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इण्डियन ओवरसीज़ बैंक

केंद्रीय कार्यालय- पोस्ट बॉक्स सं 3765, 763 अण्णा सालै, चेन्नै 600 002

निवेशक सम्पर्क कक्ष

Indian Overseas Bank

Central Office: P.B.No.: 3765, 763 Anna Salai, Chennai 600 002

Investor Relations Cell

Balance Sheet Management Department

IRC/BSMD/ /2014-15

April 29, 2014

To

The Vice President

National Stock Exchange Limited

"Exchange Plaza", C-1, Block G

Bandra-Kurla Complex, Bandra (E)

Mumbai- 400 051

Attn : Sri K. Hari

Fax : 022-26598237/38

Dear Sir,

INTIMATION UNDER CLAUSE 41 OF LISTING AGREEMENT

With reference to the above, we confirm that the Board Meeting was held today and the intimation under Clause 41 is as under:

The Board in its meeting held on this day 29.04.2014, approved the Audited Financial Results of our Bank as on 31st March 2014. We enclose the text of advertisement to be issued in English and Tamil newspapers on 01.05.2014 and the Press Release dated 29.04.2014.

Please take the above information on record.

Thanking you,

Yours faithfully,

[S CHOCKALINGAM]
GENERAL MANAGER

Encl: as above

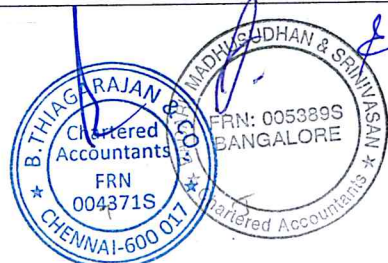
INDIAN OVERSEAS BANK

CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600 002

AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31ST MARCH 2014

(Rs. in Lakhs)

Sl. NO.	Particulars	Quarter ended			Year ended	
		31.03.2014 (Audited)	31.12.2013 (Reviewed)	31.03.2013 (Audited)	31.03.2014 (Audited)	31.03.2013 (Audited)
1	Interest Earned (a) + (b) + (c) + (d)	5,87,475	5,73,752	5,22,678	22,68,373	20,67,672
	(a) Interest/discount on advances/bills	4,42,284	4,33,775	3,99,982	17,28,245	15,90,943
	(b) Income on Investments	1,29,725	1,28,128	1,12,204	4,99,020	4,37,229
	(c) Interest on Balances with Reserve Bank of India and other Inter Bank Funds	15,466	7,831	6,804	37,090	28,694
	(d) Others	0	4,018	3,688	4,018	10,806
2	Other Income	60,118	45,274	67,137	2,16,934	1,97,291
3	TOTAL INCOME (1+2)	6,47,593	6,19,026	5,89,815	24,85,307	22,64,963
4	Interest Expended	4,46,409	4,33,939	3,93,087	17,10,692	15,42,478
5	Operating Expenses (i) + (ii)	82,075	89,014	82,114	3,74,891	3,40,784
	(i) Employees Cost	40,111	58,756	51,753	2,36,261	2,24,835
	(ii) Other Operating expenses	41,964	30,258	30,361	1,38,630	1,15,949
6	TOTAL EXPENDITURE (4+5) (excluding Provisions & Contingencies)	5,28,484	5,22,953	4,75,201	20,85,583	18,83,262
7	OPERATING PROFIT before Provisions & Contingencies(3-6)	1,19,109	96,073	1,14,614	3,99,724	3,81,701
8	Provisions (other than tax) and Contingencies	1,20,426	81,124	1,18,656	3,47,840	3,06,953
9	Exceptional Items (refer note no.13 - cyclical provision)	-32,420	0	0	-32,420	0
10	Profit (+)/Loss(-) from Ordinary Activities before tax(7-8-9)	31,103	14,949	-4,042	84,304	74,748
11	Tax expenses	4,270	7,442	-9,928	24,130	18,025
12	Net Profit (+) / Loss(-) from Ordinary Activities after tax (10-11)	26,833	7,507	5,887	60,174	56,723
13	Extraordinary items (net of tax expense)	0	0	0	0	0
14	Net Profit (+) / Loss (-) for the period (12-13)	26,833	7,507	5,887	60,174	56,723
15	Paid up equity share capital (Face value of each share - Rs.10/-)	1,23,535	1,15,385	92,410	1,23,535	92,410
16	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	13,28,910	10,88,866	10,88,866	13,28,910	10,88,866
17	Analytical Ratios					
	(i) Percentage of shares held by Govt. of India	73.80	79.01	73.80	73.80	73.80
	(a) Capital Adequacy Ratio (%) (Basel I)	NA	NA	10.74	NA	10.74
	(b) Capital Adequacy Ratio (%) (Basel II)	11.15	NA	11.85	11.15	11.85
	(c) Capital Adequacy Ratio (%) (Basel III)	10.78	10.99	NA	10.78	NA
	(iii) Earning Per Share (EPS) - in Rupees					
	a) Basic and diluted EPS before Extraordinary items (Net of tax expense) for the period, for the year to date and for the previous year (not annualized)	2.29	0.78	0.72	6.05	7.07
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualized)	2.29	0.78	0.72	6.05	7.07
	(iv) NPA Ratios					
	a) Gross NPA	9,02,048	9,16,808	6,60,796	9,02,048	6,60,796
	b) Net NPA	5,65,812	5,48,111	4,02,721	5,65,812	4,02,721
	c) % of Gross NPA	4.98	5.27	4.02	4.98	4.02
	d) % of Net NPA	3.20	3.24	2.50	3.20	2.50
	e) Return on assets (Annualised) (%)	0.39	0.11	0.09	0.23	0.24
18	Public Shareholding					
	- No. of Shares	32 36 37 467	24 21 37 467	24 21 37 467	32 36 37 467	24 21 37 467
	- Percentage of share holding	26.20	20.99	26.20	26.20	26.20
19	Promoters and Promoter Group Shareholding					
	(a) Pledged/Encumbered					
	- Number of Shares					
	- Percentage of Shares (as a % of the total shareholding of promoter & promoter group)	Nil	Nil	Nil	Nil	Nil
	- Percentage of Shares (as a % of the total share capital of the company)					
	(b) Non-encumbered					
	- Number of Shares	91 17 10 848	91 17 10 848	68 19 57 833	91 17 10 848	68 19 57 833
	- Percentage of Shares (as a % of the total shareholding of promoter & promoter group)	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the company)	73.80	79.01	73.80	73.80	73.80



INDIAN OVERSEAS BANK
CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600002
SEGMENT RESULTS FOR THE QUARTER / YEAR ENDED 31ST MARCH 2014

Rs. in lacs

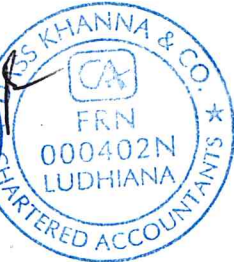
Particulars	Quarter ended			Year ended	
	31.03.2014 (Audited)	31.12.2013 (Reviewed)	31.03.2013 (Audited)	31.3.2014 (Audited)	31.3.2013 (Audited)
1) Segment Revenue					
a) Treasury Operations	1,48,867	1 45 168	1 41 519	5 92 049	5 12 368
b) Corporate / Wholesale Banking	2,71,051	2 69 129	3 13 242	11 31 545	11 29 364
c) Retail Banking	1,92,221	2 04 830	1 06 757	6 93 969	5 39 159
d) Other Banking Operations	35,396	(4,180)	24 577	63 539	73 105
e) Unallocated	58	4 079	3 721	4 205	10 967
Total	6 47 593	6 19 026	5 89 816	24 85 307	22 64 963
Less: Inter segment Revenue	0	0	0	0	0
Income from Operations	6 47 593	6 19 026	5 89 816	24 85 307	22 64 963
2) Segment Results Before Provisions & Before Tax					
a) Treasury Operations	16,373	34 779	43 233	1 17 439	86 851
b) Corporate / Wholesale Banking	68,463	20 088	61 734	1 73 410	2 15 309
c) Retail Banking	39,159	47 416	(5,779)	1 08 807	61 700
d) Other Banking Operations	(4,921)	(10,274)	11 710	(4,071)	6 956
e) Unallocated	36	4 064	3 717	4 139	10 885
Operating Profit	1 19 109	96 073	1 14 614	3 99 724	3 81 701
Less: Provisions & Contingencies	74,706	81 124	1 18 656	3 02 120	3 06 953
Less: Income Tax	17,570	7 442	(9,928)	37 430	18 025
Net Profit	26 833	7 507	5 886	60 174	56 723
3) Capital Employed :					
Segment Assets - Segment Liabilities					
a) Treasury Operations	5 51 363	5 23 209	4 60 278	5 51 363	4 60 278
b) Corporate / Wholesale Banking	7 38 465	7 77 166	6 33 136	7 38 465	6 33 136
c) Retail Banking	1 86 098	9 011	1 12 742	1 86 098	1 12 742
d) Other Banking Operations	4 198	33 432	9 257	4 198	9 257
e) Unallocated	1 36 896	1 55 232	1 30 327	1 36 896	1 30 327
Total	16 17 020	14 98 050	13 45 740	16 17 020	13 45 740
GEOGRAPHIC SEGMENTS					
Revenue					
Domestic	6,19,471	5 90 520	5 64 125	23 74 508	21 39 828
Overseas	28,121	28 505	49 814	1 10 800	1 25 135
Total	6 47 592	6 19 025	6 13 939	24 85 308	22 64 963
Assets					
Domestic	2 52 27 104	2 40 32 001	2 22 80 118	2 52 27 104	2 22 80 118
Overseas	22 63 380	25 07 252	21 85 485	22 63 380	21 85 485
Total	2 74 90 484	2 65 37 253	2 44 65 603	2 74 90 484	2 44 65 603

Chennai-2
29.04.2014

(ATUL AGARWAL)
EXECUTIVE DIRECTOR

(A D M CHAVALI)
EXECUTIVE DIRECTOR

(M NARENDRA)
CHAIRMAN & MANAGING DIRECTOR



NOTES:

1	The above financial results are drawn in accordance with the accounting policies consistently followed by the Bank.
2	The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year.
3	The working results for the Year ended 31/03/2014 have been arrived at after considering provision for NPAs, Standard Assets, Restructured Advances, Depreciation on Investments & Non - Performing investments, as per RBI guidelines, Provision for taxes , Depreciation on Fixed Assets and other usual and necessary provisions.
4	In accordance with the RBI circular No. DBOD.BP.BC.80/21.04.018/2010-11 dated 09.02.2011, an amount of Rs.12.33 crore has been charged to Profit & Loss Account for the quarter (Rs.47.315 crore for the whole year) towards the additional Gratuity fund requirement of Rs. 246.56 crore arising on account of amendment made to Payment of Gratuity Act, 1972, which is being amortized over a period of five years from financial year 2010-11. Remaining unamortized gratuity fund liability carried forward as on 31/03/2014 is Rs.49.315 crore.
5	Additional Pension Fund Liability crystallised as a result of exercise of second pension option of serving employees was Rs. 758.65 crore. In accordance with RBI circular no. DBOD.BP.BC. 80/21.04.018/2010-11 dated 09/02/2011, this liability is to be amortized over a period of five years from financial year 2010-11 and an amount of Rs.37.94 crore has been reckoned during this quarter (Rs.151.73 crore for the whole year). Remaining unamortized Pension Fund liability carried forward as on 31/03/2014 is Rs.151.73 crore.
6	As per RBI Circular No.DBOD.BP.BC.88/21.06.201/2012-13 dated March 28, 2013, banks have been advised to disclose Capital Adequacy Ratio computed under Basel III regulations from the quarter ended 30th June 2013. Accordingly, corresponding details for the previous years / periods are not furnished.
7	In accordance with RBI circular DBOD.No.BP.BC.2/21.06.201/2013-14 dated 1st July, 2013, banks are required to make half yearly Pillar 3 disclosures under Basel III capital requirements with effect from 30th September, 2013. The disclosures are being made available on our website at the following link http://www.iob.in/investor_cell.aspx .
8	Provision of Rs.33 Crore has been made during the quarter towards arrears for wage revision, which will be effective from 1st November 2012, pending negotiation by IBA, to make an aggregate provision of Rs.187 crore up to 31.03.2014.
9	The Provision Coverage Ratio of the Bank as on 31.03.2014 stood at 54.94%
10	During the year the bank has allotted to Government of India 22,97,53,015 equity shares of Rs.10/- each at a price of Rs.52.23 per equity share (including share premium of Rs.42.23) per equity share on preferential basis aggregating to Rs.1200 crore and to LIC of India 8,15,00,000 equity shares of Rs.10/- each at a price of Rs.48.84 per equity share (including share premium of Rs.38.84) per equity share on preferential basis aggregating to Rs.398.04 crore.
11	During the quarter ended 31.03.2014 , Tier II Bonds of Rs.200 crore issued on 01.03.2004, were redeemed on its due date 01.03.2014.
12	In terms of RBI circular no.DBOD.BP.BC.77/21.04.018/2013-14 dated 20.03.2014, bank has recognised the Deferred Tax Liability of Rs.175.72 Crore in respect of Speial Reserve of Rs.541.60 Crore as at 31.03.2013 created under section 36(1) (viii) of the Income Tax Act, 1961. This Deferred Tax Liability was created by drawing down from Revenue Reserve.
13	As permitted by RBI vide its circular No.DBOD.BP.95/21.04.048/2013-14 dated 07.02.2014 and also in pursuance to Bank's Board approved policy, the bank has utilised a sum of Rs. 324.20 crore from Floating Provisions / Counter Cyclical Provisioning Buffer towards specific provision for non performing assets.
14	The above financial results, have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meeting held on 29th April, 2014.
15	Previous period/year figures have been regrouped/reclassified wherever necessary.
16	The position of Investors' Complaints for the period 01.01.2014 to 31.03.2014 is as under:
	Pending complaints at the beginning of the Quarter 0
	Complaints received during the Quarter 77
	Complaints redressed during the Quarter 76
	Closing balance at the end of the Quarter 1*

* Pending complaint was resolved subsequently on 04.04.2014

PLACE : CHENNAI
29.04.2014

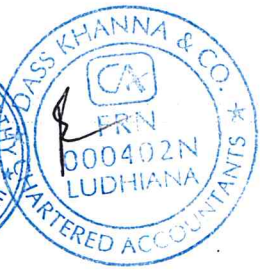
(ATUL AGARWAL)
EXECUTIVE DIRECTOR

(A D M CHAVALL)
EXECUTIVE DIRECTOR

(M NARENDRA)
CHAIRMAN & MANAGING DIRECTOR



Summarized Balance Sheet		(Rs. in Lakhs)	
		As at 31.03.2014 (Audited)	As at 31.03.2013 (Audited)
Capital & Liabilities			
Capital		123534.83	92409.53
Reserve & Surplus		1510301.27	1253326.16
Deposits		22797608.66	20213534.80
Borrowings		2445603.60	2332286.00
Other Liabilities & Provisions		613435.65	574046.98
Total		27490484.01	24465603.47
Assets			
Cash & Balances with RBI		1173509.75	983782.50
Balances with Banks and Money at Call and Short Notice		727368.03	542059.49
Investments		7023679.96	6141734.80
Advances		17588776.68	16036411.71
Fixed Assets		260437.71	184703.63
Other Assets		716711.88	576911.34
Total		27490484.01	24465603.47









INDIAN OVERSEAS BANK
CENTRAL OFFICE
CHENNAI

PRESS RELEASE
Part-A

29.04.2014

FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE YEAR ENDED 31ST MARCH
2014 (12 MONTHS)

DEPOSITS (YOY) 13%		ADVANCES (YOY) 10%		TOTAL BUSINESS (YOY) 12%		OPERATING PROFIT (12M) (YOY) 5%	
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(1) **TOTAL BUSINESS:** Total business grew from Rs 3,66,501 crore as on 31st March 2013 to Rs. 4,09,057 crore as on 31st March 2014 recording a year on year **growth of 12%**

(2) **DEPOSITS:** Total deposits grew from Rs. 2,02,135 crore as on 31st March 2013 to Rs 2,27,976 crore as on 31st March 2014 recording a year on year **growth of 13%**.

(3) **ADVANCES:** Gross Advances increased from Rs. 1,64,366 crore as on 31st March 2013 to Rs.1,81,081 crore as on 31st March 2014 registering a **growth of 10%**.

(4) **OPERATING PROFIT:** Operating Profit for the year ended 31st March 2014 stood at Rs 3,997.24 crore as against Rs. 3,817.01 crore for the year ended 31st March 2013, registering a **growth of 5%**

(5) **NET PROFIT:** Net Profit for the year ended 31st March 2014 is Rs 601.74 crore as against Rs.567.23 crore for the year ended 31.03.2013 registering a growth of 6%.

(6) **TOTAL INCOME:** Total income for the year ended 31.03.2014 increased to Rs 24,853.07 crore from Rs 22,649.63 crore for the year ended 31.03.2013, registering a growth of 10%

(7) **INTEREST INCOME:** Interest income increased to Rs. 22,683.73 crore for the year ended 31st March 2014 from Rs. 20,676.73 crore for the year ended 31st March 2013 - **an increase of 10%**.



(8) **NET INTEREST INCOME:** Increased to Rs. 5,576.81 crore during 2013-14 from Rs. 5,251.95 crore during 2012-13 registering a growth of 6 %.

(9) **NON INTEREST INCOME:** Non interest income is Rs. 2,169.34 crore (for the year ended 31st March 2014) as against Rs. 1,972.90 crore (for the year ended 31st March 2013) registering an increase of 10 %

(10) **INTEREST EXPENSES:** The interest expenses for the year ended 31st March 2014 is Rs. 17,106.92 crore as against Rs. 15,424.78 crore for the year ended 31st March 2013.

(11) **NPA MANAGEMENT:** Gross NPA as at 31st March 2014 is at Rs. 9020.48 crore as against Rs. 6607.96 crore as on 31st March 2013, with Gross NPA ratio of 4.98% and 4.02% respectively.

Net NPA as at 31st March 2014 is Rs. 5,658.12 crore as against Rs. 4,027.21 crore as on 31st March 2013, with Net NPA ratio of 3.20% and 2.50% respectively.

(12) **PROVISION COVERAGE RATIO** stood at **54.94 %** as of **31.03.2014**.

13. CAPITAL ADEQUACY RATIO (CRAR):

	Basel II	Basel III (with effect from 01.04.2013)
Tier I	7.80%	7.47%
Tier II	4.05%	3.31%
Total	11.85%	10.78%

Total **Capital funds** of the Bank has **improved** from Rs. 18,366.03 crore as on 31.03.2013 to Rs. 19988.73 crore as on 31.03.2014 due to allotment of shares to Government of India on preferential basis amounting to Rs 1200 crore (including share premium) and LIC of India on preferential basis amounting to Rs.398.05 crore (including share premium) apart from retention of profits.

14. **BUSINESS PER EMPLOYEE:** Increased from Rs. 12.88 crore (as on 31.3.2013) to Rs. 13.67 Crore (as on 31.3.2014).

15. **PROFIT PER EMPLOYEE:** Profit per employee stood at Rs.2.01 lacs as on 31.03.2014 as against Rs. 1.99 lacs as on 31.03.2013.



16. KEY FINANCIAL RATIOS:

16.1. Net Interest Margin: For the year ended 31.3.2013: 2.43%
For the year ended 31.3.2014: 2.28%

16.2. Return on Average Assets: For the year ended 31.3.2013: 0.24%
For the year ended 31.3.2014: 0.23%

16.3. Earnings Per Share (EPS): For the year ended 31.3.2013: Rs. 6.14
For the year ended 31.3.2014: Rs. 6.05

16.4. Book Value per share: Book value per share stood at Rs.105.71 as on 31.03.2014 as against Rs. 117.68 as on 31.03.2013.

16.5. Credit Deposit Ratio: Stood at 79.43% as on 31.03.2014 as against 81.32% as on 31.03.2013.

16.6. CASA ratio: The ratio on global basis is 25.34% as on 31.03.2014 as against 26.51% as on 31.03.2013.

16.7. Cost to income ratio: The ratio for the year 2013-14 is 48.40%



INDIAN OVERSEAS BANK
CENTRAL OFFICE
CHENNAI

PRESS RELEASE
Part-B

29.04.2014

FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE QUARTER ENDED 31ST
MARCH 2014 (3 MONTHS)

1.. TOTAL BUSINESS: Total Business grew from ₹ 3,87,406 crore as on 31.03.2013 to ₹ 4,09,057 crore as on 31.03.2014 recording a year on year growth of 12%.

2. DEPOSITS: Total Deposits grew from ₹ 2,02,135 crore as on 31.03.2013 to ₹. 2,27,976 crore as on 31.03.2014 recording a year on year growth of 13%.

3. ADVANCES: Total Gross Advances increased from ₹ 1,64,366 crore as on 31.03.2013 to ₹.1,81,081 crore as on 31.03.2014 registering a year on year growth of 10%.

4. OPERATING PROFIT: Operating Profit for the quarter ended 31.03.2014 stood at ₹1,191.09 crore as against ₹. 1,145.88 Crore for the quarter ended 31.03.2013.

5. NET PROFIT: Net Profit for the quarter ended 31.03.2014 stood at ₹. 268.33 crore as against ₹. 58.60 Crore for the corresponding quarter of the previous year.

6(a) TOTAL INCOME: Total income is ₹ 6,475.93 crore for the quarter ended 31.03.2014 as against ₹ 5,897.89 crore for the corresponding quarter of the previous year, registering a growth of 10 %

6 (b) NET INTEREST INCOME: The Net Interest Income of the Bank for the quarter ended 31.03.2014 stood at ₹ 1,144.99 crore as against ₹1,295.93 crore for the quarter ended 31.03.2013



7. INTEREST RECEIVED ON ADVANCES: For the quarter ended 31.03.2014 the amount is ₹ 4,318.68 crore as against ₹ 3,999.82 crore achieved for the quarter ended 31.03.2013, registering a growth of 8%

8. INTEREST EXPENSES: Interest expenses stood at ₹4,462.69 crore for the quarter ended 31.03.2014 as against ₹ 3,930.87 crore for the quarter ended 31.03.2013.

9. CRAR: under BASEL III, CRAR as on 31.03.2014 stood at 10.78%. As on 31.03.2013, the CRAR under BASEL III stands at 11.85%.

10. BUSINESS PER EMPLOYEE: Increased from ₹ 12.88 crore as on 31.03.2013 to ₹ 13.67 crore as on 31.03.2014.

11. KEY FINANCIAL RATIOS:

11.1. Net Interest Margin: NIM for the quarter ended 31.03.2014 stood at 2.22% as against 2.30% for the corresponding quarter ended 31.03.2013.

11.2. Return on Average Assets: Return on Average Assets for the quarter ended 31.03.2014 stood at 0.23 %.

11.3. Earnings per Share (EPS): EPS for the quarter ended 31.03.2014 is ₹2.17(not annualised)

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INDEPENDENT AUDITORS' REPORT

To

The President of India

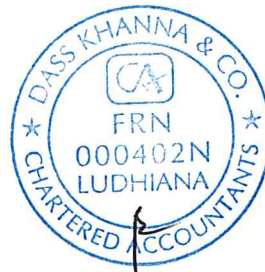
Report on the Financial Statements

1. We have audited the accompanying financial statements of Indian Overseas Bank as at 31st March, 2014, which comprise the Balance Sheet as at March 31, 2014, and Profit and Loss Account and the Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns of 20 branches audited by us and 1540 branches including 6 overseas branches audited by branch 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 the Reserve Bank of India. Also incorporated in the Balance Sheet and the Statement of Profit and Loss are the returns from 1748 branches which have not been subjected to audit. These unaudited branches account for 7.04 per cent of advances, 18.50 per cent of deposits, 18.08 per cent of interest income and 16.40 per cent of interest expenses.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements in accordance with Banking Regulations Act 1949. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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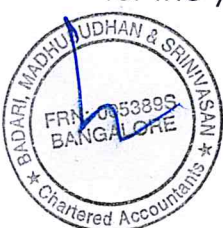


Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, as shown by books of the Bank, and to the best of our information and according to the explanations given to us:
 - (i) the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of state of affairs of the Bank as at 31st March 2014 in conformity with accounting principles generally accepted in India;
 - (ii) the Profit and Loss Account, read with the notes thereon shows a true balance of profit in conformity with accounting principles generally accepted in India, for the year covered by the account; and
 - (iii) the Cash Flow Statement gives a true and fair view of the Cash Flows for the year ended on that date.



7. Emphasis of Matter

- a) We draw attention to Note No.8 regarding amortization of pension and gratuity liability of Rs. 1005.21 crore over a period of 5 years from 31.3.2011.
- b) We draw attention to Note No 3.5 regarding utilization of floating provision and counter cyclical provisioning buffer held as on March 31,2013 for meeting specific provision for non performing assets during the year ended March 31,2014 amounting to Rs.324.19 crore.

Report on Other Legal and Regulatory Requirements


8. 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.
9. Subject to the limitations of the audit indicated in paragraph 1 to 5 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, and subject also to the limitations of disclosure required therein, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory.
 - (b) The transactions of the Bank, which have come to our notice have been within the powers of the Bank.
 - (c) The returns received from the offices and branches of the Bank have been found adequate for the purpose of our audit.



:4:

In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the applicable Accounting Standards.

**For Badari, Madhusudhan
& Srinivasan
Chartered Accountants**
FRN 005389S


(N. SRINIVASAN)
Partner
M.No.27887


**For B. Thiagarajan & Co
Chartered Accountants**
FRN 004371S


(B. THIAGARAJAN)
Partner
M.No.018270

**For Sankar & Moorthy
Chartered Accountants**
FRN 003575S


(S. JAMES)
Partner
M.No. 022565

**For P R Mehra & Co
Chartered Accountants**
FRN 000051N


(SWINDER KUMAR)
Partner
M.No.014211

**For Dass Khanna & Co
Chartered Accountants**
FRN 000402N


(RAKESH SONI)
Partner
M.No.083142

Place : Chennai

Date : 29.4.2014