

**NOTES ON ACCOUNTS FORMING PART OF REVIEWED
 UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS
 PERIOD ENDED DECEMBER 31, 2013**

1. The financial results for the quarter/nine months period ended 31st December 2013 have been prepared following the same accounting policies as those followed in the annual financial statements for the year ended March 31, 2013 except that w.e.f 01/07/2013 recovery in NPA accounts is now first appropriated towards principal as against interest income earlier. The impact on financial results due to this change is that interest income for the quarter and for nine months period ended 31.12.2013 is approximately less by Rs.42.86 crore and Rs.86.52 crore respectively. Consequently Gross NPA as on 31.12.2013 are less by Rs. 86.52 crore.
2. The above financial results have been subjected to a "Limited Review" by the Statutory Central Auditors of the Bank and have been approved by the Board of Directors at its meeting held on February 6, 2014.
3. The Financial Results for the quarter/nine months period ended December 31, 2013 have been arrived at after considering extant guidelines of Reserve Bank of India (RBI) on prudential norms for Income Recognition, Asset Classification and Provisioning on Advances/ Investments. Provision for Depreciation on Fixed Assets has been made on proportionate basis. Employee benefits, provision for taxes and other necessary provisions have been provided on estimated basis.
4. In accordance with circular No. DBOD No. BP.BC.80/21.04.018/2010-11, dated 09-02-2011, issued by Reserve Bank of India, the Bank has opted to amortise the additional liability on account of re-opening of Pension option for existing employees who have not opted for pension earlier, as well as the enhancement in the Gratuity limit over a period of five years beginning with the financial year ended 31st March 2011. Accordingly, out of the unamortized amount the Bank has amortised ₹ 59.99 crore for Pension and ₹ 13.85 crore for Gratuity being proportionate amount for the quarter ended December 31, 2013. The balance amount of ₹ 299.98 crore for Pension and ₹69.25 crore for Gratuity will be amortised in future periods.
5. In terms of the RBI Circular DBOD.BPBC.No 41/21.04.141/2013-14 dated August 23, 2013 on "investment – Classification, Valuation and Provisioning", the Bank has provided depreciation amounting to ₹ 49.07 crore on the AFS/HFT investments during the current quarter of December 2013 and balance amount of ₹ 49.06 crore will be provided in the subsequent quarter, if required.
6. During the quarter, the bank has issued 30,58,62,361 Equity Shares of Rs.10/- each to Government of India at a price of Rs. 58.85 per share, on preferential basis in accordance with the regulation 76(1) of SEBI (Issue of Capital and disclosure requirements) Regulations, 2009.
7. Banks are required to compute Capital Adequacy Ratio under Basel III Capital Regulations from the quarter ended June 30, 2013. Accordingly, corresponding details of previous periods are not available.

In accordance with RBI circular DBOD.No. BP.BC.2.21.6.201/2013-14 dated 1st July 2013, Banks are required to make half yearly pillar 3 disclosures under Basel III capital requirements with effect from September 30, 2013. The disclosures are being made on our web-site www.centralbankofindia.co.in. The disclosures have not been subjected to limited review by the Statutory Auditors of the Bank.

