

Annual Report
2010-11



**BANKING CODES AND STANDARDS
BOARD OF INDIA**

www.bcsbi.org.in

PUBLISHED BY

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Banking Codes and Standards Board of India
Governing Council

Chairman



K.J. Udeshi

Members



M. M. Chitale

Chartered Accountant
204 and 205 Agarwal
Shyamkamal-
A Building, Vile Parle (East)
Mumbai-400 057



V. P. Shetty
Chairman

JM Financial Asset Reconstruction
Company Private Limited
141, Maker Chambers III,
Nariman Point
Mumbai-400 021



Cyrus Guzder

Chairman and Managing Director
AFL Pvt. Ltd., AFL House
Lok Bharati Complex
Marol Maroshi Road
Andheri (East)
Mumbai-400 059



Dr. Ajit Ranade

Group Chief Economist
Aditya Birla Management
Corporation Pvt. Ltd.
2-C, S.K. Ahire Marg, Worli
Mumbai-400 030



B M Mittal

Chief Executive Officer
(upto Feb. 17, 2011)
Banking Codes and Standards Board of India
C-7, Reserve Bank of India Building
Bandra-Kurla Complex
Mumbai-400 051



ANNUAL REPORT OF THE BANKING CODES AND STANDARDS BOARD OF INDIA (BCSBI) 2010-11

Five years have passed since the setting up of the Banking Codes and Standards Board of India (BCSBI). How have we acquitted ourselves? What has been the “outcome” - not output - in the area of customer service to individuals by banks? Are we in a position to wean the institution away from total funding by the Reserve Bank of India (RBI)? This Annual Report sets out the answers to these questions and more.

Governing Council

The Governing Council, which is vested with the general supervision, direction and control of the working of the BCSBI, held eight meetings during the year 2010-11.

The term of the Governing Council has expired on February 17, 2011 and the Reserve Bank of India has initiated steps to reconstitute the Governing Council. In the meantime, the Governing Council Members are continuing in office as permissible under the Rules and Regulations of the BCSBI. Shri B. M. Mittal, Chief Executive Officer and ex-officio Member of the Governing Council was, however, relieved of his duties as from the close of business as on February 17, 2011 as he expressed his inability to continue in office beyond the term notified. With his rich commercial banking experience and empathetic attitude, he ensured the smooth functioning of BCSBI. The BCSBI places on record the invaluable services rendered by him.

Membership

Three scheduled urban co-operative banks (UCBs) and seventeen Regional Rural Banks (RRBs) were admitted as members, taking the total number of members to 110 as at the end of March 2011. In addition, membership of sixteen banks is in process. BCSBI's efforts in this direction will result in the spreading of awareness of banking rights among more and more customers of banks. The names of member banks and those registered for membership are listed in **Annex I & II**.

Review of activities of BCSBI by RBI

In June 2010, the Governing Council of BCSBI presented a review of its activities since inception, before the Governor, Dr. D Subbarao, the then Deputy Governor Smt. Usha Thorat and Deputy Governor, Shri Anand Sinha and other senior officials of the RBI. The RBI was appreciative of the steps taken by BCSBI to bring about perceptible improvement in several areas of customer service relating to transparency, fairness, compliance and systems.

Survey of branches to assess implementation of the Codes

During the year, BCSBI undertook a Survey of 1000 branches and 135 hubs of 49 member banks (excluding RRBs and Urban Co-operative Banks), spread over 22 cities in India, to independently verify compliance with the provisions of the Code of Bank's Commitment to Customers and Code of Bank's Commitment to Micro and Small Enterprises. More than 2000 customers were also interviewed at the branches to obtain their responses. The Survey has been conducted to complement the BCSBI's efforts in monitoring the compliance of member banks in implementing the Codes as reported by them through the Annual Statement of Compliance. The Survey findings pertaining to each member bank are being shared with them and their comments have been sought with regard to variances with the submissions made by them in the Annual Statement of Compliance.

In general, the Survey findings reveal perceptible improvements. There is increased transparency in banks' dealings with customers, particularly in the areas of service charges, selling of products with explicit consent of the customer, resolution of complaints, display of customer-centric policies in the areas of cheque collection, grievance redressal, compensation and collection of dues and security repossession, provision of meaningful details in passbooks, intimating the customers before classification of savings accounts as dormant or inoperative, disposal of claims in respect of accounts of deceased depositors, adoption of simplified loans applications for MSE borrowers, etc. However, the coverage of customer service in reports of Controlling Authorities visiting branches needs to be strengthened. The Survey findings (highlights given in **Annex III**) have been placed on the BCSBI website www.bcsbi.org.in

Complaints and their redressal

During the year 2010-11, 573 complaints were received against member banks as compared to 750 complaints in the previous year (**Annex IV**). The sharp reduction in complaints received is perhaps reflective of the fact that there is greater awareness among bank customers that individual complaints are redressed either by the Customer Service Department of the RBI or the Banking Ombudsman and not the BCSBI. Although the complaints received in the BCSBI are forwarded to the Customer Service Department of RBI for individual complaint resolution, all these complaints as also Awards under the Banking Ombudsman Scheme are analysed by BCSBI to see whether they are indicative of any deficiencies of systemic or procedural nature in the rendering of customer service.

Some of the systemic issues identified and followed up with concerned banks for resolution related to providing intelligible particulars in the pass book/statement of accounts, indicating clearly in the sanction letter and other documents whether the rate of interest for loan is fixed or floating and obtaining acknowledgement from the borrower for the sanction letter, display on the bank's website of payment of compensation for delay in refund of money in respect of failed ATM transactions, streamlining the procedure for upgradation of credit

card by obtaining prior consent of the primary cardholder and also for issue of add on credit card; discontinuance of use of Direct Selling Agents for issue of credit cards and adhering to KYC norms for add – on cardholders, amending the definition of inoperative accounts on bank’s website as per RBI guidelines, amending the Most Important Terms and Conditions (MITC) for card holders that they may, without filing an FIR for loss of card, inform the loss of card to the bank to enable it to block the credit card, thereby preventing any further transactions thereon, etc.

Efforts to spread awareness of the Codes

In the Review meeting with the Governor, RBI and in subsequent meetings with the Deputy Governors Dr. Subir Gokarn and Dr. K C Chakrabarty, the RBI has been exhorting the BCSBI to step up its awareness programmes.

This year, BCSBI officials participated in as many as 23 meetings of various State / Union Territory Level Bankers Committees, where presentations on the Code of Bank’s Commitment to Customers and the Code of Bank’s Commitment to Micro and Small Enterprises (MSE Code) were made to enhance awareness among officials and to emphasise the role the MSE Code could play in enhancing credit flow to the MSE sector. BCSBI officials also participated in customer awareness programmes conducted by Banking Ombudsmen in Andhra Pradesh, Odisha and Tamil Nadu as part of the efforts to spread awareness of the Codes. On-location workshops were conducted for three member banks. Recognising the importance of interaction between member banks and BCSBI, a Conference was organized for all Principal Code Compliance Officers (PCCOs) and faculty of member banks in February 2011 which was inaugurated by Dr. K C Chakrabarty, Deputy Governor, RBI. Dr. Chakrabarty, in his inaugural address appreciated the presentation on “**FACTS**” of BCSBI viz. **F**airness, **A**wareness, **C**ompliance, **T**ransparence and **S**ystems and urged banks to align their activities to ensure that that the Codes are implemented in letter and spirit. The Conference was well attended and interactive. The issues raised by PCCOs along with BCSBI’s comments have been placed on the BCSBI website www.bcsbi.org.in for the guidance of all concerned.

BCSBI has also undertaken a campaign to promote awareness of the Codes, amongst the general public, through radio jingles (in Hindi) on Vividh Bharati stations and short TV advertisements in Hindi and regional languages on Doordarshan.

The newsletter ‘Customer Matters’ launched in April, 2009, continues to be the medium for increasing public awareness on banking issues; initiatives by the RBI and member banks in the field of customer service, as also systemic issues addressed by BCSBI and exemplary decisions taken under the Banking Ombudsman Scheme. The response to the newsletter continues to be encouraging.

The Indian Institute of Banking and Finance (IIBF) in association with the Banking Codes and Standards Board of India has started a Certificate Course on “Customer Service and Banking Codes and Standards”. The objective of the Course is to enable banking personnel



Chairmen and senior officials of RRBs at the workshop held in May 2010.



At the launch of the 'Certificate Course on Customer Service and Banking Codes and Standards' - (L to R)
Smt. K J Udeshi, Dr. K C Chakrabarty, Shri O P Bhatt, Shri B M Mittal



Shri R C Arora, Senior Vice President and Head Compliance, BCSBI (second from right) at the Rajasthan State Level Bankers' Committee meeting.



Shri P B Vaze, Senior Vice President, BCSBI (seated first from left) and officials of Punjab National Bank at the interactive meeting of MSE clients and banks held in Chandigarh.



Members of the Governing Council with Dr.Subir Gokarn, Deputy Governor, RBI - (L to R) Shri Cyrus Guzder, Shri M M Chitale, Dr.Ajit Ranade, Shri V P Shetty, Dr.Subir Gokarn, Smt K J Udeshi, Shri B M Mittal.



At the conference of Principal Code Compliance Officers and faculty of member banks - (L to R) Shri M M Chitale, Smt. K J Udeshi, Dr. K C Chakrabarty, Deputy Governor, RBI, Shri V P Shetty, Shri B M Mittal



A view of the participants at the conference of Principal Code Compliance Officers and Faculty of member banks.



Chairman and members of staff of BCSBI at Shri B M Mittal's farewell

especially those who interact with different customers to appreciate the finer aspects of banker–customer relationships and render effective customer service. The Course was launched by Dr. K C Chakrabarty, Deputy Governor, RBI at a function held on November 12, 2010 which was presided over by Shri O P Bhatt, President, Governing Council of IIBF and the then Chairman of the State Bank of India. Dr. K Ramakrishnan, Chief Executive, Indian Banks' Association and senior officers from RBI and banks were also present at the launch.

Funds Position

As on March 31, 2011, the investment of Corpus Fund and Public Awareness Fund, made in accordance with the Investment Policy, aggregated Rs.1331.26 lakh comprising of Rs. 358.35 lakh in Government Securities and Rs.972.91 lakh in term deposits with member banks. During the year, total income from investments amounted to Rs.94.57 lakh.

At a glance	
Members of BCSBI	110
Banks admitted as members during the year	20
Applications in process for membership	16
Workshops / conferences held	4
SLBCs addressed	23
Banks visited to ascertain level of compliance	49
Branches of banks and hubs visited to ascertain level of compliance	1135
Applicants who sought credit counselling	283
Complaints dealt with	573

Way Ahead

During the first five year period all the members of the Governing Council, including the Chairman and Chief Executive Officer have been appointed by the Reserve Bank of India. With the completion of the five year term, the Governing Council of the BCSBI is set to undergo a structural change as envisaged in the Rules and Regulations framed under the Memorandum of Association. Three members of the Governing Council shall be nominated by the RBI and two members shall be nominated by member banks, in consultation with the RBI. The five Governing Council members, thus nominated by the RBI and member banks, shall elect a Chairman from among themselves and also appoint a Chief Executive Officer, who will be an ex-officio member of the Governing Council.

The Governing Council presented to the Governor, Dr. D. Subbarao, the funds position of the BCSBI and the RBI has reviewed the funding arrangements viz. the strengthening of the Corpus through stepping up of the contributions from member banks, the projected income from investments out of the Corpus and expenditure over the next 5 years. Accordingly, from 2011-12 onwards the funding pattern would change and BCSBI would utilize its entire annual interest income and the minimum amount required to be withdrawn from the Public Awareness Fund(PAF) during the year towards meeting its expenditure and the RBI would finance the shortfall. The RBI would also continue to extend additional support by providing the existing infrastructure facilities, free of cost. It is expected that this strategy would enable BCSBI to gradually build up its Corpus and move to a position of meeting an increasing portion of its expenditure over the next 5 year period. For the period 2011-12 BCSBI has budgeted an expenditure of Rs.7.06 crore. It is projected that BCSBI's estimated interest income together with its withdrawal from PAF would meet roughly 15% of its expenditure. With increasing contributions from member banks, it is expected that progressively the share of RBI financing will keep coming down as BCSBI moves towards sustained self-financing.

The Code of Bank's Commitment to Micro and Small Enterprises (MSE Code), came into effect in May 2008 and is now in the process of being reviewed. The review is being undertaken in collaboration with the Indian Banks' Association (IBA) and suggestions from member banks, RBI, industry associations and other organisations have been sought individually as also from members of the public through our website.

The need for spreading awareness has become more critical and acute in the light of the financial inclusion initiatives undertaken by the Government of India and the RBI. BCSBI would need to ensure that bank customers, not only in rural areas but also in urban and semi-urban areas, are made aware of their rights as enshrined in the BCSBI Codes and that the minimum standards of banking practices, are entrenched in the banking system across the country. This aspect also gains importance in the context of the opening up of BCSBI's membership to select Urban Co-operative Banks and all Regional Rural Banks and the commitments made by these banks not just to the "Aam admi" but also enterprises in the Micro and Small Sector (MSEs).

Acknowledgements

The BCSBI is thankful to RBI, IBA and the member banks for their support and cooperation in all its endeavours.

Annex I			
BCSBI members			
S. No.	Name of the Bank	S. No.	Name of the Bank
	Scheduled Commercial banks		Scheduled Commercial banks
1	AB Bank Ltd.	46	State Bank of Mauritius
2	Allahabad Bank	47	State Bank of Mysore
3	Andhra Bank	48	State Bank of Patiala
4	Axis Bank Ltd.	49	State Bank of Travancore
5	Bank of America	50	Syndicate Bank
6	Bank of Baroda	51	Tamilnad Mercantile Bank Ltd.
7	Bank of Ceylon	52	The Catholic Syrian Bank Ltd.
8	Bank of India	53	The Dhanlaxmi Bank Ltd.
9	Bank of Maharashtra	54	The Federal Bank Ltd.
10	Bank of Nova Scotia	55	The Hongkong and Shanghai Banking Corporation Ltd.
11	Barclays Bank P L C		
12	BNP Paribas	56	The Jammu and Kashmir Bank Ltd.
13	Canara Bank	57	The Karur Vysya Bank Ltd.
14	Central Bank of India	58	The Lakshmi Vilas Bank Ltd.
15	Citibank N A	59	The Nainital Bank Ltd.
16	City Union Bank Ltd.	60	The Ratnakar Bank Ltd.
17	Corporation Bank	61	The Royal Bank of Scotland N.V.
18	Credit Agricole Corporate and Investment Bank	62	The South Indian Bank Ltd.
19	DBS Bank Ltd.	63	UCO Bank
20	Dena Bank	64	Union Bank of India
21	Deutsche Bank	65	United Bank of India
22	Development Credit Bank Ltd.	66	Vijaya Bank
23	HDFC Bank Ltd.	67	Yes Bank Ltd.
24	ICICI Bank Ltd.		Scheduled Urban Co-operative Banks
25	IDBI Bank Ltd.	1	Citizen Credit Co-operative Bank Ltd.
26	Indian Bank	2	Nagar Urban Co-operative Bank Ltd.
27	Indian Overseas Bank	3	Nagpur Nagrik Sahakari Bank Ltd.
28	Indusind Bank Ltd.	4	Nutan Nagrik Co-operative Bank Ltd.
29	ING Vysya Bank Ltd.	5	Punjab and Maharashtra Co-operative Bank Ltd.
30	J P Morgan Chase Bank N A	6	Thane Bharat Sahakari Bank Ltd.
31	Karnataka Bank Ltd.	7	The Bharat Co-operative Bank (Mumbai) Ltd.
32	Kotak Mahindra Bank Ltd.	8	The Cosmos Co-operative Bank Ltd.
33	Krung Thai Bank P C L	9	The Karad Urban Co-operative Bank Ltd
34	Mashreq Bank Psc	10	The Saraswat Co-operative Bank Ltd.
35	Oman International Bank S.A.O.G.	11	The Shamrao Vithal Co-operative Bank Ltd.
36	Oriental Bank of Commerce		Regional Rural Banks
37	Punjab National Bank	1	Allahabad UP Gramin Bank
38	SBI Commercial & International Bank Ltd.	2	Andhra Pragathi Grameena Bank
39	Shinhan Bank	3	Aryavart Gramin Bank
40	Societe Generale	4	Baroda Gujarat Gramin Bank
41	Sonali Bank	5	Baroda Rajasthan Gramin Bank
42	Standard Chartered Bank	6	Baroda Uttar Pradesh Gramin Bank
43	State Bank of Bikaner and Jaipur	7	Chaitanya Godavari Gramin Bank
44	State Bank of Hyderabad	8	Deccan Grameena Bank
45	State Bank of India	9	Hadoti Kshetriya Gramin Bank

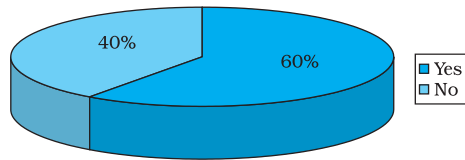
Annex I			
BCSBI members (Concl'd.)			
S. No.	Name of the Bank	S. No.	Name of the Bank
	Regional Rural Banks		Regional Rural Banks
10	Himachal Gramin Bank	22	Prathama Bank
11	J & K Grameen Bank	23	Purvanchal Gramin Bank
12	Jaipur Thar Gramin Bank	24	Rajasthan Gramin Bank
13	Jhabua Dhar Kshetriya Gramin Bank	25	Rewa Sidhi Gramin Bank
14	Karnataka Vikas Grameena Bank	26	Rushikulya Grama Bank
15	Kashi Gomti Samyut Gramin Bank	27	Sarva UP Gramin Bank
16	Krishna Grameena Bank	28	Saurashtra Gramin Bank
17	Madhya Bharat Gramin Bank	29	Sharda Gramin Bank
18	Maharashtra Gramin Bank	30	Shreyas Gramin Bank
19	Meghalaya Rural Bank	31	Surguja Kshetriya Gramin Bank
20	Nainital Almora Kshetriya Gramin Bank	32	Wainganga Krishna Gramin Bank
21	Pandyan Grama Bank		

Annex II			
Banks which have registered for membership of the BCSBI			
S. No.	Name of the Bank	S. No.	Name of the Bank
1	American Express Banking Corporation	9	Narmada Malwa Gramin Bank
2	Bihar Kshetriya Gramin Bank	10	Puduvai Bharathiar Grama Bank
3	Cauvery Kalpatharu Grameena Bank	11	Saptagiri Grameena Bank
4	Chhatisgarh Gramin Bank	12	South Malabar Gramin Bank
5	Commonwealth Bank of Australia	13	Uttar Bihar Gramin Bank
6	Gurgaon Gramin Bank	14	Uttaranchal Gramin Bank
7	Haryana Gramin Bank	15	Vananchal Gramin Bank
8	Jharkhand Gramin Bank	16	Vidisha Bhopal Kshetriya Gramin Bank

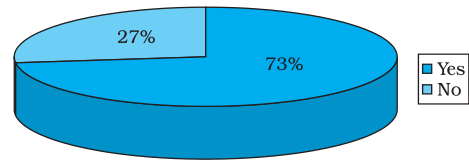
Annex-III	
Findings of the Survey conducted during October – December, 2010 to assess the level of compliance with Codes of Bank's Commitment to Customers and MSEs	
Select findings of the Survey	Percentage of branches responding "YES"
<i>In cognito verification</i>	
Does the branch exchange soiled notes?	85
Does the branch exchange/accept coins of all denominations?	71
Is there an "Enquiry" or "May I help you" counter?	67
<i>Through verification/interaction with branch officials</i>	
Whether the Booklet / Folder as envisaged in the Comprehensive Notice Board is available at the branch for customers' perusal?	55
On the cheques drop box, whether there is a notice that customer can also tender the cheques at the counter and obtain acknowledgement on the pay-in-slips?	62
Whether details of credit entries in the passbook contain the name of drawee bank, besides instrument number?	59
Whether during the last one year, average time taken for settlement of accounts of deceased persons, without survivor / nominee clause, under simplified procedure was within 15 days?	84
Do the branches handling forex business have pamphlets on various foreign exchange facilities to be given to the customers?	70
Whether the complaint book with perforated copies in each set is available at the branch?	60
Whether the complaints are escalated to higher authorities within the time frame prescribed by bank?	89
Does the branch issue cheque book in 'No Frills' accounts?	49
Does the branch issue ATM card in 'No Frills' accounts?	62
Are authenticated copies of all documents (with enclosures) executed between the bank and the borrower provided to the borrower?	70
Is it mandatory for the customer to avail insurance cover (life/general) only from the company having tie-up with the bank?	20
Whether the branch pays compensation for delay beyond 15 days in releasing the securities/documents to the borrower / guarantor after repayment of all dues as agreed to or contracted?	53
Are the borrowers informed, in writing, before the bank initiates recovery proceedings?	99

Annex-III (Contd.)

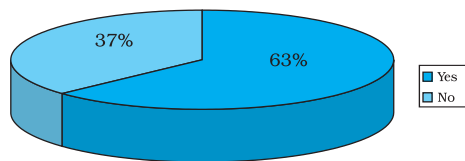
Display of Comprehensive Notice Board



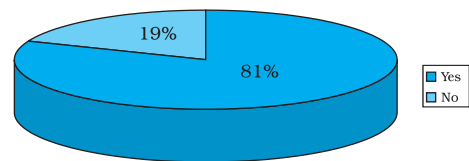
Recording of Nomination in the Passbook / statement of account



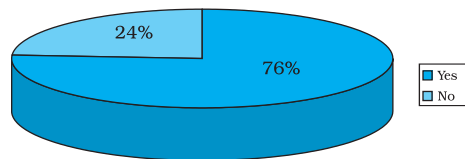
Availability of Tariff Schedule in the Folder for perusal



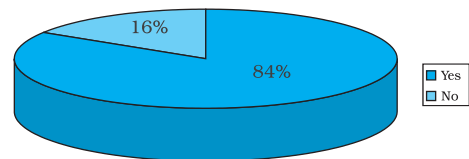
Branches maintaining "No-Frills" Accounts



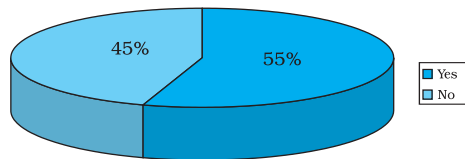
Most Important Terms and Conditions (MITCs) conveyed upfront to customers



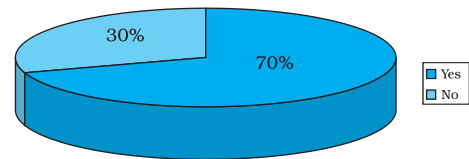
Recording of name of the payee in case of debit entries in the passbook / statement of account



Automatic payment of compensation for delay in collection of cheques



Branches granting collateral free loans to MSEs



Annex-III (Concl.d.)					
City-wise and bank-group-wise break up the sample of branches & hubs visited for the survey					
Centres	Bank Groups				City wise Total of branches / hubs visited
	SBI & Associates	Other public sector banks	Private Sector banks	Foreign banks	
Mumbai	27	67	85	5	184
Delhi	26	56	72	10	164
Kolkata	23	41	42	7	113
Chennai	19	41	51	5	116
Ahmedabad	13	31	31	1	76
Bangalore	12	31	35	6	84
Bhopal	8	15	11	0	34
Bhubaneswar	4	10	6	0	20
Chandigarh	9	8	8	0	25
Dehradun	2	4	4	0	10
Guwahati	2	13	5	0	20
Hyderabad	14	24	26	3	67
Jaipur	12	12	8	0	32
Jammu	3	9	3	0	15
Kanpur	6	19	5	0	30
Kochi	6	12	12	0	30
Lucknow	8	12	14	0	34
Panaji	1	5	4	0	10
Patna	4	15	6	0	25
Pune	7	8	9	2	26
Raipur	2	3	5	0	10
Ranchi	2	5	3	0	10
Total (22 Cities)	210	441	445	39	1135

Annex IV			
Profile of Complaints			
Sr. No.	Nature of complaints	2009-10	2010-11
1	Deposit accounts	162	100
2	Credit/Debit Cards	211	133
3	Pension	7	-
4	Tariff Schedule & Service Charges	41	31
5	Cheque Collection/Clearing Cycle	30	21
6	Foreign Exchange Services	8	1
7	ATM related	49	16
8	Compensation Policy	3	-
9	Do-not-call (unsolicited telemarketing)	—	-
10	Loans & Advances- Collection of dues- Security Repossession	161	111
11	Grievance Redressal mechanism	12	7
12	Miscellaneous	66	153
	Total	750	573

Statement of Accounts
for the year
2010-11

LOONKER & CO.
Chartered Accountants

8-Dhun Mahal, Garden Road
Colaba, Mumbai 400 039
Tel : 2282 5580; 2285 6740
Mobile: 93246 14750.

Auditors' Report

We have audited the Balance Sheet of Banking Codes and Standards Board of India as at 31st March 2011 and the Income and Expenditure account for the year ended on that date annexed thereto. These financial statements are the responsibility of the trustees of the Board. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.
- ii) In our opinion, proper books of account as required by the law have been kept by the Trust so far as it appears from our examination of such books.
- iii) The Balance Sheet and Income & Expenditure Account dealt with by this report are in agreement with the books of account.
- iv) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - in the case of Balance Sheet of the state of affairs of the above named trust as at 31st March 2011 and
 - in the case of Income & Expenditure Account of the trust for the accounting year ended on that date.

For M/s. Loonker & Co.
Chartered Accountants

Place : Mumbai
Date: May 5, 2011

Sd/-
(S. C. Loonker)
Partner
(Membership No:10135)



BANKING CODES AND STANDARDS BOARD OF INDIA						
Balance Sheet as on March 31, 2011						
(As per Schedule VIII of Bombay Public Trusts Act, 1950)				(Amount in Rupees)		
As on March 31, 2010	FUNDS AND LIABILITIES	As on March 31, 2011	As on March 31, 2010	PROPERTY & ASSETS	As on March 31, 2011	
87,784,000	Trust Funds or Corpus Balance as per last Balance Sheet	87,784,000	—	Immovable properties		—
	Add: Contribution received during the year	28,308,000	116,092,000	Investments-		
				Govt.securities (cost)-Annex-I	35,835,312	35,835,312
	Other earmarked funds			Furniture and fixtures		—
	— Public Awareness Fund			Loans (Secured or unsecured)		—
15,942,065	Balance as per last Balance Sheet	15,942,065		Advances -		
	Add: Transferred From Income & Exp. A/c	9,455,656	25,397,721	To others-		
	— Loans (Secured or unsecured)			- Trade Mark	—	
				- Tax Deducted at Source	180,867	
	Liabilities-			- Deposit (MTNL)	—	
86,957	For advances from RBI		229,390	- Premium on GOI Securities	8,770	189,637
				Income Outstanding -		
				- Interest		6,075,034
				Cash and Bank Balances-		
				- In current account or fixed deposit account- Annex II	99,618,818	
				- Stamps	310	99,619,128
103,813,022	Total	141,719,111	103,813,022	Total		141,719,111

Notes on Accounts - Schedule A

As per our report of even date

Sd/-

(K.J. Udeshi)
ChairmanM/s.Loonker & Co.
Chartered Accountants

Sd/-

(R C Arora)
Senior Vice President
Banking Codes and Standards Board of India

Sd/-

Partner
Auditors

Place: Mumbai

Date: May 5, 2011

Place: Mumbai

Date: May 5, 2011

Annex-I

BANKING CODES AND STANDARDS BOARD OF INDIA Schedule of Investments belonging to the Trust as on March 31, 2011						
(As per Part III - Schedule VIII of Bombay Public Trusts Act, 1950)				(Amount in Rupees)		
Date and year of preparation	Kind of investments	Full description such as name of the company, distinctive Nos. of shares and certificates, type of shares, etc. Date of redemption or repayment	Face Value	Cost	Rate of interest borne by investments	Remarks
1	2	3	4	5	6	7
At the beginning of the year (as on April 1, 2010)	(i) Shares (ii) Bonds and Debentures (iii) Deposits (iv) Others (v) Public Securities	a) 7.37% GOI Securities 2014 b) 8.07% GOI Securities 2017 c) 7.49% GOI Securities 2017 d) 7.99% GOI Securities 2017 e) 7.59% GOI Securities 2016 f) 8.24% GOI Securities 2018	14,500,000 1,480,000 12,000,000 2,800,000 2,500,000 3,500,000 36,780,000	— — — — 14,118,650 1,480,000 11,470,414 2,800,000 2,466,248 3,500,000 35,835,312	7.37% 8.07% 7.49% 7.99% 7.59% 8.24%	
Increase during the year (2010-11)				—		
Decrease during the year (2010-11)				—		
Total at the end of the year (as on March 31, 2011)			36,780,000	35,835,312		

Annex-II

BANKING CODES AND STANDARDS BOARD OF INDIA Annexure to Balance Sheet as on March 31, 2011		
		(Amount in Rupees)
As on March 31, 2010	Bank Accounts	As on March 31, 2011
4,601,214	In Savings Account - ICICI Bank	2,115,012
54,986	In Current Account - Central Bank of India	212,489
4,330,169	In Fixed Deposits - Citibank	—
8,050,000	- ICICI Bank	—
1,522,879	- Karnataka Bank	2,909,213
7,844,223	- Karur Vysya Bank	2,993,916
6,015,000	- Yes Bank	6,522,051
10,000,000	- City Union Bank	20,999,598
7,392,749	- Laxmi Vilas Bank	9,361,151
4,900,000	- State Bank of Mysore	19,504,928
4,470,000	- UCO Bank	2,595,000
3,900,000	- Vijaya Bank	2,990,000
	- State Bank of Tranvancore	20,143,082
	- Central Bank of India	9,272,378
	[All accounts in the name of Banking Codes and Standards Board of India]	
63,081,220		99,618,818

Sd/-
(K.J. Udeshi)
Chairman

Sd/-
(R C Arora)
Senior Vice President
Banking Codes and Standards Board of India

Place: Mumbai
Date: May 5, 2011

As per our report of even date

M/s. Loonker & Co.
Chartered Accountants

Sd/-
Partner
Auditors

Place: Mumbai
Date: May 5, 2011



BANKING CODES AND STANDARDS BOARD OF INDIA						
Income and Expenditure Account for the year ended March 31, 2011						
[As per Schedule IX of Bombay Public Trusts Act, 1950]				(Amount in Rupees)		
Year ended March 31, 2010	EXPENDITURE	Year ended March 31, 2011	Year ended March 31, 2010	INCOME	Year ended March 31, 2011	
—	To expenditure in respect of properties		—	By Rent		—
—	To establishment expenses	—		By Interest		
—	To remuneration to trustees	—	2,788,756	- On securities	2,788,756	
—	Legal expenses	—	4,857,779	- On bank account	6,668,258	
—	Audit fees	—	12,078	-On income tax refund	—	9,457,014
—	To contribution and fees	—		By Dividend		—
—	To amount written off	—		By Donations in cash or kind		—
2,217	- Preimum on Govt. Sec.	1,358		By Grants		—
—	To Miscellaneous expenses	—		By Transfer from Reserve		—
—	To Depreciation	—		By Deficit carried over to Balance Sheet		—
	To Amounts transferred to Reserve					
7,656,396	- Public Awareness Fund	9,455,656				
—	To Expenditure on objects of the Trust	—				
—	To surplus carried over to Balance Sheet	—				
7,658,613	Total	9,457,014	7,658,613	Total		9,457,014

Notes on Accounts - Schedule A

As per our report of even date

Sd/-
(K.J. Udeshi)
Chairman

M/s.Loonker & Co.
Chartered Accountants

Sd/-
(R C Arora)
Senior Vice President
Banking Codes and Standards Board of India

Sd/-
Partner
Auditors

Place: Mumbai
Date: May 5, 2011

Place: Mumbai
Date: May 5, 2011

Schedule A**BANKING CODES AND STANDARDS BOARD OF INDIA****Notes forming part of accounts for the year ended 31 March 2011**

1. The financial statements are prepared on accrual basis.

2. Expenses Borne by Reserve Bank of India

The Income and Expenditure Account does not show any expenses since all the expenses have been borne by the Reserve Bank of India. The Reserve Bank has agreed to extend financial support to the Board by way of meeting its full expenses for the first five years of operation and providing furnished Office accommodation & Office equipments, etc. free of cost at the Reserve Bank of India Building, Bandra Kurla Complex, Mumbai-400 051.

3. Advance for Expenses from Reserve Bank of India

Out of the amount advanced by Reserve Bank of India for meeting minor expenses, the unspent closing balance of Rs. 2,29,390/- is shown as advance from Reserve Bank of India on the liability side in Balance Sheet as against Rs.86,957/- at the beginning of the year.

4. Corpus Fund

During the first five years of operation, the Board would build up its Corpus from registration and membership fees so that when the RBI funding is phased out, the Board would become self-financing. The member banks have also desired that the entire contribution made by them in the form of registration fees and membership fees be credited to the Corpus of the Banking Codes and Standards Board of India. Therefore, the registration fees and the membership fees are credited to the Corpus Fund, during the first five years of operation.

5. Public Awareness Fund

The Board has transferred Rs. 94,55,656/- to the Public Awareness Fund to be spent for this purpose within the next five years.

6. Previous Year's figures

The corresponding figures for the previous year are re-grouped / re-classified, wherever necessary.

Sd/-
(K.J. Udeshi)
Chairman

Sd/-
(R C Arora)
Senior Vice President
Banking Codes and Standards Board of India

Place: Mumbai
Date: May 5, 2011

As per our report of even date

M/s.Loonger & Co.
Chartered Accountants

Sd/-
Partner
Auditors

Place: Mumbai
Date: May 5, 2011