CHAPTER I

INTRODUCTION

CHAPTER I

1.1 INTRODUCTION

Financial Performance

A Company as an organization has the objectives to achieve some goals planned with the staff. They can determine whether the Company has achieved its objectives or not by understanding the performance.

The performance of the Company can be calculated using the financial ratio analysis. The calculation using financial ratio analysis gives the benefit in making the financial report, because financial ratio analysis tends to show that the Company is healthy and the performance is increasing, but actually the performance might be decreasing .

Financial performance of a Company can be defined as the result of the Company's efforts in using the whole financial resources effectively and efficiently in order to achieve the Company's objectives. The objectives of the Company can be achieved if the Company is using the whole sources as maximal as possible. Effective is the ability of the Company to achieve the objectives, and efficiency is related to the use of the resources of the Company, that is to minimize the input to get expected output.

The EVA Revolution

In a market-driven economy many Companies will create wealth. Other firms however will undoubtedly destroy it. Discovering those economic factors that lead to wealth creation and destruction among Companies is important to many constituencies, not the least of which is corporate officials and investment managers. For corporate managers, wealth creation is fundamental to the economic survival of the firm. Managers who fail (or refuse) to see the importance of this imperative in an open economy do so at the peril of the organization and their own careers of finding the "best" Companies and industries in the marketplace is of primary importance to investment managers.

With the proper financial tools, portfolio managers may be able to enhance their active performance over-and-above the returns available on similar risk indexed passive strategies. A new analytical tool called EVA is now assisting this wealth-discovery and Company-selection process. The innovative changes that this financial metric have spawned in the twin areas of corporate finance and investment management is the driving force behind what can be formerly called the EVA revolution. ”

Concept of Economic Value Added (EVA)

EVA is a value based financial performance measure, an investment decision tool and it is also a performance measure reflecting the absolute amount of shareholder value created. It is computed as the product of the “excess return” made on an investment or investments and the capital invested in that investment or investments.

“Economic Value Added (EVA) is the net operating profit minus an appropriate charge for the opportunity cost of all capital invested in an enterprise or project. It is an estimate of true economic profit, or amount by which earnings exceed or fall short of the required minimum rate of return investors could get by investing in other securities of comparable risk .”

Advantages of EVA:

EVA is more than just performance measurement system and it is also marketed as a motivational, compensation-based management system that facilitates economic activity and accountability at all levels in the firm. Stern Stewart reports that companies that have adopted EVA have outperformed their competitors when compared on the basis of comparable market capitalization.

Several advantages claimed for EVA are:

- EVA eliminates economic distortions of GAAP to focus decisions on real economic results.

- EVA provides for better assessment of decisions that affect balance sheet and income statement or tradeoffs between each through the use of the capital charge against NOPAT.
- EVA decouples bonus plans from budgetary targets
- EVA covers all aspects of the business cycle
- EVA aligns and speeds decision making, and enhances communication and teamwork.

1.2 OBJECTIVE OF THE STUDY

- To analyze the financial performance of the CENTRAL BANK OF INDIA.
- To compare and analyze the financial statements for the past five financial years (2017, 2016, 2015, 2014, 2013).
- To analyze the EVA with the help of the financial ratios and identify the strength and weakness of the CENTRAL BANK OF INDIA.
- To provide suggestions for improving the overall finance performance of the bank.

1.3 SCOPE OF THE STUDY

The study is based on the accounting information of the CENTRAL BANK OF INDIA. The study covers the period of 2013-2017 for analyzing the financial statement such as income statements and balance sheet.

The data of the past five years are taken into account for the study. The performance is compared within those periods.

1.4 RESEARCH METHODOLOGY

Research can be defined as "A Scientific and Systemic Search for pertinent information on a specific topic". Therefore, research could be understood as an organized activity with specific objectives on a problem or issues supported by compilation of related data and facts, involving application of relevant tools of analysis and deriving logically on originality.

1.4.1 RESEARCH DESIGN

Research Design is the arrangement of condition for collection and analysis of data in manner that aims to combine relevance to the research purpose with the economy in procedure. Research Design is important primarily because of the increased complexity in the market as well as marketing approaches available to the researchers. A research design specifies the methods and procedures for conducting a particular study.

1.4.2 TYPE OF RESEARCH

ANALYTICAL RESEARCH

In this type of research has to use facts or information already available, and analyze these to make a critical evaluation of the material. The researcher depends on existing data for his research work. The analysis revolves round the material collected or available.

1.4.3 SOURCE OF DATA

PRIMARY DATA

Primary data is collected during the course of training through observations and discussions with officers.

SECONDARY DATA

Secondary Data refers to the information or facts already collected such data are collected with the objectives of understanding the past status of any variable or the data collected and reported by some source is accessed and used for the objective of a study. Normally in research, the scholars collect published data, journals, annual reports and websites.

1.4.4 TOOLS USED FOR ANALYSIS

TRADITIONAL PERFORMANCE MEASURES

- Ratio Analysis

MODERN PERFORMANCE MEASURES

- EVA Analysis
- MVA Analysis

TRADITIONAL PERFORMANCE MEASURES

1.4.4.1 RATIO ANALYSIS

A ratio is the process of determining and presenting the relationship of items and groups of items in the financial statements

FINANCIAL RATIOS

Financial Ratios include all ratios which express financial position of the concern. The term financial position generally refers to short-tem and long-term solvency of the business concern, including safety of different interested parties.

❖ CURRENT RATIO

In order to measure the short-term liquidity or solvency of a concern, comparison of current assets and current liabilities is inevitable. Current ratio indicates the ability of a concern to meet its current obligations as and when they are due for payment.

Current Ratio = (Current asset / Current liabilities)

❖ DEBT EQUITY RATIO

The debt equity ratio is determined to ascertain the soundness of the long term financial policies of the company and also to measures the relatives' proposition of outsider's funds and shareholders funds investments in the company.

Debt-Equity Ratio = (Debt / Equity)

❖ INTEREST COVERAGE RATIO

It is a ratio which deals with the servicing of interest on loan. It is a measure of security of interest payable on long-term debts. It expresses the relationship between profits available for payment of interest and the amount of interest payable**.**

Interest Ratio = (EBIT / Interest)

❖ TOTAL ASSET TO DEBT RATIO

It is an indicatr of financial leverage. It tells you the percentage of total assets that were financed by creditors,liabilities,debt.

Total asset to Debt Ratio = (Total asset / Long-term debts)

❖ RETURN ON EQUITY RATIO

ROE is a profitability ratio that measures the ability of a firm to generate profits from its shareholders investments in the company.

ROE = (PAT / Networth) * 100

MODERN PERFORMANCE MEASURES

1.4.4.2 ECONOMIC VALUE ADDED

Economic Value Added presents one of the modern performance measures; this revolutionary concept was launched by Stern Stewart & Co. in 1982. Concept EVA is based on the idea that company does not create true profit until it has covered all its costs including opportunity costs and cost of capital. In other words, if the company earns more than its total costs, including tangible and intangible costs, it takes the economic profit (true profit).

$$\mathbf{EVA = NOPAT - (Invested\ Capital \times WACC).}$$

Calculation of Economic Value Added (EVA)

Step1:Review the Company's financial data

Nearly all of the needed information to perform an EVA calculation can be obtained from the Company's income statements and balance sheets.

Step 2: Calculate the Company's Net Operating Profit after Tax (NOPAT)

NOPAT is a measure of a Company's cash generation capability from recurring business activities and disregarding its capital structure .

The NOPAT is a function of Earnings Before Interest payments and Taxes (EBIT) and the tax rate of the firm. From the data given on the income statement, NOPAT is calculated as follows:

$$\mathbf{NOPAT = EBIT\ (1 - Tax\ Rate)}$$

Step 3: Calculating Invested Capital

Calculating invested capital amount is an important step in finding economic profit because a key idea underlying this metric is charging the Company for its use of capital. In order for the Company to generate a positive economic profit, Companies must cover the cost of using the invested capital.

Invested capital = total debt + total shareholder's fund (total equity)

Step 4: Calculating Weighted Average Cost of Capital (WACC)

The WACC is the minimum return that a firm must earn on existing invested capital. The WACC can be calculated by taking into account the proportionate weights of various funding sources such as common equity, straight debt, warrants and stock options, and multiplying them by the cost of each capital component.

$$\textbf{WACC Formula} = (E/V * Ke) + (D/V) * Kd * (1 - \text{Tax rate})$$

- E = Market Value of Equity
- V = Total market value of equity & debt
- Ke = Cost of Equity
- D = Market Value of Debt
- Kd = Cost of Debt
- Tax Rate = Corporate Tax Rate

Calculation of Cost of Equity (K_e)

$$K_e = R_f + \beta (R_m - R_f)$$

Where,

K_e = Cost of equity

R_f = Risk-free rate, the amount obtained from investing in securities and considered free risk, such as government bonds from developed countries.

R_m = Rate of market return, calculated by summing returns in five year period (for this study)

β = Systematic risk (individual risk), calculated by searching the rate of beta's stock in five year period (for this study).

Beta, it measures how much a Company's stock price reacts against the market as a (R_m – R_f) = Equity Market Risk Premium, Equity Market Risk Premium (EMRP) represents the return investors expected to compensate them for taking extra risk by investing in the stock market over and above the risk-free rate.

Beta is a key component for the Capital Asset Pricing Model (CAPM), which is used to calculate cost of equity. Capital Asset Pricing Model (CAPM**)** uses beta as one of the main co-efficients and measures the expected return on any of security. The beta of a security can be found relative to the market return in the following way:

Beta = Covariance (stock versus market returns)/Variance of the market returns

$$\beta_S = Cov\ (R_s\ ,\ R_m)\ /\ Var\ (R_m)$$

Where

β_s= beta of Company

R_s = The return on security R_m = The market return

Cov (R_s, R_m) = The covariance between the market return and return on security

Var (R_m) = The variance of the market return

Calculation of cost of debt (K_d)

The cost of debt is relatively simple to calculate, as it is composed of the rate of interest paid. In practice, the interest-rate paid by the Company can be modeled as the risk-free rate plus a risk component (risk premium), which itself incorporates a probable rate of default (and amount of recovery given default). For Companies with similar risk or credit ratings, the interest rate is largely exogenous (not linked to the Company's activities). Return on debt is the cost the Company must pay to borrowed capital. This capital can consist of different types of debt

with different maturities and interest rates. To be theoretically correct, these different loans should have their own entry in the equation for WACC.

The rate on debt is calculated by dividing financial expenses with the interest bearing debt. The interest bearing debt is comprised of construction contracts in progress, bank loans, credit institutions, mortgage debt and short-term share of long-term debt.

K_d (Cost of Debts) are calculated by dividing between interest expense and total long-term debts of the Company (total debt in this study).

$$\mathbf{K_d = (Interest\ Expense\ /\ Total\ Debts)}$$

Step 5: Calculate the Company's Economic Value Added (EVA)

Economic Value Added (EVA) is the financial performance measurement to capture true economic profit of a Company. It is also the performance measurement of the stockholders wealth overtime. There are diversity ways for calculating EVA which are used in this study.

EVA basically represents a firm's profit from operations after consideration of the cost of capital. Therefore, a firm's value is evaluated to be increasing only when the firm's operating profit after tax is greater than its cost of capital .

The EVA model works with three basic components - Capital, NOPAT and WACC. EVA can be defined as the firm's Net Operating Profit After Taxes (NOPAT), less the cost of capital . EVA proponents assume that any increment in the firm EVA increases the value of the firm .

$$\mathbf{EVA = NOPAT - (WACC \times IC)}$$

EVA > 0 - project value increases, the enterprise creates the value for owners
EVA = 0 - invested value returns without evaluation
MVA < 0 - there is a decline in the value of the enterprise

1.4.4.3 Market Value Added (MVA)

MVA is a measure which is conceptually linked with the free cash flow model of valuation, but in the certain way it also reflects the results of the decisions taken by managers in the past.

MVA = Market Value – Invested Capital

MVA > 0 - enterprise creates new value for the owners
MVA = 0 - amount invested returns without evaluation
MVA < 0 - there is a decline in the value of the enterprise

MVA is the difference between market value, which includes the market value of equityand debt, and capital invested by investors. Market value reflects how the market evaluates the successfulness of managers in managing the investor's money and also its trust in the future growth and development of the company.

1.5 LIMITATIONS OF THE STUDY

- Firstly, parochial behaviour problem is one of the often-mentioned limitations facing the EVA.
- Another problem of EVA is that it is distorted by inflation, with the result that it cannot be used during inflationary times to estimate actual profitability. A superior measure, the adjusted EVA, corrects for inflationary distortions
- In certain industries EVA alone is an inappropriate measure of financial performance.
- The most important limitation of the study is that the study solely depends on the published data and documents such as balance sheet and income statement
- It was difficult to obtain confidential data from the concerned department with a view point of secrecy that the company would like to observe.

CHAPTER II

REVIEW OF LITERATURE

CHAPTER II

2.1 REVIEW OF LITERATURE

Literature Review was done by referring previous studies, articles and books to know the areas of study and analyze the gap or study not done so far. There are various studies were conducted relating to operational performance of the company from which most relevant literatures were reviewed.

Stewart, and Bennett, G. (1994) observed that "EVA is a powerful new management tool that has gained growing international acceptance as the standard of corporate governance. It serves as the centrepiece of a completely integrated frame-work of financial management and incentive compensation." In essence, EVA is a way both to legitimize and to institutionalize the running of a business in accordance with basic micro economics and corporate finance principles.

You Lee (1995) researched that the use of EVA as a corporate performance measurement tool. His main research finding was that EVA is at best marginally better than measures such as ROA and ROE.

Lehn and Makhija (1996) studied EVA as performance measures and signals for strategic change. They found that both measures correlate positively with stock returns with traditional performance measures like return on assets (ROA), return on equity (ROE) and return on sales (ROS).

Chen and Dodd (1997) found that EVA could only account for 2.3% of stock price variability, while general operating measures, on average, could explain 6.2% of stock price variability, neither of which is very impressive. Each measure had extremely low R2, from which Chen and Dodd concluded that no single performance measure can be used to explain a company's stock price variability

Talib and San (1998) stated that for many years, senior managers, investors and analyst have been using conventional measures such as earnings, earnings per share (EPS), P/E ratios or return on equity for setting financial goals, for measuring financial performances and for valuations. Now another method is available for measuring corporate performance that is known as economic value added (EVA).

Pfeiffer (2000) considered mathematically EVA vs. discounted cash flow methods for resolving internal agency problems in decentralized decision-making. Besides the theoretical discussion, understanding is needed about the numerical behavior of the EVA under different conditions and about EVA's numerical relationship to the accounting measures like Return on Investments (ROI), Return on Equity (ROE) and to economic profitability measures like the Internal Rate of Return (IRR).

Girotra et al (2001) emphasized that the importance of the EVA. They compare the EVA with Return on Equity (ROE), Return on Net Worth (RONW), Return on Capital Employed (ROCE) and Earnings per Share (EPS).They argue that EVA is not a tool to create value but it encourages managers to think like owners, and, in the process may impel them to strive for better performance. The study concluded that EVA has been helpful because it forces companies to pay attention to capital employed and especially to excess working capital.

I.M.Pandey (2007), had stated that the financial statements contain information about the financial consequences and sources and uses of financial resources, one should be able to saywhether the financial condition of a firm is good or bad; whether it is improving or deteriorating.One can relate the financial variables given in financial statements in a meaningful way which will suggest the actions which one may have to initiate to improve the firm’s financial condition.

Popa et al (2009) argued that EVA can be an important tool that bankers can use to measure and improve the financial performance of their bank. They emphasize the advantages of EVA by comparing to other performanceindicators. Since EVA takes the interest of the bank's shareholders into consideration, the use of EVA by bank management may lead to different decisions than if management relied solely on other measures.

Rachchh Minaxi A (2011), have suggested that the financial statement analysis involves analyzing the financial statements to extract information that can facilitate decision making. It is the process of evaluating the relationship between component parts of the financial statements toobtain a better understanding of an entity's position and performance.

CHAPTER III

COMPANY PROFILE

CHAPTER III

3.1 COMPANY PROFILE

3.1.1 History Of Indian Banking

In India, the banking system is as old as early Vedic period. The book of Menu contains reference regarding deposits advances, pledge policy of loan, and rate of interest. From the beginning of 20th century banking has been so developed that in fact, has come to be called "LIFE BLOOD" of trade and commerce.

In India, banking has developed from the primitive stage to the modern system of banking in a fashion that has no parallel in the world history. With the dawn of independence, changes of vast magnitude have taken place in India. After independence India launched a process of planned economic activity in order to overcome the multitude of problems it faced as an underdeveloped nation. The increasing tempo of economic activity lead to tremendous increase in the volume and complexity of banking activity. Therefore, the role of banks has had to expand at a fast pace.

As engines of development and vehicle of silent Socio-economic revolution in the country, Indian banks have assumed new responsibilities in the fields of geographical expansion, functional diversification and personal portfolio. Indian banking transformed itself from 'Class banking to Mass banking'.

The banking system, the most dominant segment of financial sector, accounts for over 80% of the funds flowing through the financial sector.

A banking sector performs three Primary functions in an economy: The operation of the payment system, the mobilization of savings and the allocation of savings to investment projects. By allocating capital to the highest value use while limiting the risk and cost involved, the banking sector can exert a positive influence on the overall economy, and thus of broad macro economic importance.

The origin of the Indian banking industry may be traced to the establishment of bank of Bengal in Calcutta (now Kolkata) in 1786. The growth of banking industry in India may be studied in terms of two broad phases. Pre-independence (1786-1947) and Post-independence (1947 tilldate). The Post-independence phase may be further divided into three sub phases such

as pre-nationalization period (1947-1969). Post nationalization period (1969 to 1991) and Post-liberalization period .

3.1.2 History Of Central Bank Of India

Central Bank of India was established in the year 1911. The bank was the vision of Sir Sorabji Pochkhanawala. Out of 29 states, CBI has presence in 27 states and in 4 union territories. It has a network of 3656 branches and 178 extension counters.

Established in 1911, Central Bank of India was the first Indian commercial bank which was wholly owned and managed by Indians. The establishment of the Bank was the ultimate realization of the dream of Sir Sorabji Pochkhanawala, founder of the Bank. Sir Pherozesha Mehta was the first Chairman of a truly **'Swadeshi Bank'**. In fact, such was the extent of pride felt by Sir Sorabji Pochkhanawala that he proclaimed Central Bank of India as the 'property of the nation and the country's asset'. He also added that 'Central Bank of India lives on people's faith and regards itself as the people's own bank'.

In the year 1969, the Bank was nationalized along with 13 other major commercial banks and the Bank is currently owned by the Government of India. The Bank was renamed as Central Bank of India. The Bank introduced the credit card in the name Central card in the year 1980. In the year 1984, Indo-Zambia Bank Ltd, a joint venture Bank was incorporated under the laws of the Republic of Zambia, which carries out banking activities in Zambia.

In the year 1991, the Bank incorporated Cent Bank Home Finance Ltd (formerly known as Apna Ghar Vitta Nigam Ltd), a housing finance institution registered with the National Housing Bank as a subsidiary of the Bank for providing long term finance for the purchase or construction of houses in India. In the year 1994, Quick Cheque Collection Service (QCC) & Express Service was set up to enable speedy collection of outstation cheques.

In the year 2007, the Bank restructured their entire paid up capital by conversion of an amount aggregating Rs 8,000 million out of the equity share capital of Rs 11,241.40 million into perpetual non-cumulative preference share capital, while retaining the balance amount aggregating Rs 3,241.41 million as equity share capital of the Bank. The Bank entered into agreements with UTI Asset Management Company Pvt Ltd and Tata Asset Management Ltd for

the sale of their mutual fund products, for which the Bank is paid on a commission basis and fee basis, respectively.

During the year 2007-08, the Bank opened 96 branches and 1 new extension counters, upgraded 22 extension counters to full fledged branches and merged 4 branches and 3 extension counters with the base office. The Bank launched two retail lending scheme, such as Cent Udaan, which is the scheme for educational loan for commercial pilot training courses and Cent Swabhiman, a reverse mortgage loan scheme for senior citizens, in which senior citizens can monetise their residential property by mortgaging the same and in turn get periodic payments or lumpsum payment.

In May 2007, the Bank entered into an agreement with Franklin Templeton Asset Management (India) Pvt Ltd to distribute units of schemes of Franklin Templeton Mutual Fund. In July 2007, the Bank entered capital market with their maiden initial public offer. The IPO received stupendous response and was successfully oversubscribed by 62.07 times-the highest ever subscription received by any bank in India. After this issue, the Government of Indias shareholding in the Bank reduced to 80.20%. In March 15, 2008, the Bank entered into a MoU with SME Rating Agency of India Ltd for rating of SME borrowers.

Central Bank of India was conferred with the 1st Award under National Awards for Excellence in MSE Lending based on their outstanding performance in lending to Micro and Small Enterprises during the year 2007-08.

In December 29, 2008, Kotak Mahindra Asset Management Company, one of Indias leading mutual fund houses, entered into a distribution tie-up with Central Bank of India. Under the agreement Central Bank of India will offer the entire bouquet of Kotak Mutual Fund products from their branches.

During the year 2008-09, the Bank opened 190 branches and 22 Extension Counters were upgraded into full-fledged branches. Also, two branches namely, Cuffe Parade branch and Versova Road branch were merged with Colaba Causeway branch and Seven Bunglows branch respectively. In August 2008, the Bank launched two premium visa credit card products - Visa

Platinum and Visa Gold credit cards. They completed roll-out of 400 ATMs by October 2008 as per Phase-l implementation.

During the year, 3 RRBs namely Satpura Kshetriya Gramin Bank, Chambal Gwalior Kshetriya Gramin Bank and Ratlam Mandsaur Kshetriya Gramin Bank in Madhya Pradesh were amalgamated and formed a new entity with the name as Satpura Narmada Kshetriya Gramin Bank. Also, 2 RRBs namely Uttar Bihar Kshetriya Gramin Bank and Kosi Kshetriya Gramin Bank in Bihar were amalgamated and formed a new entity with the name Uttar Bihar Gramin Bank.

During the year 2009-10, the Bank opened 49 branches, upgraded 11 extension counters to full fledged branches and merged 1 branch. As per the Government of India notification, 2 RRBs namely Ballia Kshetriya Gramin Bank and Etawaha Kshetriya Gramin Bank in Uttar Pradesh were amalgamated and formed a new entity with the name as Ballia Etawaha Gramin Bank.

During the year, the Bank introduced new schemes to cater to market demand. These are Short Term Loan to companies eligible for issuance of Commercial Paper, Production Equipment Finance Scheme, Mibor linked short term loan for large corporate and Cent Swabhiman Plus (Annuity product) Cent Doctor and Cent Personal Gold Loan for Retail segments. Also, they commenced loan syndication which has elicited good response from the market.

In March 2009, the Bank launched prepaid Cent-Gift Cards and got license for issuance of prepaid Travel Cards in foreign currency. They entered into tie-up arrangement with HCL Infosystems Ltd., for providing need based finance for purchase HCL computers and also joined hands with Future Group for marketing Retail products to the customers at Big Bazaar Departmental Store all over India.

During the year 2010-11, the company opened 82 new branches and upgraded 53 extension counters into full fledged branches. They also opened 17 Mid Corporate branches and 1 Asset Recovery Branch. They opened 2 temporary branches for Common Wealth Games at Delhi which were closed. The ATM network was being expanded on a large scale. Banks ATM

network in year 2010-11 was expanded from 400 to 1006. The Bank has increased their paid-up capital by way of issue of Preference Shares in the form of Perpetual Non-Cumulative Preference Shares (PNCPS) to the tune of Rs 250 crore to Government of India.

In August 2011, the Bank entered into an agency tie-up with Cholamandalam MS General Insurance Company for selling their insurance products. The products will be customised for the Bank and will be sold through 3,728 bank branches.

The Bank is in the process of installing additional 900 ATMs including 150 bio-metric ATMs. They are also planned to install 1000 ATMs in rural areas and 1500 off site ATMs. The Bank is also in the process for having NEFT, direct Tax payment facility through ATMs.

Among the Public Sector Banks, Central Bank of India can be truly described as an All India Bank, due to distribution of its large network in 27 out of 29 States as also in 3 out of 7 Union Territories in India. Central Bank of India holds a very prominent place among the Public Sector Banks on account of its network of 3656 branches and 178 extension counters at various centres throughout the length and breadth of the country.

Product and services

Individual and NRI– CBI offers wide range of product and services such as saving account, deposits, mutual funds, debit card, credit card, NRI account, Money transfer facility, Remittance facility, various loan facilities, senior citizen account, etc.

Corporates– To corporates it offers various products and services such as corporate accounts, loans, RTGS, NEFT, CMS, etc.

Rural– In order to provide financial assistance it offers products and services catering its various requirements.

It also has two subsidiaries namely Centbank Financial & Custodial Services and Centbank Home Finance. Centbank Financial & Custodial Services provides specialised services and facilities to protect investments and estates during owner's lifetime and dispose them according to his will or trust.

Cent bank Home Finance provides financial assistance for construction, purchase, extension and renovation of house.

Milestone

- In the year 1921 bank introduced Home Savings Safe Deposit Scheme to build saving/thrift habits in all sections of the society.
- CBI in 1924 introduced exclusive ladies department to serve banking services to women clientele.
- In 1926 it introduced Safe Deposit Locker facility and Rupee Travellers' Cheques.
- In the year 1976 it established merchant banking cell.
- 1980 – Central card, the credit card of the Bank was introduced.
- 1986 – 'Platinum Jubilee Money Back Deposit Scheme' was launched.
- 1989 – The housing subsidiary Cent Bank Home Finance Ltd. was started with its headquarters at Bhopal in Madhya Pradesh.
- 1994 – Quick Cheque Collection Service (QCC) & Express Service was set up to enable speedy collection of outstation cheques.

Awards and Achivements

- The bank turned of 100 years in 2010, started on 21st December 1911by Sir Sorabji Pochkhanwala.
- 2010 –Central Bank of India has launched a new facility named– CentFast2India – in order remit funds online from United States to India.
- 2011 –Central bank of India launched Cent Double scheme that is designed to offer double the money deposited by the depositor, in seven–and–a–half year.
- In 2011, Department of official language, Ministry of Home Affairs presented second prize to Dr. Ram S.Sangapure, General Manager of MMZO of Central Bank of India for the best implementation of official language in Zonal office.
- In January 2011Central Bank of India was awarded SKOCH Award for its outstanding performance in JEEVIKA Project in Bihar. The Bank has made major contribution in socio–economic growth of underprivileged population living below the poverty line in the State through Self Help Group.

- 2012 –Central Bank of India has won the prestigious 'GOLDEN PEACOCK HR EXCELLENCE AWARD'
- Central Bank of India has been awarded **First Prize** for excellent implementation of Official Language Policy of Government of India in Mumbai Metro area for the year 2014-2015.
- Central Bank of India has been awarded with "Rajbhasha Kirti Puraskaar '' second prize for it's best implementation of Official Language Policy of Government of India under the category of nationalized banks in linguistic Region "B" for the year 2015-16 in a glittering function held on 14th September, 2016 (Hindi Day) at Rashtrapati Bhawan, New Delhi.
- Central Bank of India has been awarded First Prize for excellent implementation of Official Language Policy of Government of India in Mumbai Metro area for the year 2015 - 2016.
- Central Bank of India received Banking technology Award for best technology initiative for Financial Inclusion as Runner Up in the category amongst Medium Banks. The award title is **"The Best Financial Inclusion Initiative"** One-way Technology Conference, Expo and Awards Presentation Ceremony was organized by IBA on February 16, 2016 at Hotel Trident, Nariman Point.
- Central Bank of India has been awarded First Prize for excellent implementation of Official Language Policy of Government of India in Mumbai Metro area for the year 2016 - 2017.

CHAPTER IV

DATA ANALYSIS AND FINDINGS

CHAPTER IV

DATA ANALYSIS AND FINDINGS

4.1 RATIO ANALYSIS

4.1.1 CURRENT RATIO

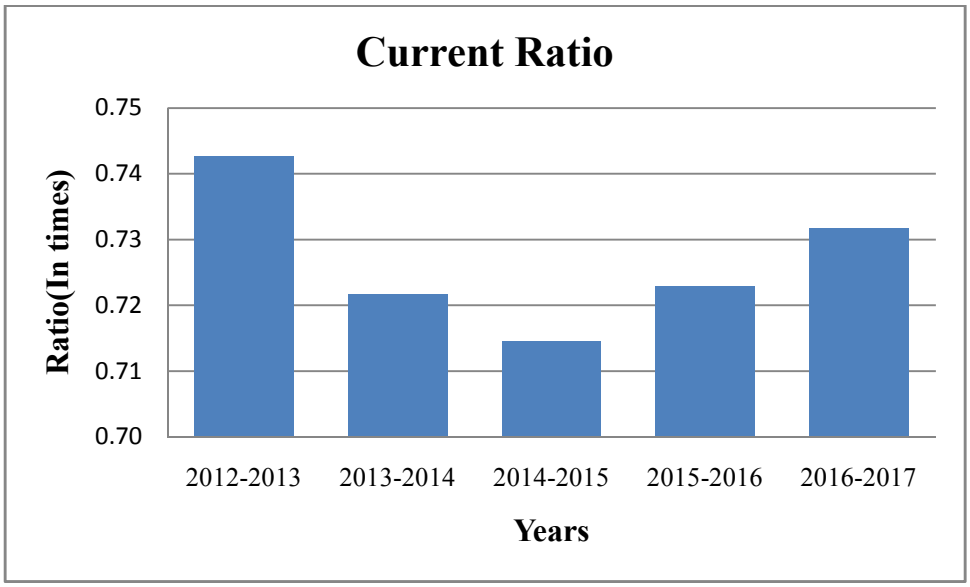
In order to measure the short-term liquidity or solvency of a concern, comparison of current assets and current liabilities is inevitable. Current ratio indicates the ability of a concern to meet its current obligations as and when they are due for payment.

$$\text{Current Ratio} = \frac{\text{Current asset}}{\text{Current liabilities}}$$

TABLE NO 4.1.1 CURRENT RATIO

Years	Current Asset (Rs)	Current Liability (Rs)	Ratio (In times)
2012-2013	192841	259656.68	0.74
2013-2014	200556.7	277937.32	0.72
2014-2015	213633.42	299003.44	0.71
2015-2016	212239.27	293606.22	0.72
2016-2017	237016.69	323904.78	0.73

CHART NO 4.1.1 CURRENT RATIO



INFERENCE

A high current ratio is an assurance that the firm will have adequate funds to pays current liabilities and other payment. A **current ratio** of **less than 1.0** could be a sign of trouble if the company runs into financial difficulty. It indicates that the current assets of the company is not sufficient to pay its current liabilities . During the year 2012-2013, the current ratio is 0.74 times and it is more when compared with other years.

4.1.2 DEBT EQUITY RATIO

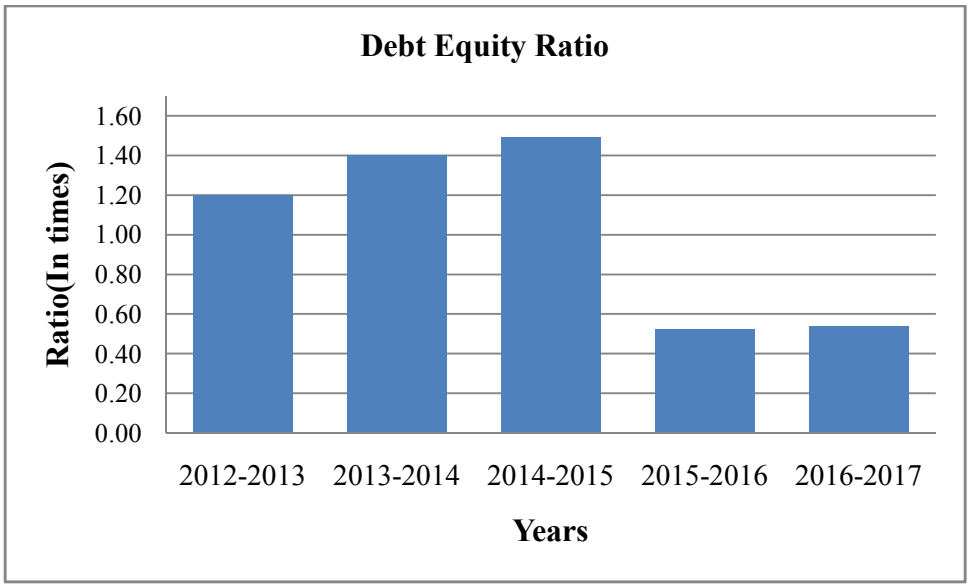
The debt equity ratio is determined to ascertain the soundness of the long term financial policies of the company and also to measures the relatives proposition of outsider's funds and shareholders funds investments in the company.

Debt-Equity Ratio = (Debt / Equity)

TABLE NO 4.1.2 DEBT EQUITY RATIO

Years	Debt (Rs)	Equity (Rs)	Ratio (In times)
2012-2013	18305.51	15312.85	1.20
2013-2014	22079.78	15788.56	1.40
2014-2015	25974.13	17456.91	1.49
2015-2016	9207.89	17679.14	0.52
2016-2017	9282.45	17268.14	0.54

CHART NO 4.1.2 DEBT EQUITY RATIO



INFERENCE

The debt-to-equity ratio is a measure of the relationship between the capital contributed by creditors and the capital contributed by **shareholders**. In general, a high debt-to-equity ratio indicates that a company may not be able to generate enough **cash** to satisfy its **debt obligations**.

However, low debt-to-equity ratios may also indicate that a company is not taking advantage of the increased profits that financial leverage may bring.

From the above table, during the year 2012-2015 the debt equity ratio is higher than 1 which means the debt is high. It is not good. In the year 2015-2017 it's less than 1. It's a good sign and it shows the low debt to the assets.

4.1.3 INTEREST COVERAGE RATIO

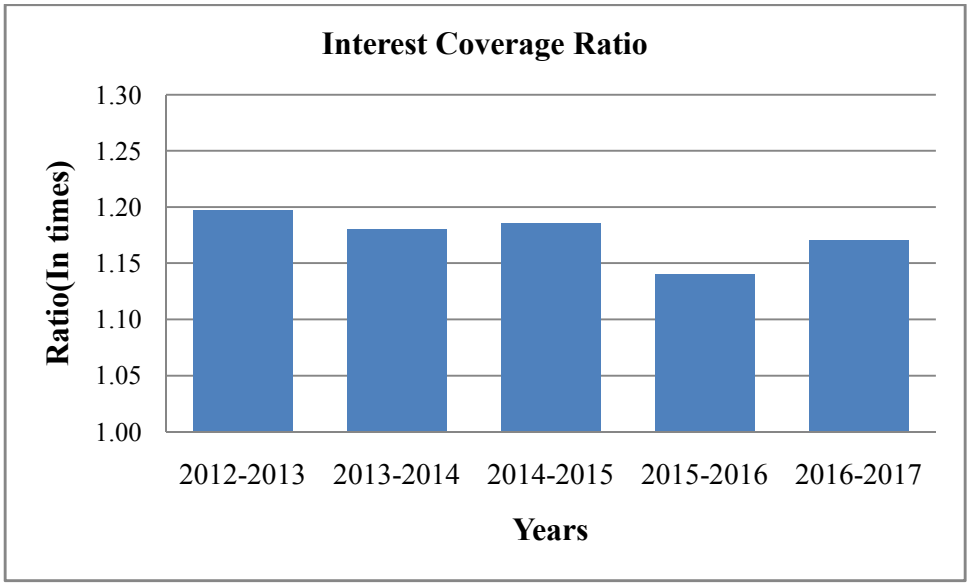
It is a ratio which deals with the servicing of interest on loan. It is a measure of security of interest payable on long-term debts. It expresses the relationship between profits available for payment of interest and the amount of interest payable**.**

Interest Ratio = (EBIT/Interest)

TABLE NO 4.1.3 INTEREST COVERAGE RATIO

Years	EBDIT (Rs)	Interest (Rs)	Ratio (In times)
2012-2013	19295.65	16123.08	1.20
2013-2014	21171.19	17933.16	1.18
2014-2015	22720.83	19161.71	1.19
2015-2016	21465.21	18822.27	1.14
2016-2017	21176.02	18087.4	1.17

CHART NO 4.1.3 INTEREST COVERAGE RATIO



INFERENCE

The interest coverage ratio is used to determine how easily a company can pay their interest expenses on outstanding debt. In general, a high coverage ratio may suggest a company is "too safe" and is neglecting opportunities to magnify earnings through leverage. An interest coverage ratio below 1.0 indicates that a company is not able to meet its interest obligations.

From the above table the coverage measurement is above 1, it means that the company is making more than enough money to pay its interest obligations with some extra earnings left over to make the principle payments.

4.1.4 TOTAL DEBT TO ASSET RATIO

It is an indicator of financial leverage. It tells you the percentage of total assets that were financed by creditors, liabilities, debt.

Total asset to Debt Ratio = (Total asset / Long-term debts)

TABLE NO 4.1.4 TOTAL DEBT TO ASSET RATIO

Years	Total asset (Rs)	Long term debts (Rs)	Ratio (In times)
2012-2013	259656.68	244343.82	0.85
2013-2014	277937.32	262148.77	1.06
2014-2015	299003.44	281546.52	1.06
2015-2016	293606.22	275392.08	1.07
2016-2017	323904.78	305953.64	1.06

CHART NO 4.1.4 TOTAL DEBT TO ASSET RATIO

INFERENCE

If this ratio is > 0.5, it is considered that the company is highly leveraged i.e. more than 50% assets are from borrowings either short term or long term. Lower debt to total asset ratio is considered better as a sign of financial stability of the company. This is because, if the value of debt to total asset ratio is low, it suggests that the company has borrowed fewer funds as compared to total assets that it owns. A high debt to total asset ratio does not go too well with the investors too.

From the above table, during the year 2012-2013 the ratio is 0.85 times. Thus, it can be implied that about 85% of company's assets are met by debt. It is better compare with other years.

4.1.5 RETURN ON EQUITY RATIO

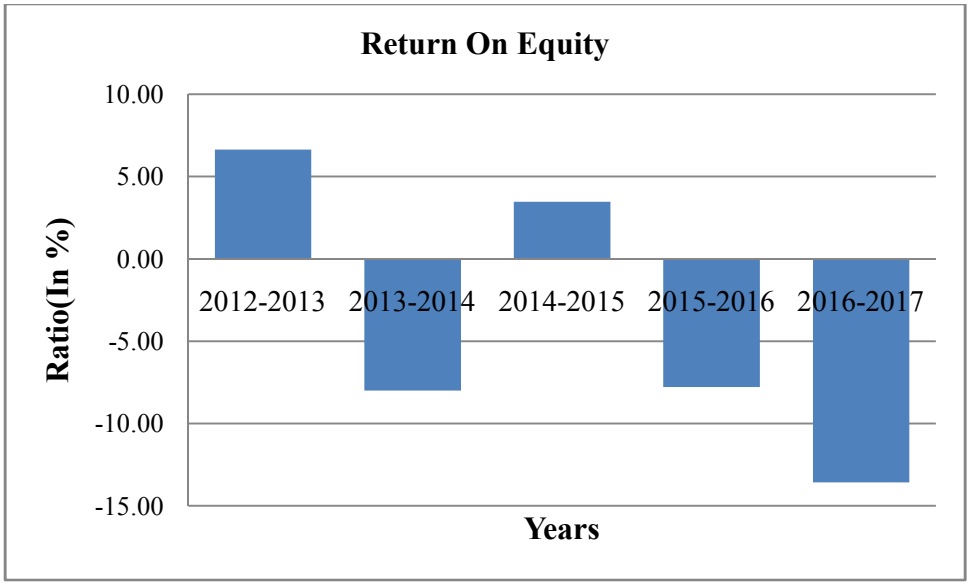
ROE is a profitability ratio that measures the ability of a firm to generate profits from its shareholders investments in the company.

ROE = (PAT / Networth) * 100

TABLE NO 4.1.5 RETURN ON EQUITY RATIO

Years	PAT (Rs)	Networth (Rs)	Ratio (In %)
2012-2013	1014.96	15312.85	6.63
2013-2014	-1262.84	15788.56	-8.00
2014-2015	606.45	17456.91	3.47
2015-2016	-1418.19	18214.14	-7.79
2016-2017	-2439.1	17951.14	-13.59

CHART NO 4.1.5 RETURN ON EQUITY RATIO



INFERENCE

ROE is especially used for comparing the performance of companies in the same industry. As with return on capital, a ROE is a measure of management's ability to generate income from the equity available to it. ROEs of 15-20% are generally considered good. A rising ROE suggests that a company is increasing its ability to generate profit without needing as much capital.

From the above table, during the year 2012-2013, 2014-2015 the ROE percentage is positive. It indicates the company must improve their ROE level. The average for return on equity *(*ROE*)* for companies in the banking industry in the first half of 2017 was about 9.75%.

4.2 EVA ANALYSIS

4.2.1 Cost Of Debt

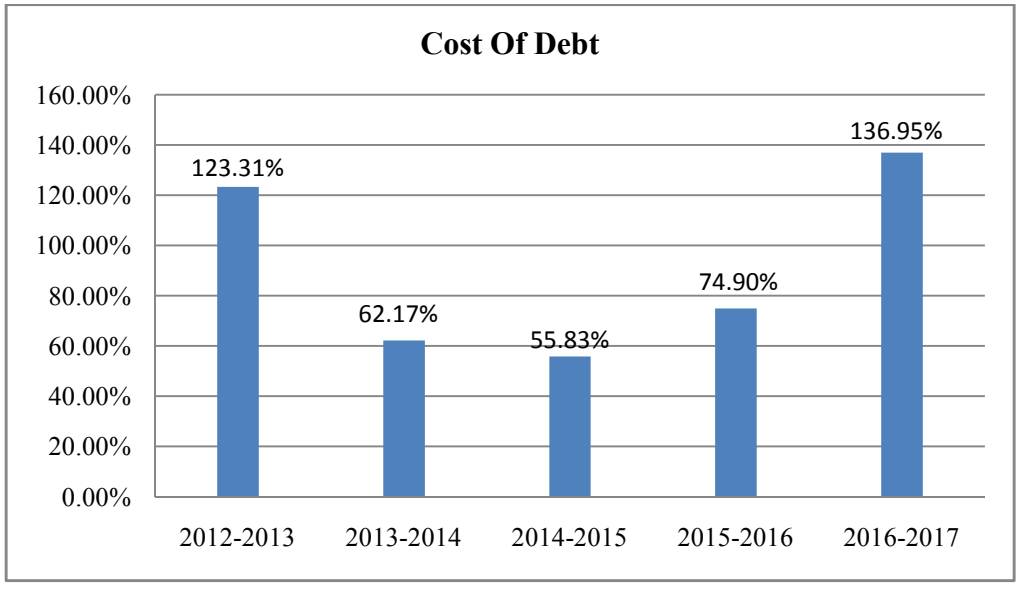
The cost of debt is relatively simple to calculate, as it is composed of the rate of interest paid. In practice, the interest-rate paid by the Company can be model as the risk-free rate plus a risk component (risk premium), which itself incorporates a probable rate of default (and amount of recovery given default).

Cost Of Debt (kd) = Interest / AvgBorrowings * (1-t)

TABLE NO 4.2.1 Cost Of Debt

Years	Interest	Avg Borrowings	Cost Of Debt (kd) = Interest /Avg Borrowings*(1-t)
2012-2013	16123.08	8061.54	123.31%
2013-2014	17933.16	17028.12	62.17%
2014-2015	19161.71	18547.44	55.83%
2015-2016	18822.27	18991.99	74.90%
2016-2017	18087.4	18454.84	136.95%

CHART NO 4.2.1 Cost Of Debt



INFERENCE

Cost of debt is the interest a company pays on its borrowings. It is expressed as a percentage rate. The Cost of Debt for the year 2016-2017 is 136.95%. It is substantially high compared to the cost of debt of previous years because the interest expense has increased in the year 2016-2017.

4.2.2 Cost Of Equity

The **cost of equity** is the return (often expressed as a rate of return) a firm theoretically pays to its **equity** investors, i.e., shareholders, to compensate for the risk they undertake by investing their capital. Firms need to acquire capital from others to operate and grow.

$$\mathbf{K_e = R_f + \beta\ (R_m - R_f)}$$

Where,

K_e = Cost of equity

R_f = Risk-free rate

R_m = Rate of market return

β = Systematic risk

Beta, it measures how much a Company's stock price reacts against the market as a (R_m – R_f) = Equity Market Risk Premium, Equity Market Risk Premium (EMRP) represents the return investors expected to compensate them for taking extra risk by investing in the stock market over and above the risk-free rate.

Beta is a key component for the Capital Asset Pricing Model (CAPM), which is used to calculate cost of equity. Capital Asset Pricing Model (CAPM**)** uses beta as one of the main co-efficients and measures the expected return on any of security. The beta of a security can be found relative to the market return in the following way:

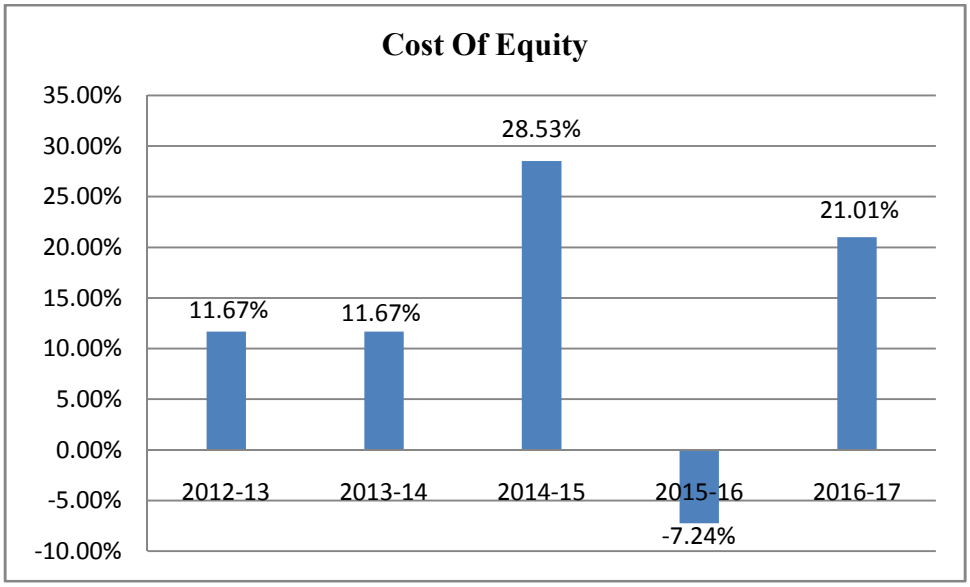
Beta = Covariance (stock versus market returns)/Variance of the market returns

$$\beta_S = Cov\ (R_s, R_m) / Var\ (R_m)$$

TABLE NO 4.2.2 Cost Of Equity

Years	Ri	Rm	Rf	Beta	Rm - Rf	Cost Of Equity (Ke) = Rf + B (Rm - Rf)
2012-13	-0.1402	0.0333	-0.0300	2.3049	0.06	11.67%
2013-14	-0.1720	0.0745	0.0425		0.03	11.67%
2014-15	0.3615	0.0945	-0.0504		0.14	28.53%
2015-16	-0.1737	-0.0385	-0.0128		-0.03	-7.24%
2016-17	0.1117	0.0673	-0.0413		0.11	21.01%

CHART NO 4.2.2 Cost Of Equity



INFERENCE

Cost of equity refers to a shareholder's required rate of return on an equity investment.

From the above table, during the year 2015-16 the cost of equity is -7.24%. It's very low compare than other years. In 2014-15 the cost of equity is 28.53%.It's more higher compare than other years.

4.2.3 Weighted Average Cost Of Capital

The WACC is the minimum return that a firm must earn on existing invested capital. The WACC can be calculated by taking into account the proportionate weights of various funding sources such as common equity, straight debt, warrants and stock options, and multiplying them by the cost of each capital component.

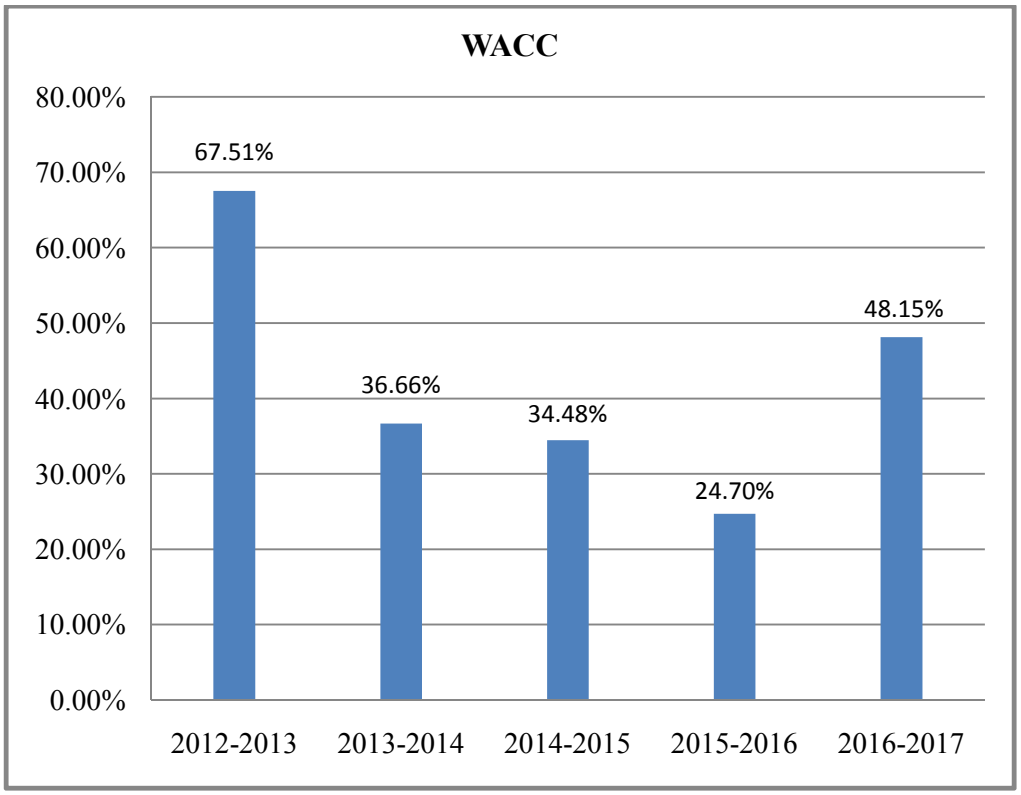
WACC = E/TVC * ke + B/TVC * kd

- E = Market Value of Equity
- Ke = Cost of Equity
- B = Market Value of Debt
- Kd = Cost of Debt

TABLE NO 4.2.3 Weighted Average Cost Of Capital

Years	E/TVC * ke	B/TVC * kd	WACC = E/TVC * ke + B/TVC * kd
2012-2013	0.004	0.671	67.51%
2013-2014	0.004	0.362	36.66%
2014-2015	0.011	0.334	34.48%
2015-2016	-0.004	0.252	24.70%
2016-2017	0.015	0.467	48.15%

CHART NO 4.2.3 Weighted Average Cost Of Capital



INFERENCE

WACC is typically a signal of higher risk associated with a firm's operations. WACC can be used as a hurdle rate against which to assess ROIC performance. It also plays a key role in economic value added (EVA) calculations.

From the above table, The WACC for the year 2012-2013 stood at 67.51%. It is higher than other years. A high weighted average cost of capital, or WACC, is typically a signal of higher risk associated with a firm's operations. But in the year 2013-2016 the WACC value was decreased. In 2016-2017 again the WACC value was increased.

4.2.4 Net Operating Profit after Tax (NOPAT)

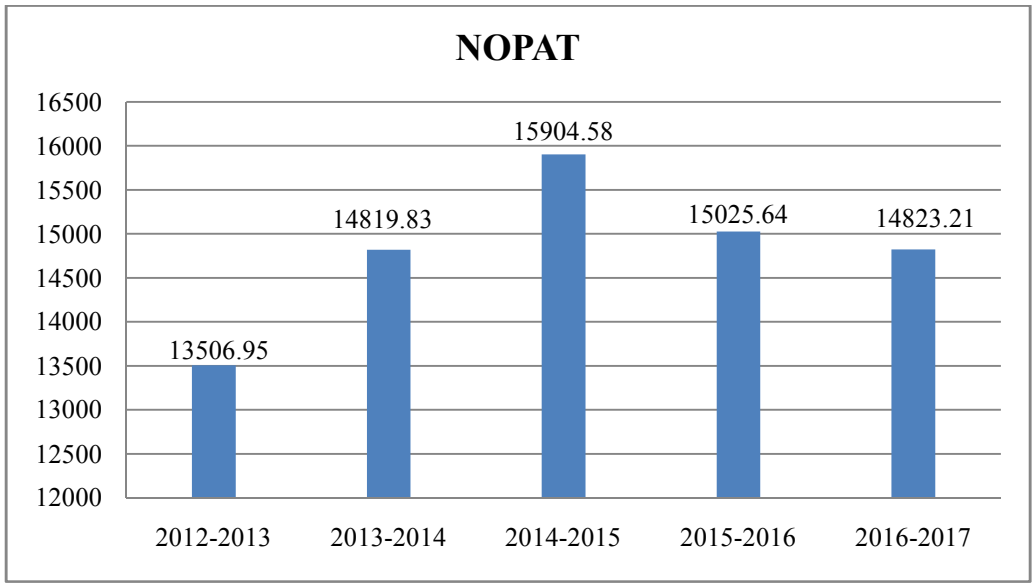
NOPAT is a measure of a Company's cash generation capability from recurring business activities and disregarding its capital structure.

NOPAT = EBIT (1 – Tax Rate)

TABLE NO 4.2.4 Net Operating Profit after Tax (NOPAT)

Year	EBIT	NOPAT = EBIT (1 - t)
2012-2013	19295.65	13506.95
2013-2014	21171.19	14819.83
2014-2015	22720.83	15904.58
2015-2016	21465.21	15025.64
2016-2017	21176.02	14823.21

CHART NO 4.2.4 Net Operating Profit after Tax (NOPAT)



INFERENCE

The NOPAT is a function of Earnings Before Interest payments and Taxes (EBIT) and the tax rate of the firm. NOPAT is an alternative measure for measuring operating efficiency. NOPAT is frequently used for calculating Economic Value Added (EVA).

4.2.5 Return On Invested Capital

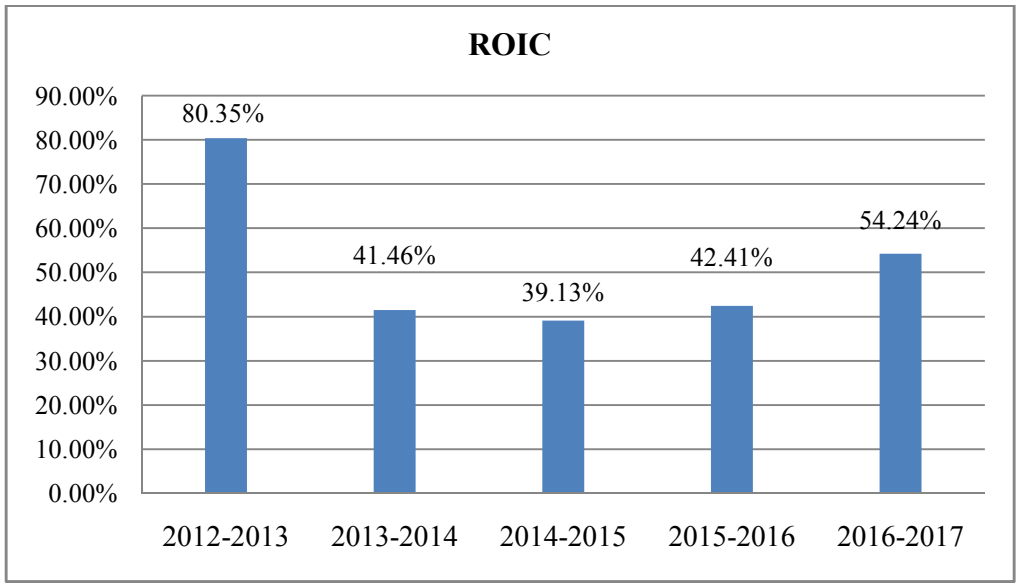
Return on invested capital (ROIC) is a profitability ratio. It measures the return that an investment generates for those who have provided capital, i.e. bondholders and stockholders.

ROIC = NOPAT / Avg TVC

TABLE NO 4.2.5 Return On Invested Capital

Year	NOPAT	Avg TVC	ROIC = NOPAT / Avg TVC
2012-2013	13506.955	16809.18	80.35%
2013-2014	14819.833	35743.35	41.46%
2014-2015	15904.581	40649.69	39.13%
2015-2016	15025.647	35426.535	42.41%
2016-2017	14823.214	27327.81	54.24%

CHART NO 4.2.5 Return On Invested Capital



INFERENCE

ROIC tells us how good a company is at turning capital into profits. Return on invested capital gives a sense of how well a company is using its money to generate returns.

From the above table, during the year 2012-2013 the ROIC rate is higher compare than other years. So the year of 2012-2013, the company makes their profits very efficiently.

4.2.6 Economic Value Added (EVA)

Economic Value Added (EVA) is the financial performance measurement to capture true economic profit of a Company. It is also the performance measurement of the stockholders wealth overtime. There are diversity ways for calculating EVA which are used in this study.

EVA basically represents a firm's profit from operations after consideration of the cost of capital. Therefore, a firm's value is evaluated to be increasing only when the firm's operating profit after tax is greater than its cost of capital.

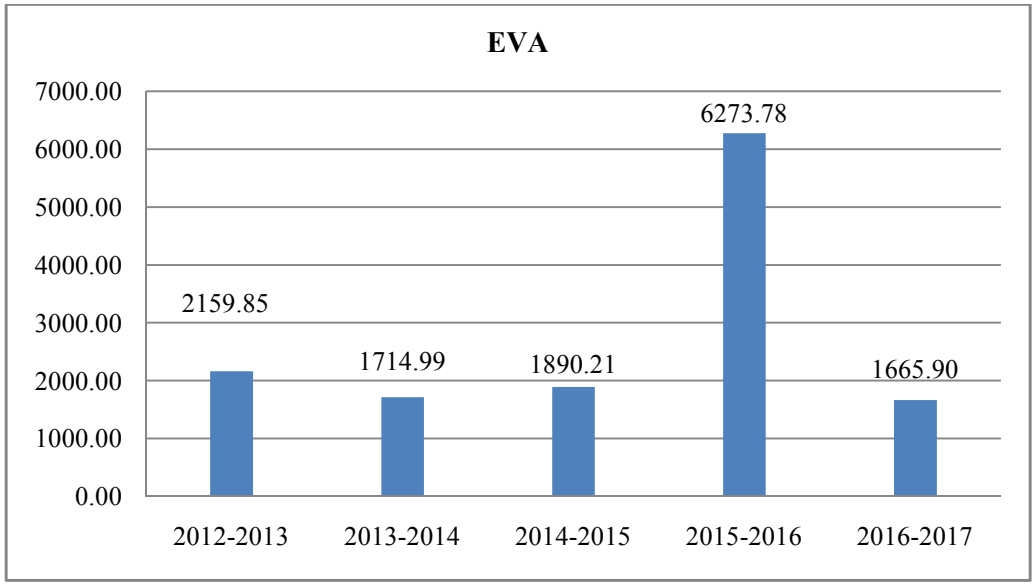
The EVA model works with three basic components - Capital, NOPAT and WACC. EVA can be defined as the firm's Net Operating Profit After Taxes (NOPAT), less the cost of capital. EVA proponents assume that any increment in the firm EVA increases the value of the firm.

EVA =NOPAT - (WACC × IC)

TABLE NO 4.2.6 Economic Value Added (EVA)

Year	NOPAT	WACC * Avg TVC	EVA = NOPAT-(WACC*AVG TVC)
2012-2013	13506.955	11347.10	2159.85
2013-2014	14819.833	13104.84	1714.99
2014-2015	15904.581	14014.37	1890.21
2015-2016	15025.647	8751.87	6273.78
2016-2017	14823.214	13157.31	1665.90

CHART NO 4.2.6 Economic Value Added (EVA)



INFERENCE

Economic value added (EVA) is an internal management performance measure that compares net operating profit to total cost of capital.

From the above table, the calculations for EVA for the last five years show that the Central Bank of India have been creating wealth for their shareholders. For the year 2015-2016 the bank earning a more return on equity in excess of the cost of equity compare than other years.

The positive number tells us the Central Bank of India more than covered its real value added shareholders wealth.

4.2.7 Market Value Added (MVA)

MVA is a measure which is conceptually linked with the free cash flow model of valuation, but in the certain way it also reflects the results of the decisions taken by managers in the past.

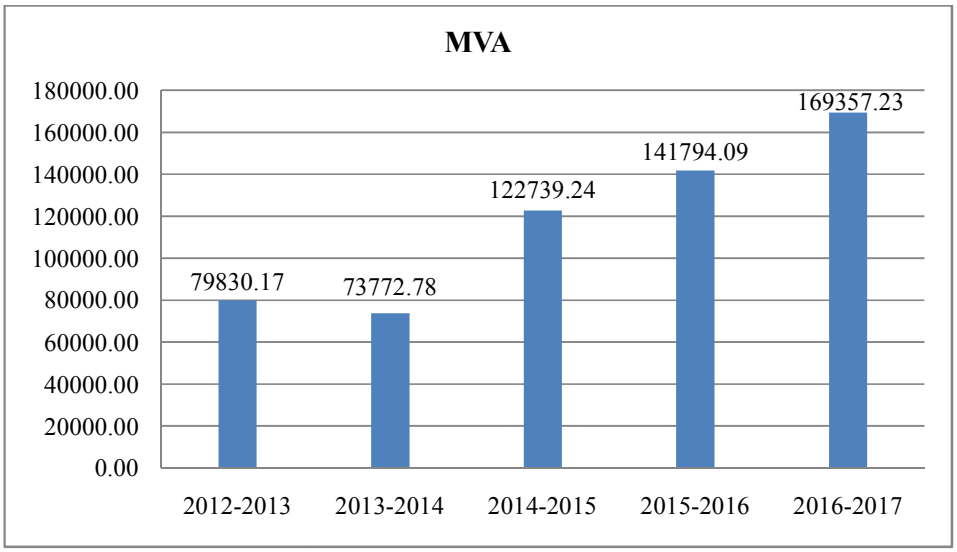
MVA = Market Value – Invested Capital

MVA is the difference between market value, which includes the market value of equity and debt, and capital invested by investors. Market value reflects how the market evaluates the successfulness of managers in managing the investor's money and also its trust in the future growth and development of the company.

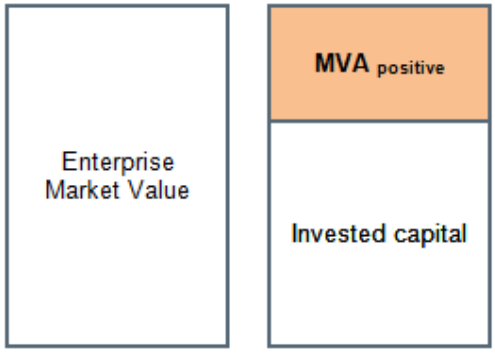
TABLE NO 4.2.7 Market Value Added (MVA)

Years	Market Capitalisation	Equity	MVA=Market capitalisation-Equity
2012-2013	82491.74	2661.58	79830.17
2013-2014	76740.22	2967.44	73772.78
2014-2015	124397.51	1658.27	122739.24
2015-2016	143483.8	1689.71	141794.09
2016-2017	171259.4	1902.17	169357.23

CHART NO 4.2.7 Market Value Added (MVA)



INFERENCE



MVA is used to measure the enterprise performance in the direction of maximizing shareholder's value. From the above table, MVA is positive, it indicates the Central Bank of India is able to create new value to its shareholders.

CHAPTER V

CHAPTER V

5.1 FINDINGS

Traditional Measures

Years	Current Ratio (In times)	Debt Equity Ratio (In times)	Total asset to debt Ratio (In times)	Interest Coverage Ratio(In times)	Return On Equity Ratio(in %)
2012-2013	0.74	1.20	0.85	1.20	6.63
2013-2014	0.72	1.40	1.06	1.18	-8.00
2014-2015	0.71	1.49	1.06	1.19	3.47
2015-2016	0.72	0.52	1.07	1.14	-7.79
2016-2017	0.73	0.54	1.06	1.17	-13.59

- During the year 2012-2013, the current ratio is 0.76% and it is more when compared with So the short term liquidity of a concern, comparison of current assets and current liabilities is inevitable.

- The debt equity ratio has shows 1.20% in 2012-2013 and it has been raised to 1.49% during 2014-2015 which indicates that the company has increased over the years with increase in shareholder funds as well.

- From the interest coverage table the coverage measurement is above 1, it means that the company is making more than enough money to pay its interest obligations with some extra earnings left over to make the principle payments.

- Total debt to asset ratio is > 0.5, it is considered that the company is highly leveraged. During the year 2012-2013 the ratio is 0.85 times. Thus, it can be implied that about 85% of company's assets are met by debt. It is better compare with other years.

- ROEs of 15-20% are generally considered good. During the year 2012-2013, 2014-2015 the ROE percentage is positive. It indicates the company must improve their ROE level. The average for return on equity *(*ROE*)* for companies in the banking industry in the first half of 2017 was about 9.75%.

Modern Measures

Years	Cost Of Debt	Cost Of Equity	WACC	NOPAT	ROIC	EVA	MVA
2012-2013	123.31%	11.67%	134.98%	13506.96	80.35%	2159.85	79830.17
2013-2014	62.17%	11.67%	73.83%	14819.83	41.46%	1714.99	73772.78
2014-2015	55.83%	28.53%	84.35%	15904.58	39.13%	1890.21	122739.24
2015-2016	74.90%	-7.24%	67.66%	15025.65	42.41%	6273.78	141794.09
2016-2017	136.95%	21.01%	157.96%	14823.21	54.24%	1665.90	169357.23

- As cost of debt increases EVA decreases, if the cost of debt increases there will be increase in WACC as a result EVA comes down.
- Cost of debt in the year 2015-2016 was 74.90% and for the 2016-2017 it was 136.95% as a result EVA decreased consequently for the year 2015-2016 to 2016-2017.
- As cost of equity decreases EVA increases because cost of capital is a specific cost of WACC.
- Cost of equity in the year 2015-2016 was -7.24% and for the 2016-2017 it was 21.01% as a result EVA decreased consequently for the year 2015-2016 to 2016-2017.
- WACC is inversely related to EVA, if WACC increases then EVA decreases and if WACC decreases then EVA increases.

- Cost of debt in the year 2012-2013 was 134.98% and for the 2016-2017 it was 157.96% as a result EVA decreased consequently for the year 2016-2017.

- From the above table, MVA is positive it indicates the Central Bank of India is able to create new value for its shareholders.

5.2 SUGGESTION

- The current ratio is improving rapidly so the company wants to keep an eye on the current assets flow. The company has been suggested to reduce the expenditure as it increases every year. Decrease in expenses will increase the profitability.

- The debt equity ratio is decreasing. The bank should focus on the debt and long term funds which are utilized in the bank. The excess cash flow should or can be utilized in any new ventures if the company wishes to do.

- Interest coverage ratio is mostly negative, it means that the company didn't making more than enough money to pay its interest obligations with some extra earnings left over to make the principle payments.

- WACC should be kept at minimum to obtain more EVA as WACC is inversely related to EVA. If WACC increases then EVA decreases and if WACC decreases then EVA increase.

- MVA is used to measure the enterprise performance in the direction of maximizing shareholder's value. From this project, MVA is positive, it indicates the Central Bank of India is able to create new value to its shareholders.It should be must followed by bank for their best financial performance.

- Although cost of capital is decreased over the years, it is not reduced substantially. Therefore, rigorous actions should be taken to curb the cost of capital.

5.3 CONCLUSION

As I have illustrated in this project, EVA can be an important tool that bankers can use to measure and improve the financial performance of their bank. Since EVA takes the interest of the bank's shareholders into consideration, the use of EVA by bank management may lead to different decisions than if management relied solely on other measures.

In the analysis of central bank of india, it is clear that the bank's financial performance is not bad. The bank has stable growth and it shows a greater efficiency in all the areas it works. The suggestions provided through the study will help the bank to improve the financial performance efficiently.

APPENDIX

Profit & Loss - Central Bank of India Rs (in Crores)

YEARS / PARTICULARS	Mar'17 12Months	Mar'16 12Months	Mar'15 12Months	Mar'14 12Months	Mar'13 12Months
INCOME:					
Sales Turnover	24661.41	25887.9	26408.78	24427.55	21860.65
Excise Duty	0	0	0	0	0
NET SALES	24661.41	25887.9	26408.78	24427.55	21860.65
Other Income	0	0	0	0	0
TOTAL INCOME	27537.05	27826.68	28303.01	26350.13	23527.98
EXPENDITURE:					
Manufacturing Expenses	0	0	0	0	0
Material Consumed	0	0	0	0	0
Personal Expenses	4214.31	4465.67	3824.94	3537.01	2891.55
Selling Expenses	33.33	30.93	0	0	0
Administrative Expenses	1856.02	1625.43	1528	1433.38	1156.33
Expenses Capitalised	0	0	0	0	0
Provisions Made	6617.53	5011.61	2668.67	4232.87	1852.61
TOTAL EXPENDITURE	12721.18	11133.65	8021.61	9203.26	5900.49
Operating Profit	470.36	943.59	1894.13	1524	1689.69
EBITDA	21433.4	21704.65	22950.07	21379.74	19480.1
Depreciation	257.37	239.43	229.24	208.55	184.45
EBIT	21176.02	21465.21	22720.83	21171.19	19295.65
Interest	18087.4	18822.27	19161.71	17933.16	16123.08
EBT	-3528.9	-2368.67	890.45	-994.84	1319.96
Taxes	-1089.8	-1251	284	268	305
Profit and Loss	-2439.1	-1117.67	606.45	-1262.84	1014.96
Non Recurring Items	0	0	0	0	0
Other Non Cash Adjustments	0	-300.52	0	0	0
REPORTED PAT	-2439.1	-1418.19	606.45	-1262.84	1014.96
KEY ITEMS					
Preference Dividend	0	0	0	0	150.5
Equity Dividend	0	0	66.03	0	191.66
Equity Dividend (%)	0	0	3.98	0	18.34
EPS - Annualised (Rs)	-12.82	-8.39	3.66	-9.35	9.72

Balance Sheet - Central Bank of India Rs (in Crores)

Years/Particulars	Mar'17 12 Months	Mar'16 12 Months	Mar'15 12 Months	Mar'14 12 Months	Mar'13 12 Months
Liabilities					
Share Capital	2585.17	2224.71	1658.27	2967.44	2661.58
Reserves & Surplus	15365.97	12697.08	13984.48	10981	10783.69
Net Worth	17951.14	18214.14	17456.91	15788.56	15312.85
Secured Loan	9282.45	9207.89	25974.13	22079.78	18305.51
Unsecured Loan	296671.2	266184.2	255572.4	240069	226038.3
TOTAL LIABILITIES	323904.8	293606.2	299003.4	277937.3	259656.7
Assets					
Gross Block	4290.37	4359.29	2833.16	2804.39	2684.75
(-) Acc. Depreciation	0	0	0	0	0
Net Block	4290.37	1066.94	1019	964.27	817.17
Capital Work in Progress	0	0	0	0	0
Investments	92094.88	88867.54	95473.92	86135.14	72603.79
Inventories	0	0	0	0	0
Sundry Debtors	0	0	0	0	0
Cash and Bank	78766.53	15541.05	14810.28	12378.03	14092.21
Loans and Advances	158250.2	196698.2	198823.1	188178.7	178748.8
Total Current Assets	237016.7	212239.3	213633.4	200556.7	192841
Current Liabilities	9497.17	11859.88	12937.06	11558.9	8472.87
Provisions	0	0	0	0	0
Total Current Liabilities	9497.17	11859.88	12937.06	11558.9	8472.87
NET CURRENT ASSETS	227519.5	200379.4	200696.4	188997.8	184368.1
Misc. Expenses	0	0	0	0	0
TOTAL ASSETS(A+B+C+D+E)	323904.8	293606.2	299003.4	277937.3	259656.7

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