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‡að¶ aða ‡áða⁄aí£a⁄a 763, , a¥¥a ôa£a, þaja⁄-600 002



Indian Overseas Bank

Central Office: 763, Anna Salai, Chennai - 600 002

laaana Report 2005-2006

湖南南道湖 Yãa Êã / BOARD OF DIRECTORS

Nããe > ãe t Ôã ¶ããÀã¾ã¥ãÔãã¼ããe . aE3/aba lā lāflassā assē is atāš (ag Tagas 09.06.2005 0a)

Ñããè †, ããÀ. ¶ãã0ã¹¹ã¶ã

‡áðaðáa£átað að að far á átað (30.04.2006 ¦atað)

Ñããè †.Ìããè ªìØãã; ñ

‡ášákálázÉ átአáðjíð ál átአ(01.05.2006 Ó á)

Ñããè Vã£ãÔã㪠Tã 1ãÑããª Wah¦ā Ôāh‡āšāh ‡āš ¶aaabalā ā ālþi ní ātāš

Ñããè Ôããè †Ôã *V*ããã ãÃ

VaiA; aaka alle à aï° ataš ‡aš ¶aaka a atle ii ataš Nããè Í ãđãŠÀ Jã Nããã đã lãô đJã ±ã/ãhã/(1ahã> Ô>ãã) Amada acada i as

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távánada (, andatáda) Pamba arean i atá

Ñããè ÔãÕã Œã¨ããè

Vanà là Ôaà tašà taš Panava a albe il ataš

Ñãã † 1/ã † ¶ã ‡ãжª ÔÌ ãã 1/ãã è Varà¦ā Ôaìtašrì taš ¶arava a albení ataš

Nããè tôa tak ôaö0ãêã Í ákki Ezáltás ába í átás

Nããe †½ †¶ã Ìã¢ãŠ Ôã¶ã Í ábáð Ezáðtáð áðað í átáð

Ñããè , ã Í ããh㊠‡ãŠVããÀ VããOãÅã Í aká Eaátá aga í atá

Ñããè ãÞãÀâ ããºã Ôã¶ã Í aká Eaátá aga í atá

Shri T S Narayanasami

Chairman and Managing Director (from 09.06.2005)

Shri AR Nagappan

Executive Director (till 30.04.2006)

Shri A.V. Dugade

Executive Director (from 01.05.2006)

Shri Madhusudan Prasad

Government Nominee Director

Shri C S Murthy

RBI Nominee Director

Shri Sankaran Srinivasan

Employees (Award staff) Nominee Director

Shri J D Sharma

Employees (Officer) Nominee Director

Shri Sooraj Khatri

Nominated by the Government of India

Shri M N Kandaswamy

Nominated by the Government of India

Shri S.K. Sehgal

Shareholder Director

Shri M.N. Venkatesan

Shareholder Director

Shri Ashok Kumar Bhargava

Shareholder Director

Shri Chiranjib Sen

Shareholder Director

拯Fãã ¹ãÀããããtãŠ ãã 1/2 à Àã 1/4 ; ‡ã Sà Ìãn thái taga †Ôã ‡**aổ ali aliana**|| pr**a**ã † **li** ‡ taổa , ããÀ †Ôã ãĐÔã 1ã¾Xãã †N¥; ‡ãŠã

AUDITORS

Amit Ray & Co. Ved & Co. C.S.Hariharan & Co †Ôā, āÀ, āÀtāŠ Íð/āĀŤÔāāðāT>Ôā SRRK Sharma Associates S K Singhania & Co R S Sipayya & Co

Àãã ãÔ > BÀ † Ìãã Í ãBÁBÀ , ã\$ ãÀ¥ã † • ão• VaO a D a A t a Sava Va A a m t a Sava A a D a a B a a B a . (3/db) -, ay , an a) 02 and a/di a/di i bi, (Unit-IOB) Subramanian Building I Floor, No.1, Club House Road

Þänäf - 600 002 ¹ãã¶ã - 28460390 (œÖ Êãã∮¶ã),

¹ãðjäða -28460129

fiva : cameosys@satyam.net.in

Registrars & Share Transfer Agent

M/s. Cameo Corporate Services Ltd Chennai - 600 002

Tel: 28460390 (Six Lines)

Fax: 28460129

e mail: cameosys@satyam.net.in

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Indian Overseas Bank

Central Office: 763, Anna Salai, Chennai - 600 002

lããã lã lãã lãã la lãã la la la Report 2005-2006

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Nãaè>ãè † Ñã ¶ãÀã¾á¥áðãa¼ãè , 番¾ãã lã ¹æããa 魏严í āðð Shri TS Narayanasami Chairman and Managing Director

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Dear Shareholders.

It is my pleasure to present your Bank's Annual Report and financial statements for the year 2005-2006. While the details are available in the Directors' report and the Management Discussion and Analysis report, I would like to touch upon some of the key issues.

The Indian economy exhibited a strong performance during 2005-06, led by sustained growth in the industry and the services sectors. According to the advance estimates of the Central Statistical Organization (CSO), real GDP growth accelerated from 7.5 per cent in 2004-05 to 8.1 per cent in 2005-06. The services sector, which recorded double-digit growth for the second successive year, continued to be the major driver of economic activity, contributing almost three-fourth of overall real GDP growth during 2005-06.

The Agricultural production during 2005-06 recorded a growth of 2.3% due to satisfactory rainfall and moisture conditions during the year. Industrial production registered strong growth during April-February2005-06 on the back of robust and broad-based manufacturing activity. The manufacturing sector recorded a growth of 9.0 per cent in 2005-06 on top of 8.9 per cent rise a year ago.

‡aði ‡aði °aði °aði áði Éaði, aðiði Éa Óaðaði; ā ‡aði †aði áði áði þá Áía þá 31.3.2006 ‡aði 28.55 % ÀÖā Ööý ¾Öãi¾Ö ¹aððaððaðā Ööðiðaði áði àði 28.55 % ÀÖā Ööý ¾Öãi¾Ö ¹aððaððaðā Ööðiðaði áði àðiða ðaði aðiða ðaði aðiða ðaði aðiða ðaði aðiða ðaði aðiða ðaðiða ða ðaðiða ðaðiða ðaðiða ðaðiða ðaðiða ðaðiða ðaðiða ðaðiða ðaðiða

Exports went up by 24.7% during the period April 2005 – March 2006 in dollar terms and imports surged by 31.5% in the same period. Stock market has been buoyant consistently and the year was good for Mutual funds in terms of mobilisation of funds. Foreign Institutional Investors (FIIs) continued to invest heavily in our markets, reposing confidence in the economy.

Turning to your bank's performance, I deem it a pleasure in informing our shareholders that the total income of your bank has crossed Rs5000 Crore mark. IOB's deposits in FY 2006 registered a growth of 14.21 percent to reach Rs.50529.32 Crore as against Rs.44241.24 Crore in FY 2005.Gross Advances in FY 06 registered an unprecedented growth of 36.10 percent to reach Rs.35759.43 Crore, as against Rs.26274.13 Crore as of March 2005.Total business of the bank grew by 22.37 percent to reach Rs.86288 Crore as of March 2006 (Rs.70515 Crore as of March 2005).

Keeping in view the Interest rate scenario currently obtaining in the industry, both from the point of view of cost of resources, as also, fierce competition impairing yield on advances, your bank has been able to maintain a very impressive Net Interest Margin at above 4 percent. This is on account of impeccable Asset Liability Management and also because of sharp focus towards recovery of NPAs.

Gross NPA in absolute terms declined from Rs.1388.15 Crore in 2004-2005 to Rs.1227.55 Crore in 2005-2006. Gross NPA ratio declined from 5.28 percent to 3.43 percent during the year. Net NPA in absolute terms declined from Rs.319.20 Crore in 2004-05 to Rs.224.33 Crore in 2005-06. Net NPA ratio declined from 1.27 percent to 0.65 percent during the year. Provision coverage ratio improved from 77 percent to 81.73 percent.

Bank's Profit after Tax, as a percentage of Net Worth as of 31.3.2006 stands at 28.55 percent. It is relevant that it has consistently been in the vicinity of 28-29 percent in the last few years. It is pertinent to mention here that the bank has been identified as one of the 25 banks worldwide, which have consistently given a higher Return on Net worth as per Forbes ratings.



Öő az aðafjan °advað taðan 1aðan Óafi °A-agjal aðin¥á taði , afjað aði aðjal að á Óaðvaði á 1añ laðvag aði "ÞÞajaði 1aðbjað aðvái 1að afja aðvás öð ý

'ade'azádtá'ya à aria "Ezik taő ¦áð¦á °akó taón , azádanta kamath, adhia£a °akó "Ezik taő 41.68 % köá, •ari40 % taó káð beki kanti tái í ári, adhia£a °akó "Ezik ko taðhia "Ezik kanti tað 2006 taðin 8.09 % köá •ari18 % tað kanti tái í ári, adhia£ó örý °akó ¶riahaíaíaón taðhia "Ezik 3ari alþa tað ¦áð¦á adhæaðh¦á Ézik 3a Á. 3575 taðhaí tað 1aðha Á. 4208 taðhaí aðha aðha aðhá áðhá ý

The Average Return on Assets of the bank is also one of the highest in the industry, which has improved from 1.29 percent in 2004-2005 to 1.38 percent in 2005-2006.

Total Income Growth during the year 2005-2006 is 8.08 percent. Net Interest Income growth, as a percentage, during the same period is 11.41 percent. Core Operating Profit (excluding Treasury gains and dividend earnings) registered a growth of 16.61 percent (from Rs.1107.51 Crore in 2004-2005 to Rs.1291.48 Crore during 2005-2006). The bank's Net Profit rose from Rs651.36 Crores in 2004-2005 to Rs783.34 Crores in 2005-2006, showing a growth of 20.26%, due to better asset quality and record growth in advances.

The bank's deployment under Priority Sector Lending constituted 41.68 percent of Net Bank Credit, well above the national norm of 40 percent. Agriculture lending to Net Bank Credit was 18.09 percent as of March 2006, above the 18% norm. The bank disbursed Rs. 4208 crore under Special Agricultural Credit Plan as against the target of Rs 3575 crore. The increase in disbursement of credit to agricultural sector over the last year's disbursement was 53.24% as against the incremental credit flow of 30% mandated by the Government of India. Kisan Credit Cards issued during the year were 233837, taking the total number of cards issued to 1059369 as at the end of the year. 39202 Self-Help Groups were creditlinked during the year with a credit outlay of Rs 218 crore during this year.

Non Interest Income (excluding Treasury gains) registered a growth of 15.95 percent during the year, rising from Rs.426.50 Crore as of 31.3.2005 to Rs.494.54 Crore as of 31.3.2006. As a percentage of Total income, the Non-Interest Income constituted 13.46%, which the bank aims to take to at least 15 percent in the current financial year. It is with this end and to enable the customers and shareholders buy all the products under One Roof, we introduced a slew of products, such as IOB Jeevan, a life cover at a price cheaper than a customer could get directly from an insurance company, IOB Health Care, Marketing of Mutual Funds products of reputed

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mutual fund companies, Sale of Gold Coins which is of 99.99% purity in convenient denominations, IOB Visa International Credit Card and IOB VISA International Debit Card

We have proposed the opening of Field General Manager Offices in a phased manner during the perspective plan period 2006-2009. With the economy growing at a rapid pace with a boom in almost all sectors, the future is very promising. The market holds enormous potential, and the bank, which moves closer to the market, will seize opportunities and improve business share. With fierce competition, hardening of interest rates and margins under pressure, it has become imperative for operational heads to be closer to the grass root level. This would help optimize our efforts, enlarge market share and get the best from centres where we have a strong hold. It would also help effective monitoring of asset quality.

Your bank has continued to spread its wings overseas. Apart from having five branches and one extension counter/remittance centre each, overseas, the Bank during the year, had opened two Representative Offices - one in Guangzhou, China and another in Kuala Lumpur, Malaysia to support other overseas branches and domestic branches in India in terms of business growth. The Bank had deputed two of its officers to UAE to liaise between the branches in India and the NRI clientele of the bank and also to market the various products of the Bank. The Bank is in the process of obtaining necessary approvals for opening a Branch Office in New Zealand and a Representative Office in Vietnam during the course of the current year.

Our good results have been the results of all IOBians putting their shoulder to the wheel. It is heartening to note that the Business per employee has increased from Rs.2.88 Crore to Rs.3.55 Crore, a growth of 23.26 percent and Profit per employee has improved from Rs.2.66 lacs to Rs.3.22 lacs, registering a growth of 21.05 percent. As a means to reward performers and develop them for shouldering further responsibilities, intensive training has been given

ÖVÁ É ADAR ARÁ (Pát , A ADAR ADARÁN PÉR | TOÖO, ARÁ , AR AÉÉ A PÁ LÁRÁ I TAÓOT Ì TÁ " "PÓ Ó CHARÁ" (PA LVÁLÁŠ À ARARA, ARO LAŠ Ó CHARÁ PÁ DÁ A PÁ CHARÁ A CHAR

to them. Over 55% of our staff have been trained last year internally. Many Executives, the Best Performing Managers and Officers were sent for overseas training.

Our shareholders will be happy to note that Standard and Poor's, a reputed International rating agency has conferred the most prestigious International Credit rating BB+ Positive (Long term).

We constantly seek to identify and assess new opportunities and create the organizational capabilities to translate them into viable businesses. In doing so, we challenge existing paradigms, driving change rather than only responding to it. Going forward, we will continue to strive to innovate and capture opportunities for growth and value creation. As in our journey thus far, we look forward to the continued support of all our stakeholders in this endeavour.

Yours sincerely

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T S NARAYANASAMI

CHAIRMAN AND MANAGING DIRECTOR

Í ãĐÃÀ Eãà LÊÃÒ TÊÃÑ Ôà Pà JÃÃ

aprif atás vá Éa tás , ærif ægiðæl

Þama√ 27.04.2006 (> āè † Ôā ¶āāÀā¾ā¥āðāā¾āā) , ⣾āaā lā ¹ā¶ādā ā¶ā°lī ātāŠ

¶ãã Đã

1. ¹ã**āl**jāÔããè‡ãŠãè ã**d**ã⁄**ããs**ãŠ

「ahkāAEaaA‡aš ṭāšān°ab'ṭāš ½ō "¹āab°a¦ā Öāfjān, āab Ìāab ṭāšā fān ½ān ahāšō öṭāš Öō "『[計āš °āªĒān ½ān ahāšōāaē ¹ābaaāfjāa£ā ṭāšānādjā‰āsāš ṭāšā fān ṭāšā Öṭāš Öō, āab ¹ābaāādjāa£ā °ābāš ṭāšā 「ābaA ĒāaĀṭāš Öān ¾āŌ •āĀĀāē ¶āōāē Öņ

2. ¹ākātātātā,ā ¹ākāādhātā ṭāšāe ādh3/aā\$āš

NOTICE TO SHAREHOLDERS

Notice is hereby given that the SIXTH Annual General Meeting of the shareholders of INDIAN OVERSEAS BANK will be held on Friday, the 16th June 2006 at 10 15 A.M at RANI SEETHAI HALL, 603, Anna Salai, Chennai-600006, to transact the following business:

To discuss the Balance Sheet of the Bank as at 31st March 2006, Profit & Loss account for the year ended 31st March 2006, the report of the Board of Directors on the working and activities of the Bank for the period covered by the accounts and the Auditors' Report on the Balance Sheet and Accounts.

BY ORDER OF BOARD OF DIRECTORS

Chennai 27 04 2006 (T S NARAYANASAMI)
Chairman and Managing Director

NOTES

1. APPOINTMENT OF PROXY

A SHAREHOLDER, ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF AND SUCH PROXY NEED NOT BE A SHAREHOLDER OF THE BANK.

The instrument appointing proxy should, however, be deposited at the Head office of the Bank not less than four days before the closing hours of the Bank ie. on or before the closing hours of the Bank on Monday,12th June 2006.

2. APPOINTMENT OF AN AUTHORISED REPRESENTATIVE

No person shall be entitled to attend or vote at any meeting of the shareholders of Indian Overseas Bank as the duly authorised representative of a company unless a copy of the resolution appointing him as a duly authorised representative certified to be a true copy by the chairman of the meeting at which it was passed has been deposited at the Head Office of the Bank not less than four days before the date fixed for the meeting i.e. on or before the closing hours of the Bank on Monday, 12th June 2006

- 3. °aká táð akáðæ Væ , antatáð Aæ , a ak a táð vá að æ táð akæ táð akáð æ Væ Í akk Eæð táð tað tað táð á tagan pala , a ak a tað að tað aðæ táð Â tá Væ ak Bagð å ¶ð æ ak 38 a •an a þæð t ý
- 4. "¹ããÔ°ãããã ¹ãÞããê ¦ã°ãã ¹ãÌãíã ¹ãÞããê

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5. TäðáA £ããÁtãŠão t㊠Áãã ãÔ> À tãŠãn °ãã tãŠÁ ¶ãã

[anka] Earl tašo tašo lašo lašo al) à , and °and tašo [anka] , ana) ¥a °and ¾au 13.05.2006 ([anka] ard) 0m19.05.2006 ([anka] ard) ¦atš °ar la oneo (anka) ard [anka] ard [anka]

6. Êãã/4ããÍ ā ‡ãŠ āĒㆠ°ã¢ãŠ-, ãã£ãªiÍ ã

7. ¹ã¦ãn ¼ãò ¹ããÀ lã¦ãÃã ,ããÀ Êãã¼ããÁã ,ãã£ãª níã

[anki) Earl tako tako [anki) lad) tahatak A'a (anki) ataéa takéa takéa takéa takéa takéa takéa tahatakéa t

 No officer or employee of the bank shall be appointed as Authorised Representative or proxy of a shareholder.

4. ATTENDANCE SLIP AND ENTRY PASS

For the convenience of the shareholders, attendance slip cum entry pass is annexed to this notice. Shareholders/ proxy holders/ representatives are requested to affix their signature at the space provided therein and surrender the same at the venue. Proxy holders/ representatives should state on the attendance slip cum entry pass as "proxy or representative" as the case may be and should have proof of their identity by getting their signature attested by the shareholder.

5. CLOSURE OF REGISTER OF SHAREHOLDERS:

The Register of Shareholders and Share Transfer books of the Bank will remain closed from 13 05 2006(SATURDAY) to 19 05 2006(FRIDAY) (both days inclusive). Dividend shall be mailed within one month from the date of Annual General Meeting.

6. BANK MANDATE FOR DIVIDEND:

In order to get protection from fraudulent encashment of warrants, shareholders are requested to furnish their bank account number, the name of the Bank and the branch where they would like to deposit the dividend warrants for encashment. These particulars will be printed on the cheque portion of the dividend warrants, besides the name of the shareholder so that these warrants cannot be encashed by anyone else. The above mentioned details should be furnished by the first/sole shareholder directly to the share transfer agent quoting the folio No. or DP Id no. & client Id no. and the number of shares held. This is applicable for all shareholders who have not submitted ECS mandate(s)

7. CHANGE OF ADDRESS AND DIVIDEND MANDATE:

In case of shareholders holding shares in physical form, they are requested to intimate change in their address, dividend mandate and the particulars of the bank, branch and bank account number which the shareholder desires

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(, ãaf , ãaf ãæ³⁄aað þ) 1**382/a** ¦Æã, Ôð **3822¥3/8**a ælæ£ ; **s**ía, **P**a1 - taÊa'ā Öā,,Ôā Àāj , ÞāMaf - 600 002

Í áðáð fÊðlað Þellatið 1ðálað, á þela í ábbo Cealántað Vælada Ó án ÀCEATATÍ ARÉATÍ ARAÁCARÁ TÁS, • ATT, A ATTATÉAT/ARÁ A Í ARÁS 🕹 f!3/ARAF 1 A , a ayan a axo yao o n taadda ayaa, £aal aada a a aada ahaa, cahaa, faacaa táš °3/añað , aña °atáš (Ealað ÓafE3/a 1/að tášaf á 1aña) a aña táða) afla ÞÆÖ¦ÆÖÖ ÌÆNfÔÆTÁŠÆÔÆÞÆÐÆ ÆÐÆÆŠÆ ÄÐÆÆŠÆ ÀÆÞÆÐÆÆÐÆÆ ÞÆÐ añaòý Éæl/æðá táðá áðátáð¥á ,æðá fóatáð Válda æðhá táð áðfát āð ¶āðað 12.05.2006 táðinā 1āāða à Àæ´ā à "1ā£ð £ā táð Ìāð fã OGFÃ, "18/46AŠ • 2019 ptášà Až 12A Öze aliad 20A aptáš/aa • 2011 Oga ý

- 8. ¹ášaná£a⁄amtáši Óa/aháðjá : ¾Ö ¹aæ/a 0æ/a Ööaháš táš/ÃĺáháÁ£æÁtáš †‡áŠ Ôm, zahátአ¹ášmákákan³ka∏ae ahahátá ¹ášmákákanÀŒá mÖöý Í áðáð Eæð tákið tákið aða Ó áðaið 1aft afði tákið Pin; a Pið † Ó ári ákiðali á kamtáki Ìān¹āšankāðan taša Ôalahašya tašAò, aaA ÍadaA ¹anaa¥a-¹a'a tašan
- 9. Ô> alaš † ‡aÔþ að aāð ‡aš Ôaaºa að þó aæð ‡ā a£ aað > sla ‡að að ‡að að ‡að ¹ããÅÍãããÃãã Œã¥; 49 IV •ãæ‡ãŠ¦ãÖ¦ã , ãããããããããÃãÃãÃãÃ 1/4¥; Êã 40[4º 11 átášá) táš Ó áða át¦á 1 áðhášáy Éã, tášá áðán 1 áfládáljá Ôaðafaæ að að að Ávaðað † Øa† Öiv
- (tá) ÍanAíA£anAtášo tášn Óaaþa á atáška ag a Öö atáš ÌaanÁtáš að að Ā táše 1 a ná á a ná la mhálás Ó a la mhálás ú • aat daay , a a í ahkaleaaltasa úan , ahalada úa aká í an úaleadha Ìaz**ahá**lás að lagy Á þáse , a alþae laðbaskaú Óaas Éaban , aat ví
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(> ãè † Ôã ¶ããÀã¾ã¥ãÔãã¼ããð , ã£3⁄ãã lã ¹ã¶ã£ã ã¶ãº íÍ á‡áŠ

to incorporate on the dividend warrant to the Registrar cum Transfer Agent of the Bank on or before 15.06.2006 at the following address:

Cameo Corporate Services Ltd

(IOB-unit)

Ist floor, Subramanian Building, No.1-Club House Road, Chennai-600002.

In case of shareholders holding shares in the Electronic form i.e., through Demat account, they are requested to intimate change in their address, dividend mandate and the particulars of the bank, branch and bank account number which the shareholder desires to incorporate on the dividend warrant etc., to the depository participant only, as the aforesaid information provided by the Depository as on 12 05 2006 would only be considered for the purpose of payment and distribution of dividend.

- 8. Consolidation of Folios: It has been found that many shareholders maintain more than one folio (i.e.) Multiple folios. In order to provide efficient service to shareholders as well as to consolidate such folios, we request the shareholders to consolidate folios and to send the share certificates to Registrar and Share Transfer Agents for necessary corrections in the records of the Registrar.
- 9. As required under the Revised Clause 49 IV G of the Listing agreement executed with the Stock Exchanges, brief profiles of Directors are given in the Report on Corporate Governance.
- 10. Request to shareholders:
- (a) Shareholders are advised that copies of the Annual Report will not be distributed at the venue of the Annual General Meeting and hence, shareholders are requested to bring their copies of the Annual Report enclosed herewith.
- (b) Shareholders may kindly note that no gifts/ coupons will be distributed at the venue of the meeting.

BY ORDER OF BOARD OF DIRECTORS

Chennai

(T S NARAYANASAMI)

27 04 2006

Chairman and Managing Director

27.04.2006

Þämlif



TIÃ THÀ TÂN TÂN AT A GLANCE

Á Þáðhánján Van Rs. in crore March 2005 March 2006 Ôãã Ì ã Ñ 4ãã **đã đã t**ã 5 • ã 1/**ã**ã - À ãã đã ã 3/**ã**ã ú **Global Deposits** 44,241 50,529 a fi ãã¾a • ã/ãã - Àããá ã¾ããú **Domestic Deposits** 42,817 49,035 Global Net Advances 34,756 25,205 **Domestic Net Advances** 23,485 32,734 ādālāĒā 1ādēāādatā àāñā , āādādā **Net Priority Sector Advances** 9,870 13,718 ţãðaða "£ããÀ **Agricultural Credit** 4,261 5,954 拆âi "²ããðã "£ããÀ SSI Credit 2,463 3,167 Ôã‡ãŠÊã Êãã¼ã **Gross Profit** 1,497 1,534 ã¶ãÌãÊã Êãã¼ã **Net Profit** 651 783

Ìã**ã** á lã tá Š ̾ à lã Ôãã ¼ à ã¶ bÚ ãã ª¶ à

°aká táše táče *akéntú kadrá 2005 taš, aká taš Áû44,241 tákán Ôān°ar tak kadrú kadrá 2006 tatá Áû50,529 tákán tatá 120 kadrú "Ôær "ðatana taš aðana haðana taš ándi etá andi e

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Vaid al 2006 ‡að , aþá ¦atað °ahað ‡aðe ¹aðhá ¹al al aðaðafatað aða þí aæ Íaceat ú °ae - Öanataðana Vao 2 , aða aðanaraða, Óaðe á †ía Nae aðaða Vao†‡a𠆇að Íacear ý °ahað ‡aðe Nae aða Vao†‡að "¹á Íacear , aða aðanaraða Vao†‡að £alþaðaða á ‡aðð Vae °an

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°anső þaæða í adníhað °andahn flór aðean ; Vaottáð í aðean tí aðaldakn afrava Vaottáð í aðnarðhanda táðakaðean kao caað afra tað að af t •a A À æ, afravað flo 1 aðu ¦a tað flortáð e í aðnað kao Vao Ö o ý

DIRECTORS' REPORT 2005-06

The Board of Directors have pleasure in presenting the Annual Report together with the audited Balance Sheet and Profit and Loss Account of the Bank for the year ended March 31, 2006.

The year 2005-06 was quite eventful for the Bank with its seventieth year of operations beginning from February 10, 2006, the Foundation Day. The Bank re-entered Malaysia on December 29, 2005 with a Representative Office at Kuala Lumpur.

The Bank had an excellent year of operations in 2005-06 and overall business showed record growth. Most impressive was the growth in advances. Growth in profits was on an uptrend in spite of slowdown in treasury gains. The Bank was awarded the most prestigious international credit rating "BB+" long-term by Standard & Poor's, the most reputed global rating agency.

Global Business Performance

The total deposits of the Bank increased from Rs.44,241 crore as at the end of March 2005 to Rs.50,529 crore as of March 2006. Global net advances also increased significantly from Rs.25,205 crore to Rs.34,756 crore during the same period. The Gross advances rose to Rs.35,759 crore from Rs.26,274 crore. The Bank registered its highest ever CD Ratio of 70.8% as at the end of March 2006. Net investments of the Bank stood at Rs.18,952 crore.

Performance of Overseas Branches

The Bank had, as at the end of March 2006, five full fledged branches overseas - two in Hong Kong and one each in Singapore, Seoul and Sri Lanka. The Bank also had an extension counter in Sri Lanka and a Remittance centre in Singapore.

During the year, the Bank had opened two Representative Offices - one in Guangzhou, China and another in Kuala Lumpur, Malaysia to support other overseas branches and domestic branches in India in terms of business growth.

The Bank had deputed two of its officers to UAE to liaise between the branches in India and the NRI clientele of the Bank and also to market the various products of the Bank.

The Bank is in the process of obtaining necessary approvals for opening a Branch Office in New Zealand and a Representative Office in Vietnam during the course of the current year.



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°ādaŠ ‡āŠā ādplā āĒā Ēāā/ā 2004-05 ‡āŠ Áû 651 ‡āŠhām, Ôān °ām‡āŠh 2005-06 ½ābÁû 783 ‡āŠām, |ataŠ †āðhāā, atal 20.3% ‡āŠāe lāmap Öjf Åý lādā 2005-06 ‡āŠā ārāt 26 % ‡āŠā Ēāā/ātā †ādl‡ātālā öōý

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Financial Results

The global operating profit of the Bank increased from Rs.1,497 crore in 2004-05 to Rs.1,534 crore in 2005-06 after payment of wage arrears, and provisions for pension and gratuity, etc. The Bank was able to maintain the growth in operating profit due to rapid expansion in core aggregate business.

Provisions

The Bank set apart a sum of Rs.750.4 crore towards provisions and contingencies as per the requirements.

Net Profit / Dividend

The Bank's Net Profit rose from Rs.651 crore in 2004-05 to Rs.783 crore in 2005-06 showing a growth of 20.3%. A dividend of 26 % is being proposed for the year 2005-06.

Cost and Income Analysis

Due to buoyant credit growth in the financial year, the Bank was geared to achieve more profit from domestic operations. The total interest earnings of the Bank improved significantly by Rs.455 crore from Rs.3,951 crore to Rs.4,406 crore despite lower interest earnings on investments. The actual rise in interest earnings of Rs.455 crore was more than double the increase of Rs.197 crore made in 2004-05.

As to non-interest earnings, profit on sale of investments declined from Rs.373 crore to Rs.234 crore for the period under review. Other non-interest earnings comprising commission, exchange, profit on exchange and fee-based services like insurance and mutual funds increased from Rs.421 crore to Rs.451 crore. The total income of the Bank crossed the Rs.5,000 crore mark and aggregated to Rs 5,134 crore as compared to Rs.4,751 crore in the previous year.

The interest expenditure increased to Rs 2,339 crore from Rs.2,096 crore due to rise in volume of deposits as also hike in interest rates. However, Bank was able to keep a healthy Net Interest Margin as a percentage to average earning assets at 4.05%. The total operating expenses went up from Rs.1,159 crore to Rs.1,262 crore during the accounting period. The increase of Rs.103 crore was lower when compared to the rise of Rs.144 crore last year.

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Accordingly, the Bank's operating profit increased to Rs.1,534 crore and the core operating profit rose significantly to Rs.1,257 crore as from Rs.1,118 crore in 2004-05.

Net profit showed a higher growth as seen above because of better asset quality notwithstanding the record growth in advances. Consequently, the Return on Assets improved to 1.32 % from 1.28 %.

Capital Adequacy

IOB became the first bank to raise Rs. 200 crore through Perpetual Bonds which qualify as Tier-I capital. The Bank's overall CRAR stood at 13.04 % as at the end of March 2006, of which Tier I capital constituted 8.54%. The CRAR continued to remain comfortable despite aggressive growth in credit.

Branch Network

During the year, the Bank opened 14 branches and 6 extension counters were upgraded as branches. As part of rationalisation of the network of branches, one branch was merged while two branches were converted into Satellite Offices. As regards extension counters in India, the Bank opened eleven and closed four. As at March 31, 2006 the Bank had a network of 1,513 branches and 253 extension counters in India. Population group-wise break-up shows that the Bank had 548 rural branches, 378 semi-urban, 317 urban and 270 metropolitan/port town branches in India as at the end of March 31, 2006.

Customer Service

In a market-driven banking industry, customer service takes the centre stage and many initiatives were taken in this regard. Right to Information Act 2005 came into effect from October12, 2005. In compliance with the provisions of the Act, Central Public Information Officer (CPIO) at Central Office and Central Assistant Public Information Officers (CAPIO) at Regional Offices were designated. Also, an Appellate Authority, comprising three General Managers, was constituted for appeals against the decisions of CPIO. During the year, 30 enquiries were handled by the Department under the Act.

Banking Ombudsman Scheme 2002 was replaced by Banking Ombudsman Scheme 2006, effective from January 1, 2006. The scope of the Scheme, has been widened to include deficiencies in ATM / ABB services, Credit Cards, handling of pensioners' accounts etc.



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The recommendations of the Committee on Procedures and Performance Audit of Public Services (Tarapore Committee) have been implemented by the Bank. During 2005-06, 1,457 complaints were received, of which 1,351 complaints were resolved and the settlement rate was 92.7%. Customer Service Centre, for which the Bank is the convenor in Chennai City, had received 23 complaints and all of them were resolved.

Retail Banking and Marketing

The Bank had, in tune with the policy of augmenting fee income, introduced insurance linked products and entered into tie-up with seven leading Mutual Fund Companies for distribution of Mutual Fund Products. These efforts have, in addition to augmenting fee income, made it possible for the Bank to provide various financial services required by the customers from a single window. Several insurance / retail products were launched during the year.

The insurance products included Vidya Suraksha where Life Insurance cover is provided to both students and parents at a nominal premium in tieup with LIC of India. Vidya Jyothi with Suraksha is for those who avail Educational Loan. It provides the Life Insurance and the premium is added on to the loan amount.

IOB-Jeevan aims to cover all the individual account holders for Group Term Insurance Cover in tie-up with LIC of India at a very low premium. IOB-Health Care Plus is for all account holders of the Bank. It offers health cover (Mediclaim) in tie-up with United India Insurance Company Ltd. Liability Insurance is meant for all retail borrowal accounts with repayment period of 3 years and above. The life cover to the borrower is provided by LIC of India.

Easy Trade Finance, a scheme to provide finance on easier terms to retail traders, was also launched. Under the scheme, both term loan and working capital requirements of retail traders are made available.

To broad-base the retail coverage, 'No-frills' savings account was introduced in rural and semiurban areas. The minimum balance norm is kept very low at Rs.5/ - in order to make banking services available to large number of people.

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Àã-ā/vãdvã ‡áša/vãÁ) á/víjā ‡áš àãñã 1/ão 1/vãÁ;ã Ôá̇áŠÁ ´áÀã ágh£asãÁ;ã Êæ3%æ6;4&m1æ2¦a ‡æ8¶m‡æ6æ6af °æ1æ6 ´æ1æ ÖÀ Ôæ1æ1a 1æ1æ2ôa æ1æ5† Đất Öỷ fốã là Đất tạ ở đã đặc, °đạ ở Tân độ Pà: 128 đã độ Pà: 128 độ Pà: 128 đã độ Pà: 128 đã Pà: tað % À À að % að ¶ a taða 1a7kadia ° ar afin 1a 🗸 a % að að 🕏 að að 3⁄a OBAGO ÖÖ , ZAA ÀA-AACODA , ZAGZADBAJA ‡AXBEEZAA 3(3) ‡AXA , ADFZEÊADA Ôã#Ap##Á Þájā áðjáŠváa 0/8/aa Ögy 🛮 fÔa ÌaOp#, áðlæðvá á ¹áðlæðaæ, æð l⁄að 311 Ôã^a Ô34a ¹agða Öi† Öiv Þaði346> Àao 1460 að 11 að £aða ¹a**74a**ada °air affin £að aĥat Ôal/acetað/%> Aab/abaö/PæÔada> Ìan/ah Êabær/a 0æ/a Öö, aah fôa aá Varadítáš Óadia> Íadá táša takadia Óadiadítá þaja alášt • adjintáš afat Ô> đấS ÔĐ² Ô3⁄ago tašmê aldar agà 1a**m**á agॠa ag² ê ag⁄ag • ag ag ÀÖ a Öv ° amás Váb ab (P) ac taká 1 a Kvadía ° air alfan tak aléat , À ac a Vadóa Ó adatais Ó > a ak Ôã^a Ô¾ão ‡ãŠm 1ã**A** Ôãã㠦㠇ãÑ ¶m Ìã "¶Ö ò ¼ã0ãà ÍãÑ à ^a ¶m ‡ãŠ ã£ã† ‡á**Š**³ æða ‡á**Š**8ھÆ£æða , æða à æðaæða ‡á**Š**8ھÆ£æða Ó¦æÀ ¹æÀ Àæðæðæ ÔadkaadÝ3kaò‡áša , ažkam alja atáškaa •aqaa AÖa Öv ‡áš3aka ‡áš4ka£aka táð Óð/agetáðs/áðaé átáðó) á Í aðean 1agaí átáðótáð áfát áháí áðó Áð-ð/aða Ôadkaadý 3/20 táša , až/20 álþ atáš/20 02/20 Öý

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Official Language Policy

The Bank has been making all out efforts to achieve the targets fixed by the Government of India in the area of Official Language implementation. During the year, the Bank emphasised more on Hindi training and use of Hindi in computers and ensured the compliance of Sec 3(3) of Official Language Act. This year, 311 members passed various Hindi Examinations. In order to increase the use of Hindi in computers, Hindi software was installed in all the computers and training in use of bilingual software is being imparted to staff members on an ongoing basis. Raj Bhasha Sangoshthies were conducted at Central Office and Regional Office level to motivate and guide the liaison staff members regarding use of Hindi in Bank. Special Raj Bhasha Sangoshthies were conducted for all the executives of Central Office and Branch Managers.

The 14th All India Official Language Officers' Conference of the Bank was held on September 19 and 20, 2005 at Staff College, Chennai. Hindi computer training was conducted on September 21, 2005 for all Official Language Officers of the Bank. The Bank printed the "IOB Praveen" course material in a booklet form for the benefit of staff members.

Chennai Town Official Language Implementation Committee for which the Bank is the convenor, was awarded the first prize for the commendable work done for Official Language Implementation for the year 2004-05 by the Ministry of Home Affairs, Government of India. As the convenor, the Bank conducted Hindi workshops, Joint Hindi Day celebrations and Bilingual computer training programme. Two half-yearly Town Official Language Implementation Committee meetings were also conducted.

The Bank has been awarded fourth prize in "A" Region and third prize in "B" and "C" Region amongst all the Public Sector Undertakings for Official Language implementation, by the Reserve Bank of India under the Raj Bhasha Shield scheme for the year 2004-05.

Regional Rural Banks

The Regional Rural Banks (RRBs) sponsored by the Bank, viz Pandyan Grama Bank, Puri Gramya Bank and Dhenkanal Gramya Bank performed well during the year. All the three RRBs have recorded net profit during the year.



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Corporate Governance

The Bank believes that good governance is voluntary and self-disciplining with the strongest impetus coming from the Directors and the Management themselves and that good Corporate Governance alone will take the Bank to achieve its ultimate goal of maximizing value to all its stakeholders.

The Bank has been scrupulously following the directions of the regulatory authorities in areas relating to observance of transparency and disclosure norms. The Bank has always been proactive in adopting good Corporate Governance practices. The Board of Directors recognizes its accountability to all the stakeholders of the Bank.

SEBI revised the Clause 49 of the Listing agreement that deals with the Corporate Governance and made the same applicable from January 1, 2006. The Bank has already started implementing the revised provisions of Clause 49. The Board, at its meeting held on September 30, 2005, adopted a Code of Conduct and made it applicable to all the members of the Board and to all General Managers. The bank had also posted the Code of Conduct on its website.

Pursuant to Clause 49 of the Listing agreement, a Management discussion and analysis report and a Report on Corporate Governance are incorporated as part of Annual Report. A compliance certificate by the auditors regarding conditions under clause 49 of the Listing Agreement is also attached to the Annual Report. The fifth Annual General Meeting was held on June 17, 2005. An Extraordinary General Body meeting was held on November 30, 2005 for the election of shareholder directors.

Corporate Social Responsibility

The Bank has been contributing liberally to various charitable activities that benefit the society. Contribution was made to the Tamilnadu Chief Minister's Relief Fund. Also, Cancer Foundation and Research Centres, apart from organisations pertaining to the care of physically and mentally challenged persons, were benefited by the philanthropy of the Bank.

Changes in the Board

Shri T.S.Narayanasami assumed charge as Chairman and Managing Director of the Bank with effect from June 9, 2005. Shri S.C.Gupta, Chairman and Managing Director demitted Office on April 30, 2005. Shri C.S.Murthy was nominated to the Board as RBI Nominee Director with effect from April 7, 2005 in place of Shri Anand Sinha.

Ñaæ•an;æÍa⁄að, •amatós værða ôa⁄a⁄a vao fa¥; ¾fa,, ætaðaðaæða °ajas tas , aasatas Aæ Öaja tas , a£3/aa Öö tas Naæ tas , aagag tas aasa táð Ó Baffa táð að Trankið 9 Varð áð 2006 Ó án tæða láðað táðar, á læða á táð akāt , ankātakhætak/ahāhæahæanætha tak Ala Vananæti atak Van Ea Vao ādāŠiāzĒātāŠi tāšā, °ādāŠ tāš ādjā ilātāš Vāg Ēā Vāo tāgjā lādā tāšā ‡**asa/al**asa£ã ¹aAã Öän Øa/aã/

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1/arāļā Ozāļasārā Ozīn f¦āA , arīkai lizākal£zarāļasīo tasa 1zabazarīzanā lā task¶an °alis taš (alvakeal) tašotaše, a daetal) ¥a davarba °al/taš, aa/aan a a taše OGFŇ Næe†.‡ab .¼æOalla, Næeabala æea ôana, Næe†ôa ‡ab ôaôoa£a, , aad Naac†1/a.†9a.ladas> ilada laakakeadtas ada2 iladaabatas A1a 1/abbadan Qất ý Ô đ/xãc Þaal a địa đi đia đão Tại 8 a đ Ô a đ là , 2005 tal in , a đ địa táckádána ő advar ay janóac se tackádádána janócká va a janócká va ar (124) ar adjal ajalvanja adjar il atašao falia adast dat valeskal anja skadiar alja tašao agpēril ataš Vaia Ēia ´alāa aiktaša; Ālabaš Vaia Ode Vaia , aiak ¶it agpēril atašab taša Özzá háš Ól záda á áháš/va da/váý

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27 , ããã 2006

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aðljáð ril átáð Vása, Éá, Vásah¦á Óáh‡áðah, Vásah¦ááðár áðhúráláð °ádtáð, Ô**ahā%aān**l> ae ā †‡aÔþae ā °aan à , aanhaS *f ā*ta ¾aa (Ôahāae) , Ô> ataS †‡ãÔÞãæã, alaaka á Áæ3ka Özl‡ásAð † Ízáala ¦zæka Özlæã, æðÖzi1aæ¦a 1/8Ê3/81 24Pp , 220 03/86/6 121 03Ê200 , 1/82027 1246 1 1 1 1 2 2 03/86 1 2 3 2 3 2 3 2 3 2 3 2 3 2 3 2 3 2 3 "¶ata6°1ä4bā , æ7kēA 13drājā ta64¦æ Ööý æ1b2°rī ata6°7&6 Ēā, Öæ6ā ta6abā /\$2008 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 18/**alian** ace Ozilatý takral ván. Např. zlak tak tak tak ace Ozilak, Þazen ozilak ÀNG/AÉ ão Àão ‡38/agai affa ¦39ãa °3áas ¶300ãAã, 1/AÉ agai a/Aã ‡36 1384ã 1/aãe 20/20A 20 Ö ő y 2012 i a tak ván É a l a tál tak a a al ath o atha take i antenta ván Ôal/agê Ô¦al ao tao Ô> a ao Ôa? Ô3/ao tao °a01/a£3/a 3/aana? aha tao a£at ,ãã√xãÀ ¹ã¶ãŠ⊳ ‡ãŠÀ¦ãã Öõý

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Shri J.D.Sharma, presently President of Indian Overseas Bank Officers' Association, was nominated to the Board as Officer Employee Director for a period of three years with effect from March 9, 2006 in place of Shri K.Ananda Kumar. Shri Nitin M.Kiwalkar's term of three years on the Board of the Bank was over on June 11, 2005.

Shri Sooraj Khatri was nominated to the Board as part-time non-official Director for a period of three years with effect from December 9, 2005. Shri M.N.Kandaswamy was nominated to the Board as part-time non-official Director for a period of three years with effect from February 7, 2006.

Extraordinary General Meeting of shareholders of the Bank was held on November 30, 2005 to elect Directors representing shareholders other than the Government of India. Shri A.K.Bhargava, Shri Chiranjib Sen, Shri S.K.Sehgal and Shri M.N. Venkatesan were elected as Shareholder Directors. All the four Directors assumed their office on December 8, 2005. Dr.C.T. Kurien and Dr. Harsh Mahajan completed their term on December 7, 2005. The Board of Directors places on record the valuable contributions made by the erstwhile Directors and extends a warm welcome to the new directors.

Acknowledgements

The Board of Directors is thankful to the valued customers, shareholders, other stakeholders and correspondents of the Bank in India and abroad for their goodwill, patronage and support.

The Directors acknowledge with gratitude, the valuable and timely advice, guidance and support received from the Government of India, Reserve Bank of India, Securities and Exchange Board of India (SEBI), Stock Exchanges, various State Governments, and Financial Institutions. The Board is also grateful to the Hong Kong Monetary Authority, Monetary Authority of Singapore, Financial Supervisory Services, Korea, Central Bank of Sri Lanka, China Banking Regulatory Commission and Bank Negara, Malaysia. The Directors place on record their deep appreciation of the valuable contribution of the members of the staff at all levels for the progress of the Bank during the year.

> For and on behalf of the Board of Directors

Mumbai T.S. NARAYANASAMI April 27, 2006 Chairman and Managing Director



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l ádá 2005-06 ‡aš ª ablaja "² aana vao "£aal ‡aše abl‡aša; Ál aba? Öyf Á äs ad ád ar vaal ¦ aaska , aaan ablaš ab °aasa vao Oa£aal Öi, as ý • av as l aba?, "£aal ablad¦aal ‡ašae¦a£ajas vao ¹aasen loo ae , aabl °abašao ‡ašan ag blaifaao Oar, aad k¥a ‡abyan•adan, ag ka l abašafi ataš Oaasao ‡aša Oadaha £agas ¹aaj a ý

ládá 2005-06 ‡að aðlafþ aðlaðb táðe Óataða aðlað, að Vao 16.9 aðlaí að laðið a að öyfi að aðlað Gað-Caa? "Eað aðlae Éar ladá ‡að 27.5 aðlaí að óar að táð 30.8 aðlaí að ¦atað að oar úð ý

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MANAGEMENT DISCUSSION AND ANALYSIS

Economic Environment

The performance of the Indian economy during the year 2005-06 was quite good with overall growth at 8.1% as against 7.5% registered in the previous year. Price situation was under control at 4% in terms of Wholesale Price Index on a year-on-year basis. Exports in US \$ terms grew by 24.7% while imports recorded a growth of 31.5%. Foreign exchange reserves increased to an impressive level of \$ 151.6 billion.

Banking Environment

The year 2005-06 witnessed record growth in credit reflecting the growth of the Indian economy. Deposit growth was lagging behind credit expansion and banks had to tap alternate sources such as drawing down of investments.

There was pressure on liquidity in the system and the Reserve Bank of India hiked reverse repo rate by 25 basis points to 5.50 per cent in its Review Policy for the third quarter. Earlier, as part of MidTerm Review, reverse repo rate was hiked by 25 basis points. Deposit rates of banks also went up to mobilise funds to meet the rising demand for credit. The Reserve Bank of India permitted banks to accept FCNR (B) deposits up to a maximum maturity period of 5 years. Besides, banks were permitted to accept these deposits in Canadian and Australian dollars as well. Interest rate cap on NRE Rupee Deposits was raised to 75 basis points over LIBOR or swap rates for the US dollar.

Aggregate deposits of the banks registered a growth of 16.9% in 2005-06 whereas non-food credit went up by 30.8% on top of 27.5% of the previous year.

THE BANK'S OPERATIONS

Deposits

The Bank's aggregate domestic deposits increased from Rs. 42,817 crore as at the end of March 2005 to Rs.49,035 crore as at the end of March 2006. The growth in achievement was high at 14.52% as compared to 6.04% in the previous year.

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Credit

The Bank also registered an all time high growth in its advances. The domestic net advances improved to Rs. 32,734 crore as at the end of March 2006 while it was Rs.23,485 crore as at the end of March 2005.

Export Credit

The Bank continued to accord priority to exports. Efforts were taken to increase the exposure under the sector by extending different types of facilities to the exporters, including extension of both fund and non-fund based limits at concessional rates of interest in Indian and Foreign currency and issue of Gold Cards etc. The export advances of the Bank rose from Rs.1,369 crore to Rs.1,717 crore.

Priority Sector Advances

The Bank's net priority sector advances to net bank credit stood at 41.68%. In absolute terms, it rose to Rs. 13,718 crore as at the end of March 2006 from Rs. 9,870 crore as at the end of March 2005.

SME

Advances to Small and Medium Enterprises was a thrust area. The Bank's exposure to this sector went up from Rs.3651 crore to Rs.4677 crore during the year. Advances to Small Scale Industry went up from Rs.2463 crore to Rs.3167 crore. The measures taken by the Bank for increasing the credit flow to the sector included interest concessions, enhancements in limits and speedier disposal of proposals. Particular thrust was given to schemes like Credit Guarantee Fund Scheme for Small Industries, Rural Employment Generation Programme of KVIC, Technology Upgradation Fund Scheme etc.

Agriculture

During the year, the agricultural credit portfolio of the Bank registered growth of Rs. 1,693 crore from Rs. 4,261 crore to Rs. 5,954 crore. The Bank's ratio of agricultural advances to net bank credit at 18.09% continued to be above the 18% norm.

The Bank disbursed Rs. 4,208 crore under Special Agricultural Credit Plan (SACP) as against the target of Rs.3,575 crore.

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The increase in disbursement of credit to agricultural sector over the last year's disbursement was 53.24%, as against the incremental credit flow of 30% mandated by the Government of India under Special Farm Credit Package.

Recovery to demand under agricultural advances continued to be satisfactory at 82.75% for the year ended June 2005.

Kisan Credit Card Scheme (KCC)

The Bank has issued 2,33,837 KCCs during the year. The total number of cards cumulatively issued by the Bank as at the end of March 2006 was 10,59,369.

Micro Finance

During the year the Bank credit linked 39,202 SHGs, with a credit outlay of Rs.218 crore. The cumulative number of SHGs covered by the Bank increased from 83,654 SHGs (Amount Disbursed Rs. 337 crore) as at the end of March 2005 to 1,22,856 SHGs (Amount Disbursed Rs.554 crores) as of March 2006.

Credit Flow To Women

As at the end of the year, Bank's credit to women amounted to Rs. 1,738 crore constituting 5.3% of the Bank's net credit as against the norm of 5%

Sakthi Indian Overseas Bank Chidambaram Chettiar Memorial Trust

The Trust, set up jointly by the Management of the Bank, Indian Overseas Bank Officers' Association and All India Overseas Bank Employees' Union to perpetuate the memory of the founder of the Bank - Shri.M.Ct.M.Chidambaram Chettiar, is continuing the pursuit of its objective of affording training to women for acquiring skills which will increase the income and create employment opportunities. The Trust has so far imparted skill based vocational training to 1,128 girls who have been gainfully employed.

The Trust has also so far, conducted 25 Entrepreneurship Development Programmes (EDP) for Women at various centres benefiting 901 women. For these Women Entrepreneurs and SHGs "IOB Sakthi Bazaars" are also organised at a few Branches, to exhibit their products for sale.

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Lead Bank Scheme

The Bank has Lead Bank responsibility in twelve districts in Tamilnadu and one district in Kerala. As Convenor of SLBC, Tamil Nadu, the Bank convened Special SLBC Meeting on April 1, 2005 on Relief Measures to Fishermen affected by Tidal Waves (TSUNAMI) in Tamilnadu and Special SLBC Meeting on June 8, 2005 to review the progress made in implementation of Rajiv Gandhi Rehabilitation Package for Tsunami affected areas. The Bank also convened special Meetings of SLBC on December 1, 2005 and December 5, 2005 on implementation of Relief Measures in flood affected areas in Tamil Nadu, besides conducting two SLBC Meetings and State Level Review Meetings during the year under review.

Housing Finance

The Bank disbursed Rs.759 crore under the direct Housing Finance during the year covering 18,580 beneficiaries. The outstanding amount under this category as at the end of the year was Rs.2830 crore involving 90,462 accounts.

Education Loan

Loans amounting to Rs.132 crore benefiting 15,558 persons were disbursed. As at the end of the accounting period, the amount outstanding was Rs.417 crore and the number of accounts was 36,036.

Prime Minister's Rozgar Yojana (PMRY)

During the year, 8,703 borrowers were assisted to the tune of Rs.44 crore under the scheme.

Agri Business Consultancy Services

Agri Business Consultancy Services (ABCS) has been making progress in offering consultancy services for hi-tech agricultural projects with a special thrust on projects for waste land development, dry land horticulture, herbal / medicinal plant cultivation, food processing and setting up of Cold Storages / Rural Godowns for a nominal fee. During the year ABC Services prepared 4 projects with an outlay of Rs.9 crore.

Rural Training Centres (RTC)

During the year under review, the Bank has set up three Rural Training Centres in its Lead Districts of Sivaganga, Tirunelveli and Thanjavur to impart both classroom and practical training to the 0 a^0%aa, ad aana a °ahan adaah %ad atasa, tash adahao, and tas/an aah 1 adah tas Ean/a/xandaa/ao tas acat tashaa , and 1 an/adaa /44 as 1 and an ah a a ahaa aa°t • aa an 0 iy

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farmers, members of SHGs, Educated Unemployed Youths, Artisans, and beneficiaries belonging to weaker sections.

Rural Training Centre at Karaikudi which was inaugurated by the Hon'ble Union Finance Minister, has been set up by the Bank in association with National Bank for Agriculture and Rural Development (NABARD) and Indian Bank.

Risk Management

RBI has issued Draft Guidelines for Implementation of the New Capital Adequacy Framework to be implemented with effect from March 31, 2007. While implementing the same, Banks will be required to, at a minimum, adopt Standardized Approach for credit risk and Basic Indicator Approach for operational risk. With a view to ensuring smooth transition to the revised framework and with a view to providing opportunity to the Banks to streamline the systems and strategies, Banks are required to commence a parallel run of the revised framework with effect from April 1, 2006. The Bank has taken necessary steps to implement the revised framework. The bank is maintaining Market risk capital as per RBI guidelines.

The Bank has initiated the process of collecting operational risk loss data for migration to advanced approaches of computing operational risk capital in future, with the approval of the Reserve Bank of India.

Recovery Management

In recovery management, the Bank made use of all the available tools such as one time / out of court settlements, Lok Adalats, filing of suits before DRTs / courts and action under SARFAESI. Hitherto under-explored areas were given more thrust. This included, among others, a reappraisal and reactivation of action taken to recover the dues out of sale proceeds of assets lying with Official Liquidators, and follow-up of ECGC claims. Asset recovery as a profit generating activity has now stabilized in the branches and regional offices.

During the year, 109 suit filed accounts involving Rs.66.67 crore were settled through OCS at Central Office level, out of which Rs.25.11 crore has already been recovered. The balance amount will be recovered as per agreed terms of payment.

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 A total of 8,738 cases were settled during the year involving an amount of Rs.15.85 crore through the Forum of Lok Adalat out of which a sum of Rs.5.56 crore has already been recovered. The amount recovered through Debt Recovery Tribunal was Rs.36.97 crore during the year.

The Bank has issued a total number of 5,069 demand notices under the SARFAESI Act involving a sum of Rs.879.47 crore by the end of March 2006. The cumulative recovery under the said Act was Rs.245.70 crore, involving 3,293 accounts. During the year, the Bank targeted those accounts where Official Liquidator is holding the sale proceeds of the Company's assets and recovered a sum of Rs.43.11 crore from 6 accounts towards interim payment alone.

As a result of sustained efforts put in by the Bank, the Gross NPA came down to 3.43% from 5.28% in the preceding year and net NPA to 0.65% from 1.27%. In absolute terms, Gross NPA declined to Rs.1227.55 crore and net NPA to Rs.224.33 crore.

Industrial Rehabilitation

Total cases under BIFR / AAIFR as at the end of the reporting year were 61 with an exposure of Rs.368.98 crore. Of this, 11 accounts aggregating Rs.161.42 crore were Standard and Performing. Out of NPA accounts, the Bank has made recoveries in 13 cases amounting to Rs.13.95 crore during the year as against in 8 cases amounting to Rs.5.53 crore last year.

Corporate Debt Restructuring

As at the end of March 2006, the total cases restructured under CDR mechanism were 18 with an outstanding of Rs. 595.90 crore as against 19 cases with an exposure of Rs. 465.12 crore as at the end of the preceding year. One NPA account was adjusted while 16 were Standard with a total outstanding of Rs. 561.44 crore.

Investments

As part of ALM strategy pursued since last year, the Bank reduced the surplus SLR holding during the year and consequently the SLR securities formed 28.77% of Bank's Gross Demand and Time Liabilities in India. Gross Investments in India increased marginally by Rs.137 crore from Rs.18640 crore as of March 31, 2005 to Rs.18777 crore as of March 31, 2006.



alpi af a 'azo Ádázaf aðan'að Ézaða aðace Ézi áðat áð 8.81% táše af af pa Vaðvað 42006 tað , aða ¦atáð ('aðþaðarþaðac) táše að aða áða í að þa Ézaða tášne ag tað) 8.49% dö a ý tášað 'fi °azo að öz Éza azo tað ¦að ¦a, 'aðþaðarþaðac) táše að aðase 'að °alað 'finaðace Ézi í aða í táð Á.367 táð ag tað 'að aða fæða fæða fóa í aða Á.234 táða ag táð Ézaða táð ag ó

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Consequent to a general rise in interest rates and the need to reduce the Interest Rate Risk, Bank transferred securities for Rs.804.91 crore (Book Value) from 'Available for Sale' to 'Held to Maturity' category during April 2005. In order to take advantage of market opportunities, Government securities for Rs.3847.20 crore were sold from 'Available for Sale' category, while securities for Rs.3671.16 crore were acquired into 'Held to Maturity' category. Thus, the 'Held to Maturity' category stands at 13.7% of the Demand and Time Liabilities and 37.8% of Total investments as at the end of March 2006.

The Return on the Investment portfolio (excluding Profit on Sale of securities) stood at 8.49% as of end March 2006 as against 8.81% in the earlier year. Under tough market conditions, the Bank booked a profit of Rs.234 crore on Sale of securities as against a profit of Rs.367 crore last year

Under volatile market conditions, the turnover in secondary market equity trading doubled during the year to reach Rs.1770 crore as against Rs.843 crore in 2004-05.

Rupee Derivatives

During the year, the Bank entered into Interest Rate swaps up to an aggregate of Rs.900 crore with the objective of reducing the cost of its Tier II bonds as well as hedge the interest rate risk in the Government securities portfolio.

Swaps unwound during the year resulted in a total profit of Rs.2.85 crore which has been prudently parked as Unexpired Income in accordance with RBI guidelines.

Depository Operations

The Bank is a Depository Participant of National Securities Depository Ltd. and has two branches, one at Chennai and the other at Mumbai.

The Capital Market is active with a large number of Primary equity issues hitting the market. Most of the issues are dealt under Book Building process only with compulsory demat allotment. This is expected to boost demand for demat accounts. As at the end of the year, the total number of outstanding beneficiary accounts was 16,488. The number of shares and securities held

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in demat accounts was 64.30 crore and its market capitalisation stood at Rs.7,083.67 crore. To mobilise more demat accounts, the Bank has authorised 34 branches to serve as Service Centres, all reporting to Chennai Depository.

Forex Operations

The foreign exchange turnover for the year 2005 - 06 was Rs.30,476 crore, an increase of 17% over the previous year. The disbursal of foreign currency loans was to the tune of USD 225 million to exporters and other corporates.

There has been 100 % deployment of resources mobilized through gold deposits in gold loans. New Rupee Draft Drawing Arrangement was concluded with Orient Exchange Co. LLC. Dubai under which they will be drawing Rupee Drafts on the designated branches of the Bank.

In order to keep pace with the changing scenario and to meet customer aspirations, new products viz. 'Xpress Money', 'Swift Money Transfer' and 'Electronic Money Transfer' have been introduced, which are fast track channels of remittances from Gulf.

The Sub-Committee of State Level Bankers' Committee for Export Promotion convened meetings during July 2005 and February 2006 and was attended by representatives from various nationalised banks, Government departments, ECGC, Exim Bank, RBI, FIEO etc.

An instant messaging system, FETREM has been upgraded to a new version which enables swift remittances received at Central Office, to be transmitted to Authorised Dealer branches instantly, besides reducing cost. Inter Branch Settlement Advices are also being sent in Electronic form to all the Authorised Dealer branches.

A comprehensive Risk Management Policy, with limits duly approved by the Board, covering all risks arising out of forex activities, is in place. Currency-wise Day Light / Overnight exposures, duly approved by the Board, are being monitored on a daily basis. Counter-party limits to cover the credit exposure; Single Deal Limit and Stop-Loss Limits (per deal and per dealer per day) are being monitored effectively on a daily basis.

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Speedy Transfer and Realisation Services (STARS)

The Bank has been striving to improve customer service to its clients opting for speedy collection services while forging correspondent banking relationships with other banks not endowed with wide network of branches. As a result, business turnover under this segment has recorded a healthy growth of 18%.

Credit Card

The Bank has launched both debit and credit cards during the year under tie-up with VISA. These new products are expected to serve the customers, besides supporting the retail operations of the Bank.

Merchant Banking

The bank continued to act as paying banker for Dividend / Interest / Refund Orders and acted as paying banker for 11 corporates for an issue size of Rs.10.7 crore. During the year, the Bank brought into its fold 22 Debenture Trustee assignments aggregating to Rs.1,423 crore.

The Bank also acted as Merchant Banker for the open offer made by three companies. The Bank undertook two project appraisals and an assignment as Lead Manager for an existing listed company.

Government Accounts

The Bank is authorised to collect Income Tax and other Direct Taxes through 388 branches in different states. The Bank has also been additionally accredited to collect Central Excise & Service Tax under the jurisdiction of Madurai, Salem and Tirunelveli Commissionerates. With this, the Bank is accredited for 9 commissionerates. Bank is also participating in VAT-State Sales Tax collections in Delhi, Mumbai, Pune and Gujarat.

The Bank actively participates in the Government of India Savings Schemes like Senior Citizens Savings Scheme, 2004. 8% Taxable Bond / 6.5% Savings Bond, Public Provident Fund besides handling Treasury Business of the Government of Tamil Nadu in nine branches and the Government of Orissa in one branch.

°ataš ¶m taš³aða aðaðala£a, Ààaa, Àl£alan¦aºa Àa-¾a OaÀtašAa, > at ¶bfÁaa, fÁaat¹aš, am ÞajafÁ'aarÁ>Ď>¦aºa ½£aalaða¶b Óa\tašA Ôan Ôaðaalata a ¹aála¶b ¼ada að¶ao tašm Ôaðaæ£aa Öly °abaš 32 taš³ao ½o ¡ataš-UaÀ Ôadaðb¥a Œaqao tašm Ôaðaæ£a aö öly

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‡að³aðá ‡aðaðafaðá ´áða æfjaðaða að Óaðæe 1032 ÍæŒa, ao ‡aðæ •æææðá, æææð¦á, æþæðh‡á Éæææ-¹áðaða (,æð °æe, æf †) ‡aðe Øðfý àana ‡áðe•æææða, æ£ææð¦á ¹a-AÆæa °a¶ætað, æð °æe, æf The Bank also handles payment of Pension in respect of Central Civil, Defence, Railways and State Governments, TNEB, Chennai Port Trust, Employees Provident Fund Organisation Pension and Malaysian Government Pension. Post Office collection accounts are undertaken in 32 centres.

The Bank has during the period under review opened four more Currency Chests at Chandigarh, Meerut, Clive Row (Kolkatta) and Kumudepalli (Hosur) and with this the total number has increased to 27.

Inter Branch Reconciliation

As per the directives of the Reserve Bank of India all debit and credit entries in IBR accounts are required to be reconciled / eliminated within a period of six months. The Bank was successful in drastically reducing the reconciliation cycle in the Completely Automated Settlement System (Compass) and Demand Draft debit entries to 15 days. The Bank also ensured consistently that no funds transfer and telegraphic transfer entry was outstanding for more than 15 days and 7 days respectively.

Inspection

During the year 2005-06, Central Office inspection was carried out in 1,032 branches along with EDP Audit. During the year 426 branches were inspected On-line. Out of the branches inspected, 981 branches were rated Very Satisfactory or Satisfactory. Periodical Short / Non-Industrial Priority Sector Advances Inspection of Branches was carried out by Regional Offices. Management Audit of all 38 Regional Offices and 21 Central office Departments was also conducted. A total of 268 branches were brought under Concurrent Audit covering 57% of deposit business and 65% of advances, thereby exceeding RBI guidelines of covering atleast 50% of Bank's Business. Revenue Audit was carried out in 1,094 branches and Test Check Audit in 63 branches. Stock Audit was conducted in 226 accounts on selective basis.

Risk Based Internal Audit (RBIA) was conducted in all the 1,032 branches where Central Office Inspection was carried out. Management Audit of Regional offices was also conducted under RBIA by preparing Risk Profile of the Region. During the year, Loan Review Mechanism Committee (CO

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Level) met 19 times and reviewed 695 accounts including limits sanctioned by Overseas Branches and notes were placed to Management Committee of the Board wherever due.

Information System (IS) Audit Cell has conducted IS Audit of all the 38 Regional Computer Centres, 46 Exceptionally Large Branches and Foreign Exchange Department of Central Office.

Vigilance

During the year under review, the Bank was able to bring down the number of pending Vigilance Disciplinary cases from 147 to 105. The pending Vigilance Disciplinary cases have been sought to be cleared within the time frame fixed by the CVC and 178 cases were actually disposed of in the reporting period. The Operational Risk Management Committee headed by Executive Director and the Committee of the Board to Monitor Large Value Frauds analysed the frauds reported periodically and observations / remedial measures made / suggested by the committee are being implemented. Preventive vigilance continues to receive focused attention. Vigilance Awareness Week was observed in November 2005.

Computerisation

The Bank has been engaged in development, testing, implementation and maintenance of all the software packages for all the requirements of Central Office, Regional Offices and all the branches. This decision to have homegrown software has resulted in enormous savings to the Bank and has given the edge to be innovators and aggressive competitors in the field. It has also helped in a smooth changeover from manual to mechanised environment.

The Bank has implemented many security features in its software applications including the biometric device for user authentication in Core Banking Solution (CBS) branches. All security requirements stipulated by the Reserve Bank of India for introducing Internet Banking are complied with.

The Bank has a Wide Area Network in place connecting around 800 entities across the country serving as a base for introduction of various electronic services. The Network Operating Centre is responsible for monitoring / upgrading the network and ensuring a high uptime.

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All critical operations in administrative offices of the Bank namely Foreign Exchange, Funds and Treasury, Inspection have been computerised. Besides all personnel functions, vigilance, pension payments, government accounts and inter-branch reconciliation have been computerised. The Bank has developed software and interfaces for providing specialised electronic services to customers across all its networked branches including those under CBS in the distributed database environment.

As at the end of March 2006, there were 205 Branches / ECs under Core Banking Solution, 706 Branches / ECs under Total Branch Automation, 855 Branches / ECs under Partial Branch Automation, 804 Branches / ECs offering ABB services, 804 Branches / ECs offering Internet banking services, 755 Branches / ECs offering RTGS facility and 280 with ATM infrastructure

The Bank has tied up with 11 other member banks under the banner "CashTree" for sharing their ATM infrastructure of over 1800. Other facilities provided include tele-banking, Remote log-in, Information kiosks at select branches with touch-screen monitors, Account information using Short Message Service over mobile phones, and Auto-transmission of transaction details through SMS and e-mails.

Costing of Operations

The Costing Cell continued to closely monitor the movements in income and expenditure of the Bank on a monthly basis. The Cell undertook various cost studies including comparison of the Bank with other banks under several performance indicators and maximisation of profit at major profit centres. Costing Cell has made out a simple software module to facilitate budgeting of branch-level profit by Regional Offices, which has been validated with actual samples.

Security

The effective implementation of security measures at branches and administrative offices ensured a safe environment for business for customers and staff. Security measures were reviewed periodically keeping in view the local law and order situation and additional steps as necessary

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were taken to strengthen the security of branches. The Bank emphasised on inculcation of security consciousness among staff and training on fire prevention measures.

Human Resources Development Department

Staff Strength

The Bank's staff strength in India stood at 24,178 comprising 7,967 Officers, 11,988 Clerks and 4,223 Sub-staff as of March 31, 2006.

Of the total staff strength, 7,142 members belonged to SC/ST categories and 1,645 to religious minorities. There were 940 exservicemen staff in the Bank. Women employees in the bank were 4,059. The number of physically challenged members on the rolls of the Bank was 579.

Training

Training was imparted on contemporary issues of banking apart from basic areas of banking through the internal and external modes. The major areas of training continue to be Credit Appraisal / Credit Monitoring and Supervision in addition to Risk Management Techniques and Computer awareness. Apart from the above, training was also given in areas of Foreign Exchange, Asset Liability Management, Treasury Management, Derivatives, etc.

Special In-house programmes were also organised with the help of the external institutes of repute like NIBM, BTC, XLRI, IIMs, MDI, etc. Executives and officers were nominated for overseas training to acquire international perspective on banking & technology.

The internal training system comprises of a Staff College, nine Staff Training Centres and one Rural Banking Training Centre. Internal training was imparted to 13,137 staff comprising of 5,779 Officers, 6,204 Clerical and 1,154 Sub-staff by conducting 813 programmes. Of the total staff trained 4,112 belonged to SC/ ST. The Bank had also deputed 75 Executives, 664 Officers and 64 Award Staff for training programmes conducted by reputed institutes. Apart from these 33 executives and 39 Officers were deputed for training abroad.

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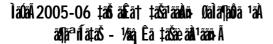
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Visit of Parliamentary Committees

The Bank acted as Nodal Agency for the Parliamentary Committee (Lok Sabha) on Government Assurances that visited the Bank during 2005-06, Besides, Parliamentary Committee on Urban Development and Parliamentary Committee on Khadi and Village Industries also visited the Bank.

Outlook for 2006-07

The Reserve Bank of India has projected a GDP growth of 7.5 - 8.0% for the year 2006-07. Inflation is likely to be contained at 5.0 - 5.5% while money supply may expand by 15%. Adjusted non-food credit is projected to increase by a lower level of 20% this year as against 30% last year. During 2006-07, Banks' credit growth is expected to be lower as against robust credit growth in 2005-06 and the banks may have to bring about certain degree of directional change in credit deployment. Credit to retail segment particularly housing may carry higher interest rates in view of the higher risk weightage. Term Deposits are to be mobilised at higher rates of interest and this needs to be balanced by larger volume of current and savings deposits. Interest rates on lending may have to go up in view of the hike in deposit rates.



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REPORT OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE FOR THE YEAR 2005-06

A. MANDATORY REQUIREMENTS:

Bank's Philosophy on Code of Governance:

The bank is following the path whereby the interest of the shareholders becomes the topmost priority without sacrificing any of the concerns of other stakeholders. The Bank sincerely believes that it has a duty to enhance shareholders' wealth by economic value addition. The bank recognizes the fact that they are the trustees and custodian of public money and in order to fulfill its fiduciary obligations and responsibilities it has to maintain and continue to enjoy the trust and confidence of the public at large.

Towards this goal, the bank endeavors to follow the best practices in Corporate Governance detailed as under:

- Clear statements of Board processes and Board Executive Linkage
- Disclosures, integrity, accountability, transparency, adequate systems and procedures to monitor the state of affairs of the bank to enable the Board to effectively discharge its responsibilities to the stakeholders of the bank
- Achievement of excellence in corporate governance by
 - Conforming to and exceeding wherever possible the prevalent mandatory guidelines on corporate governance
 - Regularly reviewing the Board process and the management systems for further improvement

The bank believes that good governance is voluntary and self-disciplining with the strongest impetus coming from the Directors and the Management itself and that Good Corporate Governance alone will help the bank to achieve its ultimate goal of maximizing value to all its stakeholders. The management and organization of IOB endeavors to be progressive, competent and trustworthy for customers and stakeholders, while reflecting and respecting the best Indian values in its conduct.

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6	Ñaæôaæ†ôā ¼æţāÅ	%a. ad.°adaš ´akā ¶aadva;ā aga°d ataš	Ôá̇ášÀæ ØáÌ-‡áší⁄áľá£á†áš	07.04.2005	-	06	6	Shi
7	Ñaãe†Ôã.Ñaãa¶aÌaôã¶a	‡áŠ∕áĎ aäÀæ a¶a°í a‡áŠ	Ozik-ţašarakazê ataš	25.02.2003	_	07	,	Shi
8	Ñãc tại, alph tạyan	, क्वीवंकेंबेक tasaar ब्राह्मी वंकें	(Ja)-‡áð/dia£átá	14.05.2002	08.03.2006	08		Shi Kur
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.11	į âuÖÓđà VđÖã•đ¶ã	Íakká £æátáš a¶a≥ííatáš	(ka)-taševáka£ataš	08.12.2002	07.12.2005	11		Dr. Ma
12	ÑãœÔãœ>æ‡ãǧãã¾¶ã	Í aðsið Eæðitað aðja ⁿ í atað	(sà-‡áškázÉátá	08.12.2002	07.12.2005	12		Shi
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The bank's corporate vision: to BE THE BEST among the BEST performing BANKS in the BANKING INDUSTRY. The bank will continue to focus its resources, strengths and strategies to achieve this vision.

2. Board of Directors:

a. Composition:

The business of the Bank is vested with the Board of Directors. The CMD and ED function under the superintendence, direction and control of the Board. The present strength is twelve directors comprising of two whole time directors and ten non-executive Directors, of which four directors duly elected by the shareholders, represent them.

b. Particulars of directors who held office during the financial year 2005-2006:

SI No	Name of the Director	Designation	Nature of Directorship	Date of Appointment	Date of retirement during the period refered above
01	Shri S.C. Gupta	Chairman & Managing Director	Executive	01.05.2001	30.04.2005
02	Shri T S Narayana sami	Chairman & Managing Director	Executive	09.06.2005	-
03	Shri AR. Nagappan	Executive Director	Executive	27.08.2004	-
04	Shri. Madhusudan Prasad	Govt. Nominee	Official -Non Executive	24.01.2005	-
05	Shri Anand Sinha	RBI Nominee	Official -Non Executive	31.07.2003	06.04.2005
06	Shri C S Murthy	RBI Nominee	Official -Non Executive	07.04.2005	-
07	Shri S. Srinivasan	Workmen Director	Non Executive	25.02.2003	-
08	Shri K. Ananda Kumar	Officer Employee Director	Non Executive	14.05.2002	08.03.2006
09	Shri J D Sharma	Officer Employee Director	Non Executive	09.03.2006	_
10	Shri Nitin M. Kiwalkar	Director – Part time Non official	Non Executive	12.06.2002	11.06.2005
11	Dr. Harsh Mahajan	Shareholder Director	Non Executive	08.12.2002	07.12.2005
12	Shri C.T. Kurien	Shareholder Director	Non Executive	08.12.2002	07.12.2005
13	Shri S.K. Sehgal	Shareholder Director	Non Executive	08.12.2002	07.12.2005



14	Ñãã:†Ôã ‡ đổ ÔđÖĐĨĒÃ	ÍðNÁ EÐÁÞÁ ÐÞP ÍÍÐAÁ	Ozik-‡ašis/aKaz£a‡aš	08.12.2005	¹ã¶ā: Þã⁄æða‡ã
15.	Ñãc † Và † ¶à Ì đác đá đặ	ÍækaÀ £æA‡aŠ æAp≥íÍætaŠ	Ozik-‡ašik/akar£ataš	08.12.2002	07.12.2005
16	Ñãc † Vá † ¶à Ì đá Š Ôđ þã	ÍækiÀ £æiÀtaš æ∏arífataš	Ozid-‡ašžíváľazÉztáš	08.12.2005	¹ã¶ā: Þã⁄æðjā;ā
17	Ñãō† ‡ã ổ ¼ãĐẩ lã	Í anná Eachtas agar lí atas	Ozik-‡ašis/aKza£zi‡aš	08.12.2005	_
18	Ñãc đườa đã để đồng	Í aðváð Eæðátað aðþar lí atað	Ozik-‡zišži/dikar£zi;ziš	08.12.2005	_
19	ÑãæÔãÀ•ã Œããæ	, ad atakand atak Oan) Oahtakahae anpari atak	(kil-‡áří/AřízÉtáš	09.12.2005	_
20	Ñãc † Vá † ¶ã ‡ãš° ÔÌãd⁄ãc	, ad atašaali ataš Qab Qabtašaba: ana dataš	0a)-ţaša⁄44a£a‡aš	07.02.2006	_

°aan Á ¶anadþarí átáða til aa Óalvíae viða i akantatáðan tað aftat i ttáði, að þaði Óaaið ¦aa , a alþay Á Öō , aði fóataði , alþa að laja taði Óabanta víab , að vía a Í á i akanta að þar ní atað Óan ttáði Úaanná kar i víae i aðu ¦a táði Éare Oay Á Ö ví

Oã. ã¶ãªil ấtአVãa Êã tãŠãe°ãÖ táŠ

→ alasata lati 2005 - 2006 taš alati 16 °ai ali protata alati 16 °ai ali protata alati lati 2005 - 2006 taš alati 16 °ai alati 2005 alati 16 °ai alati 2005 alati

	-	
%åŠ. Ôãâ	°āðŸ‡āŠ ‡ãŠãè¦ããÀãÆã	Ô°ãã¶ã
1	15 04 2005	Öällätäällä
2	27 04 2005	Þä m ð
3	30 05 2005	Þä m ð
4	17 06 2005	Þä m ð
5	29 07 2005	Þä m ð
6	31 08 2005	‡ ãã đ㢠ã
7	30 09 2005	Þājāf
8	22 10 2005	, ā∕ ā þāÔāÀ
9	26 10 2005	1∕a∂ajfÃ
10	09 11 2005	°äðá£áÀ
11	19 11 2005	1∕aPÀ <i>f</i>
12	27 12 2005	Þä m ð
13	25 01 2006	1∕a∂ajfÃ
14	14 02 2006	1∕ a∂ āfÃ
15	24 02 2006	ã PÊ Ê ã ã
16	24 03 2006	aa ÊÊae

Ôđ/đạc °đ/ tạổ ,, đờ đã tạể đã lyá tạổ Ô đạc đô °đường đã đườ thường đã tạể chốc là diệt.

14	Shri S.K. Sehgal	Shareholder Director	Non Executive 08.12.2005	Reelected
15	Shri M.N. Venkatesan	Shareholder Director	Non Executive 08.12.2002	07 12 2005
16	Shri M N Venkatesan	Shareholder Director	Non Executive 08.12.2005	Reelected
17	Shri A K Bhargava	Shareholder Director	Non Executive 08.12.2005	_
18	Shri Chiranjib Sen	Shareholder Director	Non Executive 08.12.2005	_
19	Shri Sooraj Khatri	Director - Part time Non official	Non Executive 09.12.2005	_
20	Shri M N Kanda- -swamy	Director - Part time Non official	Non Executive 07.02.2006	_

The Board has adopted a Code of Conduct for Directors and all the General Managers and a declaration has been obtained from the CMD about its compliance.

c. Meetings of the Board:

The date and place of the meeting as well as the agenda papers are advised to all Directors well in advance. The Directors have access to all additional information on the agenda. Executives of the Bank are also invited to attend the Board meetings to provide necessary clarifications. The meetings of the Board are held at least once a quarter with a minimum of six times a year.

During the financial year 2005-06, the Board meetings were held 16 times on the following dates:

SL NO	DATE OF MEETING	PLACE HELD
01	15 04 2005	Hongkong
02	27 04 2005	Chennai
03	30 05 2005	Chennai
04	17 06 2005	Chennai
05	29 07 2005	Chennai
06	31 08 2005	Kolkatta
07	30 09 2005	Chennai
80	22 10 2005	Amritsar
09	26 10 2005	Mumbai
10	09 11 2005	Bangalore
11	19 11 2005	Madurai
12	27 12 2005	Chennai
13	25 01 2006	Mumbai
14	14 02 2006	Mumbai
15	24 02 2006	Delhi
16	24 03 2006	Delhi

 All the meetings were conducted with proper quorum and without any adjournments.

♦ ¼ã Êã ‡ášê "§ãŠ °ãÝ ‡ášô/ ābāœÊãê † • ãæ† ¼ã ¼ô ã∰ °ấ đặc ‡ášê ; "¹ãð °ãã ¶ãb ã ª ê Øã/æë Öö

	"1 ab aa 1ab a a 8	26/200 UO		DO	ard meetings/
% (X	â đặc đị đi đi điệc điể (Pal/a	12 (18)	Vadla Ê aæOaf Ā °āŸ‡āšo‡āše ÔaŒVa	SI. No.	Name of Director
01	Ñæ†Ôā Ôæ¢Øa¦āā , ā lā ¹æØøø	02/02	†•æt Va tæðe¦æðætā tæðalæn, á lá ¹æænh ¶ölæ°an	01	Shri S.C. Gupta,
2	Ñaae> ae†Ôá ¶aaÀ <i>ā/Alf aÔaa/aa</i> e , á Íá falaaga	13/13	Öãi	02	Shri T S Narayana sami, CMD
3	Ñaæ†, æÅ. ¶æda†á¶i ‡aða æ¶i.	15/16	Öãú	03	Shri. AR. Nagappa
4	ÑæYÆððæ¶ā ¹ððæð	08/16	¶Ďãé	04	Shri Madhusudan F
5	Nae , add a add a	06 04 2005 Ôãi alpi li đườ (Rồ Xe kôn) "tạ a ¦ arhata ¦ đườ trong A° xử trờ , arkama qa (Rồ Xe Oỳ li	†•æti Va táðe!æðaæta támi næge í fæti ¶Dæ9n	05	Shri Anand Sinha
6	ÑãœÔ㜆Ôã ⅓ ãã ặãÑ	12/16	¶Ö ĕ	06	Shri C S Murthy
7	Ñão † Ôã Ñão Mão đầu	15/16	Öãí	07	Shri S. Srinivasan
8	Ñãc ‡ ấ , ã 🎢 ‡ ấy ấc À	15/15	Öãi	08	Shri K. Ananda Ku
9	Ñaæ•añ;æfa⁄æÅ	01/01	†•懽i‡áðe¦æðæ£á ‡áðiða æ‡Pídæð ¶Dæ§n	09	Shri J D Sharma
10	Naae व्यास्कृतीक्षं † Vai ada वी वर्ट वेस्की	03/03	†•æt Va táðelæhæta táðalar ætplátáð ¶íðæ9a	10	Shri Nitin M. Kiwal
11	ÑaæÔaÀ•ā Œãaæ	05/05	†•æt Va táðelæðaÆá táðalia ægelídað ¶íðæ9a	11	Shri Sooraj Khatri
12	Ňæ†Va†¶i ‡æ*OÌæVæ	03/03	t•aat Va taše¦aaka£a tašnīm akprifataš ¶idas9n	12	Shri M N Kandasv
13	į aučida Vačia-alpi	07/11	¶Ö ĕ	13	Dr. Harsh Mahajan
14	Ñæôæ>ætášik¾¶i	08/11	¶Ö ĕ	14	Shri C.T. Kurien
15	Não †Ôã ‡aổ ÔãÖØæÊã	16/16	Öãí	15	Shri S.K. Sehgal
16	Nãc † Và † ¶à Ì ābāŠ Ôa¶à	16/16	Öãí	16	Shri M.N. Venkate
17	Næe† ‡að Vædalla	05/05	†•æ‡ Vú ‡áðe¦æðaæ£á ‡áðnlan að¦r í áðá ¶ú æ°9n	17	Shri A K Bhargava
18	Nacearaka ada Oaffa	03/05	†•æt'/a táðe¦æða£á támlar æþrífatá ¶Öæ°an	18	Shri Chiranjib Sen

◆ Attendance of the directors at the above board meetings/ last AGM are furnished below:

SI. No.	Name of Director	Number of Board Meetings attended	Attendance in the last AGM
01	Shri S.C. Gupta, CMD	02/02	Ceased to be the CMD on the date of AGM
02	Shri T S Narayana sami, CMD	13/13	Yes
03	Shri. AR. Nagappan, ED	15/16	Yes
04	Shri Madhusudan Prasad	08/16	No
05	Shri Anand Sinha	Ceased to be a director from 06 04 2005. No meeting was held upto that date	Ceased to be a director on the date of AGM
06	Shri C S Murthy	12/16	No
07	Shri S. Srinivasan	15/16	Yes
80	Shri K. Ananda Kumar	15/15	Yes
09	Shri J D Sharma	01/01	Was not a director on the date of AGM
10	Shri Nitin M. Kiwalkar	03/03	Ceased to be a director on the date of AGM
11	Shri Sooraj Khatri	05/05	Was not a director on the date of AGM
12	Shri M N Kandaswamy	03/03	Was not a director on the date of AGM
13	Dr. Harsh Mahajan	07/11	No
14	Shri C.T. Kurien	08/11	No
15	Shri S.K. Sehgal	16/16	Yes
16	Shri M.N. Venkatesan	16/16	Yes
17	Shri A K Bhargava	05/05	Was not a director on the date of AGM
18	Shri Chiranjib Sen	03/05	Was not a director on the date of AGM

Üã. , ã¶kh ã¶řª hí átáš kh¥; Êã Ìã ã¶řª hí átáš kh¥; Êã Ôããháähákháð tášáe ÔádE3váa ára áflatváð ádláa áflátáš †táš Ôáaô3vá 3váa , áE3váða Öö

, alika taál aadlakaatakae Ô aE 3/a (a) a acta a acta a a tášnean tášn) avateľaolan e an tášn) ada il ataš Öö

Ôæ**al/am**æ/æotašæÔæ**f**3/æ æ æðæ/æ ÌãnÔãªÔ¾ãÖö(,ãaf,ããnºãæ‡ãŠãn

(latásáí atá) ag fiatá)

Nããe† t㊠VããVãÌ ã

2

3. Vàn Én ‡ašàe Ô a a vàn a và

anakana 1 Ôzadyszá zászá úzadí tá táša: Öö , zádd "¶Ďò ád zádí áð> , zádí atášád Vare Ôã/kãa ã 1 agails - Öinha 1 alli¦a; a aghaist • ag¦an Öö¦a 9aa 1 agails - aghaist 10æ/km táča ká a japo táčn a pří átáš vap É a táš Ó a vapa Ó aþa japo ja vap É a ° a v táš ½no¹andi¦atā antašt •atan Ööý

3.1 ½ã Êã ‡ãŠãè ¹ãÆã£ã¶ã Ôãã¾ãããã (†½ã Ôããè ºãã)

yáa Éa tašie¹aradiana Óadyada taši gaÿna Àaó√ieyatašia °adaš (¹araneana Ìa OBAA Öőý †VADABABLAMANA MARANDA LAMANA LAMANA TAMANA ÖZDANDA MARANDA M

- "Ezzik 1 záll; zál zzo tašm Ól zatažy a tašk yza (zájanka , zeEzzik 1 zik ¦ãºã (Câ) agrana , ag£aa) 1ã) ý
- "Æ¥ã, æÀ °¾æ•ã Ôæ¼ætæðæ/°ã>ánŒætæn¼ō; æ£æ¶æn‡æð ¹ã**û**¦ããÌã ý
- **Væna ¥; ão taổ ̾æna ão Vã Ôãão**¦ã ý
- læ?/, ðæ£ã ºæÆÀ ±æÄ¶Ð, "¶Öð¹æÆðæ? ±æÄ¶Ð;{:¾ææ? ý
- , aad taddaade/acotad ag °adradao/ao Öa/aae adacôaao¦a agalad a tasa Pagy
- , affa taxaf A ahadeka •aan °aan A ´aha †afahafa Oaatkaga taxin Ôãã bãa Đã kãa Ôãn ý

d. Number of other Boards or Board committees in which the Director is a member / Chairperson:

Name of the Director Number of other

companies (Excluding (Other than IOB) in Private Companies) which a Member in which Director (excluding Alternate/

Nominee Director)

Number of Committees

Shri A K Bhargava

3. COMMITTEES OF THE BOARD:

In order to facilitate the decision-making process, Board has constituted the following committees and delegated specific powers to them. The minutes of each meeting are subsequently placed before the next meeting of the committee, for confirmation and the Minutes thus approved, are placed before the Board Meeting for their information.

3.1 MANAGEMENT COMMITTEE OF THE **BOARD (MCB):**

MCB is constituted as per the provisions of the Nationalized Banks (Management and Miscellaneous Provisions) scheme, 1970. The functions and duties of the MCB are as under:

- Sanctioning of credit proposals (funded) and non funded)
- Loan and Interest Compromise / Write off proposals
- Proposals for approval of capital and revenue expenditure
- Proposals relating to acquisition and hiring of premises including deviation from norms for acquisition and hiring of premises.
- Filing of suits / appeals, defending them
- Investments in Government and other approved securities, shares and debentures of companies including underwriting.
- **Donations**
- Any other matter referred to the Management Committee by the Board.

Ôædvæda Ìabáltað °ælaðja 15 °æla æde£ægy Óælvæc°ælytað "æbæja 'áðalva: tað Ôæd9a Ô9ædæja ædaðt °ædæl , ælvæða ga taðæ bæylig

280a aga fata Da tas gaza	12 (A)	VaaDa ÊaæDay Â °aiÿ ‡ašao‡ašae Ôaa€3⁄aa
l. Ñããe † Ôã. Ôããe Đãr¦ãã, ã. ¹ã bãa ¶	i , 㣾ãã	02/02
2. Ñão> cê † Ôã ¶ãÀ âA¥ âĴãJáo; , à	i.1āBāŊi. , ā£3⁄aiā	12/12
3. Ñão †, ão . ¶ão da ¹a¶a ‡áša ā	¶ā. Ôã°Ô¾ā	14/15
4. Ñæe1⁄a£aÔæ1¶a 1allæ1	Ô㺠Ծ	08/15
5. Ñããe,ã¶¶Paða¶Ďā	0₹0%1	06-04-2005 Om alprifats ND & AOy "ta I an ata tan fa 'ai ta tan fa 'ai ta tan fa ND & Oy A
5. Ñããe Ôããe †Ôã 1⁄ ára jáÃ	Ô㺠Ծ a	11/15
7. Ñããe†Ôã Ñãã ã¶à ããÔã¶à	Ô㺠Ծ a	07/08
B. Ñããe†Ôã.‡ã š ÔãÖØãÊã	Ô㺠Ծ a	09/09
9. Ñããe†½1.†¶i.Ìã¢ãŠóÔã¶i	0% a	06/06
10. Ñæ¢‡ðó,æ¶æ¶°‡ðó⁄æÀ	Ô㺠Ծ	06/07

3.2 ½ Â Ê Ã ‡ Ã ŠÃ Ê Ê Ã ÑE Ã Ã Å Ã Ã Ã Ã Ã Ã Ã Ã Ã

Vap É à take É ate a 'al ao ao Ó achtapa Vacl | ae sa al úr à la ° al as tas , a partí ao tas , a partí ata vap É a 'al a Cock' | a take Cockee Ö y Ó achtapa Vao 'achta Ó ar ô 3 ao à che à la che à la

- Ván É a táče É ate a ¹akanan Ó advanan a táčn º anáš taš Ó akadaté ate a ¹akanan akaškatače at a taš ¹akha azé ath taše ª te a kaš katače at a taš ¹akha azé ath taše ª te a kaš katače at a ²aknan akaškatače at a ½nº anáš taš , anhanktáš atha anáš á la é ate a ¹akanan taš Ó atha y fi, oaka a apadakaš taš jahanaká la é ate a ¹akanan taš Ó atha y fi, oaka a apadakaš taš jahanaká la é ate a ¹akanan taš Ó atha a at a anhanaká a taš Ó atha a at a anhanaká a taš Ó atha at a anhanaká a at a anhanaká a at a anhanaká a a an

The committee met 15 times during the year. All the meetings were conducted with proper quorum and without any adjournments.

The Members who held office during the period 01-04-2005 and 31-03-2006 and the details of number of meetings attended during their tenure by each committee member is as under:

SI. No.	Name of Directors	Position	Number of Meetings attended
01	Shri S.C. Gupta, CMD	Chairman	02/02
02	Shri T S Narayanasami, CMD	Chairman	12/12
03	Shri AR. Nagappan, ED	Member	14/15
04	Shri Madhusudan Prasad	Member	08/15
05	Shri Anand Sinha	Member	Ceased to be a director from 06 04 2005. No meeting was held upto that date
06	Shri C S Murthy	Member	11/15
07	Shri S Srinivasan	Member	07/08
80	Shri S.K. Sehgal	Member	09/09
09	Shri M.N. Venkatesan	Member	06/06
10	Shri K Anandakumar	Member	06/07

3.2 AUDIT COMMITTEE OF THE BOARD: (ACB)

The Audit Committee of the Board has been constituted by the Board of Directors as per instructions of the Reserve Bank of India and consists of Five members comprising of ED, Government director, RBI director, two non-official directors of which one is a Chartered Accountant. The delegated functions and duties of the ACB are as under:

- To provide direction as also oversee the operation of the total audit function in the Bank. Total audit function will imply the organization and quality control of the internal audit and inspection within the Bank and follow up on the statutory / external audit of the Bank and inspections of RBI.
- To review the internal inspection / audit function in the Bank – the system, its quality and effectiveness in terms of follow up and also review the inspection reports of specialized and extra large branches and all branches with unsatisfactory ratings



- 34Ö Özzeksépá affil/fizik azottájá °ag azottáj, affil ajáfil 1ál Vazet-Vanfil °apaze Öö :
 - > , â() â Í æŒ a Ô a/æ a þ Œ a a
 - > , â[la]-ºalas |aºa [lad]> lin (Eaq ao Vao Éabase , al anta ô an , al a vai a a Éabag a ¹anda and> vai
 - > aliantaja (atta, ao vio ani) vao tat lataja vio ataševa, and t o ataševa , and
 - > £**aa£aa£aa**;3⁄au,**aa**A
- ‡ážszáfážslæ á arazo ‡ző , affi aæfatji , azátátáznil yazo Ó ar , a£ál í azadatás añ ¹azo ó ¹aæf ¦a ‡áñ ¦aze Ö o , azál "Ó atáše Ó a/æzo az ‡áñ ¦aze Ö g
- ¾XÖ Özzekenja, Özzekezia zahazasi Ézetza takaza takazat takaza Ataza Ataza ataka ataza takazat azaka ataza ataza ataza kataza takaza ataza ataza kataza kataza ataza ataza
- ♦ 1/36Å; aæðá aðu að að °aðaš taðæaðþá aæð¥á aðu ¹æða að 1/360, Ÿāt 0/āt 0/āð/aæ 1/að/a£æð • að Å; að taðæ 0/að/aæða † 1/æð, að þá að þá tað þæðe 0/ō ý
- - "ÔatakæÓæð val da a fajæn vanatað æð vædænjænta tákæ•ætra tal ¦æfa táð fæ ý
 - ataðóæ Væ ‡aðvæ taðvæ æða æ óæ •æ¶taðaðæ ¹ææ ¦ā ‡að ¶æ ý
 - °adða Óan að antataš ¾aa , aŋ¾a ̾að að aanavataš Óat adð ¹aæt¦a taðaŋaa ý
- Éate a-1 akasa Óadómpa tað táðladi visal að akalla táðlasstað , adpadkýað alþi viða ate a táðlak vær í addoté ö öy

- This committee specially focuses on the follow up on :
 - > Inter Branch Adjustment Accounts
 - Unreconciled long outstanding entries in Inter – Bank Accounts and Nostro Accounts
 - > Arrears in balancing of books at various branches and reconciliation of SGL.
 - > Frauds and
 - > All other major areas of house keeping,
- Obtains and reviews half yearly reports from the Compliance Officers of the functional areas
- Reviews and follows up on the report of the statutory audits, and all the issues raised in the Long Form Audit Report (LFAR) and interacts with the external auditors before the finalization of the annual / semi-annual financial accounts and reports.
- Reviews and follows up all the issues / concerns raised in the Inspection reports of RBI.
- Additional role functions entrusted to ACB in terms of SEBI Committee on Corporate Governance guidelines issued by RBI to Indian Commercial Banks listed in Stock Exchange. The Audit Committee shall have power, which includes the following:
 - To investigate any activity within its terms of reference.
 - To seek information from any employee.
 - To obtain outside legal or other professional advice.
 - To secure attendance of outsiders with relevant expertise, if it considers necessary.
- The role of the Audit Committee shall also include the following in addition to the existing role function.
 - Overseeing of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

- ¹aRacaja, ºadò Aze † la a , zapazaltaš É ateza ¹akacatašo taš ôaz9a ¦a9aa
 , zajazaktaš atakacaka ¹areza taše ¹akacki, aza taše ôakaca tašlyna ý
- ÉadEar-1akaba ÍaÁ Öaffin Óan 1að Éan ÉadEar-1akaba tað bara, að 1afaðafa tað oara, að 1afaðafa tað °æðin 180° að Kar ÉadEar 1akabatáðo tað Óag Þaþafa tað fin tað Óag Þaþafa tað fin tað Óag Þaþafa filtað bara tað °æð atað æð atað æð atað æð atað þafar at tað íag æð þafar at tað íag æð þafar at tað íag æð þafar þafar tað íag æð íag æð þafar tað íag æð þafar tað íag æð þafar tað íag æð þafar tað íag æð ía

æð ¶ædað 01.04.2005 Óæn 31.03.2006 ¦ætað ‡aðær , að æda ‡að ª aðaðþi Óædaga ‡aðæ ° að ‡aða það ° 34 aða n að 1 að aða Óær Óða í aða "Óætað ‡aða Adaðæða ‡að ª aðaða ° að ‡aða Vao "Tæða ° 34 aða ‡aðæ Óæd 34 aða Ædaða æda æða í Öví

%ã∆⁄ãâ Ôãâ	alpa li atako tak ¶ada	1㺠¶ãi/á	VaaVa Êaae Olay Á °ad√‡ašão ‡ašãe Ôaa€3⁄aa
1.	Ñããe †½,†¶ã,Ìã¢ãŠ Ôã¶ã	, 㣾ãaã	10/10
2.	Ñããe †,ããÀ. ¶ãã0ã¹¹ã¶ã	Ô㺠Ծ	10/10
3.	Não Vacadão qa 1adão	Ô㺠Ծ	03/10
4.	Ñaãe, aa¶a¶≧ aòba¶Öa	Ô㪠Ծi	06-04- 2005 Ôãi đặc li đác lị đác Aöiy "tại là đđe li đác tẩy li cáy tá " đá đão a lị đác tẩy li
5.	Ñããe Ôããe †Ôã <i>V</i> ãã ạ ãÃ	Ô㺠Ծ	07/10
6.	Ñãê Ôãê >ã ‡ããã³¾¶ã	Ô㺠Ծ	04/06
7.	Ñãe†‡ã š ¼ãØà lãÅ	ÔãªÔ¾i	04/04

- Reviewing with the Management, Financial Statements with special emphasis on accounting policies and practices, compliance of accounting standards and other legal requirements considering financial statements.
- Reviewing with the Management, external and internal auditors, and the adequacy of internal control systems.
- 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.
- Discussion with external auditors before the audit commences, nature and scope of audit as well as to have post audit discussion to ascertain any area of concern.
- Reviewing the company's Financial and Risk Management Policies.

The committee met 10 times during the year. All the meetings were conducted with proper quorum and without any adjournments.

The members who held office during the period 01 04 2005 and 31 03 2006 and the particulars of the number of meetings attended by them during their tenure are as under:

SI. No.	Name of Directors	Position	Number of Meetings attended
01	Shri M.N. Venkatesan	Chairman	10/10
02	Shri.AR. Nagappan	Member	10/10
03	Shri Madhusudan Prasad	Member	03/10
04	Shri Anand Sinha	Member	Ceased to be a director from 06 04 2005. No meeting was held up to that date
05	Shri C S Murthy	Member	07/10
06	Shri C.T. Kurien	Member	04/06
07	Shri A K Bhargava	Member	04/04



■ 3.3 •ãããÁEã¼ã ¹ãÆã£ã¶ã Ôãã¾ãããããã

%ã√ã Ôãã	स्मिनी संस्थेत संस् विश्वर्थ	VaaVa ÊaaeVay A °ad'‡akao‡akae0aa€34a
1.		02/03
2.	Nace † , aaA. ¶aa0a ¹a¶a, ‡aša a¶a	03/03
3.	Ñaãe Ôaãe † Ôã 1/aãajaã, 1/aãa.aal.º aíjaš (paæal/a; aãe	01/03
4.	Não † ½.†¶a l átaš> Ôa∏a, Í atañ£aāl‡aš alpa í átaš	03/03

3.4 °äų ni Valūvali aalūaae Eaatteaa Eaatų valao tato i attaati ai la Oadatiaae Oaattaa

Ôædkædjá tað , æt3keá , á lá lælælja. Ööý Ôædkædjá 1.4.2005 Ôæn 31.3.2006 taðæ , alædíá tað ª alælja ttáð º æl Væe (þlöæ ækkæðay Ôædkædja tað Ôælô3ka ælþa/þlátá Öö

%ã/ã âÔãã	aljir if atašao taš (pia/a
1.	Ñaãe > ãe †Ôã ¶aãhã∕a¥aÔaa√ãe
2.	Ñãa 1⁄4Caô aº (jā 1 allaaº (ô altaša) ac alpenifatas)
3.	Ñããe †½î, †¶ì, Ì ābāŠ Ôã¶i
4.	Ñããe † ‡ ãổ ¼ãØã lã
5.	Ñããe †Ôã.‡ã ổ . ÔãÖØãÊã

■ 3.5 ØãA؇㊠Ôãããã Ôãã**¾ãã**ãã

Ôzadvarda tað , a£3ka a , a lā lā lādāļa 3ka tāšāvalāzētatš adjā lī atāš Öiy 1.4.2005 Ôzā 31.3.2006 tāšā , alādā tað a aballa Özadvarda ¦azēja °aal abalēzae , aal "Ozdvo adjāvajanēzanēta a Ôzā O3kao ¶an Varda afcāvar

%ã√ã Ôãã	āļi ² fi ātāšo ṭā š ¶ādā	Vaada Êaæ day A °ad'‡a&o ‡a&e ûaÆ3⁄aa
1.	Ñããe > ãe † Ôã ¶ããÀã∕ã¥ãÔãã∕ããe	02/03
2.	Ñããc †,ããÀ. ¶ããOã¹ã¶ã	03/03
3.	Ñã HE ĐĐÃ TẠ TRƯƠT THE TRU THE	02/03
4.	Ñããe Ôããe †Ôã ½ãã‡ãÃ	00/03
5.	Ñããe †Ôã Ñããã¶al ããÔã¶ā	03/03
6.	Ñãe‡ãð ,ã¶₽₽‡ãŠ∕ãÀ	02/02
7.	Ñããe•ãn ¡ãe Íã∕ããÃ	01/01
8.	Ñããe †Ôã.‡ã š . ÔãÖØãÊã	01/01
9.	Ñããe †½, †¶, Ìã¢ã⁵ Ôã¶	02/02

3.3 RISK MANAGEMENT COMMITTEE

The Chairman of the Committee is the CMD of the bank. The Committee met during the period 01.04.2005 to 31.03.2006 for 3 times. Number of Meetings attended by each Committee Member:

SI. No	Name of the Directors	Number of Meetings attended
01	Shri T S Narayanasami, CMD	02/03
02	Shri AR. Nagappan, ED	03/03
03	Shri C S Murthy, RBI Nominee	01/03
04	Shri M. N. Venkatesan, Shareholder Director	03/03

3.4 COMMITTEE FOR MONITORING LARGE VALUE FRAUDS

The Chairman of the committee is CMD. The Committee did not meet during the period 01.04.2005 to 31.03.2006. The members of the committee are:

SI.No.	Name of the Directors
01	Shri T S Narayanasami
02	Shri Madhusudan Prasad (Govt Director)
03	Shri M. N. Venkatesan
04	Shri A K Bhargava
05	Shri S.K. Sehgal

3.5 CUSTOMER SERVICE COMMITTEE

The Chairman of the committee is CMD or Executive Director. The Committee met three times during the period 01.04.2005 to 31.03.2006 and attended by the following members:

SI. No	Name of the Directors	Number of Meetings attended
01	Shri T S Narayanasami	02/03
02	Shri AR Nagappan	03/03
03	Shri Madhusudan Prasad	02/03
04	Shri C S Murthy	00/03
05	Shri S Srinivasan	03/03
06	Shri K. Ananda Kumar	02/02
07	Shri J D Sharma	01/01
80	Shri S.K.Sehgal	01/01
09	Shri M N Venkatesan	02/02

adarakoja , atjalo Ozarkarjakao • adan , azadija - akatan 1afaliatja Ozarkarja, atjalatia 1atjalaraka Ozarkarja, "ÞÞá 1afaliatja Ozarkarja Vao , afara la 1afalia atjalitatš, tašakataffa atjalitatš, viða afarlatašo tað Ozarja adakarda tašakataffa í azarkaffa ög • aznataš adajataš tašakar) ¦ara tašalatard taðalarkoja 1 aðfala zaotaša Ozarkarja a ¦ara 1afaralata taðalantaš afat ozarí¦a taša Ozara ög og ozarlatssa a þara atjalataða a þara atjalataða a þara atjalataða þaraða atjalat

4. ¹ãããÀÑããðƇ㊠ÔããðÆãããã

°æŋ Ķmtásvákæétáső appi ni atásotáső afat aksi azaki azaktáső ¦asa taði¶m táső afat azaki kækátáső özakæga tásó csálfi pülő ézdássás ö otássázdáső abás táső csál-tásvákæétáső appi ni atáso tásm °ají tás táső laétás táső , aéad a °ajáső áða tásgrá, appa azaki kæbátáső piő ézaf3sa •agaa , agá appi ni atáso tásmana azaki azaki kæbátás tágip o áðtásál áða appai þa á ajásssa •aga ö og

5. Í að há Á E a a Á ta Šað ta Šað Ó a að ha að ha á í a ú

táš. Í áðváð Eáað táš ád átášá váljá Ó á áðváðað á

%ãå/ã Ôãâ	# # f # # # # # # # # # # # # # # # # #	Vaada Êaae day A °ad' ‡asao ‡asae OaaEska
1	Ñããe †½1,†¶i,Ìã¢ãŠ Ôã¶i	4 / 4
2	Ñãã: †,ãÀ. ¶ãØð¹ā¶ã	4 / 4
3	Ñããe † Ôã. ‡ã ổ . ÔãÖØãÊã	4 / 4

[ankih£anhtáno ad atašákki a la "¶ntaš anplanh¥a lanta£aæ, amat ko ha al) ph taš tašákki a ko ko a alpay ā • amplanā£aæ laæ la® apa tašák û alka alpakahtaš a. apaha£am lah • amba tašh¶ntaš a£at û ambamahataš £an£a lahama tašh¶ntaš a£at ú ambambahataš £an£a lahama tašh¶ntaš a£at ú ankih£amhtaš a£at ú atašákki a û ambamba alpakama alpak

3.6 OTHER COMMITTEES:

There are various other committees such as Asset Liability Management Committee, Investment Review Committee, Top Management committee comprising of CMD, ED and GMs along with Department executives which have been constituted for the day to day functioning, review and monitoring of various aspects of business.

4. Remuneration Committee:

As the remuneration payable to the directors is decided by the Central Government and the Bank does not pay any remuneration except sitting fees to non-executive directors, the Board has not set up a remuneration committee.

5. Shareholders' Committees:

a. SHAREHOLDERS' GRIEVANCE COMMITTEE:

The Shareholders' Grievance Committee, constituted in April 2001, was reconstituted by the board on 07.06.2003,11.09.2004 and 27 12 2005. The committee met 4 times during the period 01.04.2005 to 31.03.2006. All the meetings were conducted with proper quorum and without any adjournments. The Number of Meetings attended by each Committee Member during 01 04 2005 to 31 03 2006 is as follows:

SI. No	Name of the Directors	Number of Meetings attended
01	Shri M. N. Venkatesan	04/04
02.	Shri A.R. Nagappan	04/04
03	Shri S.K. Sehgal	04/04

The Shareholders' Grievance Committee appointed a practicing company secretary to undertake the Secretarial Audit in the office of the Registrar, at periodical intervals to verify the methodology followed by them involving Shareholders Grievances & Redressal system etc. His quarterly reports are considered at every meeting by the Committee and found to be in order.



΋. ÍãÐÁÀ ,ãÁãÀ¥ã ÔããÁÁãÃÃ

ÔāāAYāāAjā ‡ā**Š** 1āĄFXAJAŠ Ôā²Ô3Ai ´āÀā °āĀV‡āŠāo Vāo "1āāĀŠ°āāAjā ‡āŠ °3AāĀNā āĄPAVAJĀ jā ŏ Ö

%åĎãâ	al p ² f atašo taš ¶ a Va	VaaOla Êaae Olay li °ab'‡abao ‡abae O aa€3vaa
01.	Ñããc † , ããÀ . ¶ã0ã1¹ã¶ã	23/24
02.	Ñãã: † ½, † ¶a, Ì đặt đồ> Ô đ∏a	23/24
03.	Ñão tạc, an m tạc tạc kà (08.03.2006 Ôão an tạc tạc tạc Ôão Ôada an tạc	22/22
04.	Ñã ce •ān _i āc Íā/sā Á (09.03.2006 Ôãn ¹ ā/sā Á āā)	01/02

b. SHARE TRANSFER COMMITTEE:

Share Transfer Committee consists of the Chairman and Managing Director or in his absence the Executive Director, the shareholder Director and one Director nominated by the Board. The committee deals with all matters connected with share transfers, transmission, Issue of duplicate shares, transposition, Demat / remat etc., The committee met 24 times during the year and all the meetings were conducted with proper quorum and without any adjournments.

The Number of Meetings attended by each Committee Member is as under:

SI. No	Name of the Directors	Number of Meetings attended
01	Shri AR. Nagappan	23/24
02	Shri M. N. Venkatesan	23/24
03	Shri K. Ananda Kumar (Retired as director on 08 03 2006)	22/22
04	Shri J D Sharma (wef. 09 03 2006)	01/02

The Share Transfer Committee appointed a practicing company secretary to undertake the Secretarial Audit in the office of the Registrar, to verify the methodology followed by them involving share transfer, transmission, consolidation, split, issue of duplicate certificates etc., His assignment commenced on 01 01 2005 and his fortnightly report are considered at every meeting of the Committee and found to be in order. No request for transfer is pending for more than one month.

c.Shri Sivaram Swamy, General Manager is designated as the Compliance Officer for the purpose of complying with the various provisions of SEBI, Stock Exchanges etc.,

Üā. ÌāÓāĀ ṭāŚ º āðkā¶ā ¹āÆP¦ā Ìā º À ṭāŠāe ØāfĀ ¦ā®āa āðlāÞāāĀā£āā¶ā ād āṭāŠā9Æjāāò ṭāŠāè ÔāÆEÆiā

%	ā (a a a a a a a a a a a a a a a a a a	01.04.2005 ‡ ášān Í áðfa	18 0 8 8 1 at 28 at 4 as 0 ‡28 ac 0 ac 2 as	a À ‡áác (18/6c a Á ‡áás/4 ao ‡áác Ó aE %a	都¶Adð 31.03.2006 ¦ āð Ë āð ājā
1.	Ì aad að aac , aac af á , aað Í aakað † aagaak á † á á † aac ¦ á ¶a Ö afþa	Í affa	781	781	Í điệ á
2.	Ê æl/æá l á ¹æ l ¦á ¶á Öæ¶a	Íæ	2922	2922	ÍARA
3.	Ođanelo> đại số † ‡i được pà a a cầu Chiếc tá đi được kả đi phác kỷ a cầu và ‡i địn đi được pà là đác đi Țima Oã	07	58	52	13
_	‡ ā Eã	7	3761	3755	13

6. Ôãã/ãã/[P/ā Ôã/4ãã ‡ãŠãè ºãÅŸ‡ãŠō

táš. Ô°að¶ā lã Ôðl⁄áðá •ãÖáú ððáceÊðãe°ãď táš , ãððáððð ðļā ÖjfÄ

%Š Ôãã	°áÖ'‡áŠ ‡áŠá ¹á¶áŠáÀ	°að'‡áŠ ‡áðæ¦aðhaŒā, að ¶ā Ìá Ôal⁄ává	Û°anja
01	¦aaêaÀae	18.07.2003 โสซสมิสมั	Àä¶æÖäæaöÖæEa 603,
	†•ae†%a	าสโสมิ่¶ล 10.00 °ลิ•ลัก	, ॥aa ÖaæEaöÞajay-600 006
02	Þæ6æ:	31.07.2004 โลสโต้ลัง	Àā¶æ0āæāöÖæ£ā 603,
	†•æ:†½i	¹สโลฟีๆลี 11.00 ºã•ลัก	, ॥ā 0⿣āÞājā/-600 006
03	¹ãðbàÌãé	17.06.2005 (ฮิซิฉิโสล์	Àā¶æêÔæệæöÖæ£ā 603,
	†•ãꆽí	¹สิโสมี¶ล 10.15 °ลิ-สัก	, ॥æ Ôæ£æÞājāf-600 006

CE á aðáce Éace | ac Φ i + • ace + | Φ i + ace + ace + | Φ i + ace + ace + | Φ i + ace + acc + a

Dā. ÖVANTA ; atáče Vajār ahā rakkatēze , arkata pidže táče öğ

Üa. Ô°ANA Ì ã ÔA/A/A • Đãu, ĐãAEAÀ¥ã ÔA/ANA ° ĐÝ ‡AŠ , AZ/AAAA 4 à ÖYÄ

%åŠ Ôãã	°áÖ'‡áŠ ‡áŠá ¹á¶áŠáÀ	°ad'‡aŏ‡aðæ¦aaNaEfa, aæ¶a Ìā ÔaNaNa	Ô®ã¶ã
01	¹äÖÉæe fÄ•æe†Va	07.12.2002 (Taqqilar) 1alaalqi 11.00 °ä-ai	Àaffæ0æ¢aöÖæEá 603, , 奥ai ÔæEao Þäjáf-600 006
02	ªÔâÀæ̀ƒÃ∙æ̀†Vá	30.11.2005 °ā£ālāā ¹ālāāb¶ā 11.00 °ā•āī	À# Æ@Oæ&######## 603,,#¥¥#################################</td></tr></tbody></table>

d. Number of complaints received, resolved and pending during the year:

SL NO	COMPLIANT	BALANCE AS ON 01 04 2005	RECEIVED	REDRESSED	PENDING AS ON 31 03 2006
01	Non receipt of refund order and Share certificates	Nil	781	781	Nil
02	Non receipt of Dividend	Nil	2922	2922	Nil
03	Complaints to SEBI / Stock Exchan and Consume Redressal for Court	r	58	52	13
	Total	7	3761	3755	13

6. General Body Meeting:

a. Location and time where last three General Body Meetings were held:

SI. No.	Nature of Meeting	Date, Day and time of Meeting	Venue
01	Third AGM	18.07.2003 Friday 10.00 A.M.	Rani Seethai Hall 603, Anna Salai, Chennai – 600 006
02	Fourth AGM	31 07 2004 Saturday 11.00 AM	Rani Seethai Hall 603, Anna Salai, Chennai – 600 006
03	Fifth AGM	17 06 2005 Friday 10.15 AM	Rani Seethai Hall 603, Anna Salai, Chennai – 600 006

- b. No special resolutions were passed in the previous three AGMs.
- c. We have not introduced the Postal ballot system.
- d. Location and time where Extra Ordinary General Body Meetings were held:

SI. No.	Nature of Meeting	Date, Day and time of Meeting	Venue
01	First EGM	07.12.2002 Saturday 11.00 A.M.	Rani Seethai Hall 603, Anna Salai, Chennai – 600 006
02	Second EGM	30.11.2005 Wednesday 11.00 A.M.	Rani Seethai Hall 603, Anna Salai, Chennai – 600 006



7. ¹ã¶ãŠ> ã‡ãŠÀ¥ã

- táš °akáš táð alþi í átáša) 1484(f.alþ., "(þtáše, alþúndae, ftášf 3/ao 3/ao Óadaanta/ao, aaai táš Óaa?a °abáš táš 1/aÖ;1 ataká, tášní á tôán Óadaanta á 125-æÉan(i) nþ (þöæ öða alþúan °abáš táð aö;120 táð Óaa?a táðaf Á Óadaal 3/a 1/a a/ai öän ý
- Ob. lā akkalli vio akš taš taš taš taš hatala taš prik parai alpas paraja (alaadi a£a °£aaka) tarafa obas (pi) a cio £aakalli foas takah taše akk£a az -•a£a az paraja °akš vio "ta£a²£a cio ý , aza > oakaraja oan catalas taš pri oan akasoas viae likanaja taša valja (pi) akasoa oakaraj
- Üb. °atiaжmi Aad> kekatatjā °atiaŠ taš aftāt Vaikļaeka ab•alāf°atiaŠ Vaikļā
 Oaktašk ′akā Oakeka Oakeka 1ak •akke Oaminantataša af laenprotāv
 atprilā Vao ae Oay A Oakee , antārilaq Vataš , a anaa, ao taša 1a£atp
 ataška Ovy
- Ý. 08àl-, aala a fa ag vátaš , alaba a, aso tašan û alabaha a vár ao taš 1aba a aù aar A váo ar t , a rúðar , at arbat oat öö ý
- 8. ÔãđãMã¥ã ‡ãŠ Ôãã£ã¶ã
- táš °ahaš taš apalvadæ, a akama a a akama 1 amk 4 avka ampa ní atáš vap É a 'aka , apalvama' ta ahašt •aq ando, amk fôn ampa ka ôa vaka taš , apa k "Pa ôa vakaš taš í ankak ôa vaæ aæ tašn 'amk a tašk að vaæ a að o •aða °ahaš taš í ankak ôa væða ® Öoý °ahaš ôa væða í ankak £aak tašm tašn apalvadæ amk væða væða væða , aa köa ööý
- Cá Ô áð ace a® ‡áð kið tað Ca¥; 41 ‡áð Va; ace batð áð að að áð ace diað ac

0ā½ā⹦ā āặā½āāÖāè	, ădiali ââè ^a ădițiăŠ	à ãñ ããð vã a ōd jātāŠ	¹ä l läŠäĺä¶ä‡äŠäè äääääFä
31.03.2005	ãa †‡áð jaanhatás>áf Vðá	ãð ¶bhÉ á (¦ãahhÉ á)	28 04 2005
30.06.2005	ãa aồaì - aaama†βōa Ēay¶h	ar filde al (¦aane a	30 07 2005
30.09.2005	aa° abb°i - abaan a¶aba Èag∕¶i	æg (þvæða) (¦æðdæða)	27 10 2005
31.12.2005	āð āb ^a i - āðam ðjiða Éagf¶a	ar (kata kata ka	26 01 2006

7. Disclosures:

- a. There are no significant related party transactions of the Bank with its Directors, Management, their subsidiaries or relatives etc that would have potential conflict with the interests of the Bank at large.
- b. No penalties were imposed or strictures passed on us by Stock Exchanges/SEBI /any statutory authority on any matter related to Capital markets during the last three years ended 31 03 2006, except in one instance by RBI, the details of which have been provided in the Notes on Accounts to the Balance Sheet.
- c. Presently the bank does not have a Whistle Blower policy but has a policy which is similar to it. No persons have been denied access to the Audit Committee.
- d. The Bank has complied with all the mandatory requirements to the extent provided for in the statutes/guidelines/directives issued by the RBI/Government of India from time to time, for a Nationalized bank.
- The Non Mandatory requirements have been adopted as stated in this report against the relevant items.

8 Means of Communication:

- a. The quarterly un-audited financial results of the Bank are approved by the Board of Directors and the same are submitted within the stipulated period to all the stock exchanges where the Bank's shares are listed. The Bank has been sending quarterly results to all the shareholders.
- b. The quarterly financial results are also published in a national daily and a regional vernacular daily in terms of Clause 41 of the Listing agreement. The details and date of publications are as under:

Quarter ended	English Daily	Regional Daily	Date of publication
31.03.2005	The Economic Times	Dinamalar (Tamil)	28 04 2005
30.06.2005	The Hindu - Business Line	Dinamalar (Tamil)	30 07 2005
30.09.2005	The Hindu - Business Line	Dinamalar (Tamil)	27 10 2005
31.12 2005	The Hindu - Business Line	Dinamalar (Tamil)	26 01 2006

- 0ā. āṇā/āci)ā: ¹āmā¥ādā °āṇāš ‡āš lānti)ās/> www.iob.com. ½ab¼ā: ¹āntā āṇā āṇāš† 0↠0ā/
- 9. Ôãā/ðā¶ðá Íāð/ðÁ£ãāÀ‡ãŠ ÔãÞã¶ðá

‡ãŠ. †•ã㪆½ã:	¦ããÀāÆã, Ôã⅓ã¾i ,ããÅ Ô°ãã¶ã:
aa qaa a š	16.06.2006
Ô ā/ā/ā	ÔãºãO 10.15 ºã•ãn
Ô®ã¶ã	Àa¶aæ0aæ;ao0a£a 603, ,a¥¥ao0aæ£ao Þaṇay- 600 006

- CEā. aði⦦aaðá laóað: O1 , alada ôan 31 ½aþað
- Øã. °äÖäe °ää¹ ‡äĶñn‡äŠäe ¦ääÄäÆä:
 13 05 2006 Ôän19 05 2006(°äŊäöää¶ñ ĺäääðá£ä Ö)
- Üä. Êãā¼ããá ā ¼ãØä¦ãã¶ã ¦ããÀãŒã: 27 06 2006 ‡ãšã¾ã "Ôātāš°ãã¹
- i . °ādāŠ ‡āŠ [āðáh āfjā/4]āābāāādEā¦ā Ô>ādāŠ †‡āÔāÞāðāðão Váò ÔāÞāãe °ā® ādāŠ† (V↠Öö

Ô> đị để † † đồ đờ đờ đi † đốn ¶ để/n	Ô> ábáš ‡áŠáj
¼ã³ đÔã Ô> ã tđŠ †‡ãÔđÞã•ã	, äðf , äðfaæ
VâđãyÃÔ> ãþ㊠†‡ãÔđ⊅ão ã	532388
¶aí a∏aÊã Ô>ā¢aŠ †‡ãÔāÞã•ã	, ãaf , ãafaãe fliað kin † fli ° ãafli ° ãað áe

0> ataš † taūlabab azotašani ataž 2005-06 taš arī āt ū abaeta® taūlytno pa lazabataš (alētaš aple azabaļa a ha ¦azabaetas taš , at a at ka oba az oš pa. 0> ataš † taūlabab a kao i kao i kai azak adaš† oa† (arkaka) taša kaelska la "Patašae kai aa :

, al aana /aaÖ	¶af ā¶ē£ā Ô> āþáŠ		⅓atajfÃ	Ô> ã‡ãŠ
	†‡ãÔđÞãĐã		†‡ a Ô ð Þ a ða	
_	"ÞÞã (Á)	ã¶#/¶ā (Á)	"ÞÞã (Á)	湖郊(Á)
, ã ã£ã 2005	81.35	67.15	81.25	67.30
%fÃ2005	85.00	69.20	81.00	69.10
•ã№ 2005	87.80	71.50	87.45	73.05
•ãÊã§Ã2005	91.00	73.00	91.00	73.00
, ãØãÔ¦ã 2005	91.00	81.00	92.00	72.85
ãĐã ã½ã 2005	100.00	82.90	99.00	84.00
, đã đã dà 2005	95.90	82.25	96.00	83.50
¶alā⁄2ā 2005	101.85	88.55	101.60	89.30
ãã 0 ã⁄2 ã 2005	99.25	89.00	99.90	90.30
•##A##################################	134.40	92.50	132.70	92.40
¹ ãÃÌãÀã: 2006	113.00	98.55	115.00	98.60
½ãÞãÃ2006	108.90	93.35	109.50	93.00

- c. The quarterly results are also being displayed on the Bank's **web-site www.iob.com**.
- 9. General Shareholder information:

a. AGM:	Date, Time and Venue:
Date	16 06 2006
Time	10 15 AM
Venue	Rani Seethai Hall 603, Anna Salai, Chennai – 600 006

- b. Financial Year: 01st April to 31st March
- c. Date of Book Closure:

13 05 2006 TO 19 05 2006 (Both days inclusive)

d. Dividend Payment Date:

On or after 27 06 2006

e. The Bank's shares are listed on the following stock exchanges:

Name of the Stock Exchange	Stock Code		
Madras Stock Exchange	IOB		
Mumbai Stock Exchange	532388		
National Stock Exchange	IOB EQ AE BE BT		

Annual listing fees for the year 2005-06 has been paid to the stock exchanges within the prescribed due dates.

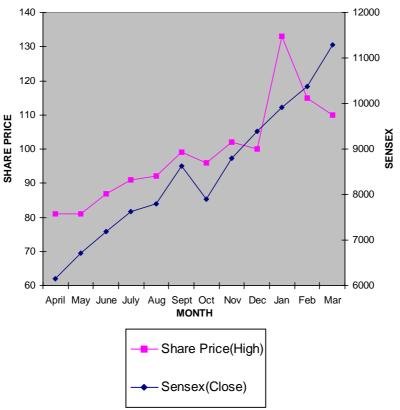
f. Share price and volume traded in Stock Exchange:

Period Month	National Stock Exchange		Bombay Stock Exchange		
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)	
Apr 2005	81.35	67.15	81.25	67.30	
May 2005	85.00	69.20	81.00	69.10	
Jun 2005	87.80	71.50	87.45	73.05	
Jul 2005	91.00	73.00	91.00	73.00	
Aug 2005	91.00	81.00	92.00	72.85	
Sep 2005	100.00	82.90	99.00	84.00	
Oct 2005	95.90	82.25	96.00	83.50	
Nov 2005	101.85	88.55	101.60	89.30	
Dec 2005	99.25	89.00	99.90	90.30	
Jan 2006	134.40	92.50	132.70	92.40	
Feb 2006	113.00	98.55	115.00	98.60	
Mar 2006	108.90	93.35	109.50	93.00	



ce. 1.4.2005 $\hat{0}$ āñ 31.3.2006 \ddagger ā \hat{b} \hat{a} ā \hat{d} ā \hat{b} \hat{a} ā \hat{d} ā \hat{b} \hat{a} ā \hat{d} ā \hat{b} ā \hat{d} ā

g. Equity Performance in comparison to BSE during 01 04 2005 to 31 03 2006



•ã. À㤠ãÔ> bÀ , ããÅ , ãå¥㠆•ã¥> :

fivita: cameosys@satyam.net.in

šā. Í āðváð , ãð āð ¥ã ¹ā¥ ããÊ ããê

h. Registrar & Transfer agent:

M/s. Cameo Corporate Services Ltd (Unit-IOB) Subramanian Building, I Floor No.1 Club House Road Chennai-600 002

Tel: 28460395; 28460084 Fax: 28460129 email:cameosys@satyam.net.in

i. Share Transfer System:

Our bank has a sub committee of the Board for considering the requests received from shareholders for transfer, transmission, transposition, issuance of duplicate share certificates, splitting, consolidation, remat, name change etc., The Chairman and Managing Director or in his absence the Executive Director is Chairman of the Committee. The other members of the committee are: A Share holder Director (Shri.M.N. Venkatesan) and another Director (Shri J D Sharma).

>. 31.03.2006 ¦äṭāŚ Íāððà£āāÀ¥ā ‡āŠā ¹āō ¶ā́Ā:

%ãð/ã. Ôãâ	Ñâ	i¥ ãê	Í álvál að ‡álæ Ó álæ va	Í āðváð £āāð¥ā ‡āšā %
1.	1/ããÀ	¦ã ÔãÀ‡ãŠÃÀ	333600000	61.23
	"¹ã	3∕āā0ā	333600000	61.23
Øã À −1	ã À Eã¦ã	Ã㊠‡ãŠã £ããÀ¥ã :		
2.Ôã	°äilä	(ब ब्युबोर्क्य बंदर्रेः		
	ŧãŠ	1440Þā, á£ā 185¥ j Óā, 3460∯⊳ > Ö> , áðháŠ fᥠj 346	6597602	1.21
	΋.	°abas la alasada (ab°aatu °adas la alasada (ab°aatu	16228968	2.98
	Øã.	ad a² rí aæ 0 ad 9ada; a aqad arí atas	94737345	17.39
		"¹ã ³ ⁄áāll ã	117563915	21.58
3.	, ã	% .		
	ŧãŠ	ali-ae 900/a alitab/a	7810417	1.43
	΋.	%aA¦a8⁄a •a¶a;a	80576248	14.79
	Øã.	, adjá að æl/að¦ æl/d , að að æ	4573890	0.84
	Üã.	, â¶⁄a	675530	0.13
		"¹ã ³ ⁄æãl ã	93636085	17.19
	‡ã Š É	Èã ³ ∕ããØ ã	544800000	100.00

Ÿ. 31.03.2006 ¦āṭāŠ āðā¦āÀ¥ā , ā¶āĎāÞāāè:

Í aðváð £aðh‡áðaó ‡aðae0aæ€36a	‡áŘí á Váo Ôán%	Í aða kanta ^r Padavaria tað 1 val ² Xa taða Í aðakk Eazk¥á (Á)	Í áðáð £að\¥á ‡ (Á) ¹áB∕ðáð Á.10 ‡áð Í áðáðá ‡áðáð£á ÖáÆ3⁄a	āĚā Vão%
208308	86.22	5000 ¦ātāš	40867193	7.50
24337	10.07	5001 Ôãi 10000	20583731	3.78
6161	2.55	10001 Ôãi 20000	8686041	1.59
1056	0.44	20001 Ôãi 30000	2625262	0.48
547	0.23	30001 Ôão 40000	1952549	0.36
265	0.11	40001Ôãi 50000	1242886	0.23
409	0.17	50001 Ôãi 100000	2986949	0.55
507	0.21	100001 Ôãi, ã al átáŠ	465855389	85.51
241590	100.00	‡ ã Ěã	544800000	100.00

j. Shareholding Pattern as on 31.3.2006:

SI. No	(Category	No. of Shares	% of share holding
01	Go	overnment of India	333600000	61.23
	Sι	ıb-Total	333600000	61.23
NON	N-PF	ROMOTERS HOLDING:		
02	Ins	stitutional Investors:		
	Α	Mutual funds and UTI	6597602	1.21
	В	Banks, Financial Institutions, Insurance Companies etc.	16228968	2.98
	С	Foreign Institutional Investors	94737345	17.39
		Sub-Total	117563915	21.58
03	Ot	hers:		
	Α	Private Corporate Bodies	7810417	1.43
	В	Indian Public	80576248	14.79
	С	NRI/OCB	4573890	0.84
	D	Others	675530	0.13
		Sub-total	93636085	17.19
	GI	RAND TOTAL	544800000	100.00

k. Distribution schedule as on 31.3.2006:

No. of share holders	% to total	Shareholding of nominal value of share (Rs.)	No. of shares of Rs. 10/- each.	% to total
208308	86.22	Upto 5000	40867193	7.50
24337	10.07	5001 – 10000	20583731	3.78
6161	2.55	10001 – 20000	8686041	1.59
1056	0.44	20001 - 30000	2625262	0.48
547	0.23	30001 - 40000	1952549	0.36
265	0.11	40001 - 50000	1242886	0.23
409	0.17	50001 – 100000	2986949	0.55
507	0.21	100001 and above	465855389	85.51
241590	100.00	TOTAL	544800000	100.00



j . Í **áðvá**À 1**áðlá**á¥á-1á aão ‡ášá , á**væj**áðlásÄ¥á

31.03.2006 | atá 54.48 taka | fakala a laka a laka a laka 38.31 taka laka ka a laka 38.31 taka ka a laka ka a laka a laka

°apá tá app./pan.ameg a 'g an 'ak í akkkeaktááo taše af atašakg ao taš app a- app tas af at , aak "pptáse Óahao tas af at °apá kho appl af atá Óabana tás a Gog

I. Dematerialization of shares:

The shares of the Bank are under compulsory demat trading and as such the Bank has joined as a member of the depository services with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as an issuer company for dematerialization of the Bank's shares. Shareholders can get their shares dematerialized with either NSDL or CDSL. The depository services have allotted the following ISIN code to the Bank: INE565A01014.

As on 31.3.2006, out of 54.48 crore equity shares, 38.31 crore shares are in physical form (Government of India 33.36 crore) and 16.17 crore equity shares are held by the Shareholders in Demat form.

m. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The bank has not issued any GDRs/ADRs/Warrants or any convertible instruments.

n. Address for Correspondence:

Share transfers, dividend payment and all other investor related activities are attended to and processed at the office of M/s. Cameo Corporate Services Ltd., Registrars & Share Transfer agents. Shareholders may lodge the transfer deeds and any other documents, grievances and complaints at their address:

M/s. Cameo Corporate Services Ltd (Unit-IOB)
Subramanian Building, I Floor
No.1 Club House Road,Chennai-600 002
Tel: 28460395; 28460084 Fax: 28460129
email:cameosys@satyam.net.in

The Bank has an Investors Relation Cell at its Central Office, to deal with the services and complaints of the shareholders at the following address:

Investors Relation Cell Indian Overseas Bank

Central Office, 763, Anna Salai Chennai-600 002 Tel: 28519491, 28415702 email: investor@iobnet.co.in

·	tአ, äľamaã, äão táŠañ , äľaľjaaľjaã	Requirements:	Our Adention
0ah-, aafa? d aq Vataš , a aanaat ú	°ádአ´áÀã , á á¶ágfÁ DágfÁ	Non Mandatory Requirements	Our Adoption
°æŋ Á‡æða¶æ; ‡að Œæ) að 1að Dað-‡aðaválæ€ æ†að , æ3æaá ´aðá ‡aðavæ£ævá ‡aða ÀŒa}Œæða	Vanh¦ā Özhṭzásh hadə hevatziqā °anda (†anada)a afan ahanhada ṭað , alpdrah , af3vabā † län afandā alpfiliata ṭaðe alpbranda ā ¦afan "(ptaða arahhanvata ṭanh anada abca van , arah ¦aba ṭaðh¦an Önj lan°anda ṭað ṭaðabahad atað , af3vabā Özhan Önj , ata 3við Ceav¦ Ölvanhanda t Ézada (ptða Öznana ý	The Board – Maintenance of an office by a non executive chairman at the company's expense	The Government of India appoints and fixes the remuneration, perquisites etc., of the Chairman and Managing director of our bank in accordance with the provisions of the Nationalized Banks (Management and Miscellaneous Provisions) Scheme 1970. He is an
aan Nadda S Oaddaga	Þandað adja ⁿ íf atáðo táðin ^a hó 1 amhlí amhli áð táði adjakáhó táð ³ Oáltáðin Éapan Öö, amh °abáð Omh-adja ⁿ íf atáðin táðin að amh a hó 1 áðað á táð , að að a táðag á 1 amhlí amhli að híð é ^a þan Öö f Oamlát °am á fja 1 amhlí amhlað á Öamhama	Remuneration Committee	Executive Chairman to the Bank. Hence this clause is not applicable to us As the remuneration payable to the directors is decided by the Central Government and
क्रिकेटकोईके , क्रांबर्के	y vaara aa A A A A A A A A		the Bank does not pay any remuneration except sitting fees to non -executive directors, the Board has no
, aa q > , a0 4 a	ia alkanja vao Ovanin°anas tas ansat Eada Pidas Osý	Shareholders Rights	committee. All the shareholders are provided with the Quarterly
Pam Á‡að ÓaªÓ¾am‡aðm	alp∂ní atáto tátm • atató A£a£a ¶aó A 1ama ata faó>> ;á> , atató j ha£ata/ao £a °amatób,	Audit Qualification	results. Presently not applicable to the bank
	Och A 2 222	Training of Board Members	The directors are nominated to various training institutions like Jawaharlal Nehru Institute of Developmental Banking Hyderabad(JNIDB), Bankers Training College, Mumba (BTC), National Institute of Bank Management, Pune
VaÀ-‡áše/da£atáš°an Á‡aš Óa²Ó%ao‡aš Va£%adaðja ‡áše táše/dahadía	ÖVaðin °aháð Vao Odik-taðavákað atað °aan Á tað Ódi Óðaotað Va£3anháðip taðe taðn Á taðaváðhadia "1æ£ar£a ¶iðæÖoý	Mechanism for	(NIBM) and Administrative Staff College of India Hyderabad(ASCI) etc., The bank does not have
aliaaba£a °£aan ah 1aaa£abaa (Þapaala¶aæ¶aana)	, acara poecoy Îd alaan 180°an Stat 1ad a tağır A þapalane Sama (alaan acara)	evaluating non executive Board Members	such mechanisms for evaluating the performance of Non executive Board members
	Ê andat)jā f û aze 1 andasi 1 tāše abblē a aze • alē a aze ¶azija °alāš Vab "1 alē a e b ö , azij > û andasi Û arû abataš tah ¶arû arajabû aze Vaze) Vandajā tašar Vaļja ¶D ac alašvās dakas Ö o ý	Whistle Blower Policy	Presently the bank does not have a Whistle Blower policy but has a policy that is simila to it. No persons have beer denied access to the Audi Committee.
ᅺ	n¦a San alphrifata Syaq Ea table, and Oan	For and on	behalf of the Board of Directors
Váðaf Á 27., á áðið á 2006	(>æ†Ôã ¶ækææðækæ ,ækæā †Ìæiææææðæææ	Mumbai 27th April 2006 Ch	(T S NARAYANASAMI) nairman and Managing Director



01 ¶ãã/ã Nããe > ãe † Ôã. ¶ããÀ ã%¥ ãÔ ãã/ããe

56 ÌãÓãÃ , ãã/ã 36 ÌãÓÃ , **a a /a /a i** a , ãÔÃã °ããe†Ôã.Ôããe

Ì3⁄ãÌãÔãã¾ã , 㣾ãaã Ìã ¹ä¶ã£ã äÆlã²íÍ átāŠ

älle/aätäjä täšäe ¦ääÄäÆä 09 06 2005

Ì ã¦ ãľváz¶á ‡áŠá?⁄áál ááá£á ‡áŠáè

Ôã/ãããã¦ã ‡ãŠãe ¦ããÀãÆã : 31 05 2009

āŊā^arĺātāŠā , ãã a 1969 ½ão ¾ã㠶㾶㠰㢠aŠ , ãã dãŠ

∱ã¥;3⁄ãã 1⁄ãò ã4∥ã¾ã¢ã¦ã ãã‡ãІ Qㆠ,ããðÌ Í ágÆ áð, þá á á áðað á í á á á áðað á áða á á á ó ¦áðí þáð atast Daty , az afan 1 azet fa azet , azab) ; a 1 adataj tasata tas , az aka , az 1 azet fa azet fa azet ; az tás a; /kaaddatás 1 aadatás (ada , adatása > act /ka/kaadd 3 kE a 1 ao O ad alladdy O ada3A j ad0tasa f ääk ; ¾af|ā , äänl äÅ Ö ääær ä °äd äŠ , ä. l ä. l älagalja , täta l ä? ¼æÅ, Ö ääkæÆ ääý

, ãof , ão hão: 1/80 Í a hAÁ £ão Aí ¦ão - Í a físa

, anga anga ni atak as- í anga

02 ¶ã/ã Nããc † , ããÀ. ¶ããOã¹¹ã¶ã

59 ÌãÓãÃ , ãã/ã , **ā[ā/ā**l ā 34 Ì Â Â , ãÔÃã †½ĩ, †Ôã, Ôããè ‡**a**ðaralað agar ní atað Ì3⁄aÌãÔãã¾a ã¶B∕acatã¦ã ‡ãŠãe¦ããÀãŒã 27 08 2004

Ì ä äl**vä**aja ‡ä**š**ävääl ää£ä ‡äšäe

Ôã/ãããã¦ã tãŠãe ¦ããÀãÆã : 30 04 2006

, apavala/ , apva

ädlä^ä il ätäš ää , zálalþin fálf ; 3/4lþá °abአ1/80 "ÞÞá 1á7 að þáða þáðaðláðað

ātāšā Cēlēci , ar , artæ vo (āvāl£am); a- (arķa , arķa alpridātā a- (arķa

03 ¶ãã/ã Nãã Và£ãÔã° ¶ã ¹ãÑãã°

, ãã/ã 49 ÌãÓãÃ , ā[āl/āl ā 24 ÌãÓãÃ

, ãÔÃã Ì3⁄ãÌãÔãã¾ã

älle/aätäjä täšäe ¦ääÄäÆä 24 01 2005

Ì ãi ãi/vài/lã táŠã/vàil ãivi á táŠãe ÔãÀ‡ãŠãÀ Ôãn, ããOãn, ã㪠flã, ãã¶ãn¦ā‡ãŠ 1981°ābā ‡āš , āāf.†.†Ôā (¼ā¦āā¾ā ¹ākāaÔāāķķāā Ôālāā Öÿ) Ôã/ãããã¦ã ‡ãŠãe ¦ããÀãÆã

, alavið , alva alað í atáða Vazāļā Ôzāļāšāā, zālāļā VajazāĒzīva tāš

Ôæðatata Óæætræða Öæ

, äaf , ääflääe Vão Í äfláÁ£äääŦää- Í äflká , ang a ang a ni atak as i ang a

DIRECTORS' PROFILE

01 Name : Mr. T S Narayanasami

Age 56 years Experience 36 years Qualification B.Sc

Occupation Chairman and Managing Director

Date of Appointment: 09 06 2005

Date of Expiry of

current term 31 05 2009

Experience /

Other Directorships : Joined Union Bank of India in 1969

and played key leadership roles at the Branch, Regional and Zonal Levels covering a vast geographical spread. Appointed by the Government of India as Executive Director in Punjab National Bank in 2000. He held several key positions including the Chairman of PNB Asset Management Co Limited and Director on the Boards of PNB Gilts Limited and PNB Housing Finance Limited. He was awarded T A Pai Memorial BEST BANKER award by a Kannada Monthly Magazine. Appointed by the Government of India as CMD of Andhra Bank in April 2004 and thereafter took over as CMD of Indian

Overseas Bank.

Shareholding in IOB: NIL Other Directorships: NIL

02 Name Mr.AR Nagappan

Age 59 years Experience 34 years Qualification M Sc

Occupation **Executive Director** Date of Appointment: 27 08 2004

Date of Expiry of

current term 30 04 2006

Experience /

Other Directorships Held very high positions in Indian

Bank and was instrumental in its turnaround. He was appointed as Executive Director of our bank with

effect from 27 08 2004. Shareholding in IOB: NIL Other Directorships: NIL

Mr. Madhusudan Prasad 03 Name

Age 49 years Experience 24 years Qualification MA, IAS Occupation Gol Nominee Date of Appointment: 24 01 2005

Date of Expiry of

current term Until further orders from Govt.,

An IAS of 1981 batch.

Experience /

Other Directorships He is the Joint Secretary, Ministry of

Finance, Government of India.

Shareholding in IOB: NIL Other Directorships: NIL

04 ¶ãã/ã : Ñãã Ôãã †Ôã ½ãã ÃÃ

, ãã Vi : 57 Ì ấ đã , đã Vi : 26 Ì ấ đã

, äÖÄää : °aætašavá, Óaæt , æy , æy °æe, ¡ aðaæt , æy

13/a1 a0 aa/a : 1/aa a1.º a1 a5 1/aa/a aae

ādjā kāda tākā tākā tākā : 07 04 2005

Ì ã; ãl/sã/jā ‡ášã/sãl sãs£á ‡ášãe

Ôã/xããã¦ā ‡ãŠã; kãà xã£ã : ÔãÁ táŠÃ Ôã, xãOã, x㺠níã, xã∏ā; táŠ

, alakai a/ , alka

ādjā² nī ātāš āā : 1969 Vāo Vāo ādā. °ātāš Vāo ādjā Vatā ā Öi†, ād

\(\mathrea{\text{Ma. ail.}}\) "atals \(\frac{1}{2}\) tasis \(\frac{1}{2}\) tasis \(\frac{1}{2}\) tasis \(\frac{1}{2}\) tasis \(\frac{1}{2}\) \(\frac{1}{2}\) tasis \(\frac{1}\) tasis \(\frac{1}{2}\) tasis \(\frac{1}{2}\) tasis \(\frac{1}{2}\) tasis \(\frac{1}{2}\)

, agr, aanaa: yau ranvanzaaan;aa-ran , a¶xa aqa²niata\$jaa-la¶xa

05 ¶aā/ā : Ñaãe Í atað ¶a Ñaãa Maì að að að l

, 20% : 53 láta , 20 láta : 30 láta , 20 láta : °222 † 0 á 0 á224

̾à ðãã¾à : ‡ã¾áðãà æ(¹ãðã>) ¶ææðæ æè

āðļā⁄ðaðjā¦ā ‡āŠāe¦āðÀāðEā : 25 02 2003

Ì a alvada tašaval aana taša

Ôā/\$aaā¦ā ṭāšāe¦āaÀāÆā : 24.02.2006 ṭāšīn , āaĀ "Ôāṭāš °āa? "¶ātāš

,,||akamatatákkæ tásæ alps/andata ö alpin|atás 3/aa , agf.,, ago aæ tas taskabankæ tas Á la 1/a ,, fitas taskabaséE a tasæ ö akamaka tas Ála 1/as

, alavala/ , alava

alfir ní ataš a : , aaf . , aan° aae Vao 30 Ì aútaao ô an , aanc ataš ‡aša

, a paval ay , aar a , aar . , aan ° aae Vao ad af anha talaatah 0,00 askutas tas tar tah 0 ay , aar , aan aae Vao fankah Eaand tar , ag , aan aae Vao fankah Eaand tar , ag ka aag ar fa atas aa - fang ka

06 ¶ãð⁄ā : Ñããe •āñ j ãe Í ā∕ããĀ

, ãã¾a : 49 Ìabã , ațavaia : 29 ìabã

, aÖ kaa : †½. ‡ašaya, †½º aat , ; ae, aaf †½.

Ôæt, æf, æf°æ, †ÊætÉææ tævækæ (, æætætæshæ) ¶æævææ

ādlā/sāstā;ā tāšāe ¦āsā asEā : 09 03 2006

Ôã/Ássā | a taša | tañ a£a : 08.03.2009 taša , tañ "Ôataš °aa "¶ataš

"|| shāmā da shām a tase alpsama a ö an in | atas 3/m , as . , an ac ac tas tas shamah ac tas A a vio "Na tase shamak a tase o a/mah a tas

, apavala/ , apva

Ì3/ai ãÔãã3/a

ágpa ní ataš áa : 29 l adáaó Ó an , aaaEataš taša , agaival a ý

l㦠ãÑ⁄ãã¶ã ¼ãò , ãム, ããñ °ããè ¼ãò Ì ãããÌ ÓŸ

¹āfāfātāŠ Öğ

, aaf , aafaa: Vao Í afvál£aaail¦aa-1600 , afvá aða' íí ataš aa- Í afvá 04 Name : Mr. C S Murthy

Age : 57 years Experience : 26 years

Qualification : B Com., CAIIB, DCAI

Occupation : RBI Nominee
Date of Appointment : 07 04 2005

Date of Expiry of

current term : Until further orders from Govt.,

Experience /

Other Directorships : Joined RBI in 1969 and has worked in

most of the operational and Supervisory departments of RBI and at present is the Chief General Manager (In Charge) RPCD, Reserve Bank of India, Mumbai. Shareholding in IOB: NIL Other Directorships: NIL

05 Name : Mr. Sankaran Srinivasan

Age : 53 years
Experience : 30 years
Qualification : B.Sc

Occupation : Employees (Award) Nominee

Date of Appointment : 25 02 2003

Date of Expiry of

current term : 24.02.2006 and thereafter until his

successor is appointed or till he ceases to be a workman employee of

IOB

Experience /

Other Directorships : Having more than 30 years

experience in IOB, he is at present a special cadre assistant in IOB. Shareholding in IOB: 200 Other Directorships: NIL

06 Name : Mr. J D Sharma

Age : 49 years Experience : 29 years

Qualification : M Com., MBA, DIM, CAIIB, LLb.
Occupation : Employees (Officer) Nominee

Date of Appointment: 09 03 2006

Date of Expiry of

current term : 08 03 2009 and thereafter until his

successor is appointed or till he ceases to be a employee of IOB

Experience /

Other Directorships : Having more than 29 years

experience, he is at present a Senior

Manager in IOB.

Shareholding in IOB: 1600 Other Directorships: NIL



An Advocate in Rajasthan High Court.

He is also a journalist and Editor and

Basically an agriculturist. He was the

07 ¶ã/ã : Ñãê Ôã • á Œã ãê 07 Name : Shri Sooraj Khatri

 , 適格
 : 50 l ddd
 Age
 : 50 years

 , 调构值
 : 25 l ddd
 Experience
 : 25 years

 人工的基本
 : **ac+10â0ac, † Éat Éata; Éath Éath/soā; Éa

湖形植港 i xxx i xxx

lajalkanja jakanja jakanja jakan Oalkanalja jakanja jakanja jakanja Date of Expiry of

 Oakaaaija take jaakaa£a : 8.12.2008
 Date of Expiry of current term : 08 12 2008

 Albaai / Albaa
 : 08 12 2008

, appewarar , appen adhan afatatkaar : Àan-allo-aanna "ÞÞai Nasakaattaka Vao latatáanta Öny Experience /

Ôãã[©]ā Öãè †‡ãŠ ¹ã āṭāŠāÀ, Ôãã ãã㺇㊠Ĭã Other Directorships ¹ããSÁ ấ₫S Vããe Öĩv

, 海 f , ad a a y a f

08 Male : Nace 1/2 1/2 1/2 1/2 1/2 2 Shri M N Kandaswamy

 , 縮粉
 : 55 lâbă
 Age
 : 55 years

 , 清掃粉
 : 30 lâbă
 Experience
 : 30 years

Î ajalikanî i zârî kalî ajarî bi a de Date of Expiry of

 Ôã/kazāl;ā ‡āšē; jākātēā : 6.02.2009
 current term : 06.02.2009

Shareholding in IOB: 400

09 ¶ã⁄s : Ñ㪠†Ôã tấ Ô đÔGÊ ã

 , 海橋
 : 64 Ì 柏柏
 9 Name
 : Mr. S.K. Sehgal

 , 海橋
 : 40 Ì 柏柏

, at land at l

Occupation : Shareholders' Nominee

Date of Appointment : 08.12.2005

current term : 07.12.2008

, all/all a / all/a

decades of experience.

, af, aftar 160 fata Earth a 2400

, aftar 161 fata a 161 fata a

Nãã thá thá làtas ôata 10 ¶ãã/ã

48 Ì ĐÃ , ãã/ã 19 ÌãÓãÃ , **alava**l a

, ãÖÃãã °ããe‡ãŠãVã,†¹ãŠ.Ôããe† Ì3/ãÌ ãÔãã3/ã Í áðváð E árð táša táš Taráðvá á ár

ādjā/ātātā;ā tāšāe ¦ātā ātēā : 08.12.2005

Ì a a lýad a taša vad aasta tašae

Ôãl⁄ãããã¦ã ‡ãŠãe ¦ããÀãÆã : 7.12.2008

, apavala/ , apva

āđã fi ataš a

ābāce Ēān ¦ācējā ° Cātāšao Oān Oāljār āc ĒanEastāša tāša ṭāšavā ṭāsā À Öön Öğy abāce Ēān 15 lābāco Oān Oāal āk ācējātās à ajna ṭāss ° ātāsšao ṭāsšae ĒānEāa

¹akaaaa ‡aA AOnOg , ag , aanaae yao (anak£aaan¦aa-1200

ana ana da a

Nãão , al aanas tasyaa vaadala 11 ¶ãã/ã

62 Ì ĐÃ , ãã/ã 38 ÌãÓãÃ , **ala/a**l a

, ãÖÃãã °ætáðavá †Éa†Éa°æ, Öæt, ay, ay°æ

Ì3/ãÌ ãÔãã3/ã Í áðváð E árð táša táš Taráðvá á ár

ādjā/ātātā;ā tāšāe ¦ātā ātēā : 08.12.2005

Ì ā! ālvādlis tāšāvāāl āāfā tāšāe

Ôãl⁄ãããå¦ã ‡ãŠãe ¦ããÀãÆã 7.12.2008

13/aa1a0aaa4/ata6°ata84°00, aa4 38 1a0aa0ta8a aAFa ní ataš aa

ad£aa4⁄a⊳n, adjaªnfa‡a\$: aaª££aae, a0a√a Aan lama ‡asabaajnfa¶a ad£aa4⁄a⊳n

, aaf, aafaae Vao ÍafváÁEaaail¦aa-500

12 ¶ãã/ã Nããe ấ**h** ấ**h â** ãã**e** ã Ôã¶ã

> 59 ÌãÓÃ , ãã/ã , **a|a/a**i a 27 Ì đÓ ĐÃ

, ãÖÃãã †½1,†(, aºalí aað a),¹aatþá ; ae Ì3/ãÌ ãÔãã3/ã Í áðváð £ áðð ‡ áð ¶ áðð ¶ áðð gað va áð

alle/aataja tašae jaalaeta 08.12.2005

Ìā¦āľvādļā ‡āšā⁄vādlāānā ‡āšāe

Ôãl⁄ãããã¦ã ‡ãŠãe ¦ããÀãÆã 7.12.2008

, anavai a' , ana

āđã fi ataš a

/wah | aaesa 1 afata 6 ab eafa, °adat ah /wa , aen ad a tat 1 anada h öö , an /wah a | aea ahe ia tat tak 6 an tak 1 aha l aha at at tak a

táði, aðhaðða íðaðeðaka að Öğ , aaf , aaflaae 1/ao Í aflaíA£aaail¦aa-150 , aga aga il ataš a- l aga i

Mr. M.N. Venkatesan 10 Name

48 years Age 19 years Experience Qualification B.Com. F.C.A. Occupation Shareholders' Nominee

Date of Appointment: 08.12.2005

Date of Expiry of

current term 07.12.2008

Experience /

Other Directorships : A Practicing Chartered Accountant for

> the past three decades, he has been conducting audit of Public sector banks for the last 15 years.

Shareholding in IOB: 1200 Other Directorships: NIL

11 Name Mr. Ashok Kumar Bhargava

Age 62 years Experience 38 years

Qualification B.Com, L L B., CAIIB Occupation Shareholders' Nominee

Date of Appointment 08.12.2005

Date of Expiry of

current term 07.12.2008

Experience /

Other Directorships A professional banker with 38 years of

> experience. He is at present a Management and Financial Consultant. Other Directorships: Director: SMC Power Generation Limited Director: Delhi Assam Roadways Corporation Limited Shareholding in IOB: 500

12 Name Mr. Chiranjib Sen

59 years Age 27 years Experience

Qualification M.A(Econ), Ph D Occupation Shareholders' Nominee

Date of Appointment: 08.12.2005

Date of Expiry of

current term 07.12.2008

Experience /

Other Directorships Professor of Economics in the Indian

> Institute of Management, Bangalore and a visiting Professor of at least 13 universities in India and abroad.

Shareholding in IOB: 150 Other Directorships: NIL



tášátásákó dálátjagpá ták Éageáa tákásátášábtášá tágasátá-tátá

fä¥;¾Nā, äähäÅÔääbä°ähäŠ

Þä¶lið táð

Í áðváÁ EæÁtáðáo táðán

°ataš ´ahā hŒan Qāṭ ahṭašā; ao , aah a o¦aal ar ao †laa öváo a ac Qāy h oab aljā , aah aa† qāṭ o¹ab atañ¥ā taš , aeEaah ¹ah , öváo lateaaka‡ā a tañ¦an öö ataš °ataš ´ahā "§aš aaEaab)>abā ṭañhah váo ad pe aabha¦ā ṭaša aahb oa aljaqoā ōahanCaac [a]aam ṭaša ¹aaEanja atašvāa oaváa öŋ

ÖVai Özzabrajá táök¦zin Öö zátaš kaze áð> bkao, zaak faðvák, atjak¥á t•anþ ao ´aká Acein Oat anktáða; ao tað, a pjaðazk °abaš tað, ankaó az atáðaze vaze adpilaifataš táðae táðagrá vaze aáfataðávkajá ttáš vajðagjan Óan•3ka²á, alaanna tað ankat Ézaðatá ¶ajðæ Ög

, aðdan Ölka Óarahra á taða fjar Þadöljan Öörahaði tiðra , affil aðe affa fja ljam °ahaði taða kvalara ískal að aðkajar taða , að í laðdafja Öör fja Öællafla taða að kva laðkað að kvalað ar taða, að að að an aðað laðaðafja fjar °ahaði taði taðakaðaðe að a aðdan °að á v

, æðagá Áæðá †¥; táða ÓðfjaðæÉæftætáðáðlóæfá	Ìafi †#¦ ‡aša Oa∏aræ Éancartašaloa¥a	Ôætôa. ÖælöA¶a t¥; ‡ ÔælætêæEætæAlæ¥a
°æÔæ³Aå°aAþræë Ôæ¢æ³åÀ	1â• ãã 0⦠ãã Ô㢠ㆠâ	Ôæc†Þā. Ôæ'a llaði áðalþi Ôæcafað
†Ôá tổi đầu (Bá c † N _i † đổ Ôđ p² để c ấc đạt đầu OđN á	†Ôá , ah , ah ‡ái falah † faadialas di Oapa a: EalEadiaishOa¥a	, ail †Óa áltatatai tili tái Óalfa eile aile agtatáin Oaka
Àärafa ‡aš aðalkæagjóka Óætafal Ó°ægjó : VaðafÁ	† Ôã , zaÀ , zaÀ ‡zð Í ð/xaÁ Ôza¢ zð° zì	, zāÅ †Ôá zāÐ <i>ā zāAl</i> āā ÔzāCzāPzÅ

ag naix 27 04 2006

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the Shareholders of Indian Overseas Bank Chennai

We have examined the compliance of conditions of corporate governance by Indian Overseas Bank, Chennai for the year ended 31.03.2006, as stipulated in clause 49 of the Listing Agreement of the Indian Overseas Bank with stock exchange(s).

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

On the basis of records and documents maintained by the bank, the information provided to us and according to the explanation given to us, We certify that the Bank has complied with the conditions of Corporate governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Bank as per the records maintained by the Registrars and share transfer agents.

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

AMIT RAY & CO Chartered Accountants	VED & CO Chartered Accountants	C.S. HARIHARAN & CO. Chartered Accountants
Basudeb Banerjee Partner	Pooja Gupta Partner	C.H.Subramanian Partner
S K SINGHANIA & CO Chartered Accountants	S R R K SHAF ASSOCIATES Chartered Accountants	RMA R S SIPAYYA& CO Chartered Accountants
Rajesh K Singhania Partner	S R R K Sharm Partner	a R S Sipayya Partner

Place : Mumbai Date : 27 04 2006

(Á.000 1/20/ Rs. in 000's)

		, a Data a/a ú Schedules	31.03.2006 ៉ូជីវិ As at 31.3.2006	31.03.2005 aa a 31.3.2005
a ha ¦ãã†ú	LIABILITIES			
1 ä t äe	Capital	01	544 80 00	544 80 00
, æða æþæ æ , æða , æða í æða	Reserves and Surplus	02	2632 64 01	2030 38 96
• 3/8 ā À 3 8 ā 3/8 01	Deposits	03	50529 31 50	44241 23 86
"£ãÀ	Borrowings	04	736 62 74	590 67 84
, apa ahqatúla ¹ada£aqa	Other Liabilities & Provisions	05	4914 42 92	3407 93 56
• व्य	TOTAL		59357 81 17	50815 04 22
, ãããÔ¦ã¾ããú	ASSETS			
1/88Ŧ888/a aðurðiðið °aðað ‡að 3/40aú	Cash & Balances with			
¶ataš°ae, aad , aapal ada	Reserve Bank of India	06	3077 95 84	4175 43 65
°ataš 1/ao, aapali ata , aada 1/aada ¦a?aa	Balances with Banks			
, âʹã ÔđÞđ¶ãã ¹ãÀ ¹ãƦ㠣đ¶ã	and Money at Call and Short Notice	07	629 28 28	778 51 91
ālāņē āļā	Investments	08	18952 28 43	19014 71 80
, adal a	Advances	09	34756 20 19	25205 18 81
ãÔSÀ, ããÃÔ¦ã∕ãú	Fixed Assets	10	457 73 83	452 34 20
, aga , aaa aaa aaa	Other Assets	11	1484 34 60	1188 83 85
• a	TOTAL		59357 81 17	50815 04 22
Ô ā/æði ðjā a a þáj æ tú	Contingent Liabilities	12	14027 33 23	13951 49 26
Ôã di ãO¥ã ‡ã Š ã£ã† ãBã£ã	Bills for Collection		1953 48 31	1768 84 31
VaÊã ÊaŒaataѥ㠶aæaa	Significant Accounting Policies	17		
Ê aE ao ¹a ao ¹¹ aa¥ a⁄aú	Notes on Accounts	18		

,វារឿបិតិសិក្សារ៉ុន ដឹក្សារ៉ុន វិក្សារ៉ុន វិក្សារ៉ុន វិក្សារ៉ុន វិក្សារ៉ុន វិក្សារ៉ុន Schedules Form Part of the Balance Sheet

> æt Óa ¶añadd áðadæ , æ3da á la †afada afþr íf átás	T.S.Narayanasami Chairman & Managing Director	††ÊāÞā P\ xa fæe •æ (kahæ p° a	AL.Chandramouli G.Gopinath 1/0ā1########### Gene	†. 0æ.Eal afalalala.01aa/aæ eral Managers	A.C.Kher Sivaram S	Swamy
† , खो. पुरावि गा। !क्टेंश्रीकट बार्क बाहि ते बार्क	AR.Nagappan Executive Director		រីងវៀត ជីមុធ ៤ជាវិ គឺជិ Bisv "វិធី វីសិត វិគីសិវិ Deputy G	vajit Chaudhury	ır	
Ôãã;†Ôã.¼ããjãÃ	C.S.Murthy	Ö	VázÀnőáVá őaÆ34tኦazÀaÆá ‡áŠãeÀ¹ã⊳ ‡áŠ , á¶	NÁTÁ / VIDE OUI	R REPOR	RT OF EVEN DATE
†Ôã.Ñã ããN ã đ ÔãNã	S.Srinivasan	, ãã Mg á Àã Má † NF ; ‡ã Šá	AMIT RAY & CO	Ìãñ°†¥;‡ãŠà ¹ã∙ãã Øā¦ãã		VED & CO
•ān; āe (ā/āā)	J.D.Sharma	°aãÔ㪠hã °ã¶ã• ããê °	Basudeb Banerjee	¹ã•ãã 0⹦ãã Ôã¢ã†ãªãÀ		Pooja Gupta
ÔãÀ∙ã. ¹ããe Œãããe	Sooraj P.Khatri	0āā¢āfāA 0ā.0āa70468	Partner M.No. 70468	0ã.0ã98551		Partner M.No.98551
†½.†¶ì.‡ã∰PÔÌãã∕ããe	M.N.Kandaswamy	Çaae†Oā. ÇaAOÀ¥ā †¥; ‡a&		†Ôã., ããÀ., ããÀ.‡ áš Í ã⁄	iaĨ+ĥaiaiĥa+√ĥa	S.R.R.K.Sharma Associates
, ál áðhአ‡áŠVáðÁ VáðOállá	A.K.Bhargava	ÔãO TPÃ ÔÃ ANG	C.H.Subramanian	†Ôã., ããÀ., ããÀ.‡ãŠ		S.R.R.K.Sharma
ābāÀā āēēā Ôā¶ā	Chiranjib Sen	Ôã đầa đầa Ôã Ôã 7220	Partner	0ää¢äñäA 0ã.0ää18088		Partner
†½ †¶a Ì ābāŠ Ó ā¶ā	M.N.Venkatesan	0ã.0ãa7238	M.No. 7238			M.No.18088
¼ãã√∬ Mumbai 27.4.2006	祖序植植	† Ôā ṭaổ aðalāæaṇā/aa † â ṭaổa Àār að ā ṭaổa aðalāæaṇā/aa Ôæc ar að Ōā. Oæ52722	S.K.SINGHANIA & CO Rajesh K.Singhania Partner M.No. 52722	, aà.†Ôa. aôa a& , aà.†Ôa. aôa a& Ôacatata Ôa.Ôaa17762	ā †¥¡‡āŠā ā	R.S.SIPAYYA & CO R.S.Sipayya Partner M.No. 17762
=::.2000			Ĥallia a ĈalEatačaλΩaVa / a			

Oalia à Ealeatas Ala / Chartered accountants



31.3.2006 ‡ãŠãnÔ㠽㠦ã ÌãÁ㠇㊠ã£ã† Êãã ¼ã Ìã Öãã¶ã (Eãã ¦ãã PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2006 (Á. 000 ½ i Rs. in 000's)

		, ã¶ãiÔãíãÞã¾ããú	31.3.2006	31.3.2005
		SCHEDULES	‡ãŠãñ Ôãl⁄ã㹦ã ÌãÓãÃ	‡ašān Ôāl⁄aā¦ā ÌāÓā
			year ended	year ended
			31.3.2006	31.3.2005
, ãã¾ã	INCOME			
. ãão ãÃã °3/ãão ã	Interest earned	13	4406 27 72	3951 04 76
â¶⁄a , ãã⁄a	Other income	14	728 21 11	799 55 71
ã ã	TOTAL		5134 48 83	4750 60 47
3/ 3 / 3	EXPENDITURE			
³ / ē /ā āļāŠ/ā ā Ūā/āā ⁰³ /āē•ā	Interest expended	15	2339 09 81	2095 52 63
and page and 13/6/4	Operating expenses	16	1261 57 13	1158 52 60
AZAA , ÄÀ , AZÁÁVAŠ ÌZA (AHŽ)	Provisions & Contingencies (New	t)	750 47 47	845 19 31
aa	TOTAL		4351 14 41	4099 24 54
iãã¼ã / Öãã¶ã	PROFIT / LOSS			
áÓáÁ ‡áŠ áÁÉᆠágjájáÉá Éáá⁄á	Net Profit for the year		783 34 42	651 35 93
ā0ā 4	Profit /Loss brought forward		0	0
Apilaniā, aabi9aA, aaAabaaaba Öan, abaA¥a	Transfer from Investment Fluctua	ation Reserve	601 14 27	0
	TOTAL		1384 48 69	651 35 93
ð aada3∕aan a¶a	APPROPRIATIONS			
araniarana taš, arkararana anjarana vao, anjak¥a	Transfer to Statutory Reserve		235 00 33	195 40 78
aga Àa aðia † la , æ àa aa aa aa aa aa ka ka ka , aa a¥a	Transfer to Revenue and Other	Reserves	916 58 10	166 42 08
Qiầ ấi ấ, ã ĐÔ [©] A , ã A ão ã Đặa táŠão , ã pắ A¥ã	Transfer to Investment Fluctuation	on Reserve	0	120 00 00
āvi aae , aakan aana tašan , anakaka	Transfer to Capital Reserve		56 38 85	6 17 01
ÀáÍ áó ã , á à áa áa á ‡á š ãn , á þáÀ¥á	Transfer to Special Reserve		15 00 00	15 00 00
ākāā) Vā Ē āz/vād ā 1āt Sā (Ē āz/vād ā ‡āŠ) Ō āzō;ā)	Interim Dividend Paid (including	•	0	86 23 98
để; anhajā , apalvā Ē alvahiā (Ē alvahiā ‡ā). Ô abijā)	Proposed Final Dividend (includi	•	161 51 41	62 12 08
āĒāŊā-1ā ā 1/āo , ā0ā má a ā Ēāāl/ā ‡āšāe	Balance amount of profit carried	over to		
lanna 'Aaaala	Balance Sheet		0	0
· aq	TOTAL		1384 48 69	651 35 93
āBpā ÍāNaÀ, ārāĀjā (Á.)	Earning per share (Rs.)		14.38	11.96

, វ**្យីសំដា**វិសិស្ស¹រ**ដ៏វា្រ-1**វ៉ារ៉ុង រ៉ុងសំ †**រង់ , ដាស់**ស្ថិ , **រង់ Öy័** Schedules Form Part of the Profit & Loss Account

>æ†Óa¶añæÆðæVæ ,æ3kna lá †ææta æp†ílæti	T.S.Narayanasami Chairman & Managing Director	† †ÊāÞi¶¥kadēæ •æUankadpa°ā	AL.Chandramouli G.Gopinath 1//Dia1/##44/#/i/i/i/i/i/i/i/i/i/i/i/i/i/i/i/i/	†.0æ@ani adainananananananananananananananananana	A.C.Kher Sivaram S	wamy
†., æð. ¶æða†a¶i ‡áðaðaæ£atað æ¶a*ní atað	AR.Nagappan Executive Director		ala d l ar a a pa a b a a a a a a b a a a a a a a a a a			
Ôãc†Ôã.½ããjãÃ	C.S.Murthy	ÖV	aÀriÔæVa ÔæÆ3VataЦæÄæÆā‡æŠæÀ¹á⊳‡æŠ,æ¶	ÔãÀ / VIDE OUR	REPORT	OF EVEN DATE
†Ôã Ñã æq ið æða¶i	S.Srinivasan	, ãã Ma (ã À ã Ma † i¥ ; ‡ã Šã	AMIT RAY & CO	Ìãn⁴ †¥; ‡ãŠã		VED & CO
•ān _i āeliā/āā	J.D.Sharma	°aaDa² ha °a¶a• aae`	Basudeb Banerjee	¹ā•ā⠨⹦āā Ôāā¢āā¹āÀ		Pooja Gupta
ÔãÀ•ã¹ãæŒããæ	Sooraj P.Khatri	0āā¢āfāA 0ā.0āā70468	Partner M.No. 70468	0ã.0ã98551		Partner M.No.98551
†½.†¶i.‡ã¶₽ÔÌãã⁄ãæ	M.N.Kandaswamy		C.S.HARIHARAN & CO	† Qã , ãÅ. , ãÀ. ‡ð (3/a	Ĭ+ĤāŒÂā+、Âā	
, ál áðháð táðváða Vaðvállá	A.K.Bhargava	ÔãE:†Ôã. ÖãÀÖÀ¥ã †¥; ‡ãŠà ÔãE:†Þã. Ôã?ãRãã¥ã8⁄4Rã	C.H.Subramanian	† Ôã , ãÀ. , ãÀ. ‡ãi Í ðái		S.R.R.K.Sharma
ābāhā ādēā ÔāŊā	Chiranjib Sen	Qãa¢añaÀ "	Partner	Ô㢠ất ất ất		Partner
†½ †¶i ÌākāŠ> Ôā∏i	M.N.Venkatesan	0ã.0ãa7238	M.No. 7238	0ã.0ã18088		M.No.18088
¼ãã√i Mumbai 27.4.2006	湖市省道	†Ôā jāð ābd laadja ka †ā jāða Àār af ā jāð abd laadja ka Ôad af ab Oa Ôaa 52722	S.K.SINGHANIA & CO Rajesh K.Singhania Partner M.No. 52722	, all. t Óa ábaððá t ki , all. t Óa ábað áððá Óadt all al Óa Óaa 17762		R.S.SIPAYYA & CO R.S.Sipayya Partner M.No. 17762
22000			Ñalla⊇ãn ÉanEaata∛aN0aVa / ou	ADTEDED ACCO	N INITANITO	

Only a Eatain Alla / Chartered Accountants

, ã (ĐÔ đã Þ để Vàci SCHEDULES

(Á. 000 1/20/ Rs. in 000's)

, ã¶ãOãPããè 1 Tãã ããè	Schedule 1 CAPITAL	31.03.2006 ¦atas As at 31.3.2006	31.03.2005 48 As at 31.3.2005
TäMää£ä‡äÖ¦ä Täirääè	AUTHORISED CAPITAL		
aBahas Á.10/- ‡as 150,00,00,000	150,00,00,000 Equity Shares of Rs.10/- each	1500 00 00	1500 00 00
ANDAMAN, , aava sa la þataša la	ISSUED, SUBSCRIBED & PAID UP CAPITAL		
aga	54,48,00,000 Equity Shares of Rs.10/- each		
(fûā/āo/kaā\jā ûā\tāšā\ ´ā\ā £āaā\jā 33,36,00,000	(Includes 33,36,00,000 shares of Rs.10/- each		
Íankan ¹apsantan Á.10 Íaaanka£a Öö)	held by Government of India)	544 80 00	544 80 00
, ã¶ãÔãÞããè 2	Schedule 2	31.03.2006 ¦ ãtã Š	31.03.2005 ¦ ātā Š
, ääÄäänääääääXääúÌä , äääCäĺäďä	RESERVES & SURPLUS	As at 31.3.2006	As at 31.3.2005
I. [ã/ðiÀ 1ã/ðið/ði	I. SHARE PREMIUM	140 00 00	140 00 00
11. ‡āŠā¶ā¶āāè, āāĀāāiāāājā%āāú	II. STATUTORY RESERVE		
, 3% láða • 25) ò: 1281 à 262 à	Opening balance Add: Additions	622 85 24	427 44 46
•	TOTAL -II	235 00 33	195 40 78
3 ⁄āāliā - I I III. ¹āk āāè , āāÀā ā āā ā ,ā3 ⁄ā āú	III. CAPITAL RESERVE	857 85 57	622 85 24
, ā. ¹ā[ā/āk]-¾ācā/āð[ā , āāÀāā āāḥā/āáú	A. Revaluation Reserve		
, 3% 1 30 6	Opening Balance	141 82 35	150 72 15
Úã> ất ú ‡ã\$ ãã¢ã/ãú/ ½Ê¾-ÖÆDã*	Less: Deductions / Depreciation *	19 35 25	8 89 80
3/ 20 /2-, â	TOTAL - A	122 47 10	141 82 35
, a. alpl af ao ‡ase alasase	B. On sale of Investments Opening Balance	78 44 94	78 44 94
, ã§á số a • sa n ò : ¹ saà Ì a£á¶a	Add: Additions	13 61 64	0
*аац 0. *аан асаңа 3 <mark>%ãЮ</mark> ã-, ãã	TOTAL - B	92 06 58	78 44 94
f. filial & & 1 a 1 a 1 a 1 a 1 a 1 a 1 a 1 a 1 a	C. Equity Revaluation Reserve AFS Opening Balance	0	0
, ã°āl āðā •āāj ò : ¹āāl}ā£ā́Jā*	Add: Additions**	- 22 71	0
3/aana - f	TOTAL - C	- 22 71	0
fÅ , A A	D. Others Opening Balance	31 68 36	25 51 35
, a a a a a a a a a a a a a a a a a a a	Add: Additions *	42 77 21	6 17 01
•auju: 'aaniacaya 3kaana - fÃ	TOTAL - D	74 45 57	31 68 36
3 /āāli ā - III (, ã + , ãã + <i>f</i> + <i>f</i> l̄)	TOTAL - III (A,B,C&D)	288 76 54	251 95 65
V. Àã•ãÔ lã lã , ã¶Nú , ããÀãã ããã ã¾ãú	IV. REVENUE & OTHER RESERVES (i) Other Revenue Reserves		
(i) , â¶Ma Áār aðlá , aākān aāpā/Maú , ārāl ānā	Opening Balance	367 83 80	201 41 72
, a rai and • aan ò : ¹aan la£a¶a ³aana - i	Add: Additions	916 58 10	166 42 08
	TOTAL - (i)	1284 41 90	367 83 80
(ii) alālātā , alāaāaā a ā aā ā ā	(ii) Special Reserve Opening balance	46 60 00	31 60 00
í , a®aÍ afta í •aag ó: ¹aahÌa£a∯a	Add: Additions	15 00 00	15 00 00
3 <mark>/200</mark> 0 - 11	TOTAL - (ii)	61 60 00	46 60 00
(iii) ब्रिक्टो र्जी क्री ब्रिक्ट , ब्र्ब ो ंको , ब्र्ह्मे ब्र्क्ट ब्रह्म ब्रह्म ब्रह्म ब्रह्म ब्रह्म व्यवस्था ।	(iii) Investment Fluctuation Reserve		
, a Pa	Opening Balance Add: Additions	601 14 27 0	481 14 27 120 00 00
• aan ò : ¹aan la£ah Ua> atú ‡as aan a/aaú	Less: Deductions	601 14 27	120 00 00
na> a] n ∓ao> ang a7acu 3/ganga-(iii)	TOTAL - (iii)	0	601 14 27
%anda (117) 3%anda − IV (i,ii &iii)	TOTAL - IV (i, ii & iii)	1346 01 90	1015 58 07
3/2010 (I,II, III & IV)	TOTAL (I, II, III & IV)	2632 64 01	2030 38 96
*Includes adjustment on account of conversion of figures relating to foreign branch **Represents amount arising on account of marking the Equity Investment requirements of Monetary Authority of Singapore.	es at the rate of exchange as at 31.03.2006. **31.3.2006 地名中心	adwiqtaEasp wra alaspwa rA Oanast Oof tablaa apoan Uanasqa AtaSva tab tabaapaaq la tab; aa	Mariakistakya Ort Odena enda istani seksistaksa Ooy Oo-aanaata °aa-aak seof Mada a-asaapi ata ista



, ã (Tal) a a b à shai (* a à à à) Schedules *(contd.)*

(Á. 000 1/80/ Rs. in 000's)

and the set of	Sahadula 2	31.03.2006 ¦atas	31.03.2005 ¦ãtã
, a¶aðaÞäàè 3 aAjààaha	Schedule 3 DEPOSITS	As at 31.3.2006	As at 31.3.2005
, ã. I. Vããd ã Āfià ãtā	A I. DEMAND DEPOSITS	E2 42 22	70 49 44
i) °ã¢ãŠô Ôãĩ	i) From Banks ii) From Others	52 42 33 5647 88 80	70 48 41 4940 98 70
ii) , â¶⁄aão Ôãi	TOTAL - I	5700 31 13	5011 47 11
¾ããã - l		14468 13 69	12190 62 22
II. °áÞá¦á °áфአá¶jáaáhá		14400 13 09	12190 62 22
III. ‡āŠāā£ā‡āŠ āðļāàāñā	III. TERM DEPOSITS i) From Banks	178 68 53	289 27 09
i) °ālāŠā Ôāi ::\ arem ôs	ii) From Others	30182 18 15	26749 87 44
ii) , ā¶Aāo Ôān 34ānna - III	TOTAL - III	30360 86 68	27039 14 53
•ãã - ,ã (I,II & III)	TOTAL - A (I,II & III)	50529 31 50	44241 23 86
, aa. 1) Vaak¦a ‡akse faaccaa, aao Vao alipa aha	B. I) Deposits of branches in India	49034 82 08	42816 70 31
, ac. 1)	II) Deposits of branches outside Ind		1424 53 55
3/2016 - , 28	TOTAL - B	50529 31 50	44241 23 86
, ã¶ãÔãÞ ããè 4	Schedule 4	31.03.2006 ¦ãtãs	31.03.2005 ¦ãtã
a fi	BORROWING	As at 31.3.2006	As at 31.3.2005
I. VaaA¦ā Vao alēat Oāt "EaaA	I. BORROWINGS IN INDIA		
1/anāl; 200/n alie al ali va alie al alie alie	Reserve Bank of India	160 00 00	O
•	Banks	0	0
°ādaŠ , āfļvā, Ôād)°ā↠ú , āād. , āādvātād)¥ā	Other Institutions & Agencies	53 27 60	87 53 48
3/aaiia (1)	TOTAL (I)	213 27 60	87 53 48
II. ¼ããÀ¦ã ‡ãŠ °ããÖÀ Ôãñ ã£ã† Øã† "£ããÀ	II. BORROWINGS OUTSIDE INDIA	523 35 14	503 14 36
¾ādīā (I Ìā II)	TOTAL (I & II)	736 62 74	590 67 84
	III. Secured borrowings included in		
¹ä la jäkajä "EääÄ	I & II above	47 26	73 37
, ã¶ãÔãÞããè 5	Schedule 5	31.03.2006 ¦ ãtã Š	31.03.2005 ¦ãtã
, ã Pái ^a Mᦠãã Váo Ì ā ¹ā al i ⣠ãã jā	OTHER LIABILITIES & PROVISIONS	As at 31.3.2006	As at 31.3.2005
I. Ô㪠Mà ātāË	I. Bills Payable	776 81 98	805 66 28
III., apā-‡āšē/ādĒa% Óa/āg/ām afja (agjalaĒa)	II. Inter Office Adjustments (Net)	375 89 13	93 36 98
III. ¹ã ān ða jā °3⁄ar ā	III. Interest Accrued	179 70 45	188 96 54
IV., ana (fôa/ao ana a ana ana ana ana ana ana ana ana	IV. Others (including provisions)	3582 01 36	2319 93 76
3/aalia	TOTAL	4914 42 92	3407 93 56

(Á. 000 1/20/ Rs. in 000's)

Schedule 6 CASH AND BALANCES WITH RESERVE BANK OF INDIA	•	•		
		295 97 98		
currency notes & Arm cash)	313 30 30	293 97 90		
II. Balances with Reserve Bank of Ir	ndia			
i) in Current Account	2762 65 54	2479 45 67		
ii) in Other Accounts	0	1400 00 00		
TOTAL	3077 95 84	4175 43 65		
Schedule 7	31.03.2006 ¦ã‡ãŠ	31.03.2005 ¦ ätš		
BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE	As at 31.3.2006	As at 31.3.2005		
I. In India				
i) Balances with banks				
a) In Current Accounts	110 19 34	106 00 48		
b) In Other Deposit Accounts	203 14 86	354 87 50		
ii) Money at Call and Short Notic	ce			
a) With banks	0	0		
b) With other institutions	0	0		
TOTAL - I	313 34 20	460 87 98		
II. Outside India				
a) In Current Accounts	63 97 17	118 69 74		
b) In Other Deposit Accounts	237 42 21	186 10 22		
c) Money at Call and Short Notice	14 54 70	12 83 97		
c) Money at Call and Short Notice TOTAL - II	14 54 70 315 94 08	12 83 97 317 63 93		
	CASH AND BALANCES WITH RESERVE BANK OF INDIA I. Cash on hand (including Foreign currency notes & ATM cash) II. Balances with Reserve Bank of In i) in Current Account ii) in Other Accounts TOTAL Schedule 7 BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE I. In India i) Balances with banks a) In Current Accounts b) In Other Deposit Accounts ii) Money at Call and Short Notice a) With banks b) With other institutions TOTAL - I II. Outside India a) In Current Accounts	CASH AND BALANCES WITH RESERVE BANK OF INDIA I. Cash on hand (including Foreign currency notes & ATM cash) II. Balances with Reserve Bank of India i) in Current Account 2762 65 54 ii) in Other Accounts TOTAL Schedule 7 BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE I. In India i) Balances with banks a) In Current Accounts 110 19 34 b) In Other Deposit Accounts 203 14 86 ii) Money at Call and Short Notice a) With banks b) With other institutions TOTAL - I 313 34 20 II. Outside India a) In Current Accounts 63 97 17		



, ã¶ãÔããÞã¾ããú (•ããÀãè) SCHEDULES (CONTD.)

(Á. 000 1/20/ Rs. in 000's)

		(11. 000 /III) 110. III 000 (
, ã¶ãÔãÞããè 8	Schedule 8	31.03.2006 ¦ ãtã Š	31.03.2005 ¦ ātā			
āli āālļāEāālļā	INVESTMENTS	As at 31.3.2006	As at 31.3.2005			
I. Vazā¦ā Vao ādazēji£āzijā	I. INVESTMENTS IN INDIA					
i) ÔãÀ‡ãŠÀã: ¹ã Þ pã/ áã ‡ã ⁄ã	i) Government Securities	15518 12 10	15721 00 6			
ii) , 3¶/a , 3¶ā/aaa3¦ā ¹3 4 a3/aa43/aa	ii) Other Approved Securities	313 67 42	316 93 6			
iii) ĺãđáÀ	iii) Shares	314 81 80	231 54 3			
iv) ãặ °ãÞãÀ ,ããÀ °ã£ã-1ãã	iv) Debentures and Bonds	1958 40 07	2202 21 3			
v) , a 1961 - 1/a a 1 a a 3/a a 3/a a 1 a 3/a a 1	v) Others - Units of Unit Trust of Ir	ndia,				
	Investments in other Mutual Fe	unds				
adaaqeeaqa , aad	& Commercial Paper	511 12 52	133 89 9			
3 ⁄aālā - I	TOTAL - I	18616 13 91	18605 60 0			
II. Vazā¦ā ‡ā š °ādÖÀ ā dāzā¶£āz¶ā*	II. INVESTMENTS OUTSIDE INDIA*					
i) ÔãÀ‡ãŠÀ ã: ¹ã ā þã/ ãã ặã/ããú	i) Government Securities	209 99 81	180 91 5			
(fÔð/koÔ®æ¶æðá ¹æðhðæðñ¥ã Ôæð/dê£ðã Öæ)	(including Local Authorities)					
ii) , a pa adaa pean	ii) Others					
‡á ð) Í áð kið	a. Shares	27 55	71 2			
Œâ) ãã °ābãÀ ,ããÀ °ã£ã-¹ãã	b. Debentures & Bonds	125 87 16	227 48 9			
3 /adl á - 11	TOTAL - II	336 14 52	409 11 8			
tāĒā•āān (I Ìā II)	TOTAL (I & II)	18952 28 43	19014 71 8			
VaA¦ā Vāo OātaŒā adaadē£adļā	Gross Investments in India	18777 31 00	18639 77 2			
	Less: Depreciation	159 60 36	34 17 2			
Üã> ất ú1 â¶ā: Ô ãil áib ất á áil áā¶ā£ ãā¶āão 1 áil °¾ãa• á	Less: Interest on Restructured Investi	ments 1 56 73				
api £ā ai adpeada	Net Investments	18616 13 91	18605 60 0			
VaēA¦ā ‡āš °āāÖÀ OātāŠĒā ādāā¶ēEā¶ē*	Gross Investments Outside India*	337 40 96	413 36 2			
	Less: Depreciation	1 26 44	4 24 4			
ādjā āĒā aid āādjaEādjā	Net Investments	336 14 52	409 11 8			
taščā adpilačā ailadpēadpi	Total Net Investments	18952 28 43	19014 71 8			
terra edbrera encedbreedb						

(Á. 000 ½ Rs. in 000's)

anañak:	ãão O	Called	la O	21 02 2004 1242	21 02 2005 124
āfjādāpāāe 9 āājjājā		Schedu		31.03.2006 ¦ātāš	31.03.2005 ¦ätä
CODOMA		ADVANO	CES	As at 31.3.2006	As at 31.3.2005
ã i)	% \$\delta alack* Oat la alack* alack* 0at alack* 0	A i)	Bills Purchased & Discounted	2142 11 43	1525 12 95
ii)	Àābaði, "Eaāl,, "aābāl; ið ā> "āab Vaadā 1āl 1ābbaðað ka "Eaāl	ii)	Cash Credits, Overdrafts and		
:::\) Öäälääliä "EääÄ		Loans repayable on demand	15889 27 65	12088 30 22
•	valata "Lan	iii)	Term Loans	16724 81 11	11591 75 64
iali a		TOTA	L	34756 20 19	25205 18 81
ãa i)	% aà , aaab a%ao ´aÀa ¹a a pa%a a*	B. i)	Secured by Tangible Assets *	29693 74 60	22092 13 65
	°āÖāĐājā "āÉ¥āão‡āŠ 1āMpā , āāMāMāão ÔāaÖ¦ā*		*includes advances against Book Debts		
ii)	°ādāŠ / ÔāÀ‡āŠĀ) æ ¹ā p?⁄ād/āāq ā2 /ā	ii)	Covered by Bank/		
	î â hã là â â a â â		Government Guarantees	1906 91 55	1695 68 66
iii)), ã ã ã l ạ ã ⁄ã țã	iii)	Unsecured	3155 54 04	1417 36 50
iaO ã		TOTA	L	34756 20 19	25205 18 8°
.1)	VããÀ¦ã Vãò , ããØã Vã	C. I)	Advances in India		
i)	¹ ā / ² ā / 4ā ² ā àāā	i)	Priority Sector	13717 70 17	9870 35 23
ii)	ÔãA đã đã Jiệ để à đã đã	ii)	Public Sector	3923 90 24	2110 20 4
iii)) ° ä tå	iii)	Banks	33 14 25	46 5
iv)	, a ¶A	iv)	Others	15059 38 03	11504 00 69
tati a		TOTA	L	32734 12 69	23485 02 94
I . ¼ããÀ	À¦ã ‡ ㊠°ãã ÖÀ ,ãã đãÆ ã	II)	Advances Outside India		
i)	°āþāšio Ôān Í āāli³⁄ā	i)	Due from Banks	238 78 28	255 86 78
ii)	, a¶xa o ôan í aa£ xa	ii)	Due from Others		
‡ã)	%á&á ádኆ Oᆠlá ád⁄a¦ádáŠō⊳ ñ¹áÀ VáOá ádfa ádኆ Oᆠádá£á		a) Bills Purchased & Discount	ed 1171 76 72	843 99 92
΋ `) ÔãHPã® "EãA		b) Syndicated Loans	101 04 45	193 15 2
	, apa		c) Others	510 48 05	427 13 93
5a0 ã	7 · 11 · 5	TOTA	L	2022 07 50	1720 15 8
āŠĒā ¾ādī	Đã (Đã I Ìã II)	TOTA	L (C-I & II)	34756 20 19	25205 18 8
			- (- · - · ·)	355 25 10	



, ã¶ãÔããÞã¾ããú (•ããÀãè) SCHEDULES (CONTD.)

(Á. 000 1/20/ Rs. in 000's)

			(A. 000 780 RS. I				
, ã¶ãÔãÞããè 10	Sc	hedule 10	31.03.2006 ¦ātāš	31.03.2005 ¦##			
ãÔ®ãÀ , ãããÔ¦ã¾ããú 	FI	KED ASSETS	As at 31.3.2006	As at 31.3.2005			
I. ¹ããÌÔãÌ	I.	Premises					
1.4.2005 ‡áðæ áð [©] æðjá ‡áð , á þíð áð à		At cost / revalued amount					
Ê a dû çî a 1 a î / 1 a î î a : 1 % ê 3 xa a â â â â â â â â â â â â â		as on 1.4.2005	421 16 71	384 52 30			
* Ì đớa Tạc * a anh anh 1 aanh l a£ anh		Additions during the year *	9 29 37	44 68 64			
			430 46 08	429 20 94			
* Ì đố đị tạ để a đi địp tạ để a đạ để đại		Deductions during the year*	17 58 34	8 04 23			
			412 87 74	421 16 71			
, ã ^a 84 4 a ¶ā <i>Va</i> Ē34Ö n Ōā		Depreciation to date	75 47 13	71 20 48			
3∕aada − I		TOTAL -I	337 40 61	349 96 23			
II.¹ãú ããØã¦ã ÞããÊãî ‡ãŠã¾ãÃ	II.	Capital work in progress	11 80 19	7 83 67			
3 /ádl á - 11		TOTAL - II	11 80 19	7 83 67			
III., ã¶⁄á āÔ [©] āÀ , ãããÔ¦ã¾ããú	III	Other Fixed Assets					
(fôā/āo¹āŊāæðà ,āāà āðaštāÞāÀ ôāā��āā£ā;ā öā)		(including Furniture & Fixtures)					
1.4.2005 ‡áðáe áði [©] æðjá ‡áði , álfjáðáaði É áðdáfá †áði		At cost as on 1.4.2005	398 38 80	355 07 49			
Ì Đố Á ‡ đỗ ^a đầ đị jà 1 đầ là C đị jà *		Additions during the year *	66 57 67	55 65 26			
			464 96 47	410 72 75			
ì điái tại a ail alp tại aga aga a lait		Deductions during the year*	12 50 83	12 33 96			
			452 45 64	398 38 79			
, ã ^a 844 ā¶ā <i>Va</i> Ē34Ö a Ďā		Depreciation to date	343 92 61	303 84 49			
Salla - III		TOTAL - III	108 53 03	94 54 30			
tá Štá škádá (I, II & III)		Total (I, II & III)	457 73 83	452 34 20			

^{*31.3.2006 |} atá aið fa ae latea, ao Óa Óa anta a , ao tá a ao ta fa ar anta a ar anta a

(Á. 000 1/20/ Rs. in 000's)

, ã¶ã	ÔãÞã	ãè 11	Sch	edule 11	31.03.2006 ¦ãtãŠ	31.03.2005 ¦āt
, a[Na , aaab] a/aai		OTHER ASSETS A		at 31.3.2006	As at 31.3.200	
i)	1ã a 3	Va ļā °3 /aā rā	i)	Interest Accrued	541 28 34	550 08 97
•		Ma ¹ā Ôãn Ôãa §ā∕	ii)	Tax paid in advance /	00 0.	
•	-	±a + t a ourous 5a 1āÀ ‡āŠā>ā 0ā%ā ‡āŠA	")	Tax deducted at source	75 30 09	3 11 86
•		¶ã - Ôãã/ã0〠, ããÅ Ô> ôã	iii)	Stationery & Stamps	4 52 26	4 67 6
•		ò ‡āšãe Ôā¢āāáb Vão ¹āƦ㠇āšãe ØãyFÃ	iv)	Non Banking Assets acquired in		
	Øã i A−°	atatatata		satisfaction of claims	25 48	3 1
/)	, a ¶%	i	v)	Others	862 98 43	630 92 2
/ āāli ā	Í		ТОТ	AL	1484 34 60	1188 83 8
, ã¶ã	ÔãÞã	ãè 12	Sch	edule 12	31.03.2006 ¦ãtš	31.03.2005 ¦ã
		ā ^a āāðd i¦ l ā	COI		s at 31.3.2006	As at 31.3.200
i)	Žiki ⁰	‡ aš al āÁ® ^a alān ar alpo a£¥ā ‡aš Â1ā <i>Y</i> ao	i)	Claims against the Bank		
		aða ¶jö a ajað/a ga/a ga	-,	not acknowledged as debts	9 98 05	8 95 3
i)	, äál ã	tā. Ôæð sá að æð æð æð æð að	ii)	Liability for partly paid investments	11 60	11 6
-		RAKA , KANGANA KA KANGANA A DAKA TA KANGA KA	iii)	Liability on account of outstanding		
	°ãã°ã¦	ã ^a ããAqlã		forward exchange contracts	4806 92 53	5601 83 6
•		‡ášáó ‡ášáè , aaA Ó an ª ae 0a%áae 0aaA aa ¾áaú	iv)	Guarantees given on behalf of constituents		
		VaaA¦ã Vao		a) In India	2964 15 58	2341 51 4
		¼ãÀ¦ã ‡ãŠ °ãÕÀ		b) Outside India	76 70 63	89 65 4
/)		À, ¹ãĐŸ ã‡ãжā , ããÀ	v)	Acceptances, Endorsements		
		h °ããE3⁄aqãā†ú		& Other obligations	4368 30 64	3499 58 5
	Ôã/ãã	h 1/4°0 an athtað að að at °ahað Allaja Á a Óan °a/ane Öö	vi)	Other items for which the bank is contingently liable		
	‡å.	adal ar Oadlja , arka-tabl a d ad , a aa£a tab , a£aaqa <i>Vada</i> £an		 a. Disputed IT demand / cases under appeal 	220 52 31	220 52 3
	΋.			b. Bills rediscounted	0	
	Øã.	'ak ace ÊadEaco 'ak aqad acaa'¦a abast •adjan laa£an fada , aqaraaca ‡asa: , aqaraacaq a Aacafa		c. Estimated amount of contracts remaining to be executed on capital accounts	16 08 04	3 58 3
	Üã.	‡aðhôaæ ôlaða ‡að ¦aö¦a °aþað ‡aðæ ^a Akļaa†ú		d. Banks liability under currency swaps	86 53 85	206 73 0
		ôl aða tað ¦aö¦a (3/a† ôa; að) °3/aæ a a À		e. Interest rate swaps undertaken (USD		521 38 0
	Þã.	°¾ārā aÀ ÔÌāðā (¼ã.Á.)		f. Interest rate swaps (INR)	900 00 00	925 00 0
	œ.	¦a£a¶a-1ãã Ôãn°ããÖÀ ‡ašãe Vá²ò		g. Off Balance Sheet items deals	0	49 06 2
	•ã	, an an a a a a a a a a a a a a a a a a		h. Inter bank Participation Certificate	0	483 00 0
	¢ã	ā a a a a a a a a a a a a a a a a a a a		i. Miscellaneous	0	55 2
	í				14027 33 23	13951 49 2



(Á. 000 1/80/ Rs. in 000's)

		`	,	
, ã¶ãÔ ãÞ ããè 13 , ãã÷ ã∮ã °¾ãã• ã	Schedule 13 INTEREST EARNED	Year ended 31.3.2006 0a/aa¦ā lā	Year end 31.3.2005 蒼蒼蒼	
i) , aadalkaan / adallaan 1 ad 1 ad 1 a ad 1 a a a a a a a a a a	i) Interest / discount on advances / bills	2629 10 70	2092 30 92	
ii) alaa[acaa[ao 1al , aa/a	ii) Income on investments	1673 26 34	1771 97 96	
iii) ¼aA¦aa4a ahealaA°ata5‡a5faqafatao	iii) Interest on Balances with Reserve			
, ã dì , ã f lá , ã p â + º ã t á š ã f j a C â / ã ô	Bank of India and Other			
¹āÀ °3∕ ā ē•ā	Inter-Bank Funds	103 90 68	81 25 40	
v),#Ma	iv) Others	0	5 50 48	
• a	TOTAL	4406 27 72	3951 04 76	
, ã¶ãÔãÞããè 14 , ã¶ãí , ãã¾ã	Schedule 14 OTHER INCOME	Year ended 31.3.2006	Year ended 31.3.2005	
, α γ··································		Ôā/āā¦ā ÌāÓā‡ā Š ā£ā†		
i) ‡ašýarála¶a, adiaa¶ayaya, , and a Éar£ã	i) Commission, Exchange and Brokerage	315 02 12	280 16 22	
ii) alaageagao‡ašalaaša †alêaaa (aglaafa)	ii) Profit on Sale of Investments (Net)	233 67 69	373 04 61	
iii) ¼aa4a, ¼ala¶aao, aak ,a¶4a ,aaak);34ao‡aš	iii) Profit on sale of land,buildings			
ada 868/a 1ad Éas/a (agad Éa)	and other assets (Net)	43 52 09	5 57 31	
iv) adaaqayaya (adadada)adada tad £aaya (adada£a)	iv) Profit on exchange transactions (Net)	65 75 09	71 91 05	
v) ālāālā£ā ,āā%ā	v) Miscellaneous Income	70 24 12	68 86 52	
• 200	TOTAL	728 21 11	799 55 71	

, ã¶ãÔããÞã¾ããú (•ããÀãè)

SCHEDULES (CONTD.)

(Á. 000 1/20/ Rs. in 000's)

	Sc	hedule 15	Yea	r end	led	Year ended
, appuarae 15 CEārākātāškiā dākiā °kiā•ā		INTEREST EXPENDED		31.3.2006 0ā/āā¦ā ÌāJā ,‡		31.3.2005
i) •ā/āā, āāo¹āÅ °3⁄āā•ā	i)	Interest on Deposits	2185	65	28	1990 94 31
ii) ¼ãæãã¾á aðde að að °aðþaŠ /	ii)	Interest on Reserve Bank of India /				
, āḥāÌ- ºāḥāŠ "£āāÌāò¹āÌ º¾āæā		Inter-Bank Borrowings	50	67	87	29 14 99
iii), #Ma	iii)	Others	102	76	66	75 43 33
3/adfa	TO	TAL	2339	09	81	2095 52 63
, āfjāðāÞāāè 16 ¹āāÀÞāāĒāfjā ̾ã¾i		hedule 16 ERATING EXPENSES		.3.20	006	Year ended
				Ual/aa	¦a lauaA	‡ aš a š āt
i) ‡á yáb azak³xáco ‡ášm xádá; aa¶a , aak	i)	Payments to and provisions				
"¶ taš ā £ā† ¹ā ā lā£ā¶ā		for employees	893	56	58	843 45 86
ii) ½ããjã, ‡ãÑ , ããÀ ÀãTã¶ãÃÊ	ii)	Rent, Taxes and Lighting	105	01	40	88 08 37
iii) ½13¥ã,ã1À Êã1Æã1Þ-Ôã2½10ã1Æ	iii)	Printing and Stationery	10	43	13	10 10 68
iv) ālā-æ7ā¶ā,āak ¹āKāA	iv)	Advertisement and Publicity	8	85	55	2 85 56
v) °ájአ‡áŠãe Ôájáãá§á ¹áÀ ½ÁɾÖAÖã	v)	Depreciation on Bank's property	55	33	54	46 74 10
(¹aú aæ , æÀaa æ‡æ/ao ôan , a‡æå¦ā , aÌaa æ/a¥a		(Net of depn. Transferred from				
‡ašáe adjál a£ a À aad a)		Capital Reserve)				
iv) āljā il ātāšā tāšā tāšā ā āšā ā, Vāķā ī, ā a ā Œ ā ā ā	vi)	Directors' fees, allowances and expen	ses	28	45	29 7
vii) ÊãŒãa-¹ākāaātāŠāo‡āŠāō†āƧā ĺāĒ‡āŠ¦ā®ā ̾&⁄ā	vii)	Auditors' fees and expenses	9	84	80	9 74 89
(Íæleða Éðaleða - ¹ælæðatæðað Óðaðö¦ð)		(including Branch auditors)				
viii) älääkä ¹ ä k ää	viii)	Law charges	7	53	64	4 18 31
ix) ¡ätāŠ ½ÖÖâĒā, ¦ääÀ, >kĒääNāŠAŊā,,å¶¾	ix)	Postages, telegrams, telephones, etc	. 1	25	43	89 3 ⁻
x) ½À½¼ä ,ããÀ ,ã¶ãÀàãã	x)	Repairs and Maintenance	6	04	13	4 28 06
xi) °ããVãã	xi)	Insurance	49	09	85	37 93 68
xii), a¶a i¾aa	xii)	Other Expenditure	114	31	35	109 94 07
3/aali a	TO	ΓAL	1261	57	13	1158 52 60



, ā¶āĎāÞāāè 17 ¹ā**Mā**Œā Ē**āŒ**āā**ģā**Ŋā ¶āāāāā⁄āāāā

1.0ãã/ãã/P/ã

34Öaifőa Óan, addan•a'a ¦ataš ataš , affarea fia °a aakaa daaka Öan ahasaaka ahalah¥a †apaöxanbataš Eadda a taš , aetaah 1ah , aah , addan daapakafia 1aapaóyafia , ahataah¥aa taš , afiakafia 1ah ¦aakah atašt dat ööý

- 2. , ãã / á ‡ã Šã , ãã / ã ãã [á
- 2.1 ½ (A) | 2004 a) (A) (A
- 2.2 (Eahæ'n Cát aba£aac'abataš-Ôahaaa laa£aæ'abatakaac'aba'ah '3/aæ'a, taš/aad afa ("£aah 'a a a / Caaha aba aba a' Caahtašhàa tašhahaa tašan ce an tašh), abaaqburka, £aaha3h aba3ha/aa ,aah £aa/aad a tašan "Gataè "Caab aba ca aba aba ca aba ca ca abab aba ca aba ca ca abab aba ca aba ca ca abab aba ca ca abab abab aba ca ca abab abab
- 2.3 ° 3Ö1/AÉ 3/4 Eæ(a, æō tášæ tálón) á æla/Ašæ (°æn) á , æla (Eæ) ka) ôæ Öyf á , æl/a tášmæla/Ašæ tálæ öæn) táš °æ? , æl/a , æl/a tᚠ¹a Væd æjóæl á væd á ælæ/As (Bæ/As öóý
- 2.4 (Eab aann) ‡akkin "1ab akkin , aaE aakh 1akh ain 0aak a 1kin anE akkin 0akka 0 o anhai aakkin ‡ara • ara "0an , aqkara "aa E E ane a ahais ka 0akka 0 an y

- ¼ããÀ¦ãã&⁄ã ¹ããÃÀÞããÊã¶ããò ‡ãŠ ãã 㪠fí ããè ãã ããÃã¼ã¾ã Êã¶ãªfſã
- 3.1 ¶anû> km, aak † û aæ ¾a ¡ ak ak Œ aq ao ‡aš í afte, º að ª à ¹ ak að Œ art 0.824m Öö ý † traðo aæt ¶e, að A/fif Ar traðo aæt / , að A † traðo aæt † traðo aæt (û að vær að að "í aæ ¼a" á að vært ú "¶e ¹ ak "¹ aææ að a ° ¾aæ að û aæð ¦a) , að ¹ aæð aæt traðo aæ/ ¡ º a£ ¾að aæt traðo aæ/ > at É at traðo aæ/

SCHEDULE 17

SIGNIFICANT ACCOUNTING POLICIES

1. General

The financial statements have been prepared on historical cost basis unless otherwise stated and further on the assumption of going concern concept.

2. Revenue Recognition

- 2.1 Income is recognised on accrual basis on performing assets and on realisation basis in respect of non-performing assets as per the prudential norms prescribed by Reserve Bank of India. Recovery in Non Performing Assets is first appropriated towards interest and the balance, if any, towards principal, except in the case of Suit Filed Accounts.
- 2.2 Interest on bills purchased/Mortgage Backed Securities, commission (except on Letter of Credit/Letter of Guarantee/Government business), Exchange, Locker Rent and Dividend are accounted for on realisation basis.
- 2.3 Income from consignment sale of precious metals is accounted for as Other Income after the sale is complete.
- 2.4 Expenditure is accounted for on accrual basis, except otherwise stated.
- 2.5 In case of Matured Term Deposits, interest is accounted for as and when deposits are renewed.
- 2.6 Legal expenses in respect of Suit Filed Accounts is charged to Profit and Loss Account. Such amount when recovered is treated as income.
- 2.7 In respect of foreign branches, Income & Expenditure are recognized / accounted for as per local laws of the respective countries.
- 3. Foreign exchange Transactions of Indian Operations
- 3.1 Balances in NOSTRO and ACU Dollar accounts are stated at closing rates. FCNR/ EEFC/RFC/FCA (all foreign currency deposits including interest accrued thereon) and PCFC/WCFC/TLFC/FCL (all foreign

O al Aree , a and | a Areo | a Martan, ano | a Martan |

- 3.3. , aaka , aada 1348ka Oadaataan ka ab takan Éadean °aabi34ao kao , "¶atab Éanpa na adabt •aanpa taba ¦aadaata taban Éadba adaanpa kaba °a h ¹a h aa cearka obaka Öir

ada an faac faacean, aao tasach, aaadh an tanach ta an tasach ta an tasach An aanad ta aacean an tasach ta an tanach tanach an tanach an

- 5. äAjalätla
- tá) Ô â h tá ấc 1 a bộ a / map a / map a / mai (À ā 3/a Ô â h tá ấc h tá ấc 1 a bộ a / map a / map a / mai a bộ a l a các nh tá ấc h tá ấc
- (Ea) , alfa, alfa/aaaa ¦a ¹aaba/aaba/aaba/aa
- Oà Í ãVÁ
- Üð) °ãa ji đãa † lãa ãa °ãb ã l
- j.) ÔãÖãÆtÃÝÔãÆŠÃŠ "¹æŠŽÃ
- Þà) 1/8/4Þà, á£ã 1/8/4 f‡áðáf3/8áúlá, á¶4/a

currency lendings) are stated at the FEDAI weekly average rate applicable for the last week of the quarter. Other Assets, Liabilities and Outstanding Forward Contracts denominated in foreign currencies are stated at the rates on the date of transaction.

Profit/Loss on valuation of all assets, liabilities and outstanding forward exchange contracts at year-end exchange rates advised by FEDAI is taken to revenue with corresponding net adjustments retained in "Other Liabilities and Provisions"/ "Other Assets Account" except in case of NOSTRO and ACU Dollar accounts where the accounts stand adjusted at the closing rates.

- 3.2 Acceptances, Endorsements and other obligations including guarantees of Indian operations denominated in foreign currencies are stated at the FEDAI weekly average rate applicable for the last week of the quarter.
- 3.3 Income and Expenditure items are translated at the exchange rate ruling on the date of incorporating the transaction in the books of account.
- 4. Translation of the Financial Statements of Foreign Branches

Assets and Liabilities of Foreign branches are translated in compliance with Accounting Standard 11.

5. Investments

- 5.1 Investments in India are classified into "Held for Trading", "Available for Sale" and "Held to Maturity" categories in line with the guidelines from Reserve Bank of India. Valuation and disclosures of Investments are made under six classifications viz..
- a) Government securities (including State Government securities),
- b) Other Approved securities,
- c) Shares,
- d) Bonds & Debentures,
- e) Subsidiaries / Joint ventures,
- f) Units of Mutual Funds and Others.

- 5.3 alplatata taša valdvatašlja varaka alue alak °ataš ´aka e arka: ar labatak obataš , alplatak arpvata areta a Âta Oanatašva obata Orj

Eazah|ā > hrakæ ala£azo , azh ţaša/azafaka£ā 'anakao ţašan À Œalā Ēazota ā 'ah va£3/azahzā a alaš/az • aa ao Öō ý '4/ab a, a£ā 'a𥠡 3/azn alpa vao Eazah|ā 3/azah|> ao ţašan "'a£a'£ā ° azn azh va£3/a 3/az 'aqræŒakaê' va£3/a 3/az alpia£ā , azab¦ā va£3/a 'ah va£3/azahzā a alaš/az • azļao Öv

, and alvang an lank habitas vale vand kip ,, 1 alvand ab land > at valitas 1 ale ap tablica (alvand o and alvand tablica tablica (alvand o and alvand tablica (alvand tablica) alvand tablica (alvand o alvand o

- tá), adaði n°aðr¦á a Íadjánöö, ¦aðn¶arál-,alpará adaðvað •adjánöö;
- (Ea) , antáli nö Alóa a fantánöa, ¦am "ôm ka-að a Vao antamak¦a atašvaa
 an a öö
- (vá) 13/2014; 2014; ā 12004; a 12004

- 5.2 Interest on Investments, where interest/ principal is in arrears for more than 90 days, is recognised on cash basis as per prudential norms.
- 5.3 Valuation of Investments is done in accordance with the guidelines issued by Reserve Bank of India as under:-
- 5.3.1 "Held for Trading":- Individual scrips under this category are held at original cost. The same is valued at monthly intervals at market rates, wherever available, or as per the prices declared by FIMMDA and in respect of each classification under this category, net depreciation, if any, is charged to revenue and net appreciation, if any, is ignored.
- 5.3.2 "Available for Sale":- Individual securities under this category are marked to market at quarterly intervals. Central Government securities are valued at market rates declared by FIMMDA. State Government, other Approved securities and Debentures / bonds are valued as per the yield curve, credit spread rating-wise and other methodologies suggested by FIMMDA. Quoted equity shares are valued at market rates, while Unquoted equity shares are valued at book value ascertained from the latest available balance sheet, otherwise the same is valued at Re.1/- per company.

Treasury bills and commercial papers are valued at carrying cost. Units held in Mutual fund schemes are valued at Market Price or Repurchase price or Net Asset Value in that order depending on their availability.

Preference shares are valued by applying the appropriate YTM and then discounting the coupon as well as the terminal redemption.

Based on the above valuations under each sub-category, if,

- the figure results in appreciation, the same is ignored;
- the figure results in depreciation, the same is charged to revenue.

The book value of individual securities do not undergo any change due to valuation.

- 5.4 † ¶a ¹æe† Ì āðæækāð¥á tað afaāt °a¶æt Øat aðalānað Ó āðækā Vænæ¥ ¡ āð tað , andðað andāna a aða aða aðalæana / , æða taða ¹ að þæna ¹að andæðað tað ¦an ög , amamæða tað ¹a Vaða °aðaðað °ææ¥ ¡ āð taða • aðaú , æða í 30 tað oæðænæða aða aða aða ðaææða Vænæð ¥ ¡ āð tað , æææða ¹að , æðaða • æææ Öo , æða ¦a² ¶aðæða ¹æða ææða aðaða • æææða Öo ý
- 5.5 ata30aæ kaæ ladal ko aqla afao taš ala2ana 0an 0an i afan lada 6a 6a ka/ 0ana taša faak / 0ana caqan ko afal afao taš ala2ana taše , azka taše , azka taš taš afat £aana ¦a ladal ko aqla afao taš ala2ana taše , azka taše kazk£an kao † taš 0akana kazafa "araae , azkana a ceaqan kao alazapakana a a taše • az aze 0ó ý

6. , ãã **G**ã Tã

- 6.1 , aanamaa ‡ašan 'Vaajataš', ', aì ā-Vaajataš', 'Ôaā' Öa ô' aô' aana 'Öaraja-•ajataš', aarab ¦avaa Vao Ìabarataš', a ahašvaa Qavaa Öö, aana Vara¦aava aha•aì ai' ahaš ‡aš 'aha 'aarah ¦ā ahað ahaš ak ai vaajar¥ ¡ ao ‡aš , ajaðara , aana Vara¦aava ana•aì ai' ahaš 'aha ôavava-ôavava ¹ah •aaha•anja² dí aro ‡aš , ajaðara Varaè † nóan , aanamaan ¹ah ôavaraì ¾a Öarajavan ‡aš anā † ¹and að arap ahaš† Qa† Ööý
- 6.3 VarA¦azeka alderalali abasi tati ar [az-atpa] faza tati, atpûzek Varqutsi, azetazen alderalali 0.40 % tati al û û û û în ladi atarp adatka û û û abal azeta lati atarba tati ar û alderala tati ar û alderala tati ar û alderala ar û alderala ar û alderala ar û alderala û ar û alderala ar û alderala û ar û alderala û
- 6.4 Val|ta\$, antatan ta\$ a£ at ata\$† Oat Ôav/al|ta\$ 1 ata£ al|ta> ta\$, a£ aal a , antatan ta\$an ata£ al|ta> ta\$ ata} a£ a ta\$ A 1 a Vao a Cearka Oaka Öō ý

- 5.3.3 "Held to Maturity":- Such investments are carried at acquisition cost. The excess, if any, of acquisition cost over the face value of each security is amortized over the remaining period of maturity. Investments in subsidiaries, associates and sponsored institutions are valued at carrying cost. Permanent diminution in value of sponsored institutions is fully provided for.
- 5.4 Investments are subject to appropriate provisioning / de-recognition of income, in line with the prudential norms for NPA classification. Debentures / bonds in the nature of advances are also subject to usual prudential norms and accordingly provided for, wherever appropriate.
- 5.5 Profit / Loss on sale of Investments in any category is taken to Profit and Loss account. In case of profit on sale of investments in "Held to Maturity" category, an equivalent amount is appropriated to "Capital Reserve Account".
- 5.6 Incentive / Front-end fees, etc. received on subscription to securities are taken to Profit and Loss account.

6. Advances

- 6.1 Advances have been classified as 'Standard', 'Sub-standard', 'Doubtful' and 'Loss assets' and provisions for possible losses on such advances are made as per prudential norms issued by Reserve Bank of India and also as per the directions of Reserve Bank of India from time to time.
- 6.2 The Bank holds floating provision for non performing advances over and above the prudential norms. Such floating provisions built over different periods would not be used for any profit or dividend equalisation across accounting periods.
- 6.3 A general provision @ 0.40% is made on Standard Advances except in respect of Direct Agriculture and SME advances wherein provision is being made at 0.25%. These provisions are shown under "Other Liabilities" as per RBI guidelines.
- 6.4 Advances are stated net of provisions except general provisions for standard advances.



7. ÔÌ ã¥ ãÅ ‡ ãŠãÀ ã¶ ããÀ

8. ã Aã lãã lõã

- 9. , ã þ ã £ ã , ã ã ã b ¦ ã ½ ã ú
- 9.1 ¹aṇa/aE-¾aanaxṇā ¹aan)ôahāo ‡āšm ceān ‡āšh ô°aa/ā, aaab¦a/ao ‡āša ¼aE-¾aanāṇā †aṇāo ānādāš Ēaada;ā ¹ah anaš‰ā 0ā/aa öō ý
- 9.2 Va£360ADā ‡āša ¹æak‡ā£āļā ¹āRadājā ´ākā "¹ā/askā Óā/ataæ Oāy Ā aqav¶adāæatā ā akāo¹āk Óæa£æa kataa ¹ā°a£æajā ‡āš , aqadæk ādāš/āa Oāskā Öō:

¹ a d	2.5 %
tana a	10 %

fê**ada la**êa ôaô adah, laô qa

lā ‡**āšīkāl**ā**kā**lp Ôārā-Ôā**kā**lp 20%

‡ã**½**½ã⊳À 33 1/3 %

, **ang i ad/taš 3a i a i a i i a i i a i i a i i a i i a i i a i i a i i a i i a i i a i i a i i a i i a**

12/| IVAÉ Xeentel a , eerô | 26/200 ‡26 , eetren §26 VeE XO AO a ‡26/20 120 a eero ‡26/20 a 26/20 a 26

- 9.3 , amādam¥ā taše¦anhaneā taša ankād ankād atatīpa va£3x0abā taša 1amādana 1akādo da£ā taša ankād ankād da3xa da3ya ka
- 9.4 đồái , để đốa , để đốa É đốa É đốa đão ‡ đầa , đị đượng (Đốa É đóa vào • đão Ĉđượng • đão Čđượng • đão Čđượng • đão Čđượng • đão † đầa đượng • đão Čđượng • đão † đầa đượng • đão † đầa đượng • đão † đão • đão • đão † đão • đão •
- 9.5 ¹ā>án ladēaæ Ôabaa§a%ao ṭaš ¼ad√dēan ¼ao ¹ā>án ṭaše , alaadā ṭaš alaaqā ¹ababaka√a ṭaša ¹aad laadaqā alaš%ao Oa%ao Öōý

7. Transactions in Gold

Transactions in gold are accounted for at notional rate.

8. Derivatives

In respect of Interest Swaps, while the net amount receivable is recognised on accrual basis, gains or losses on termination of swaps are deferred and recognised over the remaining contractual life of the swaps or the remaining life of the assets/liabilities, whichever is earlier. Such swaps taken only for hedging purpose are not marked to market.

9. Fixed Assets

- 9.1 Fixed Assets except revalued premises are stated at historical cost.
- 9.2 Depreciation is provided on straight line method at the rates considered appropriate by the Management as under:

Premises 2.5%

Furniture 10%

Electric Installations,

Vehicles and Office Equipments 20%

Computers 33 1/3%

Fire Extinguishers 100%

Depreciation on revalued portion of the fixed assets is withdrawn from revaluation reserve.

- 9.3 Depreciation is provided for the full year irrespective of the date of acquisition.
- 9.4 Depreciation is provided on Land and Building as a whole where separate costs are not ascertainable.
- 9.5 In respect of leasehold properties, premium is amortised over the period of lease.
- 9.6 Depreciation on Fixed Assets of foreign branches is provided as per the applicable laws of the respective countries.

10. Ô> ãbãŠ-Ôãã à Eãã tú

- 10.1 (calle %) à ce là la la la là alà a ca, ao taó af at la la calla ° achanna à aò , ac an là alà (a) a calhanna à aò ac an là alà (a) a calhanna à aò ac an là alà (a) a calhanna là (a) , aí al an an là an ac an là (a) a calhanna là (a) a calha
- 10.2 alar lí aze lí actea, azotaš varvé anviocativo atáš abôar a ôakasta a a lí a vio é acca táš pro táš , apôar akáša cová öc ý

É aal/a lá Ö aalla Ceal an lao "ª blaaa» ¦á allala£á É aal/a / Ö aalla ahlalaa£aal£a ‡að ° aaª Ö o ù

- i. , aaka , aak £afa ¹ak ‡ak ‡ak afat ¹akkæfa
- ii. ½anjataš , andanaso taš afat 0an/anja 1anda Eanja , and , afa-ataš , and); akao taš afat 1anda Eanja
- iii. agalafao 1a) 1/a£340A0a / 1/aa) faataga / 1/aa) a£aaga
- iv. , affá að læðae, að , að á 34tá 1að £aff
- 12. ‡ãŠÀã£ãã¶ā ‡ãŠ ã£ã† ¹ãÃÌã£ãã¶ā

10. Staff Benefits

- 10.1 Provision for gratuity and pension liability is made on actuarial basis and contributed to approved Gratuity and Pension Fund. Provision for encashment of accumulated leave payable on retirement is made on actuarial valuation at the year end, in compliance with Accounting Standard 15.
- 10.2 In respect of Overseas branches gratuity is accounted for as per laws prevailing in the respective countries.

11. Net Profit / Loss

Net Profit / Loss disclosed in the Profit and Loss Account is after:

- i) Provision for taxes on income and wealth
- ii) Provision for non-performing advance and general provision for Standard Advances
- iii) Depreciation/Amortisation/ provision on investments
- iv) Other usual and necessary provisions

12 Provision for Taxation

Provision for Taxes has been made on the basis of estimated tax liability which includes adjustments for Deferred Tax in compliance with Accounting Standard 22.



, ã¶ãÔãÞããe 18

ÊãAEãão 1ãÀ ãã 11ãã¥ã¾ããú

1. Ôã/ãã/ããñ ã¶ã

¹alaoaÃ	° āÖ æ ½ā£ ¾a (Á ‡āÑ āŋ āo ½āo)	‡aXE á aApi af aao Vao†aApiaf af a
¹æÀ¹æããæ‡æãæ£æã¦ã	8512.17	45.33
a aa a atat "1æaea	10265.17	54.67
> kaj alā ṭas ākāt £aank¦ā	Í āŖá	ÍāŅá

- 2.3 ¹æða¹ataðaṭaða ṭað aðtat £ææða¦a Óæðaðaðáṭaðnæðþaðafæn ṭað Óæðaða ½no Á.113.80 ṭaðaāŋ ṭað ¹æðæðæðæða (æðaæ£ān Ìaðað Á.93.86 ṭaðaāŋ) ṭaða fóa Ìaðáṭað ªæðaða ¹æða æðaða ‡að æð3æ 0æða ööý

Schedule 18

NOTES ON ACCOUNTS

1. Reconciliation

- 1.1. Reconciliation of inter-bank and inter-branch transactions has been completed up to 31st March 2006. Steps for elimination of outstanding entries are in progress. Since the outstanding entries to be eliminated are insignificant, no material consequential effect is anticipated.
- 1.2. A sum of Rs.11.53 crores representing net credit balance of outstanding entries up to 31.3.1999 have been taken to Other Income as per RBI directive. Out of this, an amount of Rs.5.35 crores, being net of taxes and statutory reserve, has been appropriated to General Reserve, which is not available for distribution of dividend.

2. Investments

2.1. In accordance with RBI guidelines, the Investments Portfolio of the Bank (domestic) has been classified into three categories, as given below:-

Category	Book Value (Rs in Crores)	Percentage to Total Investments	
Held to Maturity	8512.17	45.33	
Available for Sale	10265.14	54.67	
Held for Trading	Nil	Nil	

- 2.2. Securities under "Held to Maturity" accounted for 13.71% of Bank's Demand and Time liabilities as at the end of March 2006 as against ceiling of 25% stipulated by RBI.
- 2.3 In respect of Held to Maturity category of Investments, premium of Rs.113.80 crores was amortised during the year. (Previous year Rs.93.86 crores)
- 2.4 In respect of securities held under "Available for Sale" category, an amount of Rs.140.57 crores Net (Previous year Rs.4.08 crores) has been debited to "Provisions and Contingencies" account towards depreciation.

- 2.6 að á^a ri aæ Í aæEa, aao ´aða Eaaað¦a aðþiðari aao ‡ašar Ó að a® að æðjaða; Vataš ¹aðan að sæðð áða •að ae að í aæðja ð aso ‡aš , aþó að Í aðan að á ‡að Va£38an að a aða a að a

3. , ãã **G**ã **T**ã

- táš. ¹aðla£að|aðlað¥á táše, ælálá ¾átá\ao, æo táš afát íætæa, æo ´alá , æðáð|ææåh¦á úæla æ 0ælææ, æo ¼o ªæla atást úði ªalán táš Óæga-Oæga ªalan £æð2¦á ælþá ælþí ¹al fóā , æææl ¹al aðlææl atáš⁄æ úæ⁄æ Ööætá †óan ªalan læga , æll læðæælææ ¾æðs/s ööý
- Cā ṭaổce , aadamano ṭaổae "Oadò ae ṭaổae aði ®aṇā ṭaổa ¹aṭaa Ê abanţan ṭaổ afat , , aadò ṭa la abanṭað ¥ā , aad , aada ṭaổae ¹að Þanṭa ṭaổ , a¹a fa ¾a Ôan ¹aðṇa Janṇa ṭaổ , aṇal wanṭa a ¼a£¾a, ṭaổ³ Ôað ṭaổað ac Janhana ¾ac , aad °aa² ṭaổ l¾al að að að taðan £¾anṭa ¼bò Alcaa Oaðaa Öō ý
- Ük. ÔztačÉ ā , alþrataš , addadkarð tað Ôzdadla Vao Varð ¦að va að úr að áð úr að að úr að áð úr að áð úr að áð úr að áð úr að úr að

4. ,ãÞãÊã ,ãããÔ¦ã¾ããú

‡áŠce ‡áŠnjajae, æði , ajjá , æðið æðil‡ájætú Éæðið á Öötlælaðiæ pjöæ Öælagá Áög, pælæðiðaða ‡ás Óæðaða ¼soðlæja æðiða æ

- 2.5 Securities of face value for Rs.28 crores (previous year Rs28 crores) towards Initial margin money required under the Settlement Guarantee Fund and securities for Rs.1510 crores (previous year Rs.510 crores) towards Initial margin for borrowing under Collateralised Borrowing and Lending Obligations have been kept with Clearing Corporation of India Ltd.
- 2.6 Investments held by Overseas branches are classified and valued as per guidelines issued by respective Regulatory Authorities.

3. Advances

- pending settlement as well as claims yet to be lodged with Guarantee Institutions identified by the branches have been considered on the basis that such claims are valid and recoverable.
- b) In assessing the realisability of certain advances, the estimated value of security, Central Government guarantees and subsequent conduct have been considered for the purpose of asset classification and income recognition.
- c) The classification of advances, as certified by the Branch Managers has been incorporated, in respect of unaudited branches.
- d) Floating provision of Rs.259.92 crores (previous year Rs.277.27 crores) is held in respect of gross non-performing advances, over and above the minimum prescribed by RBI. These provisions are netted off from advances.

4. Fixed Assets

Pending completion of certain legal and other formalities, title deeds have not been executed / registered in favour of the Bank in respect of nine premises amounting to Rs.15.67 Crores (previous year Rs.18.54 crores).



5. , ā [% , ã ã â â ¦ ã % ã á ú

†¹áðaæt ¶ā, að (†) ¾am a þa tað, a æð þa aðan tað aða t Á.80.48 taðan (aðaæ Em latal á 80.48 taðan) þaðæ tað a Àtaða ¼a va dan Á.44.24 taðan aðaæ Em latal (Á.44.24 taðan) þaðæ Àtaða ¹aðaætaða tað Ála va aðað tað ¹aða dö ý Vað¦a daltaða íala dæða aðaðandaðan aðaðandaða, "taja aða tað að þa aða taða íala dæða á Á.36.97 taðan taða Átaða haða ðiða taða taða þa taða þaða taða laða álaða taða taða þaða Átaða taða ", aða , æða þaða aða taða taða þaða taða þaða Ön • æn "¶atað dæðaða áða þaða æða taða ön ý

6. Á¹ã¾ãã °¾ãã•ã ªÀ ÔÌãðã

Á 18/60 °3/60 à a À Ô Ì 30 á ‡30 áð á £30 áð í †3 Ört , á áð þá †3 à , að °3/60 à , að 6 þó Á 5.81 ‡30 áð (38/60 £3) áð á Á Á.3.73 ‡30 áð) ‡30 à À‡30 á À£30 á À‡30 á À£30 á À‡30 á Á‡30 á Á‡3

7. ¹ãã ãã ãã

- 7.1 °ataš ´akā, fôā latāk taš °atakata latata 'a atao taš Â'ā Yao , atakakata, 'ataa taš, A'ā Yao , atakakata, 'ataa taš, ataš kae kataš (Ozakata °ataj ao taš Vae kakata Ozakata VIII, IX , atak X) (atac Ēarī latāk Á.350 taškata) ftaš kia taše lafk Öö katata foi taš kae ka latāka kae a Ozakata y °ataš (pin, atatae > ataka l 'ata aze atata a °atata a °atata a °atata y °ataš (pin, atatae > ataka l 'ata aze atata a °atata a °atata a °atata y °atata a †atata a °atata a °atata

8. ‡ãŠÀ

9. Êãã¼ã lã Öãã¶ã Œãã¦ãã

‡aš. Ô> ā'aš: að af afa Oð ambæ‡aš Óð að a-að það að ¦ā ‡aš Óð að afa Vao Á.31.26 ‡að ag ‡að að ka ca þatað oð ý ‡að ¹að fandað að að þatað oð ý

5. Other Assets

Out of a total claim amount of Rs.80.48 crores (previous year Rs.80.48 crores) under FCNR (A) Scheme, the Bank is holding a provision of Rs.44.24 crores (previous year Rs.44.24 crores). The balance amount of Rs.36.24 crores has been shown under "Other Assets – Others", pursuant to the bank accepting Rs.36.97 crores towards settlement of the above claim as indicated by the Government of India, which is under their active consideration.

6. Rupee Interest Rate Swap

An amount of Rs.5.81 crores (previous year Rs 3.73 crores) is kept in deferred income on account of gains on termination of Rupee Interest Rate Swaps, which will be recognised over the remaining contractual life of the swap or the remaining life of the assets/liabilities, whichever is earlier.

7. Capital

- 7.1 The Bank has raised a sum of Rs.750 crores (Series VIII,IX and X) (previous year Rs.350 crores) by way of Unsecured, Redeemable, Non-Convertible Subordinated Bonds in the nature of Promissory Notes, during the year in order to augment its Tier II Capital. The Bank has also raised Rs.200 crores (previous year NIL)by way of Perpetual Bonds to augment its Tier-I Capital.
- 7.2 An amount of Rs.601.14 crores, which was held in Investment Fluctuation Reserve in the previous year and treated as Tier-II capital, has been appropriated to General Reserve as per Reserve Bank of India guidelines and is being treated as Tier-I capital.

8. Taxes

No provision has been considered necessary in respect of disputed demands of income tax amounting to Rs.220.52 crores (previous year Rs.220.52 crores) after due consideration of decisions of Appellate Authorities, judicial pronouncements and the opinion of tax experts.

9. Profit and Loss Account

a) Staff: An amount of Rs.31.26 crores (previous year Rs.69.29 crores) has been amortized towards special Voluntary Retirement scheme.

- (Eā. , alāsakā Ósā ¹sö(Ēsā ṭsōè Ya²ò: , sæ/a / l¾s/a ṭsōè Ya²òÓsī Ósā sakā a , alāsakā ¹sāka/a Ósā ¹sö(Ēsā ṭsōè †lôsē ṭsōŋā Yaö;lafak sā Ya² ¶sòé Öo sē alān akaš Ēsakāsāk¥ a Yaā∏a²¥; 5 ṭsō , a∏sōàò O¹so> sakā/a •sa∏ā , sālāl¾skā Ösay

10 , ãã jã là tã là tã lã là sã là số là s

‡ãŠ - ¹ãã ããè¹ã¾ããæã¦ãã

%ŠÔãã	à ả à¥ã	2005-06	2004-05
1	¹aa aac¹a/aā/ataa , a¶a aqa	13.04%	14.21%
2	120 220 1 26 25 1 4 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	8.54%	7.10%
3	120 220 12/24 4 20 > 2 24 11 120 220	4.50%	7.10%
4	> akk l 1 va aetaš Áva Va) antaja Om¥a at¥a tačektaška	1882.74	1132.74
5	> ákið I 'an azetað Á'a Vailantája °annakar a: á¥á tázeðtaðu	200	Íæ
6	Vaak¦ā Oaktašāk taše liannik Eamak¦a taše laapalia a a	61.23%	61.23%

΋ - ãØālāfã :

Œu	aprara .		(Á ‡ãÑãŋ ão Vã)
		2005-06	2004-05
āķi ā	Í agotaða Óataði á Vali 3/a		
i)	1∕aãÀ¦ã 1∕ão	18777.31	18639.77
ii)	¼āÀ¦ã ‡ãаāäÖÀ	337.41	413.36
Üã⊳ã∣	†ú ¼Ê¾Öð ã		
i)	1∕aãÀ¦ã 1∕ão	159.60	34.17
ii)	1∕aāÀ¦ā ‡āаāāÖÀ	1.26	4.24
Üã⊳ã∣	tú VáziÁ¦ã Váo¹ä¶ā:		
ÔãÀãI	ÞĄ̃ãŒæĄæð¹æÀ °¾æ∙ã	1.57	ÍðBá
ā pi ai	Í aaotáša alpil a£a Va£3a		
i)	1∕ããÀ¦ã 1∕ão	18616.14	18605.60
ii)	VæÀ¦ã ‡ã š ° a đÖÀ	336.15	409.12

- b) Prior period items: There were no material prior period items of income / expenditure requiring disclosure as per Accounting Standard 5.
- c) Other Income: The working results for the year have been arrived at after adjusting the loss on revaluation of investments and amortisation of HTM investments, amounting to Rs 187.08 crores, (previous year Rs.159.75 crores) under the head "Provisions and Contingencies" instead of adjusting the same from 'Other Income' as was done consistently up to the previous year. Accordingly, the figures for previous year have also been regrouped. However, there is no impact on the Net Profit.

10. Additional Disclosures

In accordance with the guidelines issued by Reserve Bank of India, the following additional disclosures are made

(a) Capital Adequacy

S.No	. Particulars	2005-06	2004-05
i	Capital Adequacy Ratio	13.04%	14.21%
ii	Capital Adequacy Tier I Capital	8.54%	7.10%
iii	Capital Adequacy Tier II Capital	4.50%	7.10%
iv	Amount of Subordinated Debt raised as Tier II Capital (Rs in crores)	1882.74	1132.74
V	Amount of Perpetual Debt raised as Tier-I Capital (Rs in crores)	200.00	NIL
vi	Percentage of shareholding of Government of India	61.23%	61.23%

(b) Investments

		(Rs. in crores)		
		2005-06	2004-05	
Gro	ss Value of Investments			
(i)	In India	18777.31	18639.77	
(ii)	Outside India	337.41	413.36	
LES	S Depreciation			
(i)	In India	159.60	34.17	
(ii)	Outside India	1.26	4.24	
LES	S Interest on Restructured			
Acc	ounts in India	1.57	NIL	
Net	Value of Investments			
(i)	In India	18616.14	18605.60	
(ii)	Outside India	336.15	409.12	

Qã - aqai atí aao Oạa Eaaah; a 1ahi aEaaqao taša 1ahaê£aqa (%aqa; aaqa Oạa 1aah ataù a O; A 1ahaa/aaaaa%ao Oaao); a)

(Á táÑañ ao Vao

		(
	2005-06	2004-05
, ārākātvāļtāš ladā	47.10	27.66
•aaq olada taš aala paalat aalat dat laada Eaqa	144.44	31.95
Ülə atul adılıtağı a alıaqı ayağı datı, andatağı ayla ezaqındağın ə ə á n	21.97	12.51
Œæţān ¡ á£â¶æ / ¹a¶aÀætað¶a ‡áðŶæ		
Ôā/aaak¦ā lādā	169.57	47.10

$\ddot{\textbf{U}} \ddot{\textbf{a}} - \dagger \dot{\textbf{E}} \ddot{\textbf{a}} \dagger \dagger \dot{\textbf{a}} \ddot{\textbf{S}} \dagger \ddot{\textbf{a}} \ddot{\textbf{S}} \dagger \ddot{\textbf{a}} \ddot{\textbf{O}} \dagger \ddot{\textbf{a}} & \ddot{\textbf{A}} \ddot{\textbf$

ālālāl¥ã	ÌaÓaÃ	tá š a al latip o atáša//	31 03 2006 ¦ātāš	
	9/4 B 3/4	, aal ata\a⁄a	² ē dātāš , ād dātā	
að am þáð ¦ að ¦ a ° að aæ 0a⁄æe' að þa ⁄æþa⁄æþa⁄æ	500	700	30	ÍÆ
aàl dù ai ai tan ta't ta't a Caì ae ac dà aic Tana arma arm	100	2200	439	ÍðBá

Ý - ØäÀ - †Ôä†Êã, ããÀ ãĄāÌ ãí ã ¹ããō ÃãŠãã£ã¾ãã

(Bah-+0ā+£ā, āā) ādājā āāo ‡āšāe • āā)ādāš; āā lāā) Oādē ādā 31 ½abā 2006 ‡āšān • āzāl‡āš āā Oādā ½ab lāā) ,ā£ābā ,ā£ābā ādā ā}¥āo ‡āš Oāzēa ,āzgæāāļā ,āā Oābādēā® ¹ādē āvābā Æāo ½ao ādā āā ¥āo ‡āš ādā ā}¥ā ādē Дара Ēadē āā Oād}¥āe ½ao āð† (B↠Öōý

(Á ‡ãŠÀãñi; ão ½ãÒ)

					•	. ,
1	•क्रोकेंक्रेंक्री	Ozið- † Ózi† Éz, zzið À‡ziðvá	āþ-æ:'Éððá⁄æ ‡áá álð¦æl	a pi af a ‡aš ‡aš⁄a Na¥aæ‡ašæ ¹a p a∕apa⁄an	(ki) apeaili;ā 1aja/aja/ai	, aðaahaja ¹ahalahalab ‡ah ahað¦aah
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Ôælā#æ¶æt&àæïa "¹æ⁄æ‱	1085.79	1055.44	0.00	215.10	348.17
2	Ôælð á ælþtá álð¦æð Ôæl°ætú	438.46	392.14	0.00	36.44	46.43
3	°ā j āŠ	627.91	164.00	0.00	12.00	45.00
4	ālir azetaši aalio	595.62	349.34	0.00	10.68	20.31
5	, affaóadaæ/ Óaðvataja					
	"² ð/ā	0.00	0.00	0.00	0.00	0.00
6	, a gra	66.84	0.00	0.00	0.00	0.00
7	,ãÀ,ãý ¡ãe†¹ãŠ	14.19	0.00	0.00	14.19	14.19
	‡ã Š Êã	2828.81	1960.92	0.00	288.41	474.10
	%E3&ÖzÖä † Ìzā ¹z¶kûzÀzārā,ā Œza;zao ¹zÀ º3%zōrā Ö¢ā Ezazā¦ā ¹zaĀzāgā	44.46	ххх	XXX	XXX	ххх
	‡ ā Éã	2784.35	1960.92	0.00	288.41	474.10

(c) Movement of Provision held towards Investments

(including Securities matured for payment)
(Rs. in crores)

	(1.	3. 111 01 01 03)
	2005-06	2004-05
Opening Balance	47.10	27.66
ADD Provisions made during the year	144.44	31.95
LESS Write off/Write Back of excess provisions during the year	21.97	12.51
Closing Ralanco	160 57	<i>1</i> 7 10

(d) Particulars of Repo transactions including those with RBI under LAF

(Rs in crores)

				<u> </u>	
Particulars	Outstanding during the year			As on 31.3.2006	
	Minimum	Maximum	Daily		
			average		
Securities sold under Repos	500	700	30	NIL	
Securities Purchased under reverse repo	100	2200	439	NIL	

(e) Non-SLR Investment Portfolio ISSUER-WISE COMPOSITION OF NONSLR INVESTMENTS

Issuer segment wise break-up details as on 31st March 2006, along with the investments in unrated and unlisted securities is furnished in the following table

(Rs. in crores)

					(Rs. i	n crores)
No	Issuer	Non-SLR Amount	Extent of Private Placement	Extent of below investment grade	Extent of Unrated securities	Extent of Unlisted securities
(4)	(0)	(0)	(4)	securities	(1)	(7)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Public Sector Undertakings	1085.79	1055.44	0.00	215.10	348.17
2	Public Financial Institutions	438.46	392.14	0.00	36.44	46.43
3	Banks	627.91	164.00	0.00	12.00	45.00
4	Private Corporate	595.62	349.34	0.00	10.68	20.31
5	Subsidiaries/ Joint Ventures	0.00	0.00	0.00	0.00	0.00
6	Others	66.84	0.00	0.00	0.00	0.00
7	RIDF	14.19	0.00	0.00	14.19	14.19
	Total	2828.81	1960.92	0.00	288.41	474.10
	Provision held for depreciation & Interest on restructured accounts	44.46	XXX	XXX	XXX	XXX
	Total	2784.35	1960.92	0.00	288.41	474.10

Þã - , ð¶ã•ðllðs Øðl †Ôð†Êð, ððl ðlþiðilð (%00q æffa Ö¢a ¹æàl¹atàla Öyfã¹a**b**a/æada/æada/æaôlað¦a)

	(Á ‡ãÑãq ão ½ã)
1 , ā ākā 2005 ‡ākā , ākā akatā lādā	21.74
Ì điấi ‡đổ a đầ địa • đấj	ĹãſŖá
Ì adal ‡að ° aði aðja ‡aðs aðjað kadi	7.16
31 03 2006 ‡ášinÔál/ázáð¦á Íádá	14.58
‡ãŠÉ ā £āæik¦ā ¹āki ā£ādļā	13.19

œ) ã Aãflãã lôã

i) ⁰³/ãã•ã ^aÀ ÔÌãðã

						(A :	ā8Aā jā a 1/a)
1/ãª	'Ò		ÞããÊãi ÌãÓ	ăÃ	ãããœÊãã ÌãÓãÃ		
		Á¹a‰á †‡a¹aanaÀ	†¹ãІ‡ãÔá †‡ã⁄ããa âÅ		Á¹ã⁄ã †‡ã¹ããa ãÀ	†¹ãІ‡ãÔã †‡ã¹ããã ãÀ	‡ā Š Ēã
i)	ÔÌ đờā ‡đỗ để độ ‡đổ ‡đỗể ¹ đđể phás Việc á	900.00	578.00 1	478.00	925	521.38	1446.38
ii)	‡áðhaha ‡áð ¦áð¦á 34æð ‡áða, á À ¹ão æ, á a¶æ °æ€34æ ‡áða ¹aha ‡áðh¶ , áða¹á£á ÖaþæeÖö¦æa "ÓaðarÖa¶an æ£æöæð		ÍaRá	Í	ÍđŖá	ÍđĐá	Íalþá
iii)	0) abā ‡aš\¶m‡aš°aā°°; ‡ašm, a'aama a ā Oabaæaf lai ¹a b āJaapā		ÍāŖá	ÍaRá	Íð¶A	ÍđŖá	ÍđŖá
iv)	Ô Î abă Ô an "¦1 ă, ă %ăăa; > • aaa£ avi 1 ah ‡aŏ3 a¢a\$h¥		Íð¶A	ÍāŖá	ÍðŖá	ÍđŖá	ÍđŖá
v)	ÔÌ đòá ° đồ đẹ ‡đòá "đh đá Va£3á	-16.68	-17.11 -	33.79	-15.21	-5.368	-20.578

ii) adaaqa/s/s 13/saa aah °3/saa a h aa haf laas 10a

		(Á ‡áðlag að Vað)
%ãŠ/ã Ôãâ	°¾āāÅñ	ÀţãŠ⁄ã
i)	ladáttað a aðanh aðaanhvíssá lýarlaða «Mar a ah aq haf laas» lúa taða taðáf laanhtá vísfa htaðsú (afateg á laða)	ÍÆ
ii)	31 ½ÞÁŽ2006 ¦átáŠálaanþbíbbí l¾afáði °¾a-á ªÀ áj Àáflaæ lÓá ṭáð ṭáð£¹aanþá vá£á Àṭábbí	ÍÆ
iii)	ahaaqpuaka 134a aah °9ka-ā °A _i ahaf laas lā tāb tāb£ tauptaš 14£ā Atāba , aah •aan" "ÞÞā ¹annalaa: ¶iða:(al£aŒā laah)	ÍÆ
iv)	1 30p3/szpá/szo tá 5° ellető° szo zá l Va£36 tá 5 alamp kás6 13 x87 a ál °3X67 á°ál _i záláflazo látázetáb£1 amptá5 Va£á ÁtáSvá • am ""ÞÞá 130aalæs ¶ið áé (acta£a á 1zál)	ÍÆ

(f) Non Performing Non SLR Investments (including securities matured for payment)

(Rs.	In crores)
Opening Balance as on 1st April 2005	21.74
Additions during the year	NIL
Reductions during the year	7.16
Closing Balance as on 31st March 2006	14.58
Total Provisions held	13.19

(g) Derivatives

i) INTEREST RATE SWAP

(Rs in crores)

ITE	MS	Cu	rrent Ye	ear	Previous Year		ear
		Rupee Exposure	FX Exposu	Total re	Rupee Exposure	FX Exposur	Total e
i)	The notional principal of swap agreements	900.00	578.00	1478.00	925	521.38	1446.38
ii)	Losses which would be incurre if counter-parties failed to fulfil their obligations under the agreements	u	NIL	NIL	Nil	NIL	NIL
iii)	Collateral require by the bank upo entering into swa	n	NIL	NIL	Nil	NIL	NIL
iv)	Concentration of credit risk arising from the swap	Nil I	NIL	NIL	Nil	NIL	NIL
v)	The fair value of the swap book	-16.68	-17.11	-33.79	-15.21	-5.368	-20.578

ii) EXCHANGE TRADED INTEREST RATE **DERIVATIVES**

(Rs. in crores)

	` '
Particulars	Amount
Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)	Nil
Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March 2006	Nil
Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument wise)	Nil
Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument wise)	Nil
	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise) Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March 2006 Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument wise) Mark-to-market value of exchange traded interest rate derivatives outstanding and not

iii) ãä Àãf Ìããã ÌÔã Vão • ãã㌠ãVā †‡ãÔã ããã ãÀ ¹ãÀ ¹ãÆãŠ ātāŠÀ¥ã

Oã¥ãã! Vát㊠¹ãÆãŠ> ã¢ãŠÀ¥ã

°ateŠ, °3&r-ā °à Ôlasā (, aşf , aāl †Ôa) , aāl 143°a Ôlasā ‡aša "1a8ætā °adtāða °ataš 140°3&r-ā °à •aadEa14, abl 143°a •aadEa14 ‡aše 1adtālaa ‡aš a£āt Öæ°a Mædā ‡ašl;aa Ög Olasā £atļa^fb †ôan°ataša ‡aš Ôæ°a ÖæAŒa •az a Öōæa a[‡aš ‡ašla) "1a£a?£a Ööý

- , a) °ataš (pinā) Aaflaad lõa l34ataal taša täšasai (piöæalasaa öõý
- , aā) ° abaš ¶m 'akķahàāa akātāta aao taš Â'ā Yao aā hāy laab lôā taš "abatā oān aā me aā me aamta akā tāšmaņe aadh; a tašn Ārī tašn aā ta tašn aā tašn aā ta tašn aā tašn a
- f) °ādāŠ tāŠ ¹ādÕā āq Àāf lānā lÔā tāŠ āfāt ÊanEādāŠļā ¶ādājā "¹āfā°£ā Öōý

Vãã ãã¦Vát㊠¹ã¶ãŠ> ã¢ãŠÀ¥ã

Ì abh taó a all aig a dE an Cat 100 * 1 all aac 1 tab 1941 it ab , aal , aal at at ab

‡áŠ. Öŋ áð áðlá ¹áÅ

΋ ̾ãðãÀ ¹ãÀ

%ÄÄÄäÄ °3⁄ääÄÄñ

ãą Àãflããã lôã ãặ Àã*f* Ìãããã ÌÔã ã Àã Ìã Àã ÌÔã (taša£¹ääØbtaš ¼a£ã Àtaмa) 1478.00 ‡áŠ. Önnaj á addia ‡áð að£át 86 54 ΋ ̾āðāð tāð a£āt ÍðRá ÍðBá 1 alka 3/anka 3/antaš a adataš 1/a£3/a 1 alka ka anĝana ‡ãŠ.,ãããÔ¦ã¾ãú(+) ÍaRá (+)0.69΋ ªMã ã tú(-) (-)6.10(-)34.48 "áÉ¥ã táŠáÀáflááÀ 116.28 674 °3/xãr ã ªÀ 1/xão Ôã/xãxãð aã † ‡áŠ ¹aMaáí a á ‡að ¹aaàí a aña ‡aða ¹aWaði a (100*1aaaa)1) táš. Önne ánna ág Aaf lánna lóa tál 43.69 0.86 ÍāŖá CEā. ̾ādādā āg Àāg Ìāāā ÌÔā ¹āÀ ÍäRá

P/AR 3/3

ÍðRá

iii) DISCLOSURES ON RISK EXPOSURE IN DERIVATIVES

QUALITATIVE DISCLOSURE

The bank uses the Interest Rate Swaps (IRS) and Currency Swaps only for hedging purpose to mitigate interest rate risk and currency risk in banking book. Swap transactions are entered only with Banks having agreements in place.

- The bank has not engaged in trading in derivatives.
- b) The bank has set in place appropriate control systems to assess risks associated in using derivatives as hedge instruments and proper risk reporting systems are in place to monitor all aspects relating to derivative transactions. The IRS transactions were undertaken with only banks as counter party and well within the exposure limit approved by the Board of the Bank for each counter party.
- c) The bank has an approved policy in force and has set necessary limits in place for using derivatives and its position is continuously monitored.
- The bank has an accounting policy for derivatives.

QUANTITATIVE DISCLOSURES

(Rs. In crores)

			(KS. III CIOIES)
S. NO.	PARTICULARS	CURRENCY DERIVATIVES	INTEREST RATE DERIVATIVES
(i)	Derivatives (Notional Principal Amount) a) For Hedging b) For Trading	86.54 NIL	1478.00 NIL
(ii)	Mark to Market Positions a) Asset (+) b) Liability (-)	NIL (-)6.10	(+) 0.69 (-) 34.48
(iii)	Credit Exposure	6.74	116.28
(iv)	Likely impact of one percentage change in interest rate (100*PV01) a) on hedging derivatives b) on trading derivatives	0.86 NIL	43.69 NIL
(v)	Maximum and Minimum of 100*PV01 observed during the year a) on hedging	Maximum:2.29 Minimum:0.86	Maximum:55.22 Minimum:10.96
	b) on trading	NIL	NIL

(Á.‡ãÑãŋ ão¼ã)

^o3∕ãã•ã ªÀ

, aanatata aka a 55.22

¶/a/Rā/a 10.96

ÍðRá

•â) , ãããÔ¦ã Ưã¥àÌ⦦ãã , ã¶ā•āÑ㊠, ãããÔ¦ã¾ããò‡ãŠãè Ưãã¾á [ããÊã¦ãã (†¶ã¹ããť)

		(Á.‡ãÃãij ã0½)
	2005-06	2004-05
OataŒā†¶āæt ÔanOataŒā , ænhana (%)	3.43	5.28
api £ā†¶aæt Öānapi £ā , andarā (%)	0.65	1.27
†¶řæt táče0æpáíæ£ąæ (ô枣à)		
‡å) ¹aAàavatá Íaáa	1388.15	1575.85
Ca) látátat a alap i aallatája	475.84	507.92
0ā) Ìādāļāš ^a ālāļā ‡āš ā āpā/āú	636.44	695.62
Üà) Ôð/æððiþi Íðáa	1227.55	1388.15
†¶řæt tášeOæpáí æ£ą æ		
‡ a) 1 aA)ava taš (a fa	319.20	577.52
Câ) lấtất để a bì địa trailite địa	475.84	507.92
0ā) Ì adāltāš ^a ālāljā tāš ām ālājā	570.71	766.24
Üà) Ôð/æð ð þáða	224.33	319.20
†¶řaæt ‡áčedanyal an£a;as ‡áš al£a† †anl£am]a (Vam]ktaš , anank¦akán)taš al£a† †anlæ£am]a £áčnoean; ‡áÑ)		
‡å) ¹anàatatá Íafa	997.88	947.28
Cá) ládátáš ^a alap atát Cát 1allácap		
(að† 0a† ¹aðlætæðþ/ aðlæðþlóðá "Þaðl-Þarðla‡ábraðd£aðlað) 183.19	297.12
Oà) °ã á ñCeaj ai Vio _i a É arOat / ¹a¶Alandağa , anpandizja ¹and a£	ātā 250.09	246.52
Eâ) Ôã/vã đặ Í đấa	930.98	997.88

¢ā. ÌāÚāà ṭāťỗ ªāÀāŊā ¹āŊāÛāÅÞāŊāā ṭāť ¦āÖ¦ā Êā↠Øā† ¨āÉ¥ā , ããāϦā¾ãão ṭāťð āðālālāÀ¥ā

(Á.‡ãÑãŋ ão¼ã)

		(Titalian aray
	2005-06	2004-05
'angliandanna tạc (ac) à Éast Oist 'a É¥à , asand (ac)aco tạch tạc à Atacha	155.76	550.62
"tajā Vao Oān Oāaq ae, aaA tadš ¦aO¦ā	12.04	308.85
¹aŋiðālþaŋa ‡að¦áð¦á Éært Oát Vænptað, ææð¦ávæð ‡áðe‡áð£á Á‡áðvá	150.89	501.11
"tāţā Vāo Ôān Ôāāq āe, āāÀ tāď ¦āÖ¦ā	12.04	308.85
13¶DâNÞa∏a ṭaổ ¦aÖ¦a Éart Oat , alaManµaő , aaa0¦aMao ‡aốa ṭaŒa ÀṭaMa	4.87	37.02
"tajā Vao Oān Oāneļās, and tarš ja Ojā	ĺãŖá	ĺãľ⁄á
1a((1)8)ajá þaja 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		
‡ášie ‡áČá Á‡áŠVá	ĺãŖá	12.50
"tāļā ½io Oān Oāāq ā; āā tāš ¦āÖ¦ā	ĺäŖ⁄a	ĺãŖá

(h) ASSET QUALITY:

Movement of Non Performing Assets (NPAs)

(Rs. In crores)

	(17	.5. 111 (10165)
	2005-06	2004-05
Gross NPA to Gross Advances (%)	3.43	5.28
Net NPA to Net Advances(%)	0.65	1.27
Movement of NPAs(Gross)		
a) Opening Balance	1388.15	1575.85
b) Additions during the year	475.84	507.92
c) Reductions during the year	636.44	695.62
d) Closing Balance	1227.55	1388.15
Movement of Net NPAs		
a) Opening Balance	319.20	577.52
b) Additions during the year	475.84	507.92
c) Reductions during the year	570.71	766.24
d) Closing Balance	224.33	319.20
Movement of Provisions for NPAs (excluding provision for standard assets)		
a) Opening balance	997.88	947.28
b) Provisions made during the year		
(includes provision released/Exchange		
fluctuations)	183.19	297.12
c) Write-off/Write-back of excess provisions	250.09	246.52
d) Closing balance	930.98	997.88

i) Details of Loan assets subjected to restructuring during the year

(Rs. In crores)

	2005-06	2004-05
Total Amount of loan assets subjected to Restructuring	155.76	550.62
Of which under CDR	12.04	308.85
Total amount of Standard Assets subjected to Restructuring	150.89	501.11
Of which under CDR	12.04	308.85
Total amount of substandard Assets subjecte to Restructuring	ed 4.87	37.02
Of which under CDR	NIL	NIL
Total Amount of Doubtful Assets subjected to Restructuring	NIL	12.50
Of which under CDR	NIL	NIL

šā) , āāādoļā ¹ā¶āādjāĀvāāĀvā, ¾āāā ‡āŠārjā, ‡ārš āfā↠¹ārājā atāsāļāā¥āVārājā; Öārājāā ‡āršā atāsā atās

ĺãľá

>) Êãāl⁄ā lã Öãã¶ã Œãã¦ãñ¼ão¹ã№ãããŦã , ãã‡aŠã¼áţ㊦ãã, ããò † lãâ¹ãÃã ãããããã㠇㊠°¾ããÅñ

(Á. ‡ãÑãŋ ão 1/ã)

	2005-06	2004-05
, að að að þá á ð að að olda , að þó á áð að að að að að að að þá að	153.61	294.93
Vanjaš, andavaočķa tad Æanja	40.20	18.00
‡ãÑãO֢㠹ãÐ Æã¶ã (, ãã⁄¢ãÑ/ †¹ãаãã> â)	202.28	320.46
a lja af að Ö ¢ a ¹a ð i a£aalja	140.11	21.88
t Það at Va alþi af axxtað taði faði afja , aði alþi af axxtað		
13 14 E346 43 613 13 Özelle	187.08	159.75
, a ga ô a/ae (ap i £ a)	27.20	30.17
‡āĒā	750.48	845.19

Ÿ) ‡ãŠãÀã¶ããÀ ,ã¶ãľãã¦ã

%ãŠ. Ôãã	°¾ãåÅñ	31 VããÞãÃ 2006	31 ½ããÞãÅ 2005
1	, and q a takka diakha ad pantakan tak 1 anpal q a tak A 1 a Vao 3 Var-ad q a , aaka	7.77%	7.77%
2	, 2000 a táda dhách a all polachachtaí i abhaí a a taí Á i a Vao Var abh , 2004	1.28%	1.58%
3	, æðið á í áða⁄diðáðið æðijanið keptað í aðhal á a tað Á í a Vævand Þæðiðija Vetað ÉðaVa	2.70%	2.96%
4	, aab ¦a⁄ a oôaÊa⁄a	1.32%	1.28%
5	120pá tá Va brada tá s ádathad (• 2/001 úlá , 20020) (Á. Öú agláo Va)	35473	26948
6	¹anpā ‡aš/afraikā:Ēad/a (Á. Öraikā)/a)	322	266

j) Details of Financial Assets sold to Securitisation / Reconstruction Company, for Asset reconstruction, if any:

NIL

k) Details for Provisions and Contingencies charged to Profit & Loss account;

(Rs. in crores)

	2005-06	2004-05
Provision for bad & doubtful assets	153.61	294.93
Provision for Standard Advances	40.20	18.00
Provision for Taxes (IT & FBT)	202.28	320.46
Provision for investments	140.11	21.88
Loss on Revaluation of Investments & Amortisation of HTM Investments	187.08	159.75
All Others (Net)	27.20	30.17
TOTAL	750.48	845.19

I) Business Ratios

S. No.		March 31, 2006	March 31, 2005
1	Interest Income as a percentage of Average Working Funds	7.77%	7.77%
2	Non Interest Income as a percentage of Average Working Funds	e 1.28%	1.58%
3	Operating Profits as a percentage of Average Working Funds	2.70%	2.96%
4	Return on Assets	1.32%	1.28%
5	Business per Employee (deposits plus advances) (Rs. in 000	Os) 35473	26948
6	Profit per employee (Rs. in 000s)	322	266

Á. ‡ãÑãŋ ão ½ão

	10an14 aa ¶ao¦atas	150ān28 ād¶āo¦ātāš	29 af¶a Ôan 3 ½aaô¶aao¦ataš	3 ½að¶ao0an , aa6atás , aad 6 ½að¶ao¦atás	6 ½aab¶aaoôan , aa£a‡aš , aak 12 ½aab¶aao¦a‡a	, aa fataš , aa i	3 ládálóan , aadátáš , aad 5 ládál¦átáš	5 Ì đấaô Ôan , aadiațaš	‡áÉã
• ā/ā āt ú	2199.36	698.31	1798.73	2160.50	1796.44	10009.18	12069.58	19797.22	50529.32
ÔđđĚã , adala	5399.56	670.75	2585.66	2799.34	3613.31	11357.08	4991.31	4342.42	35759.43
ÔđđÃĚã đặn đí	23.82	42.78	691.90	199.61	217.80	1959.23	4861.98	11117.60	19114.72
"£ ã À	193.29	3.14	31.69	208.56	269.73	21.28	5.02	3.92	736.63
ada? i l aac 1/43 a , aaad a2/au	1126.26	491.71	796.71	833.13	548.33	181.66	89.85	372.00	4439.65
ālā²il āæ ¼³ā alkqāātú	557.35	196.50	491.55	630.54	819.62	964.33	35.75	440.57	4136.21

m) Asset Liability Management: Maturity pattern of Assets and Liabilities as on March 31, 2006

(Rs. in crores)

								•	
	1-14 days	15-28 days	29 days – 3 mths	>3 mths – 6 mths	>6mth – 12 mths	,	>3 yrs - 5 yrs	>5 yrs	Total
Deposits	2199.36	698.31	1798.73	2160.50	1796.44	10009.18	12069.58	19797.22	50529.32
Gross Advances	5399.56	670.75	2585.66	2799.34	3613.31	11357.08	4991.31	4342.42	35759.43
Gross Investment	23.82	42.78	691.90	199.61	217.80	1959.23	4861.98	11117.60	19114.72
Borrowings	193.29	3.14	31.69	208.56	269.73	21.28	5.02	3.92	736.63
Foreign Currency Assets	1126.26	491.71	796.71	833.13	548.33	181.66	89.85	372.00	4439.65
Foreign Currency Liabilities	557.35	196.50	491.55	630.54	819.62	964.33	35.75	440.57	4136.21

£) Ôadan qa í aa£a à anaaò ‡ašan "£aaA

i) ¼ãããã-¼ãlã¶ã àãñã ‡ãŠãñ 㣥ã

Á.‡**ãÑãŋ ã**0½ãô

ÌãØã	Ã	2005-06	2004-05	
, à)	¹ã p∕a ã "£ãÅ			
i)	, त्रो त्यां वैर्के ° विदेवें	2784.85	1716.22	
ii)		1580.53	1039.15	
iii)	°aslataš rākā Öakasērākā 1asapakaspakas Vaicapli arī ā , aab , atķa 1askaskatā atpli arī ā			
	 , al amită 	2.54	Í alþá	
		Í agya	Í agya	
, ã)	, ất độ khá á "Ezikl: † (ki þá' zie, zinkl Chið độ kink á rika; ki zið zokk árð á độ mã a, ze zink á , zikl chið dipinká			
	, æ£ææå¦å "£æÅ	128.26	67.28	
				_

n) Lending to Sensitive Sector

i) Exposure to Real Estate Sector

Rs in crores

			113 111 610163
Cat	egory	2005-06	2004-05
a)	Direct Exposure		
i)	Residential Mortgages	2784.85	1716.22
ii)	Commercial Real Estate	1580.53	1039.15
iii)	Investment in Mortgage Backed Securities and other securitised exposures • Residential • Commercial Real estate	2.54 NIL	NIL NIL
b)	Indirect Exposure: Fund based and non-fund based exposures on NHB and Housing Finance Companies	128.26	67.28



ii) ¹ãú ããè ºããú ããÀ ¼ãò "£ããÀ

•		Á. ‡ãÑãŋ ão ½ão
	2005-06	2004-05
i) fla ala> ælannavaanlaala	262.53	227.87
ii) °aaq ao, aada ¹aadal a,adafa aanka aa, °abrah Yaoadal aafa	ÍđŖá	ÍaRá
iii) fātālās ē:,¶/AŒā 1860ā, āĒā 186 _i ‡aš 364js ā)Voātjilātā	15.00	.133.00
iv) fádalás ár fádda (, ag 'ag, am fh Oá, amaeOadd)), °ag , ad ag °abala, ad fádals á, ¶deEa 1340 a. £a 'ag ; tag 3400 a víoaghlaí á tál ¶hitá af at 1340a ag ag á Éadantaí í áddaitác aga aga 'a), adada	13.47	15.86
 v) Ô> ansố °annañ ‡asmar † Oat Oataa qa la , ababaa qa , annaña , anh Ô> ansố °annañ , anh Vartos Volado attabe , anh Oar arkatafachy folankar Van 	64.50	33.50
¹änaæ°ar-ah ‡ám†aÆa "£ah	355.5	410.23
vi) "18/digā (v) ½00871/aan-dip>ing dā ‡ab abāt 0> abā ‡abīn ab¦¦ā abji abā abā¦ā 1aabb¥ā	° a aààà [a _a a	ÍÆ

iii) •ãã**ãdE**ãl⁄**ā Ìã**Qãà ÌããÀ ^aiÍã "ãÉ¥ã

				Á. ‡ãÑãŋ ão ½ão
•ãããÆãÆã½á ÌãØãÃ	31.3.2006 ¦āṭāŠ ā¶āÌāĒā "£āāÀ	31.3.2006 ¦āṭāŠ £āāāÀ¦ā ¹āAÌā£āā¶ā	31.3.2005 ¦āṭāŠ ‡āŠĒā "£āāÀ	31.3.2005 ¦āṭāŠ £āāāŦā ¹ãÆÌā£āã¶ã
, ð⁄ð Ö¦Ìðð¥ðÃ	2210.70	ĺãŖá	1881.35	Í aga
‡ã V ã	1104.91	ĺãŖá	1272.00	ĺ âľka
Ô æl/ælf/á	27.37	ĺãŖá	47.67	ĺ a pa
"ÞÞã	23.54	ĺãŖá	23.61	Í agra
"ÞÞą̃à	0.40	ĺãŖá	0.02	Í agra
¹ ã 4 jã ã ã ã ã ã	0.00	ĺãŖá	0.00	Í aga
"£ããÀ-ƒ¦ãÀ	0.00	ÍāŖá	0.13	ĺãŖá
‡ ã Ěã	3366.92	ĺãľá	3224.78	ĺãŖá

¥á) "ᣥá ‡ášáÀáflááÀ ‡áš °3⁄ááÀín•áÖáú°átáš ¶án áàálátáš ¹á¥áćášáÀáflááÀ ‡ášá , áááá?á8/á¥á átášý⁄áá Öö

_						(A	‡ãÑãŋ ão%ã)
%	Āsē jās	"á¥á Öælvæ	Manari Taé¥a Ôaaman	, al anta as abata a abata banasa ta , ang abata kat Oi, aa	Š , æ javšva vá tá Š , al ælia taš alata °ajašav alataktas alataktas	¼aj Êã‡akãe	31.3.06 ¦ātāš ṭāšē āð°ātā °ātāšē/ā
1	†½i†Ôã⊳ ãÔ	iie					
2	âÉã. , ã°ã¶ã	549.67	725.00	2005-06	594.47	31.5.2005	517.43
	aðalæið 1a£a£a.	549.67	578.05	2005-06	¶Öæáíðá 08⁄a	17.1.2006	, đã ¦đá ¶Ôế để đán 08/m

ii) Exposure to Capital Market:

,	,		Rs in crores
		2005-06	2004-05
i)	Investment made in Equity Shares	262.53	227.87
ii)	Investment in bonds and convertible debentures	NIL	NIL
iii)	Investments in units of equity-oriented mutual funds	15.00	.133.00
iv)	Advances against shares to Individuals for investment in equity shares (including IPOs/ESOPs), bonds and Debentures, units of equity-oriented mutual funds.	13.47	15.86
v)	Secured and Unsecured Advances to stock brokers and guarantees issued on behalf of stock brokers and market make		33.50
To	tal Exposure to Capital market	355.50	410.23
vi)	of (v) above, the total finance extended to stock brokers for margin trading	NIL	NIL

iii) Risk Category-wise Country Exposure

Rs in crores

Risk Category	Net Exposure as at 31.3.2006	Provision held as at 31.3.2006	Net Exposure as at 31.3.2005	Provision held as at 31.3.2005
Insignificant	2210.70	NIL	1881.35	NIL
Low	1104.91	NIL	1272.00	NIL
Moderate	27.37	NIL	47.67	NIL
High	23.54	NIL	23.61	NIL
Very High	0.40	NIL	0.02	NIL
Restricted	0.00	NIL	0.00	NIL
Off-credit	0.00	NIL	0.13	NIL
Total	3366.92	NIL	3224.78	NIL

(o) Details of Credit Exposures where the Bank had exceeded the prudential limit during the year:

(Rs. In crores)

SI. No	Name of the borrower		Sanctioned	Period during which limit exceeded		details	Position as on 31.03.2006 Outstanding
1.	MSTC Ltd.	549.67	725.00	2005-06	594.47	31.5.2005	517.43
2.	Aban Singapore P Ltd	549.67	578.05	2005-06	Not availed	17.1.2006	Not availed yet

- ¦ā) ādāādā£ā
- i) là Đất tạ ở a đượp , xe và tạ ở tạ ở đất tạ ở độ Á 1 để đượp À 1 để đượp À tạ ở và

(Á ‡ãÑãŋ ão ½ã)

	•	
	2005-06	2004-05
, aaka tan tan aa a	196.73	332.00

- ii) ládátáð aðidh aði læta, aðko, að tæ, aðiði laadhka kotáðe Oð A , aðhaðhada, að táð aðat kað aðað aðuðið aðað íða Eðbat Oði Á aða að að Bæta aðaðha táð aðað Ankota aðuðið áðað
- ©ā. ÊādēāādāŠŢā ½ād 2 ¥; āo‡āŠ ,ā 1 ādāāÅ 1 ādāŠ>ā¢āŠÄ¥ā ‡āŠāè ,ā 1 ādāāātú:
- (i) ††Ôã 17

 CEÃ¥;
 ãùãããã
 Ñã
 : ††Ôã 17 ‡ãŠ ¦ã֦㠌ã¥; lããÀ

 ãùããã M㠇㊠ãà at °ã¼Š ‡ãŠ ‡ãŠ ÅãÄãA ‡ãŠ ãÃà ÃÃà ÅãÃÃ
 ; ão

 Vão °ãã à 088ã Öö:
 .

(Á¹ã† ‡ãÑãã; ão¼ã)

					(A¹ãt i	a8A aq ao 1/ao
¼ãã0ã,ã	- ‡ãŠãÀãfi	ããÀ Œã¥	i			
ãd ãl ãA¥ã	Àã•ã	tā Šāń ā		° äähäÄ Vä ääÊä¶ä	‡ã É ã	
	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005
Àã•ãÔÌã	2,085.58	2,316.09	3,005.38	2,423.43	5,090.96	4,739.52
¹ãã à ¥ãã ∕ã	580.30	788.45	910.00	697.02	1,490.30	1,485.47
, ã¶ãã°ããã ¦ã , ãã¾ã	ã				43.52	11.08
, â¶ãã°ããã ¦á 13ڋڇ					-	
¹ããÅÞããÊã¶ã Êãã¼ã/Öãã¶ã					1,533.82	1,496.55
, ãã sá tá sã ,					202.29	335.64
18 0 1 8£88¶ā 1 , 88‡8 3 80 %‡8 8¶ā1 8£8 £88	Řãã†ú				548.19 783.34	509.55 651.36
, agya ôaþa	¶ãã					
Œã¥ j ÌããÀ	23,421.99	25,113.86	35,813.76	25,939.07	59,235.75	51,052.93
, ã¶ãªããò ¦ã , ãããÔ¦ã%ãú	ã				298.56	225.96
‡ãŠĒã, ãããÔ	¦ã⁄ããú				59,534.31	51,278.89
Œã¥ ¡ ÌããÀ ª Mã¦ãㆠú	24,033.46	23,138.57	31,913.72	25,311.03	55,947.18	48,449.60
, ã¶ãã°ããã ¦ã ª Má¦ãㆠâ	ã				3,587.13	2,829.29
‡ãŠĒãªMá¦ã	ã tâ				59,534.31	51,278.89

(p) Miscellaneous

 i) Amount of provision made for Income tax during the year:

(Rs. in crores)

	2005-06	2004-05
Provision for Income tax	196.73	332.00

- Bank has paid a penalty of Rupees fifteen lacs imposed by Reserve Bank of India during the year for irregularities in IPO financing at two branches.
- (q) Disclosure requirements as per Accounting Standards:
- i) AS17

Segment Reporting: For the purpose of segment reporting under AS 17, the business of the bank has been divided into two segments as follows:

(Rs. in crores)

Part A - B	usiness	segment	S			
Particulars	Trea	isury		Banking ations	Total	
	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005
Revenue	2,085.58	2,316.09	3,005.38	2,423.43	5,090.96	4,739.52
Result	580.30	788.45	910.00	697.02	1,490.30	1,485.47
Unallocated Income	d				43.52	11.08
Unallocate Expenses	d				-	-
Operating Profit/Loss					1,533.82	1,496.55
Income Ta	xes				202.29	335.64
Provisions Contingend					548.19	509.55
Net Profit					783.34	651.36
OTHER II	NFORMA	TION				
Segment Assets	23,421.99	25,113.86	35,813.76	25,939.07	59,235.75	51,052.93
Unallocated Assets	I				298.56	225.96
Total assets	S				59,534.31	51,278.89
Segment Liabilities	24,033.46	23,138.57	31,913.72	25,311.03	55,947.18	48,449.60
Unallocated Liabilities 3,587.13 2,829.29						
Total Liabilities 59,534.31 51,278.89						



VããOã , ãã - VããOããã£ã‡ãŠ Œã¥;

	^a f ĺ ãã è		ã à ã ^a r í ããè		‡ã š Êã	
Àã-ãÔlã	4,913.78	4,611.79	177.18	127.73	5,090.96	4,739.52
, ã ĐΦ ĐÃ	56,901.99	48,873.22	2,632.32	2,405.67	59,534.31	51,278.89

ii) ††Ôã18 : ÊãŒãā‡ãå㠽㶤㊠18 ‡ãŠ ,ã¶ãÔããÀ Ôãããã£ã¦ã ¹ãã> ãê¹ãÆãŠ āŧ㊥ã

Ôadaanta¦a 1aaan Anaotaotao qaava la °anas tao Ôaa°a "qatao Ôadana

1	⅓ãÊ ã Ôã Ô ©ãã	f㥡¾ã¶ã,ããmÍãÀÔããæã°ã¢ãŠ
2	ÔãÖ¾ tiatit ääèÔã ti© ãã†ú	VáāÀ¦ā , äähāÀÔääÐā °ā¢āŠ ākĒā. ¤¢āŠē¶āĒā Øā&V\$⁄a °ā¢āŠ
		¹ãÀãê Øã æ⁄3⁄ã °ã ¢ ãŠ
		¹ãã㥠; ¾á¶ã ØãÆÆ∕á °ã¢ãŠ
3	, ã¶ãÓã ãĐ ã¾ããú	‡ã Šãj FöãÖãé
4	Ôã ð⁄a tā¦ā¦ā: ã�þã⁄ ā ãäā¦ā <i>f</i> ‡ãŠāfÃ	‡ã š ájf Á¶ãÖãé

5 ¹ãMãŒã ¹ãMãŒã¶ã ¹ãªãã£ātãŠãÀãè

J	arenta araltala a aara	Havanac			
%åŠi Ôãã		1ã ^a ¶ã	Va Va a	, ālāāfā	Àţãð⁄ā (Á.)
1.	Ñaãe†Ôã.Ôãe Øa†¦ãa	, ã lã ¹ãÆĄã	, æ⁄ðáð ðþíð/æotáð , ðþíðað læðþ † læ, ðþ£æ/ð	01-04-05 0̂ãi30-4-05	49,440.00
2.	Ñæ>æ†Ôā ¶æÀæ⁄æ²ææ	, ã lã ¹ãÆajā	-ÌãÖæ	09-06-05 0āi31-03-06	4,38,183.39
3.	Ñãae†, ãaÀ. ¶ã08118¶ã	‡ ààā ¶à	-ÌãÖæ	01-04-05 0āi31-03-0	

iii) ††Ôã21 : Ôã/ããããXã ããã㦦ããã¾á âÅ㦥ã (††Ôã 21)

Þandað taðay Á , alþíðallaæ Ó að °aa ' þið æ Ö o (, aay , aalaæ ' aðu a- að a ' aðu aða taða aðaða ' þi Ö alþa tað ' °aa') , , ata aðaððaæ Ó að sandað a aða ¦ aða aðaða aðaða að taða ' aðu; aða a , að af 3 dað ' þið æ Ó að stæðe ða f A Ö o ý

iv) ††Ôã22 : "ãã¾i ¹ãÀ ‡ãŠÁão‡ãð ã£ã† ÊãÆEãã‡ãŠÁ¥ã

Part B - Geographic segments

	Domestic		Overseas		Total	
Revenue	4,913.78	4,611.79	177.18	127.73	5,090.96	4,739.52
Assets	56,901.99	48,873.22	2,632.32	2,405.67	59,534.31	51,278.89

ii) AS18: Related Party Disclosures as per Accounting Standard 18

In compliance of Reserve Bank of India guidelines in respect of Accounting Standard 18 issued by the Institute of Chartered Accountants of India, there is no subsidiary of the Bank as on 31.3.2006 nor any disclosure required for the associates.

Names of the related parties and their relationship with the bank

1 2	Parent Associates		Bharat (Dhenka Puri Gra	Indian Overseas Bank Bharat Overseas Bank Ltd Dhenkanal Gramya Bank Puri Gramya Bank Pandyan Gramya Bank			
3.	Subsidiaries		None				
4	Jointly controlled enti	ty	None				
5	Key Management Pe	rsonnel					
SI.	Name	Desig nation	,	Period	Amount (Rs.)		
1.	Shri S.C.Gupta	CMD	Salary & Emoluments as per IT Rules	1.4.05 - 30.4.05	49440.00		
2.	Shri T.S.Narayanasami	CMD	-do-	09.06.05 – 31.03.06	4,38,183.39		
3.	Shri AR. Nagappan	ED	-do-	1.4.05 – 31.03.06	4,90,116.75		

iii) AS21 : Consolidated Financial Statements (AS 21)

As there is no subsidiary, (with the dissolution of IOB Properties Pte Ltd.), no consolidated financial statement is considered necessary.

iv) AS22: ACCOUNTING FOR TAXES ON INCOME

The Bank has accounted for Deferred Tax Liability of Rs.21.91 Crores for the year 2005-06(Previous Year Net Deferred Tax Liability of Rs.22.83 Crores). The tax impact of Rs.0.92 Crores has been credited to Profit and Loss Account. The major components of DTA / DTL are given below:

	31-03-	31-03-2006		-2005
	i ão ãt	j ãð ã‡Êã	jãèãŧ	i ãe∙㢆Êã
ä ¶āl āfl āāo ¹āl V a£ 3⁄āÖ a Dā		88.55		76.78
Ô°8afÃ, ã8ab¦81/8ab1aÀ ¡°E3/ai; ã£8ae		3.36		3.66
"áÉ¥ã ÖædþÞ⁄æð‡áð á£ã ¹æðiæ£æðþ	† -	-	-	-
œþáæ¶að°æðð¥á ‡að aða† ¹æðæðþ	45.16		36.45	
, ã¶⁄ã	24.84	-	24.86	3.70
‡ã É ã	70.00	91.91	61.31	84.14
ā¶ālāĒā ¡āèāt/¡āè	21.91		22.83	

V) ††Ôã28 : °ataš Vao, ¹avanda atašvao •aa AÖa ¹avataṭa ôaata⊳ latah , aatantaš ¦aad ¹ah ¦avan atašvao 0avao Öo , aad fôa taštāše ¹aö£an Oan atašvao atašvao •aa aa AÖa Ööy , ata foa ôaata⊳ latah taše Êaada a, latah f¦avan taše ¦ahö, °ataš taš ¹aad ba£ah Œavao taše †taš aöôôaa öo , aad foaaa£a† foan Êaava öaad Ean Ean taš ôaatanta a faadah vao ¹awaaata† foan Êaava ööy

°abaš ´akā £aaakļā ,aba£ā ,aaabļakāo ṭašan ṭašalaaki ,aaabļakāo kašan ṭašalaaki ,aaabļakāo kaā Öō ,aak ,aafôæt ,ab ´akā •aakæ ††ôa 28 ´akā ṭaša Oāfā ¹aakkaāda ṭaš ,alþôæk fôan "þtaša æ ôan "¦¹ā ā f‡ašafsao Vao Pāða æ ôan &a Caaka Oakaa Öŋ ¹arar£ara ṭaša kāka Vao °abaš ṭaša abaðaakae Ô°aafā ,aaabļakāo Vao ṭašafā Üāa-āa Ālāba Ālāba

11. ¹ã&ãã ĺãããà ,ã•ãÃã

(Øãã ÌãÓÃÁ.11.96)

138 (a) 138 (a

12. ¦äÊã¶ãã¦%áţãŠ, ãã¢ãŠij ñ

	31.03.2006		31.03.	2005
	DTA	DTL	DTA	DTL
Depreciation on Investments		88.55		76.78
WDV on Fixed Assets		3.36		3.66
Provision for Loan Losses	-	-	-	-
Provision for Leave Encashment	45.16		36.45	
Others	24.84	-	24.86	3.70
Total	70.00	91.91	61.31	84.14
Net DTA / DTL		21.91		22.83

v) AS28: The application software in use in the bank has been developed in-house and has evolved over a period of time. Hence, the cost of software is essentially part of bank's operational expenses like wages etc. and as such are charged to the respective heads of expenditure in the profit and loss account.

Fixed Assets possessed by the Bank are treated as "Corporate Assets" and are not "Cash Generating Units" as defined by AS 28 issued by ICAI. In the opinion of the Management there is no impairment of any of the Fixed Assets of the Bank.

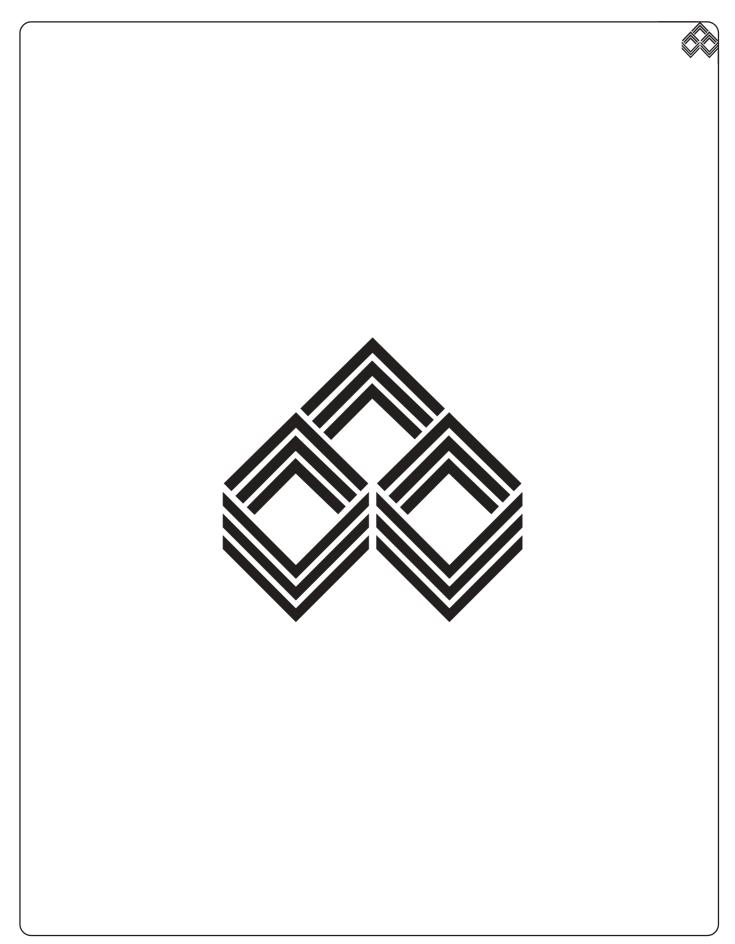
11. Earnings per Share

Basic & Diluted earning per share: Rs. 14.38 (previous year Rs.11.96)

Nominal Value per share : Rs. 10.00

12. Comparative figures

Previous years figures have been regrouped / rearranged wherever necessary.



¶āṭāŠ^{a 1}ā**lāā**Ö **ālālāÀ¥ā - Ôāl⁄āāṭā**Цā **āb[©]āāṭā** 31-03-2006 ‡āŠānÔāl⁄ā⹦ā lāðāl‡ā**Š** ā£ā† ¶āṭāŠ^{a 1}ālīāāÖ ālālā\¥ā

(Á. 000 1/a)

	31.3.2006	‡ãŠãñ Ôã½ã㹦ã ÌãÓãÃ	31.3.2005 ‡	āŠāñ Ôã½ā㹦ã ÌãÓãÃ
irläääll ÞääÊä¶äUä¦ä 0äääjä-äil ääi£ä¾ääò Ôän ¶ä‡äг ¹äiEääÖ ¾ä				
a ajā °3/air ā	44062772	54044000	39510476	45000500
Ŗ á , ãã∕á Ŗ á lã ¹ā ad ā£ãã¶ā	7282111	51344883	6398033	45908509
740 ia ∙annia∟aa p §ã°3/ãã•ã	23390981		20955263	
ya waru Þä&£a¶a0a; á 13⁄a4a 1 á 1 áa0 a&aa¶a	20120460	43511441	18439653	39394916
			10107000	0,0,1,10
l l a allað taði 1annaðið taði 1að en 1að þaðið þaðið allaða a				
ā-ādādīdākāo tā A ¶ptaša tāšae ālpi aĒā lāda® i : VaĒ3kö ADā		7833442 553454		6513593 357715
•				
À ÞääÊ ā¶āàò Ô ãñ Ô ããà āÃa ¶ā‡āŠª āè Ê ãã¼a (I) ÞääÊ ā¶ā0ā¦ā ª Åå¦äa, ãào Ìā , ããaô¦ā %ãò Ô ān¶ā‡āšª ¹ālāãöÖ		8386896		6871308
paacajpua;a "ma;aa, aay 1a', aaaw;ayaauvanjpuas" 'araau NÞääÊä(jaUā¦ā ª Mā¦ää, ääo¹āÀ äĄjāläÊä Ìäää® / ÖÆÔä				
ØādÖ‡āšin Öān ā¶ia āhā	62880764		27586588	
°atatão lã ala§aat⁄a Óab°aa, aao Óan "£aaA	1459490		-1387961	
), a¶8á ¹aaAþaaÉa¶80a á ª Majaat á , aaA ¹aADaEan∏a	5564936	69905190	290548	26489175
ÀÞääÊä¶äØä¦ä , äääð¦ä¾ääò¹äÀ äðjàÌäÊä Ìäðä®/ÖÆÔä				
al an at an a	-624337		-11569199	
) QāNÖ ‡āŠio ‡āŠio , iioNāNā	95510138		49103262	
i), a¶a, aad iaaa	2955076	97840877	-175635	37358428
ÀÞäāÊä¶ĭðā¦ā , ĕãããð¦ĕ¾tãò Ôãñ¹ããÀÞããÊä¶ĭðā¦ā				
āļāā, āāb Vab ādjālāĒā lādāB (II) DasĒdovas gasta alamatas has Asaukata laimatā (III) (a)		-27935687		-10869253
ÞæÉðfjada; á dæga-allædaskað dægatás í allæd (I + II) (, á)		-19548791		-3997945
agjā£āā¶ā Óāā ādēāāė Qāāājāāā āāātā3⁄dāā Óān ¶āṭāŠ ^ā ¹ājēāāÖ abalā a sambladem talās madelas / alla a aba	190940		203819	
, ðÞ áE ā , ææði¦ áð kao ‡áðae ál áð áðae / álþi á> ál á) , ðÞ áE ā , ææði¦ áð kao ‡áðae (Eál áe	798356		1044667	
y , araca , aann araan kana carac AhEarfh Óalafaac daaka-ahanfaakan Oan akhi aEa fhtasa talaac (, aa)		-607416	1044007	-840848
	1	-007410		-040040
¦¦ā¹āādba¥ā Ôād¹ād£āāè dāādjā-adāāad£ā?dāāò Ôān ¶ā‡āŠª ¹ākāāÖ að āālō				
aranu fililililililililililililililililililil	0		0	
) > 3AÀ1/> 3AÀ1 ° 884 80 Ô87 £87 BBORN	9500000	9500000	3500000	3500000
lado				
> 34À 11 º ãi jão Ôãn Tanta participa.	0		0	
	195796		88980	
) ¹aðl¦ææðið¦á Éæð⁄ææðiá(Éæð⁄ææðiá ‡aði Óæðö¦á)) ,að¦á	1615141	1810937	1483606 0	1572586
, talka		1010737	U	10/2000
Sa'aada¥a ÓadanGae Oaaya-ahaanGa⁄aao Óan aqaha£a $qata5^a$ 'ahaao' (f)		7689063		1927414
að tað aðað að tað tað að að tað að a		-12467144		-2911379



(Á.000 1/a)

	31.3.2006 ‡	āŠān Ōāl⁄ā⹦ā ÌāÓāÃ	31.3.2005 ‡	ašan ÔaVaa¹¦a ÌaÓaÃ
) a (tà tà t	41754365 7785191	49539556	43322219 9128716	52450935
Ì đốa Á ‡á ổ , á ạ á 1/áò Í á đốa 1/vã. á à. º at a Ś ‡á ổ ô á ga ¶at á ³ æ Ì á Í á đá º at á áò ‡á ổ ô á ga ấ Í á đáa ¦á ga 1/á vá áð 3 13/á	30779584 6292828	37072412	41754365 7785191	49539556
Ì đốaà ‡ãổ a đồ địa ‡ãể£ã ¶a‡ãša laikããÖ		-12467144		-2911379

aál ál ál ál/aí/aí Ól áal/aáe 1/aÖa 1 a#aacatas > ãè † Ôã ¶ãã Aã Vᥠã Oãã Vãã è , 㣠3 Vàà ā Ì⠹⠯ ⣠ā ā4 þā² if ⇠āŠ

Êantea-1aAaaata\$ tasa 1antaa¥a-1a'a

, ããð vã¦ã Àã¾ã †¥; ‡ãð.

Ìãn ti¥; ‡ãð.

Ôããe †Ôã. Öãà ÖÄĄ †¥; ‡ãŠ.

, ããÀ. †Ôã. ãĐã¹ã¹¾ãã †¥; ‡ãŠ.

†Ôã.,ããÀ.,ããÀ.‡ãŠ. [ã½ãà †¥; ‡ãŠ.

†Ôã.‡ãŠ. ãĎãĎãĎããã¶ã¾ãã †¥; ‡ãŠ.

Ô°ãã¶ã : 1⁄ãããÃ

¦ãÃã£ã: 27.04.2006

CASH FLOW STATEMENT - CONSOLIDATED POSITION STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31/3/2006

(Rs. in 000's)

		ended 3.2006	year 6 31.03	ended .2005
CASH FLOW FROM OPERATING ACTIVITIES				
Income				
Interest earned	44062772		39510476	
Other Income	7282111	51344883	6398033	45908509
Expenditure & Provisions				
Interest Paid	23390981		20955263	
Operating expenses & Provisions	20120460	43511441	18439653	39394916
Net Increase of cash on operating activities				
prior to the effect of changes in operating		7000440		CE42E02
liabilities and assets Add:Depreciation		7833442 553454		6513593 357715
Cash Profit generated from operations (I)		8386896		6871308
,		0300030		007 1300
CASH FLOW FROM OPERATING LIABILITIES AND ASSETS				
Net increase/decrease on operating liabilities				
i) Deposits from customers	62880764		27586588	
ii) Borrowings from banks & Financial Instns.	1459490	00005400	-1387961	00400475
iii) Other operating liabilities and provisions	5564936	69905190	290548	26489175
Net increase/decrease on operating assets	004007		44500400	
i) Investments	-624337		-11569199	
ii) Advances to customers iii) Other Assets	95510138 2955076	97840877	49103262 -175635	37358428
,	2555070	37040077	-173033	37330420
Net increase in operating liabilities over operating assets (II)		-27935687		-10869253
, , ,				
CASH FLOW FROM OPERATING ACTIVITIES (I+II) (A)		-19548791		-3997945
CASH FLOW FROM INVESTING ACTIVITIES				
I) Sale / disposal of Fixed Assets	190940		203819	
ii) Purchase of Fixed Assets	798356		1044667	
NET CASH FLOW FROM INVESTING ACTIVITIES(B)		-607416		-840848
CASH FLOW FROM FINANCING ACTIVITITES				
Inflow			0	
Proceeds of Equity share issue Proceeds of Tier I/Tier II Bonds	0 9500000	050000	0 3500000	3500000
Outflow	9300000	9500000	3300000	3500000
i) Redemption of Tier II Bonds	0		0	
ii) Reserves & Surplus	195796		88980	
iii) Proposed Dividend (including dividend tax)	1615141		1483606	
iv) Others	0	1810937	0	1572586
NET CACH ELOW EDOM ENVANOUS ACTUATION (C)		#		460=4::
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		7689063		1927414
Total Cash flow during the year (A+B+C)		-12467144		-2911379



(Rs. in 000's)

	,	ended s.2006	year 6 31.03	
Balances at the beginning of the year Cash & Balances with RBI Balances with Banks & Money at call	41754365 7785191	49539556	43322219 9128716	52450935
Balances at the end of the year Cash & Balances with RBI Balances with Banks & Money at call	30779584 6292828	37072412	41754365 7785191	49539556
Total cash flow during the year		-12467144		-2911379

This Statement has been prepared in accordance with Direct method.

SIVARAM SWAMY GENERAL MANAGER T.S. NARAYANASAMI
CHAIRMAN & MANAGING DIRECTOR

AUDITORS' CERTIFICATE

We, the undersigned Statutory Central Auditors of Indian Overseas Bank have verified the above Cash Flow Statement of the Bank for the year ended 31.3.2006. The statement has been prepared in accordance with the requirement of Clause 32 of the listing agreement with the Stock Exchange and is based on and in agreement with the corresponding Profit and Loss account and the Balance Sheet of the Bank, covered by our Report of even date to the President of India.

AMIT RAY & CO VED & CO C.S.HARIHARAN & CO

R.S. SIPPAYA & CO S.R.R.K.SHARMA ASSOCIATES S.K. SINGHANIA & CO

CHARTERED ACCOUNTANTS

Place: Mumbai Date: 27.4.2006

ÊãOEãã ¹ãÀããaãtãŠão ‡ãŠãe ãùããã Ã

VããÀ¦ã ‡ãŠ ÀãÓ⊳ Ľãããã ‡ãŠãñ

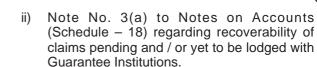
- Ö 1/4 ¶ 10 f 12 j 3/4 j táš Ôalcatha ¦alcah-1aïa, "Ôataš , ahraca 1460° ac 06246e "taja !zākāÆā tāšīn ¹āknört lādāktāš Ēzākā lā ÖzaNā ĒzāÆān, zāk ¶ahāš°aē 1**ala**ő **alal**al¥a ‡a**š**ê É**ale**a-1alaoa ‡a**š**ê Öō alaða/aoÖ/adní ala Ê**at**Ea-1a}aaaaa 20 Íaatea, ao, aa) 38 àanaa% tasa/aal£a/aotase adaladayakan faada£a ön övadn ada ¦a9a ,a9ka £a£a-/xãA;æ84 allú à ã °atá ´ala ú aalæ aa í aæ4a d ao tab , afb í a Öæðatášván Övr Óða9a Öæ !aÉðfa 1ãã , æðá Éæðvá lá Öæða ÉðdEæ 1/80 , ā-ĒanEan 1 alamanā a 64 li anEan, and taði ip an Óan 1 and ta alama alama a 1 Ô**æbyæk**aja Ööy f¶a , a-Êa**k**aja lakanaja Íæka, æo´ala , æ**bak** táš 0.20 %, • ā/ā, ā ā táš 0.81%, ° 3/ā a ā, ā a ā ā táš 0.05%, and 3/46 a l3/6/4 tab 0.30% tab , and and an only f Tā aðā ¦aæða aðað að ¥aað ‡aðæ að 2007 aðað 1aðaðað 1aðað 1að Öv , đã|jin ÊaGE a 1:A aba¥a ‡a6 , æEæA 1:A alia¦æ&a alialaA¥aco‡a6 ÔđĐ đầa Vào , đ đ đão Àã Áa ^a filã Ö & Ö Vàch & ão đ Vách đ đ Ö v
- 3. ¦āĒāŊÞ¹āā, æði ĒæVsÞÖæÐÞ ĒāŒā °ateðiaðiaðia aliæNÞÆVðN , æðiæÐÞÆVs 1949 ‡áše¦aðæVs , āŊDâbæe‡áš ¹áðvá † ,æði ¹áðvá °æð Vso ¦æVæði ateðf Ogi Ögi
- 4. **ali/jafaal**ta táše, ah £3/alh , atášálá atáš/a •ata öö:
- i). Àārāðlā ṭāšē¹āÖÞāMā ṭāš Ôābādā ¼m fð>ār ðás , ābāš Þār Ā , ābāš, ār ò ðā , ābāš fāj ¾ā ´ālā *ālæābāšt Øð† ÊādEābāl¥ā ¼æMāº¥; - 9 ṭāš Ôāaºā ¼Ö¦lā āl¥ālĒādEābāl¥ā ¶æāpā Ôāa2.2, 2.5 †lāa2.7 (,āMDābāe-17) ¼dā ¶ÖæŒādānÖï

AUDITORS' REPORT

То

The President of India

- We have audited the attached Balance Sheet of Indian Overseas Bank as at 31st March 2006, the Profit and Loss Account and Cash Flow statement of the Bank for the year ended on that date annexed thereto in which are incorporated the returns of 20 branches and 38 Regional Offices audited by us, and 1464 branches including 5 Overseas Branches audited by other auditors. The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by Reserve Bank of India. Also incorporated in the Balance Sheet and Profit & Loss Account are the returns from 64 branches / centres which have not been subjected to audit. These unaudited branches account for 0.20% of advances, 0.81% of deposits, 0.05% of interest income and 0.30% of interest expenses. These financial statements are the responsibility of the Bank's Management. Our responsibility is to express an opinion based on our audit.
- 2. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examination on a test basis, evidence supporting the amounts and disclosure in the financial An audit also includes statements. assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3. The Balance Sheet and the Profit and Loss Account have been drawn up in Forms "A" and "B" respectively of the Third Schedule to the Banking Regulation Act, 1949.
- 4. Reference is invited to:-
- Significant Accounting Policy No.2.2, 2.5 & 2.7 (Schedule – 17) regarding revenue recognition which are not in conformity with Accounting Standard-9 issued by the Institute of Chartered Accountants of India.



- iii) Note No.5 to Notes on Accounts (Schedule 18) regarding realisability of the amount due from Government of India on account of FCNR(A) claim.
- iv) Note No.8 to Notes on Accounts (Schedule 18) regarding non provision of disputed income tax demands.
- v) Note No.9(c) regarding treatment of Depreciation on Investments consequent upon transfer from 'Available for Sale' to 'Held to Maturity' and otherwise, amounting to Rs.73.28 crores and Amortisation of Premium on HTM category Investment amounting to Rs.113.80 crores being shown in "Provision and Contingencies", instead of being shown as adjustment from "Other Income" as per the practice followed in the past consistently. Consequently the "Other Income" and "Provisions & Contingencies" for the current year are higher by Rs.187.08 crores

The impact of the items (i) to (iv) stated herein above on the Profit & Loss Account, Balance Sheet, Capital Adequacy Ratio and business ratios as stated in Note No. 10(a) of the Notes on Accounts (Schedule-18) is not ascertainable.

- 5. The additional disclosures made in Note No. 10(i), 10(m) and 10(n) to the Notes on Accounts (Schedule 18) with regard to Information in respect of Restructured Accounts, Maturity Pattern of Assets and Liabilities and Exposure to Sensitive Sectors respectively are based on the records/information as compiled by the Bank and relied upon by us.
- 6. Subject to the limitation of the audit indicated in Paragraph 1 above, and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act 1970 and subject to the limitation of disclosure required therein and also subject to our observation in paragraph 4 & 5 above, we report as under:
- a) In our opinion and to the best of our information and according to the explanations given to us and as shown by the books of the Bank maintained in accordance with generally accepted Accounting Principles in India,

- ii). Êæde2a a alama takke lada£æe, æd/, æalam (ædha æ (åælam, æo væ) alam, avæe ad¦ata atakt •ænpa tak (åælada væ)£ætæm al (æs øa (, ænda æ- 18) take (æs (åælada væ) (tak)ý
- iii). †¹áÓæt¶a,æÀ (†) ªālæo‡áŏ Ôælæfa ¼o¼æÅ¦ā Ôæl‡ášÀ Ôæl ¹æl¾á À‡á¾á ‡ášè lælæ£æe‡áŏ Ôælæfa ¼oÊælæo¹áÅ ¶ær∙ða ‡ášè ¶ær• Ôæfa¥a 5
- iv). alalazarija, azka tzik kandarojak jadi atarija (ja adašt arijantaš Oddađa ko Eateariak (jadi aka od aka od aka od aka od atarija (jadi aka od atarija od atari

- 6.¹aÀ ¹aÀā 1 ½0, aÊÊāāHēṭā ÊāHēā-¹aÀābaā ṭāšēÔādyā, āo, āoÀ
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 , āāGāā¶ā⁄ā/ā 1970 ṭāš , ā¶āÔāaÀ , āaÀ fÔā/āo , āāÀāí³ðṭāš
 ¹ādāŠ ¶ā ṭāšē Ôāāvāa, āoṭāšān £¾ā¶ā ¼oÀŒāṭāiÖ付 , āaÀ ¹aÀā 4
 †ìāā5 ¼oÖ¼āÀn , ādaā/āṭāoṭāšān £¾ā¶ā ¼oÀŒāṭāiÖ付 Ö¼a āḍā/\$ā
 ¹ādāšĀ ÔānāÀ¹āōā ‡āÄ;ān ÖöādāŠ :

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- ii) Êæl/a lã Öælha ÊælEæ 31 ½æbæl2006 ‡ælmôælÆl¦a lælæl‡æl Êæl⁄ā ÔãÖæ Íæðā a Íæðã Ör
- iii) Pataš^a æ¹ankarÖ ankalankkare 31 ½aban 2006 tašan Óal⁄arka la ladan táð áfát ¶atáð ætalkað táða Óaðætla "aba á Áta a Íaála Öv
- CEÁ) ÖVATEN , A ATBAE , AACATAŠ AVA AATBAŠŠA AE , AAA AAA TAAĞ TAĞ , afaôaà Êaea ¹aàaaa öta ôa⁄ae •aafatašàae¦a9a ô¹aó æ
- dá) °ájáš táð •ámê aha fhá Ölkakæ•ámtáškælko, aðkmöö, lán °ájáš táð, aðlatáðá à aða táð, aðadála ÖæÖv
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tôa ÖãÀÖÀ¶ã t¥; ‡ãSã ,ããMa(ã ÀãMa †¥; ‡ãŠã Ìãñ° †¥; ‡ãŠã Ôããe Ôarlia ac ÉailEatasàAoa¥a Óarlia ac ÉailEatasàAoa¥a Óarlia ac ÉailEatasàAoa¥a

(°ããÔ㪠ilă °ã¶ã• ããệ (1ã- ãã Øã1¦ãã) ÔãO thã Ôã a Bair a la chia Ôãã¢ã†ãÀ Ôãã¢ã†ãÀ Ôã đã để để Ôã Ôã 70468 Ôã Ôã 98551 Ôã Ôã 7238

†Ôã , āðÀ. , āðÀ. ‡ðŠ Í ð/ðÐà †Ôã ‡ðŠ ðÐ ÐÐÐÐÐÐÐÐÐ † ¥; ‡ðŠA, āðÀ. †Ôã ðÐð ðð ðÐ † ¥; ‡ŠŠA †ÔãããÔã†>Ôã

Ôafja ac ÉadEactasáAda¥á Óafja ac ÉadEactasáAda¥á Ôalla a: ÊasEastaša Ada¥ã

(, ããÀ. † Ôã. ãĐã đã 3/ãã Ôãã¢ã†ãÀ Ôãã¢ã†ãÀ ã†ãÀ Ôã.Ôã 18088 Ôã.Ôã352722 Ôã.Ôãâ17762

The Balance Sheet is a full and fair Balance Sheet containing the necessary particulars, and is properly drawn up so as to exhibit a true and fair view of the affairs of the Bank as at 31st March 2006 and

- The Profit and Loss Account shows a true balance of Profit for the year ended 31st March 2006.
- The Cash Flow Statement gives a true and fair view of the cash flow for the year ended 31st March 2006.
- 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 the same to be satisfactory.
- c) The transactions of the Bank, which have come to our notice have been within the powers of the Bank.
- d) The returns received from the offices and branches of the Bank have been found adequate for the purpose of our audit.

For C.S. Hariharan & Co. For Amit Ray & Co. For Ved & Co. **Chartered Accountants**

(BASUDEB BANERJEE) (POOJA GUPTA) (C.H. SUBRAMANIAN) Partner Partner M. No. 70468 M. No. 7238 M. No.98551

For S.R.R.K.Sharma For S.K.Singhania & Co. For R.S. Sipayya & Co. Associates **Chartered Accountants**

(S.R.R.K SHARMA) (RAJESH K. SINGHANIA) (R.S.SIPAYYA) Partner Partner M. No. 17762 M. No.18088 M. No.52722

Ô©ãã¶ã : *Yaia* af A

Place: Mumbai 27.04.2006 ãa ¶ãã ta 27 04 2006



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‡að¶ aðá ‡áða fall aða 763, , a¥¥a Óad a Þajaf-600 002

Indian Overseas Bank

Central Office: 763, Anna Salai, Chennai - 600 002

tášál/áÁ '°ääé 1ã**áh**ãÔääè tlášál/áÁ

(a) aad B/a/a 70 ‡áá "†á a) aad B/a/a (iii) °a Eá) ([a+a] Earl‡á ´a} á kahi, aad ÖÖ! aa al atát •a a a tá á á£át) jãe¹ããe,ãã∮ jãeÔãã

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Indian Overseas Bank

Central Office: 763, Anna Salai, Chennai - 600 002

FORM 'B'

FORM OF PROXY

(See Sub-Regulation (iii) of regulation 70)

(TO BE FILLED IN AND SIGNED BY THE SHAREHOLDER)

D P Id No

Regd. Folio No. (if not Dematerialised)

I/We,		resident of
		in the district o
	_in the state of	,being
	of the Indian overseas bank,h	
in the district of	in the state of	as
my/ our proxy to vote for me/us	and on my/our behalf at the 6th Ar	nnual General meeting of the
shareholders of the Indian Oversea	s Bank to be held on Friday,16th June	,2006 at Rani Seethai Hall, 603
Anna Salai, Chennai and at any ac	djournment thereof.	
Signed thisday of	2006	Please affix 0.15p Revenue Stamp
(Signature of the Proxy)		Otamp
Name	Signature of	the first named/sole holder
		_
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