	Non Fund based	Total
1	Infrastructure advances	2711.42	229.11	2940.53
2	Other Textiles	972.90	125.38	1098.28
3	Cotton Textile	878.72	80.70	959.42
4	Other Engineering	633.22	317.61	950.83
5	Iron and Steel	711.00	84.11	795.11
6	Gems and Jewellery	632.89	63.26	696.14
7	Automobiles	594.85	45.24	640.09
8	Metal and Metal Products	278.72	125.77	404.49
9	Rice, Flour, Dhal Mills	347.37	21.97	369.34
10	Cement and Cement Products	343.48	24.79	368.28
11	Plastic and Plastic Products	258.80	90.48	349.28
12	Wood Based Industries	144.64	178.07	322.71
13	Paper and Paper Products	273.32	38.50	311.82
14	Food and Food Products	292.44	13.73	306.16
15	Petroleum Products	230.17	0.53	230.70
16	Drugs and Pharmaceuticals	114.62	55.97	170.58
17	Kandasari and Sugar	116.33	2.10	118.43
18	Coal and Mining	115.33	2.99	118.32
19	Chemicals, Dyes	84.83	15.70	100.53
20	Leather and Leather Products	50.77	17.76	68.53
21	Tea Industry	47.67	0.29	47.96
22	Distilleries, Brewaries including soft drinks	22.40	20.33	42.73
23	Computer Software and Computer Hardware	21.26	21.35	42.61
24	Jute Textile	26.26	4.00	30.26
25	Cashewnut Processing	26.29	0.15	26.45
26	Rubber and Rubber Products	19.02	7.39	26.41
27	Vegetable Oil	23.14	0.00	23.15
28	Electronics	10.16	3.68	13.84
29	Tobbaco and Tobbaco Products	1.71	0.00	1.71
30	Marine Products/Processing	0.12	0.00	0.12
31	All Other Industries	910.78	213.71	1124.49
	Total Industrial Advance	**10894.63**	**1804.67**	**12699.30**

The details of the Industry wherein the Bank's exposure in the related Industry has exceeded the 5 per cent of total gross credit exposure is furnished below.

Sl. No.	Industry / sectors classification	Percentage of the total credit exposure
1	Infrastructure advances	7.10 %

C. Residual Contractual Maturity of Advances and Investments (₹ in crore)

Sl. No.	Maturity Buckets	Investments	Advances
1	1day	11.68	716.44
2	2 to 7 days	148.56	151.72
3	8 to 14 days	0.00	326.16
4	15 to 28 days	204.21	225.20
5	29 days and upto 3 months	950.61	2199.96
6	Over 3 months and upto 6 months	419.13	1770.60
7	Over 6 months and upto 1 year(s)	306.66	3672.25
8	Over 1 year(s) and upto 3 year(s)	2347.89	14237.58
9	Over 3 year(s) and upto 5 year(s)	3488.40	3355.08
10	Over 5 Years	8110.92	5025.00
	Total	**15988.06**	**31679.99**

D. Classification of Non Performing Advances (₹ in crore)

Sl.No.	Particulars	31.03.2015
A	**Amount of NPA's (Gross)**	**944.21**
	- Substandard	425.09
	- Doubtful 1	308.23
	- Doubtful 2	130.62
	- Doubtful 3	41.86
	- Loss	38.41
B	**Net NPAs**	
	Amount of Net NPA	623.55
C	**NPA Ratios**	
	Gross NPAs to Gross Advances ratio (%)	2.95
	Net NPAs to Net Advances ratio (%)	1.98

Movement of NPAs (Gross) (₹ in crore)

Sl.No.	Particulars	31.03.2015
1.	Opening Balance as on 01.04.2014	835.94
2.	Additions*	929.83
3.	Reductions*	821.56
4.	**Closing Balance as on 31.03.2015**	**944.21**

* including intra-quarter additions and reductions to the extent of ₹ 339.83 crore

Movement of Provisions for NPAs (₹ in crore)

Sl.No.	Particulars	31.03.2015
1.	Opening Balance	271.53
2.	Provision made during the period	223.07
3.	Write off	179.25
4.	Write back of excess provisions	0.00
5.	**Closing balance**	**315.35**

E. Non Performing Investments and movement of provision for depreciation on Investments

(₹ in crore)

Sl.No.	Particulars	31.03.2015
A	Amount of Non performing Investments	12.86
B	Amount of Provision held for Non performing Investments	12.86
C	Movement of provisions for depreciation on Investments	
	a) Opening balance	97.01
	b) Add: Provisions made during the year	0.00
	c) Less: Write off/write back of excess provisions	67.33
	d) Closing balance	29.68

Disclosure for portfolios subject to the standardized approach

Large corporate borrowers and Public Sector Enterprises are being encouraged to solicit ratings from approved external rating agencies and wherever such ratings are available the Bank uses the same in assigning risk weights. Bank has approved 6 domestic credit rating agencies identified by RBI i.e. CRISIL, CARE, India Ratings and Research Private Limited (earlier FITCH India), ICRA, Brickwork and SMERA Ratings Limited. The ratings available in public domain are mapped according to risk profile and specific risk characteristics of each rating grade of respective agencies as envisaged in RBI guidelines.

The credit exposure [fund based & non fund based] after risk mitigation (subject to the standardized Approach) in different risk buckets are as under:

(₹ in crore)

Sl. No.	Risk weight	Exposure Outstanding
1	Below 100%	11751.07
2	100%	12482.24
3	More than 100%	4533.29
	Total	**28766.60**

Credit Risk Mitigation: Disclosures for Standardized Approach

As stipulated by the RBI guidelines, the Bank uses the comprehensive approach for collateral risk mitigation. Under this approach, the Bank reduces its credit exposure to counterparty when calculating its capital requirements to the extent of risk mitigation provided by the eligible financial collateral as specified in the Basel guidelines.

Types of eligible financial collateral / Guarantors:

The Bank recognizes only specified types of financial collateral and guarantees (counter-guarantors) for providing capital relief in line with Basel II guidelines on credit risk mitigation.

This includes cash, Bank own deposits, gold (including bullion and jewellery, subject to collateralized jewellery being notionally converted/benchmarked to 99.99 per cent purity), securities issued by the Central and State Governments, Kisan Vikas Patra, National Savings certificates, life insurance policies with a declared surrender value which is regulated by IRDA, certain debt securities rated by a recognized credit rating agency, certain debt securities not rated but issued by Banks and listed on a recognized exchange and are classified as senior debt, certain mutual fund units where daily Net Assets Value (NAV) is available in public domain .

Eligible Guarantors (counter-guarantors):

Credit protection given by the following entities is recognized:

(i) Sovereigns, sovereign entities (including BIS, IMF, European Central Bank and European Community as well as permitted MDBs, ECGC, CRGFTLIH and CGTMSE), banks and primary dealers with a lower risk weight than the counterparty;

(ii) Other entities that are externally rated except when credit protection is provided to a securitization exposure. This would include credit protection provided by parent, subsidiary and affiliate companies when they have a lower risk weight than the obligor.

(iii) When credit protection is provided to a securitization exposure, other entities that currently are externally rated BBB- or better and that were externally rated A- or better at the time the credit protection was provided. This would include credit protection provided by parent, subsidiary and affiliate companies when they have a lower risk weight than the obligor.

The extent of total credit exposure (under the standardized approach) covered by eligible financial collaterals after application of haircuts are furnished below:

(₹ in crore)

Eligible financial collaterals after haircuts	4576.29
Eligible guarantees	731.19

5. MARKET RISK & LIQUIDITY RISK

The Bank has put in place Board approved Integrated Treasury Policy and Asset Liability Management (ALM) policy for effective management of market risk in the Bank. The objective of Integrated Treasury Policy is to assess and minimize risks associated with treasury operations by extensive use of various risk management tools. Broadly, it encompasses Policy prescriptions for managing systemic risk, credit risk, market risk, operational risk and liquidity risk in treasury operations.

For market risk arising out of various products in treasury and its business activities, the Bank has set regulatory / internal limits and ensures the adherence thereof. Migration of ratings is tracked regularly. Limits for exposures to counter-parties, industries and countries are monitored and the risks are controlled through Stop Loss Limits, Overnight limit, Daylight limit, Aggregate Gap limit, Individual gap limit, Value at Risk (VaR) limit for Forex, Inter-Bank dealing and various investment limits. For the Market Risk Management the Bank has a Mid Office. The functions of Mid Office are handled by Integrated Risk Management Department.

The Board, IRMC & ALCO are overseeing the market risk management of the Bank, procedures thereof, implementing risk management guidelines issued by regulator, best risk management practices followed globally and ensures that internal parameters, procedures, practices/policies and risk management prudential limits are adhered to.

The policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigates are discussed in ALCO and based on views taken by / mandates of ALCO, hedge deals are undertaken.

Liquidity risk of the Bank is assessed through daily gap analysis for maturity mismatch based on residual maturity in different time buckets as well as various liquidity ratios and management of the same is done within the prudential limits fixed thereon. Advance techniques such as Stress testing, simulation, sensitivity analysis etc. are conducted on regular intervals to draw the contingency funding plan under different liquidity scenarios.

Market Risk in Trading Book

Bank has adopted the Standardized Duration Approach as prescribed by RBI for computation of capital charge for market risk and is fully compliant with such RBI guidelines. Bank is now preparing itself for the Advanced Approach based on a Value at Risk (VaR) model, which is under implementation.

The capital requirements for market risk are detailed below:

(₹ in crore)

Sl. No.	Risk Category	Capital Charge
I	Interest Rate	96.72
II	Equity	51.97
III	Foreign Exchange, Gold and Derivatives	1.35
IV	Total Capital Charge for market Risk (I+II+III)	150.04

6. INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

The interest rate risk is viewed from two perspectives i.e. 'Earnings Perspective' and 'Economic Value Perspective'. Generally, the former is measured using Earnings-at-Risk (EaR) under Traditional Gap Analysis (TGA) and the latter is measured through changes in the Market value of Equity (MVE) under Duration Gap Analysis (DGA).

- **Earnings-at-Risk (EaR):** All the Rate Sensitive Assets (RSA) and Rate Sensitive Liabilities (RSL) maturing/re-pricing up to 1 year are bucketed as per Traditional Gap Analysis (TGA) and EaR analysis is conducted by applying various shocks on product-wise weighted average interest rates in each time band. EaR is quantified by changes in the NII and NIM in comparison with the previous financial year end.

- **Impact on Market Value of Equity (MVE):** Impact on Market Value of Equity (MVE) is analyzed through Duration Gap Analysis (DGA) which involves bucketing of market value of all Rate Sensitive Assets and Rate Sensitive Liabilities as per residual maturity/ re-pricing in various time bands and computing Modified Duration Gap. Accurate method is adopted for computing the market value by discounting each cash flow of all Rate Sensitive Assets (RSA) and Rate Sensitive Liabilities (RSL) with various discount curves as suggested by RBI. Notional interest rate shocks are applied on the resultant Modified Duration Gap to arrive at the changes in the Market Value of Equity (MVE).
- Prudential limits have been fixed for changes in NIM and MVE for 200bps shock in the interest rates and monitored on a monthly basis.
- Earning at Risk for 200 bps interest rate shock is estimated at ₹34.63 crore and change in the Market value of Equity for 200 bps interest rate shock is 4.53%.

7. OPERATIONAL RISK

Strategies and Processes

Bank has initiated several measures to manage operational risk through identification, assessment and monitoring of inherent risks in all its business processes. A framework has been laid to capture loss data which can be mapped to operational risk events to measure the impact quantitatively. Bank has put in place a hierarchical structure to effectively manage operational risk through the formation of internal committee viz., Operational Risk Management Committee (ORMC).

Scope and Nature of Operational Risk Reporting and Measurement Systems

A systematic process for reporting risk events, loss events, “near misses” and non-compliance issues relating to operational risks have been developed and implemented. The information gathered will be used to develop triggers to initiate corrective actions to improve controls. All critical risks and potential loss events are reported to the senior Management/ORMC/IRMC as appropriate for their directions and suggestions.

An Operational Risk Management Policy approved by the Risk Management Committee of the Board details the framework for hedging and/or mitigating operational risk in the Bank. As per the policy, all new products are vetted by the New Product Approval Committee to identify and assess potential operational risks involved and suggest control measures to mitigate the risks.

Approach for Operational Risk Capital Assessment

As per the RBI guidelines, the Bank has adopted Basic Indicator Approach for computing capital charge for Operational Risk. Steps have been initiated to migrate to the Advanced Measurement Approach.

Exposure Related to Counterparty Credit Risk

Counterparty Credit Risk exposures for banks are assessed based on Bank's business requirements and considering counterparty bank's parameters such as CRAR, net worth, NPA level etc. Counterparty exposures for other entities are assessed subject to exposure ceilings as per the Loan Policy of the Bank. Capital for Counterparty Credit Risk exposure is assessed based on Standardized Approach.

The Bank does not recognize bilateral netting. The credit equivalent amount of derivative exposure is calculated using Current Exposure Method and the balance outstanding as on 31st March 2015 is as under:

(₹ in crore)

Particulars	Notional Amount	Current Exposure
Foreign exchange contracts	5575.89	144.27
Interest rate contracts	Nil	Nil
Total	**5575.89**	**144.27**

Composition of Capital

Disclosures pertaining to composition of capital, including the capital disclosure templates, main features of equity and debt capital instruments and the terms and conditions of equity and debt capital instruments have been disclosed separately on the Bank's website under 'Regulatory Disclosures Section'. The link to this section is http://ktkbank.com/ktk/BaselDisclosures.jsp

Disclosures on Remuneration: Necessary disclosures have been furnished in the Notes on Accounts and also available in the above link of our website.

ANNEXURE III

CORPORATE GOVERNANCE

Corporate Governance broadly refers to the set of systems, principles and processes by which a company is governed while fulfilling the goals and objectives of the company and also protecting the interest of all the stakeholders in the long run. It is based on principle such as conducting the business with integrity and fairness, being transparent in all transactions, making all the necessary disclosures and complying with all the applicable laws, accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner. Your Directors' present below the Bank's Report on compliance of Corporate Governance requirements as prescribed under Clause 49 of the Listing Agreement with the stock exchanges:

Philosophy of Corporate Governance

The basic philosophy of Corporate Governance in the Bank is the application of the best management practices that provide stability and growth to the enterprise, transparency, accountability, disclosures and value creation. Your Bank believes that good governance practices ultimately secure the goal of turning the Bank into a value driven organization. Your Bank's philosophy of Corporate Governance has been embedded in its Mission statement which reads as under:

“To be a technology savvy, customer centric progressive Bank with a national presence, driven by the highest standards of Corporate Governance and guided by sound ethical values”.

Board of Directors:

Composition of the Board: The Board of Directors of the Bank consists of 10 directors including the Managing Director. The constitution of the Board conforms to the provisions of Section 10 B of the Banking Regulation Act, 1949, Section 149 of the Companies Act, 2013 and Clause 49 of Listing Agreement entered into with the stock exchanges where the shares of the Bank are listed. The Board consists of eminent persons drawn from specialized fields such as banking, finance, accountancy, law, agriculture & rural economy, cooperation & SSI and other areas as specified in the Banking Regulation Act 1949. Except Mr. P. Jayarama Bhat, Managing Director & CEO, all other directors on the Board are independent and non-executive directors.

Board Meetings:

During the financial year ended March 31, 2015 the Board met 16 times on the following dates:

Sl No.	Date of the meeting	Sl No	Date of the meeting
1	30.04.2014	9	31.10.2014
2	15.05.2014	10	29.11.2014
3	07.06.2014	11	29.12.2014
4	28.06.2014	12	27.01.2015
5	30.07.2014	13	19.02.2015
6	09.08.2014	14	07.03.2015
7	06.09.2014	15	27.03.2015
8	30.09.2014	16	28.03.2015

Details of the attendance of directors at the Board meetings during the year under report and at the last Annual General Meeting and directorships/ committee positions held in other companies were as under:

Name of the Director (Messrs/Mrs.)	No. of meetings attended	Whether attended the last AGM	Directorship in other public Limited Companies	Committee positions in other Public Limited Companies
Ananthakrishna	16	YES	01	01
P Jayarama Bhat	16	YES	NIL	NA
T S Vishwanath*	11	YES	NIL	NA
S V Manjunath	15	YES	NIL	NA
D Harshendra Kumar	15	YES	NIL	NA
Dr. H Ramamohan	16	YES	NIL	NA
T R Chandrasekaran	16	YES	01	01
Ashok Haranahalli	13	YES	NIL	NA
Usha Ganesh	16	YES	NIL	NA
Rammohan Rao Belle	16	YES	NIL	NA
B A Prabhakar#	08	NA	06	04

*Retired as director upon completion of eight year term as per Banking Regulation Act, 1949 on 04.01.2015

Appointed as an additional Director of the Bank w.e.f 06.09.2014.

Note: As per the Listing Agreement, for the purpose of Committee positions held in other public limited companies, only Audit Committee and Stakeholders Relationship Committee have been considered.

None of the Directors of the Board serve as members of more than ten Committees or they act as Chairman of more than five Committees across all companies. There is no relationship amongst directors inter-se.

Remuneration of Directors:

Pursuant to the Compensation Policy of the Bank, the Directors of the Bank were paid remuneration during the year. All the non executive directors including Mr. Ananthakrishna, the part-time Chairman of the Bank were paid sitting fees for attending Board/Committee meetings besides the reimbursement of traveling expenses whereever applicable and halting allowance as applicable at the rates fixed by the Board.

Mr. P. Jayarama Bhat, Managing Director & CEO, has been paid salary and other allowances as approved by the Reserve Bank of India vide their letter DBOD. No. 3285/08.40.001/2012-13 dated 29.08.2012. The details of the remuneration paid to Mr. P. Jayarama Bhat during the year ended March 31, 2015 were as under:

Break up of remuneration	₹ in lakh
Basic Salary	36.00
Dearness Allowance	7.20
House Rent Allowance	5.40
Contribution to Provident Fund	4.32
Total	**52.92**

Other benefits such as use of car, telephone at residence, LFC etc. were also provided to Mr. P Jayarama Bhat during the reporting period. Further, a variable pay of ₹3.23 lakh for the financial year 2013-14 was also paid during the year under report as permitted by Reserve Bank of India vide their letter DBOD.Appt.No.3554/08.40.001/2014-15 dated 05.09.2014.

Non-executive and Independent Directors of the Bank were paid sitting fees at the rate of ₹20,000/- and ₹15,000/- for attending the meetings of the Board/Committees of the Board respectively during the year under report, the details of such payment to each director which were as under:

Name of the Director (Messrs/Mrs.)	Sitting fees paid for the year 2014-15 (₹ in lakh)
Ananthakrishna	7.00
T S Vishwanath	2.35
S V Manjunath	5.15
D Harshendra Kumar	5.00
Dr. H Ramamohan	6.55
T R Chandrasekaran	7.15
Ashok Haranahalli	3.10
Usha Ganesh	5.50
Rammohan Rao Belle	9.25
B A Prabhakar	3.75

Directors of the Bank were not granted any Stock Options during the above period.

COMMITTEES OF THE BOARD:

In compliance with the regulatory requirements and for the operational convenience, the following committees were functioning in the Bank as on March 31, 2015.

1. Executive Committee of the Board of Directors (EC)

In order to facilitate the Board to concentrate on policy matters and strategic planning, etc., certain lending and non-lending powers have been delegated to the Executive Committee of Board of Directors. The Committee was headed by Mr. P Jayarama Bhat, Managing Director. The other members of the Committee were Messrs S V Manjunath (upto 31.10.2014), Dr. H Ramamohan, Rammohan Rao Belle and B A Prabhakar (w.e.f. 31.10.2014). During the year under report, 11 meetings of the EC were held on 22.04.2014, 07.06.2014, 28.06.2014, 24.07.2014, 01.09.2014, 27.09.2014, 28.10.2014, 29.11.2014, 30.12.2014, 19.02.2015 and 23.03.2015. Details of the attendance at the meetings were as under;

Meetings record

Name of the Director (Messrs)	No. of meetings attended
P Jayarama Bhat	11
S V Manjunath	05
Dr H Ramamohan	11
Rammohan Rao Belle	11
B A Prabhakar	04

2. Audit Committee of the Board of Directors (ACB)

The Bank had constituted an Audit Committee of the Board (ACB) in 1995 as per the directions of the Reserve Bank of India to look into the matters specified by RBI. The terms of reference of the ACB which were aligned with the requirements of Listing Agreement include the following:

1. Oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Bank;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
   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 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, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Valuation of undertakings or assets of the Bank, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems;
11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
12. 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;
13. Discussion with internal auditors of any significant findings and follow up there on;
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
17. To review the functioning of the Whistle Blower mechanism;
18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The ACB was headed by Mr. T R Chandrasekaran, an Independent Director. The members of the ACB consisted of Mr. D Harshendra Kumar (upto 31.10.2014), Mr. Rammohan Rao Belle, Mrs. Usha Ganesh and Mr. B A Prabhakar (w.e.f. 31.10.2014). All the members of the ACB are financially literate. The Company Secretary acted as the secretary to the Committee. Chief Financial Officer, Chief Compliance Officer and the Head of the Inspection & Audit Department of the Bank were also invited to attend the meetings of the committee besides Statutory Central Auditors

who were invited to the meeting whenever their report was considered. During the year under review ten meetings of ACB were held on 11.04.2014, 15.05.2014, 19.06.2014, 30.07.2014, 26.09.2014, 31.10.2014, 29.12.2014, 27.01.2015, 26.02.2015 and 27.03.2015.

Meetings record of the ACB

Name of the Director (Messrs/Mrs.)	No. of meetings attended
T R Chandrasekaran	10
D Harshendra Kumar	05
Usha Ganesh	10
Rammohan Rao Belle	10
B A Prabhakar	04

3. Stakeholders Relationship Committee (previously known as Shareholders & Investors Grievance Committee)

A sub-committee of the Board constituted during the year 2002 to specifically look into the grievances of shareholders/investors continued its functioning during the year ended March 31, 2015 also. The Committee was rechristened to align with the requirements of Companies Act, 2013 and the listing agreement entered into with the Stock Exchanges. The Committee was headed by Mr. T S Vishwanath upto 04.01.2015 and thereafter by Mr. D Harshendra Kumar. The other members of the Committee were Messrs Ashok Haranahalli and Rammohan Rao Belle. The Committee met twice during the year under report on 31.10.2014 and 28.03.2015 and reviewed all the complaints received from the shareholders and the investors.

Name & designation of the Compliance Officer:

Y.V. Balachandra, Company Secretary.

A total of 51 complaints were received from the Investors/Share holders and all of them have been redressed satisfactorily. As required under the Listing Agreement a separate Email ID - investor.grievance@ktkbank.com had been maintained exclusively for the purpose of registering complaints by the investors. Bank was also prompt in uploading the Action Report in SEBI`s on line complaint redressal portal "SCORES".

4. Special Committee for Monitoring and Investigation of Large Value Frauds

As per the directions of the Reserve Bank of India, the Board had constituted a Special Committee on 17.02.2004 exclusively to monitor, investigate and follow up cases of fraud involving amounts of ₹1 crore and above. The terms of reference of the Committee were as under:

a. Identify the systems lacunae, if any that facilitated perpetration of the fraud and put in place measures to plug the same.

b. Identify the reasons for delay in detection, if any, in reporting to top management of the Bank and RBI.

c. Monitor progress of CBI/Police investigation, and recovery position.

d. Ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time.

e. Review the efficacy of the remedial action taken to prevent recurrence of frauds such as strengthening of internal controls.

f. Put in place other measures as may be considered relevant to strengthen preventive measures against frauds.

The Committee meets immediately on detection of any fraud involving amount of ₹1 crore and above.

The Committee consisted of Messrs Ananthakrishna (Chairman of the Committee), P Jayarama Bhat, S V Manjunath, D Harshendra Kumar (upto 31.10.2014) and T R Chandrasekaran and B A Prabhakar (w.e.f. 31.10.2014). During the year under report, four meetings of the Committee were held on 29.04.2014, 30.09.2014, 22.11.2014 and 26.02.2015.

5. Integrated Risk Management Committee (IRMC)

A Board level sub-committee called the Integrated Risk Management Committee (IRMC) which was constituted on 24.12.2004 to devise a policy and strategy for integrated risk management containing various risk exposures of the Bank including credit risk and market risk continued its functioning during the year under report. The

Committee was headed by Mr. Ananthakrishna and other members of the Committee were Messrs P Jayarama Bhat, T R Chandrasekaran and Mrs. Usha Ganesh.

The functions of the Committee include the review of risk profile of the Bank, evaluation of the overall risks faced by the Bank, develop policies and strategies for integrating risk management containing the credit, market and operational risk exposures etc., and to ensure a smooth transition to the new Capital Adequacy Framework.

IRMC met four times during the year on 06.06.2014, 02.09.2014, 22.11.2014 and 26.02.2015.

6. Nomination and Remuneration Committee (N&RC)

Pursuant to the Companies Act, 2013, Listing Agreement and the extant guidelines of Reserve Bank of India, Bank has constituted "Nomination & Remuneration Committee (N&RC)" w.e.f. 30.09.2014 (previously two Committees for Nomination and Remuneration separately). The Committee consisted of Messrs Ananthakrishna, S V Manjunath (Chairman of the Committee w.e.f. 22.11.2014), Dr. H Ramamohan, T R Chandrasekaran and Rammohan Rao Belle. During the year under report five meetings of the Committee including the meetings of erstwhile Nomination and Remuneration committees, before constitution of N&RC were held on 07.06.2014, 28.06.2014, 01.09.2014, 22.11.2014 and 27.03.2015.

The terms of reference of the Committee include:

i. identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down.

ii. undertake the due diligence of candidates before their appointment/re-appointment as directors.

iii. recommend to the Board appointment of directors and senior management personnel and removal.

iv. formulate the criteria for determining qualification, positive attributes and independence of a director, key managerial personnel and other employees.

v. recommend to the Board the policy for evaluation of performance of directors.

vi. recommend to the Board on the remuneration of Whole Time Directors/Chief Executive Officers, etc.

vii. to administer the Employee Stock Option Scheme of the Bank.

In deference to the above, the Committee has laid down Policy on determination of the qualifications, positive attributes and independence of a director for appointment as Directors and also a policy on remuneration of Directors.

Remuneration Policy

The Bank has adopted a policy on compensation of Whole Time Directors/Chief Executive Officers etc. which aims at attracting and retaining the right candidates in the Bank. The policy is designed to support key business strategies and provide reasonable remuneration commensurate with the performance of the Bank taking into account alignment of compensation with prudent risk taking etc.

Remuneration of Whole Time Director/ Managing Director & CEO

The remuneration of the Managing Director & CEO of the Bank is recommended by the N&RC to the Board for approval in accordance with the aforesaid policy. The Board of Directors considers the recommendation of the N&RC and approves the remuneration, subject to approvals from Reserve Bank of India and shareholders. The remuneration comprises of fixed pay and variable pay linked to the achievement in financial and non-financial areas duly aligning it to the risk, cost to income ratio etc. In case the variable pay is substantial i.e. 50 per cent or more of the fixed pay, the provision of deferment is also applicable. As a Policy, prudential limit for variable pay is also envisaged as it is limited to 70 per cent of the fixed pay.

Remuneration of Non-Executive Directors

The Non-Executive Directors including Chairman of the Board are paid sitting fees for attending each meeting of the Board/Committee as approved by the Board subject to limits prescribed under the Companies Act, 2013. The Bank does not pay any commission on profit to the Non-Executive Directors.

7. Customer Service Committee

With a view to strengthen the corporate governance structure and also mount innovative measures for enhancing the quality of customer service and improving the level of customer satisfaction for all categories of clientele at all times, the Reserve Bank of India has suggested Banks to constitute a Customer Service Committee of the Board in compliance with the recommendations of Committee on Procedures and Performance Audit on Public Service (CPPAPS). Accordingly Customer Service Committee was constituted on 25.09.2004. The role of the Committee is to address the formulation of a comprehensive deposit policy, product approval process, annual survey of depositor satisfaction, tri-annual audit of such services and to review the

performance of the Ad-hoc committee periodically. The Committee continued its functioning during this year also. The Committee was headed by Mr. Ananthakrishna, and other members of the Committee were Messrs P Jayarama Bhat, D Harshendra Kumar and Dr. H Ramamohan. The Committee met twice on 30.04.2014 and 14.11.2014 during the year under report. The Committee also invites customers to the meetings to get their feedback about the customer services in the Bank.

8. Internal Capital Adequacy Assessment Committee (ICAAC)

In order to review and recommend to the Board, the capital plan of the Bank and lay down the capital planning process and responsibilities as well as contingency planning for dealing with deviations and unexpected events and matters incidental thereto, ICAAC had been constituted in the Bank. The Committee was headed by Mr. Ananthakrishna and the other members of the committee were Messrs P Jayarama Bhat, T R Chandrasekaran and Rammohan Rao Belle. Mr. Mahabaleshwara M S, Chief General Manager, who is the head of the ICAAP Function Committee, was also a member of the Committee. Four meetings of the Committee were held during the year under report on 18.06.2014, 01.09.2014, 30.12.2014 and 27.03.2015.

9. Committee for IT Strategy and Governance

To study the issues arising out of the increased dependency on Information Technology in Banks, RBI constituted a working Group under the Chairmanship of Sri G Gopalakrishna, Executive Director, RBI. Based on the recommendations of the Gopalakrishna Committee, RBI issued detailed circular vide DBS.CO.ITC.BC.No.6/ 31.02.008/2010-11 dated 29.04.2011 advising the commercial banks to implement the recommendations of the Committee. The recommendations covered nine major areas of IT such as IT Governance, Information Security, Information System Audit, IT Operations, IT Services Outsourcing, Cyber Fraud, Business Continuity Planning, Customer Awareness Programmes and Legal issues.

The implementation of recommendations need to be Risk based, commensurate with the nature and scope of activities engaged by banks, the technology environment prevalent in the bank and Support rendered by technology to the business processes. Implementation of the RBI guidelines will enhance safety, security, efficiency in banking processes leading to benefits for banks and the customers.

As envisaged in the above guidelines, a Board level Committee on IT Strategy and Governance constituted on 29.11.2011 to oversee the above areas continued its functioning during the year under report. The Members of the Committee were Messrs Ananthakrishna, P Jayarama Bhat and Rammohan Rao Belle.

Some of the roles and responsibilities of this Committee include:

- Approving IT strategy and policy documents
- Ensuring that the management has put an effective strategic planning process in place
- Ratifying that the business strategy is indeed aligned with IT strategy
- Ensuring that the IT organizational structure complements the business model and its direction
- Ascertaining that management has implemented processes and practices to ensure that the IT delivers value to the business
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources
- Ensuring proper balance of IT investments for sustaining bank's growth
- Becoming aware about exposure towards IT risks and controls and evaluating effectiveness of management's monitoring of IT risks
- Assessing Senior Management's performance in implementing IT strategies
- Issuing high-level policy guidance (e.g. related to risk, funding, or sourcing tasks)
- Confirming whether IT or business architecture is to be designed, so as to derive the maximum business value from IT
- Overseeing the aggregate funding of IT at a bank-level, and ascertaining if the management has resources to ensure the proper management of IT risks

The main objective of IT Governance is to achieve outcome viz., "Value Delivery by IT to business" and "IT Risk Management". The drivers of this outcome are "IT Strategic Alignment", "IT Resource Management" and "IT Performance Measurement".

Five meetings of the Committee were held during the year under report on 18.06.2014, 25.07.2014, 01.09.2014, 30.12.2014 and 28.03.2015.

10. Corporate Social Responsibility (CSR) Committee

Pursuant to Section 135 of the Companies Act, 2015, the Board has constituted a separate Committee on 24.03.2014 to formulate and recommend to the Board a CSR policy, recommend the amount of expenditure to be incurred on the CSR activities and monitor the CSR Policy of the Bank from time to time, monitor & regulate the expenditure incurred by the Bank in corporate social responsibilities and to formulate policy on CSR activities. The said Committee continued its functioning during the year under report.

Besides Mr. P Jayarama Bhat, who was the head of the Committee, the Committee consisted of Messrs D Harshendra Kumar and Rammohan Rao Belle as its members. During the year the Committee met twice on 05.09.2014 and 28.03.2015. Necessary disclosure pursuant to sub section 4 of Section 135 of the Companies Act, 2013 read with Companies (CSR) Rules 2014, necessary disclosures of the CSR Policy has been made in the Bank`s website and in this report (Annexure VI).

The Bank has also constituted two Committees viz. (i) Review Committee for Non-cooperative borrowers and (ii) Review Committee for identification of wilful defaulters and there was no occasion for the aforesaid committees to meet during the reporting period.

BOARD LEVEL PERFORMANCE EVALUATION

As required under the Companies Act, 2013 and the listing agreement entered into with the Stock Exchanges, the performance review/evaluation of the Board as a whole, Committees of the Board, Chairman of the Board, all Directors including independent directors and Managing Director & CEO of the Bank was carried out as per the Performance Evaluation Policy adopted by the Bank. The process of Performance evaluation is as under:

Independent Directors in a separate meeting shall evaluate the performance of non-independent directors (i.e. Managing Director & CEO of the Bank), Chairman of the Board and Board as whole taking into account the views of the Executive Director.

Board shall review the performance of all Independent Directors as well as the Committees of the Board.

EVALUATION CRITERIA

Board:

The criteria of evaluation of performance of the Board include composition of the Board, periodicity of the meetings, management and human resources, strategy determination, monitoring and acting, policies and procedures including Risk management policy, understanding the regulatory requirements, reporting to the stakeholders, compliance with all applicable laws requirements etc.

Committees of the Board:

The performance of the Committees of the Board was evaluated taking into consideration the terms of reference of each Committee, periodicity of meetings, collective judgement and contribution by each committee in meeting their objectives.

Chairman of the Board:

The evaluation criteria for the performance of the Chairman of the Board *inter-alia* included leadership qualities demonstrated by him, ability to synthesize discussion and divergent views to lead to consensus after listening to all directors, his working relationship with the Managing Director and CEO etc.

Managing Director & CEO:

While evaluating the performance of the Managing Director & CEO, performance in key financial and non-financial areas such achieving the business targets, meeting stakeholders expectations and maintaining harmonious relationship with the labour associations and recognition and rewards secured by the Bank under his leadership, relationship with the Board, ability to execute the strategies etc., were considered.

Independent Directors:

The review of the performance of Independent Directors has been undertaken by the Board having regard to their experience and expertise in the specified area of their specialisation, attendance record at the meetings of the Board and the Committees thereof, value addition in the decision making process in the meeting, their ability to get updated their knowledge about the business and regulatory environment in which the Bank is functioning, leading to bringing in independent judgements and safeguarding the interest of stakeholders, etc.

COMMITTEES OF EXECUTIVES:

Apart from the Board Committees, the Bank has also constituted other committees of executives such as Asset and Liability Management Committee (ALCO), Investment Management Committee (IMC), Credit Management Committee (CMC), Credit Policy Committee (CPC), Operational Risk Management Committee (ORMC), Committee for scrutiny of frauds, staff accountability Committee, New Product & Process Approval Committee, IT Steering Committee, ICAAP Function Committee etc. The Committees meet regularly to take decisions on respective matters.

GENERAL BODY MEETINGS:

Venue and the date of the last three annual general meetings were as under:

Year	Venue	Date	Day	Time	Whether any special resolution/s passed
2014	Registered Office of the Bank, Mangaluru	09.08.2014	Saturday	11.30 AM	No
2013	Registered Office of the Bank, Mangaluru	06.07.2013	Saturday	11.30 AM	Yes
2012	Registered Office of the Bank, Mangaluru	30.08.2012	Thursday	11.30 AM	Yes

* No special resolution was passed in the previous year through postal ballot.

DISCLOSURES:

There were no materially significant transactions entered into by the Bank with its directors, management, or relatives conflicting with the interest of the Bank at large during the year ended March 31, 2015. Further it is declared that all the directors and senior management personnel have affirmed the compliance to the code of conduct laid down by the Bank.

STATUTORY COMPLIANCE, PENALTIES AND STRICTURES:

There were no instances of non-compliances by the Bank, levy of penalties and strictures imposed by Stock Exchanges, RBI and SEBI /other regulatory authorities on any matter during the year under report.

MEANS OF COMMUNICATION:

The quarterly/ half yearly/ annual results are published in the leading national English dailies such as Business Standard, The Hindu, Business Line, Financial Express, Economic Times etc. and vernacular news papers such as Udayavani etc. The results were also posted on our web site www.karnatakabank.com. In view of this, no separate half-yearly declaration of financial performance to the shareholders has been made.

SHAREHOLDERS' INFORMATION:

A. Annual General Meeting:

Date : July 16, 2015

Day : Thursday

Time : 11.30 AM

Venue : The Karnataka Bank Ltd.
Regd. & Head Office
Mahaveera Circle, Kankanady
Mangaluru-575002.

B. Book closure: July 10, 2015 to July 16, 2015 (both days inclusive)

C. Financial Calendar: The financial year of the Bank is April to March. The financial results for the quarter/half year/year are generally published as under:

a) Quarter ending June, 30 2015 : July, 2015

b) Quarter ending Sept. 30, 2015 : October, 2015

c) Quarter ending Dec. 31, 2015 : January, 2016

d) Quarter ending March 31, 2016 : May, 2016

D. Dividend: The Board of Directors has recommended a dividend of 50 per cent on the paid up capital of the Bank for the year ended March 31, 2015 (i.e. ₹5/- per share) and the same will be paid to the shareholders/beneficial holders of shares holding shares as on July 9, 2015 as per the Register of members in the case of shares held in physical form and Register of beneficial owners in respect of shares held in electronic form.

Dividend Payment Date: Between July 17, 2015 to July 23, 2015.

As per the provisions of Section 205A of the Companies Act, 1956, the unclaimed dividend for the financial year ended March 2006-2007 of ₹21,91,885/- has been transferred to the Investor Education and Protection Fund established by the Central Government. The following Table gives the position of unclaimed dividend from the year 2007-2008 as on 31.03.2015.

Year	Unclaimed dividend (₹)	Date of declaration	Last date for claiming dividend
2007-2008	3634940	12.07.2008	11.08.2015
2008-2009	5098602	08.08.2009	07.09.2016
2009-2010	4285444	31.07.2010	30.08.2017
2010-2011	4412526	23.07.2011	22.08.2018
2011-2012	6524346	30.08.2012	29.09.2019
2012-2013	7860412	06.07.2013	05.08.2020
2013-2014	9733848	09.08.2014	08.09.2021

Unclaimed shares suspense account: Pursuant to amendments of Clause 5 A of Listing Agreement entered into with the Stock Exchanges, the Bank, after sending three reminder letters in respect of unclaimed shares to the shareholders at the addresses available had transferred these unclaimed shares to a separate demat suspense account. The summary is furnished below:

Particulars	No. of shareholders	Total Number of shares
Number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	2135	219493
Shareholders who approached us for transfer of shares from suspense account during the year	38	19549
Shareholders to whom shares were transferred from suspense account during the year:	38	19549
Number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	2097	199944

E. Listing of shares:

The shares of the Bank are listed on the following Stock Exchanges.

Name of the Stock Exchange	Address
National Stock Exchange of India Ltd.	Regd Office: Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai- 400051.
Bombay Stock Exchange Ltd.	Regd Office: Floor 25, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400001

The Bank has paid the annual listing fees for the year 2014-2015 to the above Stock Exchanges.

Stock Code:

Trading symbol on the NSE : KTKBANK

Scrip code on BSE : 532652

ISIN at NSDL/CDSL : INE614B01018

Share transfer procedure:

The shares of the Bank being traded in dematerialized form are transferable through the depository system. The share transfers in physical form are processed by the Share Transfer Agent- M/s Integrated Enterprises (India) Ltd and approved by the Managing Director at least once in a fortnight. There are no share transfer requests pending for transfer as on March 31, 2015.

Stock Market Data

The shares of the Bank are traded on the Stock Exchanges only in dematerialized form as per the directives issued by Securities and Exchange Board of India (SEBI). The shares are regularly traded on National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Ltd (BSE). The monthly high & low prices along with the volumes traded from 01.04.2014 to 31.03.2015 on the above Stock Exchanges are given below together with bench mark indices.

Trading statistics on NSE

Month	Share Price		No. of shares traded	CNX NIFTY	
	High	Low		High	Low
Apr 2014	126.65	116.00	67429384	6840.80	6675.30
May 2014	148.35	119.15	98984215	7367.10	6652.55
June 2014	146.25	130.00	57005249	7656.40	7362.50
July 2014	144.60	125.05	51188999	7830.60	7454.15
Aug 2014	129.95	118.20	28810508	7954.35	7568.55
Sep 2014	131.20	112.85	39728183	8173.90	7911.85
Oct 2014	124.05	109.65	27431865	8322.20	7748.20
Nov 2014	144.50	128.65	63063564	8588.25	8324.15
Dec 2014	154.05	135.35	65303872	8564.40	8029.80
Jan 2015	153.05	137.75	52438877	8952.35	8102.10
Feb 2015	144.65	128.10	39061728	8901.85	8526.35
Mar 2015	139.60	120.65	29700857	8996.25	8341.40

Trading statistics on BSE

Month	Share Price		No. of shares traded	S&P BSE Sensex	
	High	Low		High	Low
Apr 2014	126.55	116.15	9774302	22876.54	22277.23
May 2014	148.30	119.05	12581144	24716.88	22323.9
June 2014	146.00	130.00	6935037	25583.69	24684.85
July 2014	144.65	124.80	6212310	26271.85	25006.98
Aug 2014	130.00	118.25	3346544	26638.11	25329.14
Sep 2014	131.25	113.10	5769465	27319.85	26468.36
Oct 2014	123.85	109.80	3772680	27865.83	25999.34
Nov 2014	144.30	128.95	7418502	28693.99	27860.38
Dec 2014	154.05	135.30	7731847	28562.82	26710.13
Jan 2015	153.05	137.70	5993041	29681.77	26908.82
Feb 2015	144.45	128.20	4159159	29462.27	28227.39
Mar 2015	139.40	120.65	3166341	29593.73	27457.58

Shareholding Pattern

Shareholding pattern of the Bank as on 31st March 2015 was as under:

Partly paid-up shares :-	**No. of partly paid-up shares**	**As a % of total no. of** partly paid-up shares	**As a % of total no. of shares** of the Company
Held by promoter/promoter group	NIL	NA	NA
Held by Public	NIL	NA	NA
Total	-	0	0
Outstanding convertible securities :-	**No. of outstanding securities**	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the company, assuming full conversion of the convertible securities
Held by promoter/promoter group	NIL	NA	NA
Held by Public	NIL	NA	NA
Total	-	0	0
	No. of warrants	As a % of total no. of	As a % of total no. of shares of the warrants Company, assuming full conversion of warrants
Held by promoter/promoter group	NIL	NA	NA
Held by Public	NIL	NA	NA
Total	-	0	0
Total paid-up capital of the company, assuming full conversion of warrants and convertible securities	**188,446,755**	**NA**	**100.00**

Fully paid up shares:

Cate-gory Code	Category of shareholder	Total Number of share holders	Total number of shares	Number of shares held in demater-ialized form	Total shareholding as a percentage of total number of shares	Shares pledged or otherwise encumbered		
					As a percentage of (A+B)1	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX=(VIII)/(IV)*100
(A)	**Shareholding of Promoter and Promoter Group**							
(1)	**Indian**							
(a)	*Individuals/ Hindu Undivided Family	-	-	-	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(1)	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
(2)	**Foreign**							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(2)	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**0**	**-**	**-**	**-**	**-**	**0**	**0.00**
(B)	**Public shareholding**						NOT APPLICABLE	NOT APPLICABLE
(1)	Institutions							
(a)	Mutual Funds/ UTI	21	4,212,963	4,212,963	2.24	2.24		
(b)	Financial Institutions/ Banks	8	684,381	684,381	0.36	0.36		
(c)	Central Government/ State Government(s)	-	-	-	-	-		
(d)	Venture Capital Funds	-	-	-	-	-		
(e)	Insurance Companies	5	11,144,940	11,144,940	5.91	5.91		
(f)	Foreign Institutional Investors	94	41,831,330	41,831,330	22.20	22.20		
(g)	Foreign Venture Capital Investors	-	-	-	-	-		
(h)	Qualified Foreign Investor	-	-	-	-	-		
(I)	Any Other (specify)	-	-	-	-	-		
	Sub-Total (B)(1)	**128**	**57,873,614**	**57,873,614**	**30.71**	**30.71**		
(2)	**Non-institutions**							
(a)	Bodies Corporate	1,129	25,655,761	25,407,827	13.61	13.61		
(b)	Individuals -							
	i. Individual shareholders holding nominal share capital up to ₹1 lakh.	121,286	58,329,714	44,815,737	30.95	30.95		
	ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh.	965	43,828,518	41,410,838	23.26	23.26		
(c)	Qualified Foreign Investor	-	-	-	-	-		
(d)	Any Other (specify)	-	-	-	-	-		
	Trust	4	29643	29643	0.02	0.02		
	NRI	982	1751777	1742227	0.93	0.93		
	Clearing Member	311	777784	777784	0.41	0.41		
	Unclaimed Suspense A/C	1	199,944	199,944	0.11	0.11		
	Sub-Total (B)(2)	**124,678**	**130,573,141**	**114,384,000**	**69.29**	**69.29**		
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**124,806**	**188,446,755**	**172,257,614**	**100.00**	**100.00**		
	TOTAL (A)+(B)	**124,806**	**188,446,755**	**172,257,614**	**100.00**	**100.00**	**0**	**0.00**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1	**Promoter and Promoter Group**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2	**Public**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Sub-Total (C)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	GRAND TOTAL (A)+(B)+(C)	**124,806**	**188,446,755**	**172,257,614**	**100.00**	**100.00**	**0**	**0.00**

Major shareholders

As on 31st March 2015 the following shareholders were holding more than 1% of the paid up capital of the Bank.

Name of the shareholder	No of shares	% to total
Life Insurance Corporation of India	10203485	5.41
Kotak Mahindra Investments Ltd.	6750425	3.58
B Sumanth Kumar Reddy	3989172	2.12
Religare Finvest Ltd	3098262	1.64
Government Pension Fund Global	3035001	1.61
Goldman Sachs (Singapore) PTE	2857780	1.52
LSV Emerging Markets Equity Fund LP	2625600	1.39
Macquarie Emerging Markets Asian Trading PTE. Ltd.	2614000	1.39
Barclays Capital Mauritius Limited	2364000	1.25
Credit Suisse(Singapore) Limited	2344442	1.24
Dimensional Emerging Markets Value Fund	2195065	1.16
Swiss Finance Corporation (Mauritius) Limited	2065947	1.10
TOTAL	**44143179**	**23.41**

Shareholdings of Directors as on 31st March 2015.

Name of the Directors (Messrs/Mrs.)	Number of shares
Ananthakrishna	10000
P Jayarama Bhat	3000
S V Manjunath	62117
D Harshendra Kumar	3983
Dr H Ramamohan	11632
T R Chandrasekaran	301
Ashok Haranahalli	6000
Usha Ganesh	2520
Rammohan Rao Belle	200
B A Prabhakar	150

Distribution of shareholding as on 31st March 2015.

Shares holding of nominal value of	Share holders		Share Amount	
₹	Number	% to Total	₹	% to Total
(1)	(2)	(3)	(4)	(5)
Upto 5,000	97223	77.91	138230940	7.33
5,001 - 10,000	12523	10.04	95556750	5.07
10,001 - 20,000	7255	5.81	107175660	5.69
20,001 - 30,000	2702	2.16	67386540	3.58
30,001 - 40,000	1302	1.04	45395930	2.41
40,001 - 50,000	950	0.76	43459610	2.31
50,001 - 1,00,000	1577	1.26	111873260	5.94
1,00,001 and above	1274	1.02	1275388860	67.67
Total	**124806**	**100.00**	**1884467550**	**100.00**

Dematerialization of shares:

As per the directives of SEBI, the equity shares of the Bank are compulsorily traded in dematerialized form by all categories of investors with effect from 26.02.2001. The Bank had entered into tripartite agreement with the depositories viz. National Securities Depository Ltd. and Central Depository Services (India) Ltd. and share transfer agent, for dematerialization of shares. The ISIN allotted for the shares of the Bank is INE614B01018. In view of the obvious benefits of holding the shares in demat form, over the period of time shareholders have converted their physical shares into electronic form. 91.40 per cent of the equity shares of the Bank are in demat form as on 31.03.2015

Registrar & Share Transfer Agent:

The Bank has appointed M/s Integrated Enterprises (India) Ltd. as common Share Transfer Agent for both physical and electronic shares. Therefore, all communications relating to share transfer, dividend, change of address for shares held in physical form and dematerialisation of shares etc are to be addressed to the Registrar and Share Transfer Agent at the following address:

Integrated Enterprises (India) Ltd.
30, Ramana Residency, 4th Cross
Sampige Road, Malleshwaram
Bengaluru- 560003
Tel: (080) 23460815-818
Fax: (080) 23460819
Email: alfint@vsnl.com or irg@integratedindia.in

Non-mandatory requirements

The compliance status of Non-mandatory requirements were as under

Requirements	Compliance status
The Board - A non-executive Chairman may be entitled to maintain a Chairman's office at the company's expense and also allowed reimbursement of expenses incurred in performance of his duties.	Complied with.
A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders.	In view of wider publication of results in newspapers and posting the same in the web site of the Bank, no separate communications were sent to each household of shareholders.
Company may move towards a regime of unqualified financial statements.	There were no audit qualifications.
The company may appoint separate persons to the post of Chairman and Managing Director/CEO.	Pursuant to the extant guidelines of RBI, the Bank has appointed separate persons to the post of Chairman and Managing Director/CEO since 14.7.2009.
Reporting of Internal Auditor (The Internal auditor may report directly to the Audit Committee)	Bank follows Risk Based Internal Audit as per the extant guidelines of Reserve Bank of India.

COMPLIANCE WITH THE CODE OF CONDUCT

I confirm that all Directors and members of the Senior Management have affirmed compliance with the Bank's Code of Conduct for the year ended March 31, 2015.

P. Jayarama Bhat
Managing Director & CEO

Place : Mangaluru
Date : May 22, 2015

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of The Karnataka Bank Limited

We have examined the records of The Karnataka Bank Ltd., concerning the compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into by the Bank with the National Stock Exchange of India (NSE) and the Bombay Stock Exchange Ltd (BSE) for the financial year ended 31st March 2015.

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

We have conducted our examination on the basis of the relevant records and documents maintained by the Bank and furnished to us for our review and the information and explanations given to us by the Bank.

Based on such examination, in our opinion, the Bank has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the said Listing Agreements.

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

For Kamath & Rau
Chartered Accountants
Firm Regn. No. 001689S

Sd/-
(Parineeth Rau)
Partner - M. No.222039

For Abarna & Ananthan
Chartered Accountants
Firm Regn. No. 000003S

Sd/-
(C S Gopalakrishna)
Partner - M. No.014706

Place : Mangaluru
Date : May 22, 2015

ANNEXURE IV

EXTRACT OF THE ANNUAL RETURN

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L85110KA1924PLC001128
ii)	Registration Date	:	18.02.1924
iii)	Name of the Company	:	The Karnataka Bank Limited
iv)	Category/Subcategory of the Company	:	Public Limited Company
v)	Address of the Registered Office and contact details	:	Regd & Head Office, Mahaveera Circle, Kankanady, Mangaluru-575002 Tel: (0824)2228222 Fax: (0824) 2225588 Email: investor.grievance@ktkbank.com
vi)	Whether listed company (Yes / No)	:	YES
vii)	Name, address and contact details of Registrar and Share Transfer Agent, if any	:	Integrated Enterprises (India) Ltd. 30, Ramana Residency, 4th Cross, Sampige Road, Malleshwaram, Bengaluru- 560 003 Tel: (080)23460815-818 Fax: (080) 23460819 Email: irg@integratedindia.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main product/services	NIC Code of the Product/Service	% to total turnover of the company
1	Banking Services	64191	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
Bank does not have any holding/subsidiary/associate company					

IV. SHAREHOLDING PATTERN

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters (1) Indian									
a) Individual/HUF	nil	nil	nil	nil	nil	nil	nil	nil	nil
b) Central Govt	nil	nil	nil	nil	nil	nil	nil	nil	nil
c) State Govt	nil	nil	nil	nil	nil	nil	nil	nil	nil
d) Bodies Corp	nil	nil	nil	nil	nil	nil	nil	nil	nil
e) Banks/FI	nil	nil	nil	nil	nil	nil	nil	nil	nil
f) any other	nil	nil	nil	nil	nil	nil	nil	nil	nil
Sub-Total (A)(1):	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**
(2) Foreign									
a) NRI-Individuals	nil	nil	nil	nil	nil	nil	nil	nil	nil
b) Other-Individuals	nil	nil	nil	nil	nil	nil	nil	nil	nil
c) Bodies Corp	nil	nil	nil	nil	nil	nil	nil	nil	nil
d) Banks/FI	nil	nil	nil	nil	nil	nil	nil	nil	nil
Sub-Total (A)(2):	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	2282195	0	2282195	1.21	4212963	0	4212963	2.24	1.03
b) Banks/FI	819472	0	819472	0.43	684381	0	684381	0.36	-0.07
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	11490297	0	11490297	6.10	11144940	0	11144940	5.91	- 0.19
g) FIIs	39556199	0	39556199	20.99	41831330	0	41831330	22.20	1.21
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
Sub Total (B) (1)	**54148163**	**0**	**54148163**	**28.74**	**57873614**	**0**	**57873614**	**30.71**	**1.97**
2. Non-Institutions									
a) Bodies Corp									
i) Indian	25722592	257484	25980076	13.79	25407827	247934	25655761	13.61	-0.18
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	45272075	14232206	59504281	31.58	44815737	13513977	58329714	30.95	-0.63
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	42210758	2569295	44780053	23.77	41410838	2417680	43828518	23.26	-0.51
c) others									
i) Trust	98118	0	98118	0.05	29643	0	29643	0.02	-0.03
ii) NRI	1504735	5000	1509735	0.80	1742227	9550	1751777	0.93	0.13
iii) Clearing Member	2172453	0	2172453	1.15	777784	0	777784	0.41	-0.74
iv) Unclaimed Suspense A/c	219493	0	219493	0.12	199944	0	199944	0.11	-0.01
Sub Total (B) (2)	**117200224**	**17063985**	**134264209**	**71.26**	**114384000**	**16189141**	**130573141**	**69.29**	**-1.97**
Total Public Shareholding (B) = (B)(1) +(B)(2)	**171348387**	**17063985**	**188412372**	**100.00**	**172257614**	**16189141**	**188446755**	**100.00**	**0..00**
C. Shares held by custodian for CDRs/ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**171348387**	**17063985**	**188412372**	**100.00**	**172257614**	**16189141**	**188446755**	**100.00**	**0.00**

ii) Shareholding of Promoters

Sl. No.	Shareholder's name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of shares ledged/ encumbered to total shares	
Not applicable as the Bank does not have any promoters in control of the management .								

iii) Change in Promoter's Shareholding

Sl. No.		No. of Shares held at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Not applicable as the Bank does not have any promoters in control of the management .					

iv) Shareholding Pattern of top ten Shareholders other than directors, promoters, holders of ADR/GDRs

Date-wise increase/decrease in Shareholding	LIFE INSURANCE CORPORATION OF INDIA	KOTAK MAHINDRA INVESTMENTS LTD.	B. SUMANTH KUMAR REDDY	RELIGARE FINVEST REDDY	GOVERNMENT PENSION FUND GLOBAL	GOLDMAN SACHS (SINGAPORE) PTE	LSV EMERGING MARKETS EQUITY FUND LP	MACQUARIE EMERGING MARKETS ASIAN TRADING PTE. LTD.	BARCLAYS CAPITAL MAURITIUS LIMITED	CREDIT SUISSE (SINGAPORE) LIMITED
OPENING BALANCE	10,434,294	5,850,046	4,853,054	5,250,443	0	0	2,399,000	1,740,000	0	3,356,059
4-Apr-14	0	0	(151,724)	(156,800)	0	0	0	0	0	0
11- Apr-14	0	1,592	(507,306)	(6,880)	0	0	0	0	0	0
18-Apr-14	0	9,096	0	6,400	0	0	0	0	0	0
25-Apr-14	0	5,000	0	908	0	0	0	(44,000)	0	0
2-May-14	(125,000)	5,630	(350,000)	(104,501)	0	0	0	0	0	136,047
9-May-14	(100,000)	(6,679)	0	1,200	0	0	0	0	0	0
16-May-14	0	(50,474)	0	(201,100)	0	0	0	(48,000)	0	40,653
23-May-14	0	(5,000)	0	(249,850)	0	0	0	0	0	(124759)
30-May-14	0	120,000	0	3,593	0	0	0	(54,000)	0	0
6-Jun-14	0	56,641	0	150	0	0	0	0	0	(106,000)
13-Jun-14	0	18,001	0	(235,350)	0	0	0	4,000	0	0
20-Jun-14	0	165,704	90,000	(300)	0	0	0	8,000	0	0
30-Jun-14	0	54,386	132,365	2,592	0	0	0	208,000	0	0
4-Jul-14	0	(3,966)	0	(161,450)	0	0	0	664,000	0	0
11-Jul-14	(5,809)	167,628	(10,000)	(110,160)	0	0	0	(106,000)	0	0
18-Jul-14	0	(43,768)	0	0	0	0	0	(278,000)	0	0
25-Jul-14	0	(76,733)	0	(10)	0	0	0	88,000	0	0
1-Aug-14	0	0	(45,217)	2,501	0	0	0	0	0	0

Ctd...

Date-wise increase/decrease in Shareholding	LIFE INSURANCE CORPORATION OF INDIA	KOTAK MAHINDRA INVESTMENTS LTD.	B. SUMANTH KUMAR REDDY	RELIGARE FINVEST REDDY	GOVERNMENT PENSION FUND GLOBAL	GOLDMAN SACHS (SINGAPORE) PTE	LSV EMERGING MARKETS EQUITY FUND LP	MACQUARIE EMERGING MARKETS ASIAN TRADING PTE. LTD.	BARCLAYS CAPITAL MAURITIUS LIMITED	CREDIT SUISSE (SINGAPORE) LIMITED
8-Aug-14	0	0	50,000	(330)	0	0	0	0	0	0
10-Aug-14	0	(67,768)	0	0	0	0	0	22,000	0	(386,790)
14-Aug-14	0	(193,739)	(50,000)	5,500	0	0	0	184,000	0	0
22-Aug-14	0	(26,876)	0	500	0	0	0	14,000	0	0
29-Aug-14	0	(3,308)	0	2,600	0	0	0	(78,000)	0	(541,210)
5-Sep-14	0	(395)	0	0	0	0	0	(112,000)	0	0
12-Sep-14	0	(389)	0	(2,401)	0	0	0	220,000	0	0
19-Sep-14	0	7,650	0	1,651	0	0	0	892,000	0	0
30-Sep-14	0	(10,337)	0	(20,348)	0	0	0	(306,000)	0	180,000
10-Oct-14	0	(3,290)	0	3,500	0	0	0	4,000	0	(180,000)
17-Oct-14	0	0	0	0	0	0	0	124,000	0	0
24-Oct-14	0	0	0	15,477	0	0	0	136,000	0	0
31-Oct-14	0	4,441	0	0	0	0	0	222,000	0	0
7-Nov-14	0	(100)	0	(16,002)	0	0	0	(132,000)	0	0
14-Nov-14	0	(13,150)	0	(3,051)	0		0	(10,000)	0	0
21-Nov-14	0	0	0	(699)	3,035,001	0	0	(62,000)	0	0
28-Nov-14	0	56,000	0	(121,500)	0	0	0	68,000	0	0
5-Dec-14	0	(29,343)	0	(85,361)	0	0	0	(10,000)	1,728,000	0
12-Dec-14	0	0	0	74,561	0	0	0	(6,000)	266,000	0
19-Dec-14	0	12,033	7,500	116,661	0	0	0	(26,000)	80,000	0
31-Dec-14	0	(11,700)	0	(50,560)	0	0	0	0	0	0
2-Jan-15	0	0	0	(16,001)	0	0	0	0	108,000	0
9-Jan-15	0	0	0	(10,995)	0	0	0	(228,000)	0	0
16-Jan-15	0	56,976	0	(58,050)	0	0	0	26,000	10,000	0
30-Jan-15	0	(10,215)	0	(245,464)	0	0	0	(254,000)	50,000	0
6-Feb-15	0	(7,945)	0	0	0	0	0	(174,000)	0	110,397
13-Feb-15	0	76,121	45,000	(51,937)	0	0	0	(96,000)	122,000	(110,397)
20-Feb-15	0	15,160	0	(439,800)	0	0	0	76,000	0	0
27-Feb-15	0	28	0	(46,000)	0	2,072,822	0	(362,000)	0	(109,861)
6-Mar-15	0	(32,065)	(22,000)	(75)	0	594,397	0	224,000	0	267,051
13-Mar-15	0	0	(52,500)	0	0	184,447	0	(88,000)	0	(267,051)
20-Mar-15	0	577,147	0	0	0	0	0	(92,000)	0	0
27-Mar-15	0	88,385	0	(20,000)	0	6,114	226,600	16,000	0	(64,000)
31-Mar-15	0	0	0	25,000	0	0	0	240,000	0	144,303
CLOSING BALANCE	**10,203,485**	**6,750,425**	**3,989,172**	**3,098,262**	**3,035,001**	**2,857,780**	**2,625,600**	**2,614,000**	**2,364,000**	**2,344,442**

*decrease in Shareholding is shown in brackets. Date of increase or decrease in Shares was as per weekend BenPos received from Depositories.

v) **Shareholding of Directors & Key Managerial Personnel**

Sl. No.	For each of the Director and KMP (Messrs/Mrs.)	No. of Shares held at the beginning of the year		Cumulative shareholding during the year	
	Directors	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Ananthakrishna**				
	At the Beginning of the Year	10000	0.00	10000	0.00
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease	nil	nil	nil	nil
	At the end of the Year			10000	0.00
2	**P Jayarama Bhat**	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the Beginning of the Year	3000	0.00	3000	0.00
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease	nil	nil	nil	nil
	At the end of the Year			3000	0.00
3	**S V Manjunath**	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the Beginning of the Year	62117	0.03	62117	0.03
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease	nil	nil	nil	nil
	At the end of the Year			62117	0.03
4	**D Harshendra Kumar**	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the Beginning of the Year	3983	0.00	3983	0.00
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease	nil	nil	nil	nil
	At the end of the Year			3983	0.00
5	**Dr H Ramamohan**	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the Beginning of the Year	11632	0.00	11632	0.00
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease	nil	nil	nil	nil
	At the end of the Year			11632	0.00
6	**T R Chandrasekaran**	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the Beginning of the Year	301	0.00	301	0.00
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease	nil	nil	nil	nil
	At the end of the Year			301	0.00

7	**Ashok Haranahalli**	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the Beginning of the Year	6000	0.00	6000	0.00
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease	nil	nil	nil	nil
	At the end of the Year			6000	0.00
8	**Usha Ganesh**	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the Beginning of the Year	2520	0.00	2520	0.00
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease	nil	nil	nil	nil
	At the end of the Year			2520	0.00
9	**Rammohan Rao Belle**	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the Beginning of the Year	200	0.00	200	0.00
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease	nil	nil	nil	nil
	At the end of the Year			200	0.00
10	**B A Prabhakar**	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the Beginning of the Year	--	--	150	0.00
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease	nil	nil	nil	nil
	At the end of the Year			150	0.00
	Key Managerial Personnel				
1	**P Jairama Hande, CFO**	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the Beginning of the Year	14849	0.00	14849	0.00
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease	nil	nil	nil	nil
	At the end of the Year			14849	0.00
2	**Y V Balachandra, Company Secretary**	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the Beginning of the Year	2388	0.00	2388	0.00
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease	nil	nil	nil	nil
	At the end of the Year			2388	0.00

INDEBTEDNESS

Indebtedness of the company including interest outstanding/accrued but not due for payment

(₹ in lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits*	Total Indebtedness
Indebtedness at the beginning of the financial Year				
i) Principal Amounts	27990.98	163528.13	Nil	191519.11
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued not due	23.43	3408.72	Nil	3432.15
Total (i+ii+iii)	**28014.41**	**166936.85**	**Nil**	**194951.26**
Change in indebtedness during the financial year				
i) addition	Nil	8130.51	Nil	8130.51
ii) deletion	28014.41	68449.83	Nil	96464.24
Net Change	28014.41	60319.32	Nil	88333.73
Indebtedness at the end of financial year				
i) Principal Amount	Nil	103775.78	Nil	103775.78
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued not due	Nil	2841.75	Nil	2841.75
Total (i+ii+iii)	**Nil**	**106617.53**	**Nil**	**106617.53**

*Deposits received by the Bank were in the ordinary course of business do not amount to deposits in terms of Companies Act, 2013, hence not included.

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration of Managing Director, whole time Director and or Manager

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Name of the MD P Jayarama Bhat	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act,1961	52.92	52.92
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act,1961	--	
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	--	--
2	Stock Options	--	--
3	Sweat Equity	--	--
4	Commission - as a % of profit - others	 --	 --
5	Others (Variable Pay)	3.23*	3.23*
	Total (A)	**56.15**	**56.15**
	Ceiling as per the Act @		

* Variable pay for the year 2013-14 was paid to Mr. P Jayarama Bhat in the FY 2014-15.

B. Remuneration of Directors

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Name of the Directors										Total Amount
		Anantha krishna	T S Vishwanath	S V Manjunath	D Harshendra Kumar	Dr H Ramamohan	T R Chandra sekaran	Ashok Haranahalli	Usha Ganesh	Rammohan Rao Belle	B A Prabhakar	
1	Independent Directors											
	Sitting Fees for attending Board/ Committees	7.00	2.35	5.15	5.00	6.55	7.15	3.10	5.50	9.25	3.75	54.80
	Commission	--	--	--	--	--	--	--	--	--	--	--
	Other	--	--	--	--	--	--	--	--	--	--	--
	Total (1)	7.00	2.35	5.15	5.00	6.55	7.15	3.10	5.50	9.25	3.75	54.80
2	Non-Executive Directors											
	Sitting Fees for attending Board/ Committees	--	--	--	--	--	--	--	--	--	--	--
	Commission	--	--	--	--	--	--	--	--	--	--	--
	Other	--	--	--	--	--	--	--	--	--	--	--
	Total (2)	--	--	--	--	--	--	--	--	--	--	--
	Total (B) = (1+2)	7.00	2.35	5.15	5.00	6.55	7.15	3.10	5.50	9.25	3.75	54.80
	Total Managerial Remuneration (A+B)	--	--	--	--	--	--	--	--	--	--	**110.95**
	Overall ceiling as per the act @											

@ Being a Banking Company, the provisions of Banking Regulation Act, 1949 would apply to the Bank and the remuneration of whole time Director is subject to the approval of Reserve Bank of India. The remuneration is, however, within the limits prescribed under the Companies Act 2013. Again any payment to Non-Executive/Independent Directors other than sitting fees can be made with the approval of RBI. Presently Independent Directors are paid only sitting fees, which is within limits prescribed under the Companies Act 2013.

C. Remuneration of Key Managerial Personnel other than MD & CEO

(₹ in lakh)

Sl. No.	Particulars of Remuneration	CFO	Company Secretary	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act,1961	16.30	13.10	29.40
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act,1961	0.86	1.99	2.85
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as a % of profit - others	-	-	-
5	Others	-	-	-
	Total	**17.16**	**15.09**	**32.25**

VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of penalty/ punishment	Authority [RD/ NCLT / Court]	Appeal made if any
A. COMPANY					
Penalty	nil	nil	nil	nil	nil
Punishment	nil	nil	nil	nil	nil
Compounding	nil	nil	nil	nil	nil
B. DIRECTORS					
Penalty	nil	nil	nil	nil	nil
Punishment	nil	nil	nil	nil	nil
Compounding	nil	nil	nil	nil	nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	nil	nil	nil	nil	nil
Punishment	nil	nil	nil	nil	nil
Compounding	nil	nil	nil	nil	nil

ANNEXURE V

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013, and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2015

To,

The Members,
The Karnataka Bank Limited,
Post Box No.599,
Regd. & Head Office, Mahaveera Circle,
Mangaluru–575002

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Karnataka Bank Limited (hereinafter called "the Bank") for the audit period covering the financial year ended on 31st March 2015. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Bank has complied with the Statutory Provisions listed hereunder and also that the Bank has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by The Karnataka Bank Limited ("the Bank") for the financial year ended on 31st March 2015, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
vi. Banking Regulations Act,1949;

I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Bank with National Stock Exchange of India Ltd and Bombay Stock Exchange Ltd.

During the period under review the Bank has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the period under review, provisions of the following regulations were not applicable to the Bank:

i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
ii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I further report that:-

The Board of Directors of the Bank consists of Executive Director, Woman Director and Independent Directors in conformity with Section 149 of the Companies Act, 2013, Clause 49 of the Listing Agreement and also Section 10A of the Banking Regulation Act, 1949. The changes in the composition of the Board of Directors taken place during the period under review were carried out in compliance with the aforesaid provisions.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Bank were carried out unanimously.

I further report that there are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Bank has issued 32263 equity shares to its employees pursuant to exercise of options vested under the Employees Stock Option Scheme of the Bank.

For Ullas Kumar Melinamogaru & Associates
Practising Company Secretaries

Date : May 18, 2015
Place : Mangaluru

Sd/-
CS Ullas Kumar Melinamogaru
Proprietor
FCS 6202, CP No. 6640

ANNEXURE VI

Annual report on Corporate Social Responsibility (CSR) activities

A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Business organizations operate as part of society but not in isolation. Every decision taken while doing the business involves financial implications and social and environmental consequences. We strongly believe that usefulness of existence of an entity is best judged not from the financial numbers it reports over a period of time but its relevance to the society as judged by the Stakeholders. We believe in the principle of sharing the earnings. CSR the process aimed at embracing the responsibility for the actions of the Bank and encourage a positive impact through our activities on the environment, consumers, employees, communities, stakeholders and all other members of the public.

The area of focus for our CSR activities include the education, sanitation and making available drinking water, healthcare and social welfare and arts/ sports and culture.

Overview of Activities

Pursuant to the CSR Policy of the Bank and in accordance with Schedule VII of the Companies Act, 2013, your Bank has undertaken certain activities during the year under report with a view to bring positive impact on the society. The key initiatives undertaken were in the field of education, accessibility to safe and clean drinking water, health care, Arts/promoting sports, rejuvenation of places of historical prominence, mid day meal to school children etc.

Web link to the CSR Policy

The CSR policy of the Bank is posted in the website of the Bank and the same can be accessed at the following web link: - www.karnatakabank.com/ktk/CSR_policy_2014.pdf

Composition of CSR Committee

Your Board has constituted a CSR Committee consisting of following Directors as members.
1. Mr. P Jayarama Bhat - Chairman of the Committee
2. Mr. D Harshendra Kumar - Independent Director
3. Mr. Rammohan Rao Belle- Independent Director.

Average net profit of the Bank for the last three financial yeas: ₹301.73 crore
Prescribed CSR expenditure (two per cent of the amount as above): ₹6.03 crore

Details of CSR spent during the financial year.

a. Total amount to be spent for the financial year: ₹ 6.03 crore

   The Bank has spent ₹ 2.04 crore during the financial year 2014-15 (including amount to be released in respect of already sanctioned project).

b. Amount unspent, if any: ₹3.99 crore

c. Manner in which the amount spent during the financial year is detailed below:

(₹ in lakh)

Sl. No.	CSR Project pr activity identified	Sector in which the Project is covered	Project or Programs (1) Local area or other (2) State and district where the projects were undertaken	Amount outlay (budget) project or program-wise	Amount spent on the project Sub-heads (1) direct expenditure (2) overheads	Cumulative expenditure upto the reporting period (31.03.2015)	Amount spent : Direct or through implementing agency
1	Education	Promoting Education, enhancing woman employment	Karnataka, Maharashtra, Andra Pradesh & Goa	68.48	27.42	27.42	Direct
2	Drinking Water	Sanitation and making available safe drinking water	Karnataka & Maharashtra	6.66	3.79	3.79	Direct
3	Restoration of Buildings and sites of historical importance	Protection of art and culture including restoration of buildings and sites of historical importance, works of art	Karnataka	23.05	15.70	15.70	Direct
4	Swach Bharat	Sanitation, encouraging cleanliness under Swach Bharath, Construction of toilets.	Karnataka	19.75	6.10	6.10	Direct
5	Health Care	Promoting health care including preventive health care, eradicating malnutrition	Karnataka, Rajasthan Tamilunadu & Maharashtra	45.26	24.17	24.17	Direct
6	Women empowerment and help to orphans, physically disabled persons	Empowering women, setting up of homes/hostels for orphans, providing assistance to physically disabled persons	Karnataka & Tamilnadu	8.07	6.32	6.32	Direct
7	Rural Development	Rural Development	Karnataka	10.85	0.00	0.00	Direct
8	Others	Eradicating hunger, poverty, promotion of Art & Culture, Development activities of society, Green initiatives. Environment sustainability	Karnataka, Maharashtra & Uttar Pradesh	21.88	13.29	13.29	Direct
			TOTAL	**204.00**	**96.79**		

The Bank has been involving itself in various socio-economic activities intending to improve the life of the socially and economically weaker sections besides promoting Arts/ Sports etc. CSR, being given statutory backing for the first time, the Bank is in the process of re-aligning its resources to the projects/programmes as indicated in Schedule VII of the Companies Act, 2013. The Bank having spent ₹2.04 crore (including amount to be released in respect of already committed projects), has plans to increase its CSR spend in the coming years by taking up CSR activities on large scale.

The CSR Committee of the Board hereby confirm that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Bank.

For and on behalf of the CSR Committee

Sd/-
P Jayarama Bhat
Managing Director & CEO
and Chairman of the CSR Committee

ANNEXURE VII

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	MD& CEO: 67.99x
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:	MD & CEO: No increase in remuneration. However, the variable pay in relation to the last financial year was paid during the financial year 2014-15 which constitute 6.10 per cent of his fixed pay. As the Bank follows the salary and other service conditions agreed to at the industrial level settlement, except increase in the Dearness Allowance/annual increment portion of the salary of CFO and CS during the year, there was no increase in the remuneration of the CFO and CS.
(iii) the percentage increase in the median remuneration of employees in the financial year;	The Bank being part of bipartite wage settlement entered into by the IBA with the workmen association and Officers organization which is valid for five years, there was no increase in remuneration except annual increment and increase in Dearness Allowance linked to consumer price index. The per cent increase in the median remuneration was 4.21 per cent.
(iv) the number of permanent employees on the rolls of company;	7382
(v) the explanation on the relationship between average increase in remuneration and company performance;	The net profit of the Bank for the year ended March 31, 2015 has increased by 45.15 per cent whereas the average increase in employee remuneration was at 10.84 per cent.
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	For the financial year 2014-15, KMPs were paid 0.20 per cent of the net profit of the year.
(vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	The Market capitalization of the Bank has increased from ₹2209.14 crore as on March 31, 2014 to ₹ 2348.99 crore as on March 31, 2015. Over the same period, the price to earnings ratio moved from 7.10 to 5.20. Share price of the Bank has increased by 3.88 per cent to ₹ 124.65 over the last public offering, i.e. IPO in September 1995 at the price of ₹ 120 per share.

(viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	There was no increase in salaries of employees other than managerial personnel in the last financial year except for normal annual increments and increase in Dearness Allowance which is linked to the consumer price index and paid across the banks as per the industry level wage pact.
(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;	The comparison of remuneration of each of the Key Managerial personnel against the performance of the Bank is as under :

Salary of KMP (₹ in lakh)	% of Net Profit for the year
MD & CEO : ₹56.15	0.12
CFO : ₹17.16	0.04
CS : ₹15.10	0.03

(x) the key parameters for any variable component of remuneration availed by the directors;	Variable pay was paid only to MD & CEO as per the Compensation Policy of the Bank taking into consideration the ratio of Profit Before Tax (PBT) to the three year moving Average Risk Weighted Assets and the risk rating as assessed internally besides capping overall MDs salary including variable pay to 0.036 per cent of the net total income and subject to variable pay not exceeding 20% of fixed pay. The variable pay as per Compensation Policy shall not exceed 70 per cent of fixed pay in any year and in case variable pay exceeds 50 per cent of the fixed pay, there shall be deferral of such variable pay. Regulatory guidelines as per approval from Reserve Bank of India and shareholders have also been obtained.
(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and	No such employee.
(xii) affirmation that the remuneration is as per the remuneration policy of the company. Explanation.- For the purposes of this rule.-(i) the expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one; ii) if there is an even number of observations, the median shall be the average of the two middle values.	Yes. It is confirmed.

BALANCE SHEET AS ON 31ST MARCH 2015

(000's omitted)

	Schedule No.	As on 31.03.2015 ₹	As on 31.03.2014 ₹
CAPITAL AND LIABILITIES			
Capital	1	188,45,66	188,42,22
Reserves and Surplus	2	3200,60,39	2863,77,54
Deposits	3	46008,60,55	40582,82,87
Borrowings	4	1037,75,78	1915,19,11
Other Liabilities and Provisions	5	1401,17,55	1478,58,32
Total		**51836,59,93**	**47028,80,06**
ASSETS			
Cash and balances with Reserve Bank of India	6	2488,44,50	2152,73,34
Balances with Banks and Money at Call and Short Notice	7	125,70,98	184,66,90
Investments	8	15988,05,95	15226,78,14
Advances	9	31679,98,76	28345,48,95
Fixed Assets	10	291,85,32	197,48,10
Other Assets	11	1262,54,42	921,64,63
Total		**51836,59,93**	**47028,80,06**
Contingent Liabilities	12	8315,68,67	9007,93,21
Bills for Collection		4103,52,90	2838,63,21
Significant Accounting Policies	17		
Notes on Account	18		

Sd/-
Muralidhar K. Rao
Deputy General Manager

Sd/-
Y.V. Balachandra
Company Secretary

Sd/-
Raghurama
General Manager & CFO

Sd/-
M.S. Mahabaleshwara
Chief General Manager

Sd/-
P. Jayarama Bhat
Managing Director & CEO

Sd/-
Ananthakrishna
Chairman

Sd/-
S.V. Manjunath
D. Harshendra Kumar
Directors

Sd/-
Dr. H. Ramamohan
T.R. Chandrasekaran
Directors

Sd/-
Ashok Haranahalli
Rammohan Rao Belle
B.A. Prabhakar
Directors

Refer our report of even date

For Kamath & Rau
Chartered Accountants
Firm Regn. No. 001689S

For Abarna & Ananthan
Chartered Accountants
Firm Regn. No. 000003S

Sd/-
Parineeth Rau
Partner
M.No. 222039

Sd/-
C.S. Gopalakrishna
Partner
M.No. 014706

Place : Mangaluru
Date : 22nd May 2015

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2015

(000's omitted)

	Schedule No.	For the year ended 31.03.2015 ₹	For the year ended 31.03.2014 ₹
I. INCOME			
Interest Earned	13	4698,41,93	4188,82,82
Other Income	14	506,99,51	505,58,17
Total		**5205,41,44**	**4694,40,99**
II. EXPENDITURE			
Interest Expended	15	3529,57,25	3132,76,10
Operating Expenses	16	902,46,68	874,60,10
Provisions and Contingencies		321,92,49	376,01,36
Total		**4753,96,42**	**4383,37,56**
III. PROFIT			
Net profit for the year		451,45,02	311,03,43
Profit brought forward		16,06	8,94
Total		**451,61,08**	**311,12,37**
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		230,00,00	147,00,00
Transfer to Capital Reserve		3,14,80	0
Transfer to Revenue Reserve		58,00,00	63,00,00
Transfer to Special Reserve u/s 36 (1) (viii) of Income Tax Act		26,06,95	23,21,48
Transfer to Investment Reserve Account		19,24,69	(11,47,63)
Transfer to Other Funds		80,00	1,00,00
Transfer to Proposed dividend		94,22,83	75,40,89
Transfer to Tax on proposed dividend		19,71,71	12,81,57
Balance carried over to Balance Sheet		40,10	16,06
Total		**451,61,08**	**311,12,37**
Earning per share			
Basic	₹	23.96	16.51
Diluted	₹	23.95	16.50
Significant Accounting Policies	17		
Notes on Account	18		

Sd/-
Muralidhar K. Rao
Deputy General Manager

Sd/-
Y.V. Balachandra
Company Secretary

Sd/-
Raghurama
General Manager & CFO

Sd/-
M.S. Mahabaleshwara
Chief General Manager

Sd/-
P. Jayarama Bhat
Managing Director & CEO

Sd/-
Ananthakrishna
Chairman

Sd/-
S.V. Manjunath
D. Harshendra Kumar
Directors

Sd/-
Dr. H. Ramamohan
T.R. Chandrasekaran
Directors

Sd/-
Ashok Haranahalli
Rammohan Rao Belle
B.A. Prabhakar
Directors

Refer our report of even date

For Kamath & Rau
Chartered Accountants
Firm Regn. No. 001689S

Sd/-
Parineeth Rau
Partner
M.No. 222039

For Abarna & Ananthan
Chartered Accountants
Firm Regn. No. 000003S

Sd/-
C.S. Gopalakrishna
Partner
M.No. 014706

Place : Mangaluru
Date : 22nd May 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015

(000's omitted)

	Year Ended March 31, 2015		Year Ended March 31, 2014	
	₹	₹	₹	₹
A CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax and extra ordinary items		575,32,76		548,95,23
Adjustments for :				
Depreciation on Fixed Assets including Lease Adjustment charges	(14,16,77)		25,53,22	
Provisions and Contingencies	213,97,86		278,39,74	
Amortisation of premium on Held to Maturity Investments	34,82,16		34,77,28	
		234,63,25		338,70,24
Operating profit before working capital changes		809,96,01		887,65,47
Adjustment for :				
i) Advances & Other Assets	(3502,45,91)		(3309,31,89)	
ii) Investments	(728,76,69)		(1838,16,24)	
iii) Deposits,Borrowings & Other Liabilities	4400,33,52		4841,66,88	
		169,10,92		(305,81,25)
Cash generated from operations		979,06,93		581,84,22
Direct taxes paid		330,97,07		177,91,33
Net cash flow from operating activities (A)		**648,09,86**		**403,92,89**
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets		(81,20,19)		(56,89,27)
Sale of fixed assets		70,63		2,56,42
Net cash used in investing activities (B)		**(80,49,56)**		**(54,32,85)**
TOTAL (A+B)		**567,60,30**		**349,60,04**
C CASH FLOW FROM FINANCIAL ACTIVITIES				
Proceeds from issue of share capital (net of expenses)		15,82		31,92
Proceeds from long term borrowings		(203,77,28)		121,00,70
Dividend paid (Including Tax on Dividend)		(87,23,60		(87,32,18)
Net Cash generated from Financing Activities (C)		**(290,85,06)**		**34,00,44**
Net increase in Cash & Cash equivalents (A+B+C)		**276,75,24**		**383,60,48**
Cash & cash equivalents as at (opening)		2337,40,24		1953,79,76
Cash & cash equivalents as at (closing)		2614,15,48		2337,40,24

Sd/-
Muralidhar K. Rao
Deputy General Manager

Sd/-
Y.V. Balachandra
Company Secretary

Sd/-
Raghurama
General Manager & CFO

Sd/-
M.S. Mahabaleshwara
Chief General Manager

Sd/-
P. Jayarama Bhat
Managing Director & CEO

Sd/-
Ananthakrishna
Chairman

Sd/-
S.V. Manjunath
D. Harshendra Kumar
Directors

Sd/-
Dr. H. Ramamohan
T.R. Chandrasekaran
Directors

Sd/-
Ashok Haranahalli
Rammohan Rao Belle
B.A. Prabhakar
Directors

Refer our report of even date

For Kamath & Rau
Chartered Accountants
Firm Regn. No. 001689S

For Abarna & Ananthan
Chartered Accountants
Firm Regn. No. 000003S

Sd/-
Parineeth Rau
Partner
M.No. 222039

Sd/-
C.S. Gopalakrishna
Partner
M.No. 014706

Place : Mangaluru
Date : 22nd May 2015

SCHEDULE ANNEXED TO THE BALANCE SHEET

(000's omitted)

	As on 31.03.2015 ₹	As on 31.03.2014 ₹
SCHEDULE - 1 CAPITAL		
Authorised Capital		
30,00,00,000 Equity shares of ₹10/- each (Previous year 30,00,00,000 Equity shares of ₹10/- each)	300,00,00	300,00,00
Issued Capital		
18,84,69,383 equity shares of ₹10 each (Previous year 18,84,37,120 Equity shares of ₹10/- each)	188,46,94	188,43,71
Subscribed Capital		
18,84,63,305 Equity shares of ₹10/- each (Previous year 18,84,28,922 Equity shares of ₹10/- each)	188,46,33	188,42,89
Paid-up Capital		
18,84,46,755 Equity shares of ₹10/- each (Previous year 18,84,12,372 Equity shares of ₹10/- each)	188,44,68	188,41,24
Add : Forfeited Shares	98	98
Total	**188,45,66**	**188,42,22**
SCHEDULE - 2 RESERVES AND SURPLUS		
I. Statutory Reserve		
Opening balance	1523,00,00	1376,00,00
Additions during the year	230,00,00	147,00,00
	1753,00,00	152,30,000
Deductions during the year	0	0
Total	**1753,00,00**	**1523,00,00**
II. Capital Reserve		
Opening balance	66,94,56	66,94,56
Additions during the year	3,14,80	0
	70,09,36	66,94,56
Deductions during the year	0	0
Total	**70,09,36**	**66,94,56**
III. Share Premium		
Opening balance	722,43,00	721,49,48
Additions during the year	43,22	93,52
	722,86,22	722,43,00
Deductions during the year	0	0
Total	**722,86,22**	**722,43,00**
IV. Revenue and other Reserves		
a) Revenue Reserve		
Opening balance	445,23,73	409,25,00
Additions during the year	58,00,00	63,00,00
	503,23,73	472,25,00
Deductions during the year	0	27,01,27
Total	**503,23,73**	**445,23,73**

(000's omitted)

	As on 31.03.2015 ₹	As on 31.03.2014 ₹
b) Special Reserve u/s 36(1)(viii) of Income Tax Act		
Opening balance	102,68,73	79,47,25
Additions during the year	26,06,95	23,21,48
	128,75,68	102,68,73
Deletion during the year	0	0
Total	**128,75,68**	**102,68,73**
c) Employee Stock Option Outstanding		
Opening balance	3,31,46	3,99,99
Additions during the year	0	0
	3,31,46	3,99,99
Deductions during the year	30,85	68,53
Total	**3,00,61**	**3,31,46**
d) Investment Reserve Account		
Opening balance	0	11,47,63
Additions during the year	19,24,69	0
	19,24,69	11,47,63
Deductions during the year	0	11,47,63
Total	**19,24,69**	**0**
V. Balance in Profit and Loss Account	**40,10**	**16,06**
GRAND TOTAL (I TO V)	**3200,60,39**	**2863,77,54**
SCHEDULE - 3 DEPOSITS		
A.I.Demand Deposits		
1. From Banks	1,81,92	2,53,50
2. From others	2869,58,29	2746,28,54
	2871,40,21	**2748,82,04**
II. Savings Bank Deposits	**8601,91,81**	**7558,75,80**
III. Term Deposits		
1. From Banks	23,47,09	38,88,95
2. From others	34511,81,44	30236,36,08
	34535,28,53	**30275,25,03**
Total : (I, II and III)	**46008,60,55**	**40582,82,87**
B. 1. Deposits of branches in India	46008,60,55	40582,82,87
2. Deposits of branches outside India	0	0
Total (1+2)	**46008,60,55**	**40582,82,87**
SCHEDULE - 4 BORROWINGS		
I. Borrowings in India		
1. Reserve Bank of India	0	665,00,00
2. Other Banks	0	8
3. Other Institutions and Agencies	356,50,78	650,19,03
4. Subordinated Debts for Tier II Capital	600,00,00	600,00,00
Total	**956,50,78**	**1915,19,11**
II. Borrowings outside India	81,25,00	0
Total : (I and II)	**1037,75,78**	**1915,19,11**
Secured borrowings included in I & II above	0	279,90,97

(000's omitted)

	As on 31.03.2015 ₹	As on 31.03.2014 ₹
SCHEDULE - 5 OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	275,86,54	236,34,44
II. Inter Office adjustments (Net)	13,41,60	2,47,61
III. Interest accrued	104,45,33	125,19,04
IV. Deferred Tax Liability (Net)	8,39,08	205,89,99
V. Others (including Provisions)	999,05,00	908,67,24
Total	**1401,17,55**	**1478,58,32**
SCHEDULE - 6 CASH AND BALANCES WITH RBI		
I. Cash in hand (including foreign currency notes)	485,36,53	300,91,19
II. Balances with Reserve Bank of India		
1. In Current Account	2003,07,97	1851,82,15
2. In Other Accounts	0	0
Total	**2003,07,97**	**1851,82,15**
Total : (I and II)	**2488,44,50**	**2152,73,34**
SCHEDULE - 7 BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. IN INDIA		
i. Balances with Banks		
a) In Current Accounts	61,99,46	41,03,27
b) In other deposit accounts	85,00	17,85,00
	62,84,46	**58,88,27**
ii. Money at Call and Short Notice		
a) With Banks	0	0
b) With other institutions	0	99,86,56
	0	**99,86,56**
Total (I) & (II)	**62,84,46**	**158,74,83**
II. OUTSIDE INDIA		
i. In Current Accounts	61,52	25,92,07
ii. In Other Deposit Accounts	62,25,00	0
iii. Money at Call and Short Notice	0	0
Total	**62,86,52**	**25,92,07**
Grand Total (I and II)	**125,70,98**	**184,66,90**

(000's omitted)

	As on 31.03.2015 ₹	As on 31.03.2014 ₹
SCHEDULE - 8 INVESTMENTS		
I. Investments in India (Gross)	16017,73,92	15323,79,39
Less: Provision for depreciation	29,67,97	97,01,25
Net Investments In India	**15988,05,95**	**15226,78,14**
Break-up :		
1. Government Securities	11452,06,70	10434,00,34
2. Other Approved Securities	0	0
3. Shares	127,96,07	149,85,70
4. Debentures and Bonds	1341,14,20	1366,54,58
5. Subsidiaries and/or Joint Ventures	0	0
6. Others	3066,88,98	3276,37,52
Total	**15988,05,95**	**15226,78,14**
II. Investments outside India	0	0
Total (I+II)	**15988,05,95**	**15226,78,14**
SCHEDULE - 9 ADVANCES		
A) 1. Bills Purchased and discounted	886,02,73	958,20,15
2. Cash Credits, Overdrafts and Loans repayable on demand	12158,92,05	10769,76,00
3. Term Loans	18635,03,98	16617,52,80
Total	**31679,98,76**	**28345,48,95**
B) 1. Secured by Tangible Assets (including book debts)	28684,79,92	25250,78,15
2. Secured by Bank/Government Guarantees	1878,30,20	1811,41,97
3. Unsecured	1116,88,64	1283,28,83
Total	**31679,98,76**	**28345,48,95**
C) I. Advances in India		
1. Priority Sectors	12587,30,14	10882,20,40
2. Public Sectors	876,79,32	768,55,95
3. Banks	0	0
4. Others	18215,89,30	16694,72,60
Total	**31679,98,76**	**28345,48,95**
C) II. Advances outside India		
1. Due from Banks	0	0
2. Due from others	0	0
a) Bills Purchased and Discounted	0	0
b) Syndicated Loans	0	0
c) Others	0	0
Total	**0**	**0**
GRAND TOTAL (C. I and C. II)	**31679,98,76**	**28345,48,95**

(000's omitted)

	As on 31.03.2015 ₹	As on 31.03.2014 ₹
SCHEDULE - 10 FIXED ASSETS		
I. Premises		
At cost as on 31st March of the preceding year	131,66,43	111,10,01
Additions during the year	5,41,29	20,70,04
	137,07,72	131,80,05
Deductions during the year	33	13,62
	137,07,39	131,66,43
Depreciation to-date	16,14,08	34,32,17
Total	**120,93,31**	**97,34,26**
II. Other Fixed Assets (including Furniture and Fixtures)		
At cost as on 31st March of the preceding year	287,25,85	256,33,16
Additions during the year	75,78,73	36,19,24
	363,04,58	292,52,40
Deductions during the year	4,93,87	5,26,55
	358,10,71	287,25,85
Depreciation to date	187,18,70	187,12,01
Total	**170,92,01**	**100,13,84**
Total (I+II)	**291,85,32**	**197,48,10**
SCHEDULE - 11 OTHER ASSETS		
I. Interest accrued	277,38,37	261,83,01
II. Tax paid in advance/tax deducted at source (net of provisions)	801,31,96	445,44,63
III. Stationery and Stamps	6,79,60	6,03,37
IV. Non-Banking Assets acquired in satisfaction of claims	1,86,04	1,61,02
V. Others	175,18,45	206,72,60
Total	**1262,54,42**	**921,64,63**
SCHEDULE - 12 CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as debts	33,55,24	32,55,54
II Liability for Partly paid investments	0	0
III. Liability on account of outstanding Forward Exchange Contracts including derivatives	5575,88,51	6596,36,52
IV. Guarantees given on behalf of constituents		
a) In India	2172,56,30	1802,29,41
b) Outside India	0	0
V. Acceptances, Endorsements and other Obligations	483,07,63	576,71,74
VI. Other items for which the bank is contingently liable	50,60,99	0
Total	**8315,68,67**	**9007,93,21**

SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2015

(000's omitted)

	For the year ended 31.03.2015 ₹	For the year ended 31.03.2014 ₹
SCHEDULE - 13 INTEREST EARNED		
I. Interest/discount on advances/bills	3505,56,44	3161,55,17
II. Income on Investments	1184,62,78	1021,92,23
III. Interest on balances with R.B.I / other Inter-Bank funds	1,98,42	2,72,66
IV. Others	6,24,29	2,62,76
Total	**4698,41,93**	**4188,82,82**
SCHEDULE - 14 OTHER INCOME		
I. Commission, Exchange and Brokerage	224,02,85	213,65,44
II. Profit on sale of Investments (net)	112,71,33	101,69,70
III. Profit on Revaluation of Investments (net)	0	0
IV. Profit on sale of Land, Buildings and Other Assets (net)	(29,11)	1,72,82
V. Profit on Exchange Transactions(net)	35,62,13	39,24,07
VI. Income earned by way of dividends etc., from Subsidiaries/ Companies and /or Joint Ventures abroad/ in India	0	0
VII. Miscellaneous income	134,92,31	149,26,14
Total	**506,99,51**	**505,58,17**
SCHEDULE - 15 INTEREST EXPENDED		
1. Interest on deposits	3408,26,66	2975,93,90
2. Interest on Reserve Bank of India/Inter-Bank Borrowings	27,36,37	51,88,28
3. Others	93,94,22	104,93,92
Total	**3529,57,25**	**3132,76,10**
SCHEDULE - 16 OPERATING EXPENSES		
I. Payments to and provisions for employees	524,66,43	525,40,12
II. Rent, Taxes and Lighting	90,70,38	73,30,25
III. Printing and Stationery	7,34,32	7,22,35
IV. Advertisement and Publicity	7,91,17	6,28,15
V. Depreciation on Bank's property	(14,17,09)	25,52,90
VI. Directors' fees, allowances and expenses	96,38	98,74
VII. Auditors' fees and expenses (including branch audit fees)	2,17,95	2,11,02
VIII. Law charges	2,47,62	1,63,33
IX. Postage, telegrams, telephones etc.	12,92,48	11,17,99
X. Repairs and maintenance	22,45,96	17,64,58
XI. Insurance	48,15,50	42,13,69
XII. Other expenditure	196,85,58	161,16,98
Total	**902,46,68**	**874,60,10**

SCHEDULE-17

BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES ADOPTED IN PREPARING FINANCIAL STATEMENTS

GENERAL

The Karnataka Bank Limited incorporated at Mangaluru in India is a publicly held Banking Company governed by the Banking Regulation Act, 1949 and is engaged in providing a wide range of banking & financial services involving retail, corporate banking and para-banking activities in addition to treasury and foreign exchange business.

BASIS OF PREPARATION:

The accompanying financial statements have been prepared following the going concern concept, on historical cost basis and confirm to the Generally Accepted Accounting Principles, (GAAP) in India which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India (RBI) from time to time, notified Accounting Standards (AS) issued under the Companies (Accounting Standards) Rules, 2006 to the extent applicable and current practices prevailing in the banking industry in India.

The preparation of the financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities including contingent liabilities as of the date of the financial statements and the reported income and expenses during the reported period. The Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. The differences, if any between estimates and actual will be dealt appropriately in future periods.

SIGNIFICANT ACCOUNTING POLICIES

1. REVENUE RECOGNITION:

Income is accounted for on accrual basis except in respect of income from Non Performing Assets, commission, exchange, Funded Interest Term Loan (FITL) and rent on safe deposit lockers, which are all accounted on cash basis. Recoveries made in Non performing advances (NPA) are appropriated towards the principal, interest and charges in the order of demand except in the case of One Time Settlement (OTS) where recoveries are first adjusted to Principal balance.

2. INVESTMENTS:

Investments are classified under the heads “Held to Maturity”, “Available for Sale” and “Held for Trading” categories and are valued in accordance with the RBI guidelines. The value, net of depreciation is shown in the Balance Sheet.

The excess of acquisition cost over the face value of securities under “Held to Maturity” category is amortised over the remaining period to maturity.

Transfers of scrip, if any, from one category to another, are done at the lowest of the acquisition cost / book value/ market value on the date of transfer and the depreciation, if any, on such transfers is fully provided for.

Provisions for non-performing investments are made as per RBI guidelines.

3. DERIVATIVE CONTRACTS

Derivative contracts are designated as hedging or trading and accounted in accordance with Reserve Bank of India's guidelines.

Derivatives deals for trading are marked to market and net depreciation is recognised while net appreciation is ignored.

Derivatives used for hedging are marked to market in cases where the underlying assets/ liabilities are marked to market and Income /expenditure is accounted on accrual basis.

4. ADVANCES:

Advances are classified into (a) Standard; (b) Sub-Standard; (c) Doubtful; and (d) Loss assets, in accordance with the RBI Guidelines and are stated net of provisions made towards Non- performing advances and unrealised interest. Provisions are made in accordance with the prudential norms prescribed by Reserve Bank of India.

In case of financial assets sold to Securitisation/reconstruction Company, if the sale is at a price below the Net book value (NBV), the shortfall is debited to the Profit and Loss account. If the sale is for the price higher than the net book value, excess provision held is not reversed but held till redemption of the security receipt, wherever applicable.

5. FIXED ASSETS:

Premises and other fixed assets have been shown at cost as reduced by depreciation written off to date. Land and buildings are capitalized based on conveyance/letters of allotment/physical possession of the property.

Software is capitalised along with computer hardware and included under Other Fixed Assets.

6. DEPRECIATION:

Depreciation on fixed assets is provided following Straight Line Method (SLM) as per the useful life specified under Schedule II of the Companies Act 2013, except in respect of computers (including software) where depreciation is provided at a flat rate of 33.33 % as per RBI guidelines.

Where during any financial year, addition has been made to any Asset or where any Asset has been sold, discarded, demolished or destroyed, the Depreciation on such Asset is calculated on Prorata basis from the date of such Addition or as the case may be, upto the date on which such Asset has been sold, discarded, demolished or destroyed.

Premium paid on lease hold properties is charged off over the lease period.

Depreciation of leased assets is calculated so as to spread the depreciable amount over the primary lease period.

Carrying amount of assets is reviewed at each balance sheet date for indication of impairment if any and is recognized wherever the carrying amount of an asset exceeds its recoverable value.

7. FOREIGN CURRENCY TRANSACTIONS:

Monetary Assets and Liabilities, Forward Exchange Contracts, Guarantees, Letters of Credit, Acceptances, Endorsements and other obligations are evaluated at the closing spot rates/Forward rates for the residual maturity of the contract, as published by FEDAI and in accordance with the Accounting Standard 11.

Income and expenditure items are translated at the exchange rates ruling on the respective dates of the transaction.

The gain or loss on evaluation of outstanding monetary assets/liabilities and Foreign Exchange Contracts are taken to Profit and Loss Account.

8. EMPLOYEE BENEFITS:

Contribution made by the Bank to the Provident Fund and Contributory Pension Scheme are charged to the Profit and Loss Account.

Contribution to the recognised Gratuity Fund, Pension Fund and en-cashable Leave are determined and recognised in the accounts based on actuarial valuation as at the Balance Sheet date and net actuarial gains/Losses are recognised as per the Accounting Standard 15.

Provisions for short term employee benefits are accounted for on an estimated basis.

9. EMPLOYEE STOCK OPTION:

The Bank uses Intrinsic Value method to account for compensation cost of stock options granted to employees of the Bank. Intrinsic value is the amount by which the quoted market price of the underlying shares exceeds the exercise price of the options.

10. SEGMENT REPORTING:

The Bank recognises the Business Segment as the Primary Reporting Segment and Geographical Segment as the Secondary Reporting Segment, in accordance with the RBI guidelines and in compliance with the Accounting Standard 17.

Business Segment is classified into (a) Treasury (b) Corporate/Wholesale Banking, (c) Retail Banking and (d) Other Banking Operations.

Geographical Segment consists only of the Domestic Segment since the Bank does not have any foreign branches.

11. SHARE ISSUE EXPENSES:

Share issue expenses are adjusted in share premium account.

12. EARNINGS PER SHARE:

Earnings per share are calculated by dividing the net profit or loss for the year attributable to the equity share holders by the weighted average number of equity shares outstanding during the year.

Diluted Earnings per equity share are computed by using the weighted average number of equity shares and dilutive potential equity share outstanding as at the year end.

13. TAXATION:

Tax expenses comprise current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act 1961 and are made after due consideration of the judicial pronouncement and legal opinions.

Deferred income taxes reflect the impact of current year timing differences, between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are not recognised unless there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised.

14. PROVISIONS AND CONTINGENT LIABILITIES:

A provision is recognised when there is an obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation as at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

In case where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements under Contingent Liabilities.

15. NET PROFIT

The net profit disclosed in the Profit & Loss Account is after making provisions for (i) Taxes, (ii) Non Performing Assets, (iii) Standard Advances, (iv) Restructured advances, and (v) Depreciation on Investments and other necessary and applicable provisions.

SCHEDULE -18

NOTES ON ACCOUNTS FORMING PART OF THE BALANCE SHEET AS ON 31st MARCH 2015, THE PROFIT AND LOSS ACCOUNT AND THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015.

1. Disclosures as per RBI requirement:

1.1 Capital:

(₹ in crore)

Sl. No.	Particulars	Current Year		Previous Year	
		Basel III	Basel II	Basel III	Basel II
a	Common Equity Tier 1 capital ratio (%)	10.52	10.54	10.73	10.82
b	Tier 1 capital ratio (%)	10.52	10.54	10.73	10.82
c	Tier 2 capital ratio (%)	1.89	2.13	2.47	2.48
d	Total Capital ratio (CRAR) (%)	12.41	12.67	13.20	13.30
e	Amount of equity capital raised	Nil	Nil	Nil	Nil
f	Amount of additional Tier 1 capital raised, of which	Nil	Nil	Nil	Nil
	- PNCPS	Nil	Nil	Nil	Nil
	- PDI	Nil	Nil	Nil	Nil
g	Amount of Tier 2 capital raised, of which	Nil	Nil	Nil	Nil
	- Debt capital instruments	Nil	Nil	Nil	Nil
	- Preference share capital instruments	Nil	Nil	Ni	lNil
	- Perpetual cumulative preference shares(PCPS)	Nil	Nil	Nil	Nil
	-Redeemable non cumulative preference shares(RNCPS)	Nil	Nil	Nil	Nil
	-Redeemable cumulative preference shares(RCPS)	Nil	Nil	Nil	Nil

1.2 Investments

(₹ in crore)

Sl.No.	Particulars	Current Year	Previous Year
1	**Value of Investments**		
A	**Gross Value of Investments**		
a	In India	16017.74	15323.79
b	Outside India	Nil	Nil
B	**Provisions for Depreciation**		
a	In India	29.68	97.01
b	Outside India	Nil	Nil
C	**Net Value of Investments**		
a	In India	15988.06	15226.78
b	Outside India	Nil	Nil
2	**Movement of provisions held towards depreciation on investments**		
a	Opening balance	97.01	87.92
b	Add: Provisions made during the year	0.00	26.99
c	Less:Write-off /write back of excess provisions during the year	67.33	17.90
d	Closing balance	29.68	97.01

1.2.1 Repo Transactions (in face value terms)

(₹ in crore)

Sl. No.	Particulars	Outstanding during the year			Outstanding As on 31.03.2015
		Min	Max	Daily Average	
1	**Securities sold under Repo**				
a	Government securities	30.00	100.00	24.74	0.00
b	Corporate Debt securities	Nil	Nil	Nil	Nil
2	**Securities purchased under reverse Repo**				
a	Government securities	10.00	140.00	25.49	40.00
b	Corporate Debt securities	Nil	Nil	Nil	Nil

1.2.2 Non-SLR Investment Portfolio

1.2.2.i. Issuer composition of Non-SLR investments:

(₹ in crore)

Sl. No.	Issuer	Amount	Extent of Private placements	Extent of 'below investment grade' securities	Extent of 'un-rated' securities	Extent of 'un-listed' securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	608.98	275.15	Nil	Nil	Nil
2	Financial Institutions	2541.36	2061.39	Nil	Nil	Nil
3	Banks	953.27	31.99	Nil	Nil	Nil
4	Private Corporates	262.73	130.61	12.00	Nil	2.00
5	Subsidiaries / joint ventures	Nil	Nil	Nil	Nil	Nil
6	Others	199.33	189.34	Nil	Nil	Nil
7	Less Provision held towards depreciation	-29.68				
	TOTAL	**4535.99**				

Amounts reported under columns (4) to (7) above are not mutually exclusive

1.2.2.ii. Non-performing Non-SLR Investments (₹ in crore)

Particulars	Current Year	Previous Year
Opening Balance	14.11	12.85
Additions during the year	6.64	1.26
Reductions during the above period	7.89	Nil
Closing Balance	12.86	14.11
Total Provision Held	**12.86**	**14.11**

1.2.2. iii. Sale and transfers to/from HTM Category

During the year, the Bank has not sold and transferred any securities to/from HTM Category exceeding 5% of the book value of investments held in HTM Category in the beginning of the year.

1.3 Derivatives

1.3.1 Forward Rate Agreement/ Interest Rate Swap: Nil

1.3.2 Exchange Traded Interest Rate Derivatives: Nil

1.3.3 Disclosure on risk exposure in Derivative

(i) Qualitative Disclosure:

Operations in the Treasury are segregated into three functional areas, namely Front office, Mid-office and Back-office, equipped with necessary infrastructure and trained officers, whose responsibilities are well defined.

The Integrated Treasury policy of the Bank clearly lays down the types of financial derivative instruments, scope of usages, approval process as also the limits like the open position limits, deal size limits and stop loss limits for trading in approved instruments.

The Mid Office is handled by Risk Management Department. Daily report is generated by Risk Management department for appraisal of the risk profile to the senior management for Asset and Liability management.

The Bank's policy lays down that the transactions with the corporate clients are to be undertaken only after the inherent credit exposures are quantified and approved in terms of the approval process laid down in the Derivative Policy for customer appropriateness and suitability and necessary documents like ISDA agreements etc. are duly executed. The Bank adopts Current Exposure Method for monitoring the credit exposures. Besides, the Bank may also use financial derivative transactions for hedging it's on or off Balance Sheet exposures.

The Integrated Treasury Policy of the Bank spells out the approval process for hedging the exposures. The hedge transactions are monitored on a regular basis and the notional profits or losses are calculated on MTM basis.

The hedged/non hedged transactions are recorded separately. The hedged transactions are accounted for on accrual basis.

In case of Option contracts, guidelines issued by FEDAI from time to time for recognition of income, premium and discount are being followed.

While sanctioning the limits, the competent authority may stipulate condition of obtaining collaterals/margin as deemed appropriate. The derivative limits are reviewed periodically along with other credit limits.

(ii) Quantitative Disclosure:: (₹ in crore)

Sl.No.	Particulars	Currency Derivatives	Interest Rate Derivatives
1	Derivatives (Notional Principal Amount)		
a	Hedging	Nil	Nil
b	Trading	Nil	Nil
2.	Marked to Market Positions		
	Assets(+)	Nil	Nil
	Liabilities(-)	Nil	Nil
3.	Credit Exposure	Nil	Nil
4.	Likely impact of 1% change in interest Rates (100*PV01)		
a	On hedging derivatives	Nil	Nil
b	On trading derivatives	Nil	Nil
5.	Maximum and Minimum of 100*PV01 observed during the year		
a	On hedging	Nil	Nil
b	On trading	Nil	Nil

Note: Bank has not entered into any derivative instruments other than Forex Forward Contracts maturing within 13 months, for trading /speculative purposes either in foreign exchange or domestic treasury operations. Bank does not have any open position in the derivative instruments in trading book as on March 31, 2015

1.4 Asset Quality

1.4.1 Non-Performing Assets

(₹ in crore)

Sl.No.	Particulars	Current Year	Previous Year
1	**Gross NPA to Gross Advances (%)**	2.95	2.92
2	**Net NPA to Net Advances (%)**	1.98	1.91
3	**Movement of NPAs (Gross)**		
	a) Opening Balance	835.94	638.86
	b) Additions during the year*	929.83	653.88
	c) Reductions during the year*	821.56	456.80
	d) Closing balance	944.21	835.94
4	**Movement of Net NPAs**		
	a) Opening Balance	538.04	377.75
	b) Additions during the year	557.81	508.26
	c) Reductions during the year	472.30	347.97
	d) Closing balance	623.55	538.04
5.	**Movement of provisions for NPAs**		
	a) Opening Balance	271.53	198.41
	b) Provision made during the year	223.07	210.54
	c) Write off/write back of excess provision	179.25	137.42
	d) Closing balance	315.35	271.53

* Includes intra quarter additions/deletions to the extent of ₹339.83 crore (previous year ₹175.82 crore.)

1.4.2 Details of Loan assets subject to Restructuring:

(₹ in crore)

Sl. No.	Type of Restructuring	Asset Classi-fications	Under CDR Mechanism					Under SME Debt Restructuring					Others					Total				
			STD	SS	DS	LS	Total	STD	SS	DS	LS	Total	STD	SS	DS	LS	Total	STD	SS	DS	LS	Total
1.	Restructured Accouts as on April 1 or the FY (Opening figures)	No. of borrowers	12	0	2	1	**15**	4	0	1	0	**5**	675	34	198	18	**925**	691	34	201	19	**945**
		Amount outstanding	402.37	0	51.72	3.19	**457.28**	15.62	0	12.90	0	**28.52**	1266.47	28.97	79.86	0.23	**1375.53**	1684.46	28.97	144.48	3.42	**1861.33**
		Provision thereon	37.73	0	22.43	3.19	**63.35**	0.64	0	7.42	0	**8.06**	109.95	6.75	41.51	0.23	**158.44**	148.32	6.75	71.36	3.42	**229.85**
2.	Fresh Restructuring during the year	No. of borrowers	0	0	0	0	**0**	3	0	0	0	**3**	173	1	0	0	**174**	176	1	0	0	**177**
		Amount outstanding	-6.25	0	0	0	**-6.25**	9.20	0	0	0	**9.20**	450.17	0.46	0.43	0	**451.06**	453.12	0.46	0.43	0	**454.01**
		Provision thereon*	14.79	0	0	0	**14.79**	0.48	0	0	0	**0.48**	54.22	13.53	4.76	0	**72.51**	69.49	13.53	4.76	0	**87.78**
3.	Upgradations to restructured standard category during the FY	No. of borrowers	0	0	0	0	**0**	0	0	0	0	**0**	14	-4	-9	-1	**0**	14	-4	-9	-1	**0**
		Amount outstanding	0	0	0	0	**0**	0	0	0	0	**0**	3.73	-1.18	-2.55	0	**0.00**	3.73	-1.18	-2.55	0	**0**
		Provision thereon	0	0	0	0	**0**	0	0	0	0	**0**	0.97	-0.18	-0.79	0	**0.00**	0.97	-0.18	-0.79	0	**0**
4.	Restructured standard advances which ceases 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	-1				**-1**	0				**0**	-205				**-205**	-206				**-206**
		Amount outstanding	-1.48				**-1.48**	0				**0**	-48.90				**-48.90**	-50.38				**-50.38**
		Provision thereon	-0.08				**-0.08**	0				**0**	-3.29				**-3.29**	-3.37				**-3.37**
5.	Down -gradation of restructured accounts during the FY	No. of borrowers	0	0	0	0	**0**	-1	0	1	0	**0**	-48	-18	58	8	**0**	-49	-18	59	8	**0**
		Amount outstanding	0	0	0	0	**0.00**	-9.30	0	9.30	0	**0**	-178.81	109.07	69.57	0.17	**0**	-188.11	109.07	78.87	0.17	**0**
		Provision thereon	0	0	0	0	**0.00**	-0.33	0	0.33	0	**0**	-13.47	1.86	11.57	0.04	**0**	-13.80	1.86	11.90	0.04	**0**
6.	Write - offs of restructed accounts during the FY	No. of borrowers	-1	0	-2	0	**-3**	-1	0	-1	0	**-2**	-65	-9	-57	-7	**-138**	-67	-9	-60	-7	**-143**
		Amount outstanding	-67.10	0	-51.72	-0.71	**-119.53**	-1.07	0	-15.20	0	**-16.27**	-34.88	-2.23	-68.08	-0.12	**-105.31**	-103.05	-2.23	-135.00	-0.83	**-241.11**
		Provision thereon*	-2.78	0	-22.43	-0.71	**-25.92**	-0.02	0	-5.93	0	**-5.95**	-6.15	-1.69	-13.42	0.01	**-21.25**	-8.95	-1.69	-41.78	-0.70	**-53.12**
7.	Restructured Accounts as on March 31 of FY (Closing figure)	No. of borrowers	10	0	0	1	**11**	5	0	1	0	**6**	544	4	190	18	**756**	559	4	191	19	**773**
		Amount outstanding	327.54	0	0	2.48	**330.02**	14.45	0	7.00	0	**21.45**	1457.78	135.09	79.23	0.28	**1672.38**	1799.77	135.09	86.23	2.76	**2023.85**
		Provision thereon	49.66	0	0	2.48	**52.14**	0.77	0	1.82	0	**2.59**	142.23	20.27	43.63	0.28	**206.41**	192.66	20.27	45.45	2.76	**261.14**

*Provision including incremental provision

Note : 1. The figures under Sr.No. 2 include ₹113.44 crore of fresh / addition / deletion to existing restructured accounts

2. Write-offs of restructured accounts during the year include reduction of ₹167.38 crore from existing restructured accounts by way of closure/recovery.

1.4.3 Details of Financial Assets sold to Securitization/Reconstruction Company for Asset Reconstruction:

(₹ in crore)

Sl.No.	Particulars	Current Year	Previous Year
1	No of Accounts	41	2
2	Aggregate Value (net of Provisions) of accounts sold to SC/RC	180.01	0.10
3	Aggregate consideration	169.59	22.29
4	Additional consideration realised in respect of accounts transferred in earlier years	Nil	Nil
5	Aggregate Gain / (Loss) over net book value	(10.42)	22.19

Details of Security Receipts from Securitisation/ Reconstruction Companies:

(₹ in crore)

Particulars	Backed by NPAs sold by the bank as underlying		Backed by NPAs sold by other banks/ financial institutions/ non-banking financial companies as underlying		Total	
	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year
Book value of investments in security receipts	67.77	185.42	3.13	2.24	70.90	187.66

1.4.4 Details of Non-performing Financial assets purchased from other banks /Sold to Other Banks: NIL

1.4.5 Provisions on Standard Assets:

(₹ in crore)

Item	Current Year	Previous Year
Provisions towards Standard Assets	214.89	172.92

1.5 Business Ratios

Sl.No.	Particulars	Current Year	Previous Year
1	Interest Income to working funds	9.47%	9.54%
2	Non-interest income to working funds	1.02%	1.15%
3	Operating profits to working funds	1.56%	1.56%
4	Return on Assets	0.91%	0.71%
5	Business (Deposits Plus Advances) per employee(₹ in crore)	10.52	9.59
6	Profit per employee (₹ in crore)	0.06	0.04

1.6 Asset Liability Management:
Maturity Pattern of certain items of assets and liabilities:

(₹ in crore)

	Deposits	Advances	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
1 day	551.49	716.44	11.68	0.00	116.10	32.21
2 to 7 days	593.62	151.72	148.56	0.00	356.73	310.39
8 to 14 days	526.84	326.16	0.00	0.00	60.67	13.03
15-28 days	485.49	225.20	204.21	0.00	115.75	19.40
29 days to 3 months	2446.37	2199.96	950.61	81.25	1363.86	1450.17
Over 3 months and up to 6 months	2442.86	1770.60	419.13	85.98	609.66	492.60
Over 6 months and up to 12 months	6795.68	3672.25	306.66	80.14	646.78	738.66
Over 1 year and up to 3 years	17111.39	14237.58	2347.89	310.39	2.00	96.02
Over 3 years and up to 5 years	6107.52	3355.08	3488.40	230.00	0.00	100.70
Over 5 years	8947.35	5025.00	8110.92	250.00	0.10	14.72
Total	**46008.61**	**31679.99**	**15988.06**	**1037.76**	**3271.65**	**3267.90**

1.7 Exposures

1.7.1 Exposure to Real Estate Sector:

(₹ in crore)

Sl.No.	Particulars	Current Year	Previous Year
1 a	**Direct exposure** **Residential Mortgages:–** Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	3737.58	3111.24
	Of which, individual housing loans eligible for inclusion in priority sector advances	1776.15	1662.31
b	**Commercial Real Estates:–** Lending (including Non-Fund Based Limits) secured by mortgages on commercial real estate (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.)	2153.66	1894.20
c	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures:–**		
	Residential	Nil	Nil
	Commercial Real Estate	Nil	Nil
2	**Indirect Exposure** Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	7.35	12.19
	Total Exposure to Real Estate Sector	**5898.59**	**5017.63**

1.7.2 Exposure to Capital Market

(₹ in crore)

Sl.No.	Category	Current Year	Previous Year
1	Direct investments in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debts	126.65	179.52
2	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPS), convertible bonds and convertible debentures and units of equity oriented mutual funds.	Nil	Nil
3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	Nil	Nil
4	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares /convertible bonds /convertible debentures /units of equity oriented mutual funds 'does not fully cover the advances'.	Nil	Nil
5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	37.77	40.50
6	Loans sanctioned to corporate against the security of shares /bonds/ debentures or others securities or on clean basis for meeting promoters contribution to the equity of new companies in anticipation of raising resources:	Nil	Nil
7	Bridge loans to companies against expected equity flows/issues	Nil	Nil
8	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.	Nil	Nil
9	Financing to Stockbrokers for margin trading	Nil	Nil
10	All exposures to Venture capital funds (both registered and unregistered)	Nil	Nil
	Total capital market exposure	**164.42**	**220.02**

1.7.3 Risk category-wise Country Exposure:

(₹ in crore)

Risk Category	Exposure (net) as at 31.03.2015	Provision held as at 31.03.2015	Exposure (net) as at 31.03.2014	Provision held as at 31.03.2014
Insignificant	104.96	Nil	115.36	Nil
Low	121.82	Nil	148.54	Nil
Moderate	6.45	Nil	4.81	Nil
High	0.00	Nil	0.49	Nil
Very High	Nil	Nil	Nil	Nil
Restricted	6.84	Nil	2.81	Nil
Off-Credit	Nil	Nil	Nil	Nil
TOTAL	**240.07**	**Nil**	**272.01**	**Nil**

The net funded exposure of the bank in respect of foreign exchange transactions with each country is within 1% of the total assets of the Bank and hence no country risk provision is required as per extant RBI guidelines. Bank has used 7 categories of classifications followed by ECGC for the purpose of classification and making provision for country risk exposures.

1.7.4 Details of Single Borrower Limit (SBL)/ Group Borrower Limits (GBL) exceeded by the Bank:

During the year ended 31st March 2015, the Bank has not exceeded the Individual / Group borrowers' prudential exposure limits fixed by RBI

1.7.5 Unsecured Advances:

The Bank has not granted any finance against intangible securities such as charge over the rights, licences, authorisations, etc.

1.8. Penalties imposed by RBI:

No penalty has been imposed by Reserve Bank of India during the year (Previous year ₹ Nil)

2. Accounting Standards:

In compliance with the guidelines issued by the Reserve Bank of India regarding disclosure requirements the various Accounting Standards, following information is disclosed:

2.1 Accounting Standard 5 - Net Profit or Loss for the period, Prior period items and changes in accounting policies

There are no material prior period items.

For the preparation of these financial results, the Bank has followed the same accounting policies and generally accepted practices adopted for the preparation of audited financial statement for the year ended March 31, 2014 except for accounting of the depreciation on the fixed assets.

In the current year effective from April 1, 2014, the Bank has changed the accounting policy of charging of depreciation having regard to change in the estimated useful life of the assets, from Written Down Value (WDV) to Straight Line Method (SLM) in respect of all fixed assets other than computers, since computers were already being depreciated under SLM. The management believes that the afore stated changes better reflect the actual use of assets acquired and is in conformity with the Companies Act, 2013.

On account of this change in accounting policy, the Bank has in the current year reversed an amount of ₹50.10 crore representing the excess depreciation charge for the period up to March 31, 2014. As a result of this change, the net profit for the current year is higher by ₹33.07 crore (net of taxes).

In accordance with the requirements of schedule II of the Companies Act, 2013 the Bank has charged ₹35.93 crore as depreciation to the Profit and Loss account of the current year reassessing the useful life of the fixed assets. The Depreciation on Banks property shown in schedule 16- Other Operating Expenses is after netting off ₹50.10 crore as detailed above.

2.2 Accounting Standard 9 - Revenue Recognition

Revenue is recognized as per accounting policy No.1 of Schedule 17 to the financial statements. Certain items of income are recognized on cash basis and such income are not material.

2.3 Accounting Standard 15 - Employee Benefits:

2.3.1 Various Benefits made available to the Employees are:

a) **Pension**: The Bank has a defined benefit plan under Pension Trust to cover employees who have joined employment upto 31st March 2010 and who have opted for Pension Scheme under the Pension & Group Schemes unit of LIC of India, provided they have completed 20 years of service. The benefits under this plan are based on last drawn salary and the tenure of employment. The Liability for the pension is determined and provided on the basis of actuarial valuation and is covered by purchase of annuity from LIC. The employees who have joined employment after 31stMarch 2010 are covered under contributory pension scheme.

b) **Gratuity**: In accordance with the applicable Indian Laws, the Bank provides for defined gratuity benefit retirement plan ('the Gratuity Plan') covering eligible employees. This plan provides for a lump sum payment to the eligible employees on retirement, death, incapacitation or termination of employment of amounts that are based on the last drawn salary and tenure of employment. Liabilities with regard to the gratuity plan are determined by actuarial valuation and contributed to the gratuity fund trust. Trustees administer the contribution made to the trust and invest in specific designated securities as mandated by law, which generally comprise of Central and State Government Bonds and debt instruments of Government owned corporations.

c) **Leave Encashment (PL)**: The Bank permits encashment of leave accumulated by employees. The liability for encashment of such leave is determined and provided on the basis of actuarial valuation.

d) **Provident Fund**: The Bank pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contribution to the Fund is recognised as expense and is charged to the Profit and Loss account. The obligation of the Bank is limited to such contributions. As on 31st March 2015, there was no liability due and outstanding to the Fund by the Bank.

e) **Other employee Benefits**: Other than the employee benefits listed above, the Bank also gives certain other benefits to the employees, which include Medical aid, reimbursement of hospitalization expenses to the employees / their family members and compensated absence such as sick leave and casual leave etc. The Bank has made provision for such liabilities on an ad-hoc basis

f) The summarized position of Post-employment benefits and employee's long term benefits are recognized in the financial statements as required in accordance with Accounting Standard – 15 and are as under:

Principal actuarial assumption at the Balance Sheet Date (expressed as weighted average)

Sl.No.	Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Un Funded)
1	Method of Valuation	Projected unit credit		
2	Discount rate	7.98	8.08	8.08
3	Salary escalation rate	5.00	5.00	5.00
4	Rate escalation in Basic Pay	5.00	5.00	5.00
5	Attrition rate	No assumption made		5.00
6	Rate of escalation in pension	5.00	---	---
7	Expected rate of return on plan assets	7.98	8.08	---
8	Mortality	LIC(94-96) table of mortality rates		

Changes in the present value of obligations (PVO) - Reconciliation of opening and closing Balances (₹ in crore)

Sl.No.	Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Un Funded)
1	Present Value of defined benefit obligation as at 1st April 2014	609.05	139.76	64.35
2	Interest Cost	55.42	12.72	5.86
3	Current Service Cost	22.14	6.00	3.60
4	Past Service Cost-Unrecognized	0.00	0.00	0.00
5	Past Service Cost-Recognized	23.58	7.83	0.00
6	(Less) Benefits Paid	(64.19)	(13.75)	0.00
7	Actuarial Loss/(Gain) on Obligations	61.53	6.81	(1.92)
8	Present Value of defined benefit obligation as at 31st March 2015	**707.53**	**159.37**	**71.89**

Changes in Fair value of Plan Assets- Reconciliation of Opening and Closing Balances (₹ in crore)

Sl.No.	Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Un Funded)
1	Fair Value of Plan Assets at the beginning of the year	609.05	139.76	64.35
2	Expected return on Plan Assets	48.60	11.29	0.00
3	Banks Contribution related to previous year	0.00	0.00	0.00
4	Banks Contribution related to Current year	108.66	21.64	7.54
5	(Less) Benefits Paid	(64.19)	(13.75)	0.00
6	Actuarial gain/(Loss) on plan assets	5.42	0.43	0.00
7	Fair Value of Plan Asset at the end of the year	**707.54**	**159.37**	**71.89**

Actual Return on Plan Assets

(₹ in crore)

Sl. No.	Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Un Funded)
1	Expected return on Plan Assets	48.60	11.29	0.00
2	Actuarial Gain/(Loss) on plan Assets	5.42	0.43	0.00
3	Actual return on Plan Assets	54.02	11.72	0.00

Actuarial Gain/Loss Recognized

(₹ in crore)

Sl. No.	Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Un Funded)
1	Actuarial Gain/(loss) for the period- Obligations	(61.53)	(6.82)	(1.92)
2	Actuarial gain/(loss) for the period- Plan Assets	5.42	0.43	0.00
3	Total (Gain)/loss for the period- Plan Assets (2-1)	56.11	6.39	(1.92)
4	Actuarial (Gain)/loss recognized in the year	56.11	6.39	(1.92)
5	Unrecognized actuarial(gain)/loss at the end of the year	0.00	0.00	0.00

Amounts recognized in Balance Sheet and related analysis

(₹ in crore)

Sl. No.	Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Un Funded)
1	Present value of the obligations	707.53	159.37	71.89
2	Fair Value of Plan Assets	707.54	159.37	71.89
3	Differences (Assets-obligations)	0.01	0.00	0.00
4	Un recognized past service cost-non vested benefits	0.00	0.00	0.00
5	Assets recognized in the Balance Sheet	(0.01)	0.00	0.00
6	Liability recognized in the Balance sheet	707.53	159.37	71.89

Expenses recognized in the statement of Profit and Loss Account

(₹ in crore)

Sl. No.	Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Un Funded)
1	Current Service Cost	22.14	6.00	3.60
2	Interest Cost	55.42	12.72	5.86
3	Expected Return on Plan Assets	(48.60)	(11.29)	0.00
4	Net actuarial (Gain)/Loss recognized in the year	56.11	6.39	(1.92)
5	Past Service Cost- recognized	23.58	7.83	0.00
6	Expenses recognized in the statement of Profit and Loss Account	108.65	21.64	7.54

Movements in the Liability recognized in the Balance Sheet

(₹ in crore)

Sl. No.	Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Un Funded)
1	Opening Net Liability	609.05	139.76	64.35
2	Expenses as above	108.65	21.64	7.54
3	Contributions by the Bank for the year 2013-14	0.00	0.00	0.00
4	Contributions by the Bank for the year 2014-15	108.66	21.64	7.54
5	Total Contributions Paid	108.66	21.64	7.54
6	Closing Net Liability	707.53	159.37	71.89

Amount for the Current Period

(₹ in crore)

Sl.No.	Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Un Funded)
1	Present value obligations	707.53	159.37	71.89
2	Plan Assets	707.54	159.37	71.89
3	Surplus (Deficit)	0.01	0.00	0.00
4	Experience adjustments on plan liabilities- (loss)/gain	61.53	6.82	(1.92)
5	Experience adjustments on plan assets- (loss)/gain	5.42	0.43	0.00

Major Categories of plan assets (As a percentage of total plan assets)

(₹ in crore)

Sl.No.	Particulars	Pension Trust	Gratuity Trust	Leave Encashment (Un Funded)
1	Government of India Securities	0.00	14.97	0.00
2	State Government Securities	0.00	2.11	0.00
3	High Quality Corporate Bonds	0.00	5.90	0.00
4	Equity Shares of Listed Companies	0.00	0.00	0.00
5	Property	0.00	0.00	0.00
6	Funds managed by insurer	99.87	66.14	0.00
7	Mutual Funds	0.00	0.00	0.00
8	Bank Deposits - Current Accounts	0.13	0.57	0.00
9	Others	0.00	10.31	0.00
10	Total	100.00	100.00	0.00

Estimated contribution for the next Year

(₹ in crore)

Sl.No.	Particulars	Pension Funded	Gratuity Funded	Leave Encashment (Un Funded)
1	Enterprises Best estimate of expenditure to be incurred during the next year (inclusive of proportionate amortization	84.09	4.49	7.11

g) A provision of ₹4.06 crore (Previous year ₹3.66 crore) is held on account of other employee benefits like LFC Encashment, Medical Aid, Hospitalisation Reimbursement, Sick Leave etc.

2.3.2. Employee Stock Options (ESOP)

The shareholders of the Bank had approved on 15.7.2006 grant of equity shares under employee stock option scheme of the Bank framed in compliance with SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999.

Under the scheme, the Bank had granted stock options to the eligible employees on various dates in the past, each option entitling for one share at an exercise price of ₹50 per share (adjusted to ₹46.20 per share post rights issue 2011) The options granted to employees had vested in a graded manner and these may be exercised by the employees within a specified period. Options vested but not exercised before the specified exercise period would lapse. The Bank follows the intrinsic value method to account for its stock-based employee compensation plans. Compensation cost is measured by the excess, if any, of the fair market price of the underlying stock over the exercise price as determined under the option plan. The fair market price is the closing price on the stock exchange where there is highest trading volume on the working day immediately preceding the date of grant. Compensation cost has been absorbed.

2.4 Accounting Standard 17- Segment reporting:

For the purpose of segment reporting in terms of AS 17 of ICAI and as prescribed in RBI guidelines, the business of the Bank has been classified into 4 segments i.e. (a) Treasury operations (b) Corporate / Wholesale Banking (c) Retail Banking and (d) Other Banking Operations. Since the Bank does not have any overseas branch, reporting under geographic segment does not arise. Segment assets have been identified and segment liabilities have been allocated on the basis of segment assets.

Business Segments:

(₹ in crore)

BUSINESS SEGMENTS	TREASURY		CORPORATE/ WHOLESALE BANKING		RETAIL BANKING		OTHER BANKING OPERATIONS		TOTAL	
Particulars	Mar '15	Mar '14	Mar '15	Mar '14	Mar '15	Mar '14	Mar '15	Mar '14	Mar '15	Mar '14
Revenue	1341.19	1178.21	1728.21	1492.54	2028.88	1929.09	107.13	94.57	5205.41	4694.41
Result	124.90	(4.38)	125.33	50.73	215.43	314.80	79.57	73.03	545.23	434.18
Unallocated expenses									35.94	25.53
Profit before tax									509.29	408.65
Income taxes									90.91	97.62
Extraordinary / Exceptional Profit/Loss									(33.07)	0.00
Net Profit									451.45	311.03
Other Information										
Segment Assets	19284.69	18111.67	16177.03	14916.42	16082.11	13798.13	0.92	5.10	51544.75	46831.32
Unallocated Assets									291.85	197.48
Total Assets									51836.60	47028.80
Segment Liabilities	17919.89	16847.81	15234.43	14040.45	15021.50	12900.20	0.86	4.73	48176.68	43793.19
Unallocated liabilities									270.86	183.41
Total Liabilities									48447.54	43976.60

2.5 Accounting Standard 18 - Related Party disclosures: There is no related party transaction other than remuneration paid to key management personnel, Sri P. Jayarama Bhat, Managing Director and Chief Executive Officer aggregating to ₹0.56 crore (previous year ₹0.53 crore).

2.6 Accounting Standard 20 - Earnings per Share: Basic and diluted earnings per equity share computed in accordance with AS 20 - Earnings per Share are as under:

Particular	Current Year	Previous Year
Earnings per share Basic (₹)	23.96	16.51
Earnings per share Diluted (₹)	23.95	16.50
Net Profit for the year attributable to Equity shares (₹ in crore)	451.45	311.03
Weighted Average number of Equity Shares - Basic	188432610	188385959
Weighted Average number of Equity Shares - Diluted	188528829	188513343
Nominal value per equity share (₹)	10.00	10.00

Allotment of 1800 Equity shares (previous 3920 Equity shares) is kept in abeyance due to restraint orders received and matter is sub-judice. The same has not been considered for EPS calculation, as the shares are not allotted.

2.7 Accounting Standard 22 – Accounting for taxes on Income:

The Bank has accounted for taxes on income in compliance with Accounting Standard 22. The major components of Deferred tax assets and liabilities recognised are as under:

(₹ in crore)

Sl. No.	Particular	Current Year	Previous Year
A	**Deferred Tax Liabilities**		
1	Depreciation on fixed assets	22.59	3.33
2	Depreciation on investments	34.49	208.16
3	Accrued Interest on Investments	95.89	88.82
4	Special Reserve	44.56	34.90
5	Pension and Gratuity	0.00	10.68
	Total	**197.53**	**345.89**
B	**Deferred Tax Assets**		
1	PL/LFC Encashment	25.89	22.43
2	Provision for wage revision	28.30	19.00
3	Others	134.95	98.56
	Total	**189.14**	**139.99**
	Net deferred tax liabilities (A) – (B)	**8.39**	**205.90**

2.8 Accounting Standard 28 - Impairment of Assets:

In the opinion of the management, there is no impairment of the fixed assets to any material extent as at 31st March 2015 requiring recognition in terms of Accounting Standard 28.

2.9 Accounting Standard 29 - Provision, Contingent liabilities and Contingent assets:

Movement in Provision for Contingencies:

(₹ in crore)

Particulars	Opening as on 01-04-2014	Provision made during the year	Provisions reversed/ adjusted	Closing as on 31-03-2015
Provision for Contingencies	11.84	2.20	0.29	13.75

3. Additional Disclosures:

3.1 Details of Provisions and contingencies made during the year:

(₹ in crore)

Sl.No.	Particulars	Current Year	Previous Year
1	Provisions for Depreciation on Investment	(59.44)	26.99
2	Provisions towards NPA	223.07	210.54
3	Provisions towards Standard Assets (including NPV of Restructured Standard advances)	48.15	42.10
4	Provisions made towards taxes	107.95	97.62
5	Other Provisions & contingencies-for frauds, claims against the bank not acknowledged as debts and other intangibles.	2.20	(1.24)
	Total	**321.93**	**376.01**

3.2 Floating /Countercyclical Provisions:

(₹ in crore)

Particulars	Current Year	Previous Year
Opening Balance	6.91	10.37
Provision made during the year	NIL	NIL
Utilised During the Year*	6.91	3.46
Closing balance	NIL	6.91

*Pursuant to Master Circular on Prudential Norms on Income Recognition and Provisioning pertaining to Advances issued by the RBI, the Bank during the current year has utilised a sum of ₹6.91 crore from Counter Cyclical buffer for meeting shortfall on sale of NPAs to Assets Reconstruction Companies. (Previous year the Bank had utilised the floating provision of ₹3.46 crore for making specific provision for NPA as permitted by RBI in terms of DBOD.No.BP.95/21.04.048/2013-14 dated February 7, 2014.)

3.3 Drawdown from Reserves:

The Bank has not made any drawdown during the year from the Reserves. (During the previous year ended March 31, 2014 the Bank had created DTL of ₹27.01 crore on Special reserve for the period up to March 31, 2013 and had adjusted the same directly from the revenue reserve. In addition to the above, in line with the RBI guidelines, the Bank had drawn a sum of ₹11.48 crore from the Investment reserve account to meet the depreciation requirement on investment)

3.4 Complaints/ Unimplemented Awards of Banking Ombudsman:

3.4.1 Customer Complaints:

(a)	No. of complaints pending at the beginning of the year	35
(b)	No. of complaints received during the year	6796
(c)	No. of complaints redressed during the year	6763
(d)	No. of complaints pending at the end of year	68

Out of the above, the ATM complaints attributable to Acquiring Bank are detailed here below:

(a)	No. of complaints pending at the beginning of the year	18
(b)	No. of complaints received during the year	4383
(c)	No. of complaints redressed during the year	4360
(d)	No. of complaints pending at the end of year	41

3.4.2 Awards passed by the Banking Ombudsman:

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

3.5 Disclosure of Letters of Comforts (LOC)

The Bank issues Letter of Comforts on behalf of its various constituents against the credit limits sanctioned to them. In the opinion of the management, no significant financial impact and/or cumulative financial obligations have devolved during the year in respect of the LOCs issued by the Bank and remaining outstanding as of 31st March 2015.

Details of LOCs issued by the Bank is as follows:

(₹ in crore)

1	Letter of comforts issued during the year	838.96
2	Letter of comforts matured/cancelled during the year	935.03
3	Letter of comforts outstanding at the end of the year	291.05

3.6 Provision Coverage Ratio (PCR):

The Bank's provision coverage ratio as of March 31, 2015 is 50.54% (previous year 53.21%)

3.7 Bank Assurance Business:

(₹ in crore)

Sl. No.	Nature of Income	Current Year	Previous Year
1	For selling Life Insurance Policies	22.15	21.46
2	For selling Non-Life Insurance Policies	4.42	7.98
	Total	**26.57**	**29.44**

3.8 Concentration of Deposits, Advances, Exposures and NPAs:

3.8.1 Concentration of Deposits:

Sl. No.	Particulars	Current Year	Previous Year
1	Total deposits of 20 largest depositors (₹ in crore)	2119.02	1953.98
2	% age of deposits of 20 largest depositors to total deposits	4.61	4.81

3.8.2 Concentration of Advances:

Sl. No.	Particulars	Current Year	Previous Year
1	Total advances of 20 largest borrowers (₹ in crore)	4106.48	3311.28
2	% age of advances of 20 largest borrowers to total advances (credit exposures including derivatives)	9.92	10.32

3.8.3 Concentration of Exposures:

Sl. No.	Particulars	Current Year	Previous Year
1	Total exposures of 20 largest borrowers/ Customers (₹ in crore)	4452.11	4041.06
2	Percentage of Exposures to 20 largest borrowers / customers to Total Exposure of the bank on borrowers / customers	10.12	9.52

3.8.4 Concentration of NPAs:

(₹ in crore)

Sl. No.	Particulars	Current Year	Previous Year
1	Total fund based Exposure of Top Four NPA accounts	242.99	173.41

3.9 Sector-Wise Advances:

(₹ in crore)

Sl. No.	Sector	Current year			Previous year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	**Priority Sector**						
1	**Agriculture and allied activities**	**4273.15**	**83.54**	**1.95**	**4169.00**	**83.08**	**1.99**
2	**Advances to industries sector eligible as priority sector lending**	**3038.58**	**86.66**	**2.85**	**2786.73**	**128.53**	**4.61**
	a Textiles	738.15	11.53	1.56	686.52	8.93	**1.30**
	b Others	2300.43	75.13	3.27	2100.21	119.60	**5.69**
3	**Services**	**3320.04**	**111.49**	**3.36**	**2210.98**	**63.11**	**2.85**
	a Professional and self employed	928.34	22.54	2.43	771.53	26.92	**3.49**
	b Trade and Business	1916.89	70.23	3.66	960.95	20.80	**2.16**
	c Small road and water transport operators	361.46	18.27	5.05	338.19	12.00	**3.55**
	d Others	113.35	0.45	0.40	140.31	3.39	**2.42**
4	**Personal and Other Loans**	**2066.82**	**25.65**	**1.24**	**1813.09**	**20.29**	**1.12**
	a Housing Loan	1757.17	20.63	1.17	1629.44	16.21	**0.99**
	b Others	309.65	5.02	1.62	183.65	4.08	**2.22**
	Sub-total (A)	**12698.59**	**307.34**	**2.42**	**10979.80**	**295.01**	**2.69**
B	**NON PRIORITY SECTOR**						
1	**Agriculture and allied activities**	**0**	**0**	**0.00**	**0.00**	**0.00**	**0.00**
2	**Industry**	**3992.43**	**235.81**	**5.91**	**3803.09**	**223.12**	**5.87**
	a Automobiles	433.92	0	0.00	354.43	0.00	**0.00**
	b Textiles	755.31	29.90	3.96	737.30	73.01	**9.90**
	c Iron & Steel	618.09	65.25	10.56	637.25	14.11	**2.21**
	d Others	2185.11	140.66	6.44	2074.11	136.00	**6.56**
3	**Services**	**2409.75**	**108.88**	**4.52**	**2252.65**	**60.90**	**2.70**
	a Professional and self employed	1324.30	74.39	5.62	1402.05	41.23	**2.94**
	b Other Service activity	1085.45	34.49	3.18	850.60	19.67	**2.31**
4	**Personal loans**	**4459.65**	**89.22**	**2.00**	**3431.69**	**48.80**	**1.42**
	a Housing	3458.38	67.5	1.95	2545.76	36.25	**1.42**
	b Other Personal Loan	1001.27	21.72	2.17	885.94	12.55	**1.42**
5	**Other Non-Priority Loan**	**8434.91**	**202.96**	**2.41**	**8156.71**	**208.10**	**2.55**
	a Commercial Real estate	1541.59	34.98	2.27	1363.82	38.26	**2.81**
	b Infrastructure Loan	2056.62	37.95	1.85	2184.80	65.58	**3.00**
	c Others	4836.70	130.03	2.69	4608.09	104.26	**2.26**
	Sub-total (B)	**19296.74**	**636.87**	**3.30**	**17644.14**	**540.92**	**3.07**
	Total (A+B)	**31995.33**	**944.21**	**2.95**	**28623.94**	**835.93**	**2.92**

3.10 Movement of NPA:

(₹ in crore)

Particulars	Current Year	Previous Year
Gross NPAs as on April 1 (Opening balance)	835.94	638.86
Additions (Fresh NPAs) during the year*	929.83	653.88
Sub-total (A)	**1765.77**	**1292.74**
Less:		
(i) Up-gradations	282.63	192.99
(ii) Recoveries (excluding recoveries made from upgraded accounts)	320.07	117.53
(iii) Technical/ Prudential write offs	53.47	134.86
(iv) Write offs other than those under (iii) above	165.39	11.42
Sub-Total (B)*	**821.56**	**456.80**
Gross NPAs as on 31st March (Closing balance) [(A) – (B)]	**944.21**	**835.94**

*Includes intra quarter additions/deletions to the extent of ₹339.83 crore (previous year ₹175.82 crore)

Movements in Technical write off:

(₹ in crore)

Particulars	Current Year	Previous Year
Opening balance of Technical/prudential write-off accounts as at April 1	314.05	207.26
Add: Technical/prudential write-offs during the year	53.47	134.86
Sub-total (A)	**367.52**	**342.12**
Less: Recoveries made from previously technical/prudential written - off accounts during the year **(B)**	51.01	28.07
Closing balance as at March 31 (A-B)	**316.51**	**314.05**

3.11 Overseas Assets, NPA and Revenue: Nil

3.12 Off- balance sheet SPV sponsored (which are required to be consolidated as per accounting norms): Nil

3.13 Un-amortised Pension and Gratuity Liabilities

As permitted by the Reserve Bank of India vide their letter DBOD. No. BP.BC. 15896/ 21.04.018/2010-11 dated 8th April 2011, the bank has during the year,debited to its Profit & Loss account a sum of ₹23.58 crore towards amortization of pension and ₹7.83 crore towards amortization of Gratuity on proportionate basis and the balance unamortized amount in Pension and Gratuity as on 31st March 2015 is ₹ NIL.

3.14 Disclosure of remunerations

a) Qualitative disclosure:

Remuneration Committee

The Nomination & Remuneration Committee (N&RC) consists only Independent Directors, two of them being the members of Integrated Risk Management Committee of the Board (IRMC) also.

Objectives of Compensation Policy

Compensation Policy aims to attract and retain the right candidates in the Bank. The policy is designed to support key business strategies and create a strong, performance-orientated environment besides providing reasonable remuneration commensurate with the growth of the Bank. It also ensures effective governance of compensation, alignment of compensation with prudent risk taking, effective supervisory oversight and stakeholder engagement. The Policy also aims at facilitating effective succession planning in the Bank.

The N&RC works in close coordination with the Integrated Risk Management Committee to ensure effective alignment of remuneration and risks.

Risk adjustments in remuneration

A wide variety of measures of credit, market and liquidity risks are used by bank in implementation of risk adjustment. The risk adjustment methods have both quantitative and judgmental elements. Compensation outcomes are symmetric with risk outcomes and compensation payouts are sensitive to the time horizon of the risk.

Performance linked variable compensation, deferral and forms

The performance-based remuneration motivates and rewards high performers who strengthen long-term customer relations, and generate income and shareholder value. The bank's compensation policy stipulates that while designing the compensation package to WTD/CEO, it is ensured that there is a proper balance between fixed pay and variable pay. While fixing the Variable Pay performance parameters under financial and non-financial areas of operations shall be assessed.

The variable pay shall not exceed 70% of the fixed pay in a year. The deterioration in the financial performance of the bank should generally lead to a contraction in the total amount of variable remuneration to be paid.

Further, where the variable pay constitutes a substantial portion of the fixed pay (i.e. 50% or more of the fixed pay), an appropriate portion of the variable pay, say 40% to 60% must be deferred for over a period. The Board/Nomination & Remuneration Committee may grant stock options under the Employees Stock Options Plan/Scheme as per Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, subject to the approval of Reserve Bank of India under Section 35B of the Banking Regulation Act, 1949. Such Stock Options will be excluded from the components of variable pay. In case variable pay payable is 50% or more, deferral arrangements of variable pay shall be applied. The deferral period should not be less than three years. Compensation payable under deferral arrangements should vest on a pro-rata basis at such rates as may be decided by the Board/RC. In the event of negative contributions of the Bank and/or the relevant line of business in any year, the deferred compensation is subject to malus/claw back arrangements. The variable pay could be in cash, or stock linked instruments or mix of both.

b) Quantitative disclosures

	Particulars	Current Year	Previous Year
(i)	Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.	Three Sitting fees of ₹15000/- to each non-whole time Director members per meeting attended.	One With effect from 01.09.2013 sitting fees of ₹15000/- to each non-whole time Director members per meeting attended.
(ii)	Number of employees having received a variable remuneration award during the financial year.	One	No variable remuneration paid to any employees during the financial year 2013-14.
	Number and total amount of sign-on awards made during the financial year.	Nil	Nil
	Details of guaranteed bonus, if any, paid as joining / sign on bonus.	Nil	Nil
	Details of severance pay, in addition to accrued benefits, if any.	Nil	Nil
(iii)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Nil	Nil
	Total amount of deferred remuneration paid out in the financial year.	Nil	Nil
(iv)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	Fixed : ₹0.53 crore In addition to the above the variables pay for the year 2013-14 amounting to ₹0.03 crore was paid during the year under report.	Fixed : ₹0.53 crore Variable: Nil
(v)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	Nil	Nil
	Total amount of reductions during the financial year due to ex- post explicit adjustments.	Nil	Nil
	Total amount of reductions during the financial year due to ex- post implicit adjustments.	Nil	Nil

3.15 Disclosure relating to Securitization:
The Bank has not sponsored any SPV's for securitisation transactions

3.16 Credit Default Swap:
The Bank has not entered into any credit default swap.

3.17 Intra-Group Exposures:
The Bank does not have any Intra-group Companies under its management.

3.18 Transfers to Depositor Education and Awareness Fund (DEAF):

(₹ in crore)

Particulars	Current Year	Previous Year
Opening balance of amounts transferred to DEAF	Nil	Nil
Add : Amounts transferred to DEAF during the year	50.61	Nil
Less : Amounts reimbursed by DEAF towards claims	Nil	Nil
Closing balance of amounts transferred to DEAF	**50.61**	**Nil**

3.19 Un-hedged Foreign Currency Exposure:

The Bank has put in place the policy on Hedging of Foreign Currency Exposure which is a part of the Loan Policy which stipulates the guidelines on managing the risk arising out of the un-hedged foreign currency exposure in line with the extant RBI Guidelines. Further, the Bank is making necessary incremental provision to the extent of ₹12.81 crore and providing necessary capital for the un-hedged foreign currency exposure of borrowal entities to the extent of ₹5.75 crore in line with the extant RBI Guidelines.

3.20 Liquidity Coverage Ratio

(₹ in crore)

		For the quarter ending March 31, 2015	
		Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets			
1	Total High Quality Liquid Assets (HQLA)	**5526.72**	**5526.72**
Cash Outflows			
2	Retail deposits and deposits from small business customers, of which:	**35021.83**	**3090.20**
	(i) Stable deposits	8239.57	411.98
	(ii) Less stable deposits	26782.26	2678.22
3	Unsecured wholesale funding, of which:	**5652.56**	**1809.38**
	(i) Operational deposits (all counterparties)	5652.56	1809.38
	(ii) Non-operational deposits (all counterparties)	0.00	0.00
	(iii) Unsecured debt	0.00	0.00
4	Secured wholesale funding	0.00	0.00
5	Additional requirements, of which	**4511.86**	**1218.41**
	(i) Outflows related to derivative exposures and other collateral requirements	0.00	0.00
	(ii) Outflows related to loss of funding on debt products	0.00	0.00
	(iii) Credit and liquidity facilities	4511.86	1218.41
6	Other contractual funding obligations	**231.79**	**231.79**
7	Other contingent funding obligations	**2866.77**	**143.34**
8	Total Cash Outflows	**48284.81**	**6493.12**
Cash Inflows			
9	Secured lending (e.g. reverse repos)	0.00	0.00
10	Inflows from fully performing exposures	1091.56	545.78
11	Other cash inflows	865.71	865.71
12	Total Cash Inflows	**1957.27**	**1411.49**
13	TOTAL HQLA	**5526.72**	**5526.72**
14	Total Net Cash Outflows	**46327.54**	**5081.63**
15	Liquidity Coverage Ratio (%)		**108.76%**

Qualitative Disclosures:

Bank is computing LCR on a monthly basis in line with the RBI circular dated June 9, 2014 on "Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards". These guidelines ensure that banks maintain sufficient amount of High Quality Liquidity Assets (HQLA) to survive 30 days stress scenario so that banks can take corrective measures within such period. These HQLA have to be 100% of the net cash outflows with effect from January 1, 2019. To provide sufficient transition period, the guidelines require maintaining minimum 60% with effect from January 1, 2015 and step up of 10% every year to reach 100% by January 1, 2019.

Necessary system is in place to compute LCR and bank's strategy would be to maintain LCR well above the regulatory minimum levels ahead of the stipulated timelines. The main driver of LCR is adequate HQLA and Bank is maintaining LCR well above the minimum stipulated level of 60% in view of SLR investments in excess of statutory requirement and 7% of NDTL in the form of borrowing limit available through Marginal Standing Facility (MSF) and Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR). The bank has a diversified liability mix and comprises of healthy Retail Deposits with its pan India presence and the dependency on wholesale funding is insignificant.

Bank's Asset Liability Management Committee (ALCO) is empowered to monitor and form suitable strategies to maintain stipulated levels of LCR by channelizing funds to target good quality asset and liability profile to meet Bank's profitability as well as liquidity requirements

Funding strategies are formulated by the Treasury and Accounts Department (TAD) in accordance with ALCO guidance. The objective of the funding strategy is to achieve an optimal funding mix which is consistent with prudent liquidity, diversity of sources and servicing costs. Accordingly, TAD estimates daily liquidity requirement. With the help of structural liquidity statement prepared by Bank, TAD evaluates current and future liquidity requirement and takes necessary action.

3.21 Operating Expenses stated in Schedule 16 to the Profit and Loss Account includes ₹2.04 crore spent towards Corporate Social Responsibility (CSR) Activities.

4. Reconciliation of Branch Adjustments and Balancing of Subsidiary Ledgers.

a) Balancing of Subsidiary Ledgers are completed in all branches/offices.

b) Reconciliation of branch adjustments/Inter Bank accounts has been completed up to 31st March 2015 and steps are being taken to give effect to consequential adjustments of pending items.

5. Investments:

The percentage of SLR investments under "Held to Maturity" category as on 31st March 2015 was 22.33% (Previous Year 23.68%) of the Net Demand and Time Liabilities of the bank, which is within the permissible limit as per RBI guidelines.

6. A sum of ₹605.62 crore (Previous year ₹227.79 crore) is outstanding on account of demands raised by the Income Tax Department in earlier years which have been paid under protest. No provision is considered necessary in respect of these demands, as the Bank has been advised that there are good chances of success in appeals/ considering favourable judicial pronouncements and/or appellate orders on identical issues for earlier assessment years.

7. Pending finalization of wage revision effective November 1, 2012, the bank has made a provision of ₹25.85 crore during the current year on estimated basis. The cumulative provision held there on as on 31st March 2015 aggregates to ₹81.78 crore.

8. In accordance with the RBI circular DBOD. No. BPBC.2/21.06.201/2013-14 dated 01.07.2013, banks are required to make half yearly Pillar III disclosures under Basel III capital requirements with effect from 30th September, 2013.The disclosures have been made available on the banks web site at the following link **http://ktkbank.com/ktk/BaselDisclosures.jsp#**

9. Previous year's figures have been regrouped/rearranged/given in brackets wherever necessary and feasible to conform to the current year classifications.

Sd/- **Muralidhar K. Rao** Deputy General Manager	**Sd/-** **Y.V. Balachandra** Company Secretary	**Sd/-** **Raghurama** General Manager & CFO	**Sd/-** **M.S. Mahabaleshwara** Chief General Manager	**Sd/-** **P. Jayarama Bhat** Managing Director & CEO

Sd/- **Ananthakrishna** Chairman	**Sd/-** **S.V. Manjunath** **D. Harshendra Kumar** Directors	**Sd/-** **Dr. H. Ramamohan** **T.R. Chandrasekaran** Directors	**Sd/-** **Ashok Haranahalli** **Rammohan Rao Belle** **B.A. Prabhakar** Directors

Refer our report of even date

For Kamath & Rau Chartered Accountants Firm Regn. No. 001689S	**For Abarna & Ananthan** Chartered Accountants Firm Regn. No. 000003S
Sd/- **Parineeth Rau** Partner M.No. 222039	**Sd/-** **C.S. Gopalakrishna** Partner M.No. 014706

Place : Mangaluru
Date : 22nd May 2015

INDEPENDENT AUDITORS' REPORT

To,

The Shareholders of The Karnataka Bank Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of The Karnataka Bank Limited, which comprise the Balance Sheet as at 31st March 2015 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns of 20 branches/ offices audited by us and 679 branches/offices audited by branch auditors.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements in accordance with the Banking Regulation Act, 1949 and Accounting Standards notified under the Companies Act, 1956 ("this Act") read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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 in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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, but not for the purpose of expressing an opinion on

ಸ್ವತಂತ್ರ ಲೆಕ್ಕಪರಿಶೋಧಕರ ವರದಿ

ಗೆ,

ಕರ್ನಾಟಕ ಬ್ಯಾಂಕಿನ ಶೇರುದಾರರು

ಹಣಕಾಸಿನ ಲೆಕ್ಕಪತ್ರಗಳ ಬಗ್ಗೆ ವರದಿ

1. ನಾವು ಇದರೊಂದಿಗೆ ಲಗ್ತೀಕರಿಸಿದ 31ನೇ ಮಾರ್ಚ್ 2015ರ ಹಣಕಾಸಿನ ಲೆಕ್ಕಪತ್ರಗಳ ಲೆಕ್ಕಪರಿಶೋಧನೆಯನ್ನು ಮಾಡಿದ್ದು, ಇದರಲ್ಲಿ 31 ಮಾರ್ಚ್ 2015 ರ ಆಸ್ತಿ ಹೊಣೆಪಟ್ಟಿ ಲಾಭ ನಷ್ಟ ತಖ್ತೆ ಮತ್ತು ವರ್ಷಾಂತ್ಯದ ನಗದು ಪರಿಚಲನೆಯ ನಿರೂಪಣಾ ಪಟ್ಟಿಯು ವಿವರಣಾತ್ಮಕ ಸೂಚನೆಗಳು ಇದರಲ್ಲಿ ಸೇರಿಸಲ್ಪಟ್ಟಿವೆ. ಇವುಗಳಲ್ಲಿ ಸಂಘಟಿತವಾದ ಶಾಖಾ ವರದಿಗಳಲ್ಲಿ ನಾವೇ ಸ್ವತಃ ಪರಿಶೋಧನೆ ಮಾಡಿದ ಬ್ಯಾಂಕಿನ 20 ಶಾಖೆಗಳ/ಕಚೇರಿಗಳ ಮತ್ತು ಶಾಖಾ ಲೆಕ್ಕ ಪರಿಶೋಧಕರಿಂದ ಪರಿಶೋಧಿಸಲ್ಪಟ್ಟ 679 ಶಾಖೆಗಳ / ಕಚೇರಿಗಳ ವರದಿಗಳು ಒಳಗೊಂಡಿವೆ.

ಹಣಕಾಸಿನ ಲೆಕ್ಕಪತ್ರಗಳ ಬಗ್ಗೆ ಆಡಳಿತದ ಹೊಣೆಗಾರಿಕೆ

2. 1949 ರ ಬ್ಯಾಂಕಿಂಗ್ ನಿಯಂತ್ರಣ ಕಾಯ್ದೆ ಅನುಸಾರವಾಗಿ ಈ ಹಣಕಾಸಿನ ಲೆಕ್ಕಪತ್ರಗಳ ತಯಾರಿ ಬ್ಯಾಂಕಿನ ಆಡಳಿತದ ಹೊಣೆಗಾರಿಕೆಯಾಗಿರುತ್ತದೆ ಮತ್ತು 1956 ರ ಕಂಪೆನಿ ಕಾಯ್ದೆ (ಈ ಕಾಯ್ದೆ) ಮಿನಿಸ್ಟ್ರಿ ಆಫ್ ಕಂಪೆನೀಸ್ ಅಫೇರ್ಸ್ ಬಿಡುಗಡೆ ಮಾಡಿದ ಪ್ರಧಾನ ಸುತ್ತೋಲೆ 15/2013, ದಿನಾಂಕ 13ನೇ ಸಪ್ಟೆಂಬರ್ 2013– ಕಂಪೆನಿ ಕಾಯ್ದೆ 2013 ಪರಿಚ್ಛೇದನ 133 ರ ಅನ್ವಯ ಉಲ್ಲೇಖನಗೊಂಡಿದ್ದು, ಲೆಕ್ಕಪತ್ರಗಳ ಗುಣಮಟ್ಟ ಮೇಲ್ಮಾಣಿಸಿರುವ ಕಾಯಿದೆಗೆ ಅನುಗುಣವಾಗಿರುತ್ತದೆ. ಈ ಹೊಣೆಗಾರಿಕೆಯಲ್ಲಿ ವಿನ್ಯಾಸ, ಹಣಕಾಸಿನ ಲೆಕ್ಕಪತ್ರಗಳ ತಯಾರಿಕೆಗೆ ಅನುಗುಣವಾಗಿ ಆಂತರಿಕ ನಿಯಂತ್ರಣದ ಹೇರಿಕೆ ಮತ್ತು ಕಾಯ್ದುಕೊಂಡು ಬರುವಿಕೆ ಹಾಗೂ ಅವುಗಳು ವಂಚನೆ ಅಥವಾ ತಪ್ಪುಗಳಿಂದಾಗಲಿ, ವಿಷಯಾತ್ಮಕ ತಪ್ಪು ವ್ಯಾಖ್ಯೆಗಳಿಂದ ಮುಕ್ತವಾಗಿರುವುದು ಮುಖ್ಯವಾಗಿರುತ್ತದೆ.

ಲೆಕ್ಕಪರಿಶೋಧಕರ ಹೊಣೆಗಾರಿಕೆ

3. ನಮ್ಮ ಪರಿಶೋಧನೆಯ ಆಧಾರದ ಮೇಲೆ ಇಲ್ಲಿನ ಹಣಕಾಸಿನ ಲೆಕ್ಕಪತ್ರಗಳ ಕುರಿತು ನಮ್ಮ ಅಭಿಪ್ರಾಯ ತಿಳಿಸುವಷ್ಟಕ್ಕೆ ನಮ್ಮ ಹೊಣೆಗಾರಿಕೆ ಸೀಮಿತವಾಗಿದೆ. ಇನ್‌ಸ್ಟಿಟ್ಯೂಟ್ ಆಫ್ ಚಾರ್ಟರ್ಡ್ ಅಕೌಂಟೆಂಟ್ಸ್ ಆಫ್ ಇಂಡಿಯಾ ಬಿಡುಗಡೆಗೊಳಿಸಿದ ಲೆಕ್ಕ ಪರಿಶೋಧನಾ ನೀತಿಗನುಗುಣವಾಗಿ ಲೆಕ್ಕಪರಿಶೋಧನೆಯನ್ನು ನಾವು ಮಾಡಿದ್ದೇವೆ. ಈ ಲೆಕ್ಕಾಚಾರದ ಪಟ್ಟಿಗಳು ಗಣ್ಯವಾದ ತಪ್ಪು ಹೇಳಿಕೆಗಳಿಂದ ಹೊರಪಟ್ಟಿವೆ ಎಂಬ ವಿವೇಚನಾಶಕ್ತಿಯ ಭರವಸೆ ಹೊಂದುವ ರೀತಿಯಲ್ಲಿ ನಾವು ಲೆಕ್ಕ ಪರಿಶೋಧನೆಯನ್ನು ಯೋಜಿಸಿ, ನಿರ್ವಹಿಸಬೇಕೆಂದು ಆ ನೀತಿಗಳ ಅಪೇಕ್ಷೆ.

4. ಲೆಕ್ಕಪತ್ರಗಳಲ್ಲಿ ನೀಡಲ್ಪಟ್ಟ ಮೊತ್ತದ ಬಗ್ಗೆ ಲೆಕ್ಕಪರಿಶೋಧನೆಯ ಬಗೆಗೆ ಸೂಕ್ತ ಆಧಾರವನ್ನು ಕೇಳಿದ ಕಾರ್ಯನಿರ್ವಹಣೆಯನ್ನು ಪೂರೈಸುವುದನ್ನು ಲೆಕ್ಕಪರಿಶೋಧನಾ ಪ್ರಕ್ರಿಯೆ ಒಳಗೊಂಡಿರುತ್ತದೆ. ಕಾರ್ಯನಿರ್ವಹಣೆಯ ಆಯ್ಕೆಯು, ಲೆಕ್ಕಪರಿಶೋಧಕರ ವಿವೇಚನೆಗೆ ಸಂಬಂಧಿಸಿದ್ದಾಗಿದ್ದು, ಲೆಕ್ಕಪತ್ರಗಳಲ್ಲಿನ ನ್ಯೂನತೆ, ತಪ್ಪು ಹೇಳಿಕೆ ಅಥವಾ ವಂಚನೆ ನಿರ್ಧಾರಗಳಲ್ಲೂ ಇದು ಲೆಕ್ಕಪರಿಶೋಧಕರ ವಿವೇಚನೆಗೆ ಬಿಟ್ಟದ್ದಾಗಿರುತ್ತದೆ. ಅಂತಹ ನಿರ್ಧಾರಕ್ಕೆ ಬರುವಲ್ಲಿ, ಲೆಕ್ಕ ಪರಿಶೋಧಕರು ಬ್ಯಾಂಕಿನ ಆಂತರಿಕ ನಿಯಂತ್ರಣವು ಹಣಕಾಸಿನ ಲೆಕ್ಕ ಪತ್ರ ತಯಾರಿಸುವಲ್ಲಿ, ಲೆಕ್ಕ ಪರಿಶೋಧನಾ ವಿನ್ಯಾಸದಲ್ಲೇ ರಚಿಸಲ್ಪಟ್ಟಿದೆಯೇ, ಅದು ಸಂದರ್ಭಕ್ಕೆ ಸೂಕ್ತವಾಗಿದೆಯೇ ಎಂದು ಖಚಿತಪಡಿಸಿಕೊಳ್ಳಬಹುದು. ಹೊರತಾಗಿ ಸಂಸ್ಥೆಯ ಆಂತರಿಕ ನಿಯಂತ್ರಣದ ಪರಿಣಾಮಕಾರಿತ್ವದ ಕುರಿತು ಅಭಿಪ್ರಾಯ

the effectiveness of the entity's internal control. 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 accounts together with the accounting policies and notes thereon give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013, in the manner so required for the banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India:

   (i) in the case of the Balance Sheet, of the state of affairs of the Bank as at 31st March, 2015;

   (ii) in the case of the Profit and Loss Account of the profit for the year ended on that date; and

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

Emphasis of Matter

7. Without qualifying our opinion, we draw attention to:

   (a) Note no. 2.1 of the financial statements, which describes the change in accounting policy of charging depreciation on fixed asset having regard to change in the estimated useful life of the assets from written down value method to straight line method as per the requirement of Schedule II of the Companies Act 2013; and

   (b) Note no. 3.13 of the financial statements, regarding absorption of unamortized pension and gratuity liabilities of the bank to the extent of ₹31.41 crore pursuant to the exemption granted by the Reserve Bank of India from the application of the provisions of Accounting Standard (AS) 15, Employee Benefits vide Circular No.DBOD.BO.BC/80/21.04.018/ 2010-11 dated February 9th, 2011.

Report on Other Legal and Regulatory Matters

8. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Companies Act, 2013.

ಮಂಡಿಸುವ ಉದ್ದೇಶಕ್ಕಾಗಿಯಲ್ಲ. ಲೆಕ್ಕಪರಿಶೋಧನೆಯು ಲೆಕ್ಕವಿಡುವ ಮೂಲತತ್ವಕ್ಕನುಸಾರವಾಗಿ ಯಥಾರ್ಥವಾಗಿ ರಚಿಸಲ್ಪಟ್ಟಿದೆ ಎನ್ನುವುದನ್ನು, ಲೆಕ್ಕವಿಡುವಲ್ಲಿ ಬ್ಯಾಂಕ್ ಆಡಳಿತ ಮಾಡಿದ ಅಂದಾಜುಗಳು ಸಕಾರಣವಾಗಿದೆ ಎನ್ನುವುದನ್ನು ಅಂತೆಯೇ ಲೆಕ್ಕಾಚಾರ ಪಟ್ಟಿಗಳ ಸಮಗ್ರ ನಿರೂಪಣೆಯ ಮೇಲೆ ಮೌಲ್ಯೀಕರಣ ಮಾಡುವುದೂ ಲೆಕ್ಕಪರಿಶೋಧನೆಯ ವ್ಯಾಪ್ತಿಯ ಒಳಗೆ ಬರುತ್ತದೆ.

5. ಲೆಕ್ಕಪರಿಶೋಧನೆಯ ಸಂದರ್ಭದಲ್ಲಿ ನಾವು ಸಾಕಷ್ಟು ಲೆಕ್ಕಪರಿಶೋಧನೆಗೆ ಅಗತ್ಯವಿರುವ ಪುರಾವೆಗಳನ್ನು ಪಡೆದಿದ್ದು ಮತ್ತು ಅದರ ಆಧಾರದ ಮೇಲೆ ಲೆಕ್ಕಪತ್ರ ಪರಿಶೋಧನಾ ಅಭಿಪ್ರಾಯವನ್ನು ನೀಡುವಲ್ಲಿ ನಾವು ಪರಿಪೂರ್ಣರಾಗಿದ್ದೇವೆ ಎಂದು ನಂಬಿದ್ದೇವೆ.

ಅಭಿಪ್ರಾಯ

6. ನಮ್ಮ ಅಭಿಪ್ರಾಯದಂತೆ, ನೀಡಲ್ಪಟ್ಟ ಅತ್ಯುತ್ತಮ ಮಾಹಿತಿಗಳ ಆಧಾರದ ಮೇಲೆ ನಾವು ಲೆಕ್ಕಪರಿಶೋಧನೆ ಮಾಡಿದ ಲೆಕ್ಕಪತ್ರಗಳು ಹಾಗೂ ಅವುಗಳಿಗೆ ಒದಗಿಸಿದ ಟಿಪ್ಪಣಿಯಂತೆ, ಬ್ಯಾಂಕಿಂಗ್ ನಿಯಂತ್ರಣ ಕಾಯ್ದೆ, 1949 ಮತ್ತು ಕಂಪೆನಿ ಕಾಯ್ದೆ 2013 ರ ಅನುಸಾರವಾಗಿ, ಅಲ್ಲಿ ಉಲ್ಲೇಖಿಸಿರುವುದು, ಭಾರತದಲ್ಲಿ ಲೆಕ್ಕವಿಡುವ ನೀತಿಯ ಪ್ರಕಾರ ರಚನೆಗೊಂಡಿದೆ ಹಾಗೂ ಅವು ಸಮರ್ಪಕವಾಗಿದ್ದು, ಯಥಾರ್ಥವಾದ ಮತ್ತು ನೈಜ ಮಾಹಿತಿಗಳನ್ನು ಒದಗಿಸುತ್ತವೆ.

   (i) ಆಸ್ತಿ ಹೊಣೆಪಟ್ಟಿ ಸಂದರ್ಭದಲ್ಲಿ 31, ಮಾರ್ಚ್ 2015 ರಂದು ಇದ್ದ ಬ್ಯಾಂಕಿನ ವಹಿವಾಟಿನ ನೈಜ ಚಿತ್ರಣವನ್ನು

   (ii) ಲಾಭ ಮತ್ತು ನಷ್ಟ ತಖ್ತೆಯ ಸಂದರ್ಭದಲ್ಲಿ ವರ್ಷಾಂತ್ಯದ ದಿನಾಂಕದಂದು ಆದ ಲಾಭ ಮತ್ತು

   (iii) ನಗದು ಪರಿಚಲನೆ ನಿರೂಪಣೆ ಪಟ್ಟಿಯ ಸಂದರ್ಭದಲ್ಲಿ ವರ್ಷಾಂತ್ಯದ ದಿನಾಂಕದಂದು ಆದ ನಗದು ಪರಿಚಲನೆಯನ್ನು ತೃಪ್ತಿಕರ ರೀತಿಯಲ್ಲಿ ಪ್ರತಿಬಿಂಬಿಸುತ್ತವೆ.

ವಸ್ತುಸ್ಥಿತಿ ಸ್ಪಷ್ಟನೆ

7. ನಮ್ಮ ಅಭಿಪ್ರಾಯವನ್ನು ಪರಿಮಿತಿಯೊಂದಿಗೆ, ಕೆಳಗೆ ನಮೂದಿಸಿದತ್ತ ಗಮನ ಸೆಳೆಯುತ್ತೇವೆ.

   (ಅ) **ಆರ್ಥಿಕ ಲೆಕ್ಕಪತ್ರಗಳ ಟಿಪ್ಪಣಿ ಸಂಖ್ಯೆ 2.1,** ಕಂಪೆನಿ ಕಾಯಿದೆ 2013, ಶೆಡ್ಯೂಲ್ II ರ ಅಗತ್ಯತೆಯಂತೆ, ಲೆಕ್ಕಪತ್ರವಿಡುವ ಧೋರಣೆಯಲ್ಲಿ ಸ್ಥಿರಾಸ್ತಿಯ ಉಪಯುಕ್ತ ಆಯುರ್ಮಾನವನ್ನು ಗಮನದಲ್ಲಿಟ್ಟು ಸೂಕ್ತ ಇಳಿತಾಯವನ್ನು ತಗ್ಗಿಸಿದ ಮೌಲ್ಯವಿಧಾನದಿಂದ ನೇರಮಾರ್ಗದ ಮೂಲಕ ಮಾಡುವುದನ್ನು ವಿವರಿಸಲಾಗಿದೆ ಮತ್ತು

   (ಆ) **ಆರ್ಥಿಕ ಲೆಕ್ಕಪತ್ರಗಳ ಟಿಪ್ಪಣಿ ಸಂಖ್ಯೆ 3.13,** ನೌಕರರ ಸವಲತ್ತು ಕುರಿತಾದ ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ ಸುತ್ತೋಲೆ ಸಂಖ್ಯೆ ಡಿಬಿಓಡಿ. ಬಿಓಬಿಸಿ/80/21.04.018/ 2010.11, ದಿನಾಂಕ ಫೆಬ್ರವರಿ 9, 2011 ರಂತೆ ಭವಿಷ್ಯದ ಪೆನ್‌ಶನ್ ಹಾಗೂ ಗ್ರಾಚ್ಯೂಟಿ ಹೊರೆಯನ್ನು ಸರಿದೂಗಿಸಲಿಕ್ಕಾಗಿ, ಅಕೌಂಟಿಂಗ್ ಸ್ಟಾಂಡರ್ಡ್ (ಎಎಸ್) 15, ಅನ್ವಯ ಕಾದಿರಿಸಿದ ₹31.41 ಕೋಟಿಯನ್ನು ಬ್ಯಾಂಕು ಹೀರಿಕೊಂಡುದನ್ನು ವಿವರಿಸುತ್ತದೆ.

ಕಾನೂನು ಮತ್ತು ನಿಯಂತ್ರಣ ಅಗತ್ಯತೆ ಬಗ್ಗೆ ವರದಿ

8. ಆಸ್ತಿ ಹೊಣೆ ಪಟ್ಟಿ ಮತ್ತು ಲಾಭ ನಷ್ಟ ತಖ್ತೆಗಳನ್ನು ಬ್ಯಾಂಕಿಂಗ್ ನಿಯಂತ್ರಣ ಕಾಯ್ದೆ 1949 ವಿಭಾಗ 29 ಹಾಗೂ ಕಂಪೆನಿ ಕಾಯ್ದೆ 2013, ವಿಭಾಗ 133ರ ಅನುಸಾರವಾಗಿ ರಚಿಸಲಾಗಿದೆ.

9. Subject to the limitations of the audit indicated in paragraph 1 to 5 above, We report that:

   (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory.

   (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank.

   (c) the returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

10. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

11. We further report that:

   (i) the Balance Sheet and Profit and Loss Account dealt with by this report, are in agreement with the books of account and the returns;

   (ii) 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;

   (iii) the reports on the accounts of the branches audited by branch auditors have been dealt with in preparing our report in the manner considered necessary by us.

   (iv) on the basis of the written representation received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.

9. ಲೆಕ್ಕಪರಿಶೋಧಕರ ಮಿತಿಗನುಸಾರವಾಗಿ ಮೇಲ್ಕಾಣಿಸಿದ ಪ್ಯಾರಾ 1 ರಿಂದ 5ಕ್ಕೆ ಸಂಬಂಧಿಸಿ ನಮ್ಮ ವರದಿ ಹೀಗಿದೆ.

   (ಅ) ನಮ್ಮ ಅತ್ಯುತ್ತಮ ತಿಳುವಳಿಕೆ ಹಾಗೂ ನಂಬಿಕೆಯ ಪ್ರಕಾರ, ಲೆಕ್ಕಪತ್ರ ಪರಿಶೋಧನೆಗೆ ಅಗತ್ಯವೆಂದು ಕಂಡುಬಂದ ಎಲ್ಲಾ ಮಾಹಿತಿ ಮತ್ತು ವಿವರಣೆಗಳನ್ನು ನಾವು ಪಡೆದಿದ್ದು, ಅವುಗಳು ತೃಪ್ತಿಕರವಾಗಿದ್ದುವು ಎಂದು ಮನಗಂಡಿದ್ದೇವೆ.

   (ಆ) ನಮ್ಮ ಗಮನಕ್ಕೆ ಬಂದ ಬ್ಯಾಂಕಿನ ವ್ಯವಹಾರಗಳು ಬ್ಯಾಂಕಿನ ಅಧಿಕಾರ ವ್ಯಾಪ್ತಿಯ ಒಳಗಿದ್ದುವು ಮತ್ತು

   (ಇ) ನಮ್ಮ ಪರಿಶೋಧನೆಗೆ ಬೇಕಾದಂತಹ ಸಮರ್ಪಕವಾದ ವರದಿಗಳು ಬ್ಯಾಂಕಿನ ಶಾಖೆಗಳಿಂದ, ಕಚೇರಿಗಳಿಂದ ಲಭ್ಯವಾಗಿವೆ.

10. ನಮ್ಮ ಅಭಿಪ್ರಾಯದಂತೆ, ಆಸ್ತಿಹೊಣೆ ಪಟ್ಟಿ, ಲಾಭನಷ್ಟ ತಖ್ತೆ ಮತ್ತು ನಗದು ಪರಿಚಲನಾ ನಿರೂಪಣಾ ಪಟ್ಟಿಗಳು, ಕಂಪೆನಿ ಕಾಯ್ದೆ 1956 ಮತ್ತು ಈ ಕಾಯ್ದೆಗೆ ಸಂಬಂಧಿಸಿ ಹೆಚ್ಚುವರಿಯಾಗಿ ಬಂದ ವ್ಯಾಖ್ಯೆ– ಪ್ರಧಾನ ಸುತ್ತೋಲೆ 15/2013, ದಿನಾಂಕ 13, ಸೆಪ್ಟೆಂಬರ್ 2013, ಮಿನಿಸ್ಟ್ರಿ ಆಫ್ ಕಾರ್ಪೊರೇಟ್ ಅಫೇರ್ಸ್‌ನ ಪರಿಚ್ಛೇದ 133 ರ ಕಂಪೆನಿ ಕಾಯ್ದೆ 2013ರ ಆಶಯದಂತೆ ಮತ್ತು ಅವುಗಳಿಗೆ ಅನುಸಾರವಾಗಿ ರಚಿಸಲಾಗಿದೆ.

11. ಇನ್ನೂ ಹೆಚ್ಚುವರಿಯಾಗಿ ನಮ್ಮ ವರದಿ ಹೀಗಿದೆ.

   (i) ಈ ವರದಿಯಲ್ಲಿ ಕಾಣಿಸಿದ ಬ್ಯಾಂಕಿನ ಆಸ್ತಿಹೊಣೆ ಪಟ್ಟಿ ಮತ್ತು ಲಾಭನಷ್ಟ ತಖ್ತೆಗಳು ಬ್ಯಾಂಕಿನ ಲೆಕ್ಕಪುಸ್ತಕ ಮತ್ತು ವರದಿಗಳಿಗೆ ಹೊಂದಿಕೆಯಾಗಿರುತ್ತವೆ.

   (ii) ನಮ್ಮ ಅಭಿಪ್ರಾಯದಂತೆ, ಕಾನೂನು ಪ್ರಕಾರ ಅಗತ್ಯವಿರುವ ಲೆಕ್ಕಪತ್ರ ಪುಸ್ತಕಗಳನ್ನು ಬ್ಯಾಂಕು ಈ ತನಕ ಇರಿಸಿದೆ ಎನ್ನುವುದು. ಅಂತಹ ಪುಸ್ತಕಗಳ ಶೋಧನೆಯಿಂದ ನಮಗೆ ತಿಳಿದು ಬಂದಿದೆ.

   (iii) ಶಾಖಾ ಲೆಕ್ಕಪರಿಶೋಧಕರ, ಶಾಖೆಯ ಲೆಕ್ಕಪರಿಶೋಧನಾ ವರದಿಗಳನ್ನು ನಮಗೆ ಅಗತ್ಯ ಕಂಡಲ್ಲಿ ಬಳಸಿಕೊಂಡು ನಮ್ಮ ವರದಿಯನ್ನು ತಯಾರಿಸಿದ್ದೇವೆ.

   (iv) ನಿರ್ದೇಶಕರುಗಳಿಂದ ಲಭಿಸಿದ ಲಿಖಿತ ಮಾಹಿತಿ ಮತ್ತು ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ದಾಖಲೆಯ ಪರಿಶೋಧನೆಯನ್ವಯ ನಾವು ವರದಿ ಮಾಡುವುದೇನೆಂದರೆ, 31, ಮಾರ್ಚ್ 2015ಕ್ಕೆ ಯಾವೊಬ್ಬ ನಿರ್ದೇಶಕರು ಕಂಪೆನಿ ಕಾಯ್ದೆ 2013, ಉಪವಿಭಾಗ (2), ವಿಭಾಗ 164 ರ ಅನ್ವಯ ನಿರ್ದೇಶಕರಾಗಿ ನೇಮಕಗೊಳ್ಳಲು ಅನರ್ಹತೆಯನ್ನು ಹೊಂದಿಲ್ಲ.

For Kamath & Rau
Chartered Accountants
Firm Regn. No. 001689S

Sd/-
Parineeth Rau
Partner
M.No. 222039

For Abarna & Ananthan
Chartered Accountants
Firm Regn. No. 000003S

Sd/-
C.S. Gopalakrishna
Partner
M.No. 014706

ಕಾಮತ್ ಮತ್ತು ರಾವ್–ಗಾಗಿ
ಲೆಕ್ಕಪರಿಶೋಧಕರು
ಸಂಸ್ಥೆಯ ನೋಂದಣಿ ಸಂಖ್ಯೆ: 001689ಎಸ್

ಸಹಿ/–
ಪರಿಣೀತ್ ರಾವ್
ಪಾಲುದಾರರು
ಸದಸ್ಯತನ ಸಂಖ್ಯೆ: 222039

ಅಬರ್ಣ ಮತ್ತು ಅನಂತನ್–ಗಾಗಿ
ಲೆಕ್ಕಪರಿಶೋಧಕರು
ಸಂಸ್ಥೆಯ ನೋಂದಣಿ ಸಂಖ್ಯೆ: 000003ಎಸ್

ಸಹಿ/–
ಸಿ.ಎಸ್. ಗೋಪಾಲಕೃಷ್ಣ
ಪಾಲುದಾರರು
ಸದಸ್ಯತನ ಸಂಖ್ಯೆ: 014706

Place : Mangaluru
Date : May 22nd, 2015

ಸ್ಥಳ : ಮಂಗಳೂರು
ದಿನಾಂಕ : ಮೇ 22, 2015

Facts at a glance

1. No. of Deposit Accounts	**8550831**
2. No. of Advances Accounts	**491950**

3. Advances to priority sector (₹ in lakh)

Types of Advances	Number of Accounts at the end of the year	Balance outstanding at the end of the year
a) Agriculture and Allied Activities	301134	423871.92
b) Advances to Small Enterprises	39601	629160.88
c) Educational Loan	6731	16155.84
d) Housing Loan	23581	174987.02
e) Other Priority Sectors	6528	14554.48
Total	**377575**	**1258730.14**
Export Credit		163748.23

4. Branches

	Rural	Semi-Urban	Urban	Metro-politan	Total
No. of Branches at the end of the year	146	160	197	172	675

5. Staff

	Officers	Clerks	Sub-Staff	Total
As at the end of the year	2780	3229	1373	7382
Recruited during the year	18	491	4	513

6. Staff Training

Bank's own training college			At Bankers' Training College (RBI) & other Training Colleges	At Work shops & Seminars
Officers	Clerks	Sub Staff		
859	635	143	580	72

KSN Adiga Birth Centenary Celebration

Sri H.D. Devegowda, the Former Prime Minister of India paying respects to Late KSN Adiga, Doyen of the Bank

Founders' Day Lecture

Padma Bhushan Dr. K. Radhakrishnan, Former Chairman of ISRO, delivering the Founders' Day Lecture in Mangaluru

e-Lobby

Launching of e-Lobby 24 x 7 Banking Services at Bengaluru - Jayanagar 9th Block Branch

BANK'S MISSION

"To be a technology savvy, customer centric progressive bank with a national presence, driven by the highest standards of corporate governance and guided by sound ethical values"

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CIN: L85110KA1924PLC001128