



NOTES ON ACCOUNTS FORMING PART OF
AUDITED FINANCIAL RESULTS
FOR THE QUARTER/ YEAR ENDED MARCH 31, 2016.

1. The above Financial Results have been approved by the Board of Directors of the Bank at its meeting held on May 13, 2016.
2. There has been no change in the accounting policies followed during the quarter/year ended March 31, 2016 as compared to those followed in the preceding financial year ended March 31, 2015 except Revaluation of Assets where depreciation is provided on the revalued amount and the incremental depreciation attributable to the revalued amount of Rs. 24.30 crores is adjusted to the Revaluation Reserve and credited to Revenue and Other Reserves.
3. The Financial Results for the quarter/ year ended March 31, 2016 have been arrived at after considering provision for Non-Performing Assets, Standard Assets, Investment Depreciation as per Prudential Norms issued by the Reserve Bank of India and other usual and necessary Provisions.
4. During the year (on 31/03/2016), the Bank has issued 3,14,41,088 Equity Shares of Rs.10/- each at a premium of Rs.42.66 per share to Life Insurance Corporation of India (LIC) on preferential basis.
5. Bank has received Capital funds of Rs.535.00 crore from Government of India on 30.03.2016 and the same has been kept in a newly opened Bank Account viz. "Central Bank of India Share Application Money Account". These funds have been treated as part of Common Equity Tier 1 (CET-1) Capital for the financial year ended 31st March 2016 as suggested by RBI vide its letter dated April 06, 2016.



6. In terms of Reserve Bank of India circular No.DBOD..BP.BC.2/21.06.201/2013-14 dated July 1, 2013, banks are required to make Pillar 3 disclosures under Basel III Capital Regulations. The disclosures shall be made available on the bank's website www.centralbankofindia.co.in along with publication of the results.
7. In terms of RBI Circular DBR.BP.BC.No.31/21.04.018/2015-16 dated 16th July 2015, the Bank has, effective Quarter ended 30th June 2015, included its deposits placed with NABARD, SIDBI and NHB on account of shortfall in lending to priority sector under 'Other Assets'. Interest income on these deposits has been included under 'Interest Earned-Others'. Hitherto, these were included under 'Investments' and interest income was included under 'Interest Earned-Income on Investments'. The above reclassification carried out since quarter ended September 2015 has no impact on the loss of the Bank for the quarter / year ended 31st March 2016 or on the profit / loss for the previous periods presented.
8. The following has been included in the results for the quarter/year ended 31st March, 2016 :
 - a. Pursuant to RBI Circular No. DBR.No.BP.BC.27/21.04.018/2015 16 dated 2nd July 2015, the bank has changed the basis of calculation of provision for diminution in fair value from Base Rate/PIR as on date of restructuring plus appropriate term/credit risk premium to the actual interest charged before restructuring for the purpose of discounting future cash flows. Consequent to this change, as a one time measure to implement the said circular, bank has written back a provision of Rs. 570.95 crores during the year.
 - b. In terms of RBI's Master Circular on Classification, Valuation and Operation of Investment portfolio dated 1st July 2015, the depreciation on the instruments acquired by way of conversion of outstanding advances has not been offset against the appreciation in any other securities held under the AFS category. This has resulted in increase in provision by Rs. 229.83 crores for the year.
9. In order to provide assistance to Power Distribution Companies (DISCOMS), pursuant to UDAY (Ujwal Discom Assurance Yojana) scheme, the Bank has subscribed to Non SLR SDL bonds of Rs. 9232 crore issued by respective State Governments and State Government Guaranteed DISCOMS Bonds of Rs. 2538 crores against settlement of outstanding dues of DISCOMS as on 30th September 2015. In terms of RBI letter No. DBR.BP.NO. 11657/21.04.132/2015-16 dated 17th March 2016 read with further clarification dated 21st April 2016 and 11th May, 2016:



- a. Provision of Rs. 525.90 crores in respect of segment of loan/bonds of Rs. 3506.08 crores not envisaged to be converted into SDL Bonds has been made.
- b. No provision has been made for the segment of loan of Rs. 668.31 crores envisaged to be converted into SDL Bonds.
- c. Provision of Rs. 74.51 crores has been made for diminution in fair value of loan.
- d. There was no diminution in value of the DISCOM and SDL bonds on mark to market basis as at 31st March 2016 and as such no provision has been considered necessary
10. In respect of DISCOM loans of Rs. 1591.73 crore (including Rs. 1021.11 crores where MOU has been signed by the Punjab State Government, DISCOM & Ministry of Power), though the respective State Government has participated in the UDAY scheme, the same remains to be implemented by the Bank as on 31st March 2016. Accordingly, loans have been classified and treated as per usual IRAC norms. Adjustments required pursuant to the UDAY scheme with respect to these loans will be ascertained and given effect to on implementation thereof.
11. In compliance with the RBI letter No. DRB.NO.13018/21.04.048/2015-16 dated 12th April, 2016 as referred in the letter dated 16th April 2016 received from State Bank of India (SBI) (Consortium Leader) pending regularization of Food Credit (FC) account availed by Government of Punjab (GOP) and resolution of other related issues, provision of 15% amounting to Rs 191.22 Crore has been made in respect of outstanding balance of Rs 1274.80 Crore (as advised by SBI) availed under FC by GOP.
12. Pursuant to Asset Quality Review (AQR) under section 35 of Banking Regulation Act, 1949 carried out by RBI, classification of advances referred to in the said review and consequential additional provision of Rs 1727.12 crore as required thereof has been done and given effect to in these financial statements.
13. Keeping in view the significant provisioning requirements and revision in guidelines of Deferred Tax Assets (DTA) in CET1 calculation by RBI, tax review based on management's estimate of possible tax benefits against timing difference has been carried out and Rs 1088.28 Crore has been recognized as deferred tax assets as at 31st March 2016.

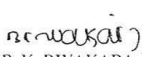
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14. The premises of the Bank were revalued to reflect the market value as on 31.03.2016 based on the reports of external independent valuers and approved by the Board of Directors and Rs 1586.15 crore being the net increase in value thereof have been credited to Revaluation Reserve Account.
15. Exceptional/ prior period items: Provision of Rs.300.52 crore relating to earlier years based on the actuarial valuation report pertaining to Employee Benefits (Pension Fund).
16. The Bank has recognized Treasury operations, Corporate/ Wholesale Banking and Retail Banking as primary reporting segments. There are no secondary reporting segments.
17. Status of Investors' Complaints:

Complaints at the beginning of the Quarter	Received during the Quarter	Resolved during the Quarter	Pending as on March 31, 2016
NIL	68	68	NIL

18. The Provisioning Coverage Ratio (PCR) of the Bank is 51.52%.
19. These financial results includes the results for the quarter ended 31st March, being the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto 31st December of the relevant financial year.
20. Figures of the previous year have been regrouped/ reclassified wherever considered necessary to confirm to current year's classification.


R.C. LODHA
EXECUTIVE DIRECTOR


B. K. DIVAKARA
EXECUTIVE DIRECTOR


R. K. GOYAL
EXECUTIVE DIRECTOR


RAJEEV RISHI
CHAIRMAN & MANAGING DIRECTOR

Place: Delhi

Date : May 13, 2016.